

Invitation and Agenda

Annual General Meeting 2017



The Quality Connection

LEONI



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Invitation

**to the Annual General Meeting
of LEONI AG, Nuremberg**

Thursday, 11 May 2017, 10:00 hours (CEST)

NürnbergMesse GmbH, "Frankenhalle"

Trade Fair Centre (Messezentrum)

90471 Nuremberg



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Agenda

1. Presentation of the adopted annual financial statements and the approved consolidated financial statements as of 31 December 2016, the management reports for LEONI AG and the Group, both accompanied by the explanatory report on the disclosures pursuant to Sections 289 (4) and 315 (4) of the German Commercial Code (HGB), and of the Supervisory Board's report for fiscal year 2016

The above-mentioned documents will be available on the Company's website at www.leoni.com/en/agm2017/. Furthermore, these documents will be available at the Annual General Meeting and then explained in detail.

Regarding item 1 on the agenda, no resolution of the Annual General Meeting is planned. The Supervisory Board has already approved the annual financial statements and consolidated financial statements prepared by the Board of Directors pursuant to Section 172 of the German Stock Corporation Act (AktG); the annual financial statements have thereby been adopted. According to the statutory provisions, there is therefore no need for the Annual General Meeting to approve them.

2. Resolution on the appropriation of distributable profit

The Supervisory Board and the Board of Directors propose the following resolution:

Payment of a dividend of Euro 0.50 per dividend-bearing no-par value share on the distributable profit of LEONI AG of Euro 17,333,743.77 for fiscal year 2016 totalling Euro 16,334,500.00. The remaining amount of Euro 999,243.77 will be carried forward to the next accounting period.

The distributable profit would consequently be appropriated as follows:

Distributable profit	Euro	17,333,743.77
Payout to shareholders	Euro	16,334,500.00
Profit carried forward	Euro	999,243.77

According to Section 58 (4) sentence 2 of the German Stock Corporation Act (AktG) in the version applicable as of 1 January 2017, due date for the dividend payment is the third business day following the Annual General Meeting, i.e. on 16 May 2017.

3. Resolution on the discharge of the members of the Board of Directors for fiscal year 2016

The Supervisory Board and the Board of Directors propose to grant discharge to the members of the Board of Directors in office in fiscal year 2016 for this period.

It is intended that the Annual General Meeting will vote on the discharge of the members of the Board of Directors individually for each member of the Board of Directors.

4. Resolution on the discharge of the Supervisory Board members for fiscal year 2016

The Supervisory Board and the Board of Directors propose to grant discharge to the members of the Supervisory Board in office in fiscal year 2016 for this period.

It is intended that the Annual General Meeting will vote on the discharge of the members of the Supervisory Board individually for each member of the Supervisory Board.

5. Appointment of the auditor and the group auditor for fiscal year 2017 as well as the auditor for the review of the condensed consolidated interim financial statements and the interim management report for the first half of fiscal year 2017

The Supervisory Board proposes to appoint Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, as auditor for the annual financial statements and the consolidated financial statements for fiscal year 2017 as well as the auditor for the review of the condensed consolidated interim financial statements and the Group interim management report for the first half of fiscal year 2017, if and to the extent that these are subjected to a review.

The above-mentioned proposal by the Supervisory Board is based on the recommendation made by its Audit Committee.

Both the recommendation by the Audit Committee and the proposal by the Supervisory Board are free of any undue interference by third parties. Furthermore, no arrangements were in place which would have restricted the choice of the auditor.

6. Elections to the Supervisory Board

In accordance with Sections 95, 96 (1) and 101 (1) of the German Stock Corporation Act (AktG) in conjunction with Sections 1 (1), 5 (1), 7 (1) sentence 1 number 1 of the German Co-determination Act (MitbestG) and Section 7 (1) of the Articles of Association, the Supervisory Board consists of six members to be elected by the Annual General Meeting (shareholder representatives) and six members to be elected by the employees (employee representatives) in accordance with the provisions of the German Co-determination Act (MitbestG). The terms of office of all shareholder representatives on the Supervisory Board end at the close of the Annual General Meeting on 11 May 2017.

The Supervisory Board shall, in accordance with Section 96 (2) of the German Stock Corporation Act (AktG) in conjunction with Section 1 (1) and Section 5 (1) of the German Co-determination Act (MitbestG), be comprised of at least 30% women and at least 30% men. Both the shareholder and the employee representatives have, based on a majority decision, dissented vis-à-vis the chairman of the Supervisory Board from overall fulfilment of the minimum percentage, meaning that the shareholder side and the employee side must separately fulfil the minimum percentage for this election. The shareholder and the employee sides must therefore each have at least two women and at least two men as members in order to fulfil the minimum percentage rule in accordance with Section 96 (2) sentence 1 of the German Stock Corporation Act (AktG). The following proposed resolution therefore satisfies the minimum percentage rule in accordance with Section 96 (2) of the German Stock Corporation Act (AktG).

