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**centrotherm photovoltaics AG**  
Blaubeuren

**ISIN DE000A0JMMN2**  
**WKN A0JMMN**

**Invitation to the Ordinary Annual General Meeting**

We invite our shareholders to the Ordinary Annual General Meeting to be held on Tuesday, **June 22, 2010, at 10:00 a.m.** (entry from 09:00 hours) at the Edwin-Scharff-Haus, Silcherstrasse 40, in 89231 Neu-Ulm.

**I. Agenda**

- 1. Presentation of the adopted single-entity annual financial statements and the approved consolidated financial statements as of December 31, 2009, the management report for centrotherm photovoltaics AG and the Group management report, including the Management Board's explanatory report relating to disclosures pursuant to §§ 289 Paragraph 4, 315 Paragraph 4 of the German Commercial Code (HGB), as well as the Supervisory Board's report for the 2009 financial year**

The above-mentioned documents will be made available and commented upon at the Annual General Meeting. They can be viewed at the [www.centrotherm.de](http://www.centrotherm.de) in the Investor Relations area.

On March 24, 2010, the Supervisory Board approved the single-entity parent company annual financial statements and the consolidated financial statements, which were prepared by the Management Board. The single-entity parent company annual financial statements have been adopted as a consequence. The Annual General Meeting is correspondingly not required to pass any resolutions relating to this agenda item.

- 2. Resolution concerning the application of unappropriated retained earnings**

The Management and Supervisory boards propose carrying the unappropriated retained earnings of EUR 45,900,074.62 reported in the balance sheet as of December 31, 2009 forward to a new account.

**3. Resolution concerning the approval of the Management Board for the 2009 financial year**

The Management and Supervisory boards propose that the members of the Management Board in office during the 2009 financial year should be discharged with respect to the 2008 financial year.

**4. Resolution concerning the approval of the Supervisory Board for the 2009 financial year**

The Management and Supervisory boards propose that the members of the Supervisory Management Board in office during the 2009 financial year should be discharged with respect to the 2008 financial year.

**5. Election of the auditor for both the single-entity and consolidated financial statements for the 2010 financial year**

The Supervisory Board proposes electing RÖVERBRÖNNER GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Berlin, as the auditor for both the single-entity and consolidated financial statements for the 2010 financial year. This also includes the election as the auditor for the auditor's review of interim financial reports prepared before the Ordinary Annual General Meeting in 2011, to the extent that an auditor's review of such interim financial reports is mandated.

**6. Resolution concerning the cancellation of the existing authorization to acquire treasury shares, and concerning the renewed authorization to purchase and utilize treasury shares pursuant to § 71 Paragraph 1 Number 8 of the German Stock Corporation Act (AktG) as well as the exclusion of subscription rights**

Since the authorization to acquire treasury shares, which formed the subject of a Annual General Meeting resolution on 30 June, 2009, expires on December 29, 2010, it is intended that the proposal will be submitted to the Annual General Meeting to cancel the existing authorization, and to replace it with the following authorization. According to the modification of § 71 Paragraph 1 Number 8 of the German Stock Corporation Act (AktG) as the result of the Shareholders' Rights Guidelines Implementation Act (ARUG), which came into force on September 1, 2009, this authorization can now be granted for a period of up to five years. The intention is to utilize this option.

The Management and Supervisory boards propose passing the following resolution:

- a) Pursuant to § 71 Paragraph 1 Number 8 of the German Stock Corporation Act (AktG), the company shall be authorized until June 21, 2015 to repurchase its own shares to

an attributable proportional amount of up to 10 percent of the share capital in existence at the time of the Annual General Meeting's resolution. In doing so, the shares acquired on the basis of this authorization, together with other shares in the company that the company has already acquired, and still possesses, or which are attributable to it pursuant to §§ 71d or 71e of the German Stock Corporation Act (AktG), may at no time exceed than 10 percent of the relevant issued share capital. The company may not use this authorization in order to trade in its own shares.

- b) The purchase price paid per share by the company when exercising this authorization (excluding ancillary purchase costs), may neither be 10 percent more nor 10 percent less than the price for the company's shares calculated on the relevant stock market trading day at the opening auction in Xetra trading of the Frankfurt Securities Exchange (or a comparable successor system).
- c) This authorization may be utilized either wholly or in partial amounts, once or on several occasions, by the company, its Group companies, or on its behalf, or for its account, by third parties.
- d) The authorization hereby granted to acquire treasury shares shall be discontinued without the requirement for express cancellation when a new authorization to acquire own shares comes into effect pursuant to § 71 Paragraph 1 Number 8 of the German Stock Corporation Act (AktG). Irrespective of this, the authorization hereby granted to acquire treasury shares shall be discontinued at the latest by June 21, 2015.
- e) With the consent of the Supervisory Board, the Management Board shall be authorized to sell treasury shares acquired on the basis of this or an earlier authorization, either wholly or in part, and either through the stock market or through an offer to shareholders, if the treasury shares acquired are sold for cash at a price that is not significantly less than the stock market price of the company's shares of the same class at the time of the sale. The authorization pursuant to figure e) shall however apply only to the extent that the shares sold under exclusion of subscription rights may not in total exceed 10 percent of the company's issued share capital, whether at the time of the coming into force of this authorization or at the time of the exercise of this authorization. The maximum limit of 10 percent of the issued share capital diminishes by the proportional amount of the issued share capital attributable to those shares that were issued during the duration of this authorization as part of a capital increase excluding subscription rights pursuant to § 186 Paragraph 3 Clause 4 of the German Stock Corporation Act (AktG), or that are required to service option bonds or convertible bonds issued during the duration of this authorization in corresponding application of § 186 Paragraph 3 Clause 4 of the German Stock Corporation Act (AktG) under exclusion of subscription rights.

- f) With the assent of the Supervisory Board, the Management Board shall be furthermore authorized to use treasury shares acquired on the basis of this or an earlier authorization as (partial) consideration for corporate mergers, or to acquire companies, equity stakes in companies, parts of companies or other assets.
- g) The Management Board shall also be authorized, with the assent for the Supervisory Board, to utilize the company's treasury shares, which were acquired on the basis of this or an earlier authorization, to satisfy exchange or subscription rights arising from conversion or option debentures, or stock option plans to issue subscription rights to shares to managers and other important staff members of centrotherm photovoltaics AG and its Group companies, which were granted by the company or its Group companies.
- h) The Management Board shall also be authorized to partially or wholly withdraw treasury shares acquired on the basis of this or an earlier authorization with the assent of the Supervisory Board and without a further resolution by the Annual General Meeting being required.
- i) Shareholder subscription rights shall be excluded when measures relating to figures e) to g) are executed.
- j) The authorizations mentioned under figures e) to h) to utilize treasury shares acquired on the basis of this or an earlier authorization may be utilized either wholly or in partial amounts; these authorizations shall continue to exist including following the cancellation or other discontinuation of the authorizations to acquire own shares mentioned under figures a) to c), to the extent that the Annual General Meeting does not expressly cancel them, or does not pass a resolution relating to a new authorization to utilize treasury shares acquired on the basis of this or an earlier authorization.
- k) The current authorization to acquire treasury shares, which was issued by the Annual General Meeting on June 30, 2009, and which is valid until the coming into force of the new authorization to acquire treasury shares pursuant to § 71 Paragraph 1 Number 8 of the German Stock Corporation Act (AktG) at the latest by December 29, 2010, shall end when the new authorization comes into force.

**7. Resolution concerning the cancellation of the existing, and the creation of a new, authorization to issue option or convertible bonds with the possibility of subscription rights exclusion, the cancellation of the existing, and the creation of a new, conditional capital, as well as corresponding bylaw amendment**

So that the company remains able in the future to flexibly exploit attractive financing opportunities, the intention is to cancel the authorization issued by the Annual General Meeting on June 30, 2009 to issue option or convertible bonds, as well as the Conditional Capital 2009 that was created for this purpose, and to replace it with a new authorization to issue option or convertible bonds, as well as a new conditional capital (Conditional Capital 2010/I).

Consequently, the Management and Supervisory boards propose passing the following resolution:

**a) Cancellation of the existing authorization to issue option or convertible debentures, as well as the Conditional Capital 2009**

The authorization of the Management Board that was approved by the Annual General Meeting on June 30, 2009, to issue, with the assent of the Supervisory Board, once or on several occasions until June 29, 2014 bearer option bonds or convertible bonds (together referred to as "debentures") with a total nominal amount of up to EUR 250,000,000.00, and to grant the option bond owners option rights, and respectively the owners of convertible bonds conversion rights, to the company's ordinary bearer shares with a proportional amount of the issued share capital totaling up to EUR 2,116,238.00 in accordance with the more specific terms of the option bonds or convertible bonds, as well as the related Conditional Capital 2009, shall be cancelled with the coming into effect of the Conditional Capital 2010/I which is to form a subject of a resolution at this Annual General Meeting.

