



## Invitation to the Annual General Meeting on June 6, 2019

LPKF Laser & Electronics Aktiengesellschaft, Garbsen, Germany  
ISIN DE 0006450000

Dear Shareholders,

Our Annual General Meeting for this year, to which you are hereby invited, takes place on Thursday, June 6, 2019, at 10:00 a.m., at the Hannover Congress Centrum, Theodor-Heuss-Platz 1-3, 30175 Hannover, Germany.

### I. Agenda

- 1. Presentation of the adopted annual financial statements as of December 31, 2018, the approved consolidated financial statements as of December 31, 2018, the combined Management report and Group Management report and the Supervisory Board's report for the 2018 financial year, as well as the explanatory report of the Management Board on the disclosures under Sections 289a (1) and 315a (1) 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/en/investor-relations/annual-general-meeting/](http://www.lpkf.com/en/investor-relations/annual-general-meeting/). The documents will also be available at the Annual General Meeting and will be explained orally.

The Supervisory Board has approved the annual financial statements prepared by the Management Board and the consolidated financial statements under Sections 171 and 172 German Stock Corporation Act (Aktiengesetz). The annual financial statements are thus adopted. In accordance with the statutory provisions, a resolution of the Annual General Meeting on Item 1 of the Agenda is therefore not scheduled.

- 2. Resolution regarding the use of the net profit for the 2018 financial year**

The Management Board and the Supervisory Board propose that the net profit of EUR 6,158,872.88 evidenced in the annual financial statements of LPKF Laser & Electronics Aktiengesellschaft for the 2018 financial year be fully carried forward.

- 3. Resolution regarding the ratification of the acts of the Management Board for the 2018 financial year**

The Management Board and the Supervisory Board propose that the acts of the members of the Management Board be ratified for the 2018 financial year.

- 4. Resolution regarding the ratification of the acts of the Supervisory Board for the 2018 financial year**

The Management Board and the Supervisory Board propose that the acts of the members of the Supervisory Board be ratified for the 2018 financial year.

- 5. Election of the auditors of the annual financial statements and the consolidated financial statements for the 2019 financial year**

The Supervisory Board itself carries out the functions of the Audit Committee in accordance with Art. 16 of Regulation (EU) no. 537/2014 of the European Parliament and Council of April 16, 2014, regarding specific requirements for the final audit of companies of public interest and the repeal of Order

2005/909/EC of the Commission ("**Final Audit Regulation**"). The Supervisory Board recommends, on the basis of a selection process carried out in accordance with Art. 16 of the Final Audit Regulation, electing either the KPMG AG Wirtschaftsprüfungsgesellschaft, Hannover, or the BDO AG Wirtschaftsprüfungsgesellschaft, Hannover, as the annual financial statement auditor and the consolidated financial statement for the 2019 financial year and indicates its preference for the former, since it overall came out as the strongest candidate from the systematized request for tender process.

The Supervisory Board therefore proposes that KPMG AG Wirtschaftsprüfungsgesellschaft, Hannover, Germany, be elected auditor of the annual financial statements and the consolidated financial statements for the 2019 financial year.

The Supervisory Board declares that its recommendation and election proposal are free of any undue influence from third parties and, in particular, that none of the provisions restricting the selection options within the meaning of Art. 16 Para. 6 of the Final Audit Regulation were imposed upon the Supervisory Board.

## **6. Supervisory Board Elections**

The ordinary terms of office of Dr. Markus Peters and Prof. Dr.-Ing. Erich Barke in the Supervisory Board of the company will respectively conclude at the end of the Annual General Meeting of June 6, 2019. Dr. Peters should be proposed for reelection and Prof. Dr.-Ing. Ludger Overmeyer should be proposed for election to the Supervisory Board at the Annual General Meeting.

The Company's Supervisory Board comprises, in accordance with Sections 95 sentence 1, 96 (1) last alternative and 101 (1) German Stock Corporation Act (Aktiengesetz), exclusively members to be elected by the Annual General Meeting, and consists of three members in accordance with Article 11 (1) of the Articles of Incorporation.

It is intended that the Annual General Meeting participants will vote individually with regard to the elections to the Supervisory Board.

