Ascent Solar Technologies, Inc.
Form DEF 14A
May 14, 2009

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

(RULE 14a-101)
SCHEDULE 14A INFORMATION

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

Filed by Registrant ý

Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement

o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

ý Definitive Proxy Statement

o Definitive Additional Materials

o Soliciting Material Under Rule 14a-12

ASCENT SOLAR 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):

ý No fee required.

o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) 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:

o Fee paid previously with preliminary materials:

o 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:

May 14, 2009

Dear Stockholders:

You are cordially invited to attend Ascent Solar's Annual Meeting of Stockholders to be held on June 30, 2009. The meeting will be held at the Denver Marriott West, 1717 Denver West Blvd., Golden, Colorado 80401 beginning at 1:00 p.m. Mountain Time. At this year's Annual Meeting, our stockholders will be asked to elect three Class 1 directors and one Class 3 director, and to approve an amendment to our stock option plan. Additional information about the Annual Meeting is given in the Notice of 2009 Annual Meeting of Stockholders and Proxy Statement.

In accordance with rules adopted by the Securities and Exchange Commission, we are pleased to again furnish these proxy materials to stockholders primarily over the Internet, rather than in paper form. We believe these rules allow us to provide our stockholders with expedited and convenient access to the information they need, while helping to conserve natural resources and lower the costs of printing and delivering proxy materials.

Whether or not you plan to attend the Annual Meeting, we hope you will vote as soon as possible. Voting your proxy will ensure your representation at the Annual Meeting. If you attend the Annual Meeting in person, you may vote your shares in person even though you have previously given your proxy.

Sincerely,
/s/ Mohan S. Misra
Mohan S. Misra, Ph.D.
Chairman and Chief Executive Officer

ASCENT SOLAR TECHNOLOGIES, INC.
12300 Grant Street
Thornton, Colorado 80241
720-872-5000

NOTICE OF 2009 ANNUAL MEETING OF STOCKHOLDERS
June 30, 2009
at 1:00 p.m. Mountain Time

TO OUR STOCKHOLDERS:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of Ascent Solar Technologies, Inc., a Delaware corporation (the "Company"), will be held on **June 30, 2009**, at **1:00 p.m. Mountain Time** at the **Denver Marriott West, 1717 Denver West Blvd., Golden, Colorado 80401**, for the following purposes, as more fully described in the Proxy Statement accompanying this notice:

1. **ELECTION OF DIRECTORS.** To elect three Class 1 directors to serve until the 2012 annual meeting of stockholders and until their successors have been elected and qualified, and to elect one Class 3 director to serve until the 2011 annual meeting of stockholders and until his successor has been elected and qualified; and

2. **APPROVAL OF AMENDED AND RESTATED STOCK OPTION PLAN.** To approve an amendment and restatement of the Company's 2005 Stock Option Plan that increases the number of shares authorized for issuance under that plan by 1,000,000 shares.

3. **ANY OTHER BUSINESS** that may properly come before the Annual Meeting or any adjournments or postponements thereof.

Stockholders who owned shares of Ascent Solar common stock at the close of business on May 11, 2009 are entitled to receive notice of, attend and vote at the Annual Meeting and any adjournment or postponement thereof. A complete list of these stockholders will be available at our corporate offices listed above during regular business hours for the ten days prior to the Annual Meeting.

Your vote is important. Whether or not you plan to attend the Annual Meeting, please vote as soon as possible. If you received notice of how to access the proxy materials over the Internet, a proxy card was not sent to you and you may vote only by telephone or online. If you received a proxy card and other proxy materials by mail, you may vote by mailing a completed proxy card, by telephone or online. For specific voting instructions, please refer to the information provided in the following Proxy Statement, together with your proxy card or the voting instructions you receive by e-mail or that are provided via the Internet.

By Order of the Board of Directors
/s/ Mohan S. Misra, Ph.D.
Chairman and Chief Executive Officer
Thornton, Colorado
May 14, 2009

ASCENT SOLAR TECHNOLOGIES, INC.
12300 Grant Street
Thornton, Colorado 80241
720-872-5000

PROXY STATEMENT

Your proxy is being solicited on behalf of the Board of Directors (the "Board") of Ascent Solar Technologies, a Delaware corporation, for use at the 2009 Annual Meeting of Stockholders to be held at 1:00 p.m. Mountain Time on June 30, 2009, or at any adjournment or postponement thereof, for the purposes set forth in this Proxy Statement. The Annual Meeting will be held at the Denver Marriott West, 1717 Denver West Blvd., Golden, Colorado 80401.

These proxy materials are first being provided on or about May 15, 2009 to all stockholders as of the record date, May 11, 2009. Stockholders who owned Ascent Solar common stock at the close of business on May 11, 2009 are entitled to receive notice of, attend and vote at the Annual Meeting. On the record date, there were 20,999,203 shares of Ascent Solar common stock outstanding.

This Proxy Statement is being furnished to you with a copy of our annual report on Form 10-K for our fiscal year ended December 31, 2008 (the "Annual Report"), which was filed with the Securities and Exchange Commission (the "SEC") on March 12, 2009. We will provide, without charge, additional copies of our Annual Report. Any exhibits listed in the Annual Report also will be furnished upon request at the actual expense we incur in furnishing such exhibit. Any such requests should be directed to the Company's Corporate Secretary at our executive offices set forth above.

References to the "Company," "Ascent Solar," "our," "us" or "we" mean Ascent Solar Technologies, Inc.

VOTING AND RELATED MATTERS

Voting Procedures

As a stockholder of Ascent Solar, you have a right to vote on certain business matters affecting the Company. The proposals that will be presented at the Annual Meeting and upon which you are being asked to vote are discussed below in the "Proposals" section. Each share of Ascent Solar common stock you owned as of the record date entitles you to one vote on each proposal presented at the Annual Meeting.

Methods of Voting

You may vote by mail, by telephone, over the Internet, or in person at the Annual Meeting.

Voting by Mail. By signing and returning a proxy card, you are authorizing the individuals named on the proxy card (known as "proxies") to vote your shares at the Annual Meeting in the manner you indicate. If you have received more than one proxy card, it is an indication that your shares are held in multiple accounts. Please sign and return all proxy cards to ensure that all of your shares are voted.

Voting by Telephone. To vote by telephone, please follow either the instructions included on your proxy card or the voting instructions you receive by e-mail or that are being provided via the Internet. If you vote by telephone, you do not need to complete and mail a proxy card.

Voting over the Internet. To vote over the Internet, please follow either the instructions included on your proxy card or the voting instructions you receive by e-mail or that are being provided via the Internet. If you vote over the Internet, you do not need to complete and mail a proxy card.

Voting in Person at the Meeting. If you attend the Annual Meeting and plan to vote in person, we will provide you with a ballot at the Annual Meeting. If your shares are registered directly in your name, you are considered the stockholder of record and you have the right to vote in person at the Annual Meeting. If your shares are held in the name of your broker or other nominee, you are considered the beneficial owner of shares held in street name. As a beneficial owner, if you wish to vote at the Annual Meeting, you will need to bring to the Annual Meeting a legal proxy from your broker or other nominee authorizing you to vote those shares.

Revoking Your Proxy

You may revoke your proxy at any time before it is voted at the Annual Meeting. To do this, you must:

- enter a new vote by telephone or over the Internet, or by signing and returning a replacement proxy card;
- provide written notice of the revocation to Ascent Solar's Corporate Secretary at 12300 Grant Street, Thornton, Colorado 80241; or
- attend the Annual Meeting and vote in person.

Quorum and Voting Requirements

The presence, in person or by proxy, of the holders of a majority of the total number of shares of common stock entitled to vote constitutes a quorum for the transaction of business at the Annual Meeting. Assuming that a quorum is present:

(1) the affirmative vote of a majority of the shares present in person or by proxy will be required to elect each director nominee;

(2) The affirmative vote of a majority of the shares present in person or by proxy will be required to approve the amendment and restatement of the 2005 Stock Option Plan (the "Option Plan"); and

(3) unless otherwise required by our Bylaws or by applicable law, the affirmative vote of a majority of the shares present in person or by proxy will be required to approve any other matter properly presented for a vote at the meeting; provided that if any stockholders are entitled to vote thereon as a class, such approval will require the affirmative vote of a majority of the shares entitled to vote as a class who are present in person or by proxy.

Votes cast in person or by proxy at the meeting will be tabulated by the election inspectors appointed for the meeting, who will determine whether a quorum is present. The election inspectors will treat abstentions as shares that are present and entitled to vote for purposes of determining the presence of a quorum, but as unvoted for purposes of determining the approval of any matter submitted to the stockholders for a vote. If a broker indicates on the proxy that it does not have discretionary authority as to certain shares to vote on a particular matter, those shares will be treated as present and entitled to vote for purposes of determining the presence of a quorum but not entitled to vote with respect to that matter.

