

ORMAT TECHNOLOGIES, INC.  
Form DEF 14A  
April 15, 2005  
SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934 (Amendment No.       )

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:
- (5) Total fee paid:  
Fee paid previously with preliminary materials.  
Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

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

NOTICE OF 2005 ANNUAL MEETING OF STOCKHOLDERS

To Be Held May 9, 2005

To Our Stockholders:

We cordially invite you to attend the 2005 Annual Meeting of Stockholders of Ormat Technologies, Inc., our first annual meeting since the closing of our initial public offering on November 16, 2005. The meeting will take place at the offices of Chadbourne & Parke LLP, 30 Rockefeller Plaza, New York, N.Y. 10112 on Monday, May 9, 2005, 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 two Directors, 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 2005; 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,

Yehudit (Dita) Bronicki  
Chief Executive Officer and President

April 15, 2005

Please complete, date, sign and return the accompanying proxy card. The enclosed return envelope requires no additional postage if mailed in either the United States or Canada.

Your vote is very important. Please vote regardless of whether or not you plan to attend the meeting.

---

ORMAT TECHNOLOGIES, INC. 2005 ANNUAL MEETING OF STOCKHOLDERS

NOTICE OF ANNUAL MEETING AND PROXY STATEMENT

TABLE OF CONTENTS

	Page
<b>Notice of 2005 Annual Meeting of Stockholders</b>	
<b>Proxy Statement</b>	2
Questions and Answers About the 2005 Annual Meeting of Stockholders	3
<b>Proposal No. 1 – Election of Directors</b>	6
Nominees for Directors (Class I Directors)	6
Directors Continuing in Office	7
<b>Information Regarding Board of Directors and Committees</b>	8
Audit Committee	8

Compensation Committee	9
Nominating and Corporate Governance Committee	9
Non-Employee Director Compensation and Benefits	10
Directors and Executive Officers Information	11
Information Re: Executive Officers	11
Compensation Committee Interlocks and Insider Participation	13
Code of Business Conduct and Ethics	13
Corporate Governance Guidelines	13
Stockholders Communications with the Board of Directors	13
Audit Committee Report	13
<b>Proposal No. 2 – Ratification of Appointment of Independent Registered Public Accounting Firm</b>	15
Audit and Non-Audit Fees	15
Audit Committee Pre-Approval Procedures for Independent Registered Public Accounting Firm	15
Vote Required for Ratification	15
<b>Security Ownership of Certain Beneficial Owners and Management</b>	16
Incentive Compensation Plan	18
Equity Compensation Plan Information	20
<b>Executive Compensation</b>	21
Summary Compensation Table	21
Option Grants During Fiscal Year 2004	22
Option Exercises in Fiscal Year 2004 and Fiscal Year-End Option Values	23
Compensation Committee Report on Executive Compensation	24
<b>Employment Agreements</b>	26
<b>Section 16(a) Beneficial Ownership Reporting Compliance</b>	29
<b>Certain Relationships and Related Transactions</b>	29
<b>Stock Performance Graph</b>	32
<b>Other Matters</b>	32
<b>Additional Information</b>	32
Additional Filings	33
Proxy Solicitation	33
Shareholder Proposals for 2006 Annual Meeting of Stockholders	34
<b>Appendix No. 1 – Audit Committee Charter</b>	

1

---

ORMAT TECHNOLOGIES, INC.  
 980 Greg Street  
 Sparks Nevada 89431

2005 PROXY STATEMENT

Ormat Technologies Inc. ("Ormat", or the "Company") completed its initial public offering on November 16, 2004, and our common stock began trading on the New York Stock Exchange on November 11, 2004.

The Board of Directors of Ormat Technologies Inc. is furnishing you this proxy statement in connection with the solicitation of proxies on its behalf for the 2005 Annual Meeting of Stockholders. The meeting will take place at the offices of Chadbourne & Parke LLP, 30 Rockefeller Plaza, New York, N.Y. 10112 on Monday, May 9, 2005, at 1:30 P.M. local time. At the meeting, stockholders will vote on the election of two Directors, the ratification of the appointment of PricewaterhouseCoopers LLP as Ormat's independent registered public accounting firm for fiscal year 2005, 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 was March 28, 2005. Only stockholders of record at the close of business on that date are entitled to vote at the meeting.