The Supervisory Board proposes electing the following persons as shareholder representatives to the Supervisory Board:

6.1 Dr. Markus Peters, residing in Düsseldorf, Management Board member of German Technology AG;

6.2 Prof. Dr.-Ing. Ludger Overmeyer, residing in Wunstorf, university professor and Head of the Institute for Transportation and Automation Technology at Leibniz University in Hannover and Chairman of the Scientific Board and Board Member at Laser Zentrum Hannover e.V. (LZH)

respectively for a term of office beginning at the end of the Annual General Meeting on June 6, 2019, and concluding at the end of the Annual General Meeting ratifying the 2023 financial year.

The Supervisory Board has, in making its election proposals to the Annual General Meeting, taken into account the goals set by the latter for its composition and strives to further expand the expertise profile for the entire committee.

The candidate proposed for reelection, Dr. Markus Peters, has indicated his willingness to run for the future chairmanship of the Supervisory Board in the event of his reelection to the Supervisory Board.

Additional information on agenda item 6 can be found below under II.

## **II. Additional Information on the Candidates Proposed for Election to the Supervisory Board under Agenda Item 6**

### **1. Resumes and information as per Section 125 Para. 1 Sentence 5 AktG**

Below, you will find the resumes of the current Chairman of the Supervisory Board running for reelection and of the candidate proposed for election to the Supervisory Board. Said resumes also include the information as per Section 125 Para. 1 Sentence 5 AktG regarding memberships in legally re-

quired Supervisory Boards of other domestic companies and in comparable governing bodies of other domestic and foreign commercial companies.

## Candidate for Reelection:

Name: Dr. Markus Peters  
Practiced profession: Chairman of German Technology AG (not listed)  
Domicile: Düsseldorf  
Year of birth: 1964  
Nationality: German

Since October 16, 2017 Chairman of the Supervisory Board of LPKF Laser & Electronics AG  
Since July 13, 2017 Member of the Supervisory Board of LPKF Laser & Electronics AG

### Professional career:

Since 2017 Chairman of German Technology AG  
2013 – 2017 DMG MORI Group (formerly Gildemeister AG)  
Director of Finance, Accounting & Controlling, DMG MORI ECOLINE AG, Winterthur, Switzerland  
CFO, DMG (Shanghai) Machine Tools, Co., Ltd., Shanghai, China  
2011 – 2013 Development of the Treasury/Finance function, INOXUM GmbH, Duisburg  
2011 – 2011 Vice President Compliance & Risk Management, THYSSENKRUPP VDM GmbH, Werdohl  
2007 – 2011 CFO, THYSSENKRUPP VDM USA, Inc., Florham Park, NJ, USA  
2003 – 2007 Central Unit Head for Controlling, THYSSENKRUPP VDM GmbH, Werdohl  
2001 – 2003 Head of Strategic Controlling, THYSSENKRUPP VDM GmbH, Düsseldorf  
1999 – 2000 Senior Manager for Strategic Projects, Group Development, RWE AG, Essen  
1996 – 1998 M&A Project Manager for Central and Eastern Europe, RWE ENERGIE AG, Essen  
1992 – 1996 Scientific Assistant, Institute for Business Administration, Chair for Financial Economy,  
Christian Albrechts University, Kiel  
1994 – 1996 City Councilman, Kiel  
1992 – 1994 Lecturer (Financial Economy), Kiel University of Applied Sciences, Kiel

### Education:

1997 Doctorate in Business Administration (Dr. sc. pol.), Christian Albrechts University, Kiel  
1990 – 1991 Study of Business Administration, The Pennsylvania State University, University Park, PA, USA, Master's Degree  
1987 – 1990 Study of Business Administration, Christian Albrechts University, Kiel  
1984 – 1987 Bank clerk training, Kieler Volksbank eG

### Memberships in other statutory supervisory boards:

None

### Memberships in comparable domestic and foreign governing bodies of commercial companies:

Non-executive member of the Board of Directors of LPKF Distribution Inc., Portland, USA (not listed)

### Relevant knowledge, abilities, and experience:

Dr. Peters is a proven financial expert who has worked in the industry for over 20 years in various groups operating internationally. As a manager with a broad range of qualifications, he has verifiably mastered the commercial topics at the operational and strategic level. He has in-depth industry expertise in mechanical engineering and capital market experience. Dr. Peters is also knowledgeable in compliance & risk management. Thanks to the several years he spent working abroad, he has experi-

ence in various cultures. Since July 2017, he has been a member of the Supervisory Board of LPKF Laser & Electronics AG and, since October 2017, its Chairman.

