

## **Report of the Supervisory Board 2009**

Dear Shareholders,

The crisis year 2009 also left its mark on PFEIFFER VACUUM. However, in spite of the economic crisis, PFEIFFER VACUUM did quite well.

During the 2009 fiscal year, the Supervisory Board informed itself about the current position of the Company and the Corporate Group in five meetings, discussing these subjects intensively with the Management Board. The Supervisory Board meetings took place on February 16, March 12, May 26, July 27 and November 2 in Asslar. In addition to the information provided at its regular meetings, all members of the Supervisory Board received detailed monthly and quarterly reports on the Company's position, with the Chairman of the Supervisory Board additionally being provided with the minutes of all Management Board meetings. Aside from the regular meetings of the Supervisory Board, its Chairman was constantly kept abreast of all major business matters through discussions with the Management Board. No member of the Supervisory Board attended less than one half of the meetings of the Supervisory Board in the 2009 fiscal year.

The Supervisory Board has a Management Board Committee, an Administration Committee, a Nominating Committee and an Audit Committee. The Management Board Committee met on March 12 and May 26. Meetings of the Audit Committee were conducted on March 12 and November 2. Moreover, the Audit Committee maintained regular contact with the independent auditor, regularly discussing and deciding with him upon the course of the audit, the main focuses of the audit and particular questions relating to the audit.

The Supervisory Board meetings focused on the following: The impact of the economic crisis on the Company's business, as well as the measures to be taken in this regard, along with the progress of construction at the company plantsite in Asslar, new technology developments, the continued development of the project with one of Germany's largest solar cell manufacturers, the review of the Consolidated Financial Statements by the German Financial Reporting Enforcement Panel, as well as various potential acquisitions. Furthermore, in its meeting on November 2, the Supervisory Board amended its Rules of Procedure to reflect the statutory requirements of the German Accounting Modernization Act and the German Management Board Compensation Appropriateness Act.

The Supervisory Board complied with all of the obligations vested in it under applicable legislation and the Company's Articles of Association and Bylaws, taking into consideration the particular requirements of the German Control and Transparency Act of 1998 ("KonTraG"), as well as the German Publication Transparency Act of 2002 ("TransPuG"), and diligently and fully supervised the management of the Company.

The requirements with respect to risk management mandated under the German Control and Transparency Act ("KonTraG") were discussed intensively together with the Management Board. The Supervisory Board repeatedly satisfied itself that sufficient insurance coverage is in force for insurable risks and that operating, financial and contractual risks are being monitored through organizational processes and approval procedures. A detailed reporting system exists for the Company and the Corporate Group, and is subject to ongoing review, update and development. All employees in the operating units are sensitized to potential risks and are instructed to conduct appropriate reporting. Current issues in connection with risk management were explained to

the Supervisory Board. Moreover, a detailed report on the risk inventory that was conducted was presented at the Supervisory Board meeting on May 26.

As in the year before, the Supervisory Board deliberated in detail on the German Corporate Governance Code ("DCGK"). The Supervisory Board continues to be in agreement with the Management Board that the variances from the German Corporate Governance Code, i.e. in connection with a deductible for the Company's liability insurance and in connection with the structure of the compensation paid to the members of the Supervisory Board, are justified and meaningful. The deductible for the liability insurance that will be mandatory in the future under the German Management Board Compensation Appropriateness Act will be included in the insurance policy in a timely fashion. The statement of compliance pursuant to § 161 of the German Stock Corporation Act ("AktG") was submitted with the above provisos by the Management and Supervisory Boards sufficiently in advance of the close of the fiscal year. In connection with good corporate governance, the Supervisory Board also dealt in detail with its own efficiency, with the review producing positive overall results.

At the meetings of the Supervisory Board and in individual discussions, the Supervisory and Management Boards deliberated at length regarding the Company's strategic alignment and planning. The Supervisory Board then discussed the budget for the 2010 fiscal year with the Management Board and adopted it.

In accordance with the resolution adopted by the Annual Shareholders Meeting on May 26, 2009, Ernst & Young AG, Wirtschaftsprüfungsgesellschaft (now: Ernst & Young GmbH, Wirtschaftsprüfungsgesellschaft), of Eschborn, Germany, was commissioned to audit the Annual Financial Statements of the Company and the Company's Consolidated Financial Statements, which are presented in accordance with International Financial Reporting Standards ("IFRS"), as well as the financial statements of the Company's subsidiaries where prescribed by law. Pursuant to § 315a of the German Commercial Code ("HGB"), consolidated financial statements presented in accordance with the rules of the German Commercial Code were not prepared. The focuses of the audit that the Audit Committee defined with the independent auditor included certain line items in the balance sheet (the values of accounts receivable and inventories, the completeness and valuation of provisions, in particular warrantee provisions, additions to and valuation of fixed assets, capitalization of development costs in accordance with IAS 38, deferred taxes, pensions), revenue recognition and periodic accruals for net sales, consolidation entries, as well as reconciliation to IFRS, the Notes to the Financial Statements and Management's Discussion & Analysis.

The Annual Financial Statements, Management's Discussion & Analysis, as well as the Consolidated Financial Statements for the 2009 fiscal year presented in accordance with IFRS, all of which were prepared by the Management Board, were audited by the independent auditor and received his unqualified opinion.

The Annual Financial Statements, Management's Discussion & Analysis, as well as the audit reports from the independent auditor, were submitted to all members of the Supervisory Board in a timely fashion. They were discussed in detail at the Audit Committee meeting relating to the financial statements as well as at the Supervisory Board meeting relating to the financial statements on March 11, 2010. The independent auditor attended both meetings, reported on the major findings of his audit and was available to answer additional questions from the Supervisory Board. On the basis of its own thorough review, the Supervisory Board concurs with the results of the audit conducted by the independent auditor. Given the concluding results of its review, the Supervisory Board raised no objections to the Annual or Consolidated Financial Statements. It has approved the Annual and Consolidated Financial Statements, with the Annual Financial Statements thus being formally adopted. The Supervisory Board discussed in detail

with the Management Board its proposal regarding the distribution of a dividend and then concurred with the Management Board's proposal regarding appropriation of the Company's retained earnings.

The Supervisory Board would like to sincerely thank the Management Board, the Employee Council and the entire staff of the Corporate Group for their successful work in the difficult 2009 fiscal year.

Asklar, March 11, 2010

Dr. Michael Oltmanns  
Chairman of the Supervisory Board