The Supervisory Board proposes the election in consideration of the targets set by the Supervisory Board for its composition of the existing members

- a) **Dr Ulrike Friese-Dormann**, lawyer, partner at Milbank, Tweed, Hadley & McCloy LLP, resident in Munich
- b) **Dr Werner Lang**, managing director of the MEKRA Lang group of companies, resident in Ergersheim
- c) **Prof. Dr Christian Rödl**, lawyer, tax consultant, managing partner at Rödl & Partner, resident in Nuremberg

as well as

- d) **Dr Elisabetta Castiglioni**, managing director and CEO of A1 Digital GmbH, Vienna, resident in London
- e) **Wolfgang Dehen**, former chairman of the board of directors of Osram Licht AG (retired), resident in Tegernheim
- f) **Dr-Ing. Klaus Probst**, former chairman of the board of directors of LEONI AG (retired), resident in Heroldsberg

to the Supervisory Board as a shareholder representative effective from the end of the Annual General Meeting. The appointments shall be for a period of office until the end of the Annual General Meeting that resolves upon discharge for the fourth fiscal year after the period of office commenced. The fiscal year in which the period of office commences is not counted.

The elections are to be held by way of individual vote-taking.

7. Resolution on the cancellation of authorised capital 2012, on the creation of new authorised capital 2017 against contribution in cash and/or in kind with the power to exclude subscription rights and on the corresponding amendment to the Articles of Association

Section 4 (5) of the Articles of Association authorises the Board of Directors to increase the Company's share capital by in total up to Euro 16,334,500.00 with the Supervisory Board's approval by issuing once or repeatedly in total up to 16,334,500 registered no-par value shares, each with a pro-rated share of Euro 1.00 in the share capital, against contribution in cash and/or in kind (authorised capital 2012). No use of this authorisation has been made to date. The currently valid authorisation expires on 15 May 2017. A new authorised capital totalling 50% of the share capital is to be created to enable the Company to increase its shareholders' equity also over the coming years with this tool if necessary.

The Supervisory Board and the Board of Directors propose the following resolution:

- a) Cancellation of the existing authorisation to increase the share capital (authorised capital 2012) and creation of new authorised capital (Authorised Capital 2017)

The authorisation granted to the Board of Directors by the Annual General Meeting on 16 May 2012 pursuant to Section 4 (5) of the Articles of Association to increase the Company's share capital by in total up to Euro 16,334,500.00 in the time period until 15 May 2017 with the Supervisory Board's approval by issuing once or repeatedly in total up to 16,334,500 registered no-par value shares, each with a pro-rated share of Euro 1.00 in the share capital, against contribution in cash and/or in kind (authorised capital 2012)

is cancelled, so far as it is then still in effect, with effect from the time the new Authorised Capital 2017 defined hereinafter is registered.

The Board of Directors is authorised to increase the Company's share capital by in total up to Euro 16,334,500.00 until 10 May 2022 with the Supervisory Board's approval by issuing once or repeatedly in total up to 16,334,500 new registered no-par value shares, each with a pro-rated share of Euro 1.00 in the share capital, against contribution in cash and/or in kind (Authorised Capital 2017).

In principle, the new no-par value shares must be offered to shareholders for subscription. The new shares can also be taken on by one or several credit institutions or companies within the meaning of Section 186 (5) sentence 1 of the German Stock Corporation Act (AktG) that have been appointed by the Board of Directors with the obligation to offer them to shareholders for subscription (indirect subscription right).

The Board of Directors is, however, authorised, subject to approval by the Supervisory Board, to exclude the subscription right for shareholders in the cases of

- a capital increase against contribution in cash, if the issue price of the new shares is not materially – within the meaning of Section 203 (1) and (2), Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) – below the market price of already market-listed shares of the Company of the same class and with the same status at the time the issue price is set, which is to take place as soon as possible after the new no-par value shares are placed. This exclusion of the subscription rights shall in total not exceed 10% of the Company's existing share capital, with the lowest amount of the

Company's existing share capital at the following three times being decisive: on 11 May 2017, at the time this authorisation comes into effect or at the time this authorisation is exercised. Against this cap must be offset the share capital accounted for by the shares to be issued for servicing conversion or option rights or conversion or option obligations from bonds or participating rights issued in application mutatis mutandis of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) under exclusion of subscription rights during the term of this authorisation or which are issued or sold after buy-back during the term of this authorisation under simplified exclusion of subscription rights pursuant or according to Section 186 (3) sentence 4 German Stock Corporation Act (AktG);

- a capital increase against contribution in kind, especially to be able to offer new shares to third parties in the context of business combinations or furthermore for the purpose of acquiring (also indirectly) businesses, operations, parts of businesses or shares in businesses or other assets or rights to acquire assets including receivables against the company or its group subsidiaries;
- this being necessary to grant the holders or creditors of convertible and/or option bonds or participating rights that were or will be issued by the Company or by its direct or indirect group companies a conversion or subscription right to new shares to the extent of their entitlement after the exercise of the conversion or option right or after fulfilment of the conversion or option obligation;
- excluding fractional amounts from the right of subscription.

The pro-rated amount of the share capital accounted for by the shares issued while excluding the shareholders' subscription rights shall in total not exceed 10% of the Company's existing share capital at the time the resolution is passed at the Annual General Meeting. Against this 10% cap must be offset the share capital representing shares issued or sold with exclusion of subscription rights during the term of this authorisation, or to be issued for servicing conversion or option rights or conversion or option obligations from bonds or participating rights if these bonds or participating rights were issued during the term of this authorisation while excluding shareholders' subscription rights.

The Board of Directors shall be authorised to determine, with the approval of the Supervisory Board, the further details regarding the share rights and the terms of the share issue when executing the capital increase from Authorised Capital 2017, in particular the issue amount.

