



On March 28, 2020, Germany enacted the *Gesetz über Massnahmen im Gesellschafts-, Genossenschafts-, Vereins-, Stiftungs- und Wohnungseigentumsrecht zur Bekämpfung der Auswirkungen der COVID-19-Pandemie* (Act on Measures of Corporate Law, Association Law, Foundation Law, and Residential Property Law to Combat the Effects of the COVID-19 Pandemic," recently amended, with effect from February 28, 2021, by the *Gesetz zur weiteren Verkürzung des Restschuldbefreiungsverfahrens und zur Anpassung pandemiebedingter Vorschriften im Gesellschafts-, Genossenschafts-, Vereins- und Stiftungsrecht sowie im Miet- und Pachtrecht* (Act to Further Shorten the Residual Debt Exemption Procedure and to Adapt Pandemic-related Regulations in Company, Cooperative, Association and Foundation Law as well as in Tenancy and Lease Law of December 22, 2020, also referred to as the **COVID-19 Act**) which opens up the possibility of conducting annual general meetings during 2021 without having shareholders or their proxies physically present ("virtual Annual General Meeting"). Given that the COVID-19 pandemic will continue for the foreseeable future, the associated rules of conduct adopted by the State of Lower Saxony, and the goal of avoiding health risks to shareholders, internal and external employees, and the members of the Company's corporate bodies, the Management Board of LPKF Laser & Electronics Aktiengesellschaft has decided, with the approval of the Supervisory Board, to avail itself of the option to hold a virtual Annual General Meeting.

Invitation to the Annual General Meeting on May 20, 2021

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

Dear Shareholders,

We invite you to our Annual General Meeting scheduled on **Thursday, May 20, 2021, at 10:00 a.m. (CEST)** (= 8 a.m. UTC (coordinated universal time)).

The Annual General Meeting will be conducted as a virtual Annual General Meeting **without the physical presence** of any shareholders or their proxies and will be broadcast in its entirety with video and audio for shareholders who register for the Annual General Meeting on time and in the proper form and provide evidence of their shareholdings or their proxies via the password-protected Internet service available at the Web address below:

<https://www.lpkf.com/en/investor-relations/annual-general-meeting/>

The login information for the Internet service will be sent to shareholders with their access cards after they have registered on time and in the proper form and submitted evidence of their shareholdings.

The venue for the Annual General Meeting within the meaning of the *Aktiengesetz* (AktG – German Stock Corporation Act) will be the offices of LPKF Laser & Electronics Aktiengesellschaft, Osteriede 7, 30827 Garbsen. Shareholders or their proxies (with the exception of proxies appointed by the Company) are not authorized to attend the Annual General Meeting in person. They are asked to take note of the special instructions on taking part in the virtual Annual General Meeting by watching the video and audio broadcast of the Annual General Meeting, exercising their voting rights (not participating online), and the rights of shareholders in section III.

I. Agenda

- 1. Presentation of the adopted annual financial statements as of December 31, 2020, the approved consolidated financial statements as of December 31, 2020, the combined Management report and Group Management report and the Supervisory Board's report for the 2020 financial year, as well as the explanatory report of the Management Board on the disclosures under Sections 289a (1) and 315a (1) of the German Commercial Code (HGB).**

The documents provided for Item 1 of the agenda can be viewed on the Company's website at <https://www.lpkf.com/en/investor-relations/annual-general-meeting/> as of the time the Annual General Meeting is convened as well as during the Annual General Meeting.

The Supervisory Board has approved the annual financial statements prepared by the Management Board and the consolidated financial statements under Sections 171 and 172 of the 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 2020 financial year**

The Management Board and the Supervisory Board propose that the net profit of EUR 20,204,751.70 reported in the annual financial statements of LPKF Laser & Electronics Aktiengesellschaft for the 2020 financial year be appropriated as follows:

Net retained profits	EUR 20,204,751.70
Of that, distribution of EUR 0.10 per share entitled to dividend	EUR 2,449,654.60
Of that, carry forward to new account	EUR 17,755,097.10

The proposed appropriation of profits is based on the assumption that every one of the 24,496,546 shares currently issued is entitled to a dividend. Until the Annual General Meeting, the number of no-par value bearer shares entitled to a dividend may change. In that case, an appropriately adjusted proposal on the appropriation of profits will be submitted to the Annual General Meeting. Said proposal will allow for an unchanged dividend of EUR 0.10 per share entitled to a dividend as well as a corresponding adjustment to the carryforward.

- 3. Resolution regarding the ratification of the acts of the Management Board for the 2020 financial year**

The Management Board and the Supervisory Board propose that the acts of the members of the Management Board be ratified for the 2020 financial year.

- 4. Resolution regarding the ratification of the acts of the Supervisory Board for the 2020 financial year**

The Management Board and the Supervisory Board propose that the acts of the members of the Supervisory Board be ratified for the 2020 financial year.

- 5. Resolution regarding amendments to Article 11 of the Articles of Incorporation to increase the number of members of the Supervisory Board and to Article 17 on voting in the Supervisory Board**

Pursuant to Sections 96, para. 1, last alternative, 101, para. 1 AktG, the Company's Supervisory Board is comprised solely of members elected by the Annual General Meeting and pursuant to Section 95, sentence 1 AktG and Article 11, para. 1 of the Articles of Incorporation, it is currently comprised of three members. Pursuant to Section 95, sentence 2 AktG, the Articles of Incorporation may set a higher number of members of the Supervisory Board, which pursuant to Section 95, sentence 3 AktG must be divisible by three if this is necessary in order for it to comply with its co-determination obligations. As the Company is not subject to any co-determination obligations, the number of members of the Supervisory

Board will be increased to four. The creation of another position on the Supervisory Board would better enable it to reflect, in terms of its composition and its nominations for the Supervisory Board to the Annual General Meeting, as wide a range of expertise and experience from different areas that are relevant for the Company as possible and to take account of the targets set by the Supervisory Board for the proportion of women on the Supervisory Board. In addition, a provision to resolve any ties on the Supervisory Board will also be introduced.

The Management Board and Supervisory Board propose the following:

- a) Article 11, para. 1 of the Articles of Incorporation shall be amended to read as follows:

"(1) The Supervisory Board is comprised of four members."

Article 11 of the Articles of Incorporation shall otherwise remain unchanged.

- b) Article 17, para. 2 and 4 of the Articles of Incorporation shall be amended to read as follows:

"Para. 2 The Supervisory Board shall have a quorum pursuant to the statutory regulations (Section 108, para. 2 and 3 AktG). Members of the Supervisory Board also participate in the adoption of resolutions if they abstain from voting."

"(4) Resolutions by the Supervisory Board shall be determined by a simple majority of the votes cast, provided there is no provision in the law or the Articles of Incorporation to the contrary. An abstention does not count as a cast vote. In the event of a tie, the Chairperson of the Supervisory Board shall cast the deciding vote. The Deputy Chairperson does not have the right to cast the deciding vote."

Article 17 of the Articles of Incorporation shall otherwise remain unchanged.

A side-by-side comparison of the current version of the above provisions of the Articles of Incorporation and the intended amendments to the provisions can be viewed on the Company's website at <https://www.lpkf.com/en/investor-relations/annual-general-meeting/> as of the time the Annual General Meeting is convened.

The company plans to hold individual votes on the amendments under to the Articles of Incorporation under a) and b).

6. By-election and election of two members of the Supervisory Board

Pursuant to Sections 96, para. 1, last alternative, 101, para. 1 AktG, the Company's Supervisory Board is comprised solely of members elected by the Annual General Meeting and pursuant to Section 95, sentence 1 AktG and Article 11, para. 1 of the Articles of Incorporation, it is currently comprised of three members.

Dr. Markus Peters resigned as a member of the Supervisory Board with effect from November 13, 2020. Mr. Jean-Michel Richard was appointed as a new member of the Supervisory Board to replace him in a decision by the Hanover Local Court with effect from November 25, 2020. Mr. Jean-Michel Richard, by resolution of the Annual General Meeting pursuant to Article 11, para. 4, sentence 1 of the Articles of Incorporation, shall be elected to the Supervisory Board for the remaining regular term of the departed member, i.e. until the end of the Annual General Meeting responsible for ratification for the 2023 financial year (agenda item 6.1).

With the entry into effect of agenda item 5 a) regarding the resolution proposed by the Annual General Assembly changing Article 11, para. 1 of the Articles of Incorporation, the Company's Supervisory Board pursuant to Sections 96, para. 1, last alternative, 101, para. 1 AktG will be comprised solely of members elected by the Annual General Meeting and, pursuant to Section 95, sentence 2 AktG and will, pursuant to Article 11, para. 1 of the Articles of Incorporation, be comprised of four members. A new election must be conducted for the newly created position on the Supervisory Board (agenda item 6.2).

The Supervisory Board nominates the following people as representatives of the shareholders on the Supervisory Board:

6.1 Mr. Jean-Michel Richard, resident of Leigh, Wiltshire, United Kingdom, founder and independent Senior Advisor of Fisadis Consulting Ltd, Rushall, United Kingdom,

for a term starting with the end of the Annual General Meeting on May 20, 2021, and ending with the close of the Annual General Meeting responsible for the ratification of the 2023 financial year.

6.2 Ms. Julia Kranenberg, domiciled in Helmstedt, Member of the Management Board (CHRO) der Avacon AG, Helmstedt

for a term starting with the entry into effect of agenda item 5 a) regarding the resolution proposed by the Annual General Assembly changing Article 11, para. 1 of the Articles of Incorporation, and ending with the close of the Annual General Meeting responsible for the ratification of the 2024 financial year.

The nominations submitted take account of the targets defined by the Supervisory Board for its composition and aim to further round out the skills profile for the entire Supervisory Board. As a financial expert, Mr. Jean-Michel Richard has expertise pursuant to Section 100, para. 5 AktG.

The Annual General Meeting will be given an opportunity to vote separately on the elections to the Supervisory Board.

Mr. Jean-Michel Richard has declared his willingness, if elected to the Supervisory Board, to stand as a candidate for Chairperson of the Supervisory Board.

The curricula vitae of the candidates, as well as additional information related to agenda item 6, can be found below in section II, no. II. 1.

7. Resolution regarding approval of the remuneration system for the members of the Management Board

Pursuant to the Act Implementing the Second Shareholders' Rights Directive (ARUG II) that was resolved on November 14, 2019, by the German Bundestag and published on December 22, 2019, in the Federal Gazette, Section 120 para. 4 AktG has been rescinded and a new Section 120a AktG has been introduced. The amendments to the AktG under ARUG II took effect on January 1, 2020. The provision in Section 120a para. 1 AktG states that at least every four years and following all major changes to the remuneration system, the Annual General Meeting of an exchange-listed company must ratify the approval of the remuneration system for the members of the Management Board as presented by the Supervisory Board.

In accordance with the transitional provision of Section 26j para. 1 EGAktG (Introductory Act to the Stock Corporation Act), the resolution under Section 120a para. 1 AktG will first be adopted in the 2021 Annual General Meeting as the first ordinary Annual General Meeting that follows December 31, 2020.

The Supervisory Board's resolution on the remuneration system and presentation to the Annual General Meeting for approval is taking place during a period of personnel transition at LPKF Laser & Electronics AG. Due to the departure of Dr. Götz Bendele as CEO and given the current term of the mandate of Christian Witt as CFO, the Supervisory Board is currently focused on a new appointment for the vacant position of CEO and speaking with Mr. Witt about extending his contract, which expires in September 2021. The remuneration system shall serve as a basis for the pending personnel decisions and allow the company to recruit and retain the best candidates for the Management Board for as long as possible, as well as provide an incentive to the Management Board for the successful long-term and sustainable development of the company.

The remuneration system for the members of the Management Board can be found in section II., para. II. 2 and on the company website at:

<https://www.lpkf.com/en/investor-relations/annual-general-meeting/>

The Supervisory Board proposes the following:

The remuneration system proposed by the Supervisory Board for the members of the Management Board in section II., para. II. 2 below is approved.

8. Resolution regarding the remuneration for the members of the Supervisory Board members and corresponding amendment to the Articles of Incorporation

Pursuant to new Section 113, para. 3 AktG, which was introduced by the Act Implementing the Second Shareholders' Rights Directive (ARUG II), at exchange-listed companies, a resolution must be issued at least every four years concerning the remuneration of the members of the Supervisory Board. The remuneration of the members of the Supervisory Board of LPKF Laser & Electronics Aktiengesellschaft is currently defined by Article 20 of the Articles of Incorporation and a resolution of the Annual General Meeting pursuant to Article 20, para. 1, sentence 1 of the Articles of Incorporation. Pursuant to the remuneration last resolved by the Annual General Meeting of June 2, 2016, the fixed annual basic remuneration of each Supervisory Board member is EUR 32,000.00. Under Article 20, para. 1, sentence 2 of the Articles of Incorporation, the Chairperson of the Supervisory Board receives double and the Deputy Chairperson receives one-and-a-half times the amount of the fixed annual basic remuneration. This is to remain as is.

However, to properly account for the additional time required of the chairpersons of future Supervisory Board committees, additional remuneration is to be introduced for the chairperson of a committee. Furthermore, the remuneration is to be paid semi-annually in the future. The total remuneration should be integrated into the Articles of Incorporation and amended accordingly under Article 20 of the Articles of Incorporation.

The Management Board and Supervisory Board propose the following:

- a) Article 20 of the Articles of Incorporation shall be amended to read as follows:

"Article 20 Remuneration of the Supervisory Board

(1) Each member of the Supervisory Board shall receive fixed annual basic remuneration of EUR 32,000.00 for each full financial year of membership. The Chairperson of the Supervisory Board receives double and the Deputy Chairperson receives one-and-a-half times the amount of the fixed basic remuneration. The Chairperson of the Audit Committee will receive additional remuneration in the amount of EUR 5,000.00 annually; the Chairperson of the Nomination Committee and the Chairperson of the Remuneration and ESG Committee shall each receive additional remuneration in the amount of EUR 3,500.00 annually.

