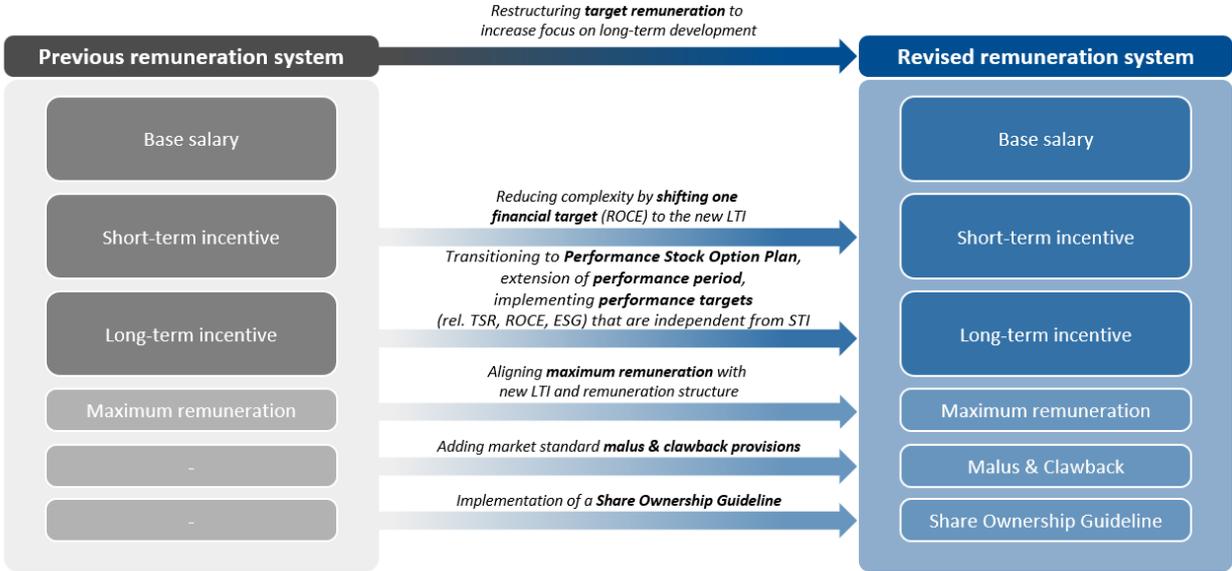


Information on agenda item 5 of the Annual General Meeting of LPKF Laser & Electronics SE on May 17, 2023

2023 Remuneration System for members of the Management Board

I. Most significant changes under the revised remuneration system

The most significant changes and additions to the revised remuneration system relative to the 2021 Remuneration System can be summarized as follows:



- **Reinforcement of long-term orientation**

In order to further reinforce the orientation towards long-term and sustainable development for LPKF, the ratio of short-term variable remuneration (STI) to long-term variable remuneration (LTI) is being adjusted in favor of LTI. Under the revised remuneration system, the ratio of the target amount for STI to the target amount for LTI will be roughly 40% to 60% (previously 50% to 50%).

- **Alignment of LTI with corporate strategy and investor expectations**

The previous LTI was designed as an equity deferral and had the same performance targets as the STI. It is being replaced with an entirely new LTI. The revised LTI is designed as a performance stock option plan which is linked to both financial targets and ESG goals.

From the Supervisory Board's perspective, the use of a performance stock option plan will provide the best possible support for LPKF's corporate strategy and long-term development. In accordance with LPKF's growth ambitions, the use of a performance stock option plan creates strong incentives to increase the company's value and thus aligns the interests of LPKF's Management Board with those of its shareholders. At the same time, the consideration of performance targets will ensure that the corporate strategy is implemented holistically. These objectives include surpassing relevant competitors on the capital market and attaining key financial and ESG targets derived from the corporate strategy. The performance stock option plan thus creates balanced incentives for the successful long-term development of LPKF.

The new LTI will not only be introduced for the Management Board but will also be applied throughout the entire company. This will create a strong incentive to work together as a team and to drive the successful development of LPKF forward together. The new LTI will also strengthen shareholder culture within the company considerably and enable LPKF to attract key talent for driving the company's growth further.

As an internal financial target, ROCE will be moved from the STI to the new LTI (weighting: 40%). In addition, relative total shareholder return (TSR) is being implemented as an additional financial performance target with a weighting of 40%. The financial targets will be supplemented with measurable ESG goals which will be derived from the sustainability strategy and defined annually for each tranche by the Supervisory Board.

Target attainment for the described performance targets will be measured over a period of three years and is harmonized with the medium-term planning of LPKF, which is how the final number of performance stock options will be determined. The performance stock options must be held for a period of four years after allocation, during which the value of the performance stock options will be dependent on the development of the

share price. This means that the performance stock options may be exercised four years after allocation at the earliest. The subsequent exercise period is four years, which means that the plan term for the new LTI is up to eight years.

As a general rule, the new LTI will be settled in shares.

- **Introduction of standard market penalty and clawback provisions**

In line with the expectations of investors and voting rights consultants, the performance-based remuneration components under the revised remuneration system will be subject to penalty and clawback provisions. These provisions cover cases of performance-based remuneration paid on the basis of misstatements in the annual financial statements ("performance clawback") and cases of intentional gross breaches of material duties of care by a Management Board member ("compliance penalty / clawback").