Voting of Proxies

When a proxy is properly executed and returned, the shares it represents will be voted at the Annual Meeting as directed. If no specification is indicated, the shares will be voted:

(1) "for" the election of each director nominee set forth in this Proxy Statement;

(2) "for" the approval of the amendment and restatement of the Option Plan that increases the number of shares authorized for issuance under the Option Plan by 1,000,000 shares; and

(3) at the discretion of your proxies on any other matter that may be properly brought before the Annual Meeting.

If your shares are held in street name and you do not instruct your broker on how to vote your shares, your brokerage firm, in its discretion, may either leave your shares unvoted or vote your shares on routine matters, which includes the election of the Company's directors.

Electronic Availability of Proxy Materials for 2009 Annual Meeting

Under rules adopted by the SEC, we are furnishing proxy materials to our stockholders primarily via the Internet, instead of mailing printed copies of those materials to each stockholder. On or about May 15, 2009, we mailed to our stockholders (other than those who previously requested electronic or paper delivery) a Notice of Internet Availability containing instructions on how to access our proxy materials, including our Proxy Statement and our annual report. The Notice of Internet Availability also instructs you on how to vote over the Internet or by telephone.

This new process is designed to expedite stockholders' receipt of proxy materials, help conserve natural resources and lower the cost of the Annual Meeting. However, if you would prefer to receive printed proxy materials, please follow the instructions included in the Notice of Internet Availability. If you have previously elected to receive our proxy materials electronically, you will continue to receive these materials via e-mail unless you elect otherwise.

Voting Confidentiality

Proxies, ballots and voting tabulations are handled on a confidential basis to protect your voting privacy. This information will not be disclosed, except as required by law.

Voting Results

Votes will be tabulated by an independent inspector of elections appointed for the Annual Meeting, who will separately tabulate affirmative and negative votes, abstentions and broker non-votes. Voting results will be announced at the Annual Meeting and published in Ascent Solar's Quarterly Report on Form 10-Q for the second fiscal quarter of 2009.

Householding of Proxy Materials

In a further effort to reduce printing costs and postage fees, we have adopted a practice approved by the SEC called "householding." Under this practice, stockholders who have the same address and last name and do not participate in electronic delivery of proxy materials will receive only one copy of our proxy materials, unless one or more of these stockholders notifies us that he or she wishes to continue receiving individual copies. Stockholders who participate in householding will continue to receive separate proxy cards.

If: (1) you share an address with another stockholder and received only one set of proxy materials, and would like to request a separate paper copy of these materials; or (2) you share an address with another stockholder and together you in the future would like to receive only a single paper copy of these materials, please notify our Corporate Secretary by mail at 12300 Grant Street, Thornton, Colorado, 80241, or telephone at 720-872-5000.

Proxy Solicitation

We will bear the cost of this solicitation. In addition, we may reimburse brokerage firms and other persons representing beneficial owners of shares for reasonable expenses incurred in forwarding solicitation materials to such beneficial owners. Proxies also may be solicited by our directors, officers or employees, personally, or by mail, facsimile, telephone, messenger or via the Internet, without additional compensation.

PROPOSALS

The following proposals will be considered at the Annual Meeting:

Proposal No. 1 ELECTION OF DIRECTORS

Overview

There currently are eight members of our Board. Our Certificate of Incorporation provides that the Board will be divided into three classes as nearly equal in number of directors as possible. Our Class 1 directors are Dr. Amit Kumar, Joel Porter and Richard Swanson. Our Class 2 directors are Stanley Gallery and Dr. T.W. Fraser Russell. Our Class 3 directors are Richard Erskine, Einar Glomnes and Dr. Mohan Misra. The terms of our Class 1 directors are scheduled to expire at this Annual Meeting, and incumbents Dr. Amit Kumar and Richard Swanson will stand for re-election. The Board has nominated Ron Eller as a Class 1 director. Richard Erskine was appointed as a Class 3 director by the Board in October 2008 to fill a vacancy resulting from an increase in the size of the Board; consequently, pursuant to our Bylaws, Mr. Erskine is standing for election by the stockholders to serve the remainder of the scheduled Class 3 term (i.e., until the 2011 annual meeting). The term of our Class 2 directors is scheduled to expire at our 2010 annual meeting.

Nominees

Upon the recommendation of the Company's Nominating and Governance Committee, the Board has nominated:

> **RON ELLER, DR. AMIT KUMAR, AND RICHARD SWANSON** CLASS 1 DIRECTORS, to serve until the 2012 annual meeting of stockholders and until their respective successors are duly elected and qualified.

> **RICHARD ERSKINE** CLASS 3 DIRECTOR, to serve until the 2011 annual meeting of stockholders and until his successor is duly elected and qualified.

Additional information about each nominee appears later in this Proxy Statement under the headings "Executive Officers and Directors" and "Board of Directors."

Vote Required

The affirmative vote of a majority of shares present in person or by proxy will be required to elect each director nominee.

Recommendation

The Board recommends that stockholders vote "FOR" the election of Mr. Eller, Dr. Kumar and Mr. Swanson as Class 1 directors, and "FOR" the election of Mr. Erskine as a Class 3 director.

Unless marked otherwise, proxies received will be voted "FOR" the election of each of these director nominees.

Proposal No. 2 APPROVAL OF AMENDMENT AND RESTATEMENT OF 2005 STOCK OPTION PLAN

Overview

Subject to stockholder approval, the Board approved an amendment and restatement of our 2005 Stock Option Plan that increases the number of shares of common stock authorized for issuance under the Option Plan by 1,000,000 shares. The Option Plan was adopted by the Board in October 2005 and approved by the stockholders in November 2005. The stockholders subsequently approved amendments to the Option Plan in June 2007 and July 2008.

We believe that the Option Plan provides meaningful performance incentives to our directors, officers, employees and other service providers, which, in turn, are expected to improve the Company's long-term performance. We are asking our stockholders to approve an increase in the number of shares issuable under the Option Plan in order to continue this company-wide compensation strategy and to provide resources to recruit and retain qualified personnel to support our planned strategic growth. Under the Option Plan, the number of shares of common stock currently authorized by our stockholders for issuance is 1,500,000 shares. As of April 15, 2009, about 77,500 shares remained available for grant under the Option Plan, and approximately 70 persons were eligible to participate in the Option Plan. We expect the number of persons eligible to participate in the Option Plan to increase as we continue our planned expansion of operations. If the stockholders approve the amendment and restatement of the Option Plan, 1,000,000 additional shares will be available for issuance under the Option Plan.

Proposal

The stockholders are asked to approve an amendment and restatement of the Option Plan that, among other things, increases the number of shares of common stock authorized for issuance under the Option Plan by 1,000,000 shares. If approved, the number of shares of our common stock authorized for issuance under our Option Plan will be increased from 1,500,000 to 2,500,000. The Board believes that its continued ability to make stock option grants will be important to the Company's future success by providing meaningful performance incentives to our directors, officers, employees and other service providers, and by allowing the Company to remain competitive in attracting and retaining qualified personnel. The proposed amendment and restatement will not become effective if the stockholders do not approve it.

Vote Required

The affirmative vote of a majority of the shares present in person or by proxy will be required to approve the amendment and restatement of the Option Plan.

Recommendation

The Board recommends that stockholders vote FOR approval of the amendment and restatement of the Option Plan.

Unless marked otherwise, proxies received will be voted FOR approval of the amendment and restatement of the Option Plan.

Summary of the Option Plan

The following summary of the Option Plan is qualified in its entirety by the terms of the Third Amended and Restated 2005 Stock Option Plan, a copy of which is attached to this proxy statement as *Appendix A*.

Purpose. The purpose of the Option Plan is to provide a means to allow grants of stock options to selected employees, directors and consultants in order to attract and retain the best available personnel and to promote the success of the Company's business.

Administration. The Option Plan may be administered by the Board or any of its committees (the "Plan Administrator"). The Plan Administrator, subject to the terms and conditions of the Option Plan, has the authority to determine all matters related to the Option Plan in its discretion, including the authority to select the individuals to receive awards and to determine the number of shares to be subject to each award, the exercise price of options, the forms to be used under the Option Plan and all other terms and conditions of the award.

Stock Subject to the Option Plan. The Option Plan, if amended as proposed, will authorize the issuance of up to 2,500,000 shares of our common stock. Shares of common stock covered by an award granted under the Option Plan will not be counted as used unless and until they are actually issued and delivered to a participant. Shares relating to awards granted under the Option Plan that lapse, are canceled or forfeited, or settled for cash revert to and are available for grant under the Option Plan. The shares of stock deliverable under the Option Plan may consist in whole or in part of authorized and unissued shares or shares now held or subsequently acquired by the Company. The aggregate number of shares available for issuance under the Option Plan will be adjusted in the event of a change affecting our capitalization, such as stock splits, reverse stock splits, stock dividends, combinations or reclassifications or the like.

Awards. The Plan Administrator is authorized to grant incentive stock options and nonqualified stock options under the Option Plan. Awards may consist of one or both of these grant types.