(2) Members of the Supervisory Board who did not belong to the Supervisory Board for a full financial year or who served as Chairperson or Deputy Chairperson of the Supervisory Board or Chairperson of a committee shall receive remuneration under (1) in the amount of 1/12 for each calendar month of their activity.

(3) Remuneration under (1) and (2) is payable in two equal installments: at the end of six months after the beginning of a financial year and at the end of the financial year.

(4) In addition, the members of the Supervisory Board are reimbursed for all expenses and for any sales tax to be paid on their remuneration and expenses. A liability insurance policy for the members of the Supervisory Board to cover the risks from performing their tasks on the Supervisory Board (directors and officers liability insurance / D&O insurance) may be taken out with a total premium of up to EUR 30,000.00."

- b) The above provision shall apply once the amendment to the Articles of Incorporation first takes effect for the financial year beginning January 1, 2021; from this time it shall replace the resolution of the

Annual General Meeting of June 2, 2016 on the remuneration of the members of the Supervisory Board.

- c) The remuneration system as described below for the members of the Supervisory Board, as the basis for remuneration of the members of the Supervisory Board as defined under a) is approved.

Remuneration system for the members of the Supervisory Board of LPKF Laser & Electronics Aktiengesellschaft

The remuneration system takes account of the responsibility and the scope of activities of the members of the Supervisory Board. By monitoring the Management Board's management activities, the Supervisory Board helps to promote the Company's business strategy and long-term growth.

In addition to reimbursement for all expenses and any sales tax to be paid on their remuneration and expenses, each member of the Supervisory Board also receives a fixed annual remuneration. Variable remuneration and financial or non-financial performance criteria are not planned. This takes account of the Supervisory Board's independent control and advisory function, which is based not on the short-term performance of the Company, but rather its long-term growth.

The amount of the defined remuneration takes account of the specific function and the responsibility of the respective member of the Supervisory Board. For example, appropriate account is taken of the substantial time spent by the Chairperson of the Supervisory Board and the Deputy Chairperson of the Supervisory Board as well as the Chairpersons of Committees by way of higher remuneration. A distinction is made in this regard between the Audit Committee and other committees.

The basic remuneration is payable in two equal installments: at the end of six months after the beginning of a financial year and at the end of the financial year. Members of the Supervisory Board who did not belong to the Supervisory Board for a full financial year or who served as Chairperson or Deputy Chairperson of the Supervisory Board or Chairperson of a committee shall receive remuneration on a pro rata basis, i.e. in the amount of 1/12 for each calendar month of their activity.

The remuneration of the members of the Supervisory Board of LPKF Laser & Electronics Aktiengesellschaft is defined in Article 20 of the Articles of Incorporation. The remuneration and the remuneration system for the Supervisory Board are reviewed by management on a regular basis. In particular, the key factors include the amount of time spent by the members of the Supervisory Board as well as the remuneration paid to other supervisory boards of similar companies. Because of the special nature of the remuneration of the Supervisory Board, which is paid for the activities of the Supervisory Board and which differs fundamentally from the activities of the employees of the Company and the Group, there is no vertical comparison with employee compensation.

If the Management Board and the Supervisory Board believe it is necessary to adjust the remuneration or the remuneration system, they shall submit a corresponding proposal to the Annual General Meeting; in any case, a proposal concerning the remuneration, including the underlying remuneration system, shall be submitted to the Annual General Meeting at least every four years. The Management Board and Supervisory Board have discussed the above proposal for remuneration of the members of the Supervisory Board in detail.

The rules to avoid and deal with conflicts of interest are also considered during the process to define and implement the remuneration system.

The remuneration system for the members of the Supervisory Board is also described on the Company website at

<https://www.lpkf.com/en/investor-relations/annual-general-meeting/>

9. Election of the auditors of the annual financial statements and the consolidated financial statements for the 2021 financial year

The Supervisory Board proposes that KPMG AG Wirtschaftsprüfungsgesellschaft, Hanover, Germany, be elected auditor of the annual financial statements and the consolidated financial statements for the 2021 financial year.

10. Resolution regarding the repeal of the current authorized capital and the creation of new authorized capital with the option to disapply pre-emption rights and corresponding amendment of the Articles of Incorporation

The Annual General Meeting on May 31, 2018, authorized the Management Board, with the approval of the Supervisory Board, to increase the Company's share capital on one or more occasions by up to EUR 5,567,397.00 by issuing new bearer shares in return for contributions in cash or in kind. To date, EUR 2,226,958.00 of this authorization has been utilized, and the authorization currently amounts to EUR 3,340,439.00. The current authorization, which runs through May 30, 2023, will be repealed and replaced with a new authorization. The new authorized capital will largely be in line with the previous authorized capital in terms of content, and the volume will be limited to 20% of the share capital. The option of disapplying pre-emption rights from the authorized capital during capital increases will once again be limited to 10% of the share capital, taking account of shares that are to be issued or sold on the basis of a different authorization while disapplying pre-emption rights.

The Management Board and Supervisory Board propose the following:

a) Repeal of the current authorized capital

The authorization granted to the Management Board by the Annual General Meeting on May 31, 2018, to increase the Company's share capital on one or more occasions by up to EUR 5,567,397.00 by issuing up to a total of 5,567,397 new no-par value bearer shares in return for contributions in cash or in kind by May 30, 2023, shall, to the extent it has not already been utilized, be repealed when the following authorized capital and the corresponding amendment of the Articles of Incorporation are entered in the Company's commercial register.

b) Creation of new authorized capital

The Management Board is authorized, with the approval of the Supervisory Board, to increase the share capital on one or more occasions before May 19, 2024, by up to a total of EUR 4,899,309.00 by issuing up to 4,899,309 new no-par value bearer shares in return for contributions in cash or in kind (authorized capital).

Shareholders shall generally be granted a pre-emption right. The shares can also be acquired by one or more banks or companies determined by the Management Board as defined in Section 186, para. 5, sentence 1 AktG with a commitment to offer them to shareholders for subscription (indirect pre-emption right).

However, the Management Board is authorized, with the approval of the Supervisory Board, to disapply the pre-emption rights of shareholders

- to exclude fractional amounts from shareholders' pre-emption rights;
- if 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 while thus disapplying shareholders' pre-emption rights may not exceed a total of 10% of the share capital, either when this authorization enters into effect or when it is exercised. Other shares that are issued or were sold during the period in which this authorization is in effect while disapplying shareholders' pre-emption rights in direct or corresponding application of Section 186, para. 3, sentence 4 AktG are to be counted toward this upper limit of 10% of the share capital. Shares that are issued to service option rights and/or conversion rights or conversion obligations from convertible bonds or bonds with warrants or profit participation rights are also to be counted toward this limit if such debt securities or profit participation rights are issued during the period in which this authorization is in effect while disapplying shareholders' pre-emption rights in corresponding application of Section 186, para. 3, sentence 4 AktG;

- if the capital increase is carried out in exchange for contributions in kind for the purpose of acquiring entities, business divisions, equity investments, other assets related to an intended acquisition or in connection with mergers or for the purpose of acquiring industrial property rights, including copyrights and expertise or rights to use such rights;
- if it is necessary to grant subscription rights for new shares to the bearers or creditors of bonds with warrants and/or convertible bonds or profit participation rights with option rights or conversion rights and/or conversion obligations that were or will be issued by the company or companies in which the Company holds a direct or indirect 100% interest in the volume to which they would be entitled after exercising the option rights or conversion rights or after conversion obligations are fulfilled;
- if the new shares are issued to individuals who are in an employment relationship with the company or its affiliated companies. The number of shares issued while disapplying shareholders' pre-emption rights may not exceed a pro-rata interest in the share capital in the total amount of EUR 200,000.00.

In any case, the authorization to disapply shareholders' pre-emption rights is limited insofar as after exercising the authorization the sum of shares issued while disapplying shareholders' pre-emption rights in exchange for contributions in cash or in kind under this authorized capital may not exceed a total of 10% of the share capital, either when this authorization enters into effect or when it is exercised. The following count toward the aforementioned 10% limit:

- own shares that are sold during the period in which this authorization is in effect while disapplying shareholders' pre-emption rights, as well as
- new shares that are to be issued on the basis of convertible bonds or bonds with warrants or profit participation rights issued during the period in which this authorization is in effect while disapplying shareholders' pre-emption rights and
- new shares issued during the period in which this authorization is in effect on the basis of other permitted authorized capital while disapplying shareholders' pre-emption rights.

The Management Board is authorized, with the approval of the Supervisory Board, to determine the contents of the share rights, the further details of the capital increase, and the terms and conditions under which the shares are issued, in particular the issue price.

The Supervisory Board is authorized to revise the Articles of Incorporation accordingly after utilization of the authorized capital or the expiration of the period for utilizing the authorized capital.

c) Amendment of the Articles of Incorporation

Article 4, para. 6 of the Articles of Incorporation is repealed and now reads as follows:

“(6)The Management Board is authorized, with the approval of the Supervisory Board, to increase the share capital on one or more occasions before May 19, 2024, by up to a total of EUR 4,899,309.00 by issuing up to 4,899,309 new no-par value bearer shares in return for contributions in cash or in kind (authorized capital).

Shareholders shall generally be granted a pre-emption right. The shares can also be acquired by one or more banks or companies determined by the Management Board as defined in Section 186, para. 5, sentence 1 AktG with a commitment to offer them to shareholders for subscription (indirect pre-emption right).

However, the Management Board is authorized, with the approval of the Supervisory Board, to disapply the pre-emption rights of shareholders

- to exclude fractional amounts from shareholders' pre-emption rights;
- if 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 while thus disapplying shareholders' pre-emption rights may not exceed a total of 10% of the share capital, either when this authorization enters into effect or when it is exercised. Other shares that are issued or were sold during the period in which this authorization is in effect while disapplying shareholders' pre-emption rights in direct or corresponding application of Section 186, para. 3, sentence 4 AktG are to be counted toward this upper limit of 10% of the share capital. Shares that are issued to service option rights and/or conversion rights or conversion obligations from convertible bonds

or bonds with warrants or profit participation rights are also to be counted toward this limit if such debt securities or profit participation rights are issued during the period in which this authorization is in effect while disapplying shareholders' pre-emption rights in corresponding application of Section 186, para. 3, sentence 4 AktG;

- if the capital increase is carried out in exchange for contributions in kind for the purpose of acquiring entities, business divisions, equity investments, other assets related to an intended acquisition or in connection with mergers or for the purpose of acquiring industrial property rights, including copyrights and expertise or rights to use such rights;
- if it is necessary to grant subscription rights for new shares to the bearers or creditors of bonds with warrants and/or convertible bonds or profit participation rights with option rights or conversion rights and/or conversion obligations that were or will be issued by the company or companies in which the Company holds a direct or indirect 100% interest in the volume to which they would be entitled after exercising the option rights or conversion rights or after conversion obligations are fulfilled;
- if the new shares are issued to individuals who are in an employment relationship with the company or its affiliated companies. The number of shares issued while disapplying shareholders' pre-emption rights may not exceed a pro-rata interest in the share capital in the total amount of EUR 200,000.00.

In any case, the authorization to disapply shareholders' pre-emption rights is limited insofar as after exercising the authorization the sum of shares issued while disapplying shareholders' pre-emption rights in exchange for contributions in cash or in kind under this authorized capital may not exceed a total of 10% of the share capital, either when this authorization enters into effect or when it is exercised. The following count toward the aforementioned 10% limit:

- own shares that are sold during the period in which this authorization is in effect while disapplying shareholders' pre-emption rights, as well as
- new shares that are to be issued on the basis of convertible bonds or bonds with warrants or profit participation rights issued during the period in which this authorization is in effect while disapplying shareholders' pre-emption rights and
- new shares issued during the period in which this authorization is in effect on the basis of other permitted authorized capital while disapplying shareholders' pre-emption rights.

The Management Board is authorized, with the approval of the Supervisory Board, to determine the contents of the share rights, the further details of the capital increase, and the terms and conditions under which the shares are issued, in particular the issue price.

The Supervisory Board is authorized to revise the Articles of Incorporation accordingly after utilization of the authorized capital or the expiration of the period for utilizing the authorized capital."

The written report by the Management Board pursuant to Section 203, para. 2, sentence 2 AktG in conjunction with Section 186, para. 4, sentence 2 AktG on the reasons for authorizing the Management Board to disapply the pre-emption rights of shareholders when the authorized capital is utilized can be found after the agenda in section II., para. II.3.

Note that other than the proposed new authorized capital specified above and subject to the repeal of the current authorized capital and the proposed new contingent capital specified below under agenda item 11 and subject to the repeal of the current conditional capital, the Company will not have any other authorized capital or any other contingent capital. Based on the resolution of the Annual General Meeting on June 4, 2020, there is a current authorization valid until June 3, 2025, to acquire treasury shares in an amount up to EUR 2,449,654.00. Treasury shares acquired on the basis of this authorization can be sold in the same amount, disapplying shareholders' pre-emption rights. Treasury shares sold during the term of the new authorized capital, disapplying shareholders' pre-emption rights, would be counted toward the aforementioned capital limit for the disapplication of pre-emptive rights from the new authorized capital of 10%.

11. Resolution regarding the repeal of the current authorization to issue warrant bonds and/or convertible bonds and the creation of a new authorization to issue warrant bonds and/or convertible bonds with the option to disapply pre-emption rights, the repeal of contingent

capital 2018/I and the creation of new contingent capital 2021/I as well as the corresponding amendment of the Articles of Incorporation

The Annual General Meeting on May 31, 2018, authorized the Management Board, with the approval of the Supervisory Board, to issue registered or bearer bonds with warrants and/or convertible bonds (referred to collectively as "bonds") on one or more occasions before May 30, 2023, up to a total nominal amount of EUR 80,000,000.00, and to grant/impose on the bearers or creditors of bonds option or conversion rights or option or conversion obligations to receive no-par value bearer shares of the Company with a proportionate amount of the share capital of up to a total of EUR 5,567,397.00, in accordance with the more detailed provisions of the terms and conditions of the bonds with warrants and/or convertible bonds. Contingent capital 2018/I in the amount of EUR 5,567,397.00 was created to secure option or conversion rights or option or conversion obligations from bonds issued on the basis of the current authorization. The aforementioned authorization to issue bonds was not utilized.