- **Introduction of share ownership guidelines**

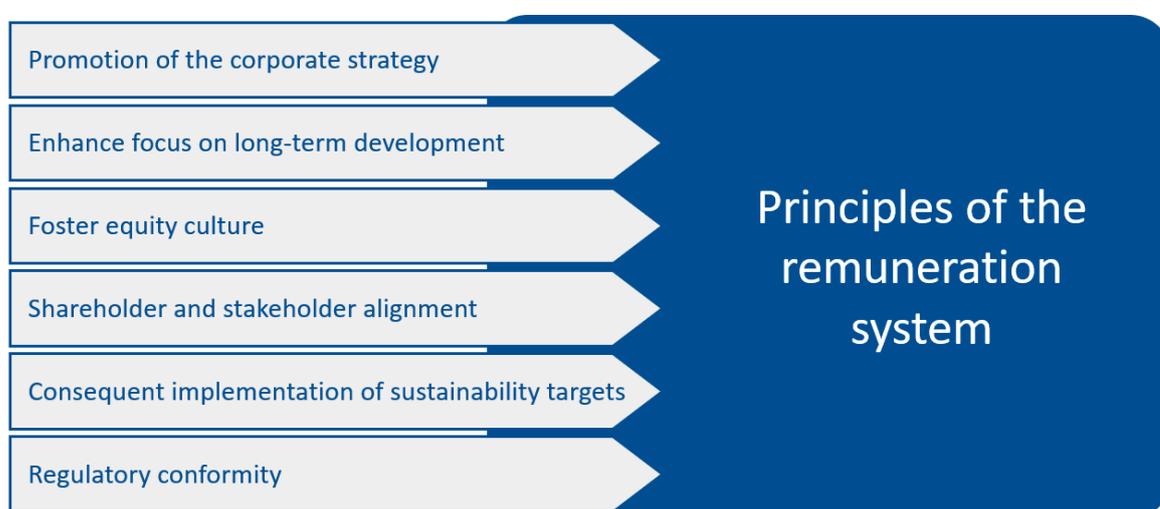
As part of the revised remuneration system, share ownership guidelines (SOG) will also be introduced in order to link the interests of the Management Board to those of the shareholders more closely. Under the share ownership guidelines, the members of the Management Board are obligated to invest at least 50% of their net STI payment in company shares until the SOG target of 100% of gross basic remuneration per year has been attained. These shares must be held until the end of the employment relationship. As a further restriction, the performance stock options under the new LTI cannot be exercised until the SOG target is attained.

- **Adjustment of maximum remuneration to the new LTI and the new remuneration structure**

Because the risk profile of the new LTI in the form of a performance stock option plan differs from that of the previous LTI, the maximum remuneration will be adjusted. Firstly, payment depends on the development of the newly introduced performance targets, including a relative performance measurement for total shareholder return. Secondly, a payment is only made if the share price goes up. No payment will be carried out if this requirement is not fulfilled. In view of the changed risk profile relative to the previous LTI and in consideration of the new remuneration structure outlined above, the Supervisory Board has deemed it necessary to adjust the maximum remuneration in accordance with Section 87a, para. 1, sentence 2 (1) AktG. From 2023 onwards, the maximum remuneration for each member of the Management Board will be EUR 2 million. When determining the maximum remuneration, the Supervisory Board also took the level of maximum remuneration at German companies of comparable size into account.

II. Principles of the remuneration system

The Management Board's remuneration system is a key control instrument for the implementation of LPKF's corporate strategy and growth ambitions. This includes creating the right incentives for implementing the corporate strategy holistically. Against this backdrop, the performance targets for performance-based remuneration components encompass financial and sustainability-related targets. In the interest of increasing the level of focus on LPKF's long-term development, LTI constitutes the largest part of performance-based remuneration. In order to promote shareholder culture within LPKF and align the interests of the Management Board with those of shareholders and stakeholders, the LTI has been configured as share-based remuneration components and the Management Board is subject to share ownership guidelines. When designing the remuneration system for the Management Board, the Supervisory Board complied with the requirements of the AktG and took the recommendations of the German Corporate Governance Code (GCGC) into account.



III. The remuneration system at a glance

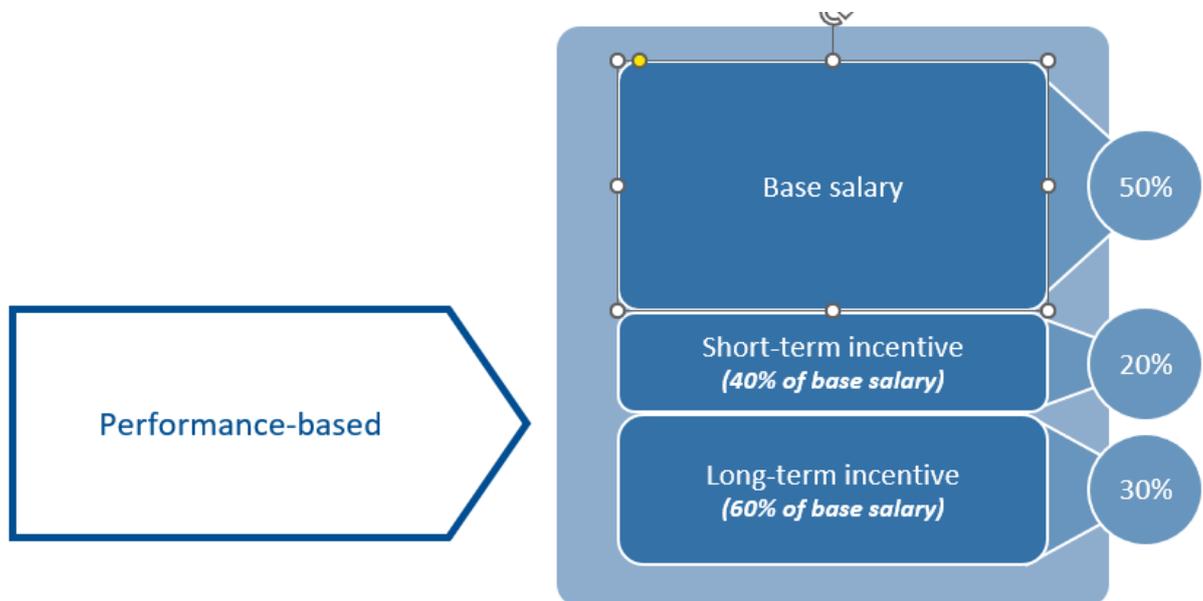
The Management Board's remuneration system consists of performance-based and non-performance-based remuneration components. The non-performance-based components comprise basic remuneration and ancillary benefits, while the performance-based components consist of short-term variable remuneration (STI) and long-term variable remuneration (LTI). Penalty and clawback provisions, share ownership guidelines, and maximum remuneration are also key elements of the remuneration system. The company does not offer pension or early retirement schemes for Management Board members.