By submitting your proxy (by signing and returning the enclosed proxy card), you authorize Yehudit Bronicki, Chief Executive Officer and President of Ormat, and Etty Rosner, Vice President and Corporate Secretary of Ormat, to represent you and vote your shares at the meeting in accordance with your instructions. They also may 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/A for 2004, which includes Ormat's audited financial statements, is being mailed to stockholders together with this proxy statement. It does not constitute a part of the proxy solicitation materials and is not incorporated by reference into this proxy statement.

We are first sending this proxy statement, form of proxy and accompanying materials to stockholders on or about April 15, 2005.

**YOUR VOTE IS IMPORTANT. WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, PLEASE PROMPTLY SUBMIT YOUR PROXY IN THE ENCLOSED ENVELOPE.**

---

2

---

#### Questions and Answers about the 2005 Annual Meeting of Stockholders

What is the purpose of the 2005 Annual Meeting of Stockholders?

At the 2005 Annual Meeting of Stockholders, the stockholders will be asked to:

1. Elect two Directors, 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 2005.

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 28, 2005. 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 31,562,495 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, these proxy materials are 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 within ten days of the meeting, 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 Election of Directors (Proposal 1) and the Ratification of Appointment of the Independent Registered Public Accounting Firm (Proposal 2) are routine matters. 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 2005 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 2005 Annual Meeting of Stockholders?

All Ormat stockholders may attend the 2005 Annual Meeting of Stockholders.

3

---

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 proxy card?

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, sign and return each proxy card.

How do I vote?

If you properly complete and sign the accompanying proxy card and return it in the enclosed envelope, it will be voted in accordance with your instructions. The enclosed envelope requires no additional postage if mailed in either the United States or Canada.

If you are a registered stockholder and attend the meeting, you may deliver your completed proxy card in person. Additionally, we will pass out written ballots to registered 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?

Yes, you may revoke your proxy and change your vote:

- By signing another proxy with a later date; or
- If you are a registered stockholder, by giving written notice of such revocation to the Secretary of Ormat prior to or at the meeting or by voting in person at the meeting.

Your attendance at the meeting itself will not revoke your proxy unless you give written notice of revocation to the 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.

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 to the Board of Directors; and
- the ratification of PricewaterhouseCoopers LLP as Ormat's independent registered public accounting firm.

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. The Board of Directors' recommendation is set forth together with the description of each proposal in this proxy statement. In summary, the Board of Directors recommends a vote FOR:

- the election of the two nominees to the Board of Directors; and
- the ratification of PricewaterhouseCoopers LLP as Ormat's independent registered public accounting firm.

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.

4

---

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 as Directors. This means that the two nominees will be elected if they receive more affirmative votes than any other person.

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 be 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 proposals 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 2005 Annual Meeting of Stockholders?

We plan to announce preliminary voting results at the 2005 Annual Meeting of Stockholders and to publish final results in Ormat's Quarterly Report on Securities and Exchange Commission (the "SEC") Form 10-Q for the quarter ended March 31, 2005.

5

---

## PROPOSAL 1 – ELECTION OF DIRECTORS

### Board Composition

Our Board of Directors is now composed of six members, including three independent directors, Dan Falk, Edward

Muller and Jacob Worenklein, and is classified into three classes of directors serving staggered, three-year terms as indicated:

Class I Directors (term expiring upon the annual shareholders meeting in 2005)

Yoram Bronicki  
Edward R. Muller

Class II Directors (term expiring upon the annual shareholders meeting in 2006)

Yehudit Bronicki  
Jacob J. Worenklein

Class III Directors (term expiring upon the annual shareholders meeting in 2007)

Lucien Bronicki  
Dan Falk

#### Current Nominees

As mentioned above, directors in each of the three classes stated above are elected to serve for three-year terms that expire in successive years. The terms of Class I Directors will expire at the 2005 Annual Meeting of Stockholders. The Board of Directors has nominated Yoram Bronicki and Edward Muller as Class I Directors for three-year terms expiring at the annual meeting of stockholders to be held in 2008 and until their successors are elected and qualified. Each nominee currently serves as a Class I 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 as directors. This means that the two nominees will be elected if they receive more affirmative votes than any other person.

