

FIRST SOLAR, INC.
Form DEF 14A
April 20, 2010

Table of Contents

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

SCHEDULE 14A

**Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

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

First Solar, Inc.

(Name of Registrant as Specified in its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
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- (1) Title of each class of securities to which transaction applies:
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Table of Contents

**First Solar, Inc.
350 West Washington Street
Suite 600
Tempe, Arizona 85281**

April 20, 2010

Dear Stockholder:

You are cordially invited to attend our 2010 annual meeting of stockholders of First Solar, Inc. to be held on Tuesday, June 1, 2010, at 9:00 a.m., local time, at the Desert Willow Conference Center, 4340 East Cotton Center Boulevard, Phoenix, Arizona 85040.

Details regarding admission to the meeting and the business to be conducted are described in the Notice of Internet Availability of Proxy Materials (the "Notice") you received in the mail and in this proxy statement. We have also made available a copy of our 2009 Annual Report to Stockholders (the "2009 Annual Report") with this proxy statement. We encourage you to read our 2009 Annual Report. It includes our audited financial statements and information about our operations, markets and products.

We have elected to provide access to our proxy materials on the internet under the Securities and Exchange Commission's notice and access rules. We are pleased to take advantage of these rules and believe that they enable us to provide you with the information you need, while making delivery more efficient and more environmentally friendly. In accordance with these rules, we have sent the Notice to each of our stockholders providing instructions on how to access our proxy materials and our 2009 Annual Report on the internet.

Your vote is important. Whether or not you plan to attend the annual meeting, we hope you will vote as soon as possible. You may vote on the internet, as well as by telephone or, if you requested to receive printed proxy materials, by mailing a proxy or voting instruction card. Please review the instructions on each of your voting options described in this proxy statement as well as in the Notice you received in the mail.

I look forward to greeting those of you who are able to attend the annual meeting in Phoenix.

Sincerely,

Robert J. Gillette
Chief Executive Officer

Table of Contents

**FIRST SOLAR, INC.
350 West Washington Street
Suite 600
Tempe, Arizona 85281**

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

The 2010 annual meeting of stockholders of First Solar, Inc. will be held on Tuesday, June 1, 2010, at 9:00 a.m., local time. The annual meeting will take place at the Desert Willow Conference Center, 4340 East Cotton Center Boulevard, Phoenix, Arizona 85040.

The purposes of the annual meeting are as follows:

1. to elect nine members of the board of directors to hold office until the next annual meeting of stockholders or until their respective successors have been elected and qualified;
2. to approve the adoption of the First Solar, Inc. 2010 Omnibus Incentive Compensation Plan;
3. to approve the adoption of the First Solar, Inc. Associate Stock Purchase Plan;
4. to ratify the appointment of PricewaterhouseCoopers LLP as First Solar, Inc.'s independent registered public accounting firm for the fiscal year ending December 25, 2010; and
5. to transact such other business as may properly come before the annual meeting.

Any action may be taken on the foregoing proposals at the annual meeting on the date specified above or on any date or dates to which the annual meeting may be adjourned or postponed.

The close of business on April 15, 2010 is the record date for determining stockholders entitled to vote at the annual meeting. Only holders of common stock of First Solar, Inc. as of the record date are entitled to vote on some or all of the matters listed in this notice of annual meeting. A complete list of stockholders entitled to vote at the annual meeting will be available for inspection by stockholders during normal business hours at our corporate headquarters located at 350 West Washington Street, Suite 600, Tempe, Arizona 85281, during the ten days prior to the annual meeting as well as at the annual meeting.

BY ORDER OF THE BOARD OF DIRECTORS,

Mary Beth Gustafsson
Executive Vice President,
General Counsel and Secretary
April 20, 2010

Your vote is very important.

Whether or not you plan to attend the Annual Meeting, we encourage you to read this proxy statement and submit your proxy or voting instructions as soon as possible. For specific instructions on how to vote your

shares, please refer to the instructions on the Notice you received in the mail, the section entitled Questions and Answers About the Annual Meeting beginning on page 1 of this proxy statement or, if you requested to receive printed proxy materials, your enclosed proxy card.

TABLE OF CONTENTS

	Page
<u>Questions and Answers About the Annual Meeting</u>	1
<u>Corporate Governance</u>	4
<u>Non-Associate Director Compensation</u>	11
<u>Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</u>	13
<u>Certain Relationships and Related Party Transactions</u>	16
<u>Principal Accountant Fees and Services</u>	17
<u>Compensation Discussion and Analysis</u>	17
<u>Compensation Committee Report</u>	29
<u>Executive Compensation</u>	30
<u>Proposal No. 1 Election of Directors</u>	44
<u>Proposal No. 2 Approval of the First Solar, Inc. 2010 Omnibus Incentive Compensation Plan</u>	45
<u>Proposal No. 3 Approval of the First Solar, Inc. Associate Stock Purchase Plan</u>	55
<u>Proposal No. 4 Ratification of Selection of Independent Registered Public Accounting Firm</u>	58
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	59
<u>Other Matters</u>	60
<u>Stockholder Proposals</u>	60
<u>Report of the Audit Committee of the Board of Directors</u>	61
<u>Appendix A First Solar, Inc. 2010 Omnibus Incentive Compensation Plan</u>	A-1
<u>Appendix B First Solar, Inc. Associate Stock Purchase Plan</u>	B-1

Table of Contents

FIRST SOLAR, INC.
350 West Washington Street
Suite 600
Tempe, Arizona 85281

PROXY STATEMENT

This proxy statement is being furnished in connection with the solicitation of proxies by the board of directors of First Solar, Inc., a Delaware corporation (First Solar or the Company), for use at the annual meeting of the Company's stockholders to be held on Tuesday, June 1, 2010, at the Desert Willow Conference Center, 4340 East Cotton Center Boulevard, Phoenix, Arizona 85040, commencing at 9:00 a.m., local time, and at any adjournment or postponement. The Notice of Internet Availability of Proxy Materials (the Notice) relating to the annual meeting is first being mailed to stockholders, and this proxy statement is first being made available to stockholders, on or about April 20, 2010.

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING

What is the purpose of the annual meeting?

At the annual meeting, stockholders are being asked to consider and vote upon the following matters:

the election of nine members of our board of directors to hold office until the next annual meeting of stockholders or until their respective successors have been elected and qualified;

the approval of the adoption of the First Solar, Inc. 2010 Omnibus Incentive Compensation Plan;

the approval of the adoption of the First Solar, Inc. Associate Stock Purchase Plan; and

the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 25, 2010.

The stockholders will also transact any other business that may properly come before the annual meeting.

Why did I receive a notice in the mail regarding the internet availability of proxy materials instead of a full set of proxy materials?

In accordance with rules adopted by the Securities and Exchange Commission (the Commission), we may furnish proxy materials, including this proxy statement and our 2009 Annual Report to Stockholders (the 2009 Annual Report), to our stockholders by providing access to such documents on the internet instead of mailing printed copies. You will not receive a printed copy of the proxy materials unless you specifically request one. Instead, the Notice instructs you as to how you may access and review all of the proxy materials on the internet. The Notice also instructs you as to how you may submit your proxy on the internet. If you would like to receive a paper or email copy of our proxy materials, you should follow the instructions for requesting such materials in the Notice.

How do I get electronic access to the proxy materials?

The Notice provides you with instructions regarding how to:

View our proxy materials for the annual meeting on the internet; and

Instruct us to send our future proxy materials to you electronically by email.

Choosing to receive your future proxy materials by email will save us the cost of printing and mailing documents to you and will reduce the environmental impact of printing and mailing these materials. If you choose to receive future proxy materials by email, you will receive an email next year with instructions containing a link to those materials and a link to the proxy voting site. Your election to receive proxy materials by email will remain in effect until you terminate it.

Table of Contents

How does the board of directors recommend that I vote?

Our board of directors recommends that you vote your shares (1) FOR each of the nominees to the board of directors, (2) FOR the approval of the First Solar, Inc. 2010 Omnibus Incentive Compensation Plan, (3) FOR the approval of the First Solar, Inc. Associate Stock Purchase Plan, and (4) FOR the ratification of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the 2010 fiscal year.

Who is entitled to vote?

The record date for the annual meeting is April 15, 2010. Only stockholders of record at the close of business on that date are entitled to notice of and to vote at the annual meeting. Attendance at the meeting will be limited to such stockholders of record, their proxies, beneficial owners having evidence of ownership on that date and invited guests of the Company.

The Company's sole outstanding capital stock is its common stock, par value \$0.001 per share. Each holder of the Company's common stock is entitled to one vote per share on each matter submitted at the annual meeting. At the close of business on the record date there were 85,291,195 shares of the Company's common stock outstanding and eligible to vote at the annual meeting.

What is the difference between holding shares as a stockholder of record and as a beneficial owner?

Most First Solar stockholders hold their shares through a broker or other nominee rather than directly in their own name. As summarized below, there are some distinctions between shares held of record and those owned beneficially.

Stockholder of Record

If your shares are registered directly in your name with our transfer agent, Computershare Trust Company, N.A., you are considered, with respect to those shares, the stockholder of record, and the Notice was sent directly to you by First Solar. As the stockholder of record, you have the right to grant your voting proxy directly to First Solar or to vote in person at the annual meeting. If you requested to receive printed proxy materials, First Solar has enclosed or sent a proxy card for your use. You may also vote on the internet or by telephone, as described in the Notice and below under the heading **How can I vote my shares without attending the annual meeting?**

Beneficial Owner

If your shares are held in an account at a brokerage firm, bank, broker-dealer, trust or other similar organization, like the vast majority of our stockholders, you are considered the beneficial owner of shares held in street name, and the Notice was forwarded to you by that organization. As the beneficial owner, you have the right to direct your broker, bank, trustee or nominee how to vote your shares, and you are also invited to attend the annual meeting.

Since a beneficial owner is not the stockholder of record, you may not vote your shares in person at the annual meeting unless you obtain a legal proxy from the broker, bank, trustee or nominee that holds your shares giving you the right to vote the shares at the meeting. If you do not wish to vote in person or you will not be attending the annual meeting, you may vote by proxy. You may vote by proxy over the internet or by telephone, as described in the Notice and below under the heading **How can I vote my shares without attending the annual meeting?**

How can I vote my shares in person at the annual meeting?

Shares held in your name as the stockholder of record may be voted by you in person at the annual meeting. Shares held beneficially in street name may be voted by you in person at the annual meeting only if you obtain a legal proxy from the broker, bank, trustee or nominee that holds your shares giving you the right to vote the shares. Even if you plan to attend the annual meeting, we recommend that you also submit your proxy or voting instructions as described below so that your vote will be counted if you later decide not to attend the meeting.

Table of Contents

How can I vote my shares without attending the annual meeting?

Whether you hold shares directly as the stockholder of record or beneficially in street name, you may direct how your shares are voted without attending the annual meeting. If you are a stockholder of record, you may vote by proxy. You can vote by proxy over the internet by following the instructions provided in the Notice, or, if you requested to receive printed proxy materials, you can also vote by mail or telephone pursuant to instructions provided on the proxy card. If you hold shares beneficially in street name, you may also vote by proxy over the internet by following the instructions provided in the Notice, or, if you requested to receive printed proxy materials, you can also vote by telephone or mail by following the voting instruction card provided to you by your broker, bank, trustee or nominee.

Can I change my vote after I submit my proxy?

Yes, you may change your vote at any time prior to the vote at the annual meeting. If you are the stockholder of record, you may change your vote by granting a new proxy bearing a later date (which automatically revokes the earlier proxy), by providing a written notice of revocation to First Solar's Corporate Secretary at 350 West Washington Street, Suite 600, Tempe, Arizona 85281 prior to your shares being voted, or by attending the annual meeting and voting in person. Attendance at the annual meeting will not cause your previously granted proxy to be revoked unless you specifically so request. For shares you hold beneficially in street name, you may change your vote by submitting new voting instructions to your broker, trustee or nominee following the instruction they provided, or, if you have obtained a legal proxy from your broker or nominee giving you the right to vote your shares, by attending the annual meeting and voting in person.

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

A quorum must be present at the annual meeting for any business to be conducted. The presence at the annual meeting, in person or by proxy, of the holders of a majority of the shares of voting stock outstanding on the record date, determined by voting power, will constitute a quorum. Both abstentions and broker non-votes (described below) are counted for the purpose of determining the presence of a quorum. If a quorum is not present, the chairman of the annual meeting may adjourn the annual meeting until a quorum is present.

What is the voting requirement to approve each of the proposals?

In the election of directors, the affirmative vote of a plurality of the votes cast is required to elect the nine nominees as directors. This means that the nine nominees will be elected if they receive more affirmative votes than any other person. You may not accumulate your votes for the election of directors.

The proposals to approve the First Solar, Inc. 2010 Omnibus Incentive Compensation Plan, to approve the First Solar, Inc. Associate Stock Purchase Plan, and to ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 25, 2010 requires the affirmative vote of a majority of the voting power of the Company's common stock present at the meeting in person or by proxy and entitled to vote as of the record date.

If you hold shares beneficially in street name and do not provide your broker with voting instructions, your shares may constitute broker non-votes. Generally, broker non-votes occur on a matter when a broker is not permitted to vote on that matter without instructions from the beneficial owner and instructions are not given. In tabulating the voting result for any particular proposal, shares that constitute broker non-votes are not considered entitled to vote or votes cast on that proposal. Thus, broker non-votes will not affect the outcome of any matter being voted on at the meeting, assuming that a quorum is obtained. Abstentions, on the other hand, have the same effect as votes against the matter.