The Supervisory Board shall be authorised to amend the existing version of the Articles of Association after the exercise either in full or in part of an increase in share capital by the utilisation of the Authorised Capital 2017 and following expiry of the term of authorisation.

b) Amendment to the Articles of Association

Section 4 (5) of the Articles of Association shall be revoked and reworded as follows:

“(5) The Board of Directors is authorised to increase the Company's share capital by in total up to Euro 16,334,500.00 until 10 May 2022 with the Supervisory Board's approval by issuing once or repeatedly in total up to 16,334,500 new

registered no-par value shares, each with a pro-rated share of Euro 1.00 in the share capital, against contribution in cash and/or in kind (Authorised Capital 2017).

In principle, the new no-par value shares must be offered to shareholders for subscription. The new shares can also be taken on by one or several credit institutions or companies within the meaning of Section 186 (5) sentence 1 of the German Stock Corporation Act (AktG) that have been appointed by the Board of Directors with the obligation to offer them to shareholders for subscription (indirect subscription right).

The Board of Directors is, however, authorised, subject to approval by the Supervisory Board, to exclude the subscription right for shareholders in the cases of

- a capital increase against contribution in cash, if the issue price of the new shares is not materially – within the meaning of Section 203 (1) and (2), Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) – below the market price of already market-listed shares of the Company of the same class and with the same status at the time the issue price is set, which is to take place as soon as possible after the new no-par value shares are placed. This exclusion of the subscription rights shall in total not exceed 10% of the Company's existing share capital, with the lowest amount of the Company's existing share capital at the following three times being decisive: on 11 May 2017, at the time this authorisation comes into effect or at the time this authorisation is exercised. Against this cap must be offset the share capital accounted for by the shares to be issued for servicing conversion or option rights or conversion or option obligations from bonds or

participating rights issued in application *mutatis mutandis* of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) under exclusion of subscription rights during the term of this authorisation or which are issued or sold after buy-back during the term of this authorisation under simplified exclusion of subscription rights pursuant or according to Section 186 (3) sentence 4 German Stock Corporation Act (AktG);

- a capital increase against contribution in kind, especially to be able to offer new shares to third parties in the context of business combinations or furthermore for the purpose of acquiring (also indirectly) businesses, operations, parts of businesses or shares in businesses or other assets or rights to acquire assets including receivables against the company or its group subsidiaries;
- this being necessary to grant the holders or creditors of convertible and/or option bonds or participating rights that were or will be issued by the Company or by its direct or indirect group companies a conversion or subscription right to new shares to the extent of their entitlement after the exercise of the conversion or option right or after fulfilment of the conversion or option obligation;
- excluding fractional amounts from the right of subscription.

The pro-rated amount of the share capital accounted for by the shares issued while excluding the shareholders' subscription rights shall in total not exceed 10% of the Company's existing share capital at the time the resolution is passed at the Annual General Meeting. Against this 10% cap must be offset the share capital representing shares issued or sold with exclusion of subscription rights during the term of this authorisation, or to be issued for servicing conversion or option rights or conversion or option obligations from bonds or participating rights if these bonds or participating rights were issued during the term of this authorisation while excluding shareholders' subscription rights.

The Board of Directors is authorised to determine, with the approval of the Supervisory Board, the further details regarding the share rights and the terms of the share issue when executing the capital increase from Authorised Capital 2017, in particular the issue amount.

The Supervisory Board is authorised to amend the existing version of the Articles of Association after the exercise either in full or in part of an increase in share capital by the utilisation of the Authorised Capital 2017 and following expiry of the term of authorisation."

Further information, details and reports

Further information on the candidates proposed for election to the Supervisory Board under agenda item 6

Information on memberships in other statutory supervisory boards in Germany and memberships in comparable domestic and foreign corporate governance bodies of economic entities:

a) **Dr Ulrike Friese-Dormann**

No membership in any other statutory supervisory boards in Germany or in comparable domestic or foreign corporate governance bodies of economic entities.

b) **Dr Werner Lang**

No membership in any other statutory supervisory boards in Germany.

Membership in comparable domestic or foreign corporate governance bodies of economic entities

- MEKRA Lang Otomotiv Yan Sanayi A. S., Ankara, Turkey (not listed, chairman)
- Changchun MEKRA Lang FAWAY Vehicle Mirror Co., Ltd., Changchun, China (not listed, ordinary member)

c) **Prof. Dr Christian Rödl**

Membership in other statutory supervisory boards in Germany

- BayernLB Holding AG, Munich (not listed, ordinary member until 30 April 2017)
- Bayerische Landesbank AöR, Munich (not listed, ordinary member until 30 April 2017, 100% of the share capital held by BayernLB Holding AG)
- Herrenknecht AG, Schwanau (not listed, ordinary member)

Membership in comparable domestic or foreign corporate governance bodies of economic entities

- Brose Fahrzeugteile GmbH & Co. KG, Coburg (not listed, ordinary member of the board of shareholders)
- UVEX Winter Holding GmbH & Co. KG, Fürth (not listed, ordinary member of the board of shareholders)

d) Dr Elisabetta Castiglioni

No membership in any other statutory supervisory boards in Germany.