## Candidate for Election:

Name: Prof. Dr.-Ing. Ludger Overmeyer  
Practiced profession: University professor, Head of the Institute for Transportation and Automation Technology at Leibniz University in Hannover

Domicile: Wunstorf  
Year of Birth: 1964  
Nationality: German

## Professional Career:

Since 2018 Chairman of the Scientific Board at LZH and Board Member at LZH  
2013 – 2018 Managing Board Member at LZH  
Since 2010 Board Member at Laser Zentrum Hannover e. V. (LZH)  
Since 2007 Managing Partner at IPH, Institut für Integrierte Produktion GmbH, Hannover  
Since 2002 University professor and Head of the Institute for Transportation and Automation Technology at Leibniz University in Hannover  
2001 Appointment as Chair for Automation Technology at the Technical University of Cottbus  
1999 -2001 Head of Research and Development for Construction, Electronics, Software and Process Development, Mühlbauer AG  
1998 – 1999 Department Head for "Semiconductor Backend Automation" at Mühlbauer AG  
1997 Development Project Manager at Mühlbauer AG  
1994 – 1997 Department Head "Machines and Controls" at Laser Zentrum Hannover e. V. (LZH)  
1991 - 1993 Research associate at LZH

## Education:

1984 – 1991 Dipl.-Ing., Electrical engineering degree, University of Hannover  
1996 Dr.-Ing., Mechanical Engineering, University of Hannover

**Memberships in other statutory supervisory boards:** Since May 2014, Member of the Supervisory Board of Viscom AG, Hannover

**Memberships in comparable domestic and foreign governing bodies of commercial companies:** none

## Relevant knowledge, abilities, and experience:

Prof. Overmeyer is a proven expert in the field of laser technology and optics. He has long-term industry experience in leadership positions within the field of system technology for electronics manufacturing. Furthermore, Prof. Overmeyer can look back on more than 20 years of experience in leading a large number of national and international research projects within the fields of automation technology, electronics manufacturing, and laser technology. He has significant experience in the leadership and governance of companies as a manager and board member of larger institutes and supervisory board member of a listed company in plant engineering.

## 2. Information on personal and business relationships as per Section 5.4.1 of the German Corporate Governance Code

The candidate proposed for reelection to the Supervisory Board, Dr. Markus Peters, is a member of the Management Board of German Technology AG, a subsidiary of the BANTLEON Group. The main

shareholder of the BANTLEON Group is Mr. Jörg Bantleon who, as proved by his latest voting rights notification in accordance with Section 33 of the German Securities Act (WpHG), directly and indirectly holds a total of 28.95% of the voting rights for LPKF Laser & Electronics AG and is thus, as defined in Section 5.4.1 German Corporate Governance Code, a material participant and, as defined in Section 5.4.2 German Corporate Governance Code, a controlling shareholder. Dr. Peters is also a non-executive member of the Board of Directors of LPKF Distribution Inc., USA, a subsidiary of LPKF Laser & Electronics AG, from which he does not receive separate compensation.

The candidate proposed for election to the Supervisory Board, Prof. Dr.-Ing. Ludger Overmeyer, has terminated his membership in the Bantleon Technology Council, which had existed since March 1, 2018, effective February 28, 2019.

According to the assessment of the Supervisory Board, beyond that, there are no personal or business relationships that need to be disclosed as per Section 5.4.1 German Corporate Governance Code between the candidates proposed for election and the company, the bodies of the company, and a material shareholder of the company.

### **III. Report**

#### **Written report by the Management Board in accordance with Sections 203 (2) sentence 2 and 186 (4) sentence 2 German Stock Corporation Act (Aktiengesetz) similar to the partial utilization of the 2018 authorized capital in exchange for contributions in cash, excluding shareholders' subscription rights**

On the basis of the authorized capital adopted by the Annual General Meeting of LPKF Laser & Electronics Aktiengesellschaft ("Company") on May 31, 2018, and entered on June 27, 2018, in the Commercial Register, in accordance with Section 4 Para. 6 of the Articles of Association of the Company, the Management Board was authorized to increase the share capital once or several times until May 30, 2023, with the approval of the Supervisory Board by up to a total of EUR 5,567,397.00 by issuing up to 5,567,397 new, no-par value bearer shares in return for contributions in cash and/or in kind (2018 authorized capital).