Eligibility. Awards may be granted to employees, officers, directors, agents, consultants, advisors or independent contractors of the Company or a parent or subsidiary of the Company, except that only employees of the Company may receive incentive stock options.

Terms and Conditions of Stock Option Grants. At the discretion of the Plan Administrator, options granted under the Option Plan may be either nonqualified stock options or incentive stock options as defined in Code Section 422. The exercise price for each option is determined by the Plan Administrator, but may not be less than 100% of fair market value on the date of grant in the case of an incentive stock option, or less than 85% of fair market value on the date of grant in the case of an nonqualified stock option (unless intended to qualify as "performance-based compensation" within the meaning of Section 162(m) of the Internal Revenue Code, in which case the exercise may be no less than 100% of fair market value).

The exercise price for shares purchased under an option must be paid in a form acceptable to the Plan Administrator, which form may include cash, checks, shares of stock, cashless exercise pursuant to a Company implemented plan, a reduction in the amount of liability owed to the Company, or such other consideration as the Plan Administrator may permit.

Unless the Plan Administrator determines otherwise in a particular option agreement, the term of each option will be ten years from the date of grant and each option will vest and become exercisable as follows: one-third of the option will vest on each of the first, second and third anniversaries of the date of grant.

The vested portion of options may be exercised at any time in whole or in part in accordance with their terms. The unvested portion terminates upon termination of an optionee's employment or service relationship with the company for any reason and reverts to the Option Plan. In the event of termination for a reason other than death or total and permanent disability, and unless otherwise provided by the Plan Administrator in an option agreement, the vested portion of options will generally be exercisable for 90 days after the date of termination. In the event of termination by reason of death or total and permanent disability, and unless otherwise provided for by the Plan Administrator in an option agreement, the option will generally be exercisable for one year from the date of such termination.

Unless determined otherwise by the Plan Administrator, options may not be sold, pledged, assigned, hypothecated, transferred or disposed of other than by will or by the applicable laws of descent and distribution.

Capital Adjustments. In the event of a stock split, reverse stock split, stock dividend, combination, reclassification or any increase or decrease in the number of issued shares of common stock effected without receipt of consideration by the Company, the number of shares covered by each outstanding option and the number of shares which have been authorized for issuance under the Option Plan but as to which no options have yet been granted or which have reverted to the Option Plan upon cancellation or expiration of an option, as well as the exercise price of each outstanding option, shall be proportionately adjusted.

Code Section 162(m) Provisions. Section 162(m) of the Code imposes a $1 million annual deduction limit on the compensation paid to the chief executive officer and the three other most highly compensated officers (other than the principal executive officer or the principal financial officer) of a publicly traded company. Section 162(m) provides an exception to this deduction limit for "performance-based compensation" that meets certain requirements. Stock option-based compensation that qualifies as performance-based compensation under Section 162(m) includes stock option awards granted under a stockholder-approved plan that specifies a maximum number of shares that may be awarded to an employee during a specified period of time. In order to comply with Section 162(m), under the terms of the amended and restated Option Plan, an employee may not receive awards in any one fiscal year with respect to more than 100,000 shares. The foregoing limits are subject to automatic adjustment in the event of a stock split, reverse stock split, stock dividend, combination, reclassification or similar event. An Option also may vest according to certain performance targets and criteria established by the Compensation Committee at the time of grant.

Corporate Transactions. In the event of a proposed dissolution or liquidation of the Company, the Plan Administrator may permit an optionee to exercise all vested and unvested options until 10 days prior to the dissolution or liquidation. In the event of a change of control of the Company, one-half of any unvested options then held by an optionee shall vest and become exercisable. However, if an optionee's employment is terminated in connection with a change of control, then all of that optionee's options shall vest and become exercisable.

Term, Termination and Amendment. Unless earlier terminated by the Board of Directors, the amended and restated Option Plan will terminate on November 18, 2015. The Board of Directors may at any time amend the Option Plan, subject to stockholder approval to the extent required by applicable law, regulation, or stock exchange rules. The amendment, suspension or termination of the Option Plan or a portion thereof or the amendment of an outstanding award cannot, without the participant's consent, materially adversely affect any rights under any outstanding award. No amendment that would constitute a "modification" to an outstanding incentive stock option that would cause the option to fail to continue to qualify as an incentive stock option under Code Section 422 will be made without the consent of the optionee.

Other Information. A "new plan benefits" table, as described in the SEC's proxy rules, is not provided because all awards made under the amended and restated Option Plan are discretionary. However, please refer to "Executive Compensation" in this Proxy Statement, which provides information on the grants made in the last fiscal year, and please refer to the description of grants made to our non-employee directors in the last fiscal year under the heading "Board of Directors Director Compensation" in this Proxy Statement.

Federal Tax Consequences

The following discussion summarizes the material United States federal income tax consequences to the Company and to participants in the Option Plan. This summary is based on the Internal Revenue Code and the United States Treasury regulations promulgated thereunder as in effect on the date of this proxy statement, all of which may change with retroactive effect. This summary is not intended to be a complete analysis or discussion of all potential tax consequences that may be important to participants in the Option Plan.

Incentive Stock Options. The incentive stock options granted under the Option Plan are intended to qualify for favorable federal income tax treatment accorded "incentive stock options" under the Code. Generally, the grant or exercise of an incentive stock option does not result in any federal income tax consequences to the participant or to the Company. However, the optionee generally will have taxable income for alternative minimum tax purposes at the time of exercise as if the option were a nonqualified stock option.

The federal income tax consequence of a disposition of stock acquired through the exercise of an incentive stock option will depend on the period such stock is held prior to disposition. If a participant holds stock acquired through exercise of an incentive stock option for at least two years from the date on which the option is granted and at least one year from the date of exercise of the option, the participant will recognize long-term capital gain or loss in the year of disposition, equal to the difference between the amount realized on the disposition of the stock and the amount paid for the stock on exercise of the option.

Generally, if a participant disposes of the stock before the expiration of either the statutory holding periods described above (a disqualifying disposition), the participant will recognize ordinary income equal to the lesser of (i) the excess of the fair market value of the stock on the date of exercise over the exercise price and (ii) the excess of the amount realized on the disposition of the stock over the exercise price. Subject to certain limitations, to the extent the participant recognized ordinary income by reason of a disqualifying disposition, the Company generally will be entitled to a corresponding business expense deduction in the taxable year during which the disqualifying disposition occurs. Generally, in the taxable year of a disqualifying disposition, the participant will also recognize capital gain or loss equal to the difference between the amount realized on the disposition of such stock over the sum of the amount paid for such stock plus any amount recognized as ordinary income by reason of the disqualifying disposition. Such capital gain or loss will be characterized as short-term or long-term depending on how long the stock was held.

Nonqualified Stock Options. Generally, the grant of a nonqualified stock option will not result in any federal income tax consequences to the Company or the participant. Upon exercise of a nonqualified stock option, the participant generally will recognize ordinary income equal to the excess of the fair market value of the stock on the date of exercise over the amount paid for the stock upon exercise of the option. Subject to certain limitations, the Company will be generally entitled to a corresponding business expense deduction equal to the ordinary income recognized by the participant.

Upon disposition of stock, the participant will recognize capital gain or loss equal to the difference between the amount realized on the disposition of such stock over the sum of the amount paid for such stock plus any amount recognized as ordinary income upon exercise of the option. Such capital gain or loss will be characterized as short-term or long-term, depending on how long the stock was held.

Potential Limitations on Deductions. Section 162(m) of the Code precludes a deduction for compensation paid to our chief executive officer and our three other most highly compensated officers (other than the principal executive officer or the principal financial officer) to the extent that such compensation exceeds $1 million for a taxable year. If certain requirements are met, qualified performance-based compensation is disregarded for purposes of the $1 million limitation.

Other Matters

Except for the election of directors and approval of the amendment and restatement of the Option Plan, the Board does not intend to bring any other matters to be voted on at the Annual Meeting. Ascent Solar and the Board are not currently aware of any other matters that may properly be presented by others for action at the Annual Meeting.

