

ORMAT TECHNOLOGIES, INC.

Form DEF 14A

March 23, 2010

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**SCHEDULE 14A**

**PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES  
EXCHANGE ACT OF 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

ORMAT TECHNOLOGIES, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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- (1) Amount Previously Paid:
  - (2) Form, Schedule or Registration Statement No.:
  - (3) Filing Party:
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-

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**NOTICE OF 2010 ANNUAL MEETING OF STOCKHOLDERS  
To Be Held May 6, 2010**

To Our Stockholders:

We cordially invite you to attend the 2010 Annual Meeting of Stockholders of Ormat Technologies, Inc. The meeting will take place at the offices of Chadbourne & Parke LLP, 30 Rockefeller Plaza, New York, NY 10112 on Thursday, May 6, 2010, at 1:30 P.M. local time. We look forward to your attendance either in person or by proxy.

The purpose of the meeting is to:

1. Elect the two directors named in the attached Proxy Statement, each for a term of three years;
2. Ratify the appointment of PricewaterhouseCoopers LLP as Ormat Technologies, Inc.'s independent registered public accounting firm for fiscal year 2010; and
3. Transact any other business that may properly come before the meeting or any postponements or adjournments of the meeting.

By order of the Board of Directors,

/s/ Yehudit Bronicki  
Yehudit Bronicki  
Chief Executive Officer

March 23, 2010

Your vote is important to us regardless of whether or not you plan to attend the meeting. We encourage you to submit a proxy to vote your shares either (i) on the internet, (ii) by telephone, or (iii) by signing and dating a proxy card and returning it to the Company.

**Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting To Be Held on Thursday, May 6, 2010.**

This Proxy Statement, the form of proxy card, the Notice of Internet Availability of Proxy Materials and our Annual Report on Form 10-K are available at <http://materials.proxyvote.com/686688> by clicking on the proxy link.

You will need your assigned control number to vote your shares. Your control number can be found on your proxy card or voting instruction form.

The time and location of the Annual Meeting of Stockholders are noted above.

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**ORMAT TECHNOLOGIES, INC. 2010 ANNUAL MEETING OF STOCKHOLDERS**

**NOTICE OF ANNUAL MEETING AND PROXY STATEMENT**

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**ORMAT TECHNOLOGIES, INC.  
6225 Neil Road,  
Reno, Nevada 89511**

**2010 PROXY STATEMENT**

Ormat Technologies, Inc. ( Ormat , we , us , the Company or our Company ) is a public company. Our Common Stock has been trading on the New York Stock Exchange since November 11, 2004.

The Board of Directors of Ormat Technologies, Inc. is making this proxy statement available to you in connection with the solicitation of proxies on its behalf for the 2010 Annual Meeting of Stockholders. The meeting will take place at the offices of Chadbourne & Parke LLP, 30 Rockefeller Plaza, New York, NY 10112 on Thursday, May 6, 2010, at 1:30 P.M. local time. At the meeting, stockholders will vote on (i) the election of the two directors named in this proxy statement, and (ii) the ratification of the appointment of PricewaterhouseCoopers LLP as Ormat's independent registered public accounting firm for fiscal year 2010, and will transact any other business that may properly come before the meeting although we know of no other business to be presented.

The record date for the meeting is March 16, 2010. Only stockholders of record at the close of business on that date are entitled to vote at the meeting.

We are taking advantage of the U.S. Securities and Exchange Commission rule that allows companies to furnish proxy materials to their stockholders over the Internet. As a result, we are mailing to most of our stockholders a Notice of Internet Availability of Proxy Materials (the Notice ) instead of a paper copy of this proxy statement and our 2009 Annual Report on Form 10-K. We believe that this process allows us to provide our stockholders with the information they need in a timelier manner, while reducing the environmental impact and lowering the costs of printing and distributing our proxy materials. The Notice contains instructions on how to access those documents over the Internet. The Notice also contains instructions on how to vote online or by telephone and how to request a paper copy of our proxy materials, including this proxy statement, our 2009 Annual Report on Form 10-K, and a form of proxy card or voting instruction card.

By submitting your proxy (by signing and returning the proxy card, or processing your proxy online, or by phone), you authorize each of Yehudit Bronicki, Chief Executive Officer of Ormat, and Ety Rosner, Senior Vice President and Corporate Secretary of Ormat, to represent you and vote your shares at the meeting in accordance with your instructions. Either one of them may also vote your shares to adjourn the meeting and will be authorized to vote your shares at any postponements or adjournments of the meeting.

Ormat's Annual Report on Form 10-K for 2009, which includes Ormat's audited financial statements, is being made available to stockholders together with this proxy statement. Except to the extent that we specifically incorporate information by reference, our Annual Report on Form 10-K does not constitute a part of the proxy solicitation materials and is not incorporated by reference into this proxy statement.

We are first making available this proxy statement and accompanying materials to stockholders on or about March 23, 2010.

***YOUR VOTE IS IMPORTANT. WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, PLEASE PROMPTLY SUBMIT YOUR PROXY VIA THE INTERNET, BY PHONE OR BY SIGNING AND DATING A PROXY CARD AND RETURNING IT TO US IN THE ENVELOPE THAT WE WILL SEND YOU ON REQUEST.***



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**Questions and Answers about the 2010 Annual Meeting of Stockholders**

**What is the purpose of the 2010 Annual Meeting of Stockholders?**

At the 2010 Annual Meeting of Stockholders, the stockholders will be asked to:

1. Elect the two directors named in this proxy statement, each for a term of three years; and
2. Ratify the appointment of PricewaterhouseCoopers LLP as Ormat's independent registered public accounting firm for fiscal year 2010.

Stockholders also will transact any other business that may properly come before the meeting. Members of Ormat's management team and a representative of PricewaterhouseCoopers LLP, Ormat's independent registered public accounting firm, will be present at the meeting to respond to appropriate questions from stockholders.

**Who is entitled to vote?**

The record date for the meeting is March 16, 2010. Only stockholders of record at the close of business on that date are entitled to vote at the meeting. The only class of stock entitled to be voted at the meeting is Ormat's Common Stock. Each outstanding share of Common Stock is entitled to one vote for all matters before the meeting. At the close of business on the record date there were 45,430,886 shares of Ormat Common Stock outstanding.

**What is the difference between being a record holder and holding shares in street name ?**

A record holder holds shares in his or her name. Shares held in street name means shares that are held in the name of a bank or broker on a person's behalf.

**Am I entitled to vote if my shares are held in street name ?**

If your shares are held by a bank or a brokerage firm, you are considered the beneficial owner of shares held in street name. If your shares are held in street name, the Notice of Internet Availability of Proxy Materials is being forwarded to you by your bank or brokerage firm (the record holder), along with a voting instruction card. As the beneficial owner, you have the right to direct your record holder how to vote your shares, and the record holder is required to vote your shares in accordance with your instructions.

Under the rules of the New York Stock Exchange (the NYSE), if you do not give instructions to your bank or brokerage firm, it may vote on matters that the NYSE determines to be routine, but will not be permitted to vote your shares with respect to non-routine items. Under the NYSE rules, the Ratification of Appointment of the Independent Registered Public Accounting Firm (Proposal 2) is a routine matter but the election of Directors (Proposal 1) is not considered to be a routine matter. When a broker or bank has not received instructions from the beneficial owners or persons entitled to vote and the broker or bank cannot vote on a particular matter because it is not routine, then there is a broker non-vote on that matter. Broker non-votes do not count as votes for or against any proposal.

As the beneficial owner of shares, you are invited to attend the 2010 Annual Meeting of Stockholders. If you are a beneficial owner, however, you may not vote your shares in person at the meeting unless you obtain a proxy form from the record holder of your shares.



**How many shares must be present to hold the meeting?**

A quorum must be present at the meeting for any business to be conducted. The presence at the meeting, in person or by proxy, of the holders of a majority of the shares of Common Stock outstanding on the record date will constitute a quorum.

**Who can attend the 2010 Annual Meeting of Stockholders?**

All Ormat stockholders of record as of the close of business on March 16, 2010 may attend the 2010 Annual Meeting of Stockholders.

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### **What if a quorum is not present at the meeting?**

If a quorum is not present at the scheduled time of the meeting, a majority of the outstanding shares entitled to vote represented may adjourn the meeting.

### **What does it mean if I receive more than one Notice of Internet Availability of Proxy Materials?**

It means that your shares are held in more than one account at the transfer agent and/or with banks or brokers. Please vote all of your shares. To ensure that all of your shares are voted, please vote for each account in which your shares are held.

### **How do I vote?**

You may vote by submitting your proxy either (i) on the internet, (ii) by telephone, or (iii) by signing and dating a proxy card and returning it to the Company.

The Notice of Internet Availability we (or the bank or brokerage firm that holds your shares in street name) sent to you explains how you can:

vote by internet or by telephone and how you can receive a paper or email copy of a proxy card if you are a record holder of shares; or

give voting instructions to your bank or brokerage firm if your shares are held in street name.