The Management Board was also authorized, with the approval of the Supervisory Board, to exclude the subscription rights of shareholders, including in the event that the new shares are issued in return for cash contributions and the issue price of the new shares is not significantly lower than the stock exchange price of the shares currently listed when the issue price is finally determined. The number of shares issued with such exclusion of shareholders' subscription rights should not exceed a total of 10% of the share capital, neither at the time when this authorization takes effect nor when it is exercised.

#### **(1) Utilization of the authorization**

Based on the authorization in accordance with Section 4 Para. 6 of the Articles of Association of the Company, the Management Board resolved on August 16, 2018, with the approval of the Supervisory Board of the same day, to increase the share capital of the Company of EUR 22,269,588.00, divided into 22,269,588 no-par value bearer shares, by EUR 2,226,958.00 through the issue of 2,226,958 new no-par value bearer shares with a pro rata amount of the share capital of EUR 1.00 each ("New Shares") to EUR 24,496,546.00 through the partial utilization of the 2018 authorized capital as part of the capital increase in exchange for contributions in cash. The Management Board also resolved on August 16, 2018, with the approval of the Supervisory Board of the same day, that the subscription rights of the shareholders are excluded due to the authorization in Section 4 Para. 6 of the Articles of Association of the Company in accordance with Sections 203 Para. 1 and 186 Para. 3 Sentence 4 AktG.

The volume of the capital increase from the approved capital under exclusion of the subscription rights is equivalent to a pro rata amount of the share capital of the Company of 10% of the share capital – both in relation to the time of the entry into effect of the 2018 authorized capital on June 27, 2018, and in relation to the time of the utilization of the available share capital of the Company. The volume limitation for shares issued in exchange for contributions in cash under exclusion of

subscription rights provided for in the 2018 authorized capital is thus complied with. The other measures imputable to this volume limitation were not previously carried out by the Company.

Mr. Jörg Bantleon was approved for the subscription and takeover of the New Shares in exchange for a contribution in cash; at that time, this gentleman already held 20% of the voting rights to the company, directly and indirectly. This was preceded by negotiations between the Company and Mr. Bantleon. On August 16, 2018, Mr. Bantleon made a binding commitment to the Company to subscribe new shares from a capital increase for a volume of maximum 10% of the share capital, up to a maximum overall placement price of approximately EUR 16.2 million. Furthermore, he granted the Company additional external financing approval for EUR 20 million at standard market conditions in the event of the successful execution of such a capital increase, pending the approval of his person for subscription.

The issue price set by the Management Board on August 16, 2018, with the approval of the Supervisory Board of the same day, equivalent to the placement price, was EUR 7.275 per New Share. The gross issue proceeds from the capital increase were therefore around EUR 16.2 million. Thanks to the cash inflow, the Company gained sufficient financial leeway, including for investments in profitable growth. Furthermore, the Company has used the issue proceeds for debt reduction.

The Management Board also resolved on August 16, 2018, with the approval of the Supervisory Board of the same day, that the New Shares will pay dividends as of January 1, 2018. Accordingly, upon being issued, the New Shares were equipped with the same profit-sharing rights as the existing shares.

On August 31, 2018, the execution of the capital increase was entered in the Commercial Registry and on September 4, 2018, the New Shares were authorized to the regulated market of the Frankfurt Securities Exchange and to the section of the regulated market with other authorization obligations (Prime Standard) of the Frankfurt Securities Exchange and, on September 5, 2018, added to the existing listing of listed shares of the Company (ISIN: DE0006450000).

## **(2) Price determination**

For price determination, the requirements of Sections 203 Para. 1 and 186 Para. 3 Sentence 4 AktG were taken into account, compliance with which is required by the 2018 authorized capital for the exclusion of subscription rights for a capital increase in exchange for contributions in cash of a scope of up to 10% of the share capital. Therefore, the price for New Shares may not be significantly lower than the stock exchange price of Company shares.

The determined issue and placement price amount for each New Share of EUR 7.275 included a discount of approximately 3.5% on the XETRA closing price of the LPKF share as of August 15, 2018, which is the day prior to the announcement of the capital increase.