EXECUTIVE OFFICERS AND DIRECTORS

Our executive officers, directors and director nominees, and their ages and positions with the Company as of February 28, 2009, are as follows:

Name	Age	Position
Mohan S. Misra, Ph.D.	64	Chairman of the Board, Interim President and Chief Executive Officer, Chief Strategy Officer
Gary Gatchell	51	Chief Financial Officer and Secretary
Prem Nath, Ph.D.	59	Senior Vice President of Production Operations
Ashutosh Misra	43	Senior Vice President and General Manager Thornton Plant
Joseph Armstrong, Ph.D.	51	Vice President and Chief Technology Officer
Bruce Berkoff	48	Chief Marketing Officer
Joseph McCabe	48	Vice President Business Development
Janet Casteel	48	Chief Accounting Officer and Treasurer
Stanley A. Gallery	51	Director
Einar Glomnes	39	Director
Amit Kumar, Ph.D.(1)	44	Director
Joel S. Porter	61	Director
T.W. Fraser Russell, Ph.D.	74	Director
Richard Erskine(2)	52	Director
Richard J. Swanson(1)	74	Director
Ron Eller(1)	49	Director Nominee

(1) Nominee for Class 1 director

(2) Nominee for Class 3 director

Mohan S. Misra, Ph.D. has served as Chairman of our Board of Directors since October 2005, and as our Chief Strategy Officer since April 2007. Dr. Misra has served as our interim President and Chief Executive Officer since September 2008. He founded and has served as chief executive officer of ITN since 1994. Before founding ITN, Dr. Misra spent 19 years with Martin Marietta Corporation (now Lockheed Martin Corporation) in the areas of material research, development and manufacturing. While at Martin Marietta, Dr. Misra worked first as manager of Research and Technology, and then led the company's development of long term technology strategies. Dr. Misra has helped develop and implement several key technologies for aerospace applications including thin-film PV products, smart materials, advanced composites and lightweight structures. Dr. Misra holds a B.S. degree in Metallurgical Engineering from Benaras Hindu University in India, an M.S. degree in Metallurgical Engineering from the University of Washington and a Ph.D. in Metallurgical Engineering from the Colorado School of Mines. Dr. Misra is the uncle of Ashutosh Misra, our Senior Vice President of Operations and Corporate Affairs.

Gary Gatchell has served as our Chief Financial Officer and Secretary since March 2008. Prior to joining Ascent Solar, Mr. Gatchell served as the Chief Financial Officer of Carrier Access Corporation, a telecommunications equipment provider (Carrier Access). Mr. Gatchell joined Carrier Access, a NASDAQ listed company, in June 2005 to reorganize that company's finance and administration infrastructure. Prior to joining Carrier Access, from 1999 to 2004, Mr. Gatchell served as the Chief Financial Officer of Voyant Technologies, Inc., a leading provider of audio conferencing equipment that was acquired by Polycom, Inc., and as an audit manager at KPMG. Mr. Gatchell brings to Ascent Solar a strong background in public company financial reporting and internal controls. Mr. Gatchell also has experience with private and public capital funding, as well as mergers and acquisitions activity on both the buy-side and sell-side. Mr. Gatchell is a registered Certified Public Accountant and has a Master's degree in Accountancy from the University of Denver. Mr. Gatchell is a member of the AICPA and CSCPA.

Prem Nath, Ph.D. was promoted to Senior Vice President of Production Operations in January 2009. Dr. Nath served as our SVP of Manufacturing from July 2006 to January 2009. From 1998 until July 2006, he served as Vice President of Product Manufacturing and Development at United Solar Ovonic (Uni-Solar) and as Chief Operating Officer of Uni-Solar's Mexican subsidiary. Dr. Nath has over 25 years of professional experience in the development, testing and manufacture of thin-film PV technology and is a named inventor on over 50 U.S. patents covering processes, products and materials. Dr. Nath holds a M.S. degree in Physics from Punjab University in India, a Master of Technology degree in Solid State Physics from the Indian Institute of Technology (IIT) and a Ph.D. in Materials Science from IIT. Dr. Nath also worked as a post-doctoral fellow at the University of California at Los Angeles.

Ashutosh Misra has served as our Senior Vice President and General Manager Thornton-Plant in February 2009. Mr. Misra served as our SVP of Operations and Corporate Affairs from April 2007 to February 2009. Until that time, Mr. Misra served as a member of our Board of Directors from our inception in October 2005 and participated actively as corporate advisor in guiding the management team with day-to-day operations. Mr. Misra also served as Executive Vice President at ITN, where he was responsible for day to day business operations. From November 2002 until March 2005, Mr. Misra served as the president and chief executive officer of Data Access America, a wholly owned subsidiary of Data Access India, Limited, a telecommunications carrier based in India. Prior to joining ITN in 1998 Mr. Misra worked for MTI International for over 8 years as Operations Manager and was responsible for setting up electronic manufacturing and related facilities in the United States, Mexico, Singapore, Indonesia, and India. Mr. Misra holds a Bachelor of Engineering Degree in Electronics and Telecommunications from Bangalore University in India, and a M.S. degree in Electrical Engineering from the University of Wisconsin, Milwaukee. Mr. Misra is the nephew of Dr. Mohan Misra, our Chairman.

Joseph Armstrong, Ph.D. has served as our Vice President and Chief Technology Officer since October 2005. Dr. Armstrong worked at ITN beginning in 1995, and served as the Manager of ITN's Advanced PV Division from 1995 until joining Ascent in October 2005. While at ITN, Dr. Armstrong led its advancement into thin-film flexible PV products for space and near-space applications and started its development of thin-film battery technologies, a complement to Ascent's thin-film PV technology. Prior to joining ITN, Dr. Armstrong was employed for 10 years by Martin Marietta Corporation, where he managed PV research projects. He is a named inventor on four U.S. patents in areas including shape memory alloys, thin-film PV technology and electronic circuit assembly. Dr. Armstrong holds a B.S. degree in Physics from Lewis University in Illinois and a M.S. degree and Ph.D. in Solid State Physics from the University of Denver.

Bruce Berkoff has served as our Chief Marketing Officer since September 2008. Mr. Berkoff has over 25 years of executive experience in engineering, product development and marketing for technology companies. Before joining Ascent, Mr. Berkoff has served on various public company boards, currently sitting on those for LG Display (NYSE: LPL) and Unipixel (UNXL.OB). Since December 2006, he has served as the Chairman of the LCD TV Association, and from January 2006 until November 2006, he held positions with Enuclia Semiconductor, first as President and Chief Executive Officer, then as Chairman of the Board of Directors. From November 1999 until December 2005, Mr. Berkoff served as the Chief Marketing Officer and EVP of LG Philips LCD Co., Ltd.(LPL), a global market leader in TFT-LCD displays. Mr. Berkoff also has held management positions at Philips Components FDS, UMAX Computer Corp., Radius Inc. and SuperMac Technologies. Mr. Berkoff holds an A.B. degree from Princeton University and a M.A. degree in Biophysics from the University of California at Berkeley.

Joseph C. McCabe has served as our Vice President of Business Development since January 2007. From 1985 until November 2006, Mr. McCabe was the owner and principal of an energy technology consulting firm. In that capacity, he served as a consultant or contractor on projects for the California Energy Commission, the Sacramento Municipal Utility District, Shell Oil and various architecture and engineering firms, and he possesses experience in the area of BIPV products and technologies. Mr. McCabe is a licensed Professional Engineer and holds a B.S. degree in Mechanical Engineering degree from the University of Dayton, an M.S. degree in Nuclear and Energy Engineering from the University of Arizona, and a Masters of Business Administration from Regis University in Denver, Colorado. Mr. McCabe is Chairman of the Solar Electric Division of the American Solar Energy Society (ASES) and is a member of the International Electrotechnical Commission (IEC) Technical Committee 82 for Solar Photovoltaic Energy System (TC82).

Janet Casteel has served as our Chief Accounting Officer and Treasurer since February 2006. She served on a part-time basis as our Treasurer and Controller between October 2005 and February 2006, during which time she also served as the part-time business manager of ITN. From 1996 until February 2006, Ms. Casteel served in the capacity of controller and business manager of ITN. At ITN, she supervised the financial and accounting staffs and was responsible for negotiation and administration of ITN's government and commercial contracts, as well as its agreements with subcontractors. Prior to ITN she worked as audit manager at Coopers & Lybrand. She is a registered certified public accountant and a member of the AICPA and CSCPA. Ms. Casteel holds an Associate Degree in Business Administration from Nebraska College of Business and a B.S. degree in Accounting from Metropolitan State College in Denver.

Stanley A. Gallery has served on our Board of Directors since October 2005. Since 1984, Mr. Gallery has been the chief executive officer of Carts of Colorado, Inc., a provider of mobile merchandising for the food service industry. He also has served as the managing partner of G3 Holdings LLC since 1997, which makes real estate and other investments. Mr. Gallery is co-charter/organizer of First Western Trust Bank of Colorado and is on the board of its holding company, First Western Investment Management. Prior to joining Ascent, Mr. Gallery served on the board of directors of ITN from 2001 until joining our Board in October 2005. Mr. Gallery is also on the board of Craig Hospital and Colorado Neurological Institute, both located in the Denver area.

