

MANAGEMENT BOARD REPORT ON RELATIONS WITH AFFILIATED COMPANIES

No transactions and measures were implemented or omitted by the Company at the behest or in the interest of the controlling company (or with any entities affiliated with it) during the period under review of fiscal 2008 (January 1 – September 26, 2008).

DISCLOSURES IN ACCORDANCE WITH SECTIONS 289 (4); 315 (4) OF THE GERMAN COMMERCIAL CODE

The following disclosures are required pursuant to Sections 289 (4) and 315 (4) of the German Commercial Code:

➤ The Company's fully paid share capital of EUR 66,845,000 comprises 66,845,000 bearer shares. To each share is attached one voting right. As at December 31, 2008, the Company had Authorized Capital I of EUR 13,586,250, equivalent to 13,586,250 shares, Contingent Capital I of EUR 15,086,250, equivalent to 15,086,250 shares, as well as Contingent Capital II of EUR 1,500,000, equivalent to 1,500,000 shares, each with a notional value of EUR 1.00 per share.

➤ The notifications submitted by shareholders of the Company in accordance with the German Securities Trading Act indicate that CMP-Fonds 1 GmbH, Berlin has entered into agreements to pool voting rights. The underlying agreements are not known to the Company.

➤ As of the balance sheet date, the following companies held more than 10 percent of the voting rights with respect to Nordex AG. Ventus Venture Fund GmbH & Co. Beteiligung KG, Bad Homburg v.d.Höhe, held 13,369,000 shares and thus 20 percent of the voting rights. CMP Fonds I GmbH, Berlin, held 9,658,932 shares and, thus, 14.45% percent of the voting rights. Stichting Administratiekantoor GS NDX Investment Trust, Amsterdam, held 7,118,527 shares and, thus, 10.65 percent of the voting rights.



➤ The appointment and dismissal of members of the Management Board is governed by Sections 84 and 85 of the German Stock Corporation Act; Section 7 of the Company's bylaws corresponds to the statutory provisions.

In accordance with Section 179 of the German Stock Corporation Act, the Company's bylaws may only be amended with a resolution passed by the shareholders. Contrary to the statutory provisions, Section 19 of the Company's bylaws stipulates that a simple majority of the votes cast and a simple majority of the capital represented are sufficient for passing a resolution to amend the bylaws unless a higher qualified majority of the votes cast and/or capital represented is mandated by law. Section 25 of the Company's bylaws makes use of the statutory option of authorizing the Supervisory Board to make amendments to the version of the bylaws.

➤ The Management Board is permitted to issue new shares using Authorized Capital I and Contingent Capital I and II; in this connection the shareholders passed a resolution at the annual general meeting held on May 27, 2008 with respect to Contingent Capital II. No use of this capital was made in the period under review. In accordance with the statutory provisions in connection with Article 4 of the Company's bylaws, this permission granted to the Management Board entails the following:

Authorized Capital I

In accordance with Article 4 (2) of the Company's bylaws, the Management Board is authorized with the Supervisory Board's approval to raise the Company's capital once or repeatedly by up to EUR 13,586,250 by issuing new bearer shares on a cash or non-cash basis on or before April 30, 2011 (Authorized Capital I). The Management Board is additionally authorized with the Supervisory Board's approval to exclude the shareholders' pre-emptive subscription rights including but not limited to in the following cases:

➤ in the event of cash equity issues particularly for the purpose of acquiring companies, parts of companies or equity interests;

➤ if, in the case of a cash equity issue for which the pre-emptive subscription rights are excluded, the total share of the capital does not exceed 10% of the share capital in existence on the date on which the resolution to utilize Authorized Capital I is passed and the issue price of the new shares is less than the market price of the shares of the same class and rights already listed as of the date on which the final issue price is determined by the Management Board as defined in Section 203 (1) and (2) in connection with Section 186 (3) 4 of the German Stock Corporation Act, and

➤ for fractional amounts.

The Management Board is authorized with the Supervisory Board's approval to determine the details of the execution of the equity issue using Authorized Capital I including but not limited to the specific rights attached to the shares and the other conditions of the issue.

Contingent Capital I

The Management Board is authorized (see Article 4 (3) of the Company's bylaws) with the Supervisory Board's approval to grant once or repeatedly bearer debentures with conversion rights and/or obligations (convertible bonds) as well as option bonds (together and separately also "debentures") and to grant the holders or creditors of these debentures conversion and/or option rights on the Company's bearer shares with a pro rata share of the Company's share capital of a total of EUR 15,086,250 on or before April 30, 2011 pursuant to conditions for convertible bonds and option bonds (together and separately also "bond terms and conditions"). The total nominal amount of the debentures granted may not exceed an amount of EUR 300,000,000 and their term may not exceed twenty years.