XETRA trading is essentially where the highest trading revenues of the Company share are generated; for this price determination, the closing price in XETRA trading on the day before the announcement of the capital increase thus represents a timely representative price and is therefore a suitable reference point for price determination. Accordingly, the discount was significantly under 5% and thus within the framework generally recognized as permissible.

## **(3) Reasons for the exclusion of the subscription right**

In their decision to exclude the subscription right of shareholders and approve Mr. Jörg Bantleon for subscription of the New Shares during the partial utilization of the 2018 authorized capital or its approval, the Management Board and the Supervisory Board have also taken in account the principle of equal treatment of shareholders in accordance with Section 53a AktG in addition to the requirements of Sections 203 Para. 1 and 186 Para. 3 Sentence 4 AktG. The unequal treatment of shareholders in the form of an allocation of New Shares to an existing shareholder is only permissible if it is justified by reasonable, objective reasons in the corporate interest of the company and if said allocation is not done in an arbitrary or abusive manner.

After in-depth examination, the Management Board and the Supervisory Board are convinced that strong, objective reasons in the corporate interest of LPKF Laser & Electronics AG justified the al-

location to Mr. Bantleon and made the executed exclusion of the subscription of shareholders necessary:

In August 2018, the Company had existing debt financing through a bank consortium that included loan contracts for around EUR 10 million and lines of credit for around EUR 31 million. The existing debt financing was guaranteed through a collateral pooling agreement, on the basis of which many measures of the Company could be subject to the approval of the banks. As part of the ongoing credit relationships, confidential negotiations between the Company and the bank consortium took place, during the course of which the banks demanded the external support of certain, from the point of view of the Company, necessary and time-critical operational measures through a corporate consultancy to be selected in coordination and agreement with the banks. After a consensual selection of the corporate consultancy, the Management Board was unexpectedly faced with, from its point of view, inappropriate fee demands, which were presented as non-negotiable, for this project support. This was deemed unacceptable for the company – especially since it had itself the necessary operational expertise that was required. In this situation, the Management Board had to examine alternative financing options on very short notice in order to strengthen the negotiating position of the Company overall, also in light of existing deadlines, to expand the existing financial room for maneuver and to ensure that the timely implementation of operational measures deemed necessary was not in any way compromised.

Through the full acquisition of all shares from a potentially cash capital increase of maximum 10% to be concluded with issue proceeds of approximately EUR 16.2 million by Mr. Bantleon, combined with his debt financing approval for another EUR 20 million, the Company received the necessary financial leeway to be able to reorganize and optimize the financing structure in the interest of the Company, if necessary. Due to this, the negotiating position of the Company toward the bank consortium was strengthened to such an extent that both significant additional financial burdens for the commissioning of a corporate consultancy for the support of upcoming measures could be avoided and, in particular, operational measures deemed necessary from the point of view of the company could be implemented faster. The allocation to Mr. Bantleon without incurring a placement risk served transaction security, was necessary from the point of view of the Management Board for the successful and short-term implementability of the capital increase and was overall necessary in order to give the Company the required financial leeway quickly with alternative financing options (issue proceeds from the capital increase plus debt financing approval).

In their decision regarding the exclusion of the subscription right of shareholders and the exclusive allocation to Mr. Bantleon, the Management Board and the Supervisory Board have critically and carefully weighed that Mr. Bantleon, through a full subscription of the New Shares from the capital increase, would hold a probable share of approximately 28.8% of the voting rights to the company and would, in the future, most likely have a quorum presence majority at the Annual General Meeting. In light of the facts above, the Management Board and the Supervisory Board deemed the company interest in the successful execution of the capital measure to be overriding as part of its considerations.