Einar Glomnes has served on our Board of Directors since March 2007. Since April 2007, Mr. Glomnes has served as the head of Hydro Solar, a division of Norsk Hydro ASA. Norsk Hydro Produksjon AS, a subsidiary of Norsk Hydro ASA, is our largest shareholder. Prior to heading Hydro Solar, Mr. Glomnes served as a Vice President in the business development arm of Norsk Hydro Oil & Energy from 2006 until 2007, and as a lawyer in the legal department of Norsk Hydro ASA from 2004 to 2006. Prior to joining Norsk Hydro ASA, Mr. Glomnes served as a lawyer with the Schjødt Law Firm in Norway and as a management consultant with McKinsey & Company. Mr. Glomnes also serves as a member of the board of directors of Norson AS, a PV ingot and wafer company based in Norway, as a member of the board of directors of Convexa Capital IX AS, a venture capital company based in Norway with global investments in solar energy related companies, and as the chairman of Verdane Capital, a private equity investment firm. Mr. Glomnes holds a law degree from the University of Oslo, Norway, and an L.L.M. degree from Columbia University School of Law, New York.

Amit Kumar, Ph.D. has served on our Board of Directors since March 2007. Dr. Kumar has served as the President and Chief Executive Officer of CombiMatrix Corporation, a developer of DNA microarrays, since September 2001. He also serves on the board of directors of Aeolus Pharmaceuticals, Inc. and Tacere Therapeutics. Dr. Kumar holds a B.S. degree in Chemistry from Occidental College. After joint studies at Stanford University and the California Institute of Technology (Caltech), he received his Ph.D. from Caltech before completing a post-doctoral fellowship at Harvard University.

Joel S. Porter has served on our Board of Directors since June 2007. Mr. Porter is the President of Centennial Consulting Services, Inc., a consulting firm created after Mr. Porter's retirement from Lockheed Martin in the spring of 2003 as Vice President for International Program Development and Systems Analysis. Mr. Porter had served for approximately 28 years at Lockheed Martin in a variety of management roles. He holds a Bachelor of Aerospace Engineering degree and an M.S. degree in Industrial Management from the Georgia Institute of Technology. He also is a graduate of the Program for Management Development at the Harvard Business School.

T.W. Fraser Russell, Ph.D. has served on our Board of Directors since October 2005. Dr. Russell has served as the Allan P. Colburn Professor in the Department of Chemical Engineering at the University of Delaware since 1981. Dr. Russell is a member of the National Academy of Engineering, a fellow of the American Institute of Chemical Engineers and a registered professional engineer in the State of Delaware. He is the co-inventor on four U.S. patents for the continuous deposition of PV material on moving substrates and is the author of over 100 engineering and scientific papers. He has an industrial background in process design, and he has served as a consultant to a number of firms in the chemical processing industries. Dr. Russell holds a B.Sc. degree and a M.Sc. degree from the University of Alberta in Canada and a Ph.D. from the University of Delaware.

Richard Erskine was appointed as a member of the Board on October 14, 2008, to serve as a Class 3 director until the 2009 annual meeting of stockholders and until his successor is duly qualified and elected. Mr. Erskine has served as Senior Vice President of Solar Business Development of Hydro Solar, a division of Norsk Hydro ASA. Norsk Hydro Produksjon AS, a subsidiary of Norsk Hydro ASA, is our largest shareholder. Prior to rejoining Hydro, Mr. Erskine was Executive Vice President of Petroleum Services at Norwegian-based AGR Group ASA. He previously served as managing director of Norsk Hydro Technology Ventures AS. Mr. Erskine holds a B.Sc. degree in Chemical Engineering from University of Manchester Institute of Science and Technology, a M.Sc. degree in Petroleum Engineering from Imperial College London and an M.B.A. degree from the Norwegian School of Management.

Richard J. Swanson has served on our Board of Directors since January 2007. Since 1991, Mr. Swanson has been a consultant with Vistage International, Inc. (formerly TEC), which focuses on strategic coaching for chief executive officers of public and private companies. Since 1980, he has served as the founder and president of Investment Partners, Inc., which engages in the restructuring and recapitalization of troubled companies, and of Real Estate Associates, Inc., which focuses on real estate acquisition and development. He served as a director and chair of the audit committee of AHPC Holdings, Inc., a publicly-traded Illinois-based company in the health care supply field from 1998 until 2007, and serves as a director and chair of the audit committee of ADA-ES, LLC, a publicly-traded industrial technology company in Colorado. Mr. Swanson holds a B.A. in History from the University of Colorado and an M.B.A. from the Harvard Business School.

Ron Eller is a nominee for our Board of Directors. Since December 2008, Mr. Eller has served as a managing director of Capital Preservation, Inc., a private equity firm. From 1994 until March 2008, Mr. Eller held various positions at Hewlett-Packard Company, an integrated technology firm, including Vice President and General Manager of the NetServer business from 2002 to 2003 and, more recently, Vice President and General Manager of the software and system integrator channels of the Technology Solutions Group. Mr. Eller holds a B.S. degree in Professional Aviation from Purdue University, and an M.S. degree in Business from Colorado State University.

BOARD OF DIRECTORS

Overview

Our Bylaws provide that the size of our Board of Directors is to be determined from time to time by resolution of the Board of Directors, but shall consist of at least two and no more than eight members. Our Board of Directors currently consists of eight members, five of whom our Board has determined are independent under the rules of The NASDAQ Stock Market. Our Certificate of Incorporation provides that the Board of Directors will be divided into three classes as nearly equal in number of directors as possible. Our Class 1 directors are Dr. Amit Kumar, Joel Porter and Richard Swanson. Our Class 2 directors are Stanley Gallery and Dr. T.W. Fraser Russell. Our Class 3 directors are Richard Erskine, Einar Glomnes and Dr. Mohan Misra. The term of our Class 1 directors expires at our 2009 annual meeting of stockholders, and our Board has nominated Dr. Amit Kumar and Richard Swanson for re-election by our stockholders. The Board has nominated Ron Eller as a Class 1 director. Richard Erskine was appointed by our Board to fill a Class 3 vacancy in October 2008; consequently, pursuant to our Bylaws, Mr. Erskine is standing for election by our stockholders to serve the remainder of the scheduled term of Class 3 directors (*i.e.,* until the 2011 annual meeting).

The Board has determined that the following directors are "independent" as required by applicable laws and regulations, by the listing standards of The NASDAQ Stock Market and by our corporate governance guidelines: Mr. Gallery, Dr. Kumar, Mr. Porter, Dr. Russell and Mr. Swanson. The Board also has determined that Mr. Eller, if elected, would be "independent" as required by applicable laws and regulations, by the listing standards of The NASDAQ Stock Market and by our corporate governance guidelines.

Committees of the Board of Directors

Our Board has three standing committees: an Audit Committee, a Compensation Committee and a Nominating and Governance Committee. Each committee operates pursuant to a charter than can be found at our website www.ascentsolar.com.

Audit Committee. Our Audit Committee oversees our accounting and financial reporting processes, internal systems of accounting and financial controls, relationships with independent auditors, and audits of financial statements. Specific responsibilities include the following:

- selecting, hiring and terminating our independent auditors;
- evaluating the qualifications, independence and performance of our independent auditors;
- approving the audit and non-audit services to be performed by our independent auditors;
- reviewing the design, implementation, adequacy and effectiveness of our internal controls and critical accounting policies;
- reviewing and monitoring the enterprise risk management process;
- overseeing and monitoring the integrity of our financial statements and our compliance with legal and regulatory requirements as they relate to financial statements or accounting matters;
- reviewing, with management and our independent auditors, any earnings announcements and other public announcements regarding our results of operations; and
- preparing the report that the Securities and Exchange Commission requires in our annual proxy statement.

Our Audit Committee is comprised of Mr. Gallery, Dr. Kumar and Mr. Swanson. Mr. Swanson serves as Chairman of the Audit Committee. The Board has determined that all members of the Audit Committee are independent under the rules of The NASDAQ Stock Market, and that Mr. Swanson

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qualifies as an "audit committee financial expert," as defined by the rules of the Securities and Exchange Commission.

Compensation Committee. Our Compensation Committee assists our Board in determining the development plans and compensation of our officers, directors and employees. Specific responsibilities include the following:

- approving the compensation and benefits of our executive officers;
- reviewing the performance objectives and actual performance of our officers; and
- administering our stock option and other equity compensation plans.

Our Compensation Committee is comprised of Mr. Gallery, Dr. Russell and Mr. Swanson. Mr. Gallery serves as Chairman of the Compensation Committee. Our Board has determined that all members of the Compensation Committee are independent under the rules of The NASDAQ Stock Market.

Nominating and Governance Committee. Our Nominating and Governance Committee assists our Board by identifying and recommending individuals qualified to become members of our Board, reviewing correspondence from our stockholders, and establishing, evaluating and overseeing our corporate governance guidelines. Specific responsibilities include the following:

- evaluating the composition, size and governance of our Board and its committees and making recommendations regarding future planning and the appointment of directors to our committees;
- establishing a policy for considering stockholder nominees for election to our Board; and
- evaluating and recommending candidates for election to our Board.

Our Nominating and Governance Committee is comprised of Mr. Gallery, Dr. Kumar and Dr. Russell. Dr. Kumar serves as Chairman of our Nominating and Governance Committee. Our Board has determined that all members of the Nominating and Governance Committee are independent under the rules of The NASDAQ Stock Market.