Membership in comparable domestic or foreign corporate governance bodies of economic entities

- Euskaltel S.A., Derio, Spain (listed, ordinary member of the board of directors)

e) Wolfgang Dehen

Membership in other statutory supervisory boards in Germany

- TÜV SÜD AG, Munich (not listed, ordinary member)

No membership in comparable domestic or foreign corporate governance bodies of economic entities.

f) Dr - Ing. Klaus Probst

Membership in other statutory supervisory boards in Germany

- Grammer AG, Amberg (listed, chairman)
- Zapp AG, Ratingen (not listed, ordinary member)

No membership in comparable domestic or foreign corporate governance bodies of economic entities.

The curriculum vitae of and further information on the candidates are available on the Company's website at www.leoni.com/en/agm2017/.

The Supervisory Board has obtained assurance from the candidates proposed for election to the Supervisory Board that they can commit the time expected for service on the Board.

In the view of the Supervisory Board, there are no personal or business relationships between the candidates proposed for election to the Supervisory Board and the Company, the Company's corporate bodies or any shareholder with a material interest in the Company within the meaning of Section 5.4.1 of the German Corporate Governance Code. The Supervisory Board, however, discloses as a precaution that Dr Lang is managing director of Lang Verwaltungsgesellschaft mbH, the general partner of MEKRA Lang GmbH & Co. KG, to which LEONI sold products worth Euro 1,608,018 in fiscal year 2016.

In the event of his election to the Supervisory Board, Dr Probst is to be nominated as a candidate to the position of the chairman of the Supervisory Board.

Since Dr Probst resigned from his position as chairman of the Board of Directors of LEONI AG with effect from the close of the Annual General Meeting 2015, the two-year period of Section 100 (2) sentence 1 number 4 of the German Stock Corporation Act (AktG) has expired.

Report by the Board of Directors to the Annual General Meeting regarding item 7 on the agenda concerning the exclusion of subscription rights pursuant to Section 203 (2), Section 186 (4) sentence 2 of the German Stock Corporation Act (AktG)

The Supervisory Board and the Board of Directors propose under item 7 of the agenda to the Annual General Meeting to be held on 11 May 2017 to cancel the existing authorised capital 2012 and to replace it with new authorised capital (Authorised Capital 2017). Pursuant to Section 203 (2) in conjunction with Section 186 (4) sentence 2 of the German Stock Corporation Act (AktG), the Board of Directors reports as follows on the reasons for the exclusion of subscription rights:

The currently applicable Section 4 (5) of the Articles of Association authorises the Board of Directors to increase the Company's share capital by in total up to Euro 16,334,500.00 with the Supervisory Board's approval by issuing once or repeatedly in total up to 16,334,500 registered no-par value shares, each with a pro-rated share of Euro 1.00 in the share capital, against contribution in cash and/or in kind (authorised capital 2012). No use of this authorisation has been made to date. The currently valid authorisation expires on 15 May 2017. To enable the Company to increase its equity also over the coming years with this tool if necessary, the Company's management shall be given the means through the creation of new authorised capital beyond 15 May 2017 to increase the share capital by issuing once or repeatedly new registered no-par value shares against contribution in cash and/or in kind. The Board of Directors and the Supervisory Board will therefore propose to the Annual General Meeting on 11 May 2017 to cancel the existing authorised capital 2012 and to create a new Authorised Capital 2017. The new authorised capital is to enable the Company to act quickly and flexibly in the interests of its shareholders when increasing the share capital.

With the creation of the Authorised Capital 2017, the Board of Directors shall be authorised to increase the Company's share capital by in total up to Euro 16,334,500.00 until 10 May 2022 with the Supervisory Board's approval by issuing in total up to 16,334,500 new registered no-par value shares, each with a pro-rated share of Euro 1.00 in the share capital, against contribution in cash and/or in kind. Use of this authorisation can be made once or repeatedly in partial amounts, but only up to a total of Euro 16,334,500.00. When exercising the Authorised Capital 2017, the shareholders have, in principle, a right to subscribe to the new shares. The subscription right can also be granted by the new shares being taken on by one or several credit institutions or companies within the meaning of Section 186 (5) sentence 1 of the German Stock Corporation Act (AktG) that have been appointed by the Board of Directors with the obligation to offer them to shareholders for subscription (indirect subscription right).

However, subject to the conditions set out below, the Board of Directors is authorised, with the approval of the Supervisory Board, to exclude subscription rights for shareholders:

- a) The Board of Directors shall be authorised to exclude, subject to the approval of the Supervisory Board, in cases of a capital increase against contribution in cash the statutory subscription right of shareholders in line with Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG). This simplified exclusion of subscription rights allows it to rapidly and flexibly place new shares on capital markets in and outside Germany in a targeted manner in the interest of the Company, as the shares are issued at prices that are determined close to the market and are as high as possible, taking advantage of favourable stock-market conditions at short notice. This can achieve the largest possible strengthening of shareholders' equity.

The discount on the market price at the time of utilisation of the authorised capital shall, if possible, come to less than 3% of the current market price, but definitely less than 5%. The proceeds that can be generated in the event of a placement under exclusion of subscription rights will, in general, lead to a substantially higher inflow of funds than is the case in a rights issue. One key reason for this is the fact that a placement without statutory subscription period can take place immediately after the issue amount has been determined; consequently, for the issue amount no risk of changes in the share price needs to be taken into account for the duration of a subscription period. A capital increase against contribution in cash with an exclusion of subscription rights furthermore allows targeting the gain of new shareholder groups.