	Vergütungsbestandteil	Bemessungsgrundlage/Parameter	Zielsetzung
Erfolgsunabhängig	Grundvergütung	Auszahlung in gleichen monatlichen Raten am Ende eines jeden Monats	<ul style="list-style-type: none"> • Spiegelt die Rolle im Vorstand, die Erfahrung, den Verantwortungsbereich sowie die Marktverhältnisse wider • Sichert ein angemessenes Einkommen, um das Eingehen unangemessener Risiken zu vermeiden
	Nebenleistungen	Sachbezüge, Dienstwagen (alternative Barzulage oder Mietwagenflatrate), Versicherungsprämien	<ul style="list-style-type: none"> • Gewährung von marktüblichen Zusatzleistungen, um ein attraktives Vergütungspaket zu bieten
Erfolgsabhängig	Kurzfristige variable Vergütung (STI)	<p>Zielbetrag: Ca. 40 % der erfolgsabhängigen Vergütung</p> <p>Plantyp: Zielbonus</p> <p>Leistungskriterien:</p> <ul style="list-style-type: none"> • 75 % Unternehmensziele <ul style="list-style-type: none"> • 37,5 % Umsatz • 37,5 % EBIT-Marge • 25 % Persönliche Ziele <p>Cap: 200 % des Zielbetrags</p>	<ul style="list-style-type: none"> • Anreize für die (Über-) Erreichung der jährlichen Unternehmensziele • Umsetzung wichtiger Meilensteine der Unternehmensstrategie und Nachhaltigkeitsaspekte durch persönliche Ziele • Belohnung des individuellen Beitrags zu Erfolg und Nachhaltigkeit
	Langfristige variable Vergütung (LTI)	<p>Zielbetrag: Ca. 60 % der erfolgsabhängigen Vergütung</p> <p>Plantyp: Performance Stock Option Plan</p> <p>Laufzeit: Acht Jahre</p> <ul style="list-style-type: none"> • Vierjährige Wartezeit (davon eine dreijährige Performance Periode) • Vierjähriger Ausübungszeitraum <p>Leistungskriterien:</p> <ul style="list-style-type: none"> • 40 % Relativer TSR • 40 % ROCE • 20 % ESG-Ziele <p>Ausübungspreis: Durchschnittlicher Schlusskurs während der letzten 30 Handelstage vor Zuteilung</p> <p>Cap:</p> <ul style="list-style-type: none"> • Die endgültige Anzahl der Performance Stock Options ist auf 150 % der vorläufig zugeteilten Performance Stock Options begrenzt • Die Auszahlung ist durch die Maximalvergütung begrenzt <p>Bedienung: In Aktien</p>	<ul style="list-style-type: none"> • Förderung des langfristigen Wachstums von LPKF und Anreiz zur Schaffung von langfristigem Shareholder Value • Verknüpfung der Interessen der Vorstandsmitglieder mit denen der Aktionäre • Anreize für die (Über-) Erreichung langfristiger Finanz- und Nachhaltigkeitsziele • Förderung der Aktienkultur bei LPKF
Sonstige zentrale Regelungen	Maximalvergütung	2 Mio. Euro für jedes Vorstandsmitglied	<ul style="list-style-type: none"> • Begrenzung der Gesamtvergütung für ein Geschäftsjahr
	Share Ownership Guidelines	<p>SOG-Ziel: 100 % der Brutto-Grundvergütung</p> <p>Aufbau: Verpflichtung zur Investition in LPKF-Aktien in Höhe von mindestens 50 % der Netto-STI-Auszahlung pro Jahr, bis das SOG-Ziel erreicht ist</p> <p>Bedingung: Performance Stock Options können erst ausgeübt werden, wenn das SOG-Ziel erreicht ist</p>	<ul style="list-style-type: none"> • Verknüpfung der Interessen der Vorstandsmitglieder mit denen der Aktionäre • Förderung der Aktienkultur bei LPKF
	Malus / Clawback	Teilweise oder vollständige Reduktion / Rückforderung der erfolgsabhängigen Vergütung möglich Sowohl Compliance-Malus und -Clawback als auch Performance-Clawback implementiert	<ul style="list-style-type: none"> • Stärkung der Position des Aufsichtsrats bei fehlerhaften Abschlüssen und vorsätzlichen groben Verletzungen wesentlicher Pflichten durch ein Vorstandsmitglied
	Abfindungs-Cap	Maximale Abfindungszahlung von zwei Jahresgrundvergütungen; darf die Vergütung für die verbleibende Vertragslaufzeit nicht überschreiten	<ul style="list-style-type: none"> • Verhindert unangemessen hohe Zahlungen aufgrund einer vorzeitigen Beendigung des Dienstvertrags
	Betriebliche Altersversorgung	Keine betriebliche Altersversorgung für die Vorstandsmitglieder und damit keine Ruhegehalts- oder Vorruhestandsregelungen	-

The target total remuneration of the Management Board is the sum of the basic remuneration, ancillary benefits, STI target amount, and LTI target amount.