When considering potential director candidates for nomination or election, the following characteristics are considered in accordance with our Nominating and Governance Committee Charter:

- high standard of personal and professional ethics, integrity and values;
- training, experience and ability at making and overseeing policy in business, government and/or education sectors;
- willingness and ability to keep an open mind when considering matters affecting interests of the Company and its constituents;
- willingness and ability to devote the time and effort required to effectively fulfill the duties and responsibilities related to Board and its committees;
- willingness and ability to serve on the Board for multiple terms, if nominated and elected, to enable development of a deeper understanding of the Company's business affairs;

willingness not to engage in activities or interests that may create a conflict of interest with a director's responsibilities and duties to the Company and its constituents; and

willingness to act in the best interests of the Company and its constituents, and objectively assess Board, committee and management performances.

In addition, in order to maintain an effective mix of skills and backgrounds among the members of our Board, the following characteristics also may be considered when filling vacancies or identifying candidates:

- independence;
- diversity (e.g., age, geography, professional, other);
- professional experience;
- industry knowledge (e.g., relevant industry or trade association participation);
- skills and expertise (e.g., accounting or financial);
- leadership qualities;
- public company board and committee experience;
- non-business-related activities and experience (e.g., academic, civic, public interest);
- continuity (including succession planning);
- size of the Board;
- number and type of committees, and committee sizes; and
- legal and other applicable requirements and recommendations, and other corporate governance-related guidance regarding Board and committee composition.

In February 2009, we amended our Bylaws to modify the manner in which stockholder may submit proposals or director nominations, as well as the manner for calling special meetings of stockholders. In accordance with the amended Bylaws, a stockholder wishing to nominate a director for election at an annual or special meeting of stockholders must timely submit a written proposal of nomination to our Board, care of the Company's Secretary. To be timely, a written proposal of nomination for an annual meeting of stockholders must be received at least 90 calendar days but no more than 120 calendar days before the first anniversary of the date on which we held our annual meeting of stockholders in the immediately preceding year; provided, however, that in the event that the date of the annual meeting is advance or delayed more than 30 calendar days from the first anniversary of the annual meeting of stockholders in the immediately preceding year, the written proposal must be received: (i) at least 90 calendar days but no more than 120 calendar days prior to the date of the annual meeting; or (ii) no more than 10 days after the date we first publicly announce the date of the annual meeting. A written proposal of nomination for a special meeting of stockholders must be received no earlier than 120 calendar days prior to the date of the special meeting nor any later than the later of: (i) 90 calendar days prior to the date of the special meeting; and (ii) 10 days after the date the Company first publicly announces the date of the special meeting.

Each written proposal for a nominee must contain: (i) the name, age, business address and telephone number, and residence address and telephone number of the nominee; (ii) the current principal occupation or employment of each nominee, and the principal occupation or employment of each nominee for the prior ten (10) years; (iii) a complete list of companies, whether publicly traded or privately held, on which the nominee serves (or, during any of the prior ten (10) years, has served) as a member of the board of directors; (iv) the number of shares of capital stock of Ascent Solar that are owned of record and beneficially by each nominee; (v) a statement whether the nominee, if elected, intends to tender, promptly following such person's failure to receive the required vote for election or reelection at the next meeting at which the nominee would face election or reelection, and irrevocable resignation effective upon acceptance of such resignation by the Board; (vi) a completed and signed questionnaire, representation and agreement relating to voting agreements or commitments to which the nominee is a party; (vii) other information concerning the nominee that would be required in a proxy statement soliciting the nominee's election; and (viii) information about, and representations from, the stockholder making the nomination.

Upon receipt of a written proposal of nomination meeting these requirements, the Nominating and Governance Committee of the Board will evaluate the nominee in accordance with its Committee Charter and the characteristics listed above.

Compensation Committee Interlocks and Insider Participation

None of the members of our Compensation Committee is an officer or employee of the Company. None of our executive officers currently serves, or in the past year has served, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on our Board of Directors or Compensation Committee.

Number of Meetings

The Board held a total of 10 meetings during our fiscal year ended December 31, 2008. Our Audit Committee held 13 meetings, our Compensation Committee held 4 meetings, and our Nominating and Governance Committee held 1 meeting during our fiscal year ended December 31, 2008. Each incumbent director attended at least 75% of the aggregate of the total number of meetings of the Board and the Board committees on which he served (during the periods that he served).

Board Member Attendance at Annual Stockholder Meetings

Although the Company does not have a formal policy regarding director attendance at annual stockholder meetings, directors are encouraged to attend these annual meetings absent extenuating circumstances.

Director Compensation

In 2008, each of our independent directors each received an annual cash retainer of $20,000 and restricted stock awards equal to $30,000 divided by the closing price of the Company's common stock as of July 1, 2008. In addition, our independent directors received restricted stock awards equal to $8,000 divided by the closing price of the Company's common stock as of July 1, 2008 for serving as a committee member, $20,000 divided by the closing price of the Company's common stock as of July 1, 2008 for serving as Audit Committee chairperson, $15,000 divided by the closing price of the Company's common stock as of July 1, 2008 for serving as Compensation Committee chairperson and $15,000 divided by the closing price of the Company's common stock as of July 1, 2008 for serving as Nominating and Governance Committee chairperson.

The following Director Compensation Table summarizes the compensation of our directors for services rendered to Ascent Solar during the year ended December 31, 2008:

Director Compensation Table

Name	Fees Earned or Paid in Cash	Stock Awards(1)	Option Awards	Total	Options Outstanding
Mohan S. Misra, Ph.D.	$	$	$	$	130,000
Stanley A. Gallery	20,000	60,988		80,988	8,000
T.W. Fraser Russell, Ph.D.	20,000	45,988		65,988	8,000
Richard J. Swanson	20,000	57,994		77,994	16,000
Amit Kumar, Ph.D.	20,000	52,994		72,994	8,000
Joel S. Porter	20,000	30,000		50,000	5,000
Einar Glomnes	2,250				
Richard Erskine					

(1) Represents fair market value of restricted stock granted during the year ended December 31, 2008.

In addition to the fees listed above, we reimburse the directors for their travel expenses incurred in attending meetings of the Board or its committees. The directors did not receive any other compensation or personal benefits.

Code of Ethics

We have adopted a code of ethics that applies to our principal executive officer, principal financial officer, principal accounting officer and other senior finance and accounting staff. The code is designed to, among other things, deter wrongdoing and to promote the honest and ethical conduct of our officers and employees. The text of our code of ethics can be found on our Internet website at www.ascentsolar.com. If we effect an amendment to, or waiver from, a provision of our code of ethics, we intend to satisfy our disclosure requirements by posting a description of such amendment or waiver on that Internet website or via a Form 8-K current report.

Communication with the Board of Directors

Stockholders may communicate with the Board by sending correspondence to our Chairman, c/o the Corporate Secretary of the Company, at our corporate address above. It is our practice to forward all such correspondence to our Chairman, who is responsible for determining whether to relay the correspondence to the other members of the Board.

EXECUTIVE COMPENSATION

Compensation Philosophy and Processes

We seek to provide a level of compensation for our executive officers that is competitive with publicly-traded companies similar in both size and industry. We hope to attract, retain, and reward executive officers who contribute to our success, to align executive officer compensation with our performance, and to motivate executive officers to achieve our business objectives. We compensate our senior management through a mix of base salary, bonus and equity compensation.

Our Compensation Committee determines and recommends to our Board the compensation of our executive officers. The Compensation Committee also administers our stock option plan and restricted stock plan. The Compensation Committee reviews base salary levels for our executive officers at the end of each fiscal year and recommends raises and bonuses based upon our achievements, individual performance, and competitive and market conditions. The Compensation Committee may delegate certain of its responsibilities, as it deems appropriate, to other committees or to our officers, but it has not elected to do so. The Compensation Committee has engaged management consultants to provide a market analysis of cash, equity and short term incentives for comparisons to our current compensation package and based on that analysis provide recommendations of compensation adjustments and overall compensation philosophy to the Compensation Committee.

Executive Officer Compensation

The following Summary Compensation Table sets forth certain information regarding the compensation of our principal executive and principal financial officers and the three other most highly compensated executive officers (together, the "named executive officers") at the end of our last fiscal year for services rendered in all capacities to us during the years ended December 31, 2008, 2007 and 2006.