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

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 I Directors for a Three-Year Term Expiring at the 2008 Annual Meeting

Yoram Bronicki. Yoram Bronicki is our Chief Operating Officer, North America, effective as of July 1, 2004. Mr. Bronicki is also a member of the Board of Directors of Ormat Industries Ltd. ("Ormat Industries"), a position he has held since 2001, and a member of the Board of Directors of OPTI Canada Inc. Mr. Bronicki was appointed a director of Ormat Technologies, Inc. as of November 12, 2004. From 2001 to 2004, Mr. Bronicki was Vice President of OPTI Canada Inc., from 1999 to 2001, he was Project Manager of Ormat Industries and Ormat International, from 1996 to 1999, he was Project Manager of Ormat Industries, and from 1995 to 1996, he was Project Engineer of Ormat Industries. 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 38 years old.



---

Edward R. Muller. Edward Muller was appointed a director of Ormat Technologies, Inc. as of November 12, 2004. Mr. Muller is also a member of the Board of Directors of GlobalSantaFe Corp. and The Keith Companies, Inc. Since 2000, Mr. Muller has been a private investor. From 1993 to 2000, Mr. Muller was President and Chief Executive Officer of Edison Mission Energy, a wholly owned subsidiary of Edison International. During his tenure, Edison Mission Energy was engaged in developing, owning and operating independent power production facilities worldwide. From 1999 to 2000, Mr. Muller was Deputy Chairman of the Board of Directors of Contact Energy Ltd., a New Zealand electric generation company partially owned by Edison Mission Energy. Mr. Muller obtained a Bachelor of Arts in History from Dartmouth College in 1973 and a Juris Doctor in Law from Yale Law School in 1976. Mr. Muller is 52 years old.

#### Continuing Directors

##### Class II Directors Continuing in Office Whose Terms Expire at the 2006 Annual Meeting

Yehudit "Dita" Bronicki. Yehudit "Dita" Bronicki is our Chief Executive Officer, effective as of July 1, 2004, and is also a member of our Board of Directors and our President, positions she has held since our inception in 1994, and was our Secretary from 1994 through November 2004. Mrs. Bronicki is also the President of Ormat Systems, effective as of July 1, 2004. Mrs. Bronicki was also 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, the publicly-traded successor to Ormat Turbines Ltd., and various of its subsidiaries. Since 1992, Mrs. Bronicki has also been a director of Bet Shemesh Engines. Mrs. Bronicki is also a member of the Board of Directors of OPTI Canada Inc., and 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. Mrs. Bronicki obtained a Bachelor of Arts in Social Sciences from Hebrew University in 1965. Mrs. Bronicki is 63 years old.

Jacob J. Worenklein. Jacob Worenklein was appointed a director of Ormat Technologies, Inc. as of November 12, 2004. Mr. Worenklein is also President and Chief Executive Officer of US Power Generating Company. From 1998 to 2003, he was Managing Director and Global Head of Project and Sectorial Finance for Societe Generale and, from 1996 to 1998, he was Managing Director and Head of Project Finance, Export Finance and Commodities for the Americas, for Societe Generale. Prior to joining Societe Generale in 1996, Mr. Worenklein was Managing Director and Global Head of Project Finance at Lehman Brothers and prior thereto was a partner and member of the executive committee of the law firm of Milbank, Tweed, Hadley & McCloy LLP, where he founded and headed the firm's power and project finance practice. Mr. Worenklein served as Adjunct Professor of Finance at New York University and is a trustee of the Committee for Economic Development and a member of the Council on Foreign Relations. He is a member of the Board of Directors and Audit Committee of CDC Globeleq, an affiliate of the UK's Commonwealth Development Corporation. Mr. Worenklein obtained a Bachelor of Arts from Columbia College in 1970 and a Juris Doctor and Master of Business Administration from New York University in 1973. Mr. Worenklein is 56 years old.