Incidentally, with the exclusion of the subscription right of shareholders, the Company has made use of the legally provided possibility of subscription right exclusion for cash capital increases of listed companies as per Sections 203 Para. 1 and 186 Para. 3 Sentence 4 AktG. Through a market-consistent price determination, the market situation at the time of the partial utilization of the 2018 authorized capital, favorable from the point of view of the Management Board and the Supervisory Board, could be used at short notice and the highest possible issue proceeds achieved. In contrast, the subscription period of at least two weeks required when granting a subscription right (Section 186 Para. 1 Sentence 2 AktG) would not have permitted a short-term reaction to current market conditions. Added to that is the fact that, when granting a subscription right, the final subscription price must be announced, at the latest, three days before the expiration of the subscription period (Section 186 Para. 2 Sentence 2 AktG). Due to the longer period between price determination and the processing of the capital increase, along with the volatility of the equity markets, there is therefore a higher market risk, and especially price development risk, than with an allocation without subscription rights. For the price determination, successful placement in the context of a capital increase with subscription right would therefore have required a corresponding security discount on the current stock exchange price and thus likely would not have led to market-consistent conditions.

Using the price determination close to the current stock exchange price and the limitation to 10% of the share capital of the shares issued under exclusion of the subscription right, the interests of

the shareholders were also suitably protected. Due to the liquid stock exchange trade, shareholders fundamentally have the opportunity to maintain their relative participation in the company with an additional purchase on the stock exchange at similar conditions.

Given the considerations above, the exclusion of the subscription right carried out in compliance with 2018 authorized capital requirements and statutory requirements was, overall, objectively justified.

This report of the Management Board regarding the partial utilization of the 2018 authorized capital can be consulted prior to the convening of the Annual General Meeting on the internet site of the Company at [www.lpkf.com/en/investor-relations/annual-general-meeting/](http://www.lpkf.com/en/investor-relations/annual-general-meeting/).

## **IV. 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, May 16, 2019, 12:00 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

**Thursday, May 30, 2019, 12:00 a.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

Fax: +49 (0) 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 a person's rights.

### **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 24,496,546.00 and is divided into 24,496,546 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 is convened is therefore 24,496,546.



## **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 Article 23 (2) of the Articles of Incorporation, 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 and other equivalent persons and institutions as proxies pursuant to Section 135 (8) and (10) in conjunction with Section 125 (5) German Stock Corporation Act (Aktiengesetz), as well as to the revocation and the confirmation of such proxies; shareholders are requested in such cases to agree at a timely date on the form and procedure for appointing the proxy with the person or institution to be appointed.

The declaration of proxy authorization may be made either to the proxy or the Company. Evidence of a proxy authorization issued to the proxy can be provided by presenting the proxy authorization at the admission checkpoint on the day of the Annual General Meeting. For submitting evidence of proxy authorizations by mail, fax or by an electronic channel (by e-mail) the Company provides the following address:

**LPKF Laser & Electronics Aktiengesellschaft**  
**Osteriede 7**  
**30827 Garbsen, Germany**  
**Fax: +49 (0) 5131 7095-9111**  
**E-mail: investorrelations@lpkf.com**

The aforementioned communication channels may also be used if the declaration of proxy authorization is submitted directly to the Company; no separate 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.

In order to facilitate organization, we ask our shareholders to submit proxies, evidence of proxies, and the revocation of proxies, insofar as they are submitted by mail or by fax, no later than June 5, 2019, 6:00 p.m. (time of receipt by the Company).

A form that can be used for appointing a proxy is on the back of the admission ticket that is sent to shareholders who have registered in due time. This form is also available for download at [www.lpkf.com/en/investor-relations/annual-general-meeting/](http://www.lpkf.com/en/investor-relations/annual-general-meeting/). 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 proxies nominated by the Company prior to 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 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/en/investor-relations/annual-general-meeting/](http://www.lpkf.com/en/investor-relations/annual-general-meeting/). Proxies and instructions issued to proxies nominated by the Company must also be submitted to the Company in text form.

In order to facilitate organization, shareholders who wish to appoint proxies nominated by the Company prior to the Annual General Meeting are asked to submit the proxies and the instructions to the following address no later than June 5, 2019, 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**

**Fax: +49 (0) 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/en/investor-relations/annual-general-meeting/](http://www.lpkf.com/en/investor-relations/annual-general-meeting/).

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, may also appoint proxies nominated by the Company at the Annual General Meeting to exercise the voting right.