The return envelope that we will send you if you request a paper proxy card requires no additional postage if mailed in either the United States or Canada.

If you are a record stockholder and attend the meeting, you may deliver your completed proxy card in person. Additionally, we will pass out written ballots to record stockholders who wish to vote in person at the meeting. Beneficial owners of shares held in street name who wish to vote at the meeting will need to obtain a proxy form from their record holder.

### **Can I change my vote after I submit my proxy?**

If you are a record holder of shares, you may revoke your proxy and change your vote at any time before it is actually voted:

by signing and delivering another proxy with a later date;

by giving written notice of such revocation to the Corporate Secretary of Ormat prior to or at the meeting; or

by voting in person at the meeting.

If you are a beneficial owner of shares, you may submit new voting instructions by contacting your bank, broker or other record holder, or, if you have obtained a legal proxy from your bank, broker or other record holder giving you the right to vote your shares, by attending the meeting and voting in person. Your attendance at the meeting itself will not revoke your proxy unless you give written notice of revocation to the Corporate Secretary before your proxy is voted or you vote in person at the meeting.

**Who will count the votes?**

Ormat's transfer agent, American Stock Transfer & Trust Company, will tabulate and certify the votes. A representative of the transfer agent may serve as an inspector of election.

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### **How does the Board of Directors recommend I vote on the proposals?**

Your Board recommends that you vote FOR:

The election of the two nominees named in this proxy statement to the Board of Directors; and

The ratification of PricewaterhouseCoopers LLP as Ormat's independent registered public accounting firm for fiscal year 2010.

### **What if I do not specify how my shares are to be voted?**

If you submit a proxy but do not indicate any voting instructions, the persons named as proxies will vote in accordance with the recommendations of the Board of Directors as described above.

### **Will any other business be conducted at the meeting?**

We know of no other business that will be presented at the meeting. If any other matter properly comes before the stockholders for a vote at the meeting, however, the proxy holders will vote your shares in accordance with their best judgment.

### **How many votes are required to elect the director nominees?**

The affirmative vote of a plurality of the votes cast at the meeting is required to elect the two nominees named in this proxy statement as directors. This means that these two nominees will be elected if they receive more affirmative votes than any other persons.

### **How many votes are required to ratify the appointment of Ormat's independent registered public accounting firm?**

The ratification of the appointment of PricewaterhouseCoopers LLP as Ormat's independent registered public accounting firm requires the affirmative vote of a majority of the shares present at the meeting in person or by proxy and entitled to vote.

### **What is an abstention and how will abstentions be treated?**

An abstention represents a stockholder's affirmative choice to decline to vote on a proposal other than the election of directors (for directors, the choice is limited to For or Withhold). Under Delaware law, abstained shares are treated as shares present for quorum and entitled to vote, so they will have the same practical effect as votes against a proposal except for the proposal for the election of directors.

### **How will broker non-votes be treated?**

Broker non-votes will be treated as shares present for quorum purposes, but not considered entitled to vote on that matter. Therefore, broker non-votes do not count as votes for or against any proposal.

### **Where can I find the voting results of the 2010 Annual Meeting of Stockholders?**

We plan to announce preliminary voting results at the 2010 Annual Meeting of Stockholders and to publish final results in a Current Report on Form 8-K to be filed with the Securities and Exchange Commission (the SEC) within

four days of the Annual Meeting of Stockholders.

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**PROPOSAL 1 ELECTION OF DIRECTORS**

**Board Composition**

Our Board of Directors is now composed of seven members, including four independent directors, Dan Falk, Roger W. Gale, Robert F. Clarke, and Jacob Worenklein. Jacob Worenklein has resigned from the Board, effective as of March 31, 2010, and David Wagener has been appointed to the Board in his stead, effective as of April 1, 2010. Our Board of Directors is classified into three classes of directors serving staggered, three-year terms as indicated:

*Class III Directors (term expiring upon the annual stockholders meeting in 2010)*

Lucien Bronicki  
Dan Falk

*Class I Directors (term expiring upon the annual stockholders meeting in 2011)*

Yoram Bronicki  
Roger W. Gale

*Class II Directors (term expiring upon the annual stockholders meeting in 2012)*

Yehudit Bronicki  
Robert F. Clarke  
David Wagener

**Current Nominees**

As mentioned above, directors in each of the three classes are elected to serve for three-year terms that expire in successive years. The terms of Class III Directors will expire at the 2010 Annual Meeting of Stockholders. The Board of Directors has nominated Lucien Bronicki and Dan Falk as Class III Directors for three-year terms expiring at the annual meeting of stockholders to be held in 2013 and until their successors are elected and qualified. Each nominee currently serves as a Class III Director.

Each nominee has consented to being named in this proxy statement and has agreed to serve if elected. If a nominee is unable to stand for election, the Board of Directors may either reduce the number of directors to be elected or select a substitute nominee. If a substitute nominee is selected, the proxy holders will vote your shares for the substitute nominee, unless you have withheld authority.

The affirmative vote of a plurality of the votes cast at the meeting is required to elect the two nominees named in this proxy statement as directors. This means that these two nominees will be elected if they receive more affirmative votes than any other persons.

**YOUR BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR THE ELECTION OF EACH OF THE TWO NOMINEES NAMED ABOVE.**

The following sets forth, with respect to each nominee, his name, age, principal occupation and employment during the past five years, the year in which he first became a director of Ormat Technologies, Inc. and directorships held in other public companies.

**Nominees for Election as Class III Directors for a Three-Year Term Expiring at the 2013 Annual Meeting**

**Lucien Bronicki.** Lucien Bronicki is the Chairman of our Board of Directors, a position he has held since our inception in 1994, and has also been our Chief Technology Officer since July 1, 2004. Mr. Bronicki co-founded Ormat Turbines Ltd. in 1965 and is the Chairman of the Board of Directors of Ormat Industries Ltd., the publicly-traded successor to Ormat Turbines Ltd., and various of its subsidiaries. From 1999 to April 2006, Mr. Bronicki served as the Chairman of the Board of Directors of OPTI Canada Inc., a company engaged in the oil sands industry in Canada in which our parent owns an approximately 5% interest. From 1992 to May 2006, Mr. Bronicki was the Chairman of the Board of Directors of Bet Shemesh Engines, a manufacturer of jet engines, and from 1997 to May 2006, Mr. Bronicki was the Chairman of the Board of Directors of Bet Shemesh Holdings. Mr. Bronicki was also the Chairman of the Board of Directors of Orad Hi-Tec Systems Ltd., a manufacturer of image processing systems, until the end of 2005, and was the Co-Chairman of Orbotech Ltd., a NASDAQ-listed manufacturer of

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equipment for inspecting and imaging circuit boards and display panels. Mr. Bronicki has worked in the power industry since 1958. He is a member of the Executive Council of the Weizmann Institute of Science and was the Chairman of the Israeli Committee of the World Energy Council. Yehudit Bronicki and Lucien Bronicki are married and are the parents of Yoram Bronicki. Mr. Bronicki obtained a postgraduate degree in Nuclear Engineering from Conservatoire National des Arts et Métiers, a Master of Science in Physics from Université de Paris and a Master of Science in Mechanical Engineering from École Nationale Supérieure d'Ingenieurs Arts et Métiers. In 2005, he received a Ph.D. Honoris Causa from the Ben-Gurion University, and in 2006 from the Weizmann Institute of Science. Mr. Bronicki is 76 years old.

The Board has concluded that Mr. Bronicki should serve as director of the Company because of his experience as the Company's co-founder, his experience as the Company's Chief Technology Officer, his work in the power industry since 1958, and his innovative and strategic vision.

**Dan Falk.** Dan Falk has been a member of our Board of Directors since November 12, 2004. Mr. Falk also serves as the Chairman of the Board of Directors of Orad Hi-Tech Systems Ltd., a public non-U.S. company, and of Chromagen Ltd., a private non-U.S. company. He is also a member of the Board of Directors of Orbotech Ltd., Nice Systems Ltd., Attunity Ltd., Jacada Ltd. and Nova Measuring Instruments Ltd., all NASDAQ publicly traded companies. In addition, Mr. Falk serves as a member of the Board of Directors of the following public non-US companies: AVT Ltd., Amiad Filtration System Ltd., Plostopil Ltd., and Oridion Medical Ltd. During the past five years, Mr. Falk served as a member of the Board of the Directors of the following public companies, for which he no longer serves as a Director: Clicksoftware Technologies Ltd., Dmatek Ltd., Poalim Ventures I Ltd., Dor Chemicals Ltd., Medcon Ltd., and Ramdor Ltd. From 2001 to 2004, Mr. Falk was a business consultant to several public and private companies. From 1999 to 2000, Mr. Falk was Chief Operating Officer and Chief Executive Officer of Sapiens International N.V. From 1995 to 1999, Mr. Falk was an Executive Vice President of Orbotech Ltd. From 1985 to 1995, Mr. Falk was Vice President of Finance and Chief Financial Officer of Orbot Systems Ltd. and Orbotech Ltd. Mr. Falk obtained a Masters of Business Administration from Hebrew University in 1972 and a Bachelor of Arts in Economics and Political Science from Hebrew University in 1968. Mr. Falk is the Chair of our Audit Committee. Our Board of Directors has determined that Mr. Falk qualifies as an Audit Committee financial expert under Section 407 of the Sarbanes-Oxley Act of 2002 and Item 407(d)(5) of Regulation S-K, and is independent as that term is used in Item 407(d)(5)(i)(B) of Regulation S-K under the Securities Exchange Act of 1934. Mr. Falk is 65 years old.