The above authorization to issue bonds shall be repealed and replaced with a new authorization to issue warrants and/or convertible bonds up to a total nominal value of EUR 200,000,000.00 with the option to disapply pre-emption rights. In order to secure the new authorization to issue bonds, new contingent capital 2021/I of up to 20% of the share capital shall be approved, replacing contingent capital 2018/I. The option of disapplying pre-emption rights upon the issue of warrant bonds and/or convertible bonds will be limited to a total of 10% of the share capital, taking account of shares that are to be issued or sold on the basis of a different authorization while disapplying pre-emption rights.

The Management Board and Supervisory Board propose the following:

a) Repeal of the authorization to issue warrant bonds and/or convertible bonds approved at the Annual General Meeting on May 31, 2018

The authorization to issue warrant bonds and/or convertible bonds and to disapply pre-emption rights approved by the Annual General Meeting on May 31, 2018, shall, to the extent it has not already been utilized, be repealed with effect as of the date of entry into force of the proposed new authorization to issue warrant bonds and/or convertible bonds and disapply pre-emption rights specified in b) below.

b) New authorization to issue warrant bonds and or convertible bonds and to disapply pre-emption rights

aa) Authorization period, authorization scope, term

The Management Board is authorized, with the approval of the Supervisory Board, to issue registered or bearer bonds with warrants and/or convertible bonds (referred to collectively as "bonds") on one or more occasions before May 19, 2024, with or without a limit on the term, up to a total nominal amount of EUR 200,000,000.00, and to grant/impose on the bearers or creditors of bonds option or conversion rights or option or conversion obligations to receive no-par-value bearer shares of the Company with a proportionate amount of the share capital of up to a total of EUR 4,899,309.00, in accordance with the more detailed provisions of the terms and conditions of the bonds with warrants and/or convertible bonds (referred to collectively as the "bond terms and conditions").

The bonds may only be issued against a cash payment. In addition to euros, the bonds may be issued in the legal currency of an OECD country, provided the amount is limited to the equivalent value in euros. For the total nominal amount of this authorization, if the bonds are issued in foreign currencies, the nominal amount of the bonds must in each case be translated into euros on the day the decision is made to issue the bonds in a foreign currency.

The bonds may also be issued by Group companies headquartered in Germany or abroad in which the Company holds a direct or indirect 100% interest. In such cases, the Management Board shall be authorized, with the approval of the Supervisory Board, to assume the guarantee for the bonds and to grant/impose on the bearers or creditors of bonds option or conversion rights or option or conversion obligations to receive no-par value bearer shares of the Company.

The individual issues can be divided into pari passu bonds with equal rights among all holders.

bb) Pre-emption rights and disapplication of pre-emption rights

Shareholders generally have pre-emption rights to the bonds. The statutory pre-emption right can also be granted to shareholders by having one or more banks or companies determined by the Management Board as defined in Section 186, para. 5, sentence 1 AktG acquire the bonds with a commitment to offer them to shareholders (indirect pre-emption right). If the bonds are issued by Group companies in which the Company holds a direct or indirect 100% interest, the Company must ensure that shareholders are granted a pre-emption right pursuant to the foregoing clauses.

However, the Management Board is authorized, with the approval of the Supervisory Board, to disapply the pre-emption rights of shareholders for the following purposes:

- to exclude fractional amounts from shareholders' pre-emption rights;
- if the bonds are issued against a cash payment and the issue price of the bonds is not significantly lower than theoretical market value of the bonds as calculated using recognized financial mathematical methods. The number of shares to be issued to service the bonds that are issued while disapplying shareholders' pre-emption rights may not exceed a total of 10% of the share capital, either when this authorization enters into effect or when it is exercised. Shares that are issued or were sold during the period in which this authorization is in effect while disapplying shareholders' pre-emption rights in direct or corresponding application of Section 186, para. 3, sentence 4 AktG are to be counted toward this upper limit of 10% of the share capital. Shares that are issued to service option or conversion rights or option or conversion obligations from convertible bonds and/or bonds with warrants and/or profit participation rights are also to be counted toward this limit if such bonds or profit participation rights are issued during the term of this authorization while disapplying shareholders' pre-emption rights in corresponding application of Section 186, para. 3, sentence 4 AktG;
- if it is necessary to grant pre-emption rights to new bonds to the bearers or creditors of bonds with warrants and/or convertible bonds with option rights or conversion rights or option or conversion obligations that were issued by the Company or Group companies in which the Company holds a direct or indirect 100% interest in the volume to which they would be entitled after exercising the option or conversion rights or after the option or conversion obligations are fulfilled;

In any case, the authorization to disapply shareholders' pre-emption rights is limited insofar as the sum of the new shares issued to service option and/or conversion rights or obligations for such warrants and/or convertible bonds while disapplying shareholders' pre-emption rights may not exceed a total of 10% of the share capital, either when this authorization enters into effect or when it is exercised. The following count toward the aforementioned 10% limit:

- own shares that are sold during the period in which this authorization is in effect while disapplying shareholders' pre-emption rights, as well as
- new shares that are issued from authorized capital during the term of this authorization while disapplying shareholders' pre-emption rights, and
- new shares that are to be issued during the term of this authorization on the basis of convertible bonds or bonds with warrants or profit participation rights issued while disapplying shareholders' pre-emption rights on the basis of another authorization.

cc) Option rights and obligations, conversion rights and obligations

If bonds with warrants are issued, each bond will include one or more warrants that entitle the bearer or creditor to acquire bearer shares of the Company in accordance with the more detailed provisions of the terms and conditions of the bonds with warrants defined by the Management Board. The terms and conditions of the bonds with warrants may specify that the option price may be met in full or in part through the transfer of bonds and, where applicable, an additional cash payment. The pre-emption ratio may be rounded up or down to full figures; furthermore, an additional cash payment may also be defined. In addition, the combination and/or cash settlement of fractions may also be specified. The proportionate amount of share capital of each share to be acquired per bond may not exceed the nominal amount of the bond. Section 9, para. 1, in conjunction with Section 199, para. 2 AktG must be observed. The bond terms and conditions may also specify a warrant obligation at the end of the term (or at another point), or the right of the Company, upon final maturity (including maturity due to termination), to provide the holders or creditors of the bonds with warrants, in place of some or all of the money that is due, with shares in the Company or in another exchange-listed company. In this case, too, the proportionate amount of share capital of each share to be issued per

bond may not exceed the nominal amount of the bond. Section 9, para. 1 in conjunction with Section 199, para. 2 AktG must be observed.

If convertible bonds are issued, the holders or creditors of such bonds will receive the right to convert their bonds into bearer shares of the Company in accordance with the more detailed provisions of the terms and conditions of the convertible bonds defined by the Management Board (conversion right). The conversion ratio is determined by dividing the nominal amount or the issue price, if lower than the nominal amount, of the bond by the defined conversion price for a bearer share of the Company. The conversion price may be variable and/or the conversion price may change within a defined range based on the development of the price of the Company's shares during the term of the convertible bond or as a result of dilution protection provisions. The conversion ratio may be rounded up or down to full figures; furthermore, an additional cash payment may also be defined. In addition, the combination and/or cash settlement of fractions may also be specified. The proportionate amount of share capital to be issued for each bond in the case of a conversion may not exceed the nominal amount of the bond. Section 9, para. 1, in conjunction with Section 199, para. 2 AktG must be observed. The bond terms and conditions may also specify a conversion obligation at the end of the term (or at another point), or the right of the Company, upon final maturity (including maturity due to termination), to provide the holders or creditors of the convertible bonds, in place of some of all of the money that is due, with shares in the Company or in another exchange-listed company. In this case, too, the proportionate amount of share capital of each share to be issued per bond may not exceed the nominal amount of the bond. Section 9, para. 1 in conjunction with Section 199, para. 2 AktG must be observed.

The bond terms may grant the Company or the Group company issuing the bond the right, if the bond is converted or the option is exercised, to pay a cash amount instead of granting bearer shares (in full or in part). The amount paid in lieu of delivering the shares must be determined in accordance with the provisions of dd) below. The bond terms may also permit, at the discretion of the Company or the Group company issuing the bond, the bond, if it is converted or the option is exercised, to be serviced with bearer shares from authorized capital or with shares in the Company or in another exchange-listed company it already owns or that it acquires instead of new bearer shares from contingent capital.

dd) Option and conversion price

The option or conversion price set for a share must – including in the case of a variable option or conversion price and subject to the following provision for bonds with a warrant or conversion obligation, a right to substitution or a pre-emptive tender right on the part of the issuer of the bond for delivery of the shares – amount to at least 80% of the volume-weighted average exchange price of the shares in the Company in the Xetra closing auction (or a comparable successor system) on the Frankfurt Stock Exchange

- (i) for the ten trading days before the day of the final resolution by the Management Board concerning the issue of the relevant bond, or
- (ii) if pre-emption rights to the bond are traded, for the days during which the pre-emption rights are traded, with the exception of the last two days the pre-emption rights are traded, or, if the Management Board has defined the option or conversion price before the start of trading in the pre-emption rights, the period pursuant to (i) above.

In the case of bonds with a warrant or conversion obligation, a right to substitution or a pre-emptive tender right on the part of the issuer of the bond for delivery of the shares, the defined option or conversion price must be at least the above-mentioned minimum price or the volume-weighted average exchange price of the shares in the Company in the Xetra closing auction (or a comparable successor system) on the Frankfurt Stock Exchange for the ten trading days before or after the final maturity of the bonds, even if the latter average price is less than the above-mentioned minimum price.

In all cases, the proportionate amount of share capital of each share to be issued per bond may not exceed the nominal amount of the bond. Section 9, para. 1 in conjunction with Section 199, para. 2 AktG must be observed.

ee) Dilution protection

The provisions of Section 9, para. 1 AktG notwithstanding, the option and conversion price can be reduced on the basis of a dilution protection clause in accordance with the details of the bond conditions through the payment of a corresponding amount in cash upon the exercise of the warrant or conversion right or fulfillment of a warrant or conversion obligation or through a reduction of the additional payment if the Company, during the warrant or conversion period, increases the share capital, granting a pre-emptive right to its shareholders, or issues or guarantees other convertible bonds or bonds with warrants or profit participation rights and the holders or creditors of option or conversion rights or option or conversion obligations are not granted pre-emption rights in the same amount that they would have been entitled to after the exercise of the option or conversion right or fulfillment of an option or conversion obligation. In place of a payment in cash or a reduction of the additional payment, the Company may – if possible – modify the pre-emption or conversion ratio by dividing the ratio by a reduced option or conversion price. The bond conditions may also provide for modification of the option or conversion rights or option or conversion obligations in the event of capital reduction or other extraordinary measures (such as extraordinarily high dividends, if control is gained by a third party). A market-based modification of the option or conversion price may be specified in the event control is gained by a third party.

ff) Further details regarding the issue and features of bonds

The Management Board is authorized, with the approval of the Supervisory Board, to specify the further details regarding the issue and features of the bonds, in particular, the volumes, dates, coupon, type of interest, issue price, term and denomination, dilution protection provisions as well as the option and conversion price and the option and conversion period, or to define them in consultation with the governing bodies of the Group company issuing the bonds.

c) Repeal of contingent capital 2018/I

The contingent capital 2018/I approved by the Annual General Meeting on May 31, 2018, is repealed upon entry into force of the contingent capital 2021/I proposed in d) below.

d) Creation of contingent capital 2021/I

The share capital will be increased on a contingent basis by up to EUR 4,899,309.00 through the issue of up to 4,899,309 new no-par value bearer shares (contingent capital 2021/I). The contingent capital increase will be used to grant new no-par value bearer shares to the holders or creditors of convertible bonds and/or bonds with warrants (referred to collectively as the "bonds"), each with option or conversion rights or option or conversion obligations and issued by the Company or a Group company in which the Company holds a direct or indirect 100% interest on the basis of the authorization through May 19, 2024, approved under agenda item 11 of the Annual General Meeting on May 20, 2021. The new shares will be issued at the defined option or conversion price in accordance with the provisions of the authorization specified in b) above. The contingent capital increase will only be carried out to the extent the holders or creditors of bonds avail themselves of the option or conversion rights or fulfill their option or conversion obligations, or to the extent the Company or the Group company issuing the bond exercises its right to grant, in full or in part, shares in the Company in lieu of the payment of the amount due for payment, and to the extent a cash settlement is not granted or treasury shares or shares from authorized capital or shares of another exchange-listed company are used to service the bonds. The new shares participate in the profit from the start of the financial year in which they are granted as a result of the exercise of option or conversion rights or the fulfillment of option or conversion obligations. The Management Board is authorized, with the approval of the Supervisory Board, to define the further details of the implementation of the contingent capital increase.

The Supervisory Board is authorized to revise the Articles of Incorporation in line with the issue of pre-emption shares and to make all other related changes to the Articles of Incorporation that only affect the wording. The same applies if the authorization to issue bonds is not used after expiration of the authorization period and if the contingent capital 2021/I is not used after expiration of the deadline for the exercise of option or conversion rights or for the fulfillment of option or conversion obligations.

e) Amendment of the Articles of Incorporation

Article 4, para. 7 of the Articles of Incorporation is repealed and now reads as follows:

“(7) The share capital is increased on a contingent basis by up to EUR 4,899,309.00 through the issue of up to 4,899,309 new no-par value bearer shares (contingent capital 2021/I). The contingent capital increase will be used to grant new no-par value bearer shares to the holders or creditors of convertible bonds and/or bonds with warrants (referred to collectively as the "bonds"), each with option or conversion rights or option or conversion obligations and issued by the Company or a Group company in which the Company holds a direct or indirect 100% interest on the basis of the authorization through May 19, 2024, approved under agenda item 11 of the Annual General Meeting on May 20, 2021. The new shares will be issued at the defined option or conversion price in accordance with the provisions of the aforementioned authorization in b) above. The contingent capital increase will only be carried out to the extent the holders or creditors of bonds avail themselves of the option or conversion rights or fulfill their option or conversion obligations, or to the extent the Company or the Group company issuing the bond exercises its right to grant, in full or in part, shares in the Company in lieu of the payment of the amount due for payment, and to the extent a cash settlement is not granted or treasury shares or shares from authorized capital or shares of another exchange-listed company are used to service the bonds. The new shares participate in the profit from the start of the financial year in which they are granted as a result of the exercise of option or conversion rights or the fulfillment of option or conversion obligations. The Management Board is authorized, with the approval of the Supervisory Board, to define the further details of the implementation of the contingent capital increase.