Please note that this year the rules that govern how brokers vote your shares have changed. Brokers may no longer use discretionary authority to vote shares on the election of directors if they have not received specific instructions from their clients. For your vote to be counted in the election of directors, you now will need to communicate your voting decisions to your bank, broker or other holder of record before the date of the annual meeting.

Table of Contents

What happens if a nominee is unable to stand for election?

If a nominee is unable to stand for election, the board of directors may either reduce the number of directors to be elected or cause a substitute nominee to be selected. If a substitute nominee is selected, the proxy holders will vote your shares for the substitute nominee, unless you have withheld authority.

Who pays for the costs of soliciting proxies?

The Company will pay the cost of soliciting proxies. The Company will reimburse brokerage firms and other custodians, nominees and fiduciaries for reasonable expenses incurred by them in sending proxy materials to the beneficial owners of voting stock. In addition to solicitation by mail, directors, officers and associates (which is our term for employees and is used throughout this proxy statement to mean employees) of the Company may solicit proxies personally, by telephone or by electronic communication, without additional compensation.

How do I obtain more information about the Company?

A copy of our 2009 Annual Report is available on the website <http://www.envisionreports.com/fslr>. Our Annual Report on Form 10-K for the fiscal year ended December 26, 2009 is available on our investor relations website at <http://investor.firstsolar.com> under SEC Filings. **You may also obtain, free of charge, a copy of our Annual Report on Form 10-K for the fiscal year ended December 26, 2009 by writing to Investor Relations, First Solar, Inc., 350 West Washington Street, Suite 600, Tempe, Arizona 85281; Email: investor@firstsolar.com.**

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF THE STOCKHOLDERS TO BE HELD ON JUNE 1, 2010

This Proxy Statement and our 2009 Annual Report are available at <http://www.envisionreports.com/fslr>.

A Note About the Company Website

Although we include references to our website (www.firstsolar.com) throughout this proxy statement, information that is included on our website is not incorporated by reference into, and is not a part of, this proxy statement.

We use our website as one means of disclosing material non-public information and for complying with our disclosure obligations under the SEC's Regulation FD. Such disclosures will typically be included within the Investor Relations section of our website. Accordingly, investors should monitor such portions of our website, in addition to following our press releases, SEC filings and public conference calls and webcasts.

CORPORATE GOVERNANCE

We adopted corporate governance guidelines that address the governance activities of the board of directors and include criteria for determining the independence of the members of our board. These guidelines are in addition to the requirements of the Commission and The NASDAQ Stock Market (NASDAQ). The guidelines also include requirements for the standing committees of the board, responsibilities for board members and the annual evaluation of the board's and its committees' effectiveness. The corporate governance guidelines are available on our website at www.firstsolar.com. At any time that these guidelines are not available on our website, we will provide a copy upon written request made to Investor Relations, First Solar, Inc., 350 West Washington Street, Suite 600, Tempe, Arizona 85281.

Independence

The board of directors has determined that the following directors and director nominee are independent as required by applicable laws and regulations, by the listing standards of NASDAQ and by our corporate governance guidelines: Craig Kennedy, James F. Nolan, William J. Post, J. Thomas Presby, Michael Sweeney, Paul H. Stebbins

Table of Contents

and José H. Villarreal. The board of directors has also concluded that the members of each of the audit, compensation and nominating and governance committees are independent in accordance with these same standards.

Code of Business Conduct and Ethics

We have a code of business conduct and ethics that applies to all directors and associates, including our chairman, chief executive officer, chief financial officer and all of our associates in the finance organization. These standards are designed to deter wrongdoing and to promote the honest and ethical conduct of all associates. The code of business conduct and ethics is posted on our investor relations website at <http://investor.firstsolar.com> under FAQ/Investor Kit. Any substantive amendment to, or waiver from, any provision of the code of business conduct and ethics with respect to any director or executive officer will be posted on our website.

Board of Directors Composition

Our board of directors is currently composed of eight directors: six independent directors and two executive directors, including our executive chairman and our chief executive officer. An additional prospective independent director, William J. Post, has been nominated by the board of directors for election at the annual meeting. In 2009, the board of directors decided that the executives who may serve as directors should be limited to the chairman and the chief executive officer. As a result, Mr. Bruce Sohn, our president, did not stand for re-election at the 2009 annual meeting, and Mr. Robert J. Gillette, our chief executive officer, was appointed to the board in October 2009 in connection with the commencement of his employment.

Board of Directors Leadership Structure

The board's current leadership structure separates the position of chairman and chief executive officer. Michael J. Ahearn served as the Company's chief executive officer and chairman of the board during 2009 until being succeeded as chief executive officer by Robert J. Gillette on October 1, 2009. Since such date, Mr. Ahearn has served as the chairman of the board of directors and as executive chairman (an executive officer position).

The board and the nomination and governance committee have determined that the current structure is appropriate at this time in that it enables Mr. Gillette to focus on the increasing complexities associated with the role of chief executive officer at the Company, while enabling Mr. Ahearn to continue to provide leadership on public policy and at the board level. Although the roles of chief executive officer and chairman of the board are currently separated, the board has not adopted a formal policy requiring such separation. After evaluating alternate board leadership structures, the board believes that the right structure should be informed by the needs and circumstances of the Company, its board and its stockholders at a given point in time, and the board should remain adaptable to shaping the leadership structure as those needs change.

The Board's Role in Risk Oversight

The Company has a comprehensive risk management process in which management is responsible for managing the Company's risks and the board and its committees provide oversight in connection with these efforts. Risks are identified, assessed and managed on an ongoing basis and communicated to management during standing management meetings or otherwise as appropriate. Existing and potential material risks are addressed during periodic senior management meetings, resulting in both board and committee discussions and public disclosure, as appropriate. Further, risk assessment is embedded in the Company's business decision making, business planning and strategic planning.

The board is responsible for overseeing management in the execution of its risk management responsibilities and for assessing the Company's approach to risk management. The board administers this risk oversight function either through the full board or through one of its three standing committees, each of which examines various components of the Company's enterprise risks as part of its responsibilities. The full board reviews enterprise-wide strategic risks and certain other risk areas on a regular basis. An overall review of risk is inherent in the board's consideration of the Company's long-term strategies and in the transactions and other matters presented to the board, including capital expenditures, manufacturing capacity expansions, acquisitions and significant financial

Table of Contents

matters. The audit committee oversees financial risks (including risks associated with accounting, financial reporting, enterprise resource planning system implementation, foreign currencies and the collectability of accounts receivable), legal and compliance risks and other risk management functions. The compensation committee considers risks related to the attraction and retention of talent (including management succession planning) and risks relating to the design of compensation programs and arrangements, including a periodic review of such compensation programs to ensure that they do not encourage excessive risk-taking. The nominating and governance committee considers risks related to corporate governance practices.

Management regularly reports on risk-related matters to the board or the relevant committee thereof. Management presentations containing information regarding risks and risk management initiatives are given throughout the year in connection with board and committee quarterly and special meetings as well as other communications as needed or as requested by the board or committee. In addition, the Company's director of risk management reports to the audit committee at least once per year, and has open access to the chair of the audit committee.

Committee Composition

We have three standing committees of the board: the audit committee, the compensation committee and the nominating and governance committee. The committee membership and meetings during 2009 and the function of each of the committees are described below.

During 2009, the board of directors held 15 meetings and acted by written consent once. Each director attended at least 75% of the aggregate of all board of directors meetings and committee meetings for the committees on which he serves.

Board of Directors Member	Audit Committee	Compensation Committee	Nominating and Governance Committee
Michael J. Ahearn			
Robert J. Gillette (member since October 1, 2009)			
Bruce Sohn (member until June 4, 2009)			
Craig Kennedy	Member		Member
James F. Nolan			Member
J. Thomas Presby	Chair		Member
Paul H. Stebbins	Member	Member	Member
Michael Sweeney		Chair	Member
José H. Villarreal		Member	Chair

Audit Committee

The audit committee oversees our financial reporting process on behalf of the board of directors and reports to the board of directors the results of these activities, including reviewing the systems of internal controls established by management, our audit and compliance process and financial reporting. The audit committee, among other duties, engages the independent registered public accounting firm, pre-approves all audit and non-audit services provided by the independent registered public accounting firm, reviews with the independent registered public accounting firm the plans and results of the audit engagement, considers the compatibility of any non-audit services provided by the independent registered public accounting firm with the independence of such independent registered public accounting firm and reviews the independence of the independent registered public accounting firm. During 2009, the

audit committee held seven meetings.

J. Thomas Presby (Chair), Craig Kennedy and Paul H. Stebbins serve on our audit committee. Each member of the audit committee meets the standards for financial knowledge for companies listed on NASDAQ. In addition, the board of directors has determined that Mr. Presby is qualified as an audit committee financial expert within the meaning of Commission regulations.

Table of Contents

The audit committee operates pursuant to a written charter, a current copy of which is available on our website at www.firstsolar.com under Corporate About Leadership.

Compensation Committee

The compensation committee reviews and recommends compensation and benefit plans for the Company's officers and directors, including non-associate directors, reviews the base salary and incentive compensation for each executive officer, reviews and approves corporate goals and objectives relevant to our chief executive officer's compensation, administers our incentive compensation program for key executive and management associates and reviews and approves associate benefit plans. During 2009, the compensation committee held nine meetings and acted by written consent two times.

Michael Sweeney (Chair), Paul H. Stebbins and José H. Villarreal serve on our compensation committee.

The compensation committee operates pursuant to a written charter, a current copy of which is available on our website at www.firstsolar.com under Corporate About Leadership.

Compensation Committee Interlocks and Insider Participation

None of the members of our compensation committee has been an executive officer or associate of the Company during our last completed fiscal year. During our last completed fiscal year, none of our executive officers served as a member of the compensation committee of any entity that has one or more executive officers serving on our compensation committee.

Nominating and Governance Committee

The nominating and governance committee leads the review and assessment of the composition and performance of the board and its committees, assesses candidates for appointment to the board and recommends to the board of directors whether such candidates should stand for election at the next meeting of stockholders, and reviews and assesses the Company's corporate governance policies and guidelines. During 2009, the nominating and governance committee held five meetings.

José H. Villarreal (Chair), Craig Kennedy, James F. Nolan, J. Thomas Presby, Paul H. Stebbins and Michael Sweeney serve on our nominating and governance committee.

The nominating and governance committee operates pursuant to a written charter, a current copy of which is available on our website at www.firstsolar.com under Corporate About Leadership.

Nomination Procedures

Director nominees are recommended by the nominating and governance committee to the board of directors for their approval. In considering new nominees for the board of directors, the nominating and governance committee considers qualified individuals who, if added to the board of directors, would provide the mix of director characteristics, experience, perspectives and skills appropriate for the Company. In accordance with the corporate governance guidelines adopted by the board of directors and the nominating and governance committee charter, criteria for selection of candidates include, but are not limited to: (i) roles and contributions valuable to the business community; (ii) personal qualities of leadership, character, judgment and whether the candidate possesses and maintains a reputation in the community at large of integrity, trust, respect, competence and adherence to the highest ethical standards; (iii) relevant knowledge and diversity of background and experience in such areas as business,

technology, finance and accounting, marketing, government relations and other disciplines relevant to the Company's business; and (iv) whether the candidate is free of conflicts and has the time required for preparation, participation and attendance at all meetings.

As indicated by these criteria, the board of directors and the nominating and governance committee seek a diversity of background and experience among board members. The nominating and governance committee does not follow any ratio or formula to determine the appropriate mix. Rather, it uses its judgment to identify nominees whose backgrounds, attributes and experiences, taken as a whole, will contribute to the high standards of board

Table of Contents

service at the Company. The effectiveness of this approach is evidenced by the directors' participation in the insightful and robust deliberation that occurs at board and committee meetings and in shaping the agendas for those meetings.

The board of directors does not have a specific policy for consideration of nominees recommended by security holders due to the fact that, as of April 15, 2010, the Estate of John T. Walton and its affiliates control approximately 35% of our outstanding common stock and their vote has a significant influence on whether any director nominee recommended by the board of directors or a security holder is elected to the board of directors. However, security holders can recommend a prospective nominee for the board of directors as described below. There have been no recommended nominees from security holders.

Our bylaws require that a stockholder who wishes to nominate an individual for election as a director at our annual meeting must give us advance written notice. The notice must be delivered to or mailed and received by the Corporate Secretary of the Company not later than 90 days or earlier than 120 days prior to the first anniversary of the preceding year's annual meeting. If the annual meeting for which the recommendation is submitted is more than 30 days before or more than 60 days after the first anniversary of the preceding year's annual meeting, such recommendation must be received by the Corporate Secretary of the Company not earlier than 120 days prior to the annual meeting and not later than 90 days prior to such annual meeting or the 10th day following the day on which public announcement of the annual meeting date is first made by the Company.

Stockholders may contact our Corporate Secretary at First Solar, Inc., 350 West Washington Street, Suite 600, Tempe, Arizona 85281 for a copy of the relevant bylaw provisions regarding the requirements for nominating director candidates and making stockholder proposals.

Stockholder Communications with Directors

A stockholder who wishes to communicate directly with the board of directors, a committee of the board of directors or with an individual director regarding matters related to First Solar should send the communication to:

First Solar, Inc.
Attn: Corporate Secretary
350 West Washington Street
Suite 600
Tempe, Arizona 85281

We will forward all stockholder correspondence about First Solar to the board of directors, committee or individual director, as appropriate. Please note that we will not forward communications that are spam, junk mail and mass mailings, resumes and other forms of job inquiries, surveys, and business solicitations or advertisements.

Attendance at Stockholder Meetings

The Company does not have a policy on directors attending the annual stockholders' meetings. Last year's annual stockholders' meeting was held on June 4, 2009 in Phoenix, Arizona and was attended by two directors.