**b) Authorization to issue option bonds or convertible debentures, and to exclude subscription rights**

aa) Nominal amount, authorization period, term, issued share capital amount

The Management Board shall be authorized, with the assent of the Supervisory Board, to issue until June 21, 2015, once or on several occasions, bearer or registered option or convertible debentures (hereinafter referred to collectively as "debentures") in a total nominal amount of up to EUR 250,000,000.00 with a limited or unlimited term, and to grant the bearers or creditors of debentures option or conversion rights to subscribe for up to 2,116,238 new ordinary bearer shares

of centrotherm photovoltaics AG with a proportional amount of the issued share capital of up to a total of EUR 2,116,238.00 according to the more detailed terms of the conversion or option bond terms (hereinafter referred to as "terms").

Apart from euros, the debentures may also be issued in the statutory currency of an OECD country, while taking into account the limitation relating to the corresponding consideration in euros. They may also be issued by a domestic or foreign company in which centrotherm photovoltaics AG holds a majority of the votes and capital, either directly or indirectly (hereinafter referred to as "majority-held equity holding company"). In this instance, the Management Board shall be authorized to adopt the guarantee for the repayment of the debentures for the issuing company, and to grant the bearers of such debentures centrotherm photovoltaics AG shares in order to satisfy the option or conversion rights that have been granted with these debentures.

bb) Conversion right, conversion obligation

The bearers or creditors of convertible debentures shall have the right to exchange their convertible debentures into new centrotherm photovoltaics AG shares according to the more detailed term provisions. The terms may also establish a conversion obligation at the end of the term, or at an earlier date. In this instance, the terms may stipulate that the company is entitled to settle in cash, either wholly or partially, any difference between the nominal amount of the debenture and a stock market price for the shares at the date of the conversion obligation (the "stock market price at the conversion date"), which shall be determined in more detail in the terms, multiplied by the exchange ratio. The stock market price at the conversion date, however, must correspond to at least 80 percent of the stock market price of the company shares calculated on the basis described under ee) at the date when the debentures are issued.

cc) Option right

In the instance in which option debentures are issued, one or several option certificates are attached to each fractional debenture, which entitle the owner to subscribe for new centrotherm photovoltaics AG bearer shares according to the more detailed specifics of the option terms to be determined by the Management Board. The maximum option right term shall be 20 years.

dd) Exchange ratio, capital share

In the case of convertible debentures, the exchange ratio shall be derived by dividing a debenture's nominal amount by the conversion price fixed for one new centrotherm photovoltaics AG share. The exchange ratio may also be derived by dividing the issue price of a debenture below its nominal amount by the conversion price fixed for one new centrotherm photovoltaics AG share. The terms may also stipulate that the exchange ratio is variable, and maybe rounded up or down to a whole number; furthermore, an additional cash payment may be determined. It may furthermore be stipulated that residual amounts be aggregated, or settled in cash. In no instance may the proportional amount per debenture of issued share capital of the shares being drawn upon for the conversion issue or option exercise exceed the nominal amount and issue amount of the conversion or option debentures.

ee) Conversion/option price

The calculation of the option or conversion price shall be based on the following principles:

The option or conversion price must amount to at least 80 percent — including on the basis of the following dilution protection regulations — of the volume-weighted average stock market price of the company shares in Xetra trading system of the Frankfurt Securities Exchange (or a comparable successor system), and specifically

- in the period between the start of the bookbuilding process and the final price fixing for the debentures by the banks managing the issue, or
- to the extent that shareholders are entitled to subscribe for the debentures, either during the subscription period, excepting the last four stock market trading days before its expiry, or on the 10 stock market trading days before the date of the passing of the resolution by the Management Board concerning the issuing of the debentures.

The terms may also stipulate that the option or conversion price may be modified during the term within a bandwidth to be determined by the Management Board depending on the performance of the share price, or as a consequence of dilution protection provisions.

Irrespective of § 9 Paragraph 1 of the German Stock Corporation Act (AktG), the option or conversion price may be reduced due to a dilution protection clause

according to the more detailed provisions of the terms through the payment of a corresponding cash amount on exercise of the conversion right, or through reduction of the additional payment, if centrotherm photovoltaics AG increases the issued share capital during the option or conversion period while granting subscription rights to shareholders, or the centrotherm photovoltaics AG or its majority-held equity holding company issue further option or convertible debentures, or grants other option rights, and the bearers of convertible or option rights are granted no subscription right to the extent to which they would be entitled following the exercise of their option or conversion rights. Instead of a cash payment, or a reduction of the additional cash payment, the exchange ratio may also be adjusted, to the extent possible, by division by the reduced conversion price. The terms may also provide for an adjustment of the option or conversion rights for the instance of capital reduction, or for measures that may lead to a dilution of the value of the company's issued shares.

ff) Cash settlement or granting of already existing shares

The terms may provide for or permit that the company grants to the option or conversion rights holders a cash consideration according to the more detailed terms, rather than centrotherm photovoltaics AG shares. The terms may also make provision that the debentures may, at the company's election, be converted into already existing shares of the company, rather than from new conditional capital shares, or that the option right or option obligation may be satisfied by the delivery of such shares.

gg) Subscription rights, subscription rights exclusion

Shareholders are in principle entitled to statutory subscription rights in the instance of the issuing of debentures. The debentures may also be offered to shareholders by way of indirect subscription rights; they will then be taken over by a bank or banking syndicate in order to be offered to shareholders for subscription. The Management Board shall nevertheless be authorized, with the assent of the Supervisory Board, to exclude shareholders' subscription rights to the debentures with option or conversion rights to centrotherm photovoltaics AG shares, to the extent that the issue price is not significantly less than the debenture's theoretical market price calculated according to recognized finance-mathematical principles. The authorization to exclude subscription rights, however, shall apply only for debentures with option or subscription rights, or conversion rights to shares, to which the proportional amount of the issued share capital totaling no more than 10 percent of the issued share capital is attributable, and, specifically, neither at the date when this authorization becomes effec-

tive, nor at the date when this authorization is exercised. Treasury shares shall be included within this limitation, to the extent that they are sold during the period of this authorization under exclusion of subscription rights pursuant to § 186 Paragraph 3 Clause 4 of the German Stock Corporation Act (AktG). To this limitation should also be added those shares that were issued during the duration of this authorization from approved capital under exclusion of subscription rights pursuant to § 186 Paragraph 3 Clause 4 of the German Stock Corporation Act (AktG).

The Management Board shall also be authorized, with the assent of the Supervisory Board, to exclude from shareholders' subscription rights residual amounts that result due to the subscription ratio, and to exclude subscription rights also to the extent that it is requisite to grant subscription rights to the bearers or creditors of option or conversion rights, or bearers or creditors of convertible debentures furnished with conversion obligations, to the extent that they would be entitled to such subscription rights following the exercise of conversion or option rights, or following the satisfaction of conversion obligations.

hh) Authorization to determine further bond terms

The Management Board shall be authorized to determine the further specificities of the issuing and terms of debentures, particularly interest-rate, issue price, term and denomination, conversion option price, and the conversion or option period, in agreement with the managing bodies of the centrotherm photovoltaics AG majority-held equity holding company that issues the option or convertible debentures.

**c) Creation of Conditional Capital 2010/I**

The company's issued share capital shall be increased conditionally by up to EUR 2,116,238.00 by the issuing of up to 2,116,338 new ordinary bearer shares (Conditional Capital 2010/I). The conditional capital shall be utilized to the extent that

- the bearers or creditors of debentures with conversion or option rights that were issued by centrotherm photovoltaics AG or its direct or indirect majority-held equity holding companies on the basis of the authorization resolution of the Annual General Meeting on June 22, 2010, actually utilize conversion or option rights, or
- the bearers or creditors of debentures with conversion obligations that were issued by centrotherm photovoltaics AG or its direct or indirect majority-held equity

holding companies on the basis of the authorization resolution of the Annual General Meeting on June 22, 2010, satisfy their obligation to convert

and to the extent that no cash settlement occurs, or that no already existing shares are utilized for the servicing. The issuing of the new shares shall be performed according to the authorization resolution of the Annual General Meeting on June 22, 2010, in each case at the option or conversion price to be determined. The new shares shall participate in the company's earnings from the start of the financial year in which they come into existence as the result of the exercising of conversion or option rights, or through the satisfaction of conversion obligations.

The Management Board shall be authorized to determine the further specificities relating to the performance of the conditional capital increase.

**d) Company bylaws amendment**

Figure 4 Paragraph 5 of the company bylaws shall be amended and reformulated as follows:

"4.5 The company's issued share capital shall be increased conditionally by up to EUR 2,116,238.00 by the issue of up to 2,116,338 new ordinary bearer shares (Conditional Capital 2010/I). The conditional capital shall be utilized to the extent that

- the bearers or creditors of debentures with conversion or option rights that were issued by centrotherm photovoltaics AG or its direct or indirect majority-held equity holding companies on the basis of the authorization resolution of the Annual General Meeting on June 22, 2010, actually utilize conversion or option rights, or
- the bearers or creditors of debentures with conversion obligations that were issued by centrotherm photovoltaics AG or its direct or indirect majority-held equity holding companies on the basis of the authorization resolution of the Annual General Meeting on June 22, 2010, satisfy their obligation to convert

and to the extent that no cash settlement occurs, or that no already existing shares are utilized for the servicing. The issuing of the new shares shall be performed according to the authorization resolution of the Annual General Meeting on June 22, 2010, in each case at the option or conversion price to be determined. The new shares shall participate in the company's earnings from the start of the financial year in which they come into existence as the result of the exer-

cising of conversion or option rights, or through the satisfaction of conversion obligations.