Capital increases based on this authorisation to exclude the subscription rights shall in total not exceed 10% of the share capital, with the lowest amount of the Company's existing share capital at the following three times being decisive: on 11 May 2017, at the time this authorisation comes into effect or at the time this authorisation is exercised. This means that even in the event of more than one capital increase within the authorisation period, the subscription right must not be excluded for more than a total of 10% of the share capital under this authorisation.

Against this cap must be offset the share capital accounted for by the shares to be issued for servicing conversion or option rights or conversion or option obligations from bonds or participating rights issued in application *mutatis mutandis* of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) under exclusion of subscription rights during the term of this authorisation.

Furthermore, the sale of shares that the Company newly issues during the term of this authorisation or that the Company acquires and subsequently resells during the term of this authorisation must be offset if and to the extent that this has involved exclusion of subscription rights pursuant or according to Section 186 (3) sentence 4 German Stock Corporation Act (AktG). This provision ensures that no shares are issued from the authorised capital under exclusion of subscription rights in accordance with Section 203 (1) and (2), Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) if this resulted in the subscription right of shareholders being excluded due to no particular material reason for a total of more than 10% of the share capital.

By these provisions and in compliance with statutory requirements, the shareholders' need for protection against the dilution of their shareholding is met. Furthermore, every shareholder is given the opportunity, due to the issue price of the new shares close to market prices, to acquire the shares that are required to keep the shareholding percentage unchanged, on almost the same terms and conditions via the stock market. This ensures that, in line with the legal assessment of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG), the asset and voting interests are appropriately assured in the event of the Authorised Capital 2017 being exercised under exclusion of the subscription right, while the Company is given more scope for action in the interests of all shareholders.

b) The authorisation to increase the share capital against contribution in kind under exclusion of subscription rights, with the approval of the Supervisory Board, especially in order to be able to offer the new shares to third parties in the context of business combinations or furthermore to (also indirectly) acquire businesses, operations, parts of businesses or shares in businesses or other assets or rights to acquire assets including receivables against the Company or its group subsidiaries, thereby enabling the Board of Directors to acquire such assets when appropriate not only by paying the purchase price in cash, but also in return for granting shares in the Company. Depending on the size of such an acquisition and the expectations of the seller, it might be appropriate or necessary, and therefore also in the interest of shareholders, to provide the consideration in the form of shares in the Company. This spares the Company's liquidity and reduces the extent to which the purchase price might have to be financed.

The planned authorisation to exclude subscription rights is designed to strengthen the Company when competing internationally for attractive acquisition targets and enable it to act quickly and flexibly when an opportunity presents itself with the consent of the Supervisory Board and to be able to use as consideration in an acquisition shares in the Company that are created through the exercise of the authorised capital. This enables the Company in individual cases to agree better terms with the counterparty on fulfilment of existing liabilities. In the opinion of the Board of Directors, the proposed authorisation to exclude subscription rights is therefore in the interest of the Company and its shareholders. This does not disadvantage the Company because the issue of shares against contribution in kind presupposes that the value of the contribution in kind is commensurate with the value of the shares. The Board of Directors will ensure when setting the valuation ratio that

the interest of the Company and its shareholders remain appropriately assured and that the Company receives an adequate return for the new shares. It will for this purpose take appropriate account of the market price of the Company's share and seek third-party support in so doing and to the extent this is feasible and advisable in the individual case.

While an exclusion of subscription rights entails a reduction in existing shareholders' relative shareholding quota and in their relative percentage of the voting rights, the acquisition of businesses, operations, parts of businesses or shares in businesses or other assets or rights to acquire assets including receivables against the Company or its group subsidiaries in return for shares would be precluded if they were granted a right to subscribe. Achieving the described advantages for the Company and its shareholders would thereby be excluded.

- c) Furthermore, the Board of Directors shall be able to exclude subscription rights, subject to the approval of the Supervisory Board, to the extent this is necessary in order to grant the holders or creditors of convertible and/ or option bonds or participating rights that were or will be issued by the Company or by direct or indirect group companies of the Company a conversion or subscription right to new shares to the extent of their entitlement after the exercise of the conversion or option right or after fulfilment of the conversion or option obligation.

The terms of convertible and/or option bonds or participating rights are usually provided with protection against dilution in order to facilitate their placement; in addition to the possibility to reduce the conversion or option price, it also provides that in subsequent capital increases the owners or creditors of convertible and/or option bonds or participating rights can be granted a right to subscribe to new shares similar to the subscription right of shareholders. They are thus treated as if they were already shareholders. A conversion or subscription right of owners or creditors of existing conversion or option rights or of convertible and/or option bonds or participating rights gives the possibility to prevent having to reduce the conversion and option price in the event of the authorised capital being exercised.

This ensures a higher issuing price of the shares that are to be issued on the exercise of the option or implementation of the conversion. In order to be able to provide the bonds or participating rights with such protection against dilution, the subscription rights of shareholders to these shares must be excluded. This serves to facilitate the placement of the bonds or participating rights and thus the shareholders' interests in ensuring the best possible financial structure for the Company.