The Board has concluded that Mr. Falk should serve as director of the Company because of his qualification as a financial expert, his experience related to service on the audit committee, his financial reporting expertise, and his general financial and business knowledge.

## **Continuing Directors**

### **Class I Directors Continuing in Office Whose Terms Expire at the 2011 Annual Meeting**

**Yoram Bronicki.** Yoram Bronicki has been a member of our Board of Directors since November 12, 2004, and has been our President and Chief Operating Officer since September 20, 2007. From July 1, 2004 to September 20, 2007, Mr. Bronicki served as our Chief Operating Officer, North America. Mr. Bronicki is also a member of the Board of Directors of Ormat Industries Ltd., a position he has held since 2001, and a member of the Board of Directors of OPTI Canada Inc. From 2001 to 2004, Mr. Bronicki was Vice President of OPTI Canada Inc.; from 1999 to 2001, he was Project Manager of Ormat Industries Ltd. and Ormat International Inc.; from 1996 to 1999, he was Project Manager of Ormat Industries Ltd.; and from 1995 to 1996, he was Project Engineer of Ormat Industries Ltd. Mr. Bronicki is the son of Lucien and Yehudit Bronicki. Mr. Bronicki obtained a Bachelor of Science in Mechanical Engineering from Tel Aviv University in 1989 and a Certificate from the Technion Institute of Management Senior Executives Program.



Mr. Bronicki is 43 years old.

The Board has concluded that Mr. Bronicki should serve as director of the Company because of his experience as the Company's President and Chief Operating Officer, his over 14 years of experience in the power industry, and his in-depth knowledge of the Company's business.

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**Roger W. Gale, Ph.D.** Roger W. Gale has been a member of our Board of Directors since October 26, 2005. Between 1988 and 2000, Dr. Gale was the CEO of Washington International Energy Group, which was sold to PHB Hagler Bailly (PHB) in 1999. In 2000, as PHB was sold to PA Consulting, Dr. Gale held several positions at PA Consulting until 2001, at which time he joined GF Energy LLC as President and CEO, a position he still holds. In addition, Dr. Gale serves as a member of the Board of Directors of the US Energy Association, a not-for-profit organization. On December 1, 2005, he became a member of the Boards of Directors of The Adams Express Company and Petroleum & Resources Corporation (closed-end investment companies). He served on the Audit Committee of Constellation Holdings and on the Board of Directors of the parent, Constellation Energy Group, from 1996 to 2005. Dr. Gale has a Ph.D. in political science from the University of California, Berkeley. Dr. Gale is 63 years old.

The Board has concluded that Dr. Gale should serve as director of the Company because of his over 40 years of experience in the power/energy industry, his extensive management experience, and his overall business knowledge.

## **Class II Directors Continuing in Office Whose Terms Expire at the 2012 Annual Meeting**

**Yehudit Dita Bronicki.** Yehudit Bronicki has been our Chief Executive Officer since July 1, 2004, and is also a member of our Board of Directors. From July 1, 2004 to September 20, 2007, Mrs. Bronicki also served as our President. Mrs. Bronicki was a co-founder of Ormat Turbines Ltd. and is a member of the Board of Directors and the General Manager (a CEO-equivalent position) of Ormat Industries Ltd., the publicly traded successor to Ormat Turbines Ltd., and several of its subsidiaries. From 1992 to June 2005, Mrs. Bronicki was a director of Bet Shemesh Engines, a manufacturer of jet engines. In addition, until May 2005, Mrs. Bronicki was a member of the Board of Directors of OPTI Canada Inc., a company engaged in the oil sands industry in Canada and in which our parent owns an approximately 5% interest, and since 2000 she has been a member of the Board of Orbotech Ltd., a NASDAQ-listed manufacturer of equipment for inspecting and imaging circuit boards and display panels. From 1994 to 2001, Mrs. Bronicki was on the Advisory Board of the Bank of Israel. Mrs. Bronicki has worked in the power industry since 1965. Yehudit Bronicki and Lucien Bronicki are married and are the parents of Yoram Bronicki. Mrs. Bronicki obtained a Bachelor of Arts in Social Sciences from Hebrew University in 1965. Mrs. Bronicki is 68 years old.

The Board has concluded that Mrs. Bronicki should serve as director of the Company because of her experience as the Company's co-founder, her experience as the Company's Chief Executive Officer, her work in the power industry since 1965, and her extensive knowledge of the Company's business.

**Robert F. Clarke.** Robert F. Clarke has been a member of our Board of Directors since February 27, 2007. Mr. Clarke was Chairman (since September 1998) and President and Chief Executive Officer (since January 1991) of Hawaiian Electric Industries, Inc. (HEI), from which he retired effective May 2006. Since June 1, 2006, Mr. Clarke has been Executive in Residence at the Shidler College of Business at the University of Hawaii. In addition, Mr. Clarke serves as an advisory director to Oceanic Cable Hawaii and as a member of the advisory board of the Shidler College of Business at the University of Hawaii and as a member of the advisory board of Sennet Capital. Mr. Clarke joined HEI in February 1987 as Vice President of Strategic Planning and was in charge of implementing the Company's diversification strategy. Mr. Clarke was named HEI Group Vice President - Diversified Companies in May 1988. He was made a director of HEI in 1989. Prior to joining HEI, Mr. Clarke served as Senior Vice President and Chief Financial Officer of Alexander & Baldwin and as Controller of Dillingham Corporation. Prior to that, he worked for the Ford Motor Company and for the Singer Company. He received his Bachelor's degree in economics in 1965 and his Master's degree in finance in 1966 from the University of California at Berkeley. Honors include Phi Beta Kappa in 1965. Mr. Clarke is 67 years old.

The Board has concluded that Mr. Clarke should serve as director of the Company because of his close to 25 years of experience in the power/energy industry, his extensive management experience, and his overall business and financial knowledge

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**David Wagener.** David Wagener will begin serving as a member of our Board of Directors on April 1, 2010. Since June 1995, Mr. Wagener has been the Managing Partner of Wagener Capital Management. From 1990 to 1995, Mr. Wagener served as director of the Public Utility & Telecommunications Group in the Investment Banking Division of Salomon Brothers, and from 1980 to 1990, he was Vice President of the Public Utility Group and Co-Head of the Independent Power Group in the Investment Banking Division of Goldman Sachs & Co. Mr. Wagener serves on the Board of Directors of Centennial Power, a subsidiary of MDU Resources, and on the Board of Directors of Primary Energy, the parent of Primary Energy Recycling. He received his Bachelor's degree in 1976 from Harvard College and his Master's degree in Business Administration in 1980 from the University of Chicago. Mr. Wagener is 55 years old.

The Board has concluded that Mr. Wagener should serve as a director of the Company because of his 30 years of experience in the power/energy industry, his extensive project finance experience, and his overall financial knowledge.

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**INFORMATION REGARDING BOARD OF DIRECTORS AND COMMITTEES**

As required by the rules of the NYSE, the Board of Directors evaluates the independence of Board members at least annually and when a change in circumstances could potentially impact the independence of one or more directors.

On May 8, 2009, the Company held its 2009 Annual Meeting of Stockholders. All of the Company's Board members were present at the meeting.

Our Board of Directors consists of seven members, four of whom have been determined by our Board to be independent directors, in accordance with the above requirements of the NYSE. Our four independent directors are Dan Falk, Jacob Worenklein, Roger W. Gale and Robert F. Clarke. As of April 1, 2010, David Wagener will replace Jacob Worenklein as one of our four independent directors.

During fiscal year 2009, the Board of Directors held ten meetings. None of the directors attended less than 75% of the meetings of the Board and the Committees on which he or she serves.

The Company relies on the controlled company exception to the Board of Directors committee composition requirements under the rules of the NYSE. The controlled company exception does not modify the independence requirements for the Audit Committee, and we comply with the requirements of the Sarbanes-Oxley Act of 2002 and the NYSE rules which require that our Audit Committee be composed of at least three independent directors.

