FIRST SOLAR INC

MEETING DATE	Wed, 13 May 2020 12:00	TYPE	AGM	ISSUE DATE	Wed, 06 May 2020
MEETING LOCATION	Virtual-Only Meeting:, www.meetingcenter.io/260589521				
CURRENT INDICES	PIRC Global				
SECTOR	Semiconductors and related devices				

	PROPOSALS	ADVICE
1.1	**Elect Director Michael J. Ahearn** Non-Executive Chair. Not considered independent as he previously served as the Company's CEO and Executive Chairman. In addition, he is not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the Board. Opposition is therefore recommended.	**Oppose**
1.2	**Elect Director Sharon L. Allen** Independent Non-Executive Director. Support is recommended.	**For**
1.3	**Elect Director Richard D. Chapman** Non-Executive Director. Not considered independent as the director serves as an advisor for Walton Enterprises, LLC, related with Lukas T. Walton, a significant shareholder of the Company. There is insufficient independent representation on the Board. He is also non-independent member of the Remuneration and Audit committees which Triodos does not support.	**Oppose**
1.4	**Elect Director George A. ("Chip") Hambro** Non-Executive Director. Not considered independent as he previously served in various executive positions at the Company. There is insufficient independent representation on the Board. Opposition is therefore recommended.	**Oppose**
1.5	**Elect Director Molly E. Joseph** Independent Non-Executive Director. There are concerns over the director's potential aggregate time commitments and the Company has not disclosed individual attendance to Board and Committee meetings, however, as Triodos is in favour of a more diversified and therefore a vote in favour is recommended.	**For**
1.6	**Elect Director Craig Kennedy** Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the Board. He is a non-independent member of the Audit committee which Triodos does not support.	**Oppose**
1.7	**Elect Director William J. Post** Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the Board. He is a non-independent member of the Remuneration committee which Triodos does not support.	**Oppose**
1.8	**Elect Director Paul H. Stebbins** Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the Board. He is a non-independent member of the Remuneration and Audit committees which Triodos does not support.	**Oppose**
1.9	**Elect Director Michael T. Sweeney** Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the Board. He is a non-independent member of the Remuneration committee which Triodos does not support.	**Oppose**

1.10 Elect Director Mark R. Widmar **Oppose**

Chief Executive. Non-independent director standing for the board and there is insufficient independent representation on the board.
Triodos opposes this resolution.

2 Appoint the Auditors **Oppose**

PwC proposed. Non-audit fees represented 17.39% of audit fees during the year under review and 19.75% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor. Opposition is therefore recommended.

3 Approve New Omnibus Plan **Oppose**

The board is seeking authorization to approve the adoption of the first solar inc 2020 omnibus incentive compensation plan. The purpose of the 2020 Omnibus Plan is to promote the interests of the Company and its stockholders by (i) attracting and retaining exceptional directors, officers, employees, and consultants (including prospective directors, officers, employees, and consultants) of the Company and its affiliates and (ii) enabling such individuals to participate in the long-term growth and financial success of the Company. The Plan is presented as an omnibus plan, which means that bundled within the same official plan there are various incentive plan elements aimed at rewarding different groups of employees, officers and executives. However, it is noted that the Compensation Committee retains the power to select employees to receive awards and determine the terms and conditions of awards (and also note that 'management employees' appear most likely to be the principal beneficiaries of the Plan). On this basis, opposition is recommended.

4 Advisory Vote on Executive Compensation **Abstain**

The Company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. The voting outcome for this resolution reflects the balance of opinion on the adequacy of disclosure, the balance of performance and reward and the terms of executive employment.For the year under review, annual bonus payouts are considered to be excessive as they represent more than 200% of base salary. Maximum long-term award opportunities are not limited to 200% of base salary, which raises concerns over the potential excessiveness of the remuneration structure. The Company maintains a supplemental executive retirement plan for the benefit of certain officers; which is not in line with best practice.
The compensation rating is: BCA.
Based on this rating Triodos abstains this resolution.

SUPPORTING INFORMATION FOR RESOLUTIONS

Proposal 4 - Advisory Vote on Executive Compensation

Disclosure: B The Company has provided the level of fees paid to the Compensation Consultants. The disclosure of these fees is encouraged in the interests of greater transparency. The peer groups used for the purpose of pay comparison have been fully disclosed by the Company. The grant of performance awards was based on the achievement of set levels of specific performance targets. Specific performance targets for all long-term awards have not been adequately disclosed.

Balance: C The Company does not consider non-financial metrics in its assessment of performance. For the year under review, annual bonus payouts are considered to be excessive as they represent more than 200% of base salary. Awards under the annual-incentive plans are tied to multiple performance conditions, which is considered best practice. Performance measures attached to long-term incentives do not duplicate those attached to other awards, which is considered acceptable practice. Maximum long-term award opportunities are not limited to 200% of base salary, which raises concerns over the potential excessiveness of the remuneration structure. Retention awards made up less than one-third of the awards granted to executives, which is considered best practice. Performance shares have a three-year performance period, which is a market standard. However, a five-year performance period is considered best practice. Executive compensation is aligned with peer group averages. In addition, executive compensation is aligned with companies of a similar market cap.

Contract: A The Company maintains a supplemental executive retirement plan for the benefit of certain officers; which is not in line with best practice. Cash severance is limited to three times base salary; which is welcomed. Change-in-control payments are subject to double-trigger provisions. Good reason has been appropriately defined. Equity awards are subject to pro-rata vesting, which is line with best practice. The claw-back policy is considered appropriate as it applies to short- and long-term incentives, and is not limited to cases of financial misstatement.

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