The Management Board shall be authorized to determine the further specificities relating to the performance of the conditional capital increase."

**e) Authorization to amend company bylaws**

The Supervisory Board shall be authorized to amend the wording of Figure 4 of the bylaws in line with the issuing of new shares, as well as to perform all requisite bylaw amendments in this connection, to the extent that such amendments are restricted to the wording of the bylaws. The same shall apply for the case that the authorization to issue convertible or option debentures is not exercised during the authorization period, as well as in the case of the non-utilization of conditional capital after the expiry of the exercise periods for option or conversion rights, or for the satisfaction of conversion or option obligations.

**8. Resolution concerning introduction of the "centrotherm photovoltaics AG Stock Option Plan 2010" to issue share subscription rights to managers and other important staff members of centrotherm photovoltaics AG and its Group companies, creation of a further conditional capital, and corresponding bylaw amendment**

The Management and Supervisory boards regard it is requisite to tie managers and other important employees to the company through medium- and long-term remuneration components. The German Stock Corporation Act (AktG) now also formulates a corresponding requirement for the remuneration of the management board members of stock market listed companies. In addition, the statutory waiting period for the first-time exercise of subscription rights that are entitled to the subscription of new shares from conditional capital has been extended from two years to four years. Given these circumstances, the intention is that the virtual management stock option program (SARP) that was established as part of the company's IPO should be replaced by a new stock option plan with a longer waiting period, and a more demanding exercise hurdle, and which also enables a subscription of new shares from conditional capital.

The Management and Supervisory boards propose passing the following resolution:

**a) Introduction of the "centrotherm photovoltaics AG Stock Option Plan 2010"**

**(1) Authorization to issue subscription rights**

The Management Board shall be authorized, with the assent of the Supervisory Board, to grant once or on several occasions subscription rights to a total of up to 1,500,000 ordinary bearer shares of centrotherm photovoltaics AG (hereinafter also referred to

as the "company") until June 21, 2015 according to the more detailed specificities of the following provisions as part of the "centrotherm photovoltaics AG Stock Option Plan 2010 "(hereinafter referred to as the "Stock Option Plan 2010"). To the extent that subscription rights are granted to members of the company's Management Board, the Supervisory Board shall have sole decision in this respect. The subscription rights may also be taken over by a bank, with the obligation to transfer them to individuals entitled to subscription rights under the Stock Option Plan 2010 according to the company's instructions.

(2) Group of individuals entitled to subscription rights

As part of the Stock Option Plan 2010, subscription rights to the company's shares ("subscription rights") may be issued to (i) centrotherm photovoltaics AG Management Board members, (ii) management members of companies associated with centrotherm photovoltaics AG ("Group companies") and (iii) further important staff members of centrotherm photovoltaics AG and Group companies globally (the "individuals entitled to subscription rights"). The subscription rights shall be granted without consideration in return. The granting of subscription rights may nevertheless be made dependent on certain prerequisites.

The company's Supervisory Board shall determine the precise group of individuals entitled to subscription rights, and the number of subscription rights that are granted to each individual, to the extent that subscription rights are granted to the company's Management Board. Such determinations shall be made by the Management Board in all other cases. To the extent that management members and staff members of Group companies are affected, the Management Board shall coordinate such determination with the managerial bodies responsible in each case for the remuneration of the individuals entitled to subscription rights.

In overall terms, a maximum of 1,500,000 subscription rights shall be issued for all groups together during the duration of the Stock Option Plan 2010 ("total volume"). The total volume shall be split as follows among the individual groups of the individuals entitled to subscription rights:

- aa) Members of the company's Management Board: a maximum of 225,000 subscription rights;
- bb) Management members of Group companies: a maximum of 630,000 subscription rights;
- cc) Further managers and important staff members below the company Management Board and Group company managements: a maximum of 645,000 subscription rights.

The number of subscription rights issue to each individual entitled to subscription rights must be divisible by four in all three groups.

(3) Subscription right

Each subscription right shall entitle to purchase one company share in return for the payment of the exercise price according to the more specific provisions of the Stock Option Plan 2010.

(4) Purchase periods

Subscription rights may be allocated

- within 45 days following the date of the announcement of the results for the financial year just elapsed, or
- in each case within 45 days following the date of the announcement of the results for the first, second or third quarter of a current financial year,

at the latest, however, by the end of the current quarter as of the allocation date.

The subscription rights allocation date ("allocation date") should be uniform for the annual tranches across the Group, and, to the extent that company Management Board members are affected, shall be determined by the Supervisory Board, otherwise by the company Management Board.

(5) Subscription rights term, waiting period and exercise periods

Subscription rights shall run for a total of seven years following the allocation date. They may be exercised for the first time following the expiry of a waiting period, and subsequently by the end of the period ("exercise period"). The waiting period shall amount to at least four years from the allocation date.

Subscription rights may not be exercised in the period from each quarter-end until the expiry of the first stock market trading day following the publication of the corresponding quarterly results, and not in the period between the financial year-end and the expiry of the first stock market trading day following the subsequent company Annual General Meeting ("blocking periods").

Otherwise, the individuals entitled to subscription rights must comply with restrictions arising from general legal regulations, such as the German Securities Trading Act (WpHG), when exercising their subscription rights.

The subscription rights lapse to the extent that they are not exercised by the end of the exercise period, or may not be exercised according to the following regulations.

(6) Exercise price

Subject to the further regulations of the Stock Option Plan 2010, the exercise price to be rendered per subscription rights when exercising the subscription rights shall correspond to the arithmetic average of the closing prices of the company's share in Xetra trading on the Frankfurt Securities Exchange (or a comparable successor system) during the last 30 stock market trading days on the Frankfurt Securities Exchange (hereinafter referred to as "stock market trading days") before the relevant allocation date of the subscription rights, at the minimum, however, to the lowest issue amount in the meaning of § 9 Paragraph 1 of the German Stock Corporation Act (AktG).

(7) Performance target

Exercise of the subscription rights is possible only to the extent that the performance targets hereinafter mentioned are attained:

(i) Absolute performance target:

Two of every four subscription rights granted in each case may only be exercised if the price of the company's share has achieved an absolute performance target. To this extent, the following shall apply: that one of every four subscription rights granted may be exercised if the arithmetic average of the closing prices of the company's share on the Xetra trading system of the Frankfurt Securities Exchange (or a comparable successor system) during the last 30 stock market trading days before the exercise date of the subscription rights (the "stock market price on subscription rights exercise") exceeds the exercise price by at least 20 percent. If the stock market price on subscription rights exercise exceeds the exercise price by at least 30 percent, two of every four subscription rights granted may be exercised.

The date of the subscription rights exercise in the meaning of the Stock Option Plan 2010 shall be the date on which an individual entitled to subscription rights notifies the company or a third party, who has been mandated by the company with the technical processing of the Stock Option Plan 2010, of the exercise of the relevant subscription right according to the plan terms.

(ii) Relative performance target:

The remaining two of every four subscription rights granted in each case may only be exercised if the price of the company's share has achieved a relative performance target. To this extent, the following shall apply: that one of every four subscription rights granted may be exercised if the percentage value performance of the share price at the time of the subscription rights exercise compared with the exercise price outperforms the percentage value performance of the TecDAX (the "comparable index") during the comparable timeframe (outperformance of the comparable index). To this extent, the following shall apply: that a further one of every four subscription rights granted may be exercised if the percentage value performance of the share price at the time of the subscription rights exercise compared with the exercise price outperforms the percentage value performance of the TecDAX by at least 5 percent during the comparable timeframe (outperformance of the comparable index by at least 5 percent). In order to calculate the value performance of the comparable index over the comparable timeframe, the arithmetic average of the closing positions of the comparable index during the last 30 stock market trading days before the subscription rights exercise is compared with the arithmetic average of the closing positions of the comparable index during the last 30 stock market trading days before the relevant allocation date of the subscription rights. Company dividend payments, capital increases from shareholder funds, and the value of statutory subscription rights and comparable benefits are taken into account when determining the value performance of the company's share according to the method applied for the calculation of the comparable index.

Should the TecDAX no longer be prepared during the duration of the stock option plan, or of the subscription rights that are issued under this plan, or should the TecDAX be modified significantly with respect to its composition, the TecDAX shall be replaced by another index that comes as near to the composition of the TecDAX as possible in its composition until that date; if no such index exists, a new comparable index shall be calculated by a bank mandated by the company, which shall include as many as possible of the individual share prices

of the TecDAX in its composition until that date, so that it approximates as best possible the TecDAX in its composition until that date.

Exercise of subscription right shall be possible only to the extent that the absolute or relative performance target has been attained on the exercise date of the relevant subscription rights.