In order to ensure that Management Board remuneration corresponds to a performance-based approach ("pay-for-performance"), roughly 50% of the target direct remuneration (basic remuneration, STI target amount, and LTI target amount) consists of performance-based remuneration components. In addition, roughly 60% of performance-based remuneration is measured over multiple years and is stock based, which ensures that the remuneration structure is aligned with LPKF's long-term focus on growth, the interests of shareholders, and the recommendations of the GCGC.

Basic remuneration (including ancillary benefits) makes up roughly 50% of the target remuneration. STI accounts for roughly 20% of the target remuneration while LTI accounts for roughly 30%.

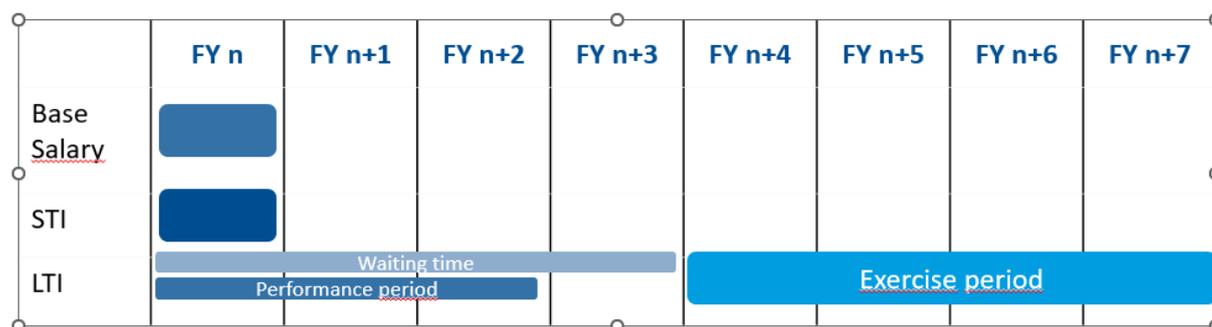


The Supervisory Board reserves the right to adjust the relative share of the remuneration components. However, the Supervisory Board will also seek to ensure that the LTI has a greater weighting than STI within performance-based remuneration.

The amount of ancillary benefits may vary in the future due to the development of costs for the contractually agreed ancillary benefits or potential compensation payments for newly appointed Management Board members.

The following chart shows the time periods for granting remuneration to members of the Management Board and underscores the long-term orientation of the remuneration system, which has been increased considerably relative to the previous remuneration system. This includes the greater share of performance-based remuneration allocated to LTI and the extension of the performance period from one year to three years, while the performance stock options can be

exercised four years after allocation at the earliest. There is also an incentive to increase the company's value within the exercise period and thus for up to eight years.



IV. Remuneration components in detail

1. Non-performance-based remuneration components

1.1 Basic remuneration

The members of the Management Board receive basic remuneration which is paid in equal monthly installments at the end of each month. It is reviewed at regular intervals by the Supervisory Board and adjusted where necessary.

1.2 Incidental benefits

In addition to fixed remuneration, ancillary benefits are granted to each member of the Management Board. These benefits include the use of a company car, contributions to health insurance, care insurance and other types of insurance, and absorption of other costs within the typical scope for the market. This also includes taking out directors' & officers' (D&O) insurance for Management Board members with a deductible in accordance with the AktG. The company car is also intended for personal use. As an alternative to a company car, Management Board members may also be offered a cash allowance or a flat rate for a rental car.

In individual cases, the Supervisory Board has the option of granting newly appointed Management Board members a one-time payment ("compensation payment") in order to compensate them for remuneration forfeited due to the change to LPKF. In this way, the Supervisory Board maintains the necessary level of flexibility in order to select and recruit the best candidates possible. Any compensation payments will be disclosed and explained in the remuneration report, and are also subject to the maximum remuneration defined in the "Maximum remuneration" section.

2. Performance-based remuneration components

2.1 Short-term variable remuneration (STI)

2.1.1 STI at a glance

The STI is designed as a target bonus and its target amount is set at roughly 40% of performance-based remuneration. The amount paid depends on the attainment of corporate targets based on the Company's financial performance and on the attainment of personal targets.