##### Class III Directors Continuing in Office Whose Terms Expire at the 2007 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 is also our Chief Technology Officer, effective as of July 1, 2004. Mr. Bronicki co-founded Ormat Turbines Ltd. in 1965 and is the Chairman of the Board of Directors of Ormat Industries, the publicly-traded

successor to Ormat Turbines Ltd., and various of its subsidiaries. Since 1992, Mr. Bronicki has been the Chairman of the Board of Directors of Bet Shemesh Engines, a manufacturer of jet engines, and of OPTI Canada Inc. Since 1997, Mr. Bronicki has been the Chairman of the Board of Bet Shemesh Holdings. Mr. Bronicki is also the Chairman of the Board of Directors of Orad Hi-Tec Systems Ltd., a manufacturer of image processing systems, and was the Co-Chairman of Orbotech Ltd., a NASDAQ-listed manufacturer of 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 chairs the Israeli Committee of the World

7

---

Energy Council. Yehudit Bronicki and Lucien Bronicki are married. Mr. Bronicki obtained a postgraduate degree in Nuclear Engineering from Conservatoire National des Arts et Metiers in 1958, a Master of Science in Physics from Universite de Paris in 1958 and a Master of Science in Mechanical Engineering from Ecole Nationale Superieure d'Ingenieurs Arts et Metiers in 1957. Mr. Bronicki is 70 years old.

Dan Falk. Dan Falk was appointed as a director of Ormat Technologies, Inc. as of November 12, 2004. Mr. Falk is also a member of the Board of Directors of Orbotech Ltd., Nice Systems Ltd., Attunity Ltd., ClickSoftware Technologies Ltd. and Jacada 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: Dor Chemicals Ltd., Visionix Ltd., Orad Hi-Tech Systems Ltd., Dmatek Ltd., and Poalim Ventures I 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 NV. 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 of Orbotech Ltd. Mr. Falk obtained a Master 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 Ormat Technologies, Inc.'s Audit Committee. The Board of Ormat Technologies, Inc. has determined that Mr. Falk qualifies as an Audit Committee "financial expert" under Section 407 of the Sarbanes-Oxley Act of 2002 and Item 401(h) of Regulation S-K, and is "independent" as that term is used in Item 7(d)(3)(IV) of Schedule 14A under the Securities Exchange Act of 1934. Mr. Falk is 60 years old.

#### INFORMATION REGARDING BOARD OF DIRECTORS AND COMMITTEES

As required by the rules of the New York Stock Exchange (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.

The Company's Board of Directors is composed of six directors, three of whom have been determined by the Company's Board to be independent directors, in accordance with the above requirements of the NYSE. The Company's three independent directors are Dan Falk, Jacob Worenklein and Edward Muller. During fiscal year 2004, subsequent to the Company's initial public offering in November of that year, the Board held one meeting at which all the directors were present.

The Company relies on the "controlled company" exception to the Board of Directors and 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 Committees

Our Board of Directors has the authority to appoint committees to perform certain management and administration functions. Our Board of Directors has established an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee.

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

The Audit Committee consists of three members, all of whom are independent directors. We have appointed Dan Falk, Jacob Worenklein and Edward Muller to the Audit Committee, and have appointed Dan Falk as the chair of the Audit Committee. The Board of Directors has determined that each member of the Audit Committee is financially literate and that Messrs. Falk, Worenklein, and Muller satisfy the independence requirements of the NYSE and the SEC. Dan Falk qualifies as the Audit Committee

8

---

financial expert under the rules of the SEC. Mr. Falk also serves on the audit committee of five other 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, which was established by resolution of the Board of Directors, dated October 21, 2004, with effect on November 10, 2004 (the effective date of the Registration Statement for the initial public offering (the "IPO")), held three meetings subsequent to the Company's initial public offering in November of that year, and did not act by unanimous written consent. 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.** 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) individual stock and stock option grants. The Compensation Committee also provides recommendations with respect to our compensation policies and practices and incentive compensation plans and equity plans. The Compensation Committee consists of three members, two of which are independent directors. We have appointed Yehudit Bronicki, Jacob Worenklein and Dan Falk to the Compensation Committee and have appointed Yehudit Bronicki as the chair of the Compensation Committee.