(8) Dilution protection

During the duration of the subscription rights, the plan terms may make provision for an adjustment of the exercise price and/or the performance target for instances of a capital increase with subscription rights, the issuing of conversion or option rights, a capital increase from shareholder funds, a reallocation of the company's issued share capital ("stock split"), capital reduction, the disposal of treasury shares, a special dividend, and restructuring measures, or comparable measures. For the instances of a capital increase from shareholder funds, a stock split, or a capital reduction, the plan terms may make provision whereby the number of subscription rights, or the number of company shares to be drawn upon per subscription right, the exercise price and/or the performance target is adjusted in the ratio relating to the increase or reduction of the number of ordinary shares. In the instances of a capital increase with subscription rights, an issuing of conversion or option rights, the disposal of treasury shares, or a special dividend, the exercise price and/or the performance target may be adjusted according to the effect on the stock market price of the company shares connected with the relevant measure. The effect on the stock market price of the company's shares shall be calculated according to finance-mathematical methods. In each case, the adjustment shall be performed in such a way that the total value of the subscription rights to which an individual entitled to subscription rights is entitled corresponds to the value preceding the realization of the measure. An adjustment shall not be performed to the extent that it has already been performed due to the law, and it may be refrained from if it amounts to less than 1 percent of the exercise price. To the extent that company Management Board members are affected, the Supervisory Board shall perform the adjustment; the Management Board shall perform the adjustment in all other cases.

(9) Issuing to third parties, non-transferability

The subscription rights shall be non-transferable; they may only be exercised by the individual entitled to subscription rights. The subscription rights may be issued or transferred to third parties who hold or manage the subscription rights on a trust basis for the individuals entitled to subscription rights. The subscription rights may be bequeathed. The plan terms may make provision whereby the heir or heirs or the person

entitled to subscription rights may exercise the subscription rights only within a time-frame following the succession to the estate, which is shorter compared with the normal exercise period, at the earliest, however, after the expiry of the waiting period.

(10) Limitation option (cap)

To the extent that subscription rights granted to company Management Board members are affected, the Supervisory Board must make provision for a limitation option (cap) for extraordinary circumstances. To the extent that subscription rights granted to other individuals entitled to subscription rights are affected, the Management Board may decide whether and to what extent provision is made for a cap for extraordinary circumstances.

(11) Further regulations

The company Supervisory Board shall determine the further specificities for the granting and satisfaction of subscription rights, and the further plan terms, to the extent that company Management Board members are affected, and, to the extent that other individuals entitled to subscription rights are affected, the Management Board shall determine such further specificities with the assent of the Supervisory Board. These further regulations shall particularly include:

- determining the number of subscription rights for individual persons entitled to subscription rights, or groups of individuals entitled to subscription rights;
- determining terms, or the realization of the Stock Option Plan 2010;
- the procedure for granting and exercising subscription rights, including the decision whether to utilize the option to grant treasury shares, or to make cash settlement, instead of granting new shares from the Conditional Capital 2010/II created for this purpose;
- the determining of holding periods beyond the four-year waiting period, particularly staggered holding periods for individual partial volumes of subscription rights, as well as the modification of holding periods as part of statutory requirements in special cases, such as the change of control of the company;
- regulations concerning the treatment and exercise of subscription rights in special cases, such as the departure of the individual entitled to subscription rights from the service of the company or a Group company, the death of the person entitled to subscription rights, or a change of control of the company.

In addition, the plan terms may make provision whereby the company Supervisory Board, to the extent that company Management Board members are affected, and the Management Board, with the assent of the Supervisory Board, to the extent that other individuals entitled to subscription rights are affected, are entitled to determine that, for each subscription right exercised, instead of one company share being issued at the exercise price, a lower number of company shares may be issued at the lowest issuing amount pursuant to § 9 Paragraph 1 of the German Stock Corporation Act (AktG). If utilization is made of this option, each subscription right does not entitle to the subscription of one company share in return for payment of the exercise price, but only a particular number of subscription rights to subscribe for one company share at the lowest issue amount in each case. The number of subscription rights to be exercised for the subscription of one share in each case at the lowest issue amount shall be calculated according to the following formula:

$$A = \frac{K - M}{K - X}$$

In this formula, the following signify:

A = Number of options to be exercised for the subscription of one company share

X = Exercise price

K = Stock market price on exercise of the subscription rights

M = Lowest issue amount pursuant to § 9 Paragraph 1 of the German Stock Corporation Act (AktG), in other words, currently EUR 1.00

(12) Taxation

The individuals entitled to subscription rights shall bear all taxes and duties that are incurred in the case of the allocation or exercise of the subscription rights, or on the disposal of the subscription shares by the individuals entitled to subscription rights.

(13) Reporting duties

In all cases, the Management and Supervisory boards shall report in the annual report concerning the utilization of the Stock Option Plan 2010 for each financial year, as well as the subscription rights granted to the individuals entitled to subscription rights.

**b) Creation of Conditional Capital 2010/II**

The company's issued share capital shall be increased conditionally up to EUR 1,500,000.00 by the issue of up to 1,500,000 new ordinary bearer shares. The conditional capital increase shall be performed only to the extent that bearers of sub-

scription rights that are issued as part of the "centrotherm photovoltaics AG Stock Option Plan 2010" until 21 June 2015, utilize their subscription rights to company shares, and the company does not grant cash settlement or deliver treasury shares in order to satisfy these rights. The new shares shall participate in the company's earnings from the start of the financial year in which they come into existence as the result of the exercise of subscription rights (Conditional Capital 2010/II).

**c) Company bylaws amendment**

Figure 4 of the company's bylaws shall be supplemented to include the following new Paragraph 6 with the following wording:

"4.6 The company's issued share capital shall be increased conditionally up to EUR 1,500,000.00 by the issue of up to 1,500,000 new ordinary bearer shares. The conditional capital increase shall be performed only to the extent that bearers of subscription rights that are issued as part of the "centrotherm photovoltaics AG Stock Option Plan 2010" until 21 June 2015, utilize their subscription rights to company shares, and the company does not grant cash settlement or deliver treasury shares in order to satisfy these rights. The new shares shall participate in the company's earnings from the start of the financial year in which they come into existence as the result of the exercise of subscription rights (Conditional Capital 2010/II)."

**d) Authorization to amend company bylaws**

The Supervisory Board shall be authorized to amend the wording of Figure 4 of the company bylaws in line with the relevant issuing of new shares from Conditional Capital 2010/II after the expiry of the authorization period and/or after the lapsing of subscription rights, as well as to perform all requisite bylaw amendments in this connection, to the extent that such amendments are restricted solely to wording.

**9. Resolution concerning the approval of the remuneration system for Management Board members**

The "Appropriateness of Management Board Remuneration Act" (VorstAG), which came into force on August 5, 2009, enables the Annual General Meeting to pass resolutions concerning the approval of the remuneration system for management board members (§ 120 Paragraph 4 of the German Stock Corporation Act [AktG]). The intention is to utilize this option. The passing of a resolution under this agenda item relates to the remuneration system currently valid for the centrotherm photovoltaics AG Management Board members. Details on this topic are presented in the remuneration report, which was published as part of the company's 2009 Annual Report, and made accessible to shareholders.

The Management and Supervisory boards propose that the system for the remuneration of Management Board members explained in the remuneration report on page 37 f. of the annual report for the 2009 financial year be approved pursuant to § 120 Paragraph 4 of the German Stock Corporation Act (AktG).

**10. Resolution concerning the bylaw amendment to reflect the Shareholders' Rights Implementation Act (ARUG)**

The Shareholders' Rights Implementation Act (ARUG) brings about far-reaching reforms in the law regarding annual general shareholder meetings. At the Ordinary Annual General Meeting of June 30, 2009, some regulations in the bylaws were already adjusted to reflect the ARUG regulations. In order to conclude the adjustment to reflect the ARUG, the Management and Supervisory boards propose the following resolution:

Figure 14 Paragraph 2 of the company bylaws shall be amended and reformulated as follows:

"14.2 Registration and proof of shareholdings must arrive at the company at the address communicated for this purpose in the convening communication at least six days before the meeting. The convening may make provision for a shorter deadline period that is to be measured in days. When calculating the deadline period, the date of the arrival of such registration shall not be included in this calculation. § 121 Paragraph 7 of the German Stock Corporation Act (AktG) shall otherwise apply."

## **II. Management Board's reports to the Annual General Meeting**

**Management Board report relating to Agenda Item 6 (Resolution concerning the cancellation of the existing authorization to acquire treasury shares, and concerning the renewed authorization to purchase and utilize treasury shares pursuant to § 71 Paragraph 1 Number 8 of the German Stock Corporation Act (AktG) as well as the exclusion of subscription rights)**

Under Agenda Item 6, the Management and Supervisory boards propose authorizing the management to acquire shares in the company by June 21, 2015 whose proportional amount of the company's share capital is not permitted to exceed 10 percent of the issued share capital in existence at the time when the resolution is passed by the Annual General Meeting, and to re-sell the shares acquired on the basis of this or an earlier authorization.

The proposed authorization to acquire and utilize owns shares belongs to the internationally normal range of financing instruments available to stock corporations.

Shares are bought and sold while adhering to the principle of treating all shareholders equally. In the instance of purchase, this principle is upheld by ensuring that the purchase is performed only through the stock market. The acquisition price paid per share by the company when exercising this authorization (excluding ancillary purchase costs), may be neither 10 percent more nor 10 percent less than the price for the company's shares calculated on the relevant stock market trading day at the opening auction in Xetra trading of the Frankfurt Securities Exchange (or a comparable successor system).

