
Joint Report
in Accordance with Section 293a AktG (*Aktiengesetz*, German Stock Corporation Act)

of the Management Boards of
ecolutions GmbH & Co. KGaA
and
ecolutions Solar GmbH

on the Control and Profit and Loss Transfer Agreement
of 08 August 2011

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I. Preliminary Note

Ecolutions GmbH & Co. KGaA (hereinafter referred to as "ecolutions") and ecolutions Solar GmbH (hereinafter referred to as "eSolar") intend to enter into a Control and Profit and Loss Transfer Agreement (hereinafter referred to as the "Agreement").

In this Agreement, eSolar places the management of its company under the control of ecolutions and undertakes to transfer its profits to ecolutions. The Agreement will become effective upon registration of eSolar in the Commercial Register. With the exception of the right to issue instructions, which requires registration in the Commercial Register to become effective, the Agreement shall be deemed to be effective following the date of its execution.

In addition, in order to become effective, the Agreement will require the consent of the General Meeting of ecolutions and that of the General Meeting of eSolar. The Annual General Meeting of ecolutions will be asked for its approval of the Agreement on 17 November 2011. The General Meeting of eSolar has passed a resolution on the approval of the Agreement on 28 September 2011.

For the purpose of informing the shareholders of ecolutions and in preparation of their resolution, the management of the general partner of ecolutions prepares the following report in accordance with Section 293a of the AktG:

II. Situation According to Company Law and Economic Situation

Ecolutions Solar GmbH ("eSolar") has its registered office in Frankfurt am Main and is registered in the Commercial Register at the Local Court (*Amtsgericht*) of Frankfurt am Main under HRB 87751. The business premises of the company are located at Grüneburgweg 18 in 60322 Frankfurt am Main.

The share capital of eSolar is EUR 25,000.00 and is fully paid up. On 12 March 2010, ecolutions founded eSolar. Ecolutions has 100% direct shareholding interest in eSolar. The

company was registered in the Commercial Register of the Local Court in Frankfurt am Main on 24 March 2010.

The object of the company is the acquisition, creation, operation and sale of projects in connection with photovoltaic systems for power generation. The company has the right to enter into any transactions related to the object of the company that directly or indirectly serve to attain the object of the company; this does not include any activities or transactions that are set forth in Section 34c of the German Trade Regulation Act (*Gewerbeordnung*) or that otherwise require governmental approval or permit, in particular pursuant to Section 32 of the German Banking Act (*Gesetz über das Kreditwesen*). The company has the right to carry out any transactions relating to the object of the company itself or to have them carried out by third parties.

The annual financial statements of eSolar comply with the provisions of book three of the German Commercial Code (*Handelsgesetzbuch*) and the special requirements of the German Limited Liability Companies Act (*GmbH-Gesetz*) that apply to small limited liability companies.

The total assets amount to EUR 3,342,000. eSolar has not yet generated any revenues in the 2010 financial year.

eSolar holds 100% of the shares in ecolutions Solar Deutschland GmbH, Frankfurt am Main.

Ecolutions intends to bundle all of the Group's business in the area of photovoltaic systems in Europe and worldwide in eSolar. eSolar is to be the parent company of the companies founded or yet to be founded in those countries in which ecolutions develops business with photovoltaic systems. The individual photovoltaic systems, in turn, will be held by special purpose entities, in which eSolar's subsidiaries hold a stake in those countries.

III. Reasons for Entering into the Control and Profit and Loss Transfer Agreement

By entering into the Control and Profit and Loss Transfer Agreement, ecolutions pursues tax optimisation opportunities.

The conclusion and performance of an effective Control and Profit and Loss Transfer Agreement is the prerequisite for the formation of a consolidated tax group for corporation

tax and business tax purposes. These consolidated tax group subsidiaries formed for income tax purposes have the benefit that profits and losses can be simultaneously passed on to the companies that are part of the consolidated tax group.