The Compensation Committee, which was established by resolution of the Board of Directors on October 21, 2004, with effect on November 10, 2004, held one meeting subsequent to the Company's initial public offering in November of that year and did not act by unanimous written consent. Further information concerning the Compensation Committee is set forth below under the heading "Compensation Committee Report." 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.

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 consists of three directors, of which two are independent directors. The Board of Directors has determined the two directors satisfy the independence requirements of the NYSE. We have appointed Lucien Bronicki, Dan Falk and Edward Muller to the Nominating and Corporate Governance Committee, and have appointed Lucien Bronicki as the Chair of the Nominating and Corporate Governance Committee.

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 has not yet set a specific policy regarding consideration of any director candidates recommended by stockholders. The Board of Directors believes that it is appropriate to not have such a policy at this time because over 75% of outstanding shares are held and voted by our parent company, Ormat Industries Ltd. 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 2005 Annual Meeting of Stockholders must be delivered to the Secretary at 980 Greg Street, Sparks, Nevada 89431, not earlier than the close of business on the 120<sup>th</sup> day prior to such meeting and no later than the close of business on the later of the 90<sup>th</sup> day prior to the 2005 Annual

9

---

Meeting of Stockholders, or the 10<sup>th</sup> day following the day on which public announcement of the date of such meeting is first made by the Company.

The Nominating and Corporate Governance Committee, which was effective November 10, 2004, held one meeting and did not act by unanimous written consent in 2004. The functions of the Nominating and Corporate Governance Committee are described in its charter, which 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.

#### Non-employee Director Compensation and Benefits

##### Cash Compensation

The cash compensation of our non-employee directors is as follows:

1. Base annual retainer of \$25,000 as fees related to their service on our Board of Directors.
2. Board meeting fees ranging between \$500 to \$2,500 for each meeting such directors participate

in.

3. Committee meeting fees ranging between \$500 to \$1,500 for each meeting such directors participate in.
4. Any non-employee director who also serves as chairman of the Audit Committee receives an annual retainer of \$7,500.
5. We pay fees and retainers to our non-employee directors in cash on a quarterly basis.
6. We promptly reimburse all directors for transportation and lodging expenses actually incurred to attend meetings of our Board of Directors or committees.

#### Equity Compensation

Each of the non-employee directors received an initial grant of options to purchase 7,500 shares of the common stock of the Company at a price equal to the initial public offering price.

Each non-employee director shall receive annually from the second year options to purchase 5,000 shares of the common stock of the Company at the stock's New York Stock Exchange closing price on the date of the grant.

10

#### Directors and Executive Officers Information

The following table sets forth the name, age and positions of our directors, executive officers, persons who are executive officers of certain of our subsidiaries who perform policy making functions for us:

Name	Age	Position
Lucien Bronicki	70	Chairman of the Board of Directors; Chief Technology Officer(3)
Yehudit "Dita" Bronicki	63	Chief Executive Officer; President; Director(2)
Yoram Bronicki	38	Chief Operating Officer—North America; Director(1)
Joseph Tenne	49	Chief Financial Officer *(4)
Lisa Kidron	41	Vice President of Financial Controls *
Nadav Amir	54	Executive Vice President—Engineering*
Yeheskel (Hezy) Ram	55	Executive Vice President—Business Development, North America**
Joseph Shiloah	59	Executive Vice President—Marketing and Sales, Rest of the World *
Zvi Reiss	54	Executive Vice President—Project Management *
Aaron Choresh	59	Vice President—Operations Rest of the World and Product Support *
Zvi Krieger	49	Vice President—Geothermal Engineering *

Etty Rosner	49	Vice President—Contract Administrator; Corporate Secretary*
Connie Stechman	49	Vice President
<b>Independent Directors:</b>		
Dan Falk	60	Independent Director(3)
Edward R. Muller	52	Independent Director(1)
Jacob J. Worenklein	56	Independent Director(2)

\*Performs the functions described in the table, but is employed by Ormat Systems.