The sale of shares acquired on the basis of this or an earlier authorization must, as a matter of principle, also occur through the stock market or through an offer to all shareholders.

With the consent of the Supervisory Board, it is also intended that the Management Board will be authorized to sell shares acquired on the basis of this or of an earlier authorization, either wholly or in part, and either through the stock market or through an offer to shareholders, if the treasury shares acquired are sold for cash at a price that is not significantly less than the stock market price of the company's shares of the same class at the time of the sale in the meaning of § 186 Paragraph 3 Clause 4 of the German Stock Corporation Act (AktG). This authorization will be restricted — even if it is utilized on several occasions — to a total maximum of 10 percent of the company's issued share capital. The maximum limit of 10 percent of the issued share capital diminishes by the proportional amount of the issued share capital attributable to those shares that were issued during the duration of this authorization as part of a capital increase excluding subscription rights pursuant to § 186 Paragraph 3 Clause 4 of the German Stock Corporation Act (AktG), or that are required to

service option bonds or convertible bonds issued during the duration of this authorization in corresponding application of § 186 Paragraph 3 Clause 4 of the German Stock Corporation Act (AktG) under exclusion of subscription rights. Shareholder subscription rights will be excluded when this measure is executed.

The authorization of the Management Board to use shares acquired on the basis of this or an earlier authorization with the assent of the Supervisory Board as (partial) consideration as part of corporate mergers, or to acquire companies, equity stakes in companies, parts of companies or other assets, is intended to enable the management to react rapidly and flexibly to opportunities as they arise, and to acquire companies, equity stakes in companies, parts of companies or other assets in return for the granting of shares in appropriate individual cases. Particularly sellers of companies or stakes in companies are frequently uninterested in monetary payments, and instead insist on a consideration paid in the form of the company's shares. When valuing the shares used as consideration, the management will not apply a valuation that is significantly less than the stock market price of the company's share as of the time of the disposal, in the meaning of § 186 Paragraph 3 Clause 4 of the German Stock Corporation Act (AktG).

The further authorization of the Management Board to utilize shares acquired on the basis of this or an earlier authorization, with the assent of the Supervisory Board, to satisfy rights arising from conversion or option debentures, or stock option plans to issue subscription rights to shares to managers and other important staff members of centrotherm photovoltaics AG and its Group companies, creates additional flexibility for the management in this area too. Although conditional capital is, as a general rule, also available for the satisfaction of such rights, the terms of such debentures or stock option plans typically provide for the possibility to service obligations using treasury shares. One advantage of using treasury shares is that no new shares need to be issued, as a consequence of which there is no dilution of the percentage shareholding of existing shareholders.

The intention is that the management may withdraw and cancel shares acquired on the basis of this or an earlier authorization, including without a further resolution on the part of the Annual General Meeting.

In each case, the Management Board will report to the Annual General Meeting on the extent to which it has utilized the authorization.

After having considered all the circumstances, the Management Board is persuaded that the subscription right exclusion provided for as part of the resolutions relating to Agenda Item 6 is requisite, suitable, and appropriate to the extent of the described limits, as well as being in the interests of the company and its shareholders.

**Management Board report relating to Agenda Item 7 (Resolution concerning the cancellation of the existing, and the creation of a new, authorization to issue option or convertible bonds with the possibility of subscription rights exclusion, the cancellation of the existing, and the creation of a new, conditional capital, as well as corresponding bylaw amendment)**

The intention is that the proposed authorization to issue option or convertible debentures (hereinafter also referred to as "debentures") with a total nominal amount of up to EUR 250,000,000.00, as well as the creation of the related conditional capital of up to EUR 2,116,238.00, will expand the opportunities described in greater detail below for centrotherm photovoltaics to finance its activities, and enable the Management Board, with the assent of the Supervisory Board, to flexibly and rapidly raise financing in the interests of the company, particularly when favorable capital market conditions arise. The new authorization replaces the Annual General Meeting resolution of June 30, 2009 to authorize the issuing of debentures (the "existing authorization"), which the company did not utilize. The new authorization corresponds to the existing authorization in all key points except the calculation of the conversion or option price. In order to increase the company's flexibility when issuing debentures, the intention is that, when calculating the conversion option price, utilization will be made of the possibility that has been reopened by the highest court precedent, as well as the legislator's clarification in § 193 Paragraph 2 Number 3 of the German Stock Corporation Act (AktG), to limit the resolution to determining the bases on which the issuing amount is calculated.

Appropriate capital backing is an essential basis for the further development of the company, and for its successful activity on the market. By issuing option or convertible debentures, the company is in a position to exploit attractive financing opportunities and terms, depending on current market conditions, in order to raise capital at low interest rates for the company. The option or conversion premiums achieved benefit the company. The intended possibility of making provision for a conversion obligation in the case of convertible debentures increases the flexibility of such types of financing instruments. When issuing debentures, it is intended that, for reasons of flexibility, the company will also tap the German or international capital markets, depending on market situation, including via its majority-held equity holding companies, and will be able to issue the debentures not only in euros but also in a statutory currency of an OECD country, for reasons of simplification.

The conversion or option price for one share must amount to at least 80 percent of the volume-weighted average closing price of the company's share in the Xetra trading system of the Frankfurt Securities Exchange (or a comparable successor system), and specifically in the period between the start of the bookbuilding process and the final price fixing of the debentures by the banks managing the issue, to the extent that shareholders are entitled to subscribe for the debentures, either during the subscription period, with the exception of the last four stock market trading days before its expiry, or during the ten stock market trading days before the date when the Management Board passes a resolution concerning the issuing of the debentures.

The debenture terms may also stipulate that the option or conversion price may be modified during the term within a bandwidth to be determined by the Management Board depending on the performance of the share price, or as a consequence of dilution protection provisions.

Irrespective of § 9 Paragraph 1 of the German Stock Corporation Act (AktG), the option or conversion price may be reduced due to a dilution protection clause according to the more detailed provisions of the option or conversion terms through the payment of a corresponding cash amount on exercise of the conversion right, or through reduction of the additional payment, if the company increases the issued share capital during the option or conversion period while granting subscription rights to shareholders, or the company or one of its majority-held equity holding companies issue further option or convertible debentures, or grant other option rights, and the bearers of convertible or option rights are granted no subscription rights to the extent to which they would be entitled following the exercise of their conversion or option rights. Instead of a cash payment, or reduction of the additional cash payment, the exchange ratio may also be adjusted, to the extent possible, by division by the reduced conversion price. The terms may also provide for an adjustment of the option or conversion rights for the instance of capital reduction, or for the measures that may lead to a dilution of the value of the company's issued shares.

In order to further increase flexibility, the option or conversion terms may make provision whereby the company, instead of granting company shares to the parties entitled to conversion or option rights, settles the consideration in cash according to the more detailed specifications of the terms. Such virtual conversion and option bonds enable the company to realize financing that is close to the capital market without a company law capital measure actually been required. This takes the circumstance into consideration that an increase in the issued share capital at the date of the exercise of the conversion or option rights may not be in the company's interest. In addition, cash settlement would protect shareholders from a decline in their participation ratio, and against the dilution of the net asset value of their shares.

In principle, shareholders are entitled to a subscription right when option or convertible debentures are issued (§ 221 Paragraph 4 in combination with § 186 Paragraph 1 of the German Stock Corporation Act [AktG]). In order to make technical processing easier, the aim is that, when issuing debentures, use will be made of the option to issue the debentures to a bank or banking syndicate with the obligation to offer the debentures to shareholders according to their subscription rights (indirect subscription right in the meaning of § 186 Paragraph 5 of the German Stock Corporation Act [AktG]).

The Management Board may be authorized, however, with the assent of the Supervisory Board, to exclude from shareholders' subscription rights residual amounts that result due to the subscription ratio, and to exclude subscription rights also to the extent that it is requisite to grant subscription rights to the bearers or creditors of option or conversion rights, or bearers or creditors of convertible debentures furnished with conversion obligations, to the extent that they would be entitled to such

subscription rights following the exercise of conversion or option rights, or following the satisfaction of conversion obligations. The exclusion of subscription rights for residual amounts enables the utilization of the requested authorization through round amounts. This facilitates the technical processing of shareholder subscription rights. The exclusion of subscription rights to the benefit of bearers or creditors of already issued conversion and option rights, or convertible debentures whose terms include conversion obligations, offers the advantage that the conversion option price for already issued convertible or option debentures does not require reduction, thereby enabling an overall higher funds inflow. As a consequence, both instances of subscription right exclusion are in the interests of the company and its shareholders.