DIRECTORS

Members of the board of directors of the Company are elected at each annual meeting of stockholders and serve until the next annual meeting or until their respective successors have been elected and qualified. The following information provided with respect to the principal occupation, affiliations and business experience during the last five years for each of the members of the board of directors has been furnished to us by such members.

The name and certain information regarding each director and prospective director of the Company are set forth below as of April 15, 2010. There are no family relationships among directors or executive officers of the Company. In 2009, upon the recommendation of the nominating and governance committee, the board of directors decided that the executives who may serve as directors at such time should be limited to the chairman and the chief executive officer. Therefore, Mr. Sohn did not stand for re-election at the 2009 annual meeting. Mr. Robert J. Gillette was nominated and appointed to fill the vacant position on the board of directors by the incumbent members

Table of Contents

of the board of directors effective October 1, 2009, the date Mr. Gillette became the Company's chief executive officer. Each of the following persons has been nominated by the board of directors for election at the annual meeting.

Name	Age	Current Position with First Solar	Director Since
Michael J. Ahearn	53	Executive Chairman of the Board	2000
Robert J. Gillette	50	Chief Executive Officer and Director	2009
Craig Kennedy	58	Director	2007
James F. Nolan	78	Director	2003
J. Thomas Presby	70	Director	2006
Paul H. Stebbins	53	Director	2006
Michael Sweeney	52	Director	2003
José H. Villarreal	56	Director	2007
William J. Post	59	Director nominee	

Michael J. Ahearn serves as executive chairman of First Solar and served as chief executive officer from August 2000 to September 2009. Prior to First Solar, he was partner and president of an equity investment firm, JWMA (formerly True North Partners, L.L.C.). Prior to joining JWMA, Mr. Ahearn practiced law as a partner in the firm of Gallagher & Kennedy. Mr. Ahearn has served on the boards of Arizona Technology Enterprises, Arizona State University Research Park, Homeward Bound, the Arizona Science Museum and currently serves on the board of the German Marshall Fund of the United States. Mr. Ahearn holds a B.A. in Finance and a J.D. from Arizona State University. During his nine-year tenure as chief executive officer of First Solar, Mr. Ahearn led the development and expansion of First Solar from a small privately-held company to a successful multinational industry-leading public company; his experience and insights are critical assets to the board of directors.

Robert J. Gillette joined First Solar in October 2009 as chief executive officer. Prior to joining First Solar, Mr. Gillette served as president and chief executive officer of Honeywell Aerospace since January 2005. Honeywell Aerospace, headquartered in Phoenix, Arizona, is Honeywell International's largest business group with current sales of more than \$12 billion annually. In this role, Mr. Gillette led Honeywell Aerospace's three main businesses—Air Transport & Regional, Business & General Aviation, and Defense & Space—with more than 40,000 employees at nearly 100 worldwide manufacturing and service sites. Prior to this assignment, Mr. Gillette had served as president and chief executive officer of Honeywell Transportation Systems since July 2001. Mr. Gillette holds a bachelor's of science degree in Finance from Indiana University. Through his career, Mr. Gillette has developed a deep understanding of the successful management of a large global business. As chief executive officer of First Solar, Mr. Gillette plays an essential role at the board level in providing CEO-level visibility into the management and operations of First Solar.

Craig Kennedy, *Audit Committee; Nominating & Governance Committee*, was elected a director of First Solar in September 2007. Since 1995, Mr. Kennedy has been president of the German Marshall Fund, an independent American organization created in 1972 as a permanent memorial to the Marshall Plan. The German Marshall Fund sponsors a wide range of programs related to foreign, economic, immigration and environmental policy, and it operates a number of political exchanges between the United States and Europe with a special emphasis on Germany. Mr. Kennedy began his career in 1980 as a program officer at the Joyce Foundation in Chicago. Mr. Kennedy was president of the Joyce Foundation between 1986 and 1992, where he built the Foundation's environmental program and launched a new program on U.S. immigration policy. Mr. Kennedy left the Joyce Foundation to work for Richard J. Dennis, a Chicago investor and philanthropist. During this same period, Mr. Kennedy created a consulting firm working with nonprofit and public sector clients. Mr. Kennedy serves on the board of the nonprofit Thomas B. Fordham Foundation, the Rocky Mountain Institute, the European Foundation Center, and as an independent trustee of the Van Kampen mutual funds. Mr. Kennedy holds a B.A., an M.A. and MBA from the University of Chicago.

Mr. Kennedy's deep public policy experience and global perspective are valuable resources to the Company, as our business is impacted by public policy issues on a global scale.

James F. Nolan, *Nominating & Governance Committee*, was elected a director of First Solar in February 2003. Mr. Nolan served as the vice president of operations with Solar Cells, Inc., the predecessor to First Solar, and was

Table of Contents

responsible for research, development and manufacturing operations. He designed and built early prototype equipment for First Solar's pilot manufacturing line and led the team that developed the process for producing large area thin film cadmium telluride solar modules. Mr. Nolan worked as a part-time consultant for First Solar from November 2000 until March 2007. Mr. Nolan has over 35 years of experience in physics, engineering, research and development, manufacturing and process design with companies such as Westinghouse, Owens Illinois, Glasstech and Photonics Systems. Mr. Nolan holds more than 10 patents in areas of flat panel electronic displays and photovoltaic devices and processes. Mr. Nolan earned his B.S. in Physics from the University of Scranton (Pennsylvania) and a PhD in Physics from the University of Pittsburgh. Mr. Nolan provides the board with extensive experience in engineering, research and development and manufacturing and process design, obtained through his work at the predecessor to First Solar and other companies throughout his career.

William J Post, *Director Nominee*, retired as chairman and chief executive officer of Pinnacle West Capital Corporation in April 2009, and he will retire from the board of directors of Pinnacle West effective as of its annual meeting of shareholders on May 19, 2010. He joined Arizona Public Service (the largest subsidiary of Pinnacle West and the largest electric utility in Arizona) in 1973 and held various officer positions at APS beginning in 1982 including: vice president and controller, vice president of finance and regulation, chief operating officer, president and chief executive officer. He became president of Pinnacle West in 1997, chief executive officer in 1999 and chairman of the board in 2001. Mr. Post joined the board of Arizona Public Service in 1995 and the board of Pinnacle West in 1997. Mr. Post is chairman of Blue Cross Blue Shield of Arizona and chairman of the Board of Trustees of Arizona State University, where he received a Bachelor of Science Degree in 1973. He also currently serves on the boards of Translational Genomics Research Institute and the Thunderbird School of International Management, and has served in the past as chairman of Suncor Development Company, Stagg Information Systems, Nuclear Assurance Corporation, Nuclear Electric Insurance Limited, the Institute of Nuclear Power, and El Dorado Investment Company. He also served as a Director of Phelps Dodge Corporation from 2001 to 2007. Mr. Post brings to the board executive-level utility-sector experience, including a deep understanding of such sector within the southwestern United States, a core target market for the Company's expanding systems business.

J. Thomas Presby, *Chair, Audit Committee; Nominating & Governance Committee*, was elected a director of First Solar in August 2006. Mr. Presby retired in 2002 from a 30-year career with Deloitte Touche Tohmatsu. At Deloitte, Mr. Presby held numerous positions in the United States and abroad, including the posts of deputy chairman and chief operating officer. Mr. Presby serves as a director, the audit committee chair and a member of the compensation committee of American Eagle Outfitters, Inc. and as a director, the audit committee chair and a member of the governance committee of World Fuel Services, Inc. Mr. Presby also serves as a director and the audit committee chair of INVESCO Ltd. and Tiffany & Co. Mr. Presby is a Certified Public Accountant and holds an NACD Certificate of Director Education. Mr. Presby holds a BSEE from Rutgers University and an MBA from Carnegie Mellon University. Mr. Presby's experience as an audit committee chair for multiple public companies, together with his 30-year career with Deloitte Touche Tohmatsu, provide a strong background for his role as chair of the audit committee and the audit committee financial expert.

Paul H. Stebbins, *Audit Committee; Compensation Committee; Nominating & Governance Committee*, was elected a director of First Solar in December 2006. Mr. Stebbins has served as the chairman and chief executive officer of World Fuel Services Corporation since July 2002 and has served as a director of World Fuel since June 1995. Between July 2000 and 2002, Mr. Stebbins also served as president and chief operating officer of World Fuel. In 1985, Mr. Stebbins co-founded Trans-Tec Services, a global marine fuel service company acquired by World Fuel in 1995. Mr. Stebbins is a member of the Business Roundtable, an influential association of chief executive officers of leading U.S. companies. Mr. Stebbins brings to the board significant CEO-level experience in managing a large global energy-related publicly-traded company.

Michael Sweeney, *Chair, Compensation Committee; Nominating & Governance Committee*, was elected a director of First Solar in July 2003. Mr. Sweeney has served as chairman of the board of Star Tribune Media Holdings, the holding company for the Minneapolis Star Tribune, since September 2009. He also remains a partner in Goldner Hawn Johnson & Morrison, Inc. (GHJM), a private equity firm. Mr. Sweeney joined GHJM in 2000 and served as that firm's managing partner from 2001 through 2008. He had previously served as president of Starbucks Coffee Company (UK) Ltd. in London and held various operating management and corporate finance roles. After starting his career with Merrill Lynch in New York and Phoenix, he built and sold an investment banking boutique.

Table of Contents

Subsequently, Mr. Sweeney developed and sold franchise companies in the Blockbuster and Papa John’s systems. Mr. Sweeney serves on the boards of GHJM portfolio companies, Allen-Edmonds Shoe Corporation, Transport Corporation of America, Inc. and Vitality Foodservice, Inc. Mr. Sweeney graduated from Swarthmore College. Mr. Sweeney’s background in investment banking and private equity, as well as his operating company business acumen, are valuable resources to the board and the Company, particularly with respect to the board’s consideration of compensation and financial matters and strategic investments.

José H. Villarreal, *Chair, Nominating & Governance Committee; Compensation Committee*, was elected a director of First Solar in September 2007. Mr. Villarreal currently serves as a public policy consultant to the law firm of Akin Gump Strauss Hauer & Feld LLP and from July 1994 to January 2009 served as a partner in the firm. Prior to joining Akin Gump, Mr. Villarreal served as an assistant attorney general in the Public Finance Division of the Texas Attorney General’s office. Mr. Villarreal has long been active in civic affairs and has served on the boards of numerous organizations, both public and private. He currently serves on the boards of Union Pacific Corporation and PMI Group Inc., and from 1998 to 2006, he served on the board of directors of Wal-Mart Stores, Inc., where he chaired the compensation, nominating and governance committee and served as lead independent director. Mr. Villarreal currently serves as United States Commissioner General to the Shanghai 2010 World Expo. He is on the board of the New America Alliance, an organization of leading Latino business leaders dedicated to philanthropy, and the Center for American Progress, a Washington D.C. based think-tank. Mr. Villarreal’s background as an attorney and his experience as chair of the nominating and governance committee of a major global public company are particularly helpful in the board’s deliberation of corporate governance matters, and his public policy insights contribute to the board’s consideration of important public policy matters.

NON-ASSOCIATE DIRECTOR COMPENSATION

We use a combination of cash and stock-based compensation to attract and retain qualified candidates to serve on our board of directors. The table below summarizes the 2009 Non-Associate Director Compensation.

2009 Non-Associate Director Compensation	
Annual Retainer (\$150,000)	Audit Committee Chair (+ \$35,000)
Paid 1/2 in stock; 1/2 in cash	Paid in cash
Paid in equal quarterly installments	

When reviewing non-associate director compensation we are guided by three goals, as provided in our Corporate Governance Guidelines: (i) compensation should fairly pay directors for work required for a company of our size and scope; (ii) compensation should align directors’ interests with the long-term interests of our stockholders; and (iii) the structure of the compensation should be clearly disclosed to our stockholders.

In 2009, the Company retained Compensation Strategies, a consultant, to compare our non-associate director compensation to the compensation paid to non-associate directors of the new peer group described in “Compensation Committee Practices – Total Compensation Review” in the Compensation Discussion and Analysis. When performing the benchmarking, the consultant compared total non-associate director compensation, as well as customary elements of such compensation, including annual retainers, meeting fees, equity and committee retainers, against the total compensation and elements of the peer group companies. The consultant determined that the Company’s total non-associate director compensation was 15% below the median of the non-associate director compensation for the peer group, primarily because (i) equity grant values were less than median equity grant values of the peer group and

(ii) the Company has not paid an additional retainer for the chairs of its committees (except for the chair of the audit committee). In response to the consultant's report, the compensation committee adopted an increase to the compensation of non-associate director compensation (described below) to

Table of Contents

meet the median pay. The committee also resolved to revisit non-associate director compensation on a biennial basis.

Changes to Non-Associate Director Compensation Approved for 2010	
Annual Retainer (\$175,000)	Audit Committee Chair (+ \$35,000)
\$100,000 in stock; \$75,000 cash	Other Committee Chairs (+\$10,000)
	Paid in cash
Paid in equal quarterly installments	

Cash Compensation

For 2009, the annual cash compensation for our non-associate directors was \$75,000 (payable quarterly in four equal installments) plus an additional \$35,000 cash retainer (payable quarterly in four equal installments) for the chairman of our audit committee. Beginning in 2010, the other two committee chairs (other than the chairman of our audit committee) will receive an additional \$10,000 cash retainer (payable quarterly in four equal installments).

Equity Compensation

For 2009, we compensated our non-associate directors with a \$75,000 stock grant, payable quarterly in four equal installments. With respect to such quarterly stock grants, our practice is to issue the stock to our independent directors at the end of the quarter. Our practice is not to time the date of these awards, and we do not take into account any internal black outs, during which associates and directors are prohibited by our Insider Trading Policy from trading in our securities, or whether they are or are not in possession of undisclosed material facts or whether any undisclosed material facts could be perceived as potentially positive or negative. Beginning in 2010, the equity compensation component is increased so that non-associate directors will be granted a \$100,000 stock grant, payable quarterly in four equal installments.

