

REPORT OF THE SUPERVISORY BOARD

Dear Shareholders,

During financial year 2009, the Supervisory Board performed all its duties in accordance with the law, the Articles of Association and the rules of procedure. In addition to monitoring the Company's management, the Supervisory Board advised the Management Board on its management of the Company. The Supervisory Board of COLEXON AG held a total of sixteen meetings during financial year 2009. All members attended more than half of the meetings during their respective terms of office. These meetings took mainly place in presence of the Management Board. Urgent resolutions were also adopted by written consent.

BASIC INFORMATION

The Management Board of COLEXON AG – through written and oral reports – informed the Supervisory Board on a regular, timely and comprehensive basis about all significant transactions, the position and development of the Company and the Group including the key financial indicators, corporate planning, as well as the situation of the risk situation, risk management and compliance. In the event of deviations from the established business development plans, the Management Board elucidated those in detail. These reports and discussions with the Management Board at meetings gave the Supervisory Board an insight into the financial situation of the Company and the Group. In addition, the Chairman of the Supervisory Board maintained regular contact with the Management Board. A smooth and constructive cooperation with the Management Board was ensured at all times. Following its own examination, the Supervisory Board voted on the measures requiring its approval in accordance with the law, the Articles of Association or the rules of procedure for the Management Board. The Supervisory Board was involved in all decisions that were of great importance to the Company. The Management Board also coordinated the Company's strategic orientation with the Supervisory Board.

KEY TOPICS IN THE REPORTING PERIOD

The Supervisory Board's principal advisory and monitoring activities involved the following topics during the reporting period:

- the takeover of the Danish Renewagy A/S (now operating under the name of COLEXON Solar Invest A/S), in particular the submission of a tender offer to the shareholders of Renewagy A/S as well as the transfer of those shares in the COLEXON AG for which the tender offer has been accepted in the context of a capital increase in return of stock,
- the actions of rescission against the decision of the Annual General Meeting concerning the capital increase to implement the takeover, including legal representation,
- the national and international strategic alignment of the company,
- the organizational structure of the company in the context of the strategic concept "change COLEXON 2012",
- the regular consulting about business development and liquidity of the company,
- the approval of commercial and project contracts.

KEY RESOLUTIONS OF THE SUPERVISORY BOARD

In particular, the following key resolutions were adopted:

- On 20 March 2009, the Supervisory Board approved the 2008 annual and consolidated financial statements as well as the management reports and thus adopted the financial statements for financial year 2008.
- On 15 April 2009, the Supervisory Board approved the submission of a tender offer to the shareholders of the Renewagy A/S and passed the proposed resolution concerning the nominal capital increase in return of stock excluding the shareholders' statutory subscription right to the Annual General Meeting.
- On 11 May 2009, the Supervisory Board approved the formation of a subsidiary in Australia.
- On 25 June 2009, the Supervisory Board authorized an external lawyer's office to represent the company in court and out of court in actions of rescission against the decision of the Annual General Meeting of 26 May 2009.
- On 27 July 2009, the Supervisory Board approved the settlement deal concerning the actions of rescission, which caused the termination of the proceedings
- On 13 August 2009, the Supervisory Board approved the completion of ten photovoltaic rooftop projects with JHL Photovoltaic as well as Lurz New Energy GmbH & Co. KGs.
- On 20 August 2009, the Supervisory Board agreed to the delisting of the remaining 1.82% Renewagy A/S shareholders in Denmark.
- On 18 November 2009, the Supervisory Board approved the updated rules of procedure of Supervisory Board and Management Board due to an amendment in law and a change of the German Corporate Governance Codex. The shutdown of the COLEXON office in Shanghai, China has been confirmed as well.
- On 17 December 2009, the Supervisory Board approved the contract with Pfixx Solar Systems B.V. about the sale of modules as well as the conclusion of EPC-contracts (Engineering, Procurement, Construction) with Retahilomantex a.s. in Czech Republic and Recurrent Energy Germany GmbH.