\*\*Performs the functions described in the table, but is employed by Ormat Nevada.

(1)Denotes Class I Director – Term expiring at 2005 Annual Shareholders Meeting

(2)Denotes Class II Director – Term expiring at 2006 Annual Shareholders Meeting

(3)Denotes Class III Director – Term expiring at 2007 Annual Shareholders Meeting

(4)Mr. Tenne was appointed Chief Financial Officer on March 9, 2005.

#### Information Regarding Executive Officers

Joseph Tenne Effective on March 9, 2005, Mr. Joseph Tenne was appointed Chief Financial Officer of the Company. 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). Mr. Tenne is also 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 a Certified Public Accountant in Israel.

Lisa Kidron. Effective on March 9, 2005, and in connection with the appointment of Joseph Tenne as the new Chief Financial Officer for the Company, Lisa Kidron ceased serving as the Company's Chief Financial Officer and assumed the position of Vice President of Financial Controls. Ms. Kidron performed the functions of Chief Financial Officer from October 21, 2004 to March 9, 2005. Ms. Kidron is the Chief Financial Officer of Ormat Industries, a position she has held since 2002. From 2000 to 2002, Ms. Kidron was Chief Financial Officer at MUL-T-LOCK Ltd. and from 1999 to 2000, Ms. Kidron was Chief Financial Officer at MUL-T-LOCK Technologies Ltd. Ms. Kidron served as a director on the boards of various subsidiaries within the MUL-T-LOCK group from 1999 to 2002. Until 1999, Ms. Kidron was a senior manager in the accounting firm Kost-Forrer & Gabai (Ernst & Young, Global Services). Ms. Kidron obtained an L.L.M. Degree in Law from Bar-Ilan University in 2002, a Bachelor of Arts in Accounting

from Tel Aviv University in 1994, a Master of Science in Industrial Engineering from Ben Gurion University in 1987 and a Bachelor of Science in Computer Science and Mathematics from Rutgers University in 1985.

Nadav Amir. Nadav Amir performs the function of our Executive Vice President of Engineering, effective as of July 1, 2004. From 2001 through June 30, 2004, Mr. Amir was Executive Vice President of Engineering of Ormat Industries, from 1993 to 2001, he was Vice President of Engineering of Ormat Industries, from 1988 to 1993, he was Manager of Engineering of Ormat Industries, from 1984 to 1988, he was Manager of Product Engineering of Ormat Industries, and from 1983 to 1984, he was Manager of Research and Development of Ormat Industries. Mr. Amir obtained a Bachelor of Science in Aeronautical Engineering from Technion Haifa in 1972.

Yeheskel (Hezy) Ram. Hezy Ram performs the function of our Executive Vice President of Business Development, North America, a position he has held since January 1, 2004. From 1999 through December 31, 2003, Mr. Ram was Vice President of Business Development of Ormat Industries. Mr. Ram obtained a Master of Business Administration from Hebrew University in 1978, a Master of Science in Mechanical Engineering from Ben Gurion University in 1977 and a Bachelor of Science in Mechanical Engineering from Ben Gurion University in 1975.

Joseph Shiloah. Joseph Shiloah performs the function of our Executive Vice President of Marketing and Sales, Rest of the World, effective as of July 1, 2004. From 2001 through June 30, 2004, Mr. Shiloah was the Executive Vice President of Marketing and Sales at Ormat Industries, from 1989 to 2000, he was Vice President of Marketing and Sales of Ormat Industries, 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 1972.

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

Aaron Choresh. Aaron Choresh performs the function of our Vice President of Operations Rest of the World and Product Support, effective as of July 1, 2004. From 1999 through June 30, 2004, Mr. Choresh was the Vice President of Operations and Product Support of Ormat Industries, from 1993 to 1998, he was the Director of Operations and Product Support of Ormat Industries, from 1991 to 1992, he was Manager of Project Engineering and Product Support, and from 1989 to 1990, he was Manager of Project Engineering of Ormat Industries. Mr. Choresh obtained a Bachelor of Science in Electrical Engineering from Technion Haifa in 1982.