Other

We reimburse all non-associate directors for reasonable and necessary expenses they incur in performing their duties as non-associate directors of the Company.

Non-Associate Director Compensation Table

The following table sets forth information with respect to compensation earned by our non-associate directors for the fiscal year ended December 26, 2009:

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)(1)(2)	Total (\$)
Craig Kennedy	75,000	75,050	150,050
James F. Nolan	75,000	75,050	150,050
J. Thomas Presby	110,000(3)	75,050	185,050

Paul H. Stebbins	75,000	75,050	150,050
Michael Sweeney	75,000	75,050	150,050
José H. Villarreal	75,000	75,050	150,050

- (1) The amounts in this column represent the aggregate grant date fair value of fully vested common stock granted during the fiscal year ended December 26, 2009, computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation – Stock Compensation (FASB ASC Topic 718).
- (2) On March 31, 2009, 141 shares were issued to each non-associate director at a market price of \$132.70 per share, as of that date. The grant date fair value of these shares was \$18,711. On June 26, 2009, 117 shares were issued to each non-associate director at a market price of \$160.72 per share, as of that date. The grant date fair

Table of Contents

value of these shares was \$18,804. On September 25, 2009, 123 shares were issued to each non-associate director at a market price of \$152.87 per share, as of that date. The grant date fair value of these shares was \$18,803. On December 24, 2009, 140 shares were issued to each non-associate director at a market price of \$133.80 per share, as of that date. The grant date fair value of these shares was \$18,732. The dollar value of the stock awards do not equal exactly \$18,750 per quarter due to the fact that we issue whole shares and not fractional shares to our non-associate directors.

(3) As the 2009 audit committee chairman, Mr. Presby received an additional annual cash retainer of \$35,000.

The number of outstanding option awards for our non-associate directors as of December 26, 2009 was as follows:

Name	Grant Date	Option Awards Number of Securities		Option Exercise Price (\$)	Option Expiration Date
		Underlying Unexercised Options (#) Exercisable	Underlying Unexercised Options (#) Unexercisable		
Craig Kennedy					
Total					
James F. Nolan	12/15/2003	6,500		2.06	12/15/2013
	1/12/2004	24,250		2.06	1/12/2014
Total		30,750			
J. Thomas Presby					
Total					
Paul H. Stebbins					
Total					
Michael Sweeney	12/14/2005	13,750		4.54	12/14/2015
Total		13,750			
José H. Villarreal					
Total					

**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT
AND RELATED STOCKHOLDER MATTERS**

The following table sets forth information regarding the beneficial ownership of our common stock, as of April 15, 2010, by:

each person or group who is known by us to own beneficially more than 5% of our common stock;

each member of our board of directors, each director nominee and each of our named executive officers; and

all members of our board of directors and our executive officers as a group.

Beneficial ownership is determined in accordance with the rules of the 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 the date of this proxy statement 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 (or shares such powers) with respect to the shares beneficially owned. Except as indicated below, the address for each

Table of Contents

stockholder, director or named executive officer is c/o First Solar, Inc., 350 West Washington Street, Suite 600, Tempe, Arizona 85281.

This table assumes 85,291,195 shares of common stock outstanding as of April 15, 2010, assuming no exercise of outstanding options.

Name of Beneficial Owner	Shares Beneficially Owned	Percentage Beneficially Owned
<i>Beneficial Owners of 5% or More</i>		
S. Robson Walton(1)	26,457,907	31.0%
Jim C. Walton(2)	29,857,907	35.0%
Alice L. Walton(3)	29,857,907	35.0%
Estate of John T. Walton(4)	16,355,905	19.2%
JCL Holdings, LLC(5)	10,102,002	11.8%
JTW Trust No. 1 UAD 9/19/02(6)	3,400,000	4.0%
Capital World Investors(7)	10,327,395	12.1%
<i>Directors and Named Executive Officers</i>		
Michael J. Ahearn	1,581,677	1.9%
David Eaglesham(8)	25,392	*
Robert Gillette(9)	56,070	*
TK Kallenbach	1,500	*
Craig Kennedy	1,204	*
Jens Meyerhoff(10)	65,701	*
James F. Nolan(11)	32,323	*
William J. Post	0	*
J. Thomas Presby	3,438	*
Bruce Sohn(12)	104,881	*
Paul H. Stebbins	4,913	*
Michael Sweeney(13)	15,538	*
José H. Villarreal	1,032	*
All directors and executive officers as a group (15 persons)(14)	1,903,401	2.2%

* Less than one percent.

- (1) The number and percentage of shares of common stock shown in the table as beneficially owned by S. Robson Walton represent (a) 10,102,002 shares held by JCL Holdings, LLC, as to which S. Robson Walton, as a managing member thereof, shares voting and dispositive power with Jim C. Walton and Alice L. Walton, as managing members and (b) 16,355,905 shares held by the Estate of John T. Walton, as to which S. Robson Walton, Jim C. Walton, Alice L. Walton and an entity under their control, as co-personal representatives, share dispositive and voting power (such shares are also shown by the Estate of John T. Walton as having sole voting and dispositive power). With respect to JCL Holdings, LLC, dispositive and voting power over all of the shares held thereby is exercised by the managing members thereof. The shares held by JCL Holdings, LLC and the Estate of John T. Walton are for the benefit of John T. Walton's wife and his descendants and for that reason, S. Robson Walton disclaims beneficial ownership of the shares listed in (a) and (b) above. The address of S. Robson Walton is P.O. Box 1860, Bentonville, Arkansas 72712.

- (2) The number and percentage of shares of common stock shown in the table as beneficially owned by Jim C. Walton represent (a) 10,102,002 shares held by JCL Holdings, LLC, as to which Jim C. Walton, as a managing member thereof, shares voting and dispositive power with S. Robson Walton and Alice L. Walton, as managing members, (b) 3,400,000 shares held by the JTW Trust #1 UAD 91902, as to which Jim C. Walton and Alice Walton, as co-trustees, share voting and dispositive power and (c) 16,355,905 shares held by the

Table of Contents

Estate of John T. Walton, as to which S. Robson Walton, Jim C. Walton, Alice L. Walton and an entity under their control, as co-personal representatives, share dispositive and voting power (such shares are also shown by the Estate of John T. Walton as having sole voting and dispositive power). With respect to JCL Holdings, LLC, dispositive and voting power over all of the shares held thereby is exercised by the managing members thereof. The shares held by JCL Holdings, LLC and the Estate of John T. Walton are for the benefit of John T. Walton's wife and his descendants. The shares held by the JTW Trust #1 UAD 91902 are for the benefit of charitable interests and John T. Walton's descendants. For those reasons, Jim C. Walton disclaims beneficial ownership of the shares listed in (a), (b) and (c) above. The address of Jim C. Walton is P.O. Box 1860, Bentonville, Arkansas 72712

- (3) The number and percentage of shares of common stock shown in the table as beneficially owned by Alice L. Walton represent (a) 10,102,002 shares held by JCL Holdings, LLC, as to which Alice L. Walton, as a managing member thereof, shares voting and dispositive power with S. Robson Walton and Jim C. Walton, as managing members, (b) 3,400,000 shares held by the JTW Trust #1 UAD 91902, as to which Jim C. Walton and Alice Walton, as co-trustees, share voting and dispositive power and (c) 16,355,905 shares held by the Estate of John T. Walton, as to which S. Robson Walton, Jim C. Walton, Alice L. Walton and an entity under their control, as co-personal representatives, share dispositive and voting power (such shares are also shown by the Estate of John T. Walton as having sole voting and dispositive power). With respect to JCL Holdings, LLC, dispositive and voting power over all of the shares held thereby is exercised by the managing members thereof. The shares held by JCL Holdings, LLC and the Estate of John T. Walton are for the benefit of John T. Walton's wife and his descendants. The shares held by the JTW Trust #1 UAD 91902 are for the benefit of charitable interests and John T. Walton's descendants. For those reasons, Alice L. Walton disclaims beneficial ownership of the shares listed in (a), (b) and (c) above. The address of Alice L. Walton is P.O. Box 1860, Bentonville, Arkansas 72712.
- (4) In 2009, an entity under the control of S. Robson Walton, Jim C. Walton and Alice L. Walton became an additional co-personal representative of the Estate of John T. Walton. The number and percentage of shares of common stock shown in the table as beneficially owned by the Estate of John T. Walton represent 16,355,905 shares held directly by the Estate of John T. Walton, as to which S. Robson Walton, Jim C. Walton, Alice L. Walton and such entity, as co-personal representatives of the Estate of John T. Walton, share voting and dispositive power. The shares held by the Estate of John T. Walton are held for the benefit of John T. Walton's wife and his descendants and for that reason, S. Robson Walton, Jim C. Walton, Alice L. Walton and such entity disclaim beneficial ownership of such shares. The address of the Estate of John T. Walton is P.O. Box 1860, Bentonville, Arkansas 72712.
- (5) The number and percentage of shares of common stock shown above as beneficially owned by JCL Holdings, LLC represent 10,102,002 shares held directly by JCL Holdings, LLC as to which S. Robson Walton, Jim C. Walton and Alice L. Walton, each individually as managing members thereof, share voting and dispositive power. The shares held by JCL Holdings, LLC are held for the benefit of John T. Walton's wife and his descendants and for that reason, S. Robson Walton, Jim C. Walton and Alice L. Walton disclaim beneficial ownership of such shares. The address of JCL Holdings, LLC is P.O. Box 1860, Bentonville, Arkansas 72712.
- (6) The number and percentage of shares of common stock shown above as beneficially owned by JTW Trust No. 1 UAD 9/19/02 represent 3,400,000 shares held directly by JTW Trust No. 1 UAD 9/19/02 as to which Jim C. Walton and Alice L. Walton, as co-trustees of such trust, share voting and dispositive power. The shares held by JTW Trust No. 1 UAD 9/19/02 are held in a trust principally for the benefit of charity, and Jim C. Walton and Alice L. Walton have no beneficial interest therein. Jim C. Walton and Alice L. Walton therefore disclaim beneficial ownership of such shares. The address of JTW Trust No. 1 UAD 9/19/02 is P.O. Box 1860, Bentonville, Arkansas 72712.

- (7) Based on information provided by Capital World Investors, 333 South Hope Street, Los Angeles, CA 90071, in a Schedule 13G/A filed with the SEC on February 11, 2010 reporting beneficial ownership as of December 31, 2009. According to such Schedule 13G/A, Capital World Investors has sole voting power with respect to 3,987,595 shares and sole dispositive power with respect to 10,327,395 shares. Capital World Investors, a division of Capital Research and Management Company (CRMC), is deemed to be the beneficial owner of such 10,327,395 shares as a result of CRMC acting as investment advisor to various investment companies registered under the Investment Company Act of 1940.

Table of Contents

- (8) Includes 25,392 shares of common stock issuable upon the exercise of stock options.
- (9) Includes 34,084 shares of common stock issuable upon the exercise of stock options.
- (10) Includes 58,750 shares of common stock issuable upon the exercise of stock options.
- (11) Includes 30,750 shares of common stock issuable upon the exercise of stock options.
- (12) Includes 87,500 shares of common stock issuable upon the exercise of stock options.
- (13) Includes 13,750 shares of common stock issuable upon the exercise of stock options.
- (14) Includes 255,666 shares of common stock issuable upon the exercise of stock options.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Since December 27, 2008 (the end of our 2008 fiscal year), we have not been a party to any transaction or series of similar transactions in which the amount involved exceeded or will exceed \$120,000 and in which any current director, executive officer, holder of more than five percent of our capital stock, or any member of the immediate family of any of the foregoing, had or will have a material interest, other than in connection with the transactions described below.

Under a relocation policy made available to associates who are asked to relocate for the benefit of the Company, the Company pays certain expenses incurred in connection with the sale of their houses. If an associate covered under the program is unable to timely sell his or her house, the Company purchases the house at a price based on independent appraisals. If the associate finds a buyer who presents an acceptable offer, the Company purchases the house from the associate under the amended value sale program at the higher of the appraised value or the offer price, and then completes the sale to the buyer, and the Company pays a bonus of 2% of the sales price (capped at \$8,000). During 2009, Mr. Sohn received a bona fide offer in the amount of \$1,080,000, sold his house to the Company at that price, and he received the \$8,000 bonus. See also Summary Compensation Table for relocation expense reimbursements and other relocation benefits provided to certain executive officers.

Related Party Debt

We had no related party debt outstanding at December 26, 2009 and we did not pay any interest to related parties during the year ended December 26, 2009.

Registration Rights

We entered into a registration rights agreement with the Estate of John T. Walton, JCL Holdings, LLC and Michael J. Ahearn. The registration rights agreement provides for piggyback registration rights if we register equity securities under the Securities Act of 1933, as amended (the Securities Act), subject to certain lock-up provisions and exceptions. In addition, subject to certain lock-up provisions and exceptions, Michael J. Ahearn has three demand rights, JCL Holdings, LLC has five demand rights and the Estate of John T. Walton has unlimited demand rights, provided that the Estate of John T. Walton may only exercise one such demand right within any 365-day period. Following the termination of the Estate of John T. Walton, the registration rights held by the Estate will be held collectively by trusts for the benefit of John T. Walton's wife and his descendants.