Consolidated tax group for tax purposes means the financial integration of a corporation (controlled company) – here, eSolar – into a domestic business enterprise (controlling company) – here, ecolutions – with the consequence that the income of the controlled company is allocated to the controlling company. As a result of the financial integration, all of the shares in eSolar will belong to ecolutions. In addition to this prerequisite, the consolidated tax group formed for corporation tax and business tax purposes is subject to the requirement to enter into a profit and loss transfer agreement within the sense of Section 291 of the AktG, in which the controlled company - here, eSolar - undertakes to transfer all of its profits to the controlling company - here, ecolutions - and in which the controlling company, in turn, undertakes to compensate any losses of the controlled company. In order for the consolidated tax group arrangement to be effective, this Agreement must be entered into for a term of at least five years and must actually be performed. The profits transferred will increase and the losses assumed will decrease the taxable income of ecolutions.

eSolar anticipates a profit in the years ahead from the creation, generation, sale and holding of photovoltaic systems. Such a profit will be subject to corporation tax and business tax.

In the 2010 financial year, eSolar posted an annual net profit in the amount of EUR 659,000 in accordance with German commercial law. The annual net profits have been carried forward to a new account.

In recent financial years, ecolutions has incurred not inconsiderable losses. Accordingly, it has losses carried forward subject to corporation tax and business tax, which would initially have to be offset against future profits.

As at 31 December 2010, ecolutions has taxable losses carried forward in the amount of EUR 13,363,000, which accumulated in the course of the financial years of 2007 to 2009 and different amounts of which can be taken into account for corporation tax and business tax purposes.

The Control and Profit and Loss Transfer Agreement puts ecolutions in a position to offset for tax purposes the profits of its subsidiary eSolar against ecolutions' losses carried forward in order to reduce the tax liability within the Group and make a profit in the future for the benefit of the shareholders of the limited partnership.

IV. Other Control and Profit and Loss Transfer Agreements

In addition to the Control and Profit and Loss Transfer Agreement with eSolar, ecolutions will enter into another control and profit and loss transfer agreement with its fully owned subsidiary, ecolutions Trading GmbH (hereinafter referred to as "eTrading"), in order also to be able to offset, for tax purposes, its profits against ecolutions' losses carried forward. The provisions of the Control and Profit and Loss Transfer Agreement with eTrading are essentially identical to the provisions of this draft.

eSolar directly holds 100% shares in ecolutions Solar Deutschland GmbH, with its registered office in Frankfurt am Main, registered in the Commercial Register of the Local Court of Frankfurt am Main under HRB 87941. With the approval of the General Meetings of both companies, on 2 December 2010, eSolar itself, as the controlling company, entered into a Control and Profit and Loss Transfer Agreement with ecolutions Solar Deutschland GmbH, as the controlled company. The registration of the consolidated tax group in the Commercial Register, which was necessary in order for the Control and Profit and Loss Transfer Agreement to take effect in the current financial year, took place on 14 December 2010.

In this additional Control and Profit and Loss Transfer Agreement, ecolutions Solar Deutschland GmbH undertakes to transfer all of its profits to eSolar and eSolar, in turn, undertakes to assume the losses of ecolutions Solar Deutschland GmbH.

This will result in a multilayered corporate arrangement and ecolutions Solar Deutschland GmbH will be included in the consolidated tax group of ecolutions and eSolar formed for corporation tax and business tax purposes. This will allow for the offsetting of profits and losses across all the three companies within this part of the Group.

EUR 2,229,000 will be transferred to eSolar for the previous financial year of 2010.

V. Explanation of the Control and Profit and Loss Transfer Agreement

The Control and Profit and Loss Transfer Agreement provides that eSolar, as the controlled company, will place the management of its company under the management of ecolutions, as the controlling company. It also provides for the transfer of profits by eSolar to ecolutions and the assumption of losses of eSolar by ecolutions as from 1 January 2011.

The essential provisions of the Control and Profit and Loss Transfer Agreement should be explained as follows:

The Control and Profit and Loss Transfer Agreement is an intercompany agreement within the meaning of Section 291, et seq. of the AktG, which can be hand-written and signed according to Section 293, paragraph 3 of the AktG.

The Control and Profit and Loss Transfer Agreement will only become effective on approval by the General Meeting of ecolutions and that of the General Meeting of eSolar. In accordance with Section 293, paragraph 1, sentence 1 of the AktG, a majority vote of at least three quarters of the share capital represented when the resolution is passed will be required.