The Supervisory Board is authorized to revise the Articles of Incorporation in line with the issue of pre-emption shares and to make all other related changes to the Articles of Incorporation that only affect the wording. The same applies if the authorization to issue bonds is not used after expiration of the authorization period and if the contingent capital 2021/I is not used after expiration of the deadline for the exercise of option or conversion rights or for the fulfillment of option of conversion obligations.”

The written report by the Management Board pursuant to Sections 221, para. 4, 186, para. 4, sentence 2 AktG on the reasons for authorizing the Management Board to disapply the pre-emption rights of shareholders when convertible bonds or bonds with warrants are issued can be found after the agenda in section II., para. II.4.

Note that other than the proposed new contingent capital 2021/I specified above and subject to the repeal of the current contingent capital 2018/I and the proposed new authorized capital specified below under agenda item 10 and subject to the repeal of the current authorized capital, the Company will not have any other authorized capital or any other contingent capital. Based on the resolution of the Annual General Meeting on June 4, 2020, there is a current authorization valid until June 3, 2025, to acquire treasury shares in an amount up to EUR 2,449,654.00. Treasury shares acquired on the basis of this authorization can be sold in the same amount, disapplying shareholders' pre-emption rights. Treasury shares sold during the term of the authorization under agenda item 11, disapplying shareholders' pre-emption rights, would be counted toward the aforementioned capital limit for the disapplication of pre-emptive rights from the issue of convertible bonds and/or bonds with warrants of 10%.

12. Resolution regarding additional amendments of the Articles of Incorporation

In order to make collaboration on the Supervisory Board and the use of electronic communications [and the appointment of the Chairman of the Annual General Meeting] easier, the provisions of the Articles of Incorporation regarding the convening of meetings of the Supervisory Board and resolutions by the Supervisory Board [and the appointment of the Chairman of the Annual General Meeting] will be updated. In addition, the provisions of the Articles of Incorporation regarding the legal representation of the Company will be revised for the exceptional case that the Management Board temporarily does not have at least two members available.

The Management Board and Supervisory Board propose the following:

a) Amendment of Article 7 (Composition of the Management Board)

Article 7 of the Articles of Incorporation shall be amended to read as follows:

"Article 7

Composition of the Management Board

- (1) The Management Board is comprised of one or more members. The Supervisory Board defines the number of members of the Management Board.
- (2) If the Management Board has several members, the Supervisory Board may appoint a Chairperson. The Supervisory Board is authorized to appoint a Deputy Chairman."

b) Amendment of Article 9 (Legal representation of the Company)

Article 9 of the Articles of Incorporation shall be amended to read as follows:

"Article 9 Legal representation of the Company

- (1) If the Management Board is comprised of several members, the Company shall be legally represented by two members of the Management Board or by one member of the Management Board together with one authorized representative. If only one member of the Management Board is appointed, said member shall be the sole representative of the Company.
- (2) If several members of the Management Board are appointed, the Supervisory Board may grant sole power of representation to one, several or all members of the Management Board.
- (3) The Supervisory Board can exempt individual or all members of the Management Board from the restrictions specified in Section 181, second alternative of the German Civil Code (BGB). Section 112 AktG remains unaffected."

c) Amendment of Article 16, para. 2 and para. 3 of the Articles of Incorporation (Convening)

Article 16, para. 2 and para. 3 of the Articles of Incorporation shall be amended to read as follows:

- "(2) Meetings of the Supervisory Board shall be convened in writing, by fax or via other standard means of communication (e.g. e-mail) by the Chairperson, or by the Deputy Chairperson in the absence of the Chairperson, with 14 days' notice. When calculating this notice period, the day on which the invitation is sent and the day of the meeting are not included. In urgent cases, the Chairperson may reduce the notice period and convene the meeting verbally as well.
- (3) Meetings shall be held in person or, by order of the Chairperson of the Supervisory Board in justified cases, via telephone and/or video conference. The Chairperson of the Supervisory Board may permit individual members of the Supervisory Board to attend in-person meetings via telephone and/or video transmission. Such combined resolutions shall be permitted if no member of the Supervisory Board objects. The meeting agenda items, meeting location or alternative meeting attendance options and time of the meeting must be included with the invitation. Proposed resolutions concerning agenda items must be communicated in a timely manner prior to the meeting so that votes can be cast in writing or other text form by those members of the Supervisory Board who cannot attend the meeting."

Section 16 of the Articles of Incorporation shall otherwise remain unchanged.

d) Amendment of Article 17, para. 5 and para. 6 of the Articles of Incorporation (Resolutions)

Article 17, para. 5 and para. 6 of the Articles of Incorporation shall be amended to read as follows:

- "(5) Resolutions of the Supervisory Board are generally written during meetings. Members of the Supervisory Board who cannot attend a meeting can vote on a resolution of the

Supervisory Board by providing their vote to another member of the Supervisory Board in writing or other text form (Section 126b BGB).

- (6) By order of the Chairperson, resolutions of the Supervisory Board may also be adopted outside of meetings by casting votes verbally, by telephone, in writing or via other standard means of communication or a combination of the aforementioned methods if no member of the Supervisory Board objects."

Article 17 of the Articles of Incorporation shall otherwise remain unchanged.

e) Amendment of Article 24, para. 1, sentence 1 of the Articles of Incorporation (Chairing of the Annual General Meeting)

Article 24, para. 1 of the Articles of Incorporation shall be amended to read as follows:

"(1) The Annual General Meeting shall be chaired by the Chairperson of the Supervisory Board. If the Chairperson does not attend the meeting or is unable to lead it, the Annual General Meeting shall be chaired by another member of the Supervisory Board appointed by the Chairperson of the Supervisory Board. If neither the Chairperson nor the appointed member of the Supervisory Board attends the meeting or is able to chair it, the Chairperson of the meeting will be elected in advance by the Supervisory Board or on the day of the Annual General Meeting by those members of the Supervisory Board in attendance. If no election has occurred in accordance with the foregoing sentence, the Chairperson of the meeting shall be elected by the Annual General Meeting."

Section 24 of the Articles of Incorporation shall otherwise remain unchanged.

A side-by-side comparison of the current version of the above provisions of the Articles of Incorporation and the intended amendments to the provisions can be viewed on the Company's website at <https://www.lpkf.com/en/investor-relations/annual-general-meeting/> as of the time the Annual General Meeting is convened.

The company plans to hold individual votes on the amendments under to the Articles of Incorporation under a) to e)

II. Further information related to the agenda items and reports

1. Curricula vitae of the candidates for election to the Supervisory Board, including the information pursuant to Section 125, para. 1, sentence 5 AktG and para. C.13 of the German Corporate Governance Code (agenda item 6)

1.1 Jean-Michel Richard

Name:	Jean-Michel Richard
Profession:	Founder and independent senior advisor at Fisadis Consulting Ltd, London (not listed on the exchange)
Place of residence:	Leigh, Wiltshire, United Kingdom
Year of birth:	1963
Nationality:	Swiss
Since November 25, 2020	Member of the Supervisory Board of LPKF Laser & Electronics AG
Since December 1, 2020	Chairman of the Supervisory Board of LPKF Laser & Electronics AG

Professional career

Since 2016	Founder and independent Senior Advisor, Fisadis Consulting Ltd, London, United Kingdom
Since 2020	Finance Value-Add Advisor, Vitruvian Partners Ltd, London, United Kingdom
Since 2020	Non-Executive Director and Chairman of the Audit Committee of Halcyon TopCo Ltd, Burton upon Trent, United Kingdom
2019-2020	Non-Executive Director and Chairman of the Audit & Governance Committee, Ebury Partners UK Ltd, London, United Kingdom
2016–2020	Independent Senior Advisor and Member of the Advisory Board, Qualtera, Montpellier, France
2006-2015	Chief Financial Officer and Senior Vice President Finance, Dialog Semiconductor PLC, London, United Kingdom
1998-2006	ON SEMICONDUCTOR, Phoenix, AZ USA
2005-2006	Finance Director for Global Manufacturing and Technology, ON SEMICONDUCTOR, Phoenix, AZ USA
2000-2004	Senior Finance Controller for Die Manufacturing, ON SEMICONDUCTOR, Phoenix, AZ USA
1993-2000	Motorola Inc. Semiconductor Group
1998-2000	Division Controller Bipolar Discrettes, Motorola Inc. Semiconductor Group, Phoenix AZ USA
1995-1998	Finance Site Manager, Motorola Semiconductor S.R.O., Roznov, Czech Republic
1993-1995	Cost Accounting Manager, Motorola Semiconductor SA, Toulouse, France
1988-1993	Motorola Inc, Corporate
1989-1993	Assistant European Treasurer, Motorola Inc., Corporate, London, United Kingdom
1988-1989	Treasury Analyst, Motorola Inc., Corporate, London, United Kingdom

Education

1988	B.Sc., Commercial and Industrial Science, Major in Business Management, Geneva University, Faculty of Economics, Switzerland
1981	Swiss Federal Diploma of Accounting, Geneva Commercial School, Switzerland

Relevant knowledge, abilities and experience

Jean-Michel Richard is a proven financial expert with more than 25 years of experience in various industries relevant to LPKF such as the high-tech and semiconductor sectors. He has a broad professional background, experience in the commercial sector and is a proven expert in growth strategies and M&A. In addition, Mr. Richard has extensive knowledge of public relations, investor relations and corporate governance. Having worked for various international corporations in Europe and the USA, he is familiar with the requirements of an international, multicultural and rapidly changing environment.

Membership in other statutory supervisory boards

None

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

Chairman of the Audit Committee at Halcyon TopCo Ltd, Burton Upon Trent, United Kingdom (not listed on the stock exchange)

Material activities in addition to the above mandates and the Supervisory Board mandate:

None

Information pursuant to recommendation C.13 of the German Corporate Governance Code (GCGC)

The Supervisory Board views Mr. Jean-Michel Richard as independent pursuant to recommendation C.6, para. 2 GCGC.

In the assessment of the Supervisory Board, there are no personal or business relationships between Mr. Jean-Michel Richard and the Company, the governing bodies of the Company, and any shareholders with a material interest in the Company that should be disclosed pursuant to C.13 GCGC.

1.2 Julia Kranenberg

Name:	Julia Kranenberg
Profession:	Member of the Management Board (CHRO) of Avacon AG, Helmstedt (not listed on the stock exchange)
Place of residence:	Helmstedt
Year of birth:	1971
Nationality:	German

Professional career

March 2020	Member of the Management Board (CHRO) der Avacon AG, Helmstedt
2016-2020	Head of People Development & Top Executive Management innogy SE, Essen
2013-2016	Senior HR Business Partner Group Center, RWE AG, Essen
2010-2016	Head of Group Top Executive Management, RWE AG, Essen
2007-2009	Head of Executive Management Group Center, RWE AG, Essen
2001-2007	Board Office, WestLB AG, Düsseldorf
1998-2001	Attorney, Rechtsanwälte Baumert & Vigano, Essen/Mannheim

Education

1998	Second <i>juristisches Staatsexamen</i> (legal exam)
1996	First <i>juristisches Staatsexamen</i> , University of Trier

Relevant knowledge, abilities and experience

Julia Kranenberg has comprehensive expertise and experience in the area of human resources development and management for exchange-listed companies. She also has solid communications and negotiation skills including with regard to relevant stakeholders.

Membership in other statutory supervisory boards

None

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

- Stadtwerke Wunstorf GmbH & Co. KG, Wunstorf, member of the Supervisory Board (not listed on the stock exchange)
- LeineNetz GmbH, Neustadt, member of the Supervisory Board (not listed on the stock exchange)
- Stadtwerke Garbsen GmbH, Garbsen, Deputy Chairperson of the Supervisory Board (not listed on the stock exchange)
- Städtische Netze Neustadt GmbH & Co. KG, Neustadt, Deputy Chairperson of the Supervisory Board (not listed on the stock exchange)
- Stadtwerke Burgdorf GmbH, Burgdorf, member of the Supervisory Board (not listed on the stock exchange)
- Stadtwerke Wolfenbüttel GmbH, Wolfenbüttel, Deputy Chairperson of the Supervisory Board (not listed on the stock exchange)

Material activities in addition to the above mandates and the Supervisory Board mandate:

None

Information pursuant to recommendation C.13 of the German Corporate Governance Code (GCGC)

The Supervisory Board views Ms. Julia Kranenberg as independent pursuant to recommendation C.6, para. 2 GCGC.

In the assessment of the Supervisory Board, there are no personal or business relationships between Ms. Julia Kranenberg and the Company, the governing bodies of the Company, and any shareholders with a material interest in the Company that should be disclosed pursuant to C.13 GCGC.

2. Remuneration system for the members of the Management Board (agenda item 7)

2.1 Basic features of the remuneration system for the members of the Management Board of LPKF Laser & Electronics AG

Remuneration for the Management Board members of LPKF Laser & Electronics AG is defined in accordance with the Stock Corporation Act and is aligned to the long-term, sustainable development of the company. The total remuneration for the Management Board members is based not only on the duties and performance of each Management Board member but also on the size, complexity, and situation of the company.

Its components include a non-performance related salary and non-cash benefits as well as pension benefits and performance-related (variable) components.

The non-performance related components include a fixed annual salary (**basic salary**) and incidental benefits (such as a contribution to the social security and health insurance) as well as benefits in kind (such as a company car).

The performance-based components comprise an annual short-term incentive (STI), which depends on the achievement of economic targets within a year and a long-term incentive (LTI), which is fully invested in shares of LPKF Laser & Electronics AG that must be held for a minimum period of three years.