Zvi Krieger. Zvi Krieger performs the function of our Vice President of Geothermal Engineering, effective as of July 1, 2004. From 2001 through June 30, 2004, Mr. Krieger was the Vice President of Geothermal Engineering of Ormat Industries. Mr. Krieger has been with Ormat Industries 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.

Etty Rosner. Etty Rosner performs the function of our Corporate Secretary, effective as of October 21, 2004. Ms. Rosner is also the Corporate Secretary of Ormat Industries, a position she has held since 1991, and Vice President of Contract Management of Ormat Industries, a position she has held since 1999. From 1991 to 1999, Ms. Rosner was Contract Administrator Manager and Corporate Secretary and from 1981 to 1991, she was the Manager of the Export Department and Office Administrative Manager. Ms. Rosner obtained a Diploma in General Management from Tel Aviv University in 1990.

Connie Stechman. Connie Stechman is our Vice President, a position she has held since our inception in 1994. Prior to joining Ormat Technologies, Inc., Ms. Stechman worked for an international public accounting firm. Ms. Stechman is a Certified Public Accountant and obtained a Bachelor of Science in Business and Concentration Accounting from California State University, Sacramento, in 1977.

#### Compensation Committee Interlocks and Insider Participation

The Compensation Committee is composed of Yehudit Bronicki, Jacob Worenklein, and Dan Falk. Mrs. Bronicki, a member of the Compensation Committee, serves as Chief Executive Officer and President of the Company. See "Certain Relationships and Related Transactions." Mr. Worenklein and Mr. Falk are not, and have not ever been, officers or employees of the Company or one of its subsidiaries.

#### 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 report 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.

#### Executive Sessions

As required by the NYSE rules, the non-management directors of the Company meet in executive session 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 each of the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee, presides at each executive sessions of his or her respective committee. 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 Secretary of the Company at the corporate headquarters at the following address: 980 Greg Street, Sparks, Nevada 89431.

#### Stockholder Communications with the Board of Directors

Stockholders and other interested parties may communicate with the Board of Directors by writing c/o the Corporate Secretary, Ormat Technologies, Inc., 980 Greg Street, Sparks, Nevada 89431. Communications intended for a specific director or directors should be addressed to their attention, c/o the Corporate Secretary at this address. Communications received from stockholders are forwarded directly to Board members.

#### Audit Committee Report

The Audit Committee is composed of independent directors, as required by and in compliance with the listing standards of the NYSE. The Audit Committee is comprised entirely of outside directors, and 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.



During fiscal year 2004, the Audit Committee held its first meeting after the IPO, and established among other things procedures to facilitate and encourage communication among the Audit Committee, the Company, and the Company's independent registered public accounting firm, PricewaterhouseCoopers LLP.

13

---

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.

The Audit Committee has reviewed and discussed the Company's audited financial statements as of and for the year ended December 31, 2004 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 Statement on Auditing Standards No. 61 (Communication with Audit Committees), as currently in effect.

The independent registered public accounting firm has provided to the Audit Committee the written disclosures and the letter required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committee), 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.

The Audit Committee has also established a procedure for receiving and addressing anonymous complaints regarding financial or accounting irregularities, among other things. The Audit Committee has set up an ethics and compliance hotline managed by an independent third party. The information received by the hotline is treated as confidential and anonymous and will be both received and retained by an agent of the Audit Committee before all relevant non-compliance information is periodically reported to the Audit Committee.

Based on the reports and discussions described above, the Audit Committee has 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, 2004, for filing with the SEC. The Audit Committee has also selected PricewaterhouseCoopers LLP, subject to ratification by the stockholders at the 2005 Annual Meeting of Stockholders, as the Company's independent registered public accounting firm for the fiscal year ended December 31, 2005.

Submitted on March 16, 2005 by the Audit Committee of Ormat Technologies, Inc.'s Board of Directors.

**Dan Falk, Chair**  
**Edward Muller**  
**Jacob Worenklein**

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.