The shareholders have a right to subscribe to the debentures. The debentures may also be transferred to one or more financial institutes with the obligation to offer them to the shareholders. The Management Board is authorized with the Supervisory Board's approval to exclude the shareholders' subscription rights in order to

➤ offer the debentures for subscription to individual investors or strategic partners provided that the volume of shares to be issued upon conversion of the debentures does not exceed 10% of the share capital in existence on the date on which the resolution to utilize this authorization is passed in accordance with Sections 221 (4) Sentence 2; 186 (3) Sentence 4 of the German Stock Corporation Act and the issue price does not exceed the theoretical market price of the debentures calculated using acknowledged methods of financial

mathematics. That amount is to be added to the amount of 10% of share capital accounted for by equity issued and/or sold in accordance with an authorization excluding the shareholders' pre-emptive subscription rights applying Section 186 (3) Sentence 4 of the German Stock Corporation issued and/or sold over the previous 12 months; and

➤ the shareholders' subscription rights shall be excluded for fractional amounts arising from the fixing of the subscription ratio.

The exchange ratio to be fixed is calculated by dividing the nominal amount of any lower issue price for an individual debenture by the conversion or option price stipulated and may be rounded up or down to form a full figure.

The exchange ratio and the conversion or option price for a share may be variably fixed, i.e. depending on the performance of the trading price during its lifetime. However, the conversion or option price must amount to at least 95% of the average closing price of the Company's shares ("minimum price") determined on the Frankfurt stock exchange in Xetra trading (or a replacement system with comparable functions) on the last ten trading days prior to the date of the resolution by the Supervisory Board on approval of the issue of debentures or in the event of subscription rights for the debentures during the days on which the subscription rights may be exercised (with the exception of the last five calendar day prior to expiry of the subscription period).

The exchange ratio and the conversion or option price may be reduced in accordance with a non-dilution clause after the conditions of the convertible bond or option have been determined if during the option or conversion period the Company increases its share capital, issues further bonds with warrants or convertible bonds or grants or warrants and the holders of existing option or conversion rights are not granted any subscription rights of the type to which they would be entitled after exercise of the option and conversion rights and the Company does so by granting exclusive subscription rights to its shareholders or by means of an equity issue using the Company's own funds. In addition, the bond terms and conditions may provide for an adjustment in the option and conversion rights and duties in the event of a cut in the Company's capital.

The bond terms and conditions may also give the Company the right to grant the bond creditors shares in the Company instead of paying the amount of money due, wholly or in part, when the bonds mature (this also includes maturity due to cancellation). In this case the conversion or option price pursuant to the bond terms and conditions may equal the average closing price of the Company's shares determined on the Frankfurt stock exchange in Xetra trading (or a replacement system with comparable functions) on the last ten trading days before or after the date of maturity even if this average price is lower than the aforementioned minimum price.

The Management Board is authorized with the Supervisory Board's approval to determine the further details of the issue and rights attaching to the debentures including but not limited to the interest rate, additions, dilution protection, duration, issue price and exercise periods, denomination, conversion or option price, types of performance and termination of the debentures; this does not prejudice Section 9 (1) of the German Stock Corporation Act. The bond terms and conditions may provide for the Company to grant the entitled party its own shares instead of new shares using Contingent Capital I in the exercise of the conversion or option rights. Furthermore, it may also be stipulated that the Company may grant the party with conversion and option rights the equivalent in cash instead of shares in the Company.

Contingent Capital II

The Management Board is authorized (see Article 4 (4) of the Company's bylaws) with the Supervisory Board's approval to issue up to 1,500,000 subscription rights for shares in Nordex AG in accordance with the following terms ("stock option plan") on or before December 31, 2012.

The main elements of the stock option plan are as follows:

(1) Eligible persons

Under the stock option plan, rights to subscribe to bearer shares issued by the Company ("subscription rights") are granted to members of the management and employees of the Company and its affiliates in which the Company holds a majority interest as defined in Sections 15 et seq. of the German Stock Corporation Act and which themselves are not listed ("Nordex Group") as well as to the members of management of Nordex Group companies and to members of the Company's Management Board. A total of 1,500,000 subscription rights ("total volume") may be issued to all eligible persons in their entirety during the term of the stock option plan until December 31, 2012. The subscription rights are assigned to the individual groups of the eligible persons as follows:

(a) up to 550,000 for members of management and employees of the Company and domestic and non-domestic Nordex Group companies who are not members of a management body of the Company or the Nordex Group companies,

(b) up to 100,000 for members of management of domestic and non-domestic Nordex Group companies who are not members of the Company's Management Board, and

(c) up to 850,000 for members of the Company's Management Board

The precise number of eligible persons in the two groups referred to in (a) and (b) above and the volume of the stock options which they are to be offered are determined by the Management Board in the light of the individual performance and capabilities of the eligible persons. The eligible parties amongst the members of the Company's Management Board and the volume of subscription rights to be offered to them are determined at the due discretion of the Supervisory Board in the light of the eligible parties' individual performance and capabilities and more importantly in the interests of binding such members of the Management Board to the Company who are otherwise not directly or indirectly involved in the Company as a result of third-party services which respect to their activity on the Management Board.