Summary Compensation Table

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)(1)	Option Awards ($)(2)	All Other Comp. ($)	Total ($)
Mohan S. Misra, Ph.D. Chief Executive Officer(3)	2008	178,680	90,915	44,550	210,229	16,832	541,206
	2007	65,185	25,000			3,206	93,391
	2006						
Gary Gatchell Chief Financial Officer(4)	2008	111,835	19,689	660,400	52,557		844,481
	2007						
	2006						
Prem Nath, Ph.D. Senior VP Production Operations(5)	2008	178,704	90,000		262,787		531,491
	2007	162,274	48,710		157,560	51,408	419,952
	2006	64,741	20,160		210,000	24,489	319,390
Ashutosh Misra Senior VP and General Manager Thornton Plant(6)	2008	163,398	29,462		131,393		324,253
	2007	104,611	28,800		128,289	34,750	296,450
	2006						
Bruce Berkoff Chief Marketing Officer(7)	2008	40,335			486,000		526,335
	2007						
	2006						
Matthew Foster Former Chief Executive Officer(8)	2008	152,742	75,000			37,348	265,090
	2007	180,891	67,922		118,170		366,983
	2006	175,238	21,000		213,000		409,238

(1) Represents fair market value of restricted stock awards or units granted during the year ended December 31, 2008.

(2) Represents fair market value of options granted during the year ended December 31, 2008, 2007 and 2006, calculated using the Black-Scholes option pricing model and related assumptions as disclosed in Note 9, "*Stock Based Compensation*," of our financial statements attached hereto.

(3) Dr. Mohan Misra began employment with us on April 30, 2007 as Chief Strategy Officer. Salary represents eight months of annual salary for 2007. On September 19, 2008, Dr. Misra was named interim President and Chief Executive Officer. Salary for 2008 represents approximately nine and one half months as Chief Strategy Officer and two and one half months as President and Chief Executive Officer. Dr. Misra's salary as Chief Strategy Officer was based on a minimum of twenty hours per week and as President and Chief Executive Officer, a minimum of thirty hours per week. All other compensation for Dr. Misra for 2008 and 2007 consists of personal car reimbursement costs of $16,053 and $3,206, respectively and $779 excess group term life coverage for 2008.

(4) Gary Gatchell began employment with us on March 31, 2008 as Chief Financial Officer. Salary represents nine months of annual salary for 2008.

(5) Dr. Prem Nath began employment with us on July 31, 2006 as Senior VP of Manufacturing. Salary for 2006 represents approximately five months of annual salary for 2006. All other compensation for 2007 and 2006 consists of relocation costs.

(6) Ashutosh Misra began employment with us on April 30, 2007 as Senior VP of Operations. Salary represents eight months of annual salary for 2007. All other compensation represents approximately $21,250 in consulting fees paid to Mr. Misra in 2007 prior to his employment on April 30, 2007, and approximately $13,500 in fees paid in connection with his service on the Board of Directors prior to April 30, 2007.

(7) Bruce Berkoff began employment with us on September 29, 2008 as Chief Marketing Officer. Salary represents three months of annual salary for 2008.

(8) Matthew Foster ceased employment with us on October 19, 2008. Salary represents approximately ten and a half months of annual salary for 2008. All other compensation for 2008 consists of $32,069 severance, $2,227 vacation pay-out, $2,737 COBRA payments and $315 excess group term life coverage.

Executive Employment Agreements

We have executive employment agreements with Dr. Mohan Misra, our interim President and Chief Executive Officer and Chief Strategy Officer, Gary Gatchell, our Chief Financial Officer and Secretary, Dr. Prem Nath, our Senior Vice President of Production Operations, Ashutosh Misra, our Senior Vice President of Operations and Corporate Affairs, Bruce Berkoff, our Chief Marketing Officer, Dr. Joseph Armstrong, our Vice President and Chief Technology Officer and Janet Casteel, our Chief Accounting Officer and Treasurer.

Each executive employment agreement has a term of three or four years and has expired or will expire: in December 2008 in the case of Dr. Armstrong; in February 2009 in the case of Ms. Casteel; in July 2009 in the case of Dr. Nath; in April 2010 in the cases of Dr. M. Misra and Mr. A. Misra; in March 2012 in the case of Mr. Gatchell; and in September 2012 in the case of Mr. Berkoff. Under the terms of each agreement, in addition to each of their base salaries: Ms. Casteel may receive a discretionary bonus of up to 15% of that base salary based upon her individual performance and our performance as a company; Dr. Armstrong may receive a discretionary bonus of up to 15% of that base salary based upon his individual performance and our performance as a company; Dr. Nath may receive a discretionary bonus of up to 50% of that base salary based upon his individual performance; Dr. M. Misra may receive a discretionary bonus of up to 50% of that base salary based upon his individual performance and our overall performance as a company; and Mr. A. Misra, Mr. Gatchell and Mr. Berkoff may receive a discretionary bonus of up to 30% of that base salary based upon their individual performance and our overall performance as a company. Base salary is subject to increase from time to time in the normal course of business. Bonuses are not ensured and are awarded at the discretion of the Board. Each agreement may be terminated without notice if for cause, but 30 days' advance notice is required for termination without cause. Further, if Mr. Gatchell, Dr. Nath, Dr. M. Misra or Mr. A. Misra is terminated without cause during the term of his employment agreement, he will be entitled to receive his base salary for a period of twelve months after termination. If Dr. Armstrong, Ms. Casteel or Mr. Berkoff is terminated without cause during the term of his or her agreement, he or she will be entitled to receive his or her base salary for a period of six months after termination. In the event of a merger of the Company with or into another corporation, the sale of substantially all of the assets of the Company, or termination of an executive officer without cause, then some or all of any unvested options, shares of restricted stock or restricted stock units granted to the executive officer may be subject to accelerated vesting in accordance with the terms of the executive's employment agreement, separation or severance agreement, or the Company's Restated 2005 Stock Option Plan and 2008 Restricted Stock Plan, both as amended.

Separation Agreement

On September 19, 2008, Matthew Foster resigned from his position as President and Chief Executive Officer. Dr. Mohan Misra, our Chairman and Chief Strategy Officer, was appointed as the Company's interim President and Chief Executive Officer until a permanent replacement is hired.

In addition to any benefits owed under Mr. Foster's executive employment contract, pursuant to a Separation Agreement and General Release, vesting of Mr. Foster's stock options vesting accelerated to October 19, 2008 and he received a severance payment of $75,000. The Company also will contribute to Mr. Foster's COBRA premium for a period of twelve months. On October 19, 2008, we entered into a consulting agreement with Mr. Foster. Pursuant to the terms of the agreement, Mr. Foster is to expend up to 10 hours per week assisting us with business development, investor relations, strategic planning, assessment of competition and competitive environment, global expansion strategy and management advisory services. In consideration for these services, we agreed to pay Mr. Foster a monthly consulting fee of $10,000.

Option Awards

The following table sets forth information concerning the outstanding equity awards granted to the named executive officers as of December 31, 2008.

Outstanding Equity Awards at Fiscal Year-End

	Option Awards				Stock Awards	
	Number of Securities Underlying Unexercised Options(#)					
Name	Exercisable	Unexercisable	Option Exercise Price($/sh)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested	Market Value of Shares or Units of Stock That Have Not Vested
Mohan S. Misra, Ph.D.(1)	50,000		$ 0.10	11/18/2015		
		80,000	$ 3.17	12/02/2018		
	50,000	80,000			2,500	$ 9,400
Ashutosh Misra(2)						
	5,000		$ 0.10	11/18/2015		
	20,000		$ 8.33	07/30/2017		
	4,500	4,500	$ 17.75	12/03/2017		
		50,000	$ 3.17	12/02/2018		
	29,500	54,500				
Prem Nath, Ph.D.(3)						
	33,333	33,334	$ 2.73	07/31/2016		
	6,000	6,000	$ 17.75	12/03/2017		
		100,000	$ 3.17	12/02/2018		
	39,333	139,334				
Gary Gatchell(4)						
	20,000	20,000	$ 3.17	12/02/2018	40,000	$ 150,400
Bruce Berkoff(5)						
		100,000	$ 6.27	9/29/2018		
Matthew Foster(6)						
	75,000		$ 4.25	02/27/2016		
	9,000		$ 17.75	12/03/2017		
	84,000					

Vesting dates of securities underlying unexercised options and stock awards not yet vested as of December 31, 2008:

(1) $3.17 options 20,000 vest 1/01/09, 20,000 vest 1/01/10, 20,000 vest 1/01/11, 20,000 vest 1/01/12. Stock awards not yet vested 2,500 shares vest 12/31/09 subject to meeting Company performance targets.

(2) $17.75 options 4,500 vest 12/03/09; $3.17 options 12,500 vest 1/01/09, 12,500 vest 1/01/10, 12,500 vest 1/01/11, 12,500 vest 1/01/12.

(3) $2.73 options 33,334 vest 7/31/09; $17.75 options 6,000 vest 12/03/09; $3.17 options 25,000 vest 1/01/09, 25,000 vest 1/01/10, 25,000 vest 1/01/11, 25,000 vest 1/01/12.

(4) $3.17 options 5,000 vest 1/01/09, 5,000 vest 1/01/10, 5,000 vest 1/01/11, 5,000 vest 1/01/12. Stock awards not yet vested 20,000 vest 12/31/09, 10,000 shares vest 12/31/10, 10,000 shares vest 12/31/11, vesting subject to meeting Company performance targets.