**Board Leadership Structure**

The Company has separated the Chief Executive Officer and Board Chairman positions. The Company believes that this Board leadership structure is the most appropriate for the Company since each of Lucien Bronicki and Dita Bronicki, the Company's co-founders, has unique skills and talents to contribute to the Company. Mr. Bronicki, our Chief Technology Officer, serves as our Chairman of the Board and provides the Company with the benefit of his strategic and creative vision, an appreciation for and understanding of the risks associated with the Company's business, and an intimate knowledge of the Company's technologies and the power industry. Mrs. Bronicki serves as our Chief Executive Officer and provides the Company with the benefit of her extensive knowledge of the Company's operations, an understanding of the day-to-day challenges faced by companies in the power industry, and her distinctive business and financial know-how.

**Board Committees**

Our Board of Directors has the authority to appoint committees to perform certain management and administrative functions. Our Board of Directors has established, among others, an Audit Committee, a Compensation Committee, and a Nominating and Corporate Governance Committee. As of February 28, 2010, Ormat Industries Ltd. beneficially owned approximately 56.02% of our outstanding Common Stock. As a controlled company, we have relied on certain exemptions from the director independence requirements applicable to Compensation Committees and Nominating and Corporate Governance Committees under the rules of the NYSE.

*Audit Committee.* The Company has a separately designated standing Audit Committee established in accordance with the Securities Exchange Act of 1934. Currently, the Audit Committee consists of three members, Dan Falk, Jacob Worenklein, and Roger Gale, all of whom are independent as defined by the listing standards of the NYSE and the SEC. As of April 1, 2010, the Audit Committee will consist of three members, Dan Falk, Roger W. Gale, and Robert F. Clarke, all of whom are independent as defined by the listing standards of the NYSE and the SEC. The

Board has determined that Mr. Falk, the Chair of the Audit Committee, qualifies as an audit committee financial expert under the rules of the SEC and that each member of the Audit Committee is financially literate. Mr. Falk also serves on the audit committees of five other public companies. Our Board has determined that his simultaneous service on these audit committees does not impair his ability to serve effectively on our Audit Committee.

The Audit Committee selects, on behalf of our Board of Directors, an independent public accounting firm to be engaged to audit our financial statements, discusses with the independent registered public accounting firm its

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independence, reviews and discusses the audited financial statements with the independent registered public accounting firm and manages and reviews our compliance with legal and regulatory requirements with respect to accounting policies, internal controls and financial reporting.

In fiscal year 2009, the Audit Committee continued its oversight of a procedure established by the Company for receiving and addressing anonymous complaints regarding financial or accounting irregularities, among other things. In 2005, the Audit Committee set up an ethics and compliance hotline managed by an independent third party and accessible both through the Internet and by telephone. The information received by the hotline is treated as confidential and anonymous and is both received and retained by an agent of the Audit Committee before all relevant non-compliance information is periodically reported to the Audit Committee.

The Audit Committee held five meetings in fiscal year 2009. Further information concerning the Audit Committee is set forth below under the heading *Audit Committee Report*. The charter of the Audit Committee is available on the Company's website at [www.ormat.com](http://www.ormat.com). The content of our website, however, is not part of this proxy statement.

*Compensation Committee.* Currently, the Compensation Committee consists of three members, Yehudit Bronicki, our CEO, and Dan Falk and Jacob Worenklein, both of whom are independent directors. As of April 1, 2010, Robert F. Clarke will replace Jacob Worenklein on the Compensation Committee. Mrs. Bronicki, who is our CEO and who is not an independent director, is the Chair of the Compensation Committee.

The Compensation Committee reviews and either approves, on behalf of our Board of Directors, or recommends to the Board of Directors for approval, (1) the annual salaries and other compensation of our Chief Executive Officer and certain other executive officers and (2) equity awards. Our CEO, Chairman and President are currently covered by employment agreements which fix the amount of their salary and annual bonus. See *Executive Compensation*. The Compensation Committee also provides recommendations with respect to our compensation policies and practices and incentive compensation plans and equity plans. As described in the Compensation Discussion and Analysis below, our Compensation Committee determines the basket of bonuses and equity awards that may be awarded on a company-wide basis and our CEO and Chairman of the Board determine the particular bonuses and equity awards to be made to our personnel. Our CEO and Chairman also determine whether and to what degree to award salary increases to any of our other executive officers.

The Compensation Committee operates pursuant to a written charter adopted by the Board of Directors, which includes evaluation of the performance of the Chief Executive Officer, review and approval of the compensation of the Chief Executive Officer and all other executive officers of the Company, and recommendations to the Board of Directors regarding non-CEO compensation, incentive-compensation plans and equity-based plans.

The Compensation Committee duties and responsibilities also include:

- making recommendations to the Board as to changes in Ormat's general compensation philosophy;

- overseeing the development and implementation of compensation programs;

- reviewing and approving corporate goals and objectives relevant to the compensation of the CEO, and evaluating the performance of the CEO in light of those goals and objectives; and

- reviewing and approving the annual compensation of the CEO and Ormat's five other most highly compensated executive officers who receive total compensation in excess of \$1 million per year.

The Compensation Committee is authorized to establish subcommittees for the purpose of evaluating special or unique matters and may delegate its authority to a subcommittee or subcommittees.

In 2009, the Compensation Committee did not retain any compensation consultants in determining or recommending the amount or form of executive and director compensation.

The Compensation Committee held two meetings in the year 2009. The charter of the Compensation Committee is available on the Company's website at [www.ormat.com](http://www.ormat.com). The content of our website, however, is not part of this proxy statement.



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*Nominating and Corporate Governance Committee.* Currently, the Nominating and Corporate Governance Committee consists of three members, Lucien Bronicki, our Chief Technology Officer, and Robert F. Clarke and Dan Falk, both of whom are independent directors. As of April 1, 2010, David Wagener will replace Robert F. Clarke on the Nominating and Corporate Governance Committee. Mr. Bronicki, who is not an independent director, is the Chair of the Nominating and Corporate Governance Committee.

The Nominating and Corporate Governance Committee assists our Board of Directors in fulfilling its responsibilities by identifying and approving individuals qualified to serve as members of our Board of Directors, selecting director nominees for our annual meetings of stockholders, and developing and recommending to our Board of Directors corporate governance guidelines and oversight with respect to corporate governance and ethical conduct.

The Nominating and Corporate Governance Committee regularly assesses the appropriate size of the Board of Directors and whether any vacancies on the Board of Directors are expected due to retirement or otherwise. In the event that vacancies are anticipated, or otherwise arise, the Nominating and Corporate Governance Committee considers various potential candidates for director. Candidates may come to the attention of the Nominating and Corporate Governance Committee through current Board members, professional search firms, stockholders or other persons. The Nominating and Corporate Governance Committee is responsible for conducting appropriate inquiries into the backgrounds and qualifications of possible candidates.

The Nominating and Corporate Governance Committee adopted a policy regarding consideration of any director candidates as of November 7, 2006. This policy provides guidelines for the identification and evaluation of candidates for positions on the Board of Directors of the Company. According to the policy, candidates must satisfy certain minimum criteria, including an academic degree and business experience to the satisfaction of the Nominating and Corporate Governance Committee. In addition, independent director nominees must satisfy the independence requirements as determined by the Board of Directors in accordance with the rules and regulations of the SEC and the NYSE, as applicable. The policy provides for the Committee to interview and select final candidates for evaluation, and then evaluate the final candidates to determine their qualification for the position as well as compatibility with the Company, its philosophy and its then-current Board of Directors and management. The Committee does not consider diversity in identifying nominees for director.

The Nominating and Corporate Governance Committee will consider director candidates recommended by stockholders in the same manner in which the Committee evaluates any other candidate.

The Company's by-laws provide that nominations of candidates to be considered by the stockholders may be made at an annual meeting of stockholders by any stockholder who was a stockholder of record at the time of giving notice of the proposed nomination, is entitled to vote at the meeting and follows the notice procedures. To be timely, a stockholder's notice for the 2010 Annual Meeting of Stockholders must have been delivered to the Corporate Secretary at 6225 Neil Road, Reno, Nevada 89511, not earlier than the close of business on January 3, 2010 and no later than the close of business on February 2, 2010.

The Nominating and Corporate Governance Committee held one meeting in 2009. The charter of the Nominating and Corporate Governance Committee is available on the Company's website at [www.ormat.com](http://www.ormat.com). The content of our website, however, is not part of this proxy statement.

## **Compensation Committee Interlocks and Insider Participation**

As of April 1, 2010, the Compensation Committee will be composed of Yehudit Bronicki, Dan Falk and Robert F. Clarke. Mrs. Bronicki serves as Chief Executive Officer of the Company. In addition, Mrs. Bronicki, together with Lucien Bronicki, our Chairman of the Board and Chief Technology Officer, and Yoram Bronicki, our President and

Chief Operating Officer, and other members of their family, indirectly owned approximately 35.11% of the ordinary shares of Ormat Industries Ltd. as of February 28, 2010. See Transactions with Related Persons .

None of our executive officers served during 2009 as a member of the board of directors or as a member of a compensation committee of any other company that has an executive officer serving as a member of our Board of Directors or Compensation Committee.