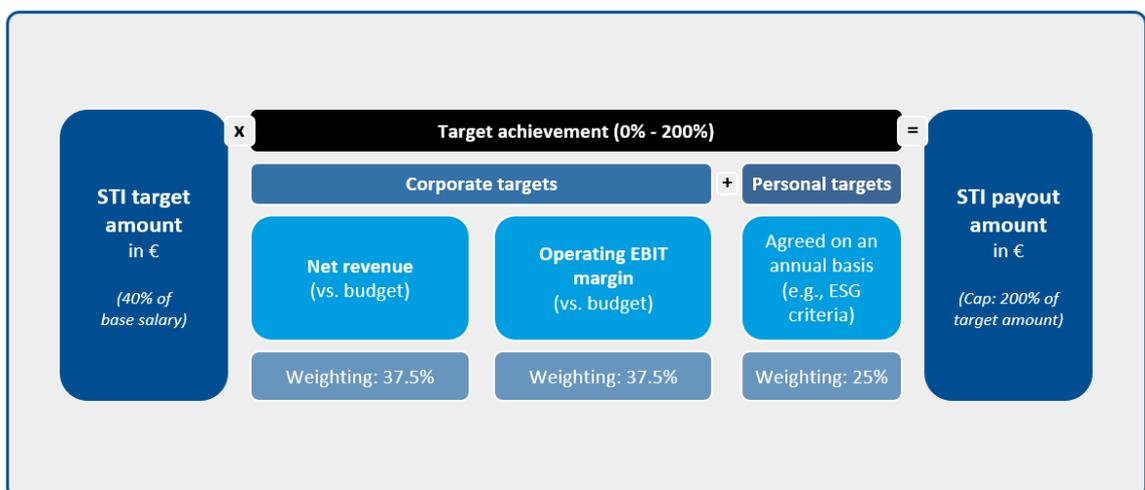
The corporate targets consist of two financial key figures for the corporate management of LPKF and are weighted at 75% (37.5% each):

- **Revenue** according to the audited consolidated annual financial statements of LPKF
- Consolidated operating EBIT (earnings before interest and taxes) as a percentage of consolidated revenue according to the audited consolidated annual financial statements of LPKF (**EBIT margin**)

The degree of target attainment is measured in relation to the annually approved budget. The combination of revenue and EBIT margin creates clear incentives for consistent and profitable growth, thus supporting the long-term development of LPKF in a sustainable manner.

The personal targets for the respective Management Board member are weighted at 25% and are agreed annually at the beginning of the respective financial year. Up to four personal targets can be defined. The use of personal targets enables the Supervisory Board to create incentives for key strategic objectives which can also be of a non-financial nature, e.g. environmental, social, or governance aspects (ESG goals). Together with the corporate targets, this offers comprehensive coverage of the strategic objectives of LPKF.

Overall, target attainment of 0% to 200% is possible. This means that a complete loss of STI is possible, and the payment is limited to a maximum amount of 200% of the target amount.



2.1.2 STI in detail

Each year, a target range is agreed between the Supervisory Board and the Management Board for corporate targets as well as personal targets. This range is defined by a target figure and lower and upper thresholds. The personal targets, target ranges, actual performance, and resulting level of target attainment are disclosed afterwards in the corresponding remuneration report.

Target attainment for each performance target is calculated on the basis of the positioning of the actual performance within the defined range:

- Below the lower threshold: 0%
- On par with lower threshold: 25%
- On par with target figure: 100%
- On par with upper threshold: 200%
- Above upper threshold: 200%

Linear interpolation is carried out for figures between these points.

To calculate overall target achievement, the average of the respective levels of target attainment for the corporate targets and personal targets is determined first. The weighted average of these target attainment figures determines the overall target attainment for the STI. The STI payment amount is determined by multiplying the target amount by the overall target attainment. The STI is limited to 200% of the target amount and is typically paid in April of the following financial year.

In exceptional cases, e.g. in the event of M&A activities that have not been taken into account in the budget or in the event of unforeseeable changes of accounting requirements, the Supervisory Board reserves the right to adjust the results of the financial performance targets retroactively. Such adjustments can be made both upwards and downwards. Unfavorable market developments do not constitute exceptional cases in this context. In the event that the Supervisory Board makes any such adjustments, they will be explained in detail in the remuneration report afterwards.

2.2 Long-term variable remuneration (LTI)

2.2.1 LTI at a glance

The LTI is designed as a performance stock option plan that is allocated on an annual basis with a target amount of roughly 60% of performance-based remuneration and a plan term of eight years. The payment amount depends on absolute share price performance and the attainment of financial targets and ESG goals. Performance stock options can be exercised four years after the allocation date at the earliest.

The Supervisory Board has defined the development of the total shareholder return (TSR) of LPKF relative to an individually defined peer group and ROCE (return on capital employed) as financial targets, both with a weighting of 40%.

The ESG goals are weighted at 20% and are defined annually for each LTI tranche using a pre-defined list of ESG criteria.



The LTI supports the long-term and sustainable development of LPKF in a comprehensive manner. Its configuration as a performance stock option plan promotes capital market orientation and shareholder culture to a significant degree. The relative TSR performance target also creates incentives for better capital market performance relative to selected competitors in order to further increase the attractiveness of LPKF as an investment. The ROCE performance target is a key financial figure for the corporate management of LPKF and ensures the long-term profitability and capital efficiency of the company. LPKF's sustainability strategy is also firmly incorporated into the LTI through the inclusion of relevant and measurable ESG goals.

On the whole, the LTI is based on a pay-for-performance approach. The performance stock options will only have a value greater than zero if the share price has risen relative to the price at the time of allocation. Accordingly, payments from the LTI are made only if the shareholders of LPKF have also benefited from the Management Board's performance. At the same time, the number of performance stock options and thus the value of the LTI depend on the attainment of the described performance targets, thus creating incentives for strong financial and non-financial performance.

2.2.2 LTI in detail

A new LTI tranche is generally allocated at the beginning of a given year and extends over a total period of eight years. The allocation of the first tranche, i.e. for the 2023 financial year, should take place after approval of the remuneration system by the 2023 Annual General Meeting.