The financial, economic, social and environmental targets for the STI are in accordance with the business strategy and the sustainable, long-term development of the company. The STI and LTI provide incentives to the Management Board members for sustainable development of the company.

Because the Supervisory Board is committed to the long-term nature of the company's development, it has placed heavy emphasis on the share of the LTI.

In accordance with the law, the remuneration system also provides for an absolute maximum in the annual remuneration. This is a gross amount of EUR 1,100,000 for each Management Board member.

The amount of remuneration for the Management Board members can also vary in future, on the basis of the remuneration system, taking account of the absolute maximum limit. The specific maximum remuneration depends in particular on the monthly basic salary as negotiated with the Management Board member.

The remuneration system also applies suitable provisions relating to the start and end of the Management Board activity.

Furthermore, all Management Board contracts are to contain a clause permitting the unilateral reduction of the Management Board's remuneration pursuant to Section 87 para. 1 AktG by the Supervisory Board in accordance with the legal provision under Section 87 para. 2 AktG.

The remuneration system for members of the Management Board has been resolved by the Supervisory Board pursuant to Sections 87 para. 1, 87a para. 1 AktG. The Supervisory Board was advised by an independent remuneration expert for the development of the remuneration system. For all remuneration decisions, the Supervisory Board takes account of the requirements under the Stock Corporation Act and observes the recommendations of the *German Corporate Governance Code* as amended on December 16, 2019 (GCGC) as well as the guidelines listed in detail below. No vertical comparison as defined in Section 87a no. 9 AktG has been performed.

The remuneration system will apply to all Management Board member employment contracts to be newly concluded or extended as of April 7, 2021.

The remuneration system is the basis for remuneration of the Management Board members. At the time of resolution on the remuneration system, the future CEO has not yet been selected, because the current CEO will remain in office only until April 30, 2021 and the search for a successor has not yet been completed. The remuneration system is to be reviewed on a regular basis. It will be amended if, in the context of future personnel decisions – especially if Management Board employment contracts are to be newly concluded or amended – it is found that changes will be needed in order to recruit or retain suitable candidates.

In the event of major changes to the remuneration system – or at least every four years – the remuneration system will be presented to the Annual General Meeting for approval.

In accordance with the legal provisions of Section 87a para. 2 sentence 2 AktG, the Supervisory Board can make temporary exceptions to the remuneration system if this is in the interest of the company's long-term welfare. This may be the case for extraordinary, unforeseeable developments, for example.

An exception to the remuneration system requires a corresponding resolution by the Supervisory Board and careful consideration of the need for an exception. The components of the remuneration system for which exceptions can be made under the aforementioned circumstances include the process, the remuneration structure, the individual remuneration components, and their performance criteria. In this event, the Supervisory Board can also grant additional remuneration components on a temporary basis or replace some remuneration components with other remuneration components if this is needed to ensure the suitability of the Management Board remuneration in the specific situation.

2.2 Individual remuneration components

a) Fixed annual salary

The Management Board members of LPKF Laser & Electronics AG are remunerated in the form of a fixed annual salary (fixed remuneration). The fixed remuneration will be paid in equal monthly

installments at the end of each month. It will be reviewed by the Supervisory Board on a regular basis and amended in future contracts if needed.

b) Benefits in kind and other additional remuneration (incidental benefits)

In addition thereto, incidental benefits can be granted to each Management Board member. These benefits include, for instance, benefits in kind granted by the company, the use of a company car, contributions to insurance and other cost coverage typical on the market, including the conclusion of D&O insurance by LPKF Laser & Electronics AG with a deductible for the Management Board member pursuant to the Stock Corporation Act.

LPKF Laser & Electronics AG provides the Management Board members with a company car that can also be used privately. The selection of a suitable company car and engine type for the company car will be made not only in accordance with business requirements but also environmental aspects. As an alternative to a company car, the Management Board member can also be granted a cash allowance or flat rate for a rental car. Furthermore, LPKF Laser & Electronics AG covers the cost for expenses that Management Board members incur in relation to their activity.

c) Performance-based variable remuneration

The performance-based variable remuneration of the Management Board comprises a short-term incentive that is paid annually (STI) and a long-term incentive that must initially be invested in shares of LPKF Laser & Electronics AG (LTI) and must be held for a period of at least three years.

Specifically:

(1) STI

The amount of the STI depends on the target achievement of company targets that are based on the Group's financial results and on the target achievement of personal targets that can be redefined annually.

The company targets comprise three financial KPIs. The percentage of target achievement is measured relative to the annual approved budget. In accordance with the KPIs used for company management, the following parameters have been defined for target achievement:

- ROCE (Return on Capital Employed)
refers to the relationship of the operating Group EBIT to the capital invested.
- Net revenue
in accordance with the company's audited, consolidated annual financial statements.
- Operating Group as a % of Group earnings
in accordance with the company's audited, consolidated annual financial statements.

The personal targets for each Management Board member shall be newly agreed on an annual basis. If no agreement has been reached on the personal targets by March 31, the personal targets will be defined at the discretion of the Supervisory Board. Up to four personal targets can be defined that can also account for such factors as social and environmental aspects (ESG criteria).

Personal and company targets can be achieved in a range between a lower limit and upper limit as agreed annually between the Supervisory Board and Management Board. Depending on target achievement, the following percentages of the agreed target bonus will be paid out:

- Below the lower limit 0%
- Lower limit 25%
- Target 100%
- Upper limit 200%
- Above the upper limit 200% (maximum amount)

A linear adjustment will be made between those figures.

In order to calculate the total target achievement, the average of the respective target achievement will be determined for personal and company targets. The resulting averages will then be multiplied by a weighting factor and added up in order to calculate the total target achievement. The weighting factor for the personal targets is 0.25 and the weighting factor for the company targets is 0.75. The Supervisory Board can adjust the weighting factors in the event of special influences on the course of business if this is in the interest of the company. However, the weighting factor for the company targets must be at least 0.50.

In the event that a Management Board member joins or leaves the company during the year, the STI entitlement will be adjusted on a pro rata basis.

(2) LTI

The bonus earned under the LTI will be paid out directly to the Management Board member after determining the target achievement, but the net amount received must be invested immediately in shares of LPKF Laser & Electronics AG. These shares must be held for at least three years after purchase. Only after that can the Management Board member freely dispose of the shares. In some exceptions, the entitlement to remuneration that was already granted will be lost in the event of termination without notice. This ensures a suitable relationship between remuneration and the long-term value creation for the company.

The amount to be disbursed and invested by the Management Board member in shares of LPKF Laser & Electronics AG is determined by the following principles:

The basic amount for an LTI premium should generally be a fixed percentage of the base salary (50%). This basic amount will be multiplied by a performance factor that corresponds to the total target achievement of the STI (performance amount).

The LTI is thus based on the performance of the share price of LPKF Laser & Electronics AG. For this purpose, the average share price of LPKF Laser & Electronics AG in Q1 of the year of target achievement is determined (starting share price). In addition thereto, the average share price of LPKF Laser & Electronics AG in Q1 of the year following the year of target achievement is determined (ending share price).

Based on these figures, the disbursement amount is computed using the following formula:

$$\text{Performance amount} \times \text{ending share price} / \text{starting share price}$$

If the average share price of LPKF Laser & Electronics AG in Q4 of the year of target achievement and in Q1 of the year following the year of target achievement drops below 90% compared with the starting share price, no LTI will be paid out. As a result, the Management Board would not have to acquire any shares of LPKF Laser & Electronics AG in that year.

The disbursement amount of the LTI is limited to a maximum of three times the basic amount.

In the event that a Management Board member leaves the company during the year, the LTI entitlement will be adjusted on a pro rata basis.

2.3 Benefits in the event of departure

When appointing Management Board members and for the term of the Management Board employment contracts, the company shall observe the legal requirements of Section 84 of the Stock Corporation Act and the recommendations of the German Corporate Governance Code. The Management Board employment contracts will be concluded for the term of their appointment. For initial appointment, the appointment term is generally three years; for subsequent appointment the maximum term is five years. The Management Board employment contracts can provide for termination with notice by either party. This is always without prejudice to the right of either party to terminate the Management Board employment agreement without notice for due cause.

a) Severance

In the event that the company terminates the employment contract with notice for termination reasons beyond the Management Board member's control, the Management Board member will receive severance pay in the amount of up to two annual fixed salaries (gross), but no more than the amount corresponding to the monthly fixed salaries that would have otherwise been due after the end of the notice period up to the end date. This severance will be counted toward compensation under the non-compete clause that is in effect after the employment contract ends.

Even if the Management Board member departs under a right of termination for change of control, they are entitled to this severance.

b) Release from duty

If a Management Board member's appointment is terminated, or the appointment of the CEO is terminated for due cause under Section 84 para. 3 AktG or a member resigns from office, the company can release the Management Board member immediately from their employment duties, while continuing to pay remuneration

c) Compensation under the non-compete clause

All Management Board members are subject to a non-compete clause that survives the term of employment for at least six months but no more than 12 months after the end of their employment contract.

For the term of this non-compete clause, LPKF Laser & Electronics AG is obligated to pay the Management Board member monthly compensation of 50% (gross) of the average monthly fixed remuneration paid out in the 12 months preceding their departure.

Other payments from LPKF Laser & Electronics AG to the Management Board member, such as a temporary allowance and severance, will be counted toward the non-compete compensation.

Furthermore, the income that the Management Board member earns or refrains from earning during the non-compete period from self employment, employment or other forms of employment shall be counted toward the non-compete compensation if this compensation – including the income – exceeds the amount of the most recent payment made under the contract. Income also includes any unemployment benefits received by the Management Board member. On request, the Management Board member is required to inform the company about the amount of their income and present documentation.

With a one-year period of limitation, LPKF Laser & Electronics AG can waive the non-compete clause.

d) No retirement and early retirement provisions

The company does not provide Management Board members with any retirement or early retirement provisions.

3. Written report by the Management Board regarding agenda item 10 of the Annual General Meeting on the reasons for authorizing the Management Board to disapply the pre-emption right for capital increases from the authorized capital

The Annual General Meeting on May 31, 2018, authorized the Management Board, with the approval of the Supervisory Board, to increase the Company's share capital on one or more occasions by up to EUR 5,567,397.00 by issuing new bearer shares in return for contributions in cash or in kind. To date, EUR 2,226,958.00 of this authorization has been utilized. The current authorization, which runs through May 30, 2023, will be repealed and replaced with a new authorization. The new authorized capital will largely be in line with the previous authorized capital in terms of content, and the volume will be limited to 20% of the share capital. The option of disapplying pre-emption rights from the authorized capital during capital increases will once again be limited to 10% of the share capital, taking account of shares that are to be issued or sold on the basis of a different authorization while disapplying pre-emption rights.

Therefore, for agenda item 10 the Management Board and the Supervisory Board propose to the Annual General Management the creation of new authorized capital of up to EUR 4,899,309.00. For reasons of flexibility, the authorized capital should be utilized for both cash and in-kind capital increases.

Company shareholders generally have a right of pre-emption for capital increases from the authorized capital. The shares can also be acquired by one or more banks or companies determined by the Management Board as defined in Section 186, para. 5, sentence 1 AktG with a commitment to offer them to shareholders for subscription (so-called indirect pre-emption right).

However, the Management Board shall also be authorized, with the approval of the Supervisory Board, to disapply the pre-emption rights of shareholders

- to exclude fractional amounts from shareholders' pre-emption rights;
- if 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 while thus disapplying shareholders' pre-emption rights may not exceed a total of 10% of the share capital, either when this authorization enters into effect or when it is exercised. Other shares that are issued or were sold during the period in which this authorization is in effect while disapplying shareholders' pre-emption rights in direct or corresponding application of Section 186, para. 3, sentence 4 AktG are to be counted toward this upper limit of 10% of the share capital. Shares that are issued to service option rights and/or conversion rights or conversion obligations from convertible bonds or bonds with warrants or profit participation rights are also to be counted toward this limit if such debt securities or profit participation rights are issued during the period in which this authorization is in effect while disapplying shareholders' pre-emption rights in corresponding application of Section 186, para. 3, sentence 4 AktG;
- if the capital increase is carried out in exchange for contributions in kind for the purpose of acquiring entities, business divisions, equity investments, other assets related to an intended acquisition or in connection with mergers or for the purpose of acquiring industrial property rights, including copyrights and expertise or rights to use such rights;
- if it is necessary to grant subscription rights for new shares to the bearers or creditors of bonds with warrants and/or convertible bonds or profit participation rights with option rights or conversion rights and/or conversion obligations that were or will be issued by the company or companies in which the Company holds a direct or indirect 100% interest in the volume to which they would be entitled after exercising the option rights or conversion rights or after conversion obligations are fulfilled;
- if the new shares are issued to individuals who are in an employment relationship with the Company or its affiliated companies (employee shares). The number of shares issued while disapplying shareholders' pre-emption rights may not exceed a pro-rata interest in the share capital in the total amount of EUR 200,000.00.

The authorization to disapply shareholders' pre-emption rights shall be limited insofar as after exercising the authorization the sum of shares issued while disapplying shareholders' pre-emption rights in exchange for contributions in cash or in kind under this authorized capital may not exceed a total of 10% of the share capital, either when this authorization enters into effect or when it is exercised. The following count toward the aforementioned 10% limit:

- own shares that are sold during the period in which this authorization is in effect while disapplying shareholders' pre-emption rights, as well as
- new shares that are to be issued on the basis of convertible bonds or bonds with warrants or profit participation rights issued during the period in which this authorization is in effect while disapplying shareholders' pre-emption rights and
- new shares issued during the period in which this authorization is in effect on the basis of other permitted authorized capital while disapplying shareholders' pre-emption rights.

The Management Board provides the following report pursuant to Sections 203, para. 2, sentence 2, 186, para. 4, sentence 2 AktG on this authorization to disapply shareholders' pre-emption rights with the approval of the Supervisory Board:

(1) Disapplication of the pre-emption right for fractional amounts

It shall initially be possible to disapply the pre-emption right for fractional amounts. The aim of this authorization is to ensure that a practical pre-emption ratio can be presented in terms of the amount of the respective capital increase. Without the disapplication of the pre-

emption right for fractional amounts, technical implementation of the capital increase would be significantly more difficult, especially for a capital increase involving round amounts. The fractions of new shares disapplying from shareholders' pre-emption rights will be sold to the Company's greatest possible advantage either via the stock exchange or in some other way. For this reason, the Management Board and the Supervisory Board view the authorization to disapply pre-emption rights as appropriate.