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### **Code of Business Conduct and Ethics**

Our Code of Business Conduct and Ethics is available on our website at [www.ormat.com](http://www.ormat.com) for downloading, free of charge. The content of our website, however, is not part of this proxy statement. You may also request a printed copy of our Code of Business Conduct and Ethics free of charge, by writing to the Company address appearing in this Proxy Statement or by telephoning us at: (775) 356-9029.

### **Corporate Governance Guidelines**

The Board of Directors of the Company has adopted the Corporate Governance Guidelines, which are available on the Company's website at [www.ormat.com](http://www.ormat.com). The content of our website, however, is not part of this proxy statement. You may also request a printed copy of our Corporate Governance Guidelines free of charge, by writing to the Company address appearing in this Proxy Statement or by telephoning us at: (775) 356-9029.

### **Executive Sessions**

As required by the NYSE rules, the non-management directors of the Company meet in executive sessions of the Board of Directors without management at regular intervals and at each regular meeting of the Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee, and as otherwise scheduled from time to time. The Chair of the Audit Committee presides at the executive sessions of the non-management directors. In addition, the Chair of the Audit Committee presides at the executive sessions of the Audit Committee. One of the non-executive members of the Compensation Committee and of the Nominating and Corporate Governance Committee presides at each executive session of such committees.

### **Stockholder Communications with the Board of Directors**

Stockholders and other interested parties may communicate with the Board of Directors or a specific director or directors by writing c/o the Corporate Secretary, Ormat Technologies, Inc., 6225 Neil Road, Reno, Nevada 89511. Communications received from stockholders are forwarded directly to Board members. Stockholders and other interested parties who would like to communicate with the non-management directors or any individual non-management director may do so by sending a letter to the Chair of the Nominating and Corporate Governance Committee in care of the Corporate Secretary of the Company at 6225 Neil Road, Reno, Nevada 89511.

### **Board's Role in Risk Oversight**

As part of the Board's quarterly meetings, the Board assesses on an ongoing basis the risks faced by the Company in executing its business plan. These risks include financial, industrial, technological, competitive, and operational risks, both from a global perspective and on a power plant-by-power plant basis. The Board dedicates time at each of its meetings to review and consider the relevant risks that need to be addressed at the time of each Board meeting. The CEO and COO of the Company present reports at each meeting outlining the progress of each power plant and the challenges faced by the Company, and they bring the relevant risks to the attention of the Board. Similarly, at each Board meeting, the relevant financial risks faced by the Company are presented by the CFO. In addition, the Company's Audit Committee plays an important role in the oversight of the Company's policies with respect to financial risk assessment and risk management, as well as assessing the Company's major financial risk exposures.

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**AUDIT COMMITTEE REPORT**

The Audit Committee is composed of independent directors only, as required by and in compliance with the listing standards of the NYSE. The Audit Committee operates pursuant to a written charter adopted by the Board of Directors of the Company.

The Audit Committee is responsible for assisting the Board of Directors in its oversight responsibilities related to accounting policies, internal controls, financial reporting and legal and regulatory compliance. Management of the Company has the primary responsibility for the Company's financial reporting process, principles and internal controls as well as the preparation of its financial statements. The Company's independent registered public accounting firm is responsible for performing an audit of the Company's financial statements and expressing an opinion as to the conformity of such financial statements with accounting principles generally accepted in the United States.

In February 2010, the Audit Committee was informed that management was reviewing the Company's accounting treatment for certain exploration and development costs in response to comment letters from the staff of the SEC as part of its periodic review of the reports the Company files with the SEC. As a result of that review process, management concluded that the Company should no longer continue to capitalize exploration and development costs for any individual project after the Company decides to abandon further exploration and development of that project, and should instead expense those costs in the period in which any such determination is made. The Board of Directors and Audit Committee, upon recommendation of management, concluded that the Company's financial statements for the year ended December 31, 2008 contained in the Company's Annual Report on Form 10-K for the year then ended should be restated. Such restated financial statements were filed in the Company's Annual Report on Form 10-K for the year ended December 31, 2009.

The Audit Committee reviewed management's report on its assessment of the effectiveness of internal control over financial reporting as of December 31, 2009 and the report from PricewaterhouseCoopers LLP on the effectiveness of internal control over financial reporting as of December 31, 2009. Based upon the Audit Committee's reviews and discussions with management, the Company's internal auditors, and PricewaterhouseCoopers LLP, the Audit Committee approved the inclusion of management's report on its assessment of the effectiveness of internal control over financial reporting as of December 31, 2009 and the report of the independent auditors in the Company's Annual Report on Form 10-K for the year ended December 31, 2009 filed with the SEC.

The Committee also received and reviewed the periodic internal audit reports from its internal auditor. The Committee also reviewed the Internal Audit Plan for the year 2010 and approved its main target subjects. The Audit Committee discussed with the Company's independent registered public accounting firm the overall scope and plans for their respective audits, and has met with them, with and without management present, to discuss the results of their examinations and their evaluations of the Company's internal controls. In addition, the Committee evaluated the performance of the independent registered public accounting firm.

The Audit Committee has reviewed and discussed the Company's audited financial statements as of and for the year ended December 31, 2009 with management and the independent registered public accounting firm. The Audit Committee has discussed with the independent registered public accounting firm the matters required to be discussed under auditing standards generally accepted in the United States, including those matters set forth in AU 380 of the AICPA Professional Standards, as currently in effect. The independent registered public accounting firm has provided to the Audit Committee the written disclosures and the letter required by applicable requirements of the Public Company Accounting Oversight Board (United States) regarding the independent registered public accounting firm's communications with the Audit Committee concerning independence, as currently in effect, and the Audit Committee

has discussed with the auditors their independence from the Company. The Audit Committee has also considered whether the independent registered public accounting firm's provision of tax services to the Company is compatible with maintaining the registered public accounting firm's independence. The Audit Committee has concluded that the independent registered public accounting firm is independent from the Company and its management.

Based on the review and discussions described above, the Audit Committee recommended to the Board of Directors that the Company's audited financial statements be included in its Annual Report on Form 10-K for the year ended December 31, 2009, for filing with the SEC.

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Submitted on February 23, 2010 by the Audit Committee of Ormat Technologies, Inc.'s Board of Directors.

**Dan Falk, Chair**  
**Jacob Worenklein**  
**Roger W. Gale**

The foregoing Report of the Audit Committee of the Board of Directors shall not be deemed to be soliciting material or be incorporated by reference by any general statement incorporating by reference this proxy statement into any filing under the Securities Act of 1933 (the "Securities Act"), as amended, or under the Securities Exchange Act of 1934 (the "Exchange Act"), as amended, except to the extent Ormat specifically incorporates this information by reference, and shall not otherwise be deemed to be filed with the SEC under such Acts.

**Table of Contents****EXECUTIVE OFFICERS**

The following table sets forth the name, age and position(s) of each of our executive officers and persons who are executive officers of certain of our subsidiaries who perform policy-making functions for us:

<b>Name</b>	<b>Age</b>	<b>Position</b>
Lucien Bronicki	76	Chairman of the Board, Chief Technology Officer
Yehudit Bronicki	68	Chief Executive Officer and Director
Yoram Bronicki	43	President, Chief Operating Officer and Director
Joseph Tenne	54	Chief Financial Officer*
Nadav Amir	59	Executive Vice President Operations*
Zvi Reiss	59	Executive Vice President Project Management*
Joseph Shiloah	64	Executive Vice President Marketing and Sales, Rest of the World*
Zvi Krieger	54	Executive Vice President Geothermal Resource*
Shimon Hatzir	48	Senior Vice President Engineering*
Ety Rosner	54	Senior Vice President Contract Management; Corporate Secretary*

\* Performs the functions described in the table, but is employed by Ormat Systems Ltd., a subsidiary of the Company.

**Joseph Tenne.** Joseph Tenne has served as our Chief Financial Officer since March 9, 2005. From 2003 to 2004, Mr. Tenne was the Chief Financial Officer of Treofan Germany GmbH & Co. KG, a German company. From 1997 until 2003, Mr. Tenne was a partner in Kesselman & Kesselman, Certified Public Accountants in Israel (a member firm of PricewaterhouseCoopers International Limited). Since January 8, 2006, Mr. Tenne has also been the Chief Financial Officer of Ormat Industries Ltd. Mr. Tenne is a member of the board of directors of AudioCodes Ltd., a NASDAQ-listed company. Mr. Tenne obtained a Master of Business Administration from Tel Aviv University in 1987 and a Bachelor of Arts in Accounting and Economics from Tel Aviv University in 1981. Mr. Tenne is also a Certified Public Accountant in Israel.