## **Shareholders' rights**

### **Proposals to add items to the Agenda pursuant to Section 122 (2) German Stock Corporation Act (Aktiengesetz)**

Shareholders whose total shareholdings are equivalent to 1/20th of the Company's share capital or the pro rata amount of EUR 500,000.00 may request to have items placed on the Agenda and published in accordance with Section 122 (2) German Stock Corporation Act (Aktiengesetz). Every request for a new Agenda item must be accompanied by an explanation of the reasons for it 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, by no later than

**Monday, May 6, 2019, 12:00 a.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 Sections 126 (1) and 127 German Stock Corporation Act (Aktiengesetz)**

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. Prior to the Annual General Meeting, counterproposals and proposed candidates pursuant to Sections 126 (1) and 127 German Stock Corporation Act (Aktiengesetz) must be sent to exclusively the following address:

**LPKF Laser & Electronics Aktiengesellschaft**  
**Osteriede 7**  
**30827 Garbsen, Germany**  
**Fax: +49 (0) 5131 7095-9111**  
**E-mail: investorrelations@lpkf.com**

In accordance with Section 126 (1) German Stock Corporation Act (Aktiengesetz) the Company publishes counterproposals including the name of the shareholder, potential reason(s) for the counterproposal and any comment by the management on the Company's website at [www.lpkf.com/en/investor-relations/annual-general-meeting/](http://www.lpkf.com/en/investor-relations/annual-general-meeting/) if it receives the counterproposals, including potential 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, by no later than

**Wednesday, May 22, 2019, 12:00 a.m.,**

at the aforementioned address. Applications not sent to this address will be disregarded. The Company may refuse to publish a counterproposal if the conditions specified in Section 126 (2) German Stock Corporation Act (Aktiengesetz) apply, for instance, if the counterproposals could lead the Annual General Meeting to pass a resolution which violates the law or the Articles of Incorporation. It is not

mandatory to publish the reasons provided for a counterproposal if they exceed 5,000 characters. Pursuant to Section 127 German Stock Corporation Act (Aktiengesetz), the aforementioned applies analogously to proposals submitted by shareholders for the election of Supervisory Board members or auditors. In addition to those cases specified in Section 126 (2) German Stock Corporation Act (Aktiengesetz), publication of election proposals submitted by shareholders 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 Section 131 (1) German Stock Corporation Act (Aktiengesetz)**

Section 131 (1) German Stock Corporation Act (Aktiengesetz) 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 Section 131 (3) German Stock Corporation Act (Aktiengesetz), 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 Article 24 (2) of the Articles of Incorporation, the chairperson of the General Meeting may set appropriate time 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 convened, information pursuant to Section 124a German Stock Corporation Act (Aktiengesetz) will be made available to shareholders on the Company's website at

[www.lpkf.com/en/investor-relations/annual-general-meeting/](http://www.lpkf.com/en/investor-relations/annual-general-meeting/)

Additional information regarding the rights of shareholders pursuant to Section 122 (2), Section 126 (1), Section 127 and Section 131 (1) German Stock Corporation Act (Aktiengesetz) is also published at

[www.lpkf.com/en/investor-relations/annual-general-meeting/](http://www.lpkf.com/en/investor-relations/annual-general-meeting/)

Garbsen, Germany, April 2019  
LPKF Laser & Electronics Aktiengesellschaft

*The Management Board*

## **Information for Shareholders of LPKF Laser & Electronics AG on Data Protection as per Art. 13 and 14 GDPR**

Through this data protection notice, we are informing you of the processing of your personal data by LPKF Laser & Electronics Aktiengesellschaft ("LPKF") and of your rights in accordance with data protection law.

Controller of data processing

LPKF Laser & Electronics Aktiengesellschaft  
Osteriede 7  
30827 Garbsen, Germany  
Telephone: +49 (0) 5131 7095-0  
E-mail: info@lpkf.com

Contact information of our Data Protection Officer

Detlev Herwig, Data Protection Officer  
LPKF Laser & Electronics AG  
Osteriede 7  
30827 Garbsen, Germany  
Telephone: +49 (0) 5131 7095-0  
E-mail: privacy@lpkf.com

### **Purposes and legal bases of data processing**

In connection with the Annual General Meeting, LPKF processes your personal data (especially name, address, and other contact information of the shareholder, number of shares, type of ownership of the shares, admission ticket number; if applicable, name and address of the authorized representative respectively mandated by the shareholder) in accordance with the requirements of the German Data Protection Act (Bundesdatenschutzgesetz - "BDSG"), the General Data Protection Regulation ("GDPR"), the German Stock Corporation Act (Aktiengesetz - "AktG"), and all other relevant legal requirements. In so doing, the Company processes data that shareholders provide as part of registration for the Annual General Meeting or that has been provided by their custodian bank to the Company on this occasion. In accordance with Section 135 Para. 5 Sentence 2 AktG, a shareholder can authorize a credit institution or a shareholder association equivalent to it as per Section 135 Para. 8 AktG, or persons who professionally offer to represent shareholders for the purpose of exercising voting rights at the Annual General Meeting, to represent them at the Annual General Meeting and to exercise the voting right in the name of the party concerned. In this case, only the personal data of the representative is processed.