(2) Disapplication of the pre-emption right when the issue amount of the new shares is not significantly lower than the stock exchange price and shares issued in this way, disapplying the pre-emption right, do not amount to a total of more than 10% of the share capital

The pre-emption right shall also be disapplying when the new shares, pursuant to Sections 203, para. 1, 186, para. 3, sentence 4 AktG, are issued in exchange for contributions in cash that are not significantly lower than the stock exchange price, and when the total proportionate amount of the share capital is not less than 10% of the share capital, either when the authorization enters into effect or when it is exercised. The authorization enables the Company to meet its capital needs even at short notice and in this way to take advantage of market opportunities quickly and flexibly. The disapplication of the pre-emption right enables it to act very quickly without the costly and time-consuming process involved in issues with pre-emption rights and makes it possible to issue the shares close to the stock exchange price, i.e. without the discount that is standard for pre-emption issues. In addition, such capital increases will also enable the Company to attract new investors in Germany and abroad. When utilizing the authorization, the Management Board shall – with the approval of the Supervisory Board – set the discount on the stock exchange price as low as possible based on the prevailing market conditions when the issue price is set definitively. The discount on the stock exchange price shall on no account exceed 5% of the stock exchange price.

The scope of the cash capital increase, disapplying the pre-emption right pursuant to Section 186, para. 3, sentence 4 AktG, is also limited to 10% of the share capital when the authorization enters into effect or, if this amount is to be lower, when the authorization to disapply the pre-emption right is exercised. Shares, such as treasury shares, that are issued or were sold during the period in which this authorization is in effect while disapplying shareholders' pre-emption rights in direct or corresponding application of Section 186, para. 3, sentence 4 AktG are to be counted toward this limit of 10%. Shares that are issued to service option rights and/or conversion rights or conversion obligations from convertible bonds or bonds with warrants or profit participation rights are also to be counted toward this limit if such debt securities or profit participation rights are issued during the period in which the authorization is in effect while disapplying shareholders' pre-emption rights in corresponding application of Section 186, para. 3, sentence 4 AktG. This limit takes account of the shareholder need for dilution protection for their shareholdings. Since the new shares are issued close to the stock exchange price, each shareholder can purchase shares on the market at almost the same conditions in order to maintain his or her ownership interest.

(3) Disapplication of the pre-emption right for capital increases in exchange for contributions in kind

The pre-emption right of shareholders may also be disapplying if the capital increase in exchange for contributions in kind is carried out for the purpose of acquiring companies, parts of companies, shareholdings in companies or other assets in connection with a planned acquisition or as part of corporate mergers. This provides the Company with the necessary flexibility to act quickly, flexibly and in a way that protects liquidity in order to take advantage of opportunities to acquire other companies, shareholdings in companies or parts of companies as well as corporate mergers, as well as to acquire other major assets for the company and assets in connection with a planned acquisition in order to improve its competitive position and strengthen its profitability. It will also be possible to disapply shareholders' pre-emption rights if the capital increase in exchange for contributions in kind is carried out for the purpose of acquiring industrial property rights, including copyrights and know-how or rights to use such rights. This is also intended to enable the Company to acquire such rights quickly, flexibly, and in a way that protects liquidity in order to improve its competitive position.

Often, such transactions involve very high payments that no longer can or should be made in cash. The owners of attractive companies or other attractive acquisition targets (including the aforementioned rights) often request shares in the purchasing company with voting

rights as a payment. The Company must be able to offer shares as payment in order to be able to acquire such companies and other acquisition targets. As such acquisitions are frequently carried out at short notice, it is generally not possible to have them approved by the Annual General Meeting, which usually only takes place once a year. This requires the creation of authorized capital, which the Management Board – with the approval of the Supervisory Board – can access quickly. In such cases, the Management Board ensures that shareholder interests are adequately protected when determining the valuation ratios. In doing so, the Management Board takes account of the stock exchange price of the Company's shares. The Management Board shall only make use of this authorization when the disapplication of the pre-emption right is in the best interests of the Company. There are currently no specific acquisitions planned that would involve the use of the option under the proposed authorization to carry out in-kind capital increases while disapplying the pre-emption right.

(4) Disapplication of the pre-emption right, if it is necessary to grant pre-emption rights for new shares to the bearers or creditors of bonds with warrants and convertible bonds or profit participation rights with option or conversion rights or obligations in the volume to which they would be entitled after exercising the option rights or conversion rights or after conversion obligations are fulfilled

In addition, it shall also be possible to disapply the pre-emption right, if necessary, to give bearers or creditors of bonds with warrants and convertible bonds or profit participation certificates issued by the Company or its 100% subsidiaries or sub-subsidiaries a pre-emption right to new shares such as they would be entitled to upon exercising their option or conversion rights or fulfilling their obligation to exercise their option or conversion rights based on the bonds when the authorized capital is utilized. To make it easier to place bonds and profit participation certificates on the capital market, the corresponding option and bond conditions generally include protection against dilution. One option for protecting against dilution is to grant the bearers or creditors of bonds or profit participation certificates a pre-emption right to new shares during subsequent share issues in the same volume to which shareholders are entitled. That will put them in the same position as if they were already shareholders. To be able to provide bonds or profit participation certificates with such protection against dilution shareholders' pre-emption right to new shares must be disapplied. This makes it easier to place bonds and profit participation certificates and thus serves the shareholders' interests in ensuring an optimum financing structure for the Company.

Alternatively, in order to protect against dilution the option or conversion price could be reduced if permitted by the option or bond and profit participation conditions. However, this is more complicated and costlier to carry out for the Company. Furthermore, it would reduce the capital inflows from the exercise of option and conversion rights or obligations. It would also be feasible to issue bonds or profit participation rights without dilution protection. But this would be substantially less attractive for the market. At the time the Annual General Meeting was convened on May 20, 2021, LPKF Laser & Electronics AG had not issued any warrant bonds and/or convertible bonds and/or profit participation certificates.

(5) Disapplication of the pre-emption right if the new shares are issued to individuals who are in an employment relationship with the Company or its affiliated (employee shares)

The pre-emption right will also be disapplied if the new shares are issued to individuals who are in an employment relationship with the Company or its affiliated companies (employee shares). The number of shares issued while disapplying shareholders' pre-emption rights may not exceed a pro-rata interest in the share capital in the total amount of EUR 200,000.00. This will enable shares to be used as a component of compensation for employees of the Company or its affiliated companies and encourage employees to participate in the Company's share capital, thus strengthening employee identification with the Company, which is in the interest of the Company and its shareholders. Issuing employee shares is therefore intended to be used in individual cases as a means of rewarding and motivating employees. The limit of a proportional amount of share capital totaling EUR 200,000.00 takes account of the shareholder need for dilution protection for their shareholdings.

(6) Utilization of the authorizations while limiting the disapplication of the pre-emption right to a total of 10% of share capital

When utilizing the authorized capital, the Management Board is only authorized to disapply the pre-emption right pursuant to (1) to (5) above insofar as the proportionate amount of the share capital of the shares issued while disapplying the pre-emption right on the basis of this authorization does not exceed a total of 10% of the share capital, either when the authorization enters into effect or when it is exercised. The following count toward the aforementioned 10% limit:

- own shares that are sold during the period in which this authorization is in effect while disapplying shareholders' pre-emption rights, as well as
- new shares that are to be issued on the basis of convertible bonds or bonds with warrants or profit participation rights issued during the period in which this authorization is in effect while disapplying shareholders' pre-emption rights and
- new shares issued on the basis of any other authorized capital during the period in which this authorization is in effect while disapplying shareholders' pre-emption rights.

This capital limit will restrict the total volume of shares issued with no pre-emption rights. In this way, shareholders received additional protection against the dilution of their shareholdings.

In each individual case, the Management Board and Supervisory Board will carefully review whether they need to make use of the authorizations to increase capital while disapplying shareholders' pre-emption rights. This option will only be exercised if in the view of the Management Board and the Supervisory Board doing so is in the best interests of the Company and thus of its shareholders.

The Management Board shall inform the next Annual General Meeting of any utilization of the above authorization to disapply pre-emption rights.

4. Written report by the Management Board regarding agenda item 11 of the Annual General Meeting on the reasons for authorizing the Management Board to disapply the pre-emption right when issuing bonds with warrants and/or convertible bonds

For agenda item 11, the Management Board and the Supervisory Board propose to the Annual General Meeting the authorization to issue bonds with warrants and/or convertible bonds (referred to collectively as "bonds") with a total nominal value of EUR 200,000,000.00 as well as the creation of related contingent capital of up to EUR 4,899,309.00 by issuing up to 4,899,309 new no-par value bearer shares. If this authorization is fully utilized, it would be possible to issue bonds that would grant pre-emption rights (or obligations) for up to 20% of the current share capital. The option of disapplying pre-emption rights upon the issue of bonds will be limited to a total of 10% of the share capital, taking account of shares that are to be issued or sold on the basis of a different authorization while disapplying pre-emption rights.

The proposed authorization to issue bonds against a cash payment is intended to provide the Company with the option, in addition to the traditional options of raising equity or debt capital, of taking advantage of attractive financing alternatives on the capital market depending on the market situation. Issuing bonds will enable the Company to raise debt capital that can be classified, depending on the bond conditions, as equity capital or equity-equivalent for both rating and accounting purposes. The option and conversion premiums as well as the equity credit will benefit the Company's capital basis. The plans to establish option and conversion obligations in addition to granting option and conversion rights will expand the Company's flexibility to structure these financial instruments. The authorization is intended to enable the Company to issue bonds itself or through Group companies headquartered in Germany or abroad in which the Company holds a direct or indirect 100% interest, and to make use of the German or international capital by being able to issue the bonds in the legal currency of an OECD country in addition to euros.

The option or conversion price for the shares obtained upon the exercise of option or conversion rights must – with the exception of cases in which an option or conversion obligation, a right to substitution or a pre-emptive tender right on the part of the issuer of the bond for delivery of the shares is planned – amount to at least 80% of the exchange price of the bearer shares in the Company on or near the date that the bonds with the option or conversion rights are issued. The option of adding a premium (that can be increased depending on the term of the bond) will make it possible for the bond conditions to take account of the capital market situation when the bond is issued. In the case of an option or conversion

obligation, a right to substitution or a pre-emptive tender right on the part of the issuer of the bond for delivery of the shares, the option or conversion price of the new shares must, in accordance with the more detailed provisions of the terms and conditions of the bonds, be at least the above-mentioned minimum price or the volume-weighted average exchange price of the shares in the Company in the Xetra closing auction (or a comparable successor system) on the Frankfurt Stock Exchange for the ten trading days before or after the final maturity of the bonds, even if the latter average price is less than the above-mentioned minimum price.

Shareholders generally have statutory pre-emption rights to the bonds (Section 221, para. 4 in conjunction with Section 186, para. 1 AktG). In order to make processing easier, it is planned that the shares can also be acquired by one or more banks or companies determined by the Management Board as defined in Section 186, para. 5, sentence 1 AktG with a commitment to offer them to shareholders for subscription (so-called indirect pre-emption right).

However, the Management Board is authorized, with the approval of the Supervisory Board, to disapply the pre-emption rights of shareholders for the following purposes:

- to exclude fractional amounts from shareholders' pre-emption rights;
- if the bonds are issued against a cash payment and the issue price of the bonds is not significantly lower than theoretical market value of the bonds as calculated using recognized financial mathematical methods. The number of shares to be issued to service the bonds that are issued while disapplying shareholders' pre-emption rights may not exceed a total of 10% of the share capital, either when this authorization enters into effect or when it is exercised. Shares that are issued or were sold during the period in which this authorization is in effect while disapplying shareholders' pre-emption rights in direct or corresponding application of Section 186, para. 3, sentence 4 AktG are to be counted toward this upper limit of 10% of the share capital. Shares that are issued to service option or conversion rights or option or conversion obligations from convertible bonds and/or bonds with warrants and/or profit participation rights are also to be counted toward this limit if such bonds or profit participation rights are issued during the term of this authorization while disapplying shareholders' pre-emption rights in corresponding application of Section 186, para. 3, sentence 4 AktG;
- if it is necessary to grant pre-emption rights to new bonds to the bearers or creditors of bonds with warrants and/or convertible bonds with option rights or conversion rights or option or conversion obligations that were issued by the Company or Group companies in which the Company holds a direct or indirect 100% interest in the volume to which they would be entitled after exercising the option or conversion rights or after the option or conversion obligations are fulfilled;

The Management Board provides the following report pursuant to Sections 221, para. 4, 186, para. 4, sentence 2 AktG on this authorization to disapply shareholders' pre-emption rights with the approval of the Supervisory Board:

(1) Disapplication of the pre-emption right for fractional amounts

It shall initially be possible to disapply the pre-emption right for fractional amounts. The aim of this authorization is to ensure that the authorization is utilized using round amounts and a practical pre-emption ratio. Without the disapplication of the pre-emption right for fractional amounts, technical implementation of the bonds would be significantly more difficult. In these cases, disapplication of the pre-emption right makes the processing of the issue easier. The fractions of shares disapplying from shareholders' pre-emption rights will be sold to the Company's greatest possible advantage either via the stock exchange or in some other way. For this reason, the Management Board and the Supervisory Board view the authorization to disapply pre-emption rights as appropriate.

(2) Disapplication of the pre-emption right when the issue price is not significantly lower than the theoretical market value and shares issued in this way, disapplying the pre-emption right, do not amount to a total of more than 10% of the share capital

The pre-emption right will also be disapplying if the bonds are issued against a cash payment and the bonds are issued at a price that is not significantly lower than theoretical market value of the bonds as calculated using recognized financial mathematical methods.