(2) Grant periods

The grant of subscription rights is confined to four periods per year ("grant periods"). Subscription rights may be granted within 21 (twenty one) days after the announcement of the results for the previous fiscal year or within 21 (twenty one) days after the announcement of the results for the applicable quarter of the current fiscal year provided that this is no later than two weeks prior to the end of the current quarter and, for the final time, in the grant period following the day on which the results for the second quarter of the 2012 fiscal year are announced. For this purpose, the results are deemed to have been announced on the date of first publication of the final results for the quarter or fiscal year in question.

The day on which the subscription rights are allocated ("allocation day") is determined by the Management Board with the approval of the Supervisory Board. The Supervisory Board is solely responsible for allocating the subscription rights to the members of the Management Board.

(3) Term of subscription rights, vesting period exercise periods.

The subscription rights have a maximum term of five years as of the allocation day but may not be exercised until the vesting period has expired. The vesting period expires three years after the allocation day.

The exercise of subscription rights is confined to two periods per year ("exercise periods"). The subscription rights may be exercised (i) within 28 (twenty-eight) days after the day of announcement of the results for a previous year, or (ii) within 28 (twenty-eight) days after the day of announcement of the results for the second quarter of the current year. The subscription rights may not be exercised outside these exercise periods. The terms and conditions underlying the stock option program may also provide for longer vesting periods and the exercise of subscription rights in several installments.

In addition, the bearers of subscription rights are bound by the restrictions arising from general legal stipulations, e.g. the Securities Trading Act (insider provisions).

(4) Content of subscription rights, target and exercise price

(a) Content and target

The subscription rights may only be exercised within their terms in accordance with (3) above provided that the price of the Company's ordinary shares in Xetra trading (or a replacement system with comparable functions) on the Frankfurt Stock Exchange exceeds the base price by at least 20% on ten trading days preceding the day on which the subscription rights are exercised. The subscription rights may only be exercised as long as the holder's employment contract with the Nordex Group company remains non-terminated. Special rules may be issued to provide for death, partial or full invalidity, retirement due to old age and the termination of the employment contract. The subscription rights are non-transferrable

(b) Exercise price

The subscription rights are granted free of any consideration. Upon exercise of the subscription rights, an exercise price must be paid for each subscription right exercised. For the purpose of the exercise of the subscription rights, the exercise price for an ordinary share issued by the Company is the base price. The base price is defined as the arithmetic mean of the closing price of the Company's shares determined on the Frankfurt stock exchange in Xetra trading (or a replacement system with comparable functions) on the last ten trading days prior to the date on which the subscription rights are allocated. This does not prejudice Section 9 (1) of the German Stock Corporation Act.

(5) Settlement of subscription rights

Subscription rights may also be settled in the form of treasury stock or in cash in lieu of new shares using Contingent Capital II, which has been established for this purpose, provided that the conditions for this are met.

The conditions for the stock option plan should be such that this choice is available to the Company. A cash settlement should equal the difference between the exercise price and the opening price of the Company's ordinary shares in Xetra trading (or a replacement system with comparable functions) on the Frankfurt Stock Exchange on the day on which the subscription right is exercised.

(6) Further rules

The Management Board is authorized with the Supervisory Board's approval to determine further option conditions including details of the grant, the form and the settlement of subscription rights as well as the conditions for exercise for the eligible persons coming within No. 1(a) and (b) as well as the issue and structure of the subscribed shares. The further terms and conditions for the grant of options for the group of eligible parties referred to in 1 (c) are determined by the Supervisory Board. This also applies to the provision for dilution protection in the event of any changes to the Company's capital. The dilution protection is to comply with the usual practices of the capital markets unless an adjustment mechanism is provided for by law.



(7) Tax

All taxes in connection with the exercise of the subscription rights or the sale of the shares in the company by the eligible persons are to be borne by such eligible persons.

(8) Reporting duty

The Management Board and the Supervisory Board will report to the shareholders at the annual general meeting on each utilization of the stock option plan and the subscription rights granted to the eligible persons.

Nordex Energie GmbH has entered into a license contract with pro+pro Energiesysteme GmbH & Co. KG, which has since been amalgamated by REpower Systems AG, under the terms of which Nordex may produce and distribute S70 and S77 type wind power systems and work on further developments to such systems free of any restrictions for an unlimited period of time.

The licensor may terminate the license contract for good cause if a direct competitor of the licensor acquires either directly or indirectly a share of at least 25 % of the voting capital of the licensee or the entity which controls it, i.e. Nordex AG. In the event of an extraordinary termination of the license contract, however, the Company assumes that it would be possible to use the new and further developments embodied in the systems without utilizing the licensed expertise by means of technical modifications which would be possible at reasonable expense and to continue producing and distributing these wind power systems.