Review and Approval of Related Party Transactions

The Company's audit committee charter requires the review and approval by the audit committee of related party transactions, to ensure that they are on such terms, which, in the judgment of the audit committee, are no less favorable to the Company than could be obtained from unaffiliated parties. The audit committee did not review Mr. Sohn's transaction described above under Certain Relationships and Related Party Transactions, as it was executed under an existing Company policy available to all eligible associates. If a member of the audit committee has an interest in the proposed transaction, our corporate governance guidelines require the formation of a committee consisting entirely of independent directors without an interest in the proposed transaction to review and, if appropriate, approve such transaction.

Table of Contents**PRINCIPAL ACCOUNTANT FEES AND SERVICES**

The following table sets forth the aggregate fees billed to us for the audit and other services provided by PricewaterhouseCoopers LLP during the years ended December 26, 2009 and December 27, 2008:

	2009	2008
Audit Fees(1)	\$ 2,382,291	\$ 2,309,990
Audit-Related Fees(2)	361,193	472,032
Tax Fees(3)	457,347	171,825
All Other Fees(4)	2,467	2,582
Total	\$ 3,203,298	\$ 2,956,429

- (1) Represents the aggregate fees billed for the audit of the Company's financial statements services in connection with the statutory and regulatory filings or engagements for this fiscal year.
- (2) Represents the aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit review of the Company's financial statements and are not reported under audit fees, and represents approximately 11% of the total fees in 2009. This category consists primarily of services related to special projects.
- (3) Represents the aggregate fees billed for tax compliance and tax consulting services, or approximately 14% of the total fees in 2009.
- (4) Represents the aggregate fees billed for all products and services provided that are not included under audit fees, audit-related fees or tax fees, and represents less than one percent of the total fees in 2009. These services include the subscription to certain PricewaterhouseCoopers LLP proprietary accounting research databases.

Audit Committee's Pre-Approval Policies and Procedures

The audit committee has policies and procedures that require the pre-approval by the audit committee of all fees paid to, and all services performed by, the Company's independent auditor, subject to *de minimis* exceptions for non-audit services set forth in the applicable rules of the Commission. Each year, the audit committee approves the proposed services, including the nature, type and scope of services to be performed by the independent auditor during the fiscal year and the related fees. Audit committee pre-approval is also required for those engagements that may arise during the course of the year that are outside the scope of the initial services and fees pre-approved by the audit committee.

The services related to Audit-Related Fees, Tax Fees and All Other Fees presented in the above table were approved by the audit committee pursuant to pre-approval provisions set forth in the applicable rules of the Commission without resort to a waiver of such pre-approval provisions.

COMPENSATION DISCUSSION AND ANALYSIS**Overview**

In this Compensation Discussion and Analysis, the individuals in the Summary Compensation Table set forth after this Compensation Discussion and Analysis are referred to as the named executive officers. Our named executive officers for fiscal year 2009 were:

Mr. Michael J. Ahearn, executive chairman and, until September 2009, chief executive officer;

Mr. Robert J. Gillette, chief executive officer;

Mr. Jens Meyerhoff, chief financial officer;

Mr. Bruce Sohn, president;

Mr. T.L. (TK) Kallenbach, executive vice president, marketing and product development; and

Mr. David Eaglesham, chief technology officer.

Table of Contents

In addition, our Compensation Discussion and Analysis discusses the following two former officers who were named executive officers during the 2009 fiscal year:

Mr. John T. Gaffney, former executive vice president and corporate secretary; and

Mr. John Carrington, former executive vice president, global marketing and business development.

Our compensation decisions are grounded in our executive compensation policies described below. These policies are designed to attract, motivate and retain the individuals who can best help us to achieve our mission consistent with our core values. In addition to our executive compensation philosophies, three factors significantly impacted our 2009 compensation decisions: (1) the growth of our Company, (2) the change in the competitive landscape in the solar industry, and (3) the decision to hire a new chief executive officer.

Growth of the Company. The beginning of 2009 was marked by a deep global financial crisis punctuated by an absence of lending by financial institutions. Fortunately, First Solar started the year with sufficient resources not only to weather the downturn, but to take advantage of opportunities made available by the crisis. Financial challenges notwithstanding, during 2009 we increased our revenues from nearly \$1.25 billion in 2008 to over \$2 billion, increased our production capacity (by completing expansions at our Kulim, Malaysia and Perrysburg, Ohio plants), announced plans for an additional eight-line expansion to our Malaysian plant and a new two-line manufacturing facility in France, and produced more than 1.1 gigawatts (GW) of solar modules. We also expanded our systems business through the acquisition in April 2009 of the project development business of OptiSolar Inc., completed and sold two utility-scale solar plants (a 20MW AC solar plant in Sarnia, Ontario, Canada and a 21MW AC solar plant in Blythe, California), entered into a memorandum of understanding to build a 2GW solar plant in Ordos City, China, and became the first, and currently only, pure-play renewable energy company to be added to the S&P 500 Index.

Changes in the Solar Industry. In 2009, the solar industry moved from a supply driven to a demand driven environment, with increasing competitive pressure as the photovoltaic industry's total manufacturing capacity to produce solar modules exceeded demand for those products.

New Chief Executive Officer. In 2009, First Solar began to search for a new chief executive officer in light of several factors, primarily (i) the desire of Michael Ahearn, our chairman and then chief executive officer, to transition his focus from the day-to-day operations of the Company to broader public policy and strategic issues, and (ii) our recognition that a new chief executive officer with proven experience managing a large, complex and global enterprise would be appropriate given the changes in the Company and the solar industry described above. On October 1, 2009, Robert J. Gillette, formerly an executive at Honeywell International, became First Solar's chief executive officer.

The impact of these three factors can be seen in some of the more significant changes and compensation decisions we made. As a result of the Company's growth, we revisited and adjusted our peer group. Changes in the market and in management contributed, in part, to changes in our organization, including our executive staff. Notably, two executives hired in 2008 departed the Company in 2009. John T. Gaffney, our former executive vice president and corporate secretary, departed in December 2009 and was succeeded by Mary Beth Gustafsson, our current executive vice president, general counsel and secretary. John Carrington, our former executive vice president, global marketing and business development, departed in August 2009. In December 2009, TK Kallenbach, a former colleague of Mr. Gillette's at Honeywell International, joined the Company as executive vice president, marketing and product management.

Executive Compensation Policies

The compensation committee of our board of directors has responsibility for establishing and overseeing our compensation program as it applies to our executive officers. The compensation committee bases its executive compensation programs on the policies set forth below, which have remained constant from prior years:

Compensation should be based on level of job responsibility, individual performance and Company performance.

Table of Contents

Compensation should reflect the value of the job in the marketplace. To attract and retain a highly skilled work force, we must provide pay that remains competitive with the pay of other employers who compete with us for talent.

As associates progress to higher levels in the organization, an increasing proportion of their pay should be linked to Company performance and stockholder returns because they are better able, relative to other associates, to affect the Company's results. While all associates receive a mix of both annual and longer-term incentives, associates at higher levels have an increasing proportion of their compensation tied to longer-term performance because they are in a position to have greater influence on longer-term results.

Compensation should reward performance. Our programs should deliver top-tier compensation for top-tier individual and Company performance. Similarly, if individual performance falls short of expectations and/or Company performance lags behind expectations, the programs should deliver lower compensation.

Performance-based compensation should foster the long-term focus required for success in the solar industry. We believe success can best be measured by our ability to earn a superior return on invested capital (or net assets) by focusing on reducing our product costs, thereby enabling us to reduce the price that we can charge for our products while still earning a superior return—ultimately to levels that enable consumers to generate solar electricity cost competitively with conventional energy generation alternatives.

To be effective, performance-based compensation programs should enable associates to easily understand how their efforts can affect their pay, both directly through individual performance accomplishments and indirectly through contributing to the Company's achievement of its strategic and operational goals.

We generally do not adhere to rigid formulas or necessarily react to short-term changes in business performance in determining the amount and mix of compensation elements for our named executive officers. Generally, the types of compensation and benefits provided to the named executive officers are similar to those provided to other members of our senior leadership and other associates. When setting compensation, we review competitive compensation paid by other companies in the same or similar industries of comparable size and where our compensation falls within the peer group. Depending on the role, the experience an individual brings to the role, and individual performance, we broadly aim to set our base salary and target bonus potential at approximately the 50th percentile of our peer group executives (although depending on the role, the experience an individual brings to the role, and individual performance, we may set base salaries and target bonus potential closer to the 75th percentile) and to have our aggregate bonus and long-term incentives pay out, subject to individual and Company performance, at around the 75th percentile. The objective is to pay at least market base compensation (50th percentile), and, to the extent necessary to attract or retain experienced individuals in key roles, to pay at a higher level (closer to the 75th percentile) while providing an opportunity to increase compensation further through our incentive compensation programs. We do not exclusively rely on market data to determine executive compensation. Instead, we incorporate flexibility into our compensation program and in our assessment process to respond to and adjust for the evolving business environment in which we operate.

Components of Executive Compensation for 2009

For 2009, the compensation of named executive officers consisted primarily of three principal components: base salary, short-term cash incentive compensation (e.g., an annual bonus) and long-term equity-based compensation. Our named executive officers also participate in broad-based employee benefit programs and are party to employment agreements and change in control agreements which provide them with certain additional benefits (including severance and equity vesting acceleration in exchange for a release and a non-compete covenant) in certain

circumstances described in more detail in Executive Compensation-Employment Agreements and Executive Compensation-Change in Control Severance Agreements. Each of these elements of our executive compensation is described below, including a description of the particular element and how it fits into our overall executive compensation package. In the descriptions, we highlight the particular objectives and the specific elements our compensation programs are designed to address. However, we note that each of the programs are designed so that the principal components complement each other. In particular, for the named executive officers, we have elected to provide them with more than half of their compensation in the form of short-term (cash) and long-term (equity) incentives (i.e., linked to Company performance and stockholder returns) because they are better able, relative to other associates, to affect the Company's results. Two of our named executive officers are new to the Company, Robert

Table of Contents

Gillette, our chief executive officer, and TK Kallenbach, our executive vice president, marketing and product management. To induce these individuals to join our Company, in the course of compensation negotiations, both were offered cash and equity to compensate them for amounts they would forfeit from their former employer.

Below is a chart demonstrating, on an aggregate basis, the relative weighting of 2009 compensation to our named executive officers, excluding the value of severance and change in control benefits, which are described in more detail at [Executive Compensation-Employment Agreements and Arrangements](#) and [Executive Compensation-Potential Payments upon Termination or Change in Control](#) and excluding the value of one-time hiring grants of cash and equity, which are described in more detail at [Components of Compensation-Sign-On Bonuses](#).

Compensation Committee Practices

Total Compensation Review

When establishing total compensation, we broadly aim to set our base salary and target bonus potential at approximately the 50th percentile of our peer group executives (although, as noted above in [Executive Compensation Policies](#), depending on the role, the experience an individual brings to the role, and individual performance, we may set base salaries closer to the 75th percentile) and to have our aggregate bonus and long-term incentives pay out, subject to individual and Company performance, at around the 75th percentile. Beginning in 2010, in recognition that Mr. Ahearn has scaled back his responsibilities, the compensation committee determined to limit Mr. Ahearn's total compensation to the base salary component. Thus, for 2010, Mr. Ahearn will not participate in incentive programs (annual bonus and long-term incentive).

On an annual basis, the compensation committee evaluates the total compensation of the executives and each of the principal components against benchmarking data. In addition to these principal compensation elements, the compensation committee reviews each executive's perquisites and other compensation, as well as any payments that would be required under various severance and change-in-control scenarios. When conducting this review, the compensation committee obtains factual data from management as well as proposals regarding, among other things, the range of values (merit increase percentages, equity awards), metrics and other terms. In 2009, the Company retained Compensation Strategies as a consultant to evaluate and recommend changes to our peer group companies and to benchmark the compensation of each of the components of the compensation of our executive officers and non-associate directors against the compensation paid to similarly-situated positions at peer group companies. The consultant's benchmarking services were limited to comparing each element of compensation for a particular position against similar elements in the peer group, except that the consultant recommended that the Company adjust non-associate director compensation to more closely align with the benchmarked data. When benchmarking long-term incentive compensation data, the survey extended deeper into the organization (i.e., beyond the executives), and such information was used to develop a matrix that serves as the basis for developing the values of our annual long-term incentive awards. The aggregate fees paid to Compensation Strategies for 2009 services

Table of Contents

was \$216,186. The fees were primarily incurred for executive compensation services except to the extent non-executive data was developed for the annual long-term incentive award matrix.

The peer group for benchmarking used for compensation decisions in the first part of the year (prior to the consultant's work in 2009) consisted of the following 34 companies in the solar, renewable energy, hi-tech and high precision manufacturing, and electronic components manufacturing sectors with annual revenues ranging from \$72 million to \$8.1 billion, with whom the Company competes for talent.

Advanced Energy Industries Inc.	Ametek Inc.	Applied Materials Inc.
Asyst Technologies Inc.	Axcelis Technologies Inc.	Brooks Automation Inc.
BTU International Inc.	C&D Technologies Inc.	Cymer Inc.
Energy Conversion Devices Inc.	Enersys Inc.	Evergreen Solar Inc.
FEI Co.	FSI International Inc.	Gerber Scientific Inc.
GSI Group Inc.	KLA-Tencor Corp.	La Barge Inc.
LSI Industries Inc.	Magnetek Inc.	Mattson Technology Inc.
Newport Corp.	Novellus Systems Inc.	Nvidia Corp.
Photronics Inc.	Powell Industries Inc.	Power-One Inc.
SunPower Corporation	Teradyne, Inc.	Ultratech Inc.
Varian Semiconductor Equipment Associates, Inc.	Veeco Instruments Inc.	Vicor Corp.
Zygo Corp.		