(5)

$6.27 options 25,000 vest 9/29/09, 25,000 vest 9/29/10, 25,000 vest 9/29/11, 25,000 vest 9/29/12.

(6) On October 19, 2008, under the terms of Separation agreement and General Release, all outstanding options were immediately vested.

2005 Stock Option Plan

Our Option Plan provides for the grant of incentive or non-statutory stock options to our employees, directors and consultants. A total of 1,500,000 shares of common stock are reserved for issuance under the Option Plan. The Board of Directors and our stockholders approved the plan and its amendments.

The Option Plan is administered by the Compensation Committee of our Board of Directors. Subject to the provisions of the Option Plan, the Committee determines who will receive the options, the number of options granted, the manner of exercise and the exercise price of the options. The term of incentive stock options granted under the Option Plan may not exceed ten years, or five years for options granted to an optionee owning more than 10% of our voting stock. The exercise price of an incentive stock option granted under the Option Plan must be equal to or greater than the fair market value of the shares of our common stock on the date the option is granted. The exercise price of a non-qualified option granted under the Option Plan must be equal to or greater than 85% of the fair market value of the shares of our common stock on the date the option is granted. An incentive stock option granted to an optionee owning more than 10% of our voting stock must have an exercise price equal to or greater than 110% of the fair market value of our common stock on the date the option is granted.

2008 Restricted Stock Plan

The Board of Directors adopted the Company's 2008 Restricted Stock Plan with stockholder approval on July 1, 2008. The Restricted Stock Plan reserves up to 750,000 shares of our common stock for restricted stock awards and restricted stock units to eligible employees, directors and consultants of the Company.

The Restricted Stock Plan is administered by the Compensation Committee of the Board of Directors, which determines the terms of the restricted shares. According to the terms of the Restricted Stock Plan, no individual may be granted, in any fiscal year, more than 200,000 shares. Vesting of shares of restricted stock granted under the Stock Plan may occur over a specified period of time or based upon performance metrics announced at the time of grant.

As of December 31, 2008, there were outstanding options to purchase 1,092,200 shares of common stock under the 2005 Stock Option Plan and 42,500 unvested restricted stock awards under the 2008 Restricted Stock Plan. The following table sets forth information as of December 31, 2008 relating to all of our equity compensation plans:

	Number of securities to be issued upon exercise of outstanding options, warrants and rights and unvested restricted stock	**Weighted-average exercise price of outstanding options, warrants and rights and unvested restricted stock**	**Number of securities remaining available for future issuance under equity compensation plans**
2005 Stock Option Plan approved by security holders	1,092,200	$ 4.94	73,500
2008 Restricted Stock Plan approved by security holders	42,500	$ 14.51	680,154
Equity compensation plans not approved by security holders			
Total:	1,134,700		753,654

Compliance with Internal Revenue Code Section 162(m)

Section 162(m) of the Internal Revenue Code of 1986, as amended, generally disallows a tax deduction to a publicly traded company for compensation in excess of $1 million paid to each of that company's chief executive officer and the three other most highly compensated officers (other than the principal executive officer or the principal financial officer). Qualifying performance-based compensation is not subject to the deduction limit if certain requirements are met. In the fiscal year ended December 31, 2008, none of our executive officers received compensation in excess of $1 million.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table shows information regarding the beneficial ownership of our common stock as of December 31, 2008.

Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and generally includes any shares over which a person exercises sole or shared voting or investment power. Shares of common stock subject to options or warrants that are currently exercisable or exercisable within 60 days of December 31, 2008 are considered outstanding and beneficially owned by the person holding the options for the purpose of computing the percentage ownership of that person but are not treated as outstanding for the purpose of computing the percentage ownership of any other person.

Unless otherwise indicated, each of the stockholders listed below has sole voting and investment power with respect to the shares beneficially owned. The address for each director or named executive officer is c/o Ascent Solar Technologies, Inc., 12300 Grant Street, Thornton, Colorado 80241.

This table assumes 20,946,382 shares of common stock outstanding as of December 31, 2008, assuming no exercise of outstanding options.

Name of Beneficial Owner	No. of Shares Beneficially Owned	Percentage
Officers, Directors and Nominees		
Mohan S. Misra, Ph.D.(1)	1,261,000	6.0%
Gary Gatchell(2)	58,500	*
Prem Nath, Ph.D(3)	74,333	*
Ashutosh Misra(4)	82,000	*
Joseph Armstrong, Ph.D.(5)	75,765	*
Bruce Berkoff	0	*
Joseph McCabe(6)	26,950	*
Janet Casteel(7)	46,826	*
Stanley A. Gallery(8)	119,491	*
Einar Glomnes(9)	0	*
Amit Kumar, Ph.D.(10)	11,983	*
Joel S. Porter(11)	8,006	*
T.W. Fraser Russell, Ph.D.(12)	28,608	*
Richard Erskine(13)	15,190	*
Richard J. Swanson(14)	19,591	*
Ron Eller	0	*
All directors, nominees and executive officers as a group (16 persons)	1,828,243	8.4%
5% Stockholders(15)		
Norsk Hydro Produksjon AS(16)	7,349,160	35.0%

* Less than 1.0%.

(1) Includes options to purchase 70,000 shares of common stock that are vested within 60 days of December 31, 2008. Also includes 806,000 shares of common stock that are held by ITN because ITN is wholly-owned by Inica, Inc., which is owned by Dr. Misra and an immediate family member. Also includes 385,000 shares over which Dr. Misra has sole voting and dispositive power. This information is pursuant to a Schedule 13G filed by ITN, Inica, Inc. and Dr. Misra on February 12, 2009 and a Form 4 filed by ITN on February 9, 2009.

(2) Includes 40,000 shares of restricted stock, 13,500 shares of common stock and options to purchase, 5,000 shares of common stock that are vested within 60 days of December 31, 2008.

(3) Includes 10,000 shares of common stock and options to purchase 64,333 shares of common stock that are vested within 60 days of December 31, 2008.

(4) Includes 36,000 shares of common stock and options to purchase 42,000 shares of common stock that are vested within 60 days of December 31, 2008, and 4,000 Class B warrants that are immediately exercisable.

(5) Includes 47,333 shares of common stock and options to purchase 28,432 shares of common stock that are vested within 60 days of December 31, 2008.

(6) Includes 4,200 shares of common stock and options to purchase 22,750 shares common stock that are vested within 60 days of December 31, 2008.

(7) Includes 17,000 shares of common stock and options to purchase 29,826 shares of common stock that are vested within 60 days of December 31, 2008.

(8) Includes 111,491 shares of common stock and options to purchase 8,000 shares of common stock that are vested within 60 days of December 31, 2008.

(9) Does not include securities held by Norsk Hydro Produksjon AS, our largest stockholder. Mr. Glomnes is the head of Hydro Solar, an affiliate of Norsk Hydro Produksjon AS, and disclaims beneficial ownership of our securities held by Norsk Hydro Produksjon AS.

(10) Includes 3,983 shares of common stock and options to purchase 8,000 shares of common stock that are vested within 60 days of December 31, 2008.

(11) Includes 3,006 shares of common stock and options to purchase 5,000 shares common stock that are vested within 60 days of December 31, 2008.

(12) Includes 20,608 shares of common stock and options to purchase 8,000 shares of common stock that are vested within 60 days of December 31, 2008.

(13) Includes 15,190 Class B warrants that are immediately exercisable. Does not include securities held by Norsk Hydro Produksjon AS, our largest stockholder. Mr. Erskine is Senior Vice President of Solar Business Development of Hydro Solar, an affiliate of Norsk Hydro Produksjon AS, and disclaims beneficial ownership of our securities held by Norsk Hydro Produksjon AS.

(14) Includes 3,591 shares of common stock and options to purchase 16,000 shares of common stock that are vested within 60 days of December 31, 2008.

(15) Information regarding these stockholders is based solely upon filings made by them with the Securities and Exchange Commission.

(16) The reported address of Norsk Hydro Produksjon AS is Drammensveien 264, N-0240, Oslo, Norway. Assumes the exercise by Norsk Hydro Produksjon AS of remaining shares of its Tranche 2 Option to acquire 51,000 shares of

common stock and 33,398 Class B warrants in addition to the 7,298,160 shares of common stock and 3,655,595 Class B warrants it currently holds. Until June 2009, Norsk Hydro Produksjon AS may only exercise that number of Class B warrants necessary to maintain ownership of 35% of our outstanding common stock. This table assumes the exercise of additional shares Norsk Hydro Produksjon AS can purchase under its Tranche 2 Option in order to obtain ownership of 35% of our common stock.

CERTAIN TRANSACTIONS

Transactions Involving ITN Energy Systems, Inc.

We were formed in October 2005 to commercialize certain technologies developed by ITN. ITN is wholly owned by Inica, Inc., a Colorado corporation (Inica). Dr. Mohan Misra, Chairman of our Board of Directors, our interim President and Chief Executive Officer, and an immediate family member of his, own all of the outstanding shares of Inica.