The intention is also that the Management Board should be authorized, with the assent of the Supervisory Board, to fully exclude shareholder subscription rights if the issue of the debentures connected with option or conversion rights, or conversion obligations, is performed at a price that is not significantly less than the market value of these debentures calculated according to recognized finance-mathematical principles. This provides the company with the opportunity to exploit favorable market situations highly rapidly and at very short notice, and to achieve better terms when determining the interest rate and issue price of the debentures as the result of fixing terms that are close to the market. Setting terms that are close to the market and a smooth placing process would be impossible if subscription rights were preserved. Although § 186 Paragraph 2 of the German Stock Corporation Act (AktG) permits publication of the subscription price (and consequently the terms of these debentures) by the third to last day of the subscription period, this nevertheless gives rise to a market risk over several days due to the frequent equity market volatility, which results in safety discounts when determining bond terms, and consequently terms that are not close to the market. Successful placing among third parties is also jeopardized and associated with additional expenses when subscription rights exist, due to the uncertainty relating to exercise (subscription behavior). Finally, when subscription rights are granted, the company is unable to react at short notice to favorable or unfavorable market conditions due to the length of the subscription period. Instead, it is exposed to falling share prices during the subscription period, which may result in unfavorable equity procurement for the company.

For this instance of complete exclusion of subscription rights, the provision of § 186 Paragraph 3 Clause 4 of the German Stock Corporation Act (AktG) applies accordingly pursuant to § 221 Paragraph 4 Clause 2 of the German Stock Corporation Act (AktG). The limit for subscription right exclusions of 10 percent of the issued share capital regulated in this case must be adhered to according to the contents of the resolution. The maximum volume of conditional capital to be made available to secure option or conversion rights, or conversion obligations, amounts to approximately 10 percent of the current share capital. The corresponding regulation in the authorization resolution also ensures that, when capital is reduced, the 10 percent limit is not undershot, since the authorization to exclude subscription rights may not expressly exceed 10 percent of the share capital, neither at the time when it comes into force nor, if this value is less, at the time

when this authorization is exercised. This above-mentioned 10 percent limit includes both (i) new shares that are issued from approved capital under exclusion of subscription rights pursuant to § 186 Paragraph 3 Clause 4 of the German Stock Corporation Act (AktG) during the duration of this authorization until the issuing of debentures with option or conversion rights, or conversion obligations, under exclusion of subscription rights pursuant to § 186 Paragraph 3 Clause 4 of the German Stock Corporation Act (AktG), and (ii) such treasury shares acquired on the basis of the authorization of the Annual General Meeting as of June 30, 2009, and sold before the issue of debentures with option or conversion rights, or conversion obligations, under exclusion of subscription rights pursuant to § 71 Paragraph 1 Number 8 Clause 5 in combination with § 186 Paragraph 3 Clause 4 of the German Stock Corporation Act (AktG).

§186 Paragraph 3 Clause 4 of the German Stock Corporation Act (AktG) also determines that the issue price may not be significantly less than the stock market price. This is to ensure that there is no appreciable economic dilution of the value of the shares. To establish whether such dilution effect occurs in the case of debentures connected with the subscription-right-free issue of option or conversion rights, or conversion obligations, the hypothetical stock market price of the debentures calculated according to recognized finance-mathematical principles is calculated and compared with the issue price. If, following a mandatory review, this issue price is only insignificantly less than the hypothetical stock market price at the time of the issuing of the debenture, an exclusion of subscription rights is permissible due to the insignificant discount according to the meaning and objectives of the regulation of § 186 Paragraph 3 Clause 4 of the German Stock Corporation Act (AktG). The resolution therefore provides for the instance that the Management Board must arrive at the opinion before the issuing of debentures connected with option or conversion rights, or conversion obligations, and following the mandatory review, that the envisaged issue price does not result in an appreciable dilution of the value of the shares. This would reduce the arithmetic market value of the subscription right to almost zero, as a consequence of which no appreciable economic disadvantage arises for shareholders as a result of the exclusion of subscription rights. Setting terms in line with the market, and consequently the avoidance of an appreciable dilution of value, is ensured when performing a bookbuilding process, irrespective of this review by the Management Board. This ensures that an appreciable dilution of the value of the shares does not occur as the result of the exclusion of subscription rights.

Besides this, shareholders enjoy the possibility at all times to maintain their share of the company's issued share capital through purchases of shares on the stock market, also following the exercise of conversion or option rights, or when option or conversion obligations occur. In turn, the authorization to exclude subscription rights enables the company to achieve the setting of terms that are close to the market, the greatest degree of security with respect to placing debentures among third parties, and the exploitation of favorable market situations at short notice.

The conditional capital is required in order to service convertible or option rights, or conversion obligations, connected with the conversion and option debentures with company shares. In this context, the issue amount corresponds to the conversion or option price.

**Management Board report relating to Agenda Item 8 (Resolution concerning introduction of the "centrotherm photovoltaics AG Stock Option Plan 2010" to issue shares subscription rights to managers and other important staff members of centrotherm photovoltaics AG and its Group companies, creation of a further conditional capital 2010/II, and corresponding bylaw amendment)**

Under Agenda Item 8, the Management and Supervisory boards are proposing, through the introduction of the centrotherm photovoltaics AG Stock Option Plan 2010 (the "Stock Option Plan 2010"), to authorize the management to issue by June 21, 2015 subscription rights to a total of up to 1,500,000 ordinary bearer shares in the company to managers and other important staff members of centrotherm photovoltaics AG and its Group companies. To the extent that, as part of the Stock Option Plan 2010, it is also intended to issue subscription rights to members of the Management Board of centrotherm photovoltaics AG, the company Supervisory Board alone shall decide upon this. In order to secure the subscription rights, the Management and Supervisory boards are proposing to create a further conditional capital (Conditional Capital 2010/II), as well as a bylaw amendment. From a legal standpoint, shareholders are not entitled to a subscription right to the shares to be issued from Conditional Capital 2010/II. The Management Board has provided the following report in order to justify and explain the resolution proposal relating to Agenda Item 8:

(1) Purpose of the Stock Option Plan 2010

centrotherm photovoltaics AG faces intense competition for managers and qualified staff members. The issuing of subscription rights to the company shares (hereinafter also referred to as "stock options") to its management board members and staff members, as well as to the managers and staff of subsidiaries (hereinafter jointly referred to as "employees"), has now become a common component of employee remuneration. The German Corporate Governance Code also makes express provision for variable remuneration with stock options or comparable instruments (Figure 4.2.3). In the view of the Management Board, the resolution proposal submitted to the Annual General Meeting concerning conditional capital in order to allow employees to participate in the company is required in order to ensure that the company remains attractive in the future for qualified and committed employees. Above all, share-based payment helps employees to identify to a greater extent with the company and its objectives, thereby contributing to an enhancement of the company's value.

The granting of subscription rights to the company's shares allows payment to be made to employees, and creates a particular performance incentive that is measured in terms of the share price performance of the company's shares. The Management Board is convinced that such a link can contribute to raising the company's value on a long-term and sustainable basis. The issuing of subscription rights to the company's shares allows employees' interests to be brought closer to shareholders' interests by allowing them to also benefit from an enhancement of corporate value measured in terms of the share price.

(2) Structural alternatives

The only comparable alternative for the incentivization, recruitment, and loyalization of corresponding employees is the granting of bonuses or similar monetary payments whose level is based on the performance of the company's share price. Such a type of remuneration system may nevertheless place a significant burden on the company's liquidity, and tie up monetary funds that are required for other investments that promote the further development of the company. In the Management Board's view, this is the reason why the virtual management stock option program (SARP), which was set up as part of the company's IPO, has not proved worthwhile. The Management Board is convinced that to continue this program would be disadvantageous for the company's shareholders. In order to enjoy the greatest degree of flexibility when financing the company, as well as when remunerating employees, the resolution proposal nevertheless envisages enabling the company to decide when exercising subscription rights whether these are satisfied through the issuing of new ordinary shares, through the delivery of treasury shares, or through a cash payment to the level of the share price difference. Independently of any holdings of treasury shares, and the company's liquidity position, the company may then decide which form of satisfaction of the stock options best corresponds to the company's interest.

(3) Specific details relating to the structure of the Stock Option Plan 2010

a) The resolution proposal makes provision for issuing a total of up to 1,500,000 subscription rights until June 21, 2015 as part of the Stock Option Plan 2010. This volume is required in order to be able to offer the individuals entitled to subscription rights competitive remuneration corresponding to the relevant market requirements in the future. In this respect, each subscription right is intended to generally entitle to the subscription to one centrotherm photovoltaics AG share against payment of the subscription price. In order to keep the number of new shares to be issued as low as possible, however, the plan terms may make provision whereby the company Supervisory Board, to the extent that company Management Board members are affected, and the Management Board, with the assent of the Supervisory Board, to the extent that other individuals entitled to subscription rights are affected, is entitled to determine that, for each subscription right exercised, instead of one company share being issued at the

exercise price, a lower number of company shares may be issued at the lowest issuing amount pursuant to § 9 Paragraph 1 of the German Stock Corporation Act (AktG). If utilization is made of this option, each subscription right does not entitle to the subscription of one company's share in return for payment of the exercise price, but instead only a particular number of subscription rights to subscribe for one company share at the lowest issue amount in each case.

- b) The subscription rights are intended exclusively for the subscription of company shares by selected managers and high performers of centrotherm photovoltaics AG and its Group companies. These include members of the Management Board of centrotherm photovoltaics AG, members of the managements of Group companies, and further important staff members of the company and its Group companies (the "individuals entitled to subscription rights"). Through their decisions and performance, these managers and high performers make a particular contribution to the success of centrotherm photovoltaics AG, and contribute to the enhancement of its corporate value.