This gives the Company the opportunity to take advantage of favorable market situations quickly and at short notice, and to achieve better terms for the coupon and option or conversion price

of the bond by setting market-based conditions. This would not be possible if the statutory pre-emption right were maintained. Section 186, para. 2 AktG stipulates that the subscription price (and in the case of bonds, the conditions) must be published at least three days before the end of the subscription period. However, in view of the volatility on the stock markets the market risk over the course of several days would lead to security discounts when setting the conditions of the bond and thus to less market-based conditions. Furthermore, in safeguarding the statutory pre-emption right the uncertainty regarding the extent to which this right will be exercised jeopardizes the successful placement of the bonds with third parties or imposes additional effort. Finally, the length of the minimum period of two weeks that must be maintained to safeguard the statutory pre-emption right makes it impossible to respond to favorable or unfavorable market conditions, which can lead to less than optimal capital procurement.

The interests of shareholders is safeguarded as a result of the planned disapplication of pre-emption rights in application of Section 186, para. 3, sentence 4 AktG because the bonds may not be issued at a price that is significantly lower than their theoretical market value, as a result of which the mathematical value of the pre-emption right falls almost to zero. Shareholders who wish to maintain their percentage of the share capital can do so by purchasing additional shares on the market. In assessing the question of which issue price corresponds to the theoretical market value of the bond and guarantees that the issue of the bonds does not lead to an appreciable dilution of the value of the existing shares, the Management Board can turn to experts, such as the banks assisting with the issue or specialists, when it views this as necessary in the relevant situation. When necessary, the issue price can also be set as part of a book building process.

This type of disapplication of pre-emption rights is also limited in terms of volume: The number of shares issued to service the bonds that are issued during the period of this authorization while disapplying shareholders' pre-emption rights (whether on the basis of this authorization or another authorization) may not exceed a total of 10% of the share capital, either when this authorization enters into effect or, if this amount is to be lower, when it is exercised. The proportionate amount of share capital from shares that are issued during the period in which this authorization is in effect, either on the basis of an authorization of the Management Board disapplying shareholders' pre-emption rights in direct or corresponding application of Section 186, para. 3, sentence 4 AktG or as acquired treasury shares in corresponding application of Section 186, para. 3, sentence 4 AktG, are to be counted toward this upper limit of 10% of the share capital. Doing so ensures that no bonds are issued if such issues would result in the disapplication of the pre-emption rights for more than 10% of the share capital of shareholders in direct or corresponding application of Section 186, para. 3, sentence 4 AktG.

(3) Disapplication of the pre-emption right, if it is necessary to grant pre-emption rights for bonds to the bearers or creditors of bonds with warrants and convertible bonds with option or conversion rights or option or conversion obligations in the volume to which they would be entitled after exercising the option or conversion rights or after the option or conversion obligations are fulfilled

Ultimately, it shall be possible when utilizing the authorization to disapply the pre-emption right, if necessary, to give bearers or creditors of bonds with warrants and/or convertible bonds issued by the Company or companies a pre-emption right to bonds such as they would be entitled to upon exercising their option or conversion rights or fulfilling their obligation to exercise their option or conversion rights. To make it easier to place bonds on the capital market, the corresponding bond conditions generally include protection against dilution. One option for protecting against dilution is to grant the bearers or creditors of bonds a pre-emption right to bonds during subsequent issues in the same volume to which shareholders are entitled. That will put them in the same position as if they were already shareholders. To be able to provide bonds with such protection against dilution shareholders' pre-emption right to bonds must be disappplied. This makes it easier to place bonds and profit and thus serves the shareholders' interests in ensuring an optimum financing structure for the Company.

Alternatively, in order to protect against dilution the option or conversion price could be reduced if permitted by the bond conditions. However, this is more complicated and costlier to carry out for the Company. Furthermore, it would reduce the capital inflows from the exercise of option and conversion rights or the fulfillment of option or conversion obligations. It would also be

feasible to issue bonds without dilution protection. But this would be substantially less attractive for the market.

Shareholders also have the option of maintaining their percentage of the Company's share capital after the exercise of option or conversion rights or obligations by purchasing additional shares on the stock exchange at any time. By contrast, the authorization to disapply pre-emption rights enables the Company to set market-based conditions and ensures the greatest possible security in terms of placement with third parties and the short-term utilization of favorable market situations.

(4) Utilization of the authorizations while limiting the disapplication of the pre-emption right to a total of 10% of share capital

In addition, in the interest of shareholders the authorizations to disapply pre-emptive rights specified under (1) to (3) above and also taking account of all other authorizations are limited to a total share volume of 10% of the Company's share capital when this authorization enters into effect or, if lower, when it is exercised. This capital limit protects shareholders against the dilution of their shareholdings. In calculating this capital limit, the Management will also take account of the issue or sale of new treasury shares as well as of bonds or profit participation certificates with option or conversion rights or option or conversion obligations on the basis of another authorization granted to the Management Board, while disapplying the pre-emption rights of shareholders during the period of this authorization.

There are currently no concrete plans to exercise the authorization to issue bonds. Corresponding advance resolutions with the option of disapplying pre-emption rights are customary in Germany and internationally. In each individual case, the Management Board and Supervisory Board will carefully review whether they need to make use of the authorizations to issue bonds while disapplying shareholders' pre-emption rights. This option will only be exercised if in the view of the Management Board and the Supervisory Board doing so is in the best interests of the Company and thus of its shareholders.

In each case, the Management Board shall inform the next Annual General Meeting of any utilization of the above authorization to disapply pre-emption rights.

III. Further details regarding the convening of the meeting

All times in the section "Further details regarding the convening of the meeting" are specified in Central European Summer Time (CEST), which applies for Germany. In terms of UTC (coordinated universal time), UTC = CEST minus two hours.

Pursuant to Section 1, para. 2, of the COVID-19 Act and according to the decision made by the Management Board with the Supervisory Board's approval, the Annual General Meeting shall be conducted as a virtual Annual General Meeting without the physical presence of shareholders or their proxies. Shareholders and their proxies may exercise their voting rights during the Annual General Meeting exclusively by absentee ballot (not participating online) or by assigning proxies and issuing instructions to the proxies appointed by the Company in accordance with the provisions below.

Video and audio broadcast of the complete Annual General Meeting on the Internet

Shareholders who have registered for the Annual General Meeting on time and in the proper form and have submitted evidence of their shareholdings can watch the Annual General Meeting in its entirety with audio and video on May 20, 2021, starting at 10 a.m. via the password-protected Internet service available at the Web address below:

<https://www.lpkf.com/en/investor-relations/annual-general-meeting/>

. The logon information for the Internet service will be sent to shareholders on an access card mailed to them after they have registered on time and in the proper form and submitted evidence of their shareholdings.

Even authorized intermediaries (e.g. banks) or individuals or institutions (proxy advisors, shareholders' associations, professional agents) deemed equivalent to them in accordance with Section 135, para. 8, AktG, or other proxies may watch the Annual General Meeting in its entirety on the Internet in place of the shareholder by using the logon information contained on the access card received by mail.

Conditions for participating in the virtual Annual General Meeting by watching the video and audio broadcast of the complete Annual General Meeting and exercising the right to vote

Shareholders and their proxies (with the exception of proxies appointed by the Company) are not authorized to physically attend the virtual Annual General Meeting.

Only shareholders who have registered for the Annual General Meeting and have submitted evidence of their shareholdings to the Company shall have the right to attend the virtual Annual General Meeting by watching the video and audio broadcast of the complete Annual General Meeting and to exercise voting rights by absentee ballot (not participating online) or by assigning proxies and issuing instructions to the proxies appointed by the Company. Evidence of shareholdings shall be provided by means of a certificate of share ownership issued in text form by the last intermediary in accordance with Section 67c, para. 3, AktG. The last intermediary can also send the certificate directly to the Company. 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, April 29, 2021, 12:00 a.m. (CEST),
(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 13, 2021, 12:00 a.m. (CEST),

at the address specified below:

LPKF Laser & Electronics Aktiengesellschaft
c/o C-HV AG
Gewerbepark 10
92289 Ursensollen
or
Fax: +49 (0) 9628 92 99-871
or
E-mail: anmeldestelle@c-hv.com

Significance of the Record Date

The Record Date is the deciding criterion for participating in the virtual Annual General Meeting by watching the video and audio broadcast of the complete Annual General Meeting and its proceedings, the right to exercise one's vote, and the weight of one's vote. In relation to the Company, a person shall be considered a shareholder for purposes of entitlement to participate in the virtual Annual General Meeting by watching the video and audio broadcast of the complete Annual General Meeting and exercising one's voting rights at the Annual General Meeting only if he or she has submitted proof of share ownership. The shareholder's right to participate in the virtual Annual General Meeting by watching the video and audio broadcast of the complete Annual General Meeting and the weight of the shareholder's vote shall be determined solely by the number of shares owned 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 for the right to participate in the virtual Annual General Meeting by watching the video and audio broadcast of the complete Annual General Meeting and the weight of one's vote. In other words, the sale of shares or any other form of transfer of the shares after the Record Date shall have no influence on the right to participate in the Annual General Meeting by watching the video and audio broadcast of the complete Annual General Meeting or the weight of one's 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 in the virtual Annual General Meeting by watching the video and audio broadcast of the complete Annual General Meeting or vote 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.

Procedures for voting by absentee ballot and by proxy

1. Procedure for voting by absentee ballot

Shareholders have the option to cast their votes by absentee ballot by following the procedure outlined below without participating in the Annual General Meeting. Timely registration for the Annual General Meeting and timely submission of evidence of shareholdings in accordance with the foregoing provisions are required in this case as well. Votes cast by absentee ballot that are not associated with a proper registration form shall be null and void. Votes cast by absentee ballot must be submitted in writing or by electronic means. Voting by absentee ballot can be performed using our password-protected Internet service, which is available at the Web address below:

<https://www.lpkf.com/en/investor-relations/annual-general-meeting/>

Absentee ballots can also be cast by using the form for voting by mail, which will be sent to shareholders with their access cards. It can also be downloaded from the Company's website at <https://www.lpkf.com/en/investor-relations/annual-general-meeting/>. The logon information for the Internet service will be sent to shareholders on an access card after they have properly registered and submitted evidence of their shareholdings.

Notwithstanding the requirement to register on time and provide proof of share ownership, votes can be cast by electronic absentee ballot using the password-protected Internet service until immediately before the start of voting during the virtual Annual General Meeting on May 20, 2021 (the chairperson of the meeting will announce the start of voting).

Notwithstanding the requirement to register on time and provide proof of share ownership, votes cast by absentee ballot without using the Internet service must be submitted by mail, fax, or e-mail by no later than **Wednesday, May 19, 2021, 6:00 p.m. (CEST) (time of receipt)** at the address below:

LPKF Laser & Electronics Aktiengesellschaft
c/o C-HV AG
Gewerbepark 10
92289 Ursensollen
or
Fax: +49 (0) 9628 92 99-871
or
E-mail: anmeldestelle@c-hv.com

Absentee ballots already cast can be amended or rescinded using the methods indicated above until the times specified for each. Additional details on absentee voting are available on the Company's website at <https://www.lpkf.com/en/investor-relations/annual-general-meeting/> or are found on the form mailed along with the access card.

Even authorized intermediaries (e.g. banks), individuals or institutions (proxy advisors, shareholders' associations, professional agents) deemed equivalent to them in accordance with Section 135, para. 8, AktG, or other proxies may take advantage of absentee voting.

2. Procedure for voting by proxy

Shareholders also have the option of following the procedure outlined below to have their voting rights exercised by the proxies appointed by the Company during the Annual General Meeting. Timely registration and timely submission of evidence of shareholdings by the shareholder in accordance with the foregoing provisions are required in this case as well. The proxies appointed by the Company are available for the sole purpose of exercising voting rights and, if authorized, shall exercise those voting rights exclusively as instructed. The proxies appointed by the Company are not authorized to vote without receiving prior instructions from the shareholders. Such authorization (with instructions) and any revocation thereof must be issued in text form. A form for assigning proxies and issuing instructions as well as other related details are contained in the materials mailed with the access card.

Notwithstanding the requirement to register on time and provide proof of share ownership, proxies can be assigned and instructions issued to the proxies appointed by the Company using the password-protected Internet service until immediately before the start of voting during the virtual Annual General Meeting on May 20, 2021 (the chairperson of the meeting will announce the start of voting). The login information for the Internet service will be sent to shareholders on an access card.

Notwithstanding the requirement to register on time and provide proof of share ownership, proxies and instructions intended for the proxies appointed by the Company but not assigned and issued using the Internet service must be received by the Company by mail, fax, or e-mail by no later than **Wednesday, May 19, 2021, 6:00 p.m. (CEST)** (time of receipt) at the address below:

LPKF Laser & Electronics Aktiengesellschaft
c/o C-HV AG
Gewerbepark 10
92289 Ursensollen
or
Fax: +49 (0) 9628 92 99-871
or
E-mail: anmeldestelle@c-hv.com

Shareholders who do not themselves wish to exercise their right to vote via absentee ballot or by assigning proxies and issuing instructions to proxies appointed by the Company for the Annual General Meeting may also have their votes cast through a different proxy, for example, by an intermediary (e.g. a bank), an association of shareholders, a proxy advisor, or another person of their choosing. This also applies to the option of asking questions online and protest online to a resolution adopted by the Annual General Meeting. Timely registration and timely submission of evidence of shareholdings by the shareholder in accordance with the foregoing provisions are required in this case as well. For his or her part, the proxy may exercise the right to vote to the extent permitted by law only by absentee ballot or by delegating the authority (to) another person and issuing instructions to the proxies appointed by the Company.

If neither an intermediary (e.g. a bank), a shareholders' association, a proxy advisor, nor one of the other persons or institutions deemed equivalent under Section 135 of the AktG is assigned a proxy, a power of attorney must be granted in text form within the meaning of Section 126b of the *Bürgerliches Gesetzbuch* (BGB – German Civil Code). In such instances, revocation of a power of attorney and proof that a power of attorney has been granted must also be submitted to the Company in text form.