At the beginning of the LTI tranche, Management Board members are allocated a provisional number of performance stock options calculated by dividing the LTI target amount by the fair value of a performance stock option at the time of allocation.

The final number of performance stock options is defined after a three-year performance period, the duration of which corresponds to the LPKF's internal planning horizon. The final number of performance stock options is defined on the basis of target attainment for the pre-defined performance targets, and can be between 0% and 150% of the provisional number of performance stock options. The provisionally allocated performance stock options must be held for four years ("vesting period"). The vesting period is followed by a four-year exercise period. Accordingly, the final number of performance stock options can be exercised four years after the allocation date at the earliest.

When exercised, each performance stock option has a value corresponding to the difference between the price of the LPKF share as of the date exercised and the average closing price of the LPKF share over the last 30 trading days before the allocation date ("exercise price"). In addition to the limitation of the final number of performance stock options, the payment amount of each LTI tranche is limited by the maximum remuneration defined in the "Maximum remuneration" section pursuant to Section 87a, para. 1, sentence 2 (1) AktG.

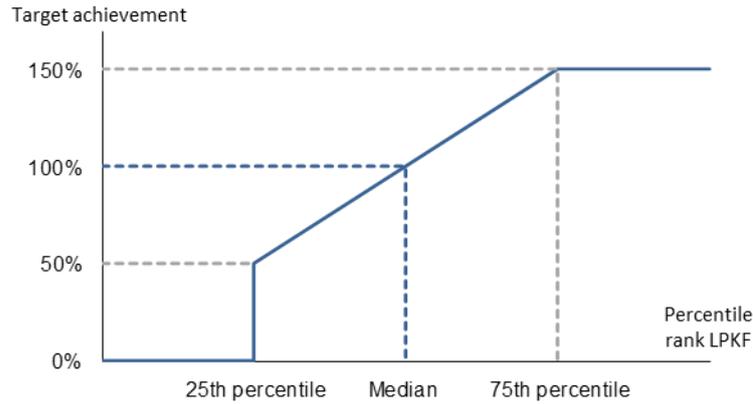
The LTI is settled in shares. In exceptional cases, the Supervisory Board has the option of settling the LTI in cash instead.

Target attainment for the LTI is determined in accordance with the performance targets described below. Overall target attainment for the LTI corresponds to the weighted average of target attainment for the individual performance targets and can be between 0% and 150%.

a) Relative total shareholder return (TSR) – weighted 40%

TSR represents the return on the LPKF share, whereby the share price is taken into account under the assumption of reinvested dividends. LPKF's TSR performance is measured in comparison with a peer group which consists of selected competitors and is defined on the basis of the peer group used as a benchmark for the market comparison of remuneration amounts.

Relative TSR performance is measured by ranking the TSR performance of LPKF and the peer companies over the three-year performance period. Target attainment is calculated on the basis of the resulting positioning of LPKF within the peer group on the basis of the following target attainment curve:



In conformity with German market practice, the Supervisory Board has defined the target attainment curve with a symmetrical target range between the 25th and 75th percentiles, creating a clear incentive to surpass competitors. At the same time, below-average performance will result in lower target attainment.

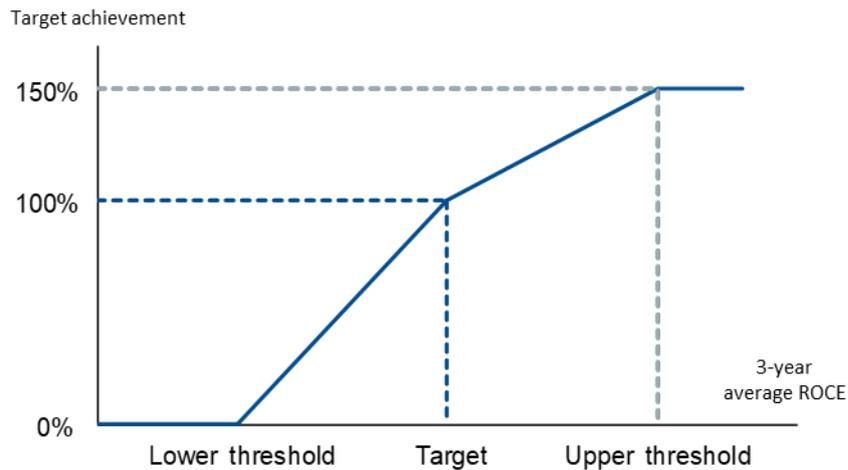
The Supervisory Board has defined the following peer group for the measurement of relative TSR:

Relative TSR – Peer group	
AIXTRON	<u>Manz</u>
Basler	SMA Solar Technology
centrotherm	SÜSS MicroTec
Comet	technotrans
<u>Dr. Höhle</u>	Viscom

The Supervisory Board has the option to adjust the peer group as needed, e.g. in the event that individual companies are no longer relevant for peer comparison, other competitors become more significant, or a company is delisted from the stock exchange. The respective peer group for each LTI tranche and any changes are published afterwards in the remuneration report.