**Nadav Amir.** Nadav Amir has served as our Executive Vice President of Operations since November 4, 2009. From July 1, 2004 to November 3, 2009, Mr. Amir was our Executive Vice President of Engineering; from 2001 to June 30, 2004, he was Executive Vice President of Engineering of Ormat Industries Ltd.; from 1993 to 2001, he was Vice President of Engineering of Ormat Industries Ltd.; from 1988 to 1993, he was Manager of Engineering of Ormat Industries Ltd.; from 1984 to 1988, he was Manager of Product Engineering of Ormat Industries Ltd.; and from 1983 to 1984, he was Manager of Research and Development of Ormat Industries Ltd. Mr. Amir obtained a Bachelor of Science in Aeronautical Engineering from Technion Haifa in 1972.

**Zvi Reiss.** Zvi Reiss has served as our Executive Vice President of Project Management, since July 1, 2004. From 2001 to June 30, 2004, Mr. Reiss was the Executive Vice President of Project Management of Ormat Industries Ltd.; from 1995 to 2000, he was Vice President of Project Management of Ormat Industries Ltd.; and from 1993 to 1994, he was Director of Projects of Ormat Industries Ltd. Mr. Reiss obtained a Bachelor of Science in Mechanical Engineering from Ben-Gurion University in 1975.

**Joseph Shiloah.** Joseph Shiloah has served as our Executive Vice President of Marketing and Sales, Rest of the World since July 1, 2004. From 2001 to June 30, 2004, Mr. Shiloah was the Executive Vice President of Marketing and Sales of Ormat Industries Ltd.; from 1989 to 2000, he was Vice President of Marketing and Sales of Ormat Industries Ltd.; from 1983 to 1989, he was Vice President of Special Projects of Ormat Turbines Ltd.; from 1984 to 1989, he was Operating Manager of the Solar Pond project of Solmat Systems Ltd., a subsidiary of Ormat Turbines Ltd.; and from 1981 to 1983, he was Project Administrator of the Solar Pond power plant project of Ormat Turbines Ltd. and Solmat Systems Ltd. Mr. Shiloah obtained a Bachelor of Arts in Economics from Hebrew University in Jerusalem in 1972.



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**Zvi Krieger.** Zvi Krieger has served as our Executive Vice President of Geothermal Resource since November 4, 2009. From September 20, 2007 to November 4, 2009, Mr. Krieger was our Senior Vice President of Geothermal Engineering; from July 1, 2004 to September 20, 2007, he was our Vice President of Geothermal Engineering; and from 2001 to June 30, 2004, he was the Vice President of Geothermal Engineering of Ormat Industries Ltd. Mr. Krieger has been with Ormat Industries Ltd. since 1981 and served as Application Engineer, Manager of System Engineering, Director of New Technologies Business Development and Vice President of Geothermal Engineering. Mr. Krieger obtained a Bachelor of Science in Mechanical Engineering from the Technion, Israel Institute of Technology in 1980.

**Shimon Hatzir.** Shimon Hatzir has served as our Senior Vice President of Engineering since November 4, 2009. From September 20, 2007 to November 3, 2009, Mr. Hatzir was our Senior Vice President of Electrical and Conceptual Engineering; from July 1, 2004 to September 20, 2007, he was our Vice President of Electrical and Conceptual Engineering. From 2002 to June 30, 2004, Mr. Hatzir was the Vice President of Electrical and Conceptual Engineering of Ormat Industries Ltd. From 1996 to 2001, Mr. Hatzir was Manager of Electrical and Conceptual Engineering of Ormat Industries Ltd.; and from 1989 to 1995 he was a Project Engineer in the Engineering Division. Mr. Hatzir obtained a Bachelor of Science in Mechanical Engineering from Tel Aviv University in 1988 and a Certificate of the Technology Institute of Management, Senior Executive Program.

**Etty Rosner.** Etty Rosner has served as our Corporate Secretary since October 21, 2004. Ms. Rosner is also the Corporate Secretary of Ormat Industries Ltd., a position she has held since 1991. Ms. Rosner is also our Senior Vice President of Contract Management since September 20, 2007. From July 1, 2004 to September 20, 2007, Ms. Rosner was our Vice President of Contract Management; and from 1999 to June 30, 2004, she was the Vice President of Contract Management of Ormat Industries Ltd. From 1991 to 1999, Ms. Rosner was Contract Administration Manager and Corporate Secretary of Ormat Industries; and from 1981 to 1991, she was the Manager of the Export Department and Office Administrative Manager of Ormat Industries. Ms. Rosner obtained a Diploma in General Management from Tel Aviv University in 1990.

**Table of Contents****SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table shows information with respect to the beneficial ownership of our Common Stock as of February 28, 2010 for:

each person, or group of affiliated persons, known to us to own beneficially 5% or more of our outstanding Common Stock;

each of our directors;

each of our Named Executive Officers (as defined under Compensation Discussion and Analysis below); and

all of our directors and executive officers as a group.

Percentage ownership is based on 45,430,886 shares of Common Stock outstanding as of February 28, 2010. Except as indicated by footnote and subject to community property laws where applicable, to our knowledge, the persons named in the table below have sole voting and investment power with respect to all shares of Common Stock shown as beneficially owned by them.

	Shares of Ormat Technologies, Inc. Common Stock Beneficially Owned		Shares of Ormat Industries Ltd. Common Stock Beneficially Owned	
	Number	Percent	Number	Percent
<b>Principal Stockholder:</b>				
Ormat Industries Ltd.	25,450,000(1)	56.02%		
<b>5% Stockholder:</b>				
BlackRock, Inc.	2,388,439	5.26%		
<b>Directors and Named Executive Officers</b>				
Yehudit Bronicki			41,684,642(2)	35.11%
Lucien Bronicki			41,684,642(2)	35.11%
Yoram Bronicki			41,684,642(2)	35.11%
Dan Falk	22,500(3)	*		
Jacob Worenklein	22,500(4)	*		
Roger W. Gale	30,000(5)	*		
Robert F. Clarke	24,500(6)	*		
Joseph Tenne	80,900	*		
Nadav Amir	99,200	*		
Zvi Reiss	99,200	*		
Directors and Named Executive Officers as a group	378,800(7)	*	41,684,642	35.11%

c/o Ormat Industries Ltd., Industrial Area, P.O. Box 68 Yavne 81100, Israel

c/o Ormat Technologies, Inc., 6225 Neil Road, Reno, Nevada 89511

40 East 52nd Street, New York, NY 10022. The information provided for BlackRock, Inc. is based on BlackRock's Schedule 13G filed with the SEC on January 29, 2010.

\* Represents beneficial ownership of less than 1% of the outstanding shares of Common Stock.

Mr. Worenklein is resigning from the Board effective March 31, 2010.

- (1) The Board of Directors of Ormat Industries Ltd. has voting power and investment power over approximately 56.02% of our outstanding Common Stock. The directors of Ormat Industries Ltd. include Lucien Bronicki, Yehudit Bronicki and Yoram Bronicki, who, collectively with other members of their family, beneficially owned approximately 35.11% of the ordinary shares of Ormat Industries Ltd. through their holdings in Bronicki Investment Ltd. as of December 31, 2009.

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- (2) These shares are beneficially owned by Bronicki Investment Ltd. Lucien Bronicki and Yehudit Bronicki are directors of Bronicki Investment Ltd. and have voting control of the shares of Ormat Industries Ltd. held by Bronicki Investment Ltd. Each of Lucien Bronicki, Yehudit Bronicki and Yoram Bronicki also beneficially own 20% of Bronicki Investment Ltd. Accordingly, they may be deemed to share beneficial ownership of the shares of Ormat Industries Ltd. held by Bronicki Investment Ltd. Each of Lucien Bronicki, Yehudit Bronicki and Yoram Bronicki disclaim beneficial ownership of all such shares, except to the extent of his or her 20% ownership of Bronicki Investment Ltd. In December 2007, in connection with the purchase by Bronicki Investment Ltd. of an additional 9,000,000 Ordinary Shares of Ormat Industries Ltd., Bronicki Investment Ltd. pledged 25,000,000 Ordinary Shares of Ormat Industries Ltd. in favor of Bank Hapoalim BM, which provided financing for the purchase of the additional 9,000,000 Ordinary Shares.
- (3) Includes 22,500 shares of Common Stock issuable to Mr. Falk upon the exercise of options that are exercisable within 60 days of February 28, 2010.
- (4) Includes 22,500 shares of Common Stock issuable to Mr. Worenklein upon the exercise of options that are exercisable within 60 days of February 28, 2010.
- (5) Includes 30,000 shares of Common Stock issuable to Dr. Gale upon the exercise of options that are exercisable within 60 days of February 28, 2010.
- (6) Includes 22,500 shares of Common Stock issuable to Mr. Clarke upon the exercise of options that are exercisable within 60 days of February 28, 2010.
- (7) This number includes options of the Company exercisable within 60 days of February 28, 2010. The amounts of exercisable options for each Executive Officer are set forth in the Outstanding Equity Awards Table below.

The following table summarizes share and exercise price information about the Company's equity compensation plans as of December 31, 2009.