In the Agreement, the term “controlling company” will be used for the parent company ecolutions and the term “controlled company” will be used for the subsidiary eSolar. This is in accordance with the terms used in Sections 14, et seq. of the KStG (*Körperschaftsteuergesetz*, German Corporation Tax Act).

1. Management (§1)

In accordance with Section 1 of the Control and Profit and Loss Transfer Agreement, eSolar undertakes to place the management of its company under the management of ecolutions. Pursuant to this, ecolutions, as the controlling company, manages the business planning, coordinates the business activities of the company, defines the company’s organisation, controls the transactions and decides how the management positions are to be held.

Furthermore, ecolutions has the right to issue instructions to the management of eSolar regarding the management of the company. With the right to issue instructions, ecolutions,

as the controlling company, will be in a position to take over the management and enforce management decisions with respect to eSolar.

The right to issue instructions will be effective as of the date the Agreement comes into force.

2. Transfer of Profits (§2)

In accordance with Section 2, paragraph 1 of the Control and Profit and Loss Transfer Agreement, eSolar undertakes to transfer all of its profits to ecolutions as of 1 January 2010 or as of the date of its formation. The annual net profits, reduced by any losses carried forward from the previous year as well as allocations to the reserves and the amount that must not be distributed according to Section 268, paragraph 8 of the HGB (*Handelsgesetzbuch*, German Commercial Code), and increased by any amounts withdrawn from retained earnings, are to be transferred.

According to Section 2, paragraph 2 of the Control and Profit and Loss Transfer Agreement, eSolar may, with the consent of ecolutions, allocate amounts from the annual net profits to the revenue reserves in accordance with Section 272, paragraph 3 of the HGB provided that this is permitted under German commercial law and is justified based on a reasonable commercial assessment.

According to Section 2, paragraph 3 of the Control and Profit and Loss Transfer Agreement, free reserves that were built up during the term of the Agreement in accordance with Section 272, paragraph 3 of the HGB, are to be released and transferred at the request of ecolutions in order to offset an annual net loss or as profits. The transfer of amounts from any retained earnings brought forward that may exist at the beginning of the Agreement or the release of revenue reserves existing prior to the Agreement or provided for in the Articles of Association - even if they were built up during the term of the Agreement - and their utilisation in order to offset the annual net loss may not be undertaken by eSolar and may not be requested by ecolutions. However, eSolar does not have such revenue reserves. As at 31 December 2010, no revenue reserves have been built up. The retained earnings in the amount of EUR 659,000 existed already prior to the conclusion of the Control and Profit and Loss Transfer Agreement and may no longer be transferred under this Agreement. The

same applies for any capital reserves built up in accordance with Section 272, paragraph 2, no. 4 of the HGB during the term of the Agreement.

The obligation to transfer profits applies for the first time for the financial year of eSolar, during which this Agreement becomes effective.

3. Assumption of Losses (§3)

In return, eSolar is obliged, in accordance with Section 3, paragraph 1 of the Control and Profit and Loss Transfer Agreement, to offset all the annual net loss incurred by eSolar pursuant to Section 302 of the AktG during the term of the Agreement, which cannot be offset by the withdrawal of other free reserves built up during the term of the Agreement. Free reserves include other retained earnings pursuant to Section 272, paragraph 3 of the HGB and capital reserves from the additional payments of the controlling company according to Section 272, paragraph 2, no. 4 of the HGB. With reference to the provisions of Section 302 of the AktG, the prerequisite for the taxable income allocation to the controlling company in Section 17, sentence 2, no. 2 of the KStG and the requirements of the tax authorities are taken into account.

The obligation to assume the losses will also apply, as of the effective date of the Control and Profit and Loss Transfer Agreement by registration in the Commercial Register, retroactively as of the beginning of the current financial year of eSolar. The right to offset an annual net loss will become due on expiry of the last day of eSolar's financial year for which the right exists and is subject to an accrual of interest at the statutory amount as of this time.

According to Section 3, paragraph 2 of the Control and Profit and Loss Transfer Agreement, eSolar may not, prior to the expiry of three years after the registration of the termination of the Agreement is entered in the Commercial Register, waive its rights to have the losses offset by eSolar and may not come to a mutual agreement with eSolar regarding the offsetting of losses. Reference is made to Section 302, paragraph 3 of the AktG in this regard.

eSolar's rights to offset losses will become time-barred in ten years as from the date on which the registration of the termination of the Agreement in the Commercial Register is

deemed to have been made public. Reference is also made in this regard to Section 302, paragraph 4 of the AktG.