Insofar as the Management Board requested a Supervisory Board resolution in these or other cases, the corresponding draft resolution has always been submitted to the Supervisory Board in writing for the preparation of the resolution.

REPORT FROM THE COMMITTEES

To support its work, the Supervisory Board has formed an Audit Committee, a Nomination Committee and a Strategy Committee from among its members on 24 March 2009. Following the appointments of the Supervisory Board during the Annual General Meeting on 26 May 2009, these committees have been reconstituted.

The Audit Committee consists of three members. It mainly deals with monitoring the financial reporting process, the effectiveness of the internal control and risk management systems and issues resulting from audits. Referring to the mentioned above, it also sets up negotiations and resolutions for the Supervisory Board. The Audit Committee met twice in financial year 2009 and currently consists of the following members:

- Dr. Peter Dill (since March 2009)
- Henrik Lasse Lindblad (since February 2010)
- Dr. Carl Graf Hardenberg (since November 2009)

The Nomination Committee consists of two members. One of its tasks is to submit suitable candidates to the Supervisory Board to be proposed to the Annual General Meeting as prospective shareholder representatives for the Supervisory Board. Furthermore, the Nomination Committee is concerned with preliminary Management Board matters. The Nomination Committee met once in financial year 2009 and consists of the following members:

- Dr. Carl Graf Hardenberg (since March 2009)
- Henrik Lasse Lindblad (since March 2009)

The Strategy Committee, which comprises the two members mentioned below, deals with investment and financial issues and did not meet in financial year 2009:

- Dr. Eric Veulliet (since March 2009)
- Henrik Lasse Lindblad (since March 2009)

The Committees regularly report to the Supervisory Board about their work.

CHANGES IN THE MANAGEMENT AND SUPERVISORY BOARD

Management Board

The Supervisory Board appointed Mr. Tom Glæsner Larsen to the Company's Management Board to head the Plant Operation division effective 01 January 2010. In agreement with the Supervisory Board, Mr. Larsen, who remains on the Management Board of COLEXON Solar Invest A/S (Renewagy A/S), resigned from the Management Board of COLEXON on 15 February 2010 in order to focus exclusively on his responsibilities as a member of the Management Board of COLEXON Solar Invest A/S (formerly Renewagy A/S). Also on 15 February 2010, the Supervisory Board appointed Volker Hars as a further member of the Company's Management Board effective that same day. Mr. Hars is mainly responsible for strategy and plant operation (IPP).

Supervisory Board

Approved by the Hamburg Local Court on 6 March 2009, Dr. Carl Graf von Hardenberg, Dr. Eric Veulliet and Dr. Peter Dill were appointed as new members of the Company's Supervisory Board. On 20 March 2009, Mr. Tom Glæsner Larsen resigned as Chairman of the Supervisory Board, and Dr. Carl Graf von Hardenberg was appointed as the new Chairman, Mr. Henrik Lasse Lindblad as new Deputy Chairman. On 26 May 2009, Dr. Carl Graf von Hardenberg, Dr. Eric and Dr. Peter Dill Veulliet were elected by the Annual General Meeting as members of the Supervisory Board. In the subsequent constitutive meeting of the Supervisory Board, Dr. Carl Graf von Hardenberg as Chairman and Mr Henrik Lasse Lindblad as Deputy Chairman of the Supervisory Board were reelected. Due to legal the restrictions of section 100(2) sentence 1 no. 2 German Stock Corporation Act (AktG), Mr. Tom Glæsner Larsen, upon completion of the takeover of Renewagy A/S (now operating under the name of COLEXON Solar Invest A/S) by COLEXON AG resigned from the Supervisory Board effective 14 August 2009. Furthermore, Mrs. Dr. Alexandra von Bernstorff resigned from the Supervisory Board on 17 December 2009 due to Corporate Governance reasons.