The scope of subscription rights granted to the Management Board members of centrotherm photovoltaics AG is restricted according to the more detailed specifics of the resolution proposal. The same applies for the further groups of individuals entitled to subscription rights. The issuing of subscription rights to members of the Management Board of centrotherm photovoltaics AG is the exclusive responsibility of the company's Supervisory Board; to this extent, the Supervisory Board is also responsible for determining the further specifics of the terms of their issuing and structure. Otherwise, determining the individuals entitled to subscription rights, and the scope of subscription rights offered to them in each case, as well as determining the further specifics of the issuing and structure of the subscription rights, is the responsibility of the Management Board. When allocating subscription rights to individuals entitled to subscription rights, the Management and Supervisory boards will orientate themselves exclusively according to the individual performance and performance abilities of the beneficiaries; where allocating subscription rights to Management Board members is concerned, the Supervisory Board will also comply with the requirements of § 87 of the German Stock Corporation Act (AktG) with respect to the principles for the remuneration of management board members. In accordance with the requirements of Figure 4.2.3 of the German Corporate Governance Code, the resolution proposal also makes provision whereby the Supervisory Board must make provision in the planned terms for Management Board members for a limitation option (cap) for extraordinary circumstances. The Management Board may also make provision for a corresponding cap in the plan terms for the other individuals entitled to subscription rights.

In order to facilitate technical processing, the option will also be created whereby the subscription rights may also be taken over by a bank with the obligation to transfer them on the basis of the company's instructions to those individuals who alone are entitled to subscription rights, as is the case with indirect subscription right pursuant to § 186 Paragraph 5 of the German Stock Corporation Act (AktG).

- c) June 21, 2015 is envisaged as the time limit for the authorization to issue subscription rights. The aim is to issue a maximum of 1,500,000 subscription rights, which will generally entitle to subscribe for a corresponding number of centrotherm photovoltaics AG shares. The intention is that it will be possible to issue a total of up to 225,000 subscription rights to members of the Management Board of centrotherm photovoltaics AG (Group 1), a total of up to 630,000 subscription rights to members of the managements of Group companies (Group 2), and a total of up to 645,000 subscription rights to further managers and important employees below the Management Board of the company and the managements of the Group companies (Group 3). Splitting the total volume of available stock options among the three groups of individuals entitled to subscription rights ensures that all employee groups responsible for the company's overall success can participate in the Stock Option Plan 2010.

The nominal amount of the conditional capital that is intended to be created in order to cover the Stock Option Plan 2010 amounts to around 7 percent to the current issued share capital of centrotherm photovoltaics AG, and is consequently below the statutorily permissible maximum limit of 10 percent of the issued share capital in existence when the related resolution is passed. This level appears appropriate to the Management and Supervisory boards in the light of the number of potential individuals entitled to subscription rights, the duration of the stock option plan, and its related effects.

- d) In order to prevent insider problems, subscription rights may only be granted within certain purchase periods. In each case, these start on the date following the announcement of the results for the past financial year, respectively for the first, second or third quarter of a current financial year, and end 45 days subsequently, at the latest, however, at the end of the current quarter as of the allocation date. This ensures that the capital market is informed about the results of the last elapsed quarter or financial year at the subscription rights granting date.
- e) Each subscription right generally grants the right to subscribe for one ordinary bearer share of centrotherm photovoltaics AG. The new shares issued on the basis of the subscription rights are dividend-entitled for the entire financial year in which they come into existence as the result of the exercising of subscription rights.

Subscription rights may not be exercised until the expiry of a blocking period. The uniform blocking period for all subscription rights granted to the relevant person entitled to subscription rights is at least four years, starting in each case with the date of allocation ("allocation date"). Following the expiry of the locking period, subscription rights may be exercised until the expiry of their seven-year term, calculated from the allocation date. In order to prevent insider problems, subscription rights may not be exercised in the period from each quarter-end until the expiry of the first stock market trading day following the publication of the corresponding quarterly results, and not in the period from the financial year-end until the expiry of the first stock market trading day following the subsequent company Annual General Meeting ("blocking periods"). Irrespective of this, individuals entitled to subscription rights are obligated to comply with statutory limitations for the exercise of subscription rights, and trading in subscription shares, particularly according to the insider provisions of the German Securities Trading Act (WpHG).

- f) Each subscription right is intended to generally entitle to the subscription to one centrotherm photovoltaics AG share against payment of the subscription price. Subject to the further regulations of the Stock Option Plan 2010, the exercise price to be rendered per subscription right when exercising the subscription rights corresponds to the arithmetic average of the closing prices of the company's share in Xetra trading on the Frankfurt Securities Exchange (or a comparable successor system) during the last 30 stock market trading days on the Frankfurt Securities Exchange (hereinafter referred to as "stock market trading days") before the relevant allocation date of the subscription rights, at the minimum, however, the lowest issue amount in the meaning of § 9 Paragraph 1 of the German Stock Corporation Act (AktG). The exercise price is subject to normal adaptation for the instance of capital measures during the term of the subscription rights, according to the more detailed provisions of the plan terms. Above and beyond this, the plan terms may include a dilution protection clause for the instance where provision is made for the granting of subscription rights to centrotherm photovoltaics AG shareholders. Determining a subscription price at the level of the current price of the company share at the date when subscription rights are granted ensures that financial benefit only arises for the individuals entitled to subscription rights if the shares' price actually rises from the date when the stock options are granted.
- g) Exercise of the subscription rights is possible only to the extent that certain performance targets are attained: These are based on the company's share price performance. This is intended to ensure that there is a sustainable orientation towards shareholders' interests. In this respect, a portion of the subscription rights granted in each case can only be exercised depending on the attainment of a relative performance

target (share price performance relative to a comparable index), and a portion of the subscription rights can only be exercised depending on a rise in the share price compared with the price when the subscription rights are issued (absolute performance target). As a consequence, the subscription rights are subject to more demanding exercise hurdles than those for many stock option plans of comparable companies. On a specific basis, provision is made whereby, in all cases, a number of subscription rights that is divisible by four is issued to each entitled individual, and that half of the subscription rights issued in each case may only be exercised if the share price is significantly above the exercise price during the last 30 stock market trading days before the subscription rights allocation date (the "share price on subscription rights exercise"). In this respect, the first of the four subscription rights may not be exercised until the share price on subscription rights exercise is at least 20 percent above the exercise price. The exercise of the second of the four subscription rights even presupposes that the share price on subscription rights exercise exceeds the exercise price by at least 30 percent.

By contrast, the other two of every four subscription rights granted in each case may only be exercised if a relative performance target is achieved. In this respect, the third of each of the four subscription rights granted may only be exercised if the company's share price outperforms the TecDAX index over the comparable timeframe. In doing so, the performance of the index during the last 30 stock market trading days before the subscription rights exercise is compared with the arithmetic average of the closing positions of the TecDAX index during the last 30 stock market trading days before the relevant allocation date of the subscription rights. The exercise of the fourth of every four subscription rights granted in each case may even only be exercised if the percentage value performance of the share price at the time of the subscription rights exercise outperforms the percentage value performance of the comparable by at least 5 percent during the comparable timeframe (outperformance of the comparable index by at least 5 percent).

- h) The transferral of subscription rights is generally not permitted. The exercising of subscription rights generally presupposes that the individual entitled to sufficient rights is still in untermiated employment with centrotherm photovoltaics AG or a centrotherm photovoltaics AG Group company. This is intended to ensure that the advantages of the stock option plan generally only benefit individuals who have contributed to the company's development through their input and performance. In order to make technical processing easier, however, the subscription rights may also be transferred to third parties who hold or manage the subscription rights on a trust basis for the individuals entitled to subscription rights. It is also possible to bequeath the subscription rights. For this reason, the plan terms may also make provision for special regulations for the

exercise of subscription rights in the instance of the succession of estate. The same also applies for special cases, for instance, where an individual entitled to subscription rights leaves the service of the company or that of a Group company, or there is a change of control of the company.

- i) The intention is that the determination of the further specificities and terms of the stock option plan will be the responsibility of the Supervisory Board, to the extent that Management Board members are affected, and that, to the extent that other individuals entitled to subscription rights are affected, that the Management Board, with the assent of the Supervisory Board, will be responsible.
- j) The intention is that conditional capital of EUR 1,500,000.00, split into up to 1,500,000 shares, will be created in order to cover the subscription rights. In addition, the resolution proposal makes provision whereby the plan terms also entitle the company to grant treasury shares to satisfy subscription rights. Provision is also made whereby individuals entitled to subscription rights may be granted monetary consideration instead of shares when exercising their subscription rights. This makes it possible to counter any dilution of issued shares when utilizing conditional capital. For this reason, the Management and Supervisory boards are proposing a corresponding authorization. Conditional capital will be utilized to the extent that the company utilizes the authorization.

The Management and Supervisory boards are convinced that the proposed stock option plan is particularly appropriate to realize a sustainable performance incentive for the selected managers and high performers of centrotherm photovoltaics AG and their Group companies, and to simultaneously promote the recruitment of particularly qualified managers and high-performers for centrotherm photovoltaics AG and its Group companies.