4. Effective Date and Term (Section 4)

The restriction in Section 4, paragraph 1 of the Control and Profit and Loss Transfer Agreement takes into account the legal requirement of the approval of the General Meeting of eSolutions and that of the General Meeting of eSolar.

The Agreement is entered into with effect from 1 January 2011 for a term of five years, that is, until 31 December 2015. If it is not terminated by one of the parties six months prior to the expiry of the contractual term, it will be automatically renewed by one year. The term of the Control and Profit and Loss Transfer Agreement has been determined in such a way that the requirements of the tax regulations with respect to a consolidated tax group formed for corporation tax purposes are satisfied according to Section 14, paragraph 1, sentence 2, no. 3 in conjunction with Section 17, sentence 1 of the KStG.

The Control and Profit and Tax Transfer Agreement becomes effective upon registration of eSolar in the Commercial Register. The registration in the Commercial Register will be applied for promptly after approval by the Annual General Meeting of eSolutions on 17 November 2011. If the Agreement does not become effective in 2011 because registration in the Commercial Register did not take place, then according to Section 4, paragraph 3, it will be deemed to have been entered into for a fixed term until 31 December 2016 instead of 31 December 2015 according to paragraph 2. The automatic extension by one year and six-month notice of termination, which are governed by paragraph 2, sentence 3, will remain unaffected by this different term.

The Control and Profit and Loss Transfer Agreement can, to the extent legally possible, be terminated in accordance with Section 4, paragraph 4 by either party in writing at any time without having to comply with the notice period required for termination for cause. Good cause for termination by eSolutions will in particular be deemed to exist if it no longer has the majority of voting rights associated with the shares held in eSolar. The circumstances recognized by the German tax authorities as such will be deemed in particular to constitute good cause. Cf. R60, paragraph 6 of the 2004 German Corporation Tax Guidelines. In the event of termination for good cause, eSolutions will only be sic to offset the proportional

losses until the termination of the profit and loss transfer agreement in accordance with German commercial law, that is, when registration of the termination in the Commercial Register is deemed to have been made public.

Section 4, paragraph 5 refers to the protection of creditors in Section 303 of the AktG. Once the Agreement ends, eSolutions will be obliged to provide security to the creditors of eSolar, which will be deemed to have been made public within six months after registration of the termination in the Commercial Register, to notify eSolutions to this end. Instead of providing security, there is an option to issue a guarantee.

5. Partial Invalidity (Section 5)

Section 5 of the Control and Profit and Loss Transfer Agreement finally contains a so-called severability clause, which is to ensure that any invalidity of the individual contractual provisions or an undetected contractual gap will not affect the validity of the rest of the contractual provisions and the Agreement will otherwise remain valid. In such cases, the contracting parties should agree upon a provision that they would have agreed upon in the light of the contractual purpose if they had been aware of the invalidity of the provision or the contractual gap from the outset. In the event of contractual amendments, the approval of the General Meeting of eSolutions in accordance with Section 295, paragraph 1, Section 293, paragraph 2 of the AktG and the approval of the shareholders of eSolar in accordance with Section 295, paragraph 1, Section 293, paragraph 1 of the AktG would be required.

Adequate Compensation and Settlement

In the Control and Profit and Loss Transfer Agreement, there was no need to provide for any payment of adequate compensation in accordance with Section 304 of the AktG or any settlement in accordance with Section 305 of the AktG for outside shareholders of eSolar because eSolar does not have any outside shareholders. Eolutions directly holds 100% shares in eSolar. Therefore, the valuation of the companies that are shareholders for the purpose of determining adequate compensation and an adequate settlement did not need to be undertaken.

Audit of the Control and Profit and Loss Transfer Agreement

Since ecolutions is the direct holder of all the shares in eSolar, there was no need for an audit of the Control and Profit and Loss Share Agreement by an expert auditor (independent auditor) in accordance with Section 239b, paragraph 1 of the AktG.

(Signature page follows)

Frankfurt am Main, 29 September 2011

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