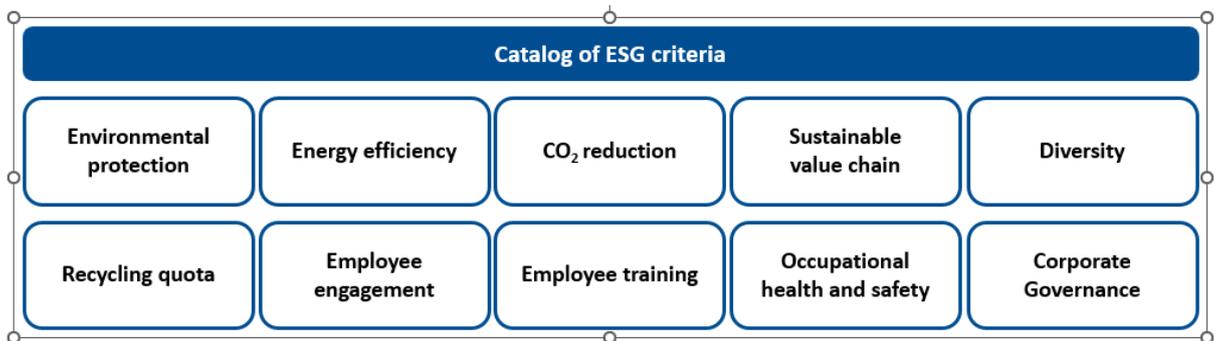
b) Return on capital employed (ROCE) – weighted 40%

ROCE refers to the ratio of the consolidated operating EBIT to the capital employed and serves as an important internal financial performance target. The decisive figure is the average ROCE over the three financial years of the performance period. The Supervisory Board defines a target figure and upper and lower thresholds at the beginning of each tranche. Target attainment is calculated on the basis of the actual three-year average ROCE:



c) ESG goals – weighted 20%

In order to soundly incorporate LPKF's sustainability strategy into the Management Board's remuneration system, ESG goals are taken into account in the LTI. The Supervisory Board has defined a list of significant ESG criteria for this purpose.



The Supervisory Board defines the relevant ESG criteria using the pre-defined list and defines clear and measurable targets and corresponding weighting for these targets at the beginning of each LTI tranche. As for the financial targets, target and threshold figures are defined for each performance target and are used to determine the level of target attainment at the end of the performance period.

The ESG goals defined, the target and threshold figures, the actual performance, and the resulting target attainment for the relative TSR, ROCE, and ESG goals are disclosed ex post in the corresponding remuneration report.

In exceptional cases, e.g. in the event of M&A activities that have not been taken into account in the target definition process or in the event of unforeseeable

changes of accounting requirements, the Supervisory Board reserves the right to adjust the ROCE results or the results for the ESG goals retroactively. This serves to prevent the creation of false incentives, e.g. for major M&A activities with a considerable short-term influence on ROCE. Such adjustments can be made both upwards and downwards. As a general rule, unfavorable market developments do not constitute exceptional cases in this context. In the event that the Supervisory Board makes any such adjustments, they will be explained in detail in the remuneration report afterwards.

3. Maximum remuneration

Remuneration for members of the Management Board is limited in two respects. Firstly, the performance-based remuneration components are subject to upper limits. The STI is limited to 200% of the target amount, and the maximum number of performance stock options is limited to 150% of the performance stock options originally allocated.

Secondly, the total remuneration of Management Board members, i.e. the sum of non-performance-based remuneration (basic salary and ancillary benefits) and performance-based remuneration components (STI and LTI), is limited by the maximum remuneration pursuant to Section 87a, para. 1, sentence 2 (1) AktG. The maximum remuneration serves to limit the total remuneration that can be paid for one financial year, regardless of the actual time of payment. As such, it represents an absolute limit for the potential LTI payment.

The maximum remuneration is defined as EUR 2,000,000 for each Management Board member.

The maximum remuneration serves to ensure appropriate remuneration even in the event of extraordinary performance. Payment corresponding to the defined maximum remuneration can only be attained in the event of an extraordinarily large increase in share price and simultaneous over-fulfillment of the financial and non-financial performance targets taken into account in the performance-based remuneration components. Accordingly, such payments would be accompanied by outstanding performance by LPKF and significant returns for shareholders.

4. Share ownership guidelines

Share ownership guidelines (SOG) are stipulated under the remuneration system in the interest of aligning the interests of Management Board members and shareholders further and strengthening shareholder culture within LPKF. Management Board members are obligated to invest 100% of the gross basic remuneration in LPKF shares (SOG target) and to hold these shares until departure from the Management Board or until the beginning of a release from service obligations. The basis for the determination of the SOG target is generally the gross basic remuneration as of the beginning of the term of employment as a Management Board member or the gross basic remuneration as of the time the SOG enters into force.

Until the SOG target has been attained, Management Board members must invest at least 50% of the net STI payment per year. As an additional restriction, Management Board members can only exercise performance stock options from the LTI once the SOG target has been attained, even if the end of the vesting period for these performance stock options has already been reached.

5. Penalty and clawback provisions

The remuneration system for the Management Board also contains penalty and clawback provisions. Under certain circumstances, the Supervisory Board has the right to reduce performance-based remuneration which has not yet been paid (penalty) or to demand repayment of performance-based remuneration that has already been paid (clawback).

If performance-based remuneration was calculated and paid on the basis of misstatements in the annual financial statements, the Supervisory Board can demand repayment of the difference from the corresponding performance-based remuneration calculated on the basis of corrected annual financial statements.

In the event that a Management Board member commits an intentional breach of duties in the form of

- failure to comply with material provisions of the LPKF code of conduct and/or a material duty under the employment contract or
- a material violation of duties of care as defined in Section 93 AktG,

the Supervisory Board can reduce or demand the repayment of performance-based remuneration at its own reasonable discretion.

The option to demand repayment of performance-based remuneration already paid applies to payments going back a maximum of three years.