In the third quarter of 2009, the Company revised its peer group to increase the revenue range surveyed, in light of the continued growth of the Company. The new peer group is comprised of solar, renewable energy, hi-tech and high precision manufacturing, and electronic components manufacturing sectors with annual revenues ranging from \$443 million to \$24.8 billion. Companies that remained in the peer group are italicized.

Agilent Technologies, Inc.	Altera Corporation	<i>Ametek, Inc.</i>
Analog Devices, Inc.	<i>Applied Materials, Inc.</i>	Broadcom Corporation
Emerson Electric Co.	<i>Enersys Inc.</i>	FLIR Systems, Inc.
General Cable Corporation	GT Solar International, Inc.	Itron, Inc.
Jabil Circuit, Inc.	<i>KLA-Tencor Corp</i>	Lam Research Corporation
Linear Technology Corporation	Marvell Technology Group, Ltd.	Maxim Integrated Products, Inc.
MEMC Electronic Materials, Inc.	<i>Novellus Systems, Inc.</i>	<i>Nvidia Corp.</i>
Rockwell Automation, Inc.	<i>SunPower Corporation</i>	<i>Teradyne, Inc.</i>
Texas Instruments, Inc.	Tyco Electronics Ltd.	<i>Varian Semiconductor Equipment Associates, Inc</i>
<i>Veeco Instruments Inc.</i>		

In each case, when performing benchmarking for executive compensation, the consultant size adjusted the raw market data by using statistical regression techniques to remove the significant swings that can occur between individual raw data points and constructed market pay levels reflective of the Company's adjusted size. The consultant then ran regressions using sales to develop a range of market-based pay. Overall, the use of these regression analyses had the effect of lowering the pay levels to which the Company's executives were compared. For the Company's senior executives, this analysis was performed on total compensation as a whole and on base salary, annual bonus, and equity-based compensation separately. The consultant's report supported the determination that the compensation paid to the Company's executives, including its named executive officers, was consistent with the Company's stated compensation objectives regarding our target pay as compared to our peer group, and was thus, reasonable as compared to the peer group in the aggregate.

Individual Compensation Review

Individual performance has a strong impact on the compensation of all associates, including the executive officers. It has been the practice of the chair of the compensation committee to meet with the chief executive officer annually at the beginning of the year to agree upon his performance objectives (both individual and Company objectives) for the year. In the first quarter of the year, the independent directors meet in an executive session under the direction of the chair of the compensation committee to conduct a performance review for the prior year during which the chief executive officer is evaluated based on his achievement against the agreed-upon objectives, contributions to the Company's performance and other leadership accomplishments. At the end of 2009, the committee conducted performance reviews of both Mr. Ahearn, in his current role, and Mr. Gillette. At this meeting, the committee also discussed performance objectives for the current year. With respect to our chief executive

Table of Contents

officer, it should be noted that Mr. Gillette's compensation package contains certain guaranteed compensation elements that were offered under the terms of his employment agreement as an incentive for Mr. Gillette to join the Company and are intended to compensate him for monies he forfeited at his former employer.

For the executive officers other than the executive chairman and the chief executive officer, including the other named executive officers, the compensation committee receives a performance assessment and compensation recommendation from the chief executive officer. The committee also exercises its judgment based on the board's interactions with the executive officer. The performance evaluation of these executives is based on achievement of preset objectives by the executive and his or her organization, his or her contribution to the Company's performance and other leadership accomplishments. Based on these considerations, the compensation committee determines whether to award variable compensation for the previous year, and it sets base salary and the parameters for the corporate goals for the Company in general.

Compensation Considerations by Compensation Elements

The following is a summary of objectives of the primary components of our executive compensation.

The following is a discussion of the compensation committee's considerations in establishing each of the components for executive officer compensation in 2009.

Base Salary

Base salary is the guaranteed element of an associate's annual cash compensation. The value of base salary for each named executive officer reflects the requirements of such executive's employment agreement, the executive's individual performance and the executive's skill set, including the market value of that skill set. For details relating to the employment agreements, see Executive Compensation-Employment Agreements and Arrangements. In general, the Company sought to establish or maintain base salaries for 2009 at or above market base salary levels for each of the named executive officers. Specifically, we broadly aim to set our base salary at approximately the 50th percentile (although, as noted above in Executive Compensation Policies, depending on the role, the experience an individual brings to the role, and individual performance, we may set base salaries closer to the 75th percentile).

Table of Contents

As discussed under our compensation objectives, we believe that as associates progress to higher levels in the organization, a greater proportion of overall compensation should be directly linked to Company performance and stockholder returns. First Solar operates in a dynamic industry, where our daily activities routinely require extraordinary effort. Establishing the fixed portion of our compensation at these lower levels allows us to weight a higher percentage of total compensation on performance-based compensation. The compensation committee currently intends to maintain the base salaries of its named executive officers at these market levels in the future.

In 2009, after evaluating market data and individual performance, the compensation committee adjusted the base pay of certain executive officers, including an increase in base salary for Mr. Meyerhoff from \$376,200 to \$391,248; for Mr. Sohn from \$412,500 to \$462,500; and for Mr. Carrington from \$400,000 to \$413,328. At that point, Mr. Ahearn's base salary of \$525,000 and Mr. Gaffney's base salary of \$500,000 were not adjusted. During 2009, Mr. Eaglesham's base salary was also increased from \$304,052 to \$317,735, prior to his appointment as an executive officer. These salary changes occurred during our regular annual salary review process, which we refer to as the annual merit cycle.

Following revision of the peer group and in connection with the organizational changes that followed Mr. Gillette's commencement of employment, the compensation committee adjusted the base pay of certain executive officers, including an increase in base salary for Mr. Meyerhoff, from \$391,248 to \$410,810; for Mr. Sohn, from \$462,500 to \$555,000 and for Mr. Eaglesham (which salary change also reflected his promotion to chief technology officer) from \$317,735 to \$350,000. Mr. Gillette's base salary (\$850,000) and Mr. Kallenbach's base salary (\$350,000) were negotiated with them during the recruiting process and were established within the guidelines of our compensation philosophy and practices described herein. Because these salaries were recently established, we have made no further changes to the base salaries of our named executive officers in our annual merit cycle for 2010.

Cash Incentive Compensation

We use cash incentive compensation to reward achievement of our annual operational and strategic objectives. When taken together with our base salary, our total annual cash compensation is in the broad middle range of our peer group if target performance is attained but can be above that range due to higher payouts under the annual bonus plan if our performance exceeds our targets.

Annual Bonus

The annual bonus program provides cash incentive awards under the Company's 2006 Omnibus Incentive Compensation Plan (and for 2010, the Company's 2010 Omnibus Incentive Compensation Plan, subject to stockholder approval). The bonuses paid for 2009 to named executive officers appear in the Summary Compensation Table under the Non-Equity Incentive Plan Compensation column. Because all our associates participate in the annual bonus program, the program is designed to encourage teamwork and a focus on our mutual success by tying rewards to our collective performance. We note that in 2008 we had modified our bonus program for our senior leadership team to impose an additional performance threshold for our senior leadership team. We did not continue this design into 2009. The additional threshold imposed in 2008 was intended to assure that the senior leadership team, including our named executive officers, focused on short-term goals without sacrificing the long-term goals. The program resulted in the senior leadership team being paid out at a lower bonus multiplier than the rest of the organization. In 2009 we declined to extend this two tier bonus structure because, in hindsight, the payout did not accurately measure and reward focus on long-term goals as intended. Specifically, the additional objectives were based on whether we were on track toward achieving various long-term goals. Because we did not have far enough visibility into the future to evaluate whether we were on track, we scored as not on track goals that we ultimately did accomplish as planned (and in some cases even ahead of plan).

The target bonus percentages for 2009 (which are expressed as a percentage of base salary) were established based on job responsibilities, internal relativity and peer group data. Our objective is to set bonus targets such that total annual cash compensation (salary and annual bonus) are within the broad middle range of peer group companies. Consistent with our executive compensation policy, individuals with greater job responsibilities had a greater proportion of their total cash compensation tied to Company performance through the bonus program.

Table of Contents

Target bonus percentages are incorporated into the terms of the executives' employment agreements with the exception of the employment agreements of Messrs. Ahearn and Mr. Gillette which leave discretion to the compensation committee to establish the target bonus percentage annually (other than for 2009, for which Mr. Gillette's target bonus was contractually established at 100% and his bonus guaranteed to be no less than \$850,000, and for 2010, for which Mr. Gillette's target bonus was established at 100%). Mr. Ahearn's 2009 target bonus percentage was 100%. In recognition of Mr. Ahearn's new status (he now serves solely as our executive chairman), he will not participate in the annual bonus program for 2010.

In 2009, following revision of the peer group and in connection with the organizational changes that followed Mr. Gillette's commencement of employment, and as permitted under the Company's 2006 Omnibus Incentive Compensation Plan, the compensation committee adjusted the target bonus percentage of certain executive officers, including an increase in the target bonus percentage for Mr. Meyerhoff, from 70% to 80%; for Mr. Sohn from 80% to 90%; and for Mr. Eaglesham (whose target bonus change also reflected his promotion to chief technology officer) from 50% to 60%. Mr. Kallenbach's target bonus is 60%. The target bonuses for Mr. Gaffney and Mr. Carrington were 80%. See Executive Compensation-Employment Agreements and Arrangements.

2009 Annual Bonus Targets and Operational Objectives

The performance measures used to measure attainment of bonus eligibility were based on operational objectives that were connected to a large portion of the Company (i.e., not just manufacturing) and that were strategically beneficial to the Company's success. In addition to seeking to achieve the specific goals, our aim was to encourage teamwork and an organizational focus on our strategic operating plan.

For all associates, including the named executive officers, the compensation committee assessed Company performance based on accomplishment of certain operational objectives established at the beginning of 2009. The objectives were based on operating goals set forth in our confidential annual operating plan for total watts shipped, module cost, balance of system cost, module efficiency, advanced modules shipped, achievement of project planning milestones on our customer service and enterprise resource planning systems, and volume in new markets. Each operational objective was assigned a percentage weighting based on the importance of the factor to the overall performance of the Company. In addition, each operational metric had a target goal with higher targets (or stretch targets) that would result in multipliers between 1.0 and 2.0 times, and a minimum threshold for each metric which would result in multipliers between 0.5 and 1.0 times, to the metric's weighting. A 1.0 multiplier was assigned to performance at a level that, while not certain at the time targets were set, we expected we could and should be able to achieve by the end of the year. A 2.0 multiplier was assigned to a performance level that was substantially more uncertain (i.e., that we expected we would have only a 50% chance of achieving by year end). If the minimum threshold level of performance was not achieved, the multiplier for the metric was zero. A 3.0 multiplier was assigned to metrics assigned to an aggregate weight of 55% of the bonus metric at performance levels that were assigned a probability of less than 50% of achieving by year end, with the caveat that no 3.0 multiplier would be applied if performance on any of the metrics was less than 1.0. For 2009, operational objectives were calculated at 1.375 because we achieved or substantially exceeded the target metrics on all but two of the seven performance metrics. Because performance on these two metrics was less than 1.0, no 3.0 multiplier was applied.

The chart below illustrates how the annual bonus was calculated in 2009 for all our associates including our named executive officers, using a hypothetical base salary and target bonus percentage.

Equity-Based Compensation

We are a firm proponent of equity-based compensation because we believe that (i) it aligns the interests of our associates more closely with those of our stockholders, and (ii) for some positions (particularly executive level positions), offering equity-based compensation is key to attracting and retaining associates of the highest caliber. Every associate of the Company is granted equity compensation when hired, with the amount dependent on (i) the

Table of Contents

associate's job responsibilities (recognizing that higher level roles may have a greater influence on the ability of the Company to meet its objectives and succeed), and (ii) the region where the associate is located (so that the amount is reflective of local compensation practices and consistent with the compensation market in a particular region). In addition, exempt associates in the United States (and associates in equivalent job categories outside of the United States) receive annual equity compensation grants as part of their annual compensation. In addition to the foregoing variables, the amount of this award further depends on the associate's individual performance, and associates must maintain a certain performance level to receive an equity grant. The 2009 annual grant was made in April 2009 as described below. Grants made to the named executive officers are more specifically described in the Grants of Plan Based Awards table and the Outstanding Equity Awards at Fiscal Year-End table.

Equity-based compensation granted to our associates, typically restricted stock units but occasionally stock options, is granted in accordance with our 2006 Omnibus Plan (and subject to stockholder approval, will be granted in the future under our 2010 Omnibus Plan), and any options are issued with exercise prices no less than fair market value as of the date of grant. Some associates, including some of our named executive officers, still hold outstanding option grants granted under the First Solar Holdings, LLC 2003 Unit Option Plan. Since the adoption of the 2006 Omnibus Plan, we have not granted, nor do we anticipate granting, any awards outside of the 2006 Omnibus Plan or the 2010 Omnibus Plan, including any further awards under the 2003 Plan. Subject to stockholder approval of the 2010 Omnibus Plan, no further awards will be granted under the 2006 Omnibus Plan and the remaining share reserve and any future forfeitures under the 2006 Omnibus Plan will be made available for grant under the 2010 Omnibus Plan. Our practice is not to time the date of our equity awards. When making annual equity grants in and for 2009, we generally sought to continue our prior practice. Thus, (i) we made grants to all exempt associates in the United States (including those named executive officers then employed by the Company) and to equivalent job categories outside of the United States, and (ii) we primarily granted restricted stock units (because our stock price volatility can make compensating with options challenging and ultimately more dilutive to stockholders). Though we did not formally condition the vesting or the grant of restricted stock units on performance metrics, prior year's individual performance and corporate performance affected the value of the grant received.