**Equity Compensation Plan Information**

	<b>Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights</b>	<b>Weighted Average Exercise Price of Outstanding Options, Warrants and Rights</b>	<b>Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans</b>
Equity Compensation plans approved by security holders	1,744,615*	\$ 39.51	1,830,449
Equity Compensation plans not approved by security holders		N/A	
Total	1,744,615*	\$ 39.51	1,830,449

- \* Stock options to be issued pursuant to our 2004 Incentive Compensation Plan, as amended, and our Registration Statement on Form S-8 covering 1,250,000 shares filed with the SEC on November 9, 2005 and our Registration Statement on Form S-8 covering 2,500,000 shares filed with the SEC on June 4, 2007.

## COMPENSATION DISCUSSION AND ANALYSIS

### Overview

Lucien and Yehudit Bronicki founded our parent company's predecessor, Ormat Turbines Ltd., in 1965 and, together with their son, Yoram Bronicki, continue to have a substantial economic interest in our parent, Ormat Industries Ltd. (Ormat Industries), which, in turn, owns approximately 56.02% of our outstanding Common Stock. Our Named Executive Officers (NEOs) may, therefore, be classified into two distinct groups. Group I is comprised of Lucien Bronicki, our Chairman of the Board and Chief Technology Officer, Yehudit Bronicki, our Chief Executive Officer (CEO), and Yoram Bronicki, our President and Chief Operating Officer. Group II is comprised of Joseph Tenne, our Chief Financial Officer; Nadav Amir, our Executive Vice President of Operations; and Zvi Reiss,

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our Executive Vice President of Project Management. None of the members of Group II owns a controlling interest in the shares of the Company or our parent.

### **Objectives**

The overall objective of our executive compensation policies and procedures is to offer short-term, medium-term and long-term compensation components that enable us to attract, motivate and retain talented executives who contribute to our continued success. Equally important to us is to align the interests of our executives with those of our stockholders. As described below, the short-term component of our executive compensation packages consists of annual salary, the medium-term component consists of an annual bonus, and the long-term component consists of equity awards. The members of Group I of our executive team, however, do not receive equity awards, or their equivalent, as part of their compensation package. We believe that their long-term interests are nevertheless aligned with those of our stockholders through their substantial economic interest in our parent.

We aim to design executive compensation packages, like our general compensation policies, that meet or exceed competitive compensation averages for executives with similar responsibilities at companies with similar financial, operating and industry characteristics in similar locations. We do not benchmark to a particular industry or companies, but we informally consider published data, such as labor indices, in formulating our executive compensation packages. Despite our intention to compensate our executives at or above the market average for their peers, the compensation packages of members of Group I of our executive team are, at their choosing, well below average market compensation for similar positions.

### **Elements of Compensation**

Our compensation program consists of three elements, namely, annual salary, annual bonus, and equity awards:

1. Annual salary, which is paid bi-monthly, is intended to provide an annual income at a level consistent with individual contributions.
2. Annual bonuses, which are paid semi-annually for our Group II executives, are intended to link our executive officers' compensation to their individual achievements as well as the Company's overall performance.
3. Equity awards, which vest over a four-year period, are designed to promote long-term leadership and align the interests of our executives in Group II with those of our stockholders, while the vesting schedule assists us in retaining our executives in our employ.

Each element is determined individually, based on the relevant criteria described in this discussion.

In addition to these main compensation components, executives who are residents in Israel receive, as a function of their salary payments, the standard social benefits (*i.e.*, severance pay, defined contribution plan, and disability) paid to all of our employees who are based in Israel. These social benefits are fixed as a percentage of the employee's salary and are not subject to discretionary adjustments. Executives who are residents in the United States participate in a defined contribution plan (401(k) plan) and receive health insurance benefits, in addition to social security.

### **Determination of Amounts and Formulas for Compensation**

#### ***Annual Salary***

Our Group I executives have employment agreements that fix the amount of their salary.

Consistent with our objectives with regard to Group II executives, the Compensation Committee provides guidance in setting base salaries for the Company's executive officers annually at levels that reflect the Compensation Committee's interpretation of competitive compensation averages for individuals with similar responsibilities at companies with similar financial, operating and industry characteristics, in similar locations. The Compensation Committee does not undertake or commission a formal study or survey to benchmark compensation

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to a particular industry or to particular companies. Rather, the members of the Compensation Committee evaluate the executive compensation using their accumulated individual knowledge and industry experience. The Compensation Committee takes into account publicly available compensation information with respect to companies that have a similar market cap or similar annual revenues, and that operate under a business structure similar to ours (although not necessarily in the same industry segment). In addition, the Compensation Committee takes into consideration the performance of the Company, individual performance of each executive, and the executive's scope of responsibility in relation to other officers and key executives within the Company. Annual salaries reflect current practices within a named executive officer's specific geographic region and among executives holding similar positions. In addition to these factors, the annual salary for a Group II NEO depends on a number of more subjective factors, including our evaluation of the executive's leadership role, professional contribution, experience and sustained performance.

Following publication of the prior year's audited financial statements, the CEO and the Chairman of the Board determine whether and to what degree to award salary increases to any of the Group II NEOs. Factors that are considered include the net operating profit of the Company during the prior year, the need for a salary adjustment to remain competitive with compensation averages for executives in similar positions, and the particular NEO's effectiveness in supporting the Company's long-term goals. We also consider the executive's department's contribution to our success as well as our general achievements during the preceding year. All salary increases are awarded retroactive to January 1. Salaries are paid on a bi-monthly basis and each of our Group II NEOs has a standard employment agreement that is based on a format used company-wide.

### ***Annual Bonus***

The manner in which we determine and pay annual bonus payments to Group I and Group II executives are distinct and are therefore addressed separately below.

#### ***Group I***

We pay annual bonuses to each of our executive officers in Group I according to the following contractual formula that is linked to our performance during the preceding year:

Each of the employment agreements of Yehudit Bronicki and Lucien Bronicki provide for an annual bonus that is equal to (a) 0.75% of the Company's annual consolidated profits (after tax) above \$2,000,000, and (b) 0.75% of Ormat Industries' annual consolidated profits (after tax), after deducting the Company's annual consolidated profits (after tax). In no event, however, may the aggregate annual bonus exceed six times the annual base salary of the executive. In addition, the Audit Committee and/or the Board of Directors of Ormat Industries has the right, considering Ormat Industries' financial condition and/or its financial results, to reduce the bonus or resolve that no bonus will be paid with respect to any particular year. The contracts provide for payment of the bonus within 45 days of the publication of our audited financial statements for the prior year. The portion of the bonus linked to Ormat Industries' annual profits is paid by Ormat Industries. Following the restatement of the Company's 2008 financial statements, the Company determined that it had overpaid the bonuses due to Lucien Bronicki and Yehudit Bronicki for 2008, and the Company adjusted their 2009 bonuses accordingly.

Through December 31, 2008, the employment agreement of Yoram Bronicki provided for an annual bonus equal to 0.75% of the lower of (i) net pre-tax yearly profit of the Company's operating plants in the United States, and (ii) the net cash flow before taxes and before capital expenditures for enhancement of the operating plants generated by the Company's operating plants in the United States during the year. In no event, however, may the bonus exceed three times Mr. Bronicki's annual base salary. The bonus is to be paid within 45 days of the publication of our audited financial statements for the prior year. In light of Yoram Bronicki's appointment as the Company's President and Chief Operating Officer and effective for the annual bonus payable with regard to 2009, the Board of Directors has modified



the contractual formula for Yoram Bronicki's bonus to be 0.75% of the Company's annual consolidated profits (after tax) above \$2,000,000. In no event, however, may the bonus exceed six times Mr. Bronicki's annual base salary.

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### ***Group II***

Our Board of Directors has determined that up to 20% of our annual profits may be distributed by the Company as bonuses to employees. Each year, following publication of our financial statements for the preceding year, our Compensation Committee determines the basket of bonuses that may be awarded on a company-wide basis for the prior year and our CEO and Chairman of the Board determine the particular bonuses to be awarded to each Group II executive.

The determination of the amount of the annual bonus paid to each Group II executive is based on a number of factors, including specific results of our performance, such as revenue growth, profitability, and the attainment of specific short-term and strategic business goals, but with a subjective determination of each NEO's performance and contribution to these results made by the CEO and Chairman, who are intimately involved in our day-to-day activities and work closely with our officers. No fixed criteria are used in making these determinations. The annual bonuses awarded to our Group II executives are forward-looking in that, although they relate to past performance, they are applied to and paid in two installments (in April and September) during the year following the publication of our financial statements for the preceding year, and paid only to executives who are employed by the Company at the time each bonus installment is scheduled to be paid. This is consistent with our objective of providing a medium-term incentive for our executives.