GERMAN CORPORATE GOVERNANCE CODEX

During the reporting period, the Management Board and the Supervisory Board discussed the recommendations of the German Corporate Governance Code in depth. The Declaration of Compliance in accordance with section 161 of the German Stock Corporation Act (Aktengesetz – AktG) in financial year 2009 was submitted on 12 March 2010 and published on the Company's website.

Following the German Corporate Governance Codex, the Supervisory Board also reviewed the efficiency of its own work over the past financial year. The obtained findings will be incorporated in the Supervisory Board's work. The Supervisory Board responded in a reasonable time frame to a potential conflict of interest of a Supervisory Board member that has occurred due to a directorship at another company. This member of the Supervisory Board has resigned due to Corporate Governance reasons. In terms of the decisions of the Supervisory Board regarding the takeover of the Danish Renewagy A/S on April 15 2009 the three members of the Supervisory Board that had functions at Renewagy A/S have abstained from their voting rights.

2009 ANNUAL FINANCIAL STATEMENTS

The Annual General Meeting on 26 May 2009 appointed PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Frankfurt, with its Hamburg branch as the auditor of the financial statements for financial year 2009. The Supervisory Board then issued the audit mandate, taking particular account of the recommendations of the German Corporate Governance Code concerning the collaboration of the Supervisory Board with the auditors.

The annual financial statements of COLEXON AG, its the management report, as well as the consolidated financial statements and the Group management report including the underlying book-keeping for the 2009 financial year were audited by PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Frankfurt, with its branch in Hamburg and issued with an unqualified audit opinion in each case. The financial statements and audit reports were submitted to the Supervisory Board in a timely manner. The auditor attended the meeting of the Supervisory Board on 23 March 2010 for the adoption of the financial statements. The auditor reported in detail on the main findings of the audit, in particular about the fact that there were no fundamental weaknesses of internal control and risk management systems relating to the financial reporting process, and answered the questions from the Supervisory Board. The auditor informed the Supervisory Board about services provided in addition to the audit and the fact that there were no circumstances giving rise to doubts about his impartiality. The result of the audit was discussed and debated at length. The Supervisory Board took note of the result of the audit performed by the auditor and in consideration of the results of the preliminary review by the Audit Committee, the annual financial statements and the management report, the consolidated financial statements and the Group management report in accordance with statutory provisions. This did not lead to any objections. The Supervisory Board endorses the findings of the audit performed by the auditor. At its meeting on 23 March 2010, the Supervisory Board approved the annual financial statements according to the recommendation of the Audit Committee and the consolidated financial statements prepared by the Management Board. The annual financial statements were thus adopted.

PROPOSAL OF THE APPROPRIATION OF PROFIT

The Supervisory Board debated the liquidity of the Company as well as the financial and investment planning with the Management Board in connection with the Management Board's proposal on the appropriation of accumulated profit. Criteria for the examination also included the financial security of the Company as well as the interests of the Company and the shareholders. Following the conclusion of its examination, the Supervisory Board adopts the Management Board's proposal on the appropriation of profit.

AFFILIATED COMPANY REPORT

The Management Board's affiliated company report in financial year 2009 was also examined by the Supervisory Board. The auditor issued the following unqualified audit opinion in this respect:

"In accordance with our dutifully performed audit and assessment, we confirm that

1. the factual statements in the report are correct,
2. the consideration paid by the company for the transactions specified in the report was not unreasonably high and no disadvantages have been compensated."

The auditor participated in the deliberations of the Supervisory Board on the affiliated company report prepared by the Management Board and reported on the main findings of the audit.

The Supervisory Board examined the affiliated company report prepared by the Management Board and adopts it. It also endorses the findings of the audit presented in the audit report. Following the conclusion of its examination, the Supervisory Board did not object to the Management Board's statement at the end of the affiliated company report.

The Supervisory Board would like to thank the members of the Management Board as well as the Company's employees for their work in the past financial year.

Hamburg, Germany, 23 March 2010

Dr. Carl Graf Hardenberg

Chairman of the Supervisory Board