- d) The authorisation for the Board of Directors to exclude fractional amounts, if any, from shareholders' subscription rights, subject to the approval of the Supervisory Board, serves to ensure a practicable, technically easily feasible subscription ratio and thus to simplify the execution of capital increases while granting subscription rights. The

value of such fractional amounts is usually low, whereas the expenditure for the issue would be substantially higher without such exclusion. The new shares that are excluded from the subscription right as fractional amounts are used in the best possible way in the interests of the Company. The possible dilution effect is minor due to this restriction to fractional amounts. The exclusion of subscription rights is intended to facilitate an issue and is therefore in the interests of the Company and its shareholders. When determining the subscription ratio, the Board of Directors will consider in the interest of shareholders that the extent of fractional amounts is kept small.

Overall, therefore, the Board of Directors and the Supervisory Board believe that the interests of shareholders are not impaired disproportionately by the authorisation to exclude subscription rights.

The pro-rated amount of the share capital accounted for by the shares to be issued after the authorisation against contribution in cash and/or in kind while excluding the right to subscribe shall in total not exceed 10% of the existing share capital at the time the resolution is passed at the Annual General Meeting. This capital limit gives the shareholders additional protection against dilution of their shareholding. The Board of Directors shall furthermore consider the issue or sale of shares or bonds or of participating rights with conversion or option rights or obligations based on other authorisations granted to the Board of Directors that excludes shareholder subscription rights during the term of this authorisation, to the proviso that it will use the granted authorisations for capital measures that exclude

shareholders' right to subscribe only up to a total increase of the share capital in the amount of a maximum of 10% of the existing share capital at the time the resolution is passed at the Annual General Meeting.

At present, there are no specific plans for any exercise of the new Authorised Capital 2017. Corresponding anticipatory resolutions with the option to exclude subscription rights are standard practice in and outside Germany. The Board of Directors will examine carefully on a case-by-case basis whether the exercise of the Authorised Capital 2017 is in the interests of the Company and its shareholders. In the event of the proposed authorisation being exercised, the Board of Directors will report on this at the next Annual General Meeting.

The report of the Board of Directors on item 7 of the agenda as reproduced above may be viewed on the www.leoni.com/en/agm2017/ page of LEONI AG's website once the Annual General Meeting has been convened. Upon request, any shareholder will receive a copy without undue delay and free of charge. The reports will furthermore also be available during the Annual General Meeting on 11 May 2017.

Conditions for participation in the Annual General Meeting and the exercise of voting rights

Registration

Pursuant to Section 14 of the Articles of Association, those shareholders of LEONI AG are entitled to participate in the Annual General Meeting and to exercise their voting right who have registered by

Thursday, 4 May 2017, 24:00 hours (CEST),

at the latest and are at the time of the Annual General Meeting recorded in the share register for the shares they registered.

For the exercise of participation and voting rights, the shareholding recorded in the share register on the day of the Annual General Meeting is decisive vis-à-vis the Company. The shareholding will correspond to the status at the end of the last day of the registration period because instructions to change the share register that are received in the period from 5 May 2017 up to and including 11 May 2017 can only be incorporated and considered after the Annual General Meeting on 11 May 2017 (known as 'registration stop'). The technical record date is therefore Thursday, 4 May 2017, at 24:00 hours (CEST). Registration to the Annual General Meeting does not bar or block shares. Shareholders therefore continue to have their shares fully at their disposal even after they have registered them for the Annual General Meeting, regardless of the registration stop.

Shareholders can register to participate in text form (Section 126b of the German Civil Code (BGB)) in German or English as follows:

- at the following postal address
**LEONI AG, Aktionärsservice,
Postfach 1460, 61365 Friedrichsdorf**
- or via fax number
+49 69 2222-34290
- or at the e-mail address
leoni.hv@linkmarketservices.de
- or, subject to technical availability of the website,
electronically via the internet from 13 April 2017 at
www.leoni.com/en/agm2017/

The shareholders of LEONI AG will again have the opportunity at this year's Annual General Meeting to register themselves or their appointed representative electronically via the internet.

This internet service can also be used to grant authorisation and instructions to the proxies appointed by the Company and will be available from 13 April 2017 at www.leoni.com/en/agm2017/. The shareholder number required for access to the personal internet service and the individual access number can be found on the back of the personalised cover letter that is sent out to the shareholders.

Further information on the registration procedure can be found in the registration and authorisation form sent out to the shareholders and on the above-mentioned website.

The Company will send the invitation to the Annual General Meeting including the agenda as well as documentation for registration and issuing power of proxy to those shareholders who request this or who were entered in the Company's share register at the beginning of 27 April 2017.

Credit institutions or shareholders' association, other persons, financial service providers and companies equivalent under Section 135 (8) respectively (10) of the German Stock Corporation Act (AktG) in conjunction with Section 125 (5) of the German Stock Corporation Act (AktG) may, pursuant to Section 135 (6) of the German Stock Corporation Act (AktG), only exercise the voting right for shares that do not belong to them but for which they are registered as holders in the share register by virtue of authorisation issued by the shareholder.

Procedure for voting by a proxy

Shareholders who are entered in the share register can be represented by a proxy during the Annual General Meeting, e.g. a credit institution, a shareholders' association or any other third party and also have their voting right exercised by such proxy. In this case, too, timely registration is necessary in accordance with the conditions set out in the above "Registration" section.