LPKF processes your personal data for the purpose of processing the registration and participation of the shareholders at the Annual General Meeting (e.g. verification of participation) and enabling shareholders to exercise their rights in the context of the Annual General Meeting (which includes the granting, the withdrawal, and the proof of any and all powers of attorney and instructions).

Processing this personal data is absolutely necessary for the proper preparation, execution, and follow-up of the Annual General Meeting. Without the provision of the relevant data, your participation in the Annual General Meeting, the exercise of voting rights and other AGM-related rights are not possible.

The processing includes procedures in connection with the registration of a shareholder for the Annual General Meeting, the participation in the Annual General Meeting of an authorized representative or the voting rights representative appointed by LPKF, the participant directory, agenda amendments requests, as well as counterproposals and election proposals.

The legal basis for the aforementioned data processing procedures is respectively Art. 6 (1) c) GDPR. According to the latter, data processing is lawful if it is necessary for the fulfillment of a legal obligation that the controller is subject to. The obligation to carry out the aforementioned processing procedures respectively arises from the Stock Corporation Act.

The processing of the aforementioned personal data is respectively necessary to fulfill the legally prescribed obligations of LPKF.

Furthermore, your personal data may also potentially be processed for the fulfillment of other legal obligations, such as supervisory requirements, as well as share, trade, and tax retention obligations.

The legal basis for the processing are the respective legal regulations in connection with Art. 6 Paragraph. 1 Sentence 1 c) GDPR.

If it is intended to process your personal data for another purpose, we will inform you of this beforehand as part of the legal provisions.

We do not use any purely automated decision-making procedures as per Article 22 GDPR or profiling.

### **Categories of recipients**

We inform you below of which categories of recipients we share your personal data with:

External service providers: For the organization of the Annual General Meeting, we rely on external service providers that process your personal data as per our instructions in compliance with Art. 28 GDPR.

Shareholders / Third parties: As part of the legally prescribed consultation right for the participant directory of the Annual General Meeting, shareholders can, upon request, access the data entered in the participant directory for up to two years after the Annual General Meeting. The participant directory is also made accessible to all participants as part of the Annual General Meeting. Your personal data will also be published in accordance with legal regulations as part of agenda amendments requests that must be made public, counterproposals or election proposals.

Other recipients: As part of legal regulations, we may be obliged to share your personal data with other recipients, such as authorities and courts.

The transfer of personal data to a recipient in a third-party country is not planned.

### **Duration of the storage of your personal data**

Fundamentally, we delete or anonymize your personal data as soon as – and to the extent that – they are no longer required for the purposes indicated herein, unless legal evidence and/or retention obligations (in accordance with the German Stock Corporation Act, the German Commercial Code, the German Tax Code, or other legal regulations) oblige us to further retention. The data in connection with Annual General Meetings is regularly deleted or anonymized after three years, unless further processing is required in individual cases in connection with claims asserted toward LPKF or by LPKF (legal statute of limitations of up to 30 years).

### **Your rights in accordance with data protection law**

To the extent that we process personal data about you, you have the following rights:

- Right of access to the data stored about you by LPKF (Art. 15 GDPR);
- Right of correction for incorrect data stored about you (Art. 16 GDPR);
- Right of deletion of your data, especially if it is no longer required for the purposes for which it was originally collected (Art. 17 GDPR);
- Right to restriction of processing (blocking), especially if the processing of your data is unlawful or if you dispute the accuracy of your data (Art. 18 GDPR);
- Right of complaint: For complaints regarding the processing of your personal data, our Data Protection Officer is at your service at the contact information provided. Regardless of the above, you have the right to file a complaint with the relevant data protection authority.

### **Disclaimer:**

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.