In 2009, our equity-based compensation grants consisted primarily of grants of restricted stock units. In April 2009, we granted an aggregate of 517,598 restricted stock units under the 2006 Omnibus Plan (which represents approximately 0.61% of our issued and outstanding common stock as of December 26, 2009) to 1,050 associates (including Messrs. Ahearn, Carrington, Gaffney, Meyerhoff, and Sohn), representing approximately 24.7% of our associates at the time of the grant. Equity grants to our named executive officers are more particularly described in the Grants of Plan Based Awards table and the Outstanding Equity Awards at Fiscal Year-End table. The restricted stock units granted in April 2009 vest over four years 20%, 20%, 20% and 40%, respectively, on the anniversary of the grant date, subject to the named executive officer's continued employment with us.

In 2009, for the executive officers, including the named executive officers, Mr. Ahearn, who at that time was our chief executive officer, made recommendations to the compensation committee on restricted stock unit grant values with regard to benchmarking data, the officer's role and responsibility, prior year's individual performance year and corporate performance. More specifically, using benchmarking data, a matrix of grant values was developed for different roles in the organization, including for the chief executive officer, and a different grant amount was developed for different levels of individual performance, as evidenced by performance evaluations. When making awards to the senior leadership team (which team included our named executive officers then employed), grant value recommendations were determined by bifurcating the matrixed value so that 50% of such value (which value takes into account individual performance) would be made in accordance with the matrix, and the remaining 50% of it would vary based on corporate performance (derived from the annual bonus plan bonus multiplier). Because the 2008 bonus multiplier for senior leadership was 1.0, each member of the senior leader team received the matrixed grant level without further adjustment ($50\% * 1.0 + 50\% = 100\%$). The compensation committee assessed the performance of the chief executive officer and the named executive officers in approving the matrixed value of the annual component

of their long-term incentive compensation to be awarded. The actual number of RSUs awarded was then determined by dividing such matrixed value by the average share price over the most recently completed three month period preceding the date of grant.

In March 2010, we used the same methodology to make grants to our senior leadership team in respect of 2009, except for Messrs. Ahearn, Gillette and Kallenbach. Specifically, the CEO made recommendations based on the

Table of Contents

same factors considered in 2009, including award values set forth in a matrix developed using benchmarking data with 50% of the long-term incentive award grant level was based on the matrixed amount and 50% was based on corporate performance (derived from the annual bonus multiplier). Because the 2009 bonus multiplier was 1.375, each senior leader received 118.75% of their matrixed grant level ($(50\% * 1.375) + 50\% = 118.75\%$). However, this year we changed the methodology for developing the matrix. To keep grants relatively flat against last year's grants (which we determined was appropriate given overall market conditions), we used last year's matrix (developed using the prior peer group). In recognition of Mr. Ahearn's new status (he now serves solely as our executive chairman), Mr. Ahearn did not receive an equity grant in respect of 2009. Mr. Gillette's long-term incentive award in respect of 2009 was valued at \$5,000,000, pursuant to the terms of his employment agreement. Mr. Kallenbach did not receive an equity award in respect of 2009, because he received a \$2,100,000 sign-on equity grant when he joined at the end of 2009.

Sign-On Bonuses and Incentives

For certain roles, we have granted individual incentives or sign-on bonuses to attract the associate to the Company. Often the sign-on bonus is necessary to compensate an associate for the potential compensation from a prior employer the individual must forfeit to join First Solar. This was the case for Messrs. Gillette and Kallenbach (who both forfeited certain compensation from Honeywell International, their former employer, including Mr. Gillette's interest in a supplemental executive retirement program, a benefit which we do not offer our executives).

In 2009, we agreed to pay Mr. Gillette a one-time cash sign-on bonus of \$5,000,000 cash, one half of which was payable in a lump sum less applicable withholdings as soon as practicable following his commencement of employment and the remaining portion of which is payable on October 1, 2010 and we agreed that his annual bonus for 2009 would be no less than \$850,000. In 2009, we also agreed to provide Mr. Gillette with \$13,000,000 in initial equity awards following commencement of his employment and to provide an additional \$5,000,000 in long-term incentive equity awards for each of 2009 and 2010. Of the initial equity awards, a \$3,250,000 award (11,986 shares) was issued as fully vested common stock (consisting of 20,313 shares awarded less the 8,327 shares withheld to satisfy certain tax withholding obligations), a \$3,250,000 award was issued as fully vested stock options (the number of shares under these options was 34,084 shares, which was determined using the Black Scholes valuation method used by the Company to value its stock options), and a \$6,500,000 award was issued as 40,625 restricted stock units that vest in full on the second anniversary of the date of grant (or if earlier, upon a change in control) subject to his continued employment with us but are not otherwise subject to accelerated vesting for earlier termination of employment. The remaining \$10,000,000 in equity awards promised were granted in March 2010 under the 2006 Omnibus Plan. While the committee had originally intended the 2010 award to be made in 2011, this award was shifted to 2010 to allow for the grant to be made under the 2006 Omnibus Plan. Mr. Gillette's 2009 long-term incentive award vests over four years 20%, 20%, 20% and 40%, respectively, on the anniversary of the grant date, subject to his continued employment with us. Mr. Gillette's 2010 long-term incentive award vests ratably at an annual rate of 25% per year (the same rate of vesting of restricted stock units which can be awarded to our other members of the senior leadership team under the 2010 performance equity program, which provides for restricted stock units to be awarded under our 2010 Omnibus Plan, subject to shareholder approval, in respect of 2010 performance) as described in Proposal No. 2: Approval of First Solar, Inc. 2010 Omnibus Incentive Compensation Plan - New Plan Benefits. Consistent with the original intent of the grant, the first tranche does not vest until the second anniversary of the date of grant, such that it would vest no sooner than if the grant had been made in 2011. Therefore, subject to Mr. Gillette's continued employment, the 2010 long-term incentive award will be fully vested on the fifth anniversary of the date of grant. Mr. Gillette's 2010 long-term incentive award expressly prohibits accelerated vesting for any reason (including change in control) prior to the first anniversary of the date of grant.

In 2009, we paid Mr. Kallenbach a \$150,000 one-time cash sign-on bonus, which is subject to recoupment by the Company if his employment terminates for any reason within 12 months following his hire date. In addition, we granted to him restricted stock units valued at \$2,100,000 (15,147 restricted stock units) which vest over four years

20%, 20%, 20% and 40%, respectively, on the anniversary of the grant date, subject to his continued employment with us.

Table of Contents

In accordance with Mr. Gaffney's employment agreement, we continue to make quarterly payments on the balance of a \$7.0 million sign-on bonus which is payable in 20 equal quarterly installments (payment of such sign-on bonus commenced on March 31, 2008).

Broad-based Benefits Programs and Other Compensation

401(k). Our named executive officers are entitled to participate in the various benefits programs we offer to all of our associates, including a 401(k) plan, medical plan, dental plan, life insurance plan and long-term and short-term disability plans. Under our 401(k) plan, we make a matching contribution equal to 100% of our associates contributions to the plan up to a maximum of 4% of an associate's plan compensation. In 2009, Messrs. Ahearn, Meyerhoff, Sohn, Eaglesham, Gaffney and Carrington each received the maximum matching contribution of \$9,800. Messrs Gillette and Kallenbach did not participate in the plan.

Other Benefits. Our named executive officers each have vacation entitlements of four weeks per year. For certain of our executives who relocated when they joined the Company, we make payments related to their relocation which are grossed-up for taxes. In 2009, we made such payments to Mr. Sohn (\$69,731) and Mr. Carrington (\$207,604). These payments are described in more detail in the footnoted table to the All Other Compensation column of the Summary Compensation Table.

Employment Agreements

We have entered into employment agreements with certain of our executives, including each of our named executive officers. When we have entered into such employment agreements with our executives, it has been the compensation committee's judgment that such agreements were appropriate and necessary. The employment agreements generally provide for base salary, bonus, benefits and eligibility for equity-based compensation awards, as well as rights to certain payments and benefits upon certain terminations of employment.

For more details on these employment agreements and the compensation and benefits payable or to be provided in the event of a termination of employment, see Executive Compensation-Employment Agreements and Arrangements and Executive Compensation-Potential Payments upon Termination or Change in Control-Potential Payments upon Termination of Employment (Other Than in the Context of a Change in Control).

Change in Control Severance Agreements

We have entered into change in control severance agreements (CIC Agreements) with our named executive officers and certain other key officers and associates. The purpose of these agreements, which are substantially identical, is to align the interest of the executives with our stockholders in any potential change in control situation by mitigating the uncertainty and questions a potential change in control may raise among such executives and associates and allowing them to focus their continued attention and dedication to their assigned duties. The CIC Agreements also provide for single trigger vesting of unvested equity-based compensation upon a change in control of the Company thereby ensuring that such executives and associates are fairly compensated for the lost opportunity to realize the value of awards that is typically precipitated by a change in control. When the Company originally entered into the CIC Agreements, the compensation committee reviewed the terms of the CIC Agreements in consultation with an independent consultant, assessed the impact of possible payouts under the CIC Agreements in the event of a change in control and concluded that the CIC Agreements were fair and reasonable. For a further description of compensation provided in the event of a change in control, see Executive Compensation-Potential Payments Upon Termination or Change in Control-Potential Payments upon a Change in Control.

Tax and Accounting Implications

Section 162(m) of the Code. With certain material exceptions, Section 162(m) of the Code limits the deductibility of compensation paid by a public company in any year to \$1 million to each of the chief executive officer and the next three most highly paid executive officers other than the chief financial officer. A transition rule generally applies to compensation paid under plans and arrangements in existence on the date of an initial public offering, pursuant to which such compensation will not be subject to the \$1 million limit. The Company generally

Table of Contents

endeavors to avail itself of this transition rule, and expects this transition rule to continue to apply to amounts paid or awards granted prior to the date of the Company's annual meeting to be held on June 1, 2010. The Company's 2010 Omnibus Incentive Compensation Plan, which will be submitted for shareholder approval at the annual meeting, is intended to enable most executive compensation to be deductible by the Company under Section 162(m) of the Code; however, the compensation committee has not adopted a policy that all compensation must be deductible, particularly where additional compensation may be needed to attract executives to key leadership positions in the Company. Certain sign-on compensation for Mr. Gillette will not be deductible.

Section 280G of the Code. Section 280G of the Code denies a tax deduction on certain compensation payments to any disqualified individual (which term includes our named executive officers) that are contingent upon a change in ownership or control of the Company. A tax deduction for compensation in excess of the disqualified individual's average taxable compensation is denied, but only if the total change in control payments equal or exceed three times the individual's average taxable compensation (i.e., the 280G limit). In addition, if the threshold is exceeded, a 20% excise tax is imposed on the disqualified individual under Section 4999 of the Code. The Company has entered into change in control severance agreements with certain executive officers, including each of the named executive officers that provides for the Company to gross-up such executive officer for the 20% excise tax if the applicable compensation exceeds 110% of the 280G limit (payments will be cut back to less than the 280G limit if the 110% threshold is not exceeded). The Company has estimated the parachute payments that would have been payable had a change in control occurred and each named executive officer's employment been terminated on December 26, 2009. See Executive Compensation-Potential Payments Upon Termination or Change in Control-Potential Payments upon a Change in Control. As of that date, we estimated that Messrs. Ahearn and Kallenbach were the only named executive officers who would have had payments subject to the tax gross up and deduction disallowance.

Accounting for Equity-Based Compensation. The Company uses FASB ASC Topic 718 Compensation - Stock for purposes of determining the fair value of its equity-based compensation. The assumptions used in the calculation of these amounts are included in Note 16, Share-based Compensation to the Company's audited financial statements for the fiscal year ended December 26, 2009 included in the Company's Annual Report on Form 10-K filed with the Commission on February 22, 2010. To see the fair value of awards made to each named executive officer in 2009, see Executive Compensation Summary Compensation Table.

Table of Contents

COMPENSATION COMMITTEE REPORT

The following report of the compensation committee is not soliciting material, is not deemed filed with the Commission and is not to be incorporated by reference into any other of the Company's filings under the Securities Act or the Securities Exchange Act of 1934, as amended (the Exchange Act), except to the extent we specifically incorporate this report by reference therein.

Since the formation of the compensation committee in October 2006, Michael Sweeney has served on the compensation committee. Paul H. Stebbins has served on the compensation committee since his appointment to the board of directors on December 19, 2006, and Mr. José H. Villarreal has served on the compensation committee since his appointment to the board of directors on September 24, 2007.

The compensation committee is and has been comprised solely of non-associate directors who were each: (i) independent as defined under the NASDAQ listing standards, (ii) a non-associate director for purposes of Rule 16b-3 of the Exchange Act, and (iii) an outside director for purposes of Section 162(m) of the Code.

The compensation committee has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management. Based on such review and discussions, the compensation committee recommended to the board of directors that the Compensation Discussion and Analysis be included in this Proxy Statement on Schedule 14A and incorporated by reference in the Company's Annual Report on Form 10-K for the fiscal year ended December 26, 2009.

Submitted by the Members of the Compensation Committee

Michael Sweeney (Chair)
Paul H. Stebbins
José H. Villarreal

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

The following table sets forth information with respect to compensation earned by our executive chairman, our chief executive officer, our chief financial officer and our three other most highly compensated executive officers in addition to two additional individuals for whom disclosure would have been provided but for the fact that such individuals were not serving as an executive officer of the registrant at the end of the last completed fiscal year (collectively, our named executive officers), for the fiscal years ended December 26, 2009, December 27, 2008 and December 29, 2007, respectively.