Other claims of LPKF, particularly pursuant to Section 93, para. 2 AktG, the right to revoke appointments as defined under Section 84, para. 4 AktG, and the right to extraordinary termination of the employment agreement, remain unaffected.

V. Remuneration-related legal transactions

1. Conditions and termination options for employment contracts

Management Board employment contracts are concluded for the period of the respective appointment. Initial appointments are generally for three years, while the maximum period for a reappointment is five years. Management Board employment contracts can include an ordinary option of termination on both sides. The mutual right to terminate Management Board employment contracts without notice for cause always remains unaffected.

2. Early termination without cause

Management Board employment contracts can stipulate severance payments for cases of early termination of the employment agreement by the Company without material cause for which the Management Board member is responsible or for cases of early termination of the employment agreement by the Management Board member for material cause for which the Company is responsible. In this event, the Management Board member can receive a severance payment corresponding to two annual basic remunerations, but with a maximum amount of the remuneration owed for the remaining term of the contract after the end of the notice period. This severance payment will count towards any compensation that may be provided in connection with the post-contractual non-competition clause.

3. Early termination for cause

Management Board employment contracts do not require severance payments in the event of early termination of the employment agreement by the Company for material cause for which the Management Board member is responsible or due to a unilateral termination by a Management Board member without material cause for which the Company is responsible. In addition, all forfeitable and non-forfeitable performance stock options issued under the LTI will be forfeited without compensation.

4. Change of control

In the event of a change of control, Management Board members have a one-time special right to terminate their employment contract with a notice period of six months, to end at the end of a month, and the option to step down from their mandate on the termination date. In the event that the contract is terminated in this manner, the Management Board member is entitled to the severance payment described in the "Early termination without cause" section.

In the case of performance stock options that were already non-forfeitable at the time of termination, the contractually agreed provisions, dates, and vesting periods will continue to apply. In the event that the LTI cannot reasonably be continued, e.g. in the event of a delisting, other provisions may apply.

5. No pension or early retirement schemes

The Company does not offer any pension or early retirement schemes for Management Board members.

6. Mandates and external activities

The activities of Management Board members also include the fulfillment of executive duties at subsidiaries as defined under Section 15 et seq. AktG. The performance of these activities is fully covered by the remuneration provided.

7. Post-contractual non-competition clause

All members of the Management Board must observe a non-competition clause which applies for a minimum of 6 months and a maximum of 12 months after the end of their employment contracts.

LPKF is obligated to pay Management Board members monthly compensation of 50% (gross) of the average monthly basic remuneration they received over the last 12 months prior to their departure for the duration of the post-contractual non-competition clause. In the event that a severance payment is made, it will count towards this compensation.

LPKF has the right to waive the non-competition clause within a specific period before the end of the employment contract.

8. Provisions for cases of disability or death

If the appointment of a member of the Management Board ends early due to their death during the term of their employment contract, the basic remuneration will continue to be paid to their heirs for a period of three months. If the appointment ends due to permanent disability or death, all outstanding LTI tranches will be paid out immediately.

VI. Procedures for defining and reviewing the remuneration system and remuneration amounts

The Supervisory Board determines the remuneration system for Management Board members in consultation with its Remuneration and ESG Committee. The remuneration system adopted by the Supervisory Board is submitted to the Annual General Meeting for approval. If the Annual General Meeting does not approve the remuneration system presented for voting, a revised remuneration system will be presented at the next Annual General Meeting at the latest.

The Supervisory Board reviews the remuneration system on an ongoing basis in order to ensure its conformity with corporate strategy and shareholder expectations. If significant changes have been made, and at least once every four years, the Supervisory Board resubmits the remuneration system to the Annual General Meeting for approval.

The amount of remuneration for Management Board members is also determined by the Supervisory Board. In alignment with the German Stock Corporation Act, the Supervisory Board ensures that the remuneration is proportionate to the duties and performance of the respective Management Board member and commensurate with the company's economic situation. It also ensures that the remuneration does not exceed the level of remuneration that is customary for the market unless there is a specific reason. Against this backdrop, the Supervisory Board regularly performs a horizontal and vertical comparison of remuneration. The horizontal comparison compares the remuneration of the LPKF Management

Board with the Management Board remuneration of comparable companies (peer group). The peer group is published in the corresponding remuneration report.

When reviewing market conformity, revising the remuneration system, and reviewing the appropriateness of remuneration amounts, the Supervisory Board can request the assistance of an independent external consultant.

The Supervisory Board's general rules for preventing and handling conflicts of interest will also be taken into account when defining and reviewing the remuneration system for the Management Board.

VII. Temporary deviation from the remuneration system

In accordance with the statutory requirements under Section 87a, para. 2, sentence 2 AktG, the Supervisory Board may adopt resolutions to temporarily deviate from the remuneration system in cases where this is done in the interest of the Company's long-term well-being. This may be the case in the event of exceptional and unforeseeable developments, for example.

Temporary deviation from the remuneration system requires a corresponding resolution by the Supervisory Board and a careful review of the necessity of the deviation. The components of the remuneration system that can be deviated from under the aforementioned circumstances are the procedure, the remuneration structure, the individual remuneration components, and the performance targets. Furthermore, the Supervisory Board can also temporarily grant additional remuneration components or replace individual remuneration components with other remuneration components if necessary in order to ensure appropriate Management Board remuneration in the specific situation.

In the event of temporary deviation from the remuneration system, information on the deviations, including an explanation of their necessity, and information on the individual components of the remuneration system that were deviated from must be published in the remuneration report for the following year.