Unless a credit institution, a shareholders' association or other person, financial service provider or company equivalent under Section 135 (8) respectively (10) of the German Stock Corporation Act (AktG) in conjunction with Section 125 (5) German Stock Corporation (AktG) are authorised, the granting of the power of proxy, its revocation as well as the proof of power of proxy to the Company must be submitted in text form (Section 126b of the German Civil Code (BGB)).

The declaration for issuing power of proxy may be made to either the authorised person or the Company. Proof of the appointment of a proxy towards the Company and any revocation of the authorisation can be transmitted to the Company via one of the access channels listed in the "Registration" section using the contact data listed there. The proof may also be provided by presenting the power of proxy on the day of the Annual General Meeting at the entry and exit checkpoints to the Annual General Meeting. The aforementioned access points are also available if the power of proxy was granted by declaration vis-à-vis the Company or if a granted power of proxy is to be revoked vis-à-vis the Company.

A form that can be used for the granting and proof of a power of proxy can be found on the back of the admission ticket that is sent out to shareholders following the submission of their registration for the Annual General Meeting in due form and within the specified period. The authorisation and instruction form is furthermore accessible on our website at www.leoni.com/en/agm2017/. The power of proxy may also be granted in any other correct form.

The text form requirement does not apply in the event of having authorised credit institutions or shareholders' associations or other persons, financial service providers or companies equivalent under Section 135 (8) respectively (10) of the German Stock Corporation Act (AktG) in conjunction with Section 125 (5) of the German Stock Corporation Act (AktG). According to the law, the power of proxy must in such cases be granted to a particular proxy and must be verifiably kept by that proxy. The power of proxy must furthermore be complete and may contain only declarations related to exercise of the vote. Therefore, if you wish to grant power of proxy to a credit institution or a shareholders' association, other person, financial service provider or company equivalent under Section 135 (8) respectively (10) in conjunction with Section 125 (5) of the German Stock Corporation Act (AktG), please agree the form of the power of proxy with that party. A breach of these and certain other requirements stipulated in Section 135 of the German Stock Corporation Act (AktG) for authorising a credit institution or a shareholders' association, other person, financial service provider or company equivalent under Section 135 (8) respectively (10) in conjunction with Section 125 (5) of the German Stock Corporation Act (AktG) does however not, according to Section 135 (7) of the German Stock Corporation Act (AktG), compromise the validity of the vote.

If the shareholder authorises more than one person as proxy, the Company is entitled to reject one or several of these persons.

LEONI AG is once again offering its shareholders the option to be represented in the Annual General Meeting by proxies appointed by the Company in accordance with their instructions. In this case, too, timely registration is necessary in accordance with the provisions set out in the above "Registration" section. The particular features mentioned below furthermore apply. The proxies appointed by the Company can exercise the voting right only on those points of the agenda on which the principal has provided clear and explicit instructions. To the extent there is no clear and explicit instruction, the proxies will abstain from voting on the respective voting matter. The proxies appointed by the Company are obliged to vote as instructed. If separate votes are held on an agenda item without notification prior to the Annual General Meeting, the instruction on how to vote for the agenda item in total shall apply as corresponding instruction for each matter of the separate votes. The proxies appointed by the Company shall not accept instructions on procedural motions, either before or during the Annual General Meeting. Neither shall proxies appointed by the Company accept mandates on requesting leave to speak, on entering an objection against resolutions of the Annual General Meeting or on asking questions or making motions.

Shareholders who have registered in good time can submit to the Company the power of proxy and instructions required to authorise a proxy appointed by the Company in text form, via any of the access channels listed in the "Registration" section (address, fax number, e-mail address or website) using the contact data listed therein until Wednesday, 10 May 2017, 24:00 hours (CEST) (time of receipt by the Company). They may furthermore grant, amend or revoke power of proxy and

instructions to the proxies appointed by the Company after 10 May 2017 by completing the section printed on the voting card and submitting this at the desks provided for this purpose at the Annual General Meeting.

After 10 May 2017, the internet service for the Annual General Meeting will also be available, subject to technical availability of the website, up to 11 May 2017, 11:00 hours (CEST) by means of which shareholders can also grant, amend or revoke power of proxy and instructions to the proxies appointed by the Company.

Personal attendance of a shareholder or an authorised third party at the Annual General Meeting will automatically revoke any authorisations or instructions issued to the proxies appointed by the Company.

Details with regard to the granting of powers of proxy are provided in the documents that will be sent to the shareholders. This information can also be viewed on our website at www.leoni.com/en/agm2017/.

Information on the rights of shareholders pursuant to Sections 122 (2), 126 (1), 127 and 131 (1) of the German Stock Corporation Act (AktG)

Shareholders whose combined shareholding reaches a twentieth of the share capital or a pro-rated amount of Euro 500,000 (equating to 500,000 shares) can, pursuant to Section 122 (2) of the German Stock Corporation Act (AktG), request that matters are put on the agenda and announced. The applicants must prove that they have owned the shares for at least 90 days prior to the day of submitting the motion and that they will hold the shares until the Board of Directors has decided on the motion, with the stipulations under Section 70 of the German Stock Corporation Act (AktG) being applied for calculation of the period of share ownership. The day on which the motion is received is not to be counted. A postponement from a Sunday, Saturday or public holiday to a preceding or to a subsequent working day shall not take place. Sections 187 to 193 of the German Civil Code (BGB) are not to be applied accordingly. Each new matter must be accompanied by an explanation or a draft resolution. The motion must be made in writing to the Board of Directors and must be received by the Company by Monday, 10 April 2017, 24:00 hours (CEST) at the following address:

Board of Directors of LEONI AG
Marienstrasse 7
90402 Nuremberg

Any additions to the agenda, which have to be announced, will – so far as they have not already been announced when the meeting was convened – be announced without delay in the Federal Gazette (Bundesanzeiger) after the motion is received. They will also be announced on the website

www.leoni.com/en/agm2017/ and to the shareholders in accordance with Section 125 (1) sentence 3 of the German Stock Corporation Act (AktG).