Principal Position	Year	Salary (\$)(1)	Bonus (\$)	Stock	Option	Non-Equity	All
				Awards (\$)(2)	Awards (\$)(2)	Incentive Plan Compensation (\$)(3)	Other Compensation (\$)(4)
Ahearn(5) Chairman	2009	525,000		3,023,128		721,875	10,352
	2008	507,692		3,730,890		525,000	552
	2007	450,000		3,007,000		765,000	
Gillette(6) Executive Officer	2009	202,692	2,500,000(12)	9,750,080(16)	3,250,015(23)	850,000	60
	2008						
	2007						
Hoff Chief Financial Officer	2009	390,033		1,169,184		451,891	19,688
	2008	372,462		1,442,162		263,340	17,518
	2007	330,000		2,841,730		365,836	10,241
Wright(7) Director	2009	461,635		1,831,296		686,813	79,891
	2008	403,846		2,259,320		330,000	57,816
	2007	295,190	60,000(13)	3,274,276(17)	5,138,025	413,266	73,402
Wach(8) Vice President, Operations and Product Development	2009	13,462	150,000(14)	2,100,132(18)		14,240	
	2008						
	2007						
Wright(9) Technology Officer	2009	318,300		1,309,784		288,750	10,160
	2008						
	2007						
Wright(10) Vice President and General Secretary	2009	498,558	1,400,000(15)	974,168(19)		550,000	4,724,060
	2008	478,846	1,400,000(15)	5,366,112(20)	11,016,200(24)	384,445	8,067
	2007						
Wright(11) Vice President, Marketing and Business Development	2009	292,613		3,036,656(21)		293,972	644,615
	2008	261,538	150,000(14)	4,670,750(22)		209,778	22,178
	2007						

(1)

Salary represents actual salary earned during each applicable year, and includes base salary and actual payments for accrued vacation and holidays.

- (2) The amounts reported in these columns reflect the aggregate grant date fair value of these awards computed in accordance with FASB ASC Topic 718 Stock Compensation, which excludes the effect of estimated forfeitures. The assumptions and methodologies used in the calculations of these amounts are set forth, for 2009, in Note 16. Share Based Compensation to the Company's audited financial statements for the fiscal year ended December 26, 2009 included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission (or, in the case of grants made prior to 2009, the corresponding footnote in the Company's Form 10-K for the applicable year). Under generally accepted accounting principles, compensation expense with respect to stock awards and option awards granted to our associates is generally recognized over the vesting periods applicable to the awards. The Securities and Exchange Commission's disclosure rules previously required that we present stock award and option award information for 2008 and 2007 based on the amount recognized during the corresponding year for financial statement reporting purposes with respect to these awards (which meant, in effect, that in any given year we could recognize for financial statement reporting purposes amounts with respect to grants made in that year as well as with respect to grants

Table of Contents

from past years that vested in or were still vesting during that year). However, the recent changes in the Securities and Exchange Commission disclosure rules require that we now present the stock award and option award amounts in the applicable columns of the table above with respect to 2008 and 2007 on a similar basis as the 2009 presentation using the grant date fair value of the awards granted during the corresponding year (regardless of the period over which the awards are scheduled to vest). Since this requirement differs from the Securities and Exchange Commission's past disclosure rules, the amounts reported in the table above for stock awards and option awards in 2008 and 2007 differ from the amounts previously reported in our Summary Compensation Table for these years. As a result, to the extent applicable, each named executive officer's total compensation amounts for 2008 and 2007 also differ from the amounts previously reported in our Summary Compensation Table for these years. For a discussion of specific stock and option awards during 2009, see also Grants of Plan-Based Awards below and the narrative discussion that follows.

- (3) For a description of Non-Equity Incentive Plan Compensation, see the disclosure above under Compensation Discussion and Analysis Compensation Considerations by Compensation Elements Cash Incentive Compensation.
- (4) All Other Compensation is comprised of the following for fiscal 2009, 2008 and 2007:

Name	Year	Tax		Severance	401 (k)	Insurance	Total All
		Relocation	Gross-Relocation				
		Benefits	Benefits		Matching	Benefits	Compensation
		(\$)	(\$)	(\$)	Contribution	(\$)	(\$)
Michael J. Ahearn	2009				9,800	552	10,352
	2008					552	552
Robert J. Gillette	2009					60	60
Jens Meyerhoff	2009				9,800	9,888	19,688
	2008				7,750	9,768	17,518
	2007				714	9,527	10,241
Bruce Sohn	2009	50,284	19,447		9,800	360	79,891
	2008	29,073	20,633		7,750	360	57,816
	2007	39,616	30,007		3,779		73,402
David Eaglesham	2009				9,800	360	10,160
John T. Gaffney	2009			4,713,726(4a)	9,800	534	4,724,060
	2008				7,750	317	8,067
John Carrington	2009	123,486	84,118	427,054(4b)	9,800	157	644,615
	2008	14,167	3,563		4,310	138	22,178

(4a) Consists of the following severance payments: (1) annual base salary of \$500,000, (2) 12 months continuing medical coverage of \$13,726, and (3) continued quarterly payments of one-time cash sign-on bonus, totaling \$4,200,000.

(4b) Consists of the following severance payments: (1) annual base salary of \$413,328 and (2) 12 months continuing medical coverage of \$13,726.

- (5) Mr. Ahearn ceased serving as chief executive officer and began serving solely as executive chairman on October 1, 2009.
- (6) Mr. Gillette's employment with us commenced on October 1, 2009.
- (7) Mr. Sohn was compensated as a non-associate director until March 11, 2007 and was compensated as a full-time associate for the remainder of 2007.
- (8) Mr. Kallenbach's employment with us commenced on December 14, 2009.
- (9) Mr. Eaglesham's employment with us commenced on June 5, 2006. He was not a named executive officer in 2007 or 2008.
- (10) Mr. Gaffney's employment with us commenced on January 15, 2008 and ceased on December 1, 2009.
- (11) Mr. Carrington's employment with us commenced on May 5, 2008 and ceased on August 24, 2009.

Table of Contents

- (12) Represents a one-time cash sign-on bonus of \$5,000,000, of which, 50% was paid on October 8, 2009, and the other 50% will be paid on October 1, 2010, regardless of whether Mr. Gillette remains employed with First Solar through the applicable payment date.
- (13) Represents a one-time bonus to cover the general costs incurred in moving the associate's place of residence to Phoenix, Arizona.
- (14) Represents a one-time cash sign-on bonus. Mr. Kallenbach's bonus must be repaid to us if his employment terminates for any reason within 12 months following his hire date.
- (15) Represents installments paid on a one-time cash sign-on bonus equal to \$7.0 million payable in 20 equal quarterly installments commencing on March 31, 2008.
- (16) Includes a fully vested sign-on grant on October 12, 2009 of 20,313 shares at a market price of \$160.00 per share as of that date and a new hire grant of 40,625 restricted stock units at a market price of \$160.00, scheduled to vest in a lump sum on October 12, 2011.
- (17) Includes a fully vested sign-on grant on March 21, 2007 of 917 shares at a market price of \$54.50 per share as of that date.
- (18) Represents a new hire grant of 15,147 restricted stock units at a market price of \$138.65 which vest over four years 20%, 20%, 20% and 40%, respectively, on the anniversary of the grant date of December 14, 2009.
- (19) Represents a grant of 6,409 restricted stock units at a market price of \$152.00, which were initially scheduled to vest over four years 20%, 20%, 20% and 40%, respectively, on the anniversary of the grant date of April 27, 2009. Mr. Gaffney's employment with us ended on December 1, 2009 and pursuant to his Separation Agreement and General Release, we accelerated the vesting of 1,282 restricted stock units at the termination date. The remaining 5,127 restricted stock units were forfeited.
- (20) Represents a new hire grant of 26,203 restricted stock units at a market price of \$204.79, initially scheduled to vest quarterly in 20 equal installments commencing on March 31, 2008. Mr. Gaffney's employment with us ended on December 1, 2009 and pursuant to his Separation Agreement and General Release, we accelerated the vesting of 17,032 restricted stock units, which represented the remaining unvested number of restricted stock units at the termination date.
- (21) Represents a grant of 19,978 restricted stock units at a market price of \$152.00, which were initially scheduled to vest over four years 20%, 20%, 20% and 40%, respectively, on the anniversary of the grant date of April 27, 2009. Mr. Carrington's employment with us ended on August 24, 2009 and pursuant to his Separation Agreement and General Release, we accelerated the vesting of 3,996 restricted stock units at the termination date. The remaining 15,982 restricted stock units were forfeited.
- (22) Represents a new hire grant of 17,500 restricted stock units at a market price of \$266.90, which were initially scheduled to vest over four years 20%, 20%, 20% and 40%, respectively, on the anniversary of the grant date of July 28, 2008. Mr. Carrington's employment with us ended on August 24, 2009 and according to his Separation Agreement and General Release, we accelerated the vesting of 14,000 restricted stock units, which represented the remaining unvested number of restricted units at the termination date.
- (23)

Represents a new hire grant of 34,084 fully vested stock options with an exercise price of \$160.00, the fair market value of our shares on October 12, 2009.

- (24) Represents a new hire grant of 100,000 stock options with an exercise price of \$267.14, the fair market value of our shares on December 31, 2007, initially scheduled to vest in five equal annual installments commencing on December 31, 2008. Mr. Gaffney's employment with us ended on December 1, 2009 and pursuant to his Separation Agreement and General Release, we accelerated the vesting of 80,000 options, which represented the remaining unvested number of options at the termination date. The full grant of 100,000 stock options expired unexercised on March 1, 2010.

Table of Contents**Grants of Plan-Based Awards**

The following table sets forth summary information regarding all grants of plan-based awards made to our named executive officers during the year ended December 26, 2009. As of the end of 2009, none of the named executive officers held any performance-based equity or non-equity incentive awards. Unless otherwise noted in the table below, the restricted stock units vest over four years 20%, 20%, 20% and 40%, respectively, on the anniversary of the grant date.

	Award Type	Grant Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards(1)		All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Stock Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$/Sh)	Market Price on Grant Date (\$/Sh)	Grant Date Fair Value (\$)
			Target (\$)	Maximum (\$)					
J. Ahearn	RSU	4/27/2009			19,889			152.00	3,020
	Annual Cash		525,000	1,050,000					
J. Gillette	RSU	10/12/2009			40,625(3)			160.00	6,500
	Stock Award	10/12/2009			20,313(4)			160.00	3,250
	Options	10/12/2009				34,084(4)	160.00	160.00	3,250
	Annual Cash		850,000	1,700,000					
eyerhoff	RSU	4/27/2009			7,692			152.00	1,160
	Annual Cash		328,648	657,296					
ohn	RSU	4/27/2009			12,048			152.00	1,820
	Annual Cash		499,500	999,000					
enbach	RSU	12/14/2009			15,147(5)			138.65	2,100
	Annual Cash		210,000	420,000					
aglesham	RSU	4/27/2009			8,617			152.00	1,310
	Annual Cash		210,000	420,000					
Gaffney	RSU	4/27/2009			6,409			152.00	970
	Annual Cash		400,000	800,000					
rrington	RSU	4/27/2009			19,978			152.00	3,030
	Annual Cash		330,662	661,325					

(1) For a description of Non-Equity Incentive Plan compensation, see the disclosure above under Compensation Discussion and Analysis Compensation Considerations by Compensation Elements Cash Incentive Compensation.

(2) The grant date fair value of the stock and option awards was determined in accordance with FASB ASC Topic 718. The assumptions used in the calculation of these amounts are included in Note 16, Share-based

Compensation to the Company's audited financial statements for the fiscal year ended December 26, 2009 included in the Company's Annual Report on Form 10-K filed with the Commission on February 22, 2010.

- (3) These restricted stock units vest in a lump sum on October 12, 2011 with no early acceleration triggers other than change in control.
- (4) These plan-based awards were fully vested upon issuance on October 12, 2009.
- (5) These restricted stock units vest over four years 20%, 20%, 20% and 40%, respectively, on the anniversary of the grant date of December 14, 2009, subject to Mr. Kallenbach's continued employment with us.

Table of Contents**Outstanding Equity Awards at Fiscal Year-End**

The following table sets forth information with respect to outstanding option and stock awards held by our named executive officers at December 26, 2009.

Name	Grant Date	Option Awards			Stock Awards(1)			
		Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$/Sh)	Option Expiration Date	Grant Date	Number of Shares or Units of Stock That Have Not Vested	Market Value of Shares or Units of Stock That Have Not Vested(2)
Michael J. Ahearn						7/30/2007	15,000	2,007,000
						4/28/2008	10,453	1,398,610
						4/27/2009	19,889	2,661,140
Total							45,342	6,066,750
Bert J. Gillette	10/12/2009	34,084(3)		160.00	10/12/2019	10/12/2009	40,625(4)	5,435,620
Total		34,084					40,625	5,435,620
Thomas Meyerhoff	11/16/2006	40,000	56,251(5)	20.00	11/16/2013	7/30/2007	10,500	1,404,900
						8/16/2007	5,400	722,520
						4/28/2008	4,040	540,550
						4/27/2009	7,692	1,029,190
Total		40,000	56,251				27,632	3,697,160
Rufo Sohn	3/21/2007	72,500	67,500(6)	54.50	3/21/2014	7/30/2007	12,000	1,605,600
						8/16/2007	6,000	802,800
						4/28/2008	6,330	846,950
						4/27/2009	12,048	1,612,020
Total		72,500	67,500				36,378	4,867,370
Mark Kallenbach						12/14/2009	15,147	2,026,660
Total							15,147	2,026,660
David Eaglesham	11/16/2006	3,627	65,294(7)	20.00	11/16/2013	7/30/2007	3,300	441,540
						4/28/2008	4,529	605,980
						4/27/2009	8,617	1,152,950

tal		3,627	65,294			16,446	2,200,47
nn T. Gaffney	1/15/2008	100,000(8)		267.14	3/01/2010		