### **III. Additional Annual General Meeting convening information**

#### **Total number of shares and voting rights**

The total number of shares was 21,162,382 at the time when the Annual General Meeting was convened. All of the issued shares are entitled to voting rights, and belong to the same share class. Each ordinary share grants one vote; as a consequence, the total number of voting rights at the time when this Annual General Meeting was convened was 21,162,382 votes. The company held no treasury shares at the time when the Annual General Meeting was convened.

## **Participation in the Annual General Meeting**

Only those shareholders who have registered on time by providing proof of their shareholdings in German or English on the basis of § 123 Paragraph 3 of the German Stock Corporation Act (AktG) are entitled to participate in the Annual General Meeting and to exercise their voting rights. Registration and proof of shareholdings must be forwarded to the company at the latest by Tuesday, June 15, 2010 at the following postal address, fax number or e-mail address:

centrotherm photovoltaics AG  
c/o Landesbank Baden-Württemberg  
4027/H Hauptversammlungen  
Am Hauptbahnhof 2  
70173 Stuttgart  
Fax: +49 (0)711/127-79264  
E-mail: HV-Anmeldung@LBBW.de

Proof of shareholdings pursuant to § 123 Paragraph 3 of the German Stock Corporation Act (AktG) must be prepared by the depository institution in written form, and must relate to the start of the 21st day before the meeting, in other words, **Tuesday, June 1, 2010, 00:00 hours** (cut-off date for proof of shareholdings). As far as the company is concerned, only those parties will be regarded as shareholders for participation at the Annual General Meeting and the exercise of voting rights who have rendered proof of their shareholdings. In particular, disposals following the cut-off date for proof of shareholdings have no significance for the content and scope of the statutory participation and voting rights of the party making the disposal.

Shareholders will be sent admission tickets for the Annual General Meeting once the registration form and proof of shareholding have been received on time by the company. In order to ensure that the admission ticket is received on time, we would kindly request that shareholders ensure that they make early arrangements for sending their registration forms and proofs of shareholdings.

## **Voting right representation**

Shareholders who do not wish to participate personally in the Annual General Meeting may allow their voting rights to be exercised by an authorized person, for example, the depository bank or another bank, a shareholder association, or another person of their choice. In this instance, too, proper registration is required on the part of the shareholder or authorized person. If a shareholder authorizes more than one person, the company is entitled to reject one or more of these.

Authorizations may be issued in written form (§ 126b of the German Civil Code [BGB]) through notification to the individual to be authorized, or to the company. The following postal address, fax

number and e-mail address are available for the authorization of the company, and to send proof of an authorization of an authorized person.

centrotherm photovoltaics AG  
Investor Relations  
Hauptversammlung 2010  
Johannes-Schmid-Straße 8  
89143 Blaubeuren  
Fax: +49 (0)7344/9189-395  
E-mail: hv@centrotherm.de

Particularities may apply when authorizing a bank, shareholder association, or a person or institution equivalent to these pursuant to § 135 of the German Stock Corporation Act (AktG); shareholders are requested in such cases to coordinate at an early juncture with the person to be authorized concerning any form of authorization potentially required from this person.

The above clauses apply correspondingly for the revocation of an authorization.

An authorization form and further information about authorization are sent to shareholders along with the admission ticket. The authorization form will be sent at any time to shareholders on request, and can also be downloaded from the Internet at something in the Investor Relations area, under the menu item "Annual General Meeting". Shareholders are kindly requested to give preference to using the authorization form provided by the company when issuing authorizations.

This year again, we additionally offer our shareholders the opportunity to allow themselves to be represented by centrotherm photovoltaics AG voting right representatives, who exercise voting rights according to shareholders' written instructions. In this instance, too, proper registration is required on the part of the shareholder. The company's voting right representative is only entitled to vote on the basis of instructions that have been issued. Along with the authorization, the company's voting right representative should also be issued with instructions for the exercising of the vote. The voting right representative will not exercise the vote without express and clear instructions regarding the individual agenda items. Shareholders who wish to issue an authorization and instructions to the company's voting right representative are requested to utilize only the authorization form sent with the admission ticket for this purpose; other forms of issuing authorization and instructions to the company's voting right representative cannot be taken into account. Authorizations and instructions to the company's voting right representative must be forwarded to the company at the above postal address, fax number or e-mail address provided for the issuing of authorizations by June 18, 2010.

**Shareholder rights pursuant to §§ 122 Paragraph 2, 126 Paragraph 1, 127, 131 Paragraph 1 of the German Stock Corporation Act (AktG)**

**§ 122 Paragraph 2 the German Stock Corporation Act (AktG)**

Shareholders whose shares together reach at least a twentieth portion of the issued share capital, or the proportional amount of EUR 500,000.00 (which corresponds to 500,000 ordinary shares), may demand that items are included on the agenda, and published (§ 122 Paragraph 2 of the German Stock Corporation Act [AktG]). Each new item must include a justification or proposed resolution. The request must be submitted in writing to the Management Board, and must be forwarded to the company at least 30 days before the Annual General Meeting, in other words, at the latest by May 22, 2010, to the following address:

centrotherm photovoltaics AG  
Vorstand  
Hauptversammlung 2010  
Johannes-Schmid-Strasse 8  
89143 Blaubeuren

Proposers must provide evidence that they have been holders of shares for at least three months before the Annual General Meeting date, and that they hold the shares until the decision concerning the request.

**§§ 126 Paragraph 1, 127 of the German Stock Corporation Act (AktG)**

Shareholders may also submit counterproposals against a proposal on the part of the Management and Supervisory boards relating to a particular agenda item. Such motions should be submitted in writing, by fax or e-mail to the following postal address, fax number or e-mail address providing the name of the shareholder and a justification:

centrotherm photovoltaics AG  
Investor Relations  
Hauptversammlung 2010  
Johannes-Schmid-Strasse 8  
89143 Blaubeuren  
Fax: +49 (0)7344/9189-395  
E-mail: hv@centrotherm.de

Counterproposals that have been submitted to this address at least 14 days before the Annual General Meeting date, in other words, by June 7, 2010 at the latest, and any response on the part of the management, will be made available to shareholders on the Internet at [www.centrotherm.de](http://www.centrotherm.de) in the Investor Relations area under the menu item "Annual General Meeting" (§ 126 Paragraph 1

of the German Stock Corporation Act [AktG]). Under certain circumstances, a countermotion that has been submitted on time is not required to be made public. This particularly applies if the Management Board would make itself liable to prosecution in doing so, if the countermotion would lead to a Annual General Meeting resolution that was contrary to the law or the company bylaws, or if the justification in key points contains obviously erroneous or misleading information, or libels. The justification does also not require publication if it contains a total of more than 5,000 characters.

The right of each shareholder to submit countermotions to a particular agenda item during the Annual General Meeting, including also without prior submission to the company, is hereby unaffected. Countermotions that have previously been published must also be re-submitted verbally during the Annual General Meeting.

With respect to a shareholder motion relating to the election of Supervisory Board members, external auditors, or special auditors, the above paragraphs, including the information regarding addressing, apply correspondingly with the proviso that the election motion does not require to be justified, and that the Management Board is also not required to publish the election motion if the proposal does not provide the name, profession exercised, and residence of the proposed individual, as well as his or her membership in other supervisory boards that require statutory formation (§ 127 of the German Stock Corporation Act [AktG]).

### **§ 131 Paragraph 1 of the German Stock Corporation Act (AktG)**

At the Annual General Meeting, all shareholders may demand from the Management Board information about company matters, to the extent that the information is requisite for the objective assessment of the agenda (§ 131 Paragraph 1 of the German Stock Corporation Act [AktG]). The requirement to provide information also includes the company's legal and business relationships to an associated company. Since, among other items, the consolidated financial statements and Group management report are presented to the Annual General Meeting that is hereby convened, the Management Board's obligation to provide information also includes the position of the Group and of the companies included in the consolidated financial statements. The Management Board is entitled to refuse information under certain circumstances. This particularly applies to the extent that the issuing of information is likely, according to reasonable commercial judgment, to cause a not inconsiderable disadvantage to the company or an associated company, or to the extent that the Management Board would make itself liable to prosecution through issuing the information.

Figure 15.2 Clause 2 of the company bylaws authorizes the chair of the meeting to set an appropriate time-limit on shareholders' rights to submit questions and to speak.

Clarifications about shareholders' rights pursuant to §§ 122 Paragraph 2, 126 Paragraph 1, 127 and 131 Paragraph 1 of the German Stock Corporation Act (AktG) can also be downloaded from

the Internet at [www.centrotherm.de](http://www.centrotherm.de) in the Investor Relations area under the menu item "Annual General Meeting".

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

This convening of the Annual General Meeting, the documents required to be published for the Annual General Meeting, and further information as set out in § 124a of the German Stock Corporation Act (AktG) is made available on the Internet at [www.centrotherm.de](http://www.centrotherm.de) in the Investor Relations area under the menu item "Annual General Meeting".

**Blaubeuren, May 2010**

**centrotherm photovoltaics AG**

**The Management Board**