Section 126 (1) of the German Stock Corporation Act (AktG) stipulates that shareholder motions including the name of the shareholder, the explanation and any statement by the administration must be made available to the authorised persons specified in Section 125 (1 – 3) of the German Stock Corporation Act (AktG), who may for example be shareholders requesting this, under the conditions therein if the shareholder has, at least 14 days prior to the Company's Annual General Meeting, submitted a countermotion against a proposal by the Board of Directors and/or Supervisory Board regarding a particular item on the agenda with the reason to the address below. The day of receipt and the day of the Annual General Meeting shall not be counted. The deadline for receipt therefore is Wednesday, 26 April 2017, 24:00 hours (CEST). Access to it is to be provided via the Company's website. A countermotion needs not be made accessible if one of the exclusions stated in Section 126 (2) of the German Stock Corporation Act (AktG) applies. The explanation then needs not be made accessible either if it comprises a total of more than 5,000 characters. Election nominations by shareholders pursuant to Section 127 of the German Stock Corporation Act (AktG) do not require explanation. Election nominations will be made accessible only if they include the name, the

practiced profession and the domicile of the nominated person and, in the case of an election of Supervisory Board members, details of the candidate's membership in other statutory supervisory boards (cf. Section 127 sentence 3 in conjunction with Section 124 (3) sentence 4 and Section 125 (1) sentence 5 of the German Stock Corporation Act (AktG)). According to Section 127 sentence 1 in conjunction with Section 126 (2) of the German Stock Corporation Act (AktG), there are other reasons for which election nominations need not be published on the website. Otherwise, the conditions and requirements for making motions accessible shall apply accordingly.

The right of every shareholder at the Annual General Meeting to propose countermotions or election nominations on the various items of the agenda also without having given the Company prior notification remains unaffected. Please note that countermotions or election nominations that were submitted to the Company in advance and before the deadline will be considered during the Annual General Meeting only if they are put forward verbally at the meeting.

Any motions (along with their explanation) or election nominations by shareholders pursuant to Sections 126 (1) and 127 of the German Stock Corporation Act (AktG) must be addressed exclusively to

LEONI AG
Corporate Investor Relations
Mr Jens von Seckendorff
Marienstrasse 7
90402 Nürnberg

or by fax to fax no.: +49 911 2023-10134

or by e-mail to hv2017@leoni.com

Motions and election nominations by shareholders that are to be made accessible (including the name of the shareholder and – in the case of motions – the explanation) will be published on the website www.leoni.com/en/agm2017/ after they are received. Any statements by the administration will also be published on the above website.

During the Annual General Meeting, any shareholder or shareholder representative may request information from the Board of Directors on matters concerning the Company, its legal and business relationships with associated companies as well as the Group's situation and that of the companies included within the scope of consolidation, provided such information is necessary to properly assess an item on the agenda.

Such information must conform to the principles of true and fair accounting. The Board of Directors may refrain from answering particular questions for the reasons stated in Section 131 (3) of the German Stock Corporation Act (AktG).

Explanations regarding the above-mentioned rights of shareholders pursuant to Sections 122 (2), 126 (1), 127 and 131 (1) of the German Stock Corporation Act (AktG) can be retrieved from the Company's website at www.leoni.com/en/agm2017/.

Information pursuant to Section 124a of the German Stock Corporation Act (AktG)

The convening of the Annual General Meeting with the legally required details and explanations as well as the information pursuant to Section 124a of the German Stock Corporation Act (AktG) are available on the Company's website at www.leoni.com/en/agm2017/.

The voting results will be announced on the same website after the Annual General Meeting.

Broadcast of the CEO's speech

All shareholders of the Company as well as the interested public may follow the speech given by the CEO live on the internet at www.leoni.com/en/agm2017/. The speech of the CEO will be available on the website at the address indicated above as a recording after the Annual General Meeting.

Total number of shares and voting rights

At the time of convening this Annual General Meeting, the total number of shares amounts to 32,669,000 registered no-par value shares, which grant a total of 32,669,000 votes. The Company does not hold any treasury shares.

Nuremberg, March 2017

LEONI AG

The Board of Directors

Directions



The easiest way to reach the “Frankenhalle” in Nuremberg is to take the U1 underground train line to the “Messe” stop.

If you come by car, you will be able to park free of charge.

Please have either your invitation or admission ticket for the Annual General Meeting ready for inspection at the entrance to the car park.

In view of the structural changes on the grounds of the Trade Fair Centre Nuremberg, a shuttle service will be available from 8.00 am on the day of the Annual General Meeting, in order to bring the participants of the Annual General Meeting to the entrance of the Frankenhalle and back.

We wish you a safe trip.



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