Shareholders who wish to appoint a proxy may use the forms for granting a power of attorney that the Company provides for that purpose on the Internet at <https://www.lpkf.com/en/investor-relations/annual-general-meeting/>. The materials sent to shareholders along with their access cards also contain proxy forms. Proxies can also be assigned directly via our password-protected Internet service at the following Web address:

<https://www.lpkf.com/en/investor-relations/annual-general-meeting/>.

The declaration of proxy authorization may be made either to the proxy or the Company.

Documentary proof of the proxy must also be sent to the Company at the address below:

LPKF Laser & Electronics Aktiengesellschaft
c/o C-HV AG
Gewerbepark 10
92289 Ursensollen
or
Fax: +49 (0) 9628 92 99-871
or
E-mail: anmeldestelle@c-hv.com

Please use only the above-mentioned fax number or e-mail address to send evidence of a proxy on the day of the Annual General Meeting before the start of voting. The aforementioned communication channels and the Internet service may also be used if the declaration of proxy authorization is submitted directly to the Company. In this case, no separate evidence of the proxy authorization is required. The revocation of a previously issued proxy may also be submitted directly to the Company by using the aforementioned communication channels or the Internet service.

When assigning a proxy to an intermediary (e.g. a bank), a shareholder's association, a proxy advisor, or a person or institution deemed equivalent under Section 135, para. 8, AktG, and when revoking and providing proof of such authorization, special rules may apply. In such cases, shareholders are advised to coordinate with their intended proxy in advance to determine whether the proxy might require a special form for granting the proxy.

Banks, shareholder's associations, proxy advisors, and other intermediaries covered by Section 135, AktG, as well as persons and institutions deemed equivalent under Section 135, AktG, who represent multiple shareholders are advised to contact the following address in advance of the Annual General Meeting concerning the exercising of voting rights:

LPKF Laser & Electronics Aktiengesellschaft
c/o C-HV AG
Gewerbepark 10
92289 Ursensollen
or
Fax: +49 (0) 9628 92 99-871
or
E-mail: anmeldestelle@c-hv.com

If a shareholder appoints more than one person to serve as their proxy, the Company may reject one or more of these appointments.

Having proxies exercise one's rights via the Internet service (no participating online) requires the shareholder to give the proxy logon information received with the access card for the Annual General Meeting or the logon information generated for the proxy upon assignment of authorization via the Internet service.

3. Additional instructions, in particular concerning the exercising of voting rights by shareholders by absentee ballot and the assigning of proxies and issuing instructions to the proxies appointed by the Company

Once shareholders have successfully registered and provided evidence of share ownership, they will have access to our Internet service, in addition to the methods by mail, fax, and e-mail listed above, until May 19, 2021, 6:00 p.m. (CEST) (time of receipt), for assigning proxies and issuing instructions to the proxies appointed by the Company, revoking or amending them, and casting their votes by absentee ballot and revoking or changing said votes until immediately before the start of voting during the virtual Annual General Meeting (the chairperson of the meeting will announce the start of voting). The logon information for the Internet service will be sent along with the shareholder's access card.

Voting by absentee ballot, assigning proxies, and issuing instructions to the proxies appointed by the Company shall be limited to the votes taken on the proposed resolutions announced in the agenda by the Management Board and/or the Supervisory Board (including any possible adjustment it contains regarding the proposed resolution on appropriation of profits so it corresponds to the current number of shares eligible for a dividend at the time of the resolution) as well as any vote on the proposals submitted

by shareholders in advance of the Annual General Meeting pursuant to Sections 122, 126 and 127 AktG. If separate votes are taken on any of the items on the agenda without said vote having been announced in advance of the virtual Annual General Meeting, then the vote cast or instructions issued concerning that item of the agenda shall also be counted overall as a corresponding vote or instructions regarding each point of the separate vote.

If more than one identical copy of the ballot is received, the final ballot (based on date of submission) shall prevail. If multiple copies of the ballot with varying instructions are received by different means and it cannot be determined which ballot was submitted last, they will take precedence in the following order: 1. Internet service, 2. e-Mail, 3. fax, and 4. hard copy.

Please note that shareholders and their proxies will have neither the right to give speeches nor ask questions during the Annual General Meeting in accordance with Section 131 of the AktG, nor will they be permitted to make motions during the Annual General Meeting. They will also not be permitted to propose resolutions during the Annual General Meeting because they will not be physically present but voting by absentee ballot and, hence, not participating in the Annual General Meeting. The proxies appointed by the Company are exclusively available to exercise voting rights and not to exercise other shareholders' rights. Please note the following information concerning shareholders' rights and the instructions contained in the materials received along with your access card and at <https://www.lpkf.com/en/investor-relations/annual-general-meeting/>.

Shareholders' rights

Proposals to add items to the Agenda pursuant to Section 122, para. 2, German Stock Corporation Act (Aktengesetz)

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, para. 2, of the German Stock Corporation Act (Aktengesetz). 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, April 19, 2021, 12:00 a.m. (CEST)

. Please send such requests to the following address:

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

Any items added to the agenda and subject to disclosure shall be published promptly in the Federal Gazette upon receipt of the request and distributed to media outlets that can be expected to disseminate the information throughout the European Union. They will also be made available on the Company's website at <https://www.lpkf.com/en/investor-relations/annual-general-meeting/> and announced to shareholders.

Counterproposals and candidate nominations submitted by shareholders pursuant to Sections 126, para.1 and Section 127 AktG in conjunction with Section 1, para. 2, sentence 3 of the COVID-19 Act

In accordance with Section 126, para. 1 AktG, shareholders may send the Company counterproposals to proposals made by the Management Board and/or Supervisory Board regarding a particular item on the agenda as well as make recommendations on the choice of members of the Supervisory Board

and/or auditor in accordance with Section 127 AktG. Counterproposals and nominations are to be submitted exclusively to 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, para. 1 AktG, 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 <https://www.lpkf.com/en/investor-relations/annual-general-meeting/> if it receives the counterproposals, including potential reason(s), at least 14 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 5, 2021, 12:00 a.m. (CEST),

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 para. 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 AktG, the aforementioned applies analogously to proposals submitted by shareholders for the election of members of the Supervisory Board and/or auditors. In addition to the cases specified in Section 126, para. 2 AktG, 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. Nominations for the Supervisory Board do not need to be published if the proposal does not contain information about the nominee's membership of other statutory supervisory boards,

Counterproposals and/or nominations submitted on time and in the proper form in accordance with the above provisions pursuant to Sections 126 and 127 AktG and made available by the Company will be treated pursuant to Section 1, para. 2, sentence 3 of the COVID-19 Act as though they were submitted during the Annual General Meeting, provided the shareholder making such motion or nomination has registered for the Annual General Meeting and been properly identified.

Right to information pursuant to Section 131, para. 1, AktG, and right to ask questions pursuant to Section 1, para. 2, sentence 1, no. 3, sentence 2, of the COVID-19 Act

Shareholders will not have the right to request information from the Management Board verbally during the Annual General Meeting in accordance with Section 131, paras. 1 and 4 AktG.

However, shareholders who have registered for the Annual General Meeting on time and in the proper form in accordance with the above provisions and proved their share ownership will have the right to ask questions by means of electronic communication pursuant to Section 1, para. 2, sentence 1, no. 3, of the COVID-19 Act. The Management Board shall use its professional judgment and discretion in deciding how to answer questions. Questions submitted in languages other than German and English will be disregarded.

The Management Board has decided with the approval of the Supervisory Board under Section 1, para. 2, sentence 2, of the COVID-19 Act, that any questions must be received by the Company no later than **Tuesday, May 18, 2021, 12:00 a.m. (CEST)**, and submitted online via the password-protected Internet service at <https://www.lpkf.com/en/investor-relations/annual-general-meeting/>. To that end, the Internet service provides an option to "Submit questions online." Questions submitted after the deadline will be disregarded.

Answers will be provided during the video and audio broadcast of the virtual Annual General Meeting. For reasons of privacy, questions submitted by natural persons will be answered during the virtual

Annual General Meeting without naming the individual posing the question. The Company reserves the right to respond to frequently asked questions in advance on its website.

Option to protest online against a resolution adopted by the Annual General Meeting under Section 1, para. 2, sentence 1, no. 4, of the COVID-19 Act

Shareholders who have exercised their voting rights on one or more resolutions adopted by the Annual General Meeting shall be given the opportunity to protest by means of electronic communication any resolution adopted by the Annual General Meeting. The requirement to appear at the Annual General Meeting shall be waived, and such protests shall be recorded by the notary. Such declarations can be made from the start of the Annual General Meeting until it has been adjourned by the chairperson of the meeting via our password-protected Internet service at <https://www.lpkf.com/en/investor-relations/annual-general-meeting/>.

Additional explanations and information available on the Company website

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

<https://www.lpkf.com/en/investor-relations/annual-general-meeting/>

. Additional information concerning the rights of shareholders pursuant to Section 122, para. 2; Section 126, para. 1, Section 127; and Section 131, para. 1 AktG; as well as Section 1, para. 2, sentence 1, no. 3, and no. 4, sentence 2 and 3 of the COVID-19 Act, is also published at the Web address below:

<https://www.lpkf.com/en/investor-relations/annual-general-meeting/>

Garbsen, Germany, April 2021
LPKF Laser & Electronics Aktiengesellschaft

The Management Board

**Information for Shareholders of LPKF Laser & Electronics AG
on Data Protection pursuant to 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") in connection with Annual General Meetings 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

Jürgen Recha, Data Protection Officer
Interev GmbH
Robert-Koch-Strasse 55
30853 Langenhagen
Telephone: +49 (0) 511 - 89 79 84 10
Juergen.Recha@interev.de

Purposes and legal bases of data processing

In connection with the virtual Annual General Meeting, LPKF processes your personal data (in particular, your name, address, e-mail address and, if necessary, other shareholder contact details, number of shares, type of ownership of the shares, access card number and code; 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. This is only carried out for the purposes specified in the German Stock Corporation Act. This includes communicating with shareholders and carrying out Annual General Meetings. In doing so, 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 an intermediary (e.g. a bank) or shareholders' association, proxy advisor, another individual or institution deemed equivalent according to Section 135, para. 8, AktG, and who professionally undertakes to exercise voting rights on behalf of shareholders at the Annual General Meeting to represent him or her 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 virtual Annual General Meeting by watching the video and audio broadcast of the complete Annual General Meeting (e.g. verification of eligibility to participate) and enabling shareholders to exercise their rights in the context of the virtual Annual General Meeting (which includes the granting, the withdrawal, and the documentation of any and all powers of attorney and instructions).

These processing operations include the following:

LPKF processes the necessary data that shareholders provide or that has been provided by their custodian bank as part of a shareholder's registration for the virtual Annual General Meeting (in particular, first and last names, address, number of shares, share class, access card number, and type of ownership).

If a proxy participates in the entire virtual Annual General Meeting, LPKF processes the shareholder's information provided on the proxy form as well as the proxy's first and last names and place of residence and address. If power of attorney and instructions are issued to a proxy appointed by LPKF, then the instructions issued are also processed, and the proxy form is kept on file by the Company for three years as documentary evidence.

In the case of voting rights exercised during the Annual General Meeting by proxies appointed by the company in accordance with Section 129 AktG, a list of attendees will be kept with the following personal information: access card number, first and last names and place of residence of the shareholder being represented or his or her authorized representative and the Company's proxy, number of shares, share class, number of voting rights, and type of ownership.

If a shareholder requests that items be placed on the agenda, LPKF will announce those items, disclosing the name of the shareholder, provided he or she has met the conditions outlined in the provisions of German corporate law. LPKF will also make counterproposals and nominations submitted by shareholders, provided they meet the conditions outlined in the provisions of German corporate law, available on the website of LPKF (Section 122, para. 2; Section 126, para. 1; and Section 127 of the AktG), at the same time disclosing the name of the shareholder.

If you submit questions online prior to the Annual General Meeting in accordance with Section 1, para. 2 of the COVID-19 Act in conjunction with the provisions in the convening notice or object to resolutions proposed by the Annual General Meeting during the Annual General Meeting, we will process your personal information (name, address, access card number and code) in order to respond to your question or objection.

The legal basis for the aforementioned processing is formed by Section 67e AktG in conjunction with Art. 6, para. 1(1)(c) GDPR.

The processing of the aforementioned personal data in each case is necessary to fulfill the legally prescribed obligations of LPKF. Without the provision of the relevant data, you will be unable to participate in the virtual Annual General Meeting by watching the video and audio broadcast of the complete Annual General Meeting or exercise your voting rights and other AGM-related rights.

For reasons of privacy, questions submitted by you will be answered during the virtual Annual General Meeting without disclosing your name.

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 is formed by the respective legal regulations in conjunction with Art. 6, para. 1(1)(c) GDPR.

In individual cases, your data will also be processed to safeguard our legitimate interests or the legitimate interests of a third party pursuant to Art. 6, para. 1(f) GDPR. This may be the case, for example, if your personal data is processed to compile internal statistics (e.g. to represent shareholder changes, the number of transactions for overviews of major shareholders).

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 virtual Annual General Meeting (including the production of video and audio recordings and streaming the webcast), we rely on external service providers that process your personal data in accordance with our instructions in compliance with Art. 28 GDPR.

Shareholders and 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 list of attendees will also be made accessible to those in attendance as part of the Annual General Meeting. Your personal data will also be published in accordance with legal regulations as part of requests to amend the agenda that must be made public, counterproposals, and nominations.

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

In general, we delete or anonymize your personal data as soon as – and to the extent that – it is no longer required for the purposes indicated above, 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 retain it. The above-mentioned data in connection with Annual General Meetings is regularly deleted or anonymized after three years. When we learn of the sale of your shares, we will only continue to store your personal data for a maximum of 12 months, subject to other legal regulations. We only store your personal data beyond this period if further processing is required in individual cases in connection with claims asserted against 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, with respect to the processing of your personal data you have the following rights within the framework of the legal requirements:

- 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 to object to the processing of your data, provided the data is being processed only to safeguard the legitimate interests of the Company (Art. 21 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 document is a convenience translation of the German original. In case of any discrepancy between the English and the German versions, the German version shall prevail.