### ***Equity Awards***

With the exception of our Group I executives, who do not receive equity awards, we are committed to long-term incentive programs for executives that promote the long-term growth of the Company and align the interests of executives with those of our stockholders. The determination of the overall basket of equity awards that may be awarded to our employees each year is determined in a similar manner to our annual incentive bonuses. Once a year, following the publication of our financial results for the preceding year, our Compensation Committee determines the basket of equity awards that may be made to all of our employees. This basket is typically calculated as between 1% and 1.5% of the outstanding shares of the Company. Our CEO and Chairman of the Board then determine the particular amount of equity awards to be made to each Group II executive considering the Company's performance and relative stockholder return, the expected contribution of the NEO to the Company's growth and success, and awards given to the executive officers of the Company in past years. As the CEO and the Chairman are intimately involved in our day-to-day activities and work closely with our officers, they have the knowledge to make a subjective determination of the individual executive's contribution to our growth and success. No specific criteria are used in making these determinations. This process is typically completed within one month from the determination of the basket of awards for the year. The equity awards that we grant to our Group II executives are subject to the same pricing, vesting, and exercise terms that govern the grant of equity awards to all of our employees. Historically, we granted our Group II executives stock options as the long-term component of their compensation. In 2009, our Compensation Committee decided to grant our Group II executives stock appreciation rights (SARs) instead of stock options because the Compensation Committee determined that SARs provide comparable long-term incentives while utilizing fewer shares of Common Stock. Until our initial public offering our Parent granted options to our executives and employees. Following our initial public offering, our executives no longer receive any option awards from our Parent.

### ***Tax Considerations***

Our Compensation Committee considers the potential impact of Section 162(m) of the Internal Revenue Code of 1986, as amended (Section 162(m)). Section 162(m) disallows a tax deduction for any publicly held corporation for individual compensation exceeding \$1 million in any taxable year for the Chief Executive Officer and our other NEOs (except the Chief Financial Officer), other than compensation that is performance-based under a plan that is approved

by the stockholders of the corporation and that meets certain other technical requirements. Based on these requirements, since none of the NEOs received compensation in excess of \$1 million, the Compensation Committee has determined that Section 162(m) will not prevent us from receiving a tax deduction for any of the compensation paid to our executive officers.

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**COMPENSATION COMMITTEE REPORT**

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis with management and based on the review and discussions, it has recommended to the Board of Directors that the Compensation Discussion and Analysis be included in the Company's annual report on Form 10-K and Proxy Statement.

Submitted on February 23, 2010 by the members of the Compensation Committee of the Board of Directors of Ormat Technologies, Inc.

**Yehudit Bronicki, Chair**

**Dan Falk**

**Jacob Worenklein**

The foregoing Compensation Committee Report on Executive Compensation and compensation-related disclosures set forth in the proxy statement shall not be deemed to be soliciting material or be incorporated by reference by any general statement incorporating this proxy statement into any filing under the Securities Act or under the Exchange Act except to the extent the Company specifically incorporates this information by reference, and shall not otherwise be deemed filed under such Acts.

**Table of Contents****EXECUTIVE COMPENSATION****Summary Compensation Table**

The following table sets forth the total compensation earned by each NEO during the years ended December 31, 2009, 2008, and 2007:

<b>Name and Principal Position</b>	<b>Year</b>	<b>Salary (\$)</b>	<b>Bonus (\$)</b>	<b>Option Awards (\$)(6)</b>	<b>All Other Compensation (\$)</b>	<b>Total (\$)</b>
Lucien Bronicki, Chairman of the Board and Chief Technology Officer	2009	124,000	557,753(1)	None	54,115(7)	735,868
	2008	124,000	398,035(2)	None	58,887(8)	580,922
	2007	124,000	190,320(3)	None	48,384(9)	362,704
Yehudit Bronicki, Chief Executive Officer, and Director	2009	150,000	557,753(1)	None	60,197(10)	767,950
	2008	150,000	398,035(2)	None	73,069(11)	621,104
	2007	150,000	190,320(3)	None	72,450(12)	412,770
Yoram Bronicki, President, Chief Operating Officer and Director	2009	168,000	499,133(4)	None	80,212(13)	747,345
	2008	168,000	371,687(5)	None	85,451(14)	625,138
	2007	168,000	279,933(5)	None	48,137(15)	496,070
Joseph Tenne, Chief Financial Officer	2009	180,114	119,029	297,440	71,177(16)	667,760
	2008	198,055	121,925	338,800	65,354(17)	724,134
	2007	167,951	108,204	315,400	44,320(18)	635,875
Nadav Amir, Executive Vice President Operations	2009	238,447	144,088	356,928	81,362(19)	820,825
	2008	252,941	143,441	406,560	80,838(20)	883,780
	2007	204,810	159,847	378,480	67,383(21)	810,520
Zvi Reiss, Executive Vice President Construction Management	2009	261,930	72,420	356,928	63,898(22)	755,176
	2008	258,740	76,279	406,560	65,940(23)	807,519
	2007	234,418	91,151	378,480	64,313(24)	768,362

- (1) Represents annual bonus for each of Mr. and Mrs. Bronicki in the amounts of \$452,633 and \$105,120 from the Company and its parent, respectively, based on formulas set forth in their employment agreements, which are described below.
- (2) Represents annual bonus for each of Mr. and Mrs. Bronicki in the amounts of \$358,740 and \$39,295 from the Company and its parent, respectively, based on formulas set forth in their employment agreements, which are described below. The bonus from the Company's parent for each of Mr. and Mrs. Bronicki represents a bonus supplement that was granted on March 31, 2008.
- (3) Represents annual bonus for each of Mr. and Mrs. Bronicki from the Company, based on formulas set forth in their employment agreements, which are described below.
- (4) Represents annual bonus for Mr. Yoram Bronicki from the Company, based on a formula set forth in his employment agreement, which is described below.

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- (5) Represents annual bonus for Mr. Yoram Bronicki from the Company, based on a formula set forth in the then-current version of his employment agreement, which has since been modified as described below.
- (6) Represents the full grant date fair value in accordance with accounting guidance for stock compensation. The awards granted in 2009 were Stock Appreciation Rights (SARs). Each NEO is entitled to receive shares of common stock equal to the amount by which the market value of the shares in respect of which the SAR is exercised exceeds the grant price set forth in the SAR, multiplied by the number of shares in respect of which the SAR is exercised. For a discussion of the assumptions used in reaching this valuation, see Note 13 to our consolidated financial statements included in our annual report on Form 10-K for the year ended December 31, 2009.
- (7) Includes payments of auto-related expenses in the amount of \$17,509; Israel National Insurance in the amount of \$744; health insurance in the amount of \$188; convalescence pay in the amount of \$1,541; Defined Contribution Plan in the amount of \$19,899; Education Fund in the amount of \$2,164; vacation redemption of \$9,525; and perquisites amounting to \$2,545.
- (8) Includes payments of auto-related expenses in the amount of \$15,921; Israel National Insurance in the amount of \$708; health insurance in the amount of \$200; convalescence pay in the amount of \$1,683; Defined Contribution Plan in the amount of \$21,927; Education Fund in the amount of \$2,385; vacation redemption of \$14,421; and perquisites amounting to \$1,642.
- (9) Includes payments of auto-related expenses in the amount of \$11,318; Israel National Insurance in the amount of \$622; health insurance in the amount of \$117; convalescence pay in the amount of \$1,297; Defined Contribution Plan in the amount of \$20,047; Education Fund in the amount of \$2,084; vacation redemption of \$11,146; and perquisites amounting to \$1,753.
- (10) Includes payments of auto-related expenses in the amount of \$9,795; Israel National Insurance in the amount of \$628; U.S. Social Security in the amount of \$12,693; health insurance in the amount of \$188; convalescence pay in the amount of \$1,541; Defined Contribution Plan in the amount of \$24,554; Education Fund in the amount of \$2,164; vacation redemption of \$7,374; and perquisites amounting to \$1,260.
- (11) Includes payments of auto-related expenses in the amount of \$8,905; Israel National Insurance in the amount of \$5,888; U.S. Social Security in the amount of \$10,007; health insurance in the amount of \$200; convalescence pay in the amount of \$1,683; Defined Contribution Plan in the amount of \$26,129; Education Fund in the amount of \$2,385; vacation redemption of \$16,404; and perquisites amounting to \$1,468.
- (12) Includes payments of auto-related expenses in the amount of \$10,434; Israel National Insurance in the amount of \$5,130; U.S. Social Security in the amount of \$10,540; health insurance in the amount of \$130; convalescence pay in the amount of \$1,297; Defined Contribution Plan in the amount of \$24,438; Education Fund in the amount of \$2,084; vacation redemption of \$16,137; and perquisites amounting to \$2,260.
- (13) Includes payments of auto-related expenses in the amount of \$10,989; Israel National Insurance in the amount of \$6,933; U.S. Social Security in the amount of \$12,699; health insurance in the amount of \$12,445; convalescence pay in the amount of \$1,541; 401(k) Plan matching contribution in the amount of \$3,500; Defined Contribution Plan in the amount of \$18,641; Education Fund in the