---

PROPOSAL 2 — RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Appointment of Registered Public Accounting Firm

PricewaterhouseCoopers LLP audited Ormat Technologies, Inc.'s annual financial statements for the fiscal year ended December 31, 2004. The stockholders are asked to ratify this appointment at the 2005 Annual Meeting of Stockholders. A representative of PricewaterhouseCoopers LLP will be present at the meeting to respond to appropriate questions and to make a statement if they so desire.

Audit and Non-Audit Fees

The following table sets forth the aggregate fees billed to us for the fiscal years ended December 31, 2004 and 2003 by PricewaterhouseCoopers LLP:

	Year	Amount Billed
Audit Fees	2004	\$ 2,147,954
	2003	\$ 549,590
Audit-related Fees	2004	\$ 621,902
	2003	\$ 62,055
Tax Fees	2004	\$ 123,270
	2003	\$ 70,500
All Other Fees	2004	—
	2003	—

1. Audit Fees represent the aggregate fees billed for each of the last two fiscal years for the audit of the annual financial statements and review of financial statements, including the audit of the financial statements in the Company's prospectus filed in connection with the IPO, or services that are normally provided in connection with statutory and regulatory filings or engagements for those fiscal years.
2. Audit-related Fees represent the aggregate fees billed in each of the last two fiscal years for audit and related services related to the performance of the audit or review of the registrant's financial statements and are not reported under paragraph (1) of this section.
3. Tax Fees represent the aggregate fees billed in each of the last two fiscal years for tax compliance, tax advice, and tax planning.
4. All Other Fees represent the aggregate fees billed in each of the last two fiscal years for products and services other than the services reported in Items (1)-(3).

The Audit Committee has set a pre-approval procedure, and thus all auditors' engagements are handled in accordance with such procedures, as follows:

Audit Committee Pre-Approval Procedures for Independent Registered Public Accounting Firm

A limited authority was delegated to the Chair of the Audit Committee to approve audit, tax and audit-related services in an amount of up to \$10,000, provided such approval is reported to the Audit Committee at its next meeting.

No pre-approval procedure was established for non-audit services and such services may only be approved by the full Audit Committee.

#### Vote Required for Ratification

The Audit Committee was responsible for selecting Ormat Technologies, Inc.'s independent registered public accounting firm for fiscal year 2005. Accordingly, stockholder approval is not required to appoint PricewaterhouseCoopers LLP as the independent registered public accounting firm for fiscal

15

---

year 2005. The Board of Directors believes, however, that submitting the appointment of PricewaterhouseCoopers LLP to the stockholders for ratification is a matter of good corporate governance. The Audit Committee is solely responsible for selecting Ormat Technologies, Inc.'s independent registered public accounting firm. If the stockholders do not ratify the appointment, the Audit Committee will review its future selection of independent registered public accounting firm.

The ratification of the appointment of PricewaterhouseCoopers LLP as Ormat Technologies, Inc.'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.

#### 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 December 31, 2004 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; and
- all of our directors and executive officers as a group.

Percentage ownership is based on 31,562,495 shares of common stock outstanding. Beneficial ownership is determined in accordance with the rules of the SEC. 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. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, shares of common stock subject to options held by that person that are exercisable as of December 31, 2004, or will become exercisable within 60 days thereafter are deemed outstanding, while such shares are not deemed outstanding for purposes of computing percentage ownership of any other person.

16

## Beneficial Ownership of Company Securities

	Shares of Ormat Technologies Common Stock Beneficially Owned		Shares of Ormat Industries Common Stock Beneficially Owned	
	Number of Shares	Percent	Number	Percent
<b>Principal Stockholder:</b>				
Ormat Industries Ltd. <sup>†</sup>	24,374,996(1)	77.2%		
<b>Directors and Executive Officers</b>				
Yehudit Bronicki <sup>†</sup>	—	—	32,269,230(2)	34.23%
Lucien Bronicki <sup>†</sup>	—	—	32,269,230(2)	34.23%
Yoram Bronicki <sup>†</sup>	—	—	—	—
Dan Falk	—	*	—	—
Edward Muller	1,000	*	—	—
Jacob Worenklein	—	*	—	—
Nadav Amir <sup>†</sup>	—	*	41,250(3)	*
Hezy Ram <sup>††</sup>	—	*	24,750(4)	