Compensation Committee Charter

PURPOSE OF THE COMPENSATION COMMITTEE

The Compensation Committee (the "**Committee**") of the Board of Directors of First Solar, Inc. (such board of directors, the "**Board**" and First Solar, Inc., the "**Company**") shall (i) review the Company's compensation practices and policies (including as applicable to the Company's directors and executive officers (within the meaning of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**")), (ii) annually review the compensation of the Company's directors and executive officers, including the Company's Chief Executive Officer (the "**CEO**") and, in the case of such directors, make recommendations to the Board regarding such compensation and, in the case of such executive officers, approve such compensation, (iii) annually evaluate CEO performance, (iv) prepare any report related to director and executive compensation, any compensation consultant, legal counsel or other advisor (individually or collectively, as applicable, the "**Advisor**") retained by the Committee, and any other matters required to be reported by the Committee under the listing standards of the National Association of Securities Dealers Quotation System (such listing standards, as amended from time to time, the "**Listing Standards**") or other applicable law in connection with the Company's proxy statement, annual report or other required filings, (v) review and discuss other compensation-related disclosure for the Company's proxy statement, annual report or other required filings with the Company's management and make recommendations to the Board with respect to such disclosure, (vi) determine, in its sole discretion, (a) whether to retain any Advisor, (b) the independence of such Advisor (in accordance with the Listing Standards, Rule 10C-1(b)(4) promulgated under the Exchange Act) and other applicable law) and (c) the amount of compensation that is reasonable payment to such Advisor, the funding for which shall be provided by the Company, and (vii) annually review and reassess the adequacy of this charter.

Membership

The Committee's membership shall be determined by the Board based on the recommendations from the Nominating and Corporate Governance Committee of the Board and shall consist of at least three directors. The members of the Committee shall (i) meet the independence requirements of the Listing Standards, (ii) qualify as "Non-Employee Directors" for purposes of Rule 16b-3 promulgated under the Exchange Act and (iii) have no affiliations that would impair such member's judgment as a member of the Committee (as determined by the Board in accordance with the Listing Standards). The members of the Committee may not directly or indirectly accept any consulting, advisory or other compensatory fee from the Company (excluding any fees received in respect of service to the Committee or the Board, including any other Board committee, and any fixed compensation pursuant to a retirement plan sponsored by the Company payable in respect of past services to the Company). In addition, at least two members of the Committee shall qualify as "outside directors" for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended, and treasury regulations promulgated thereunder (the "**Code**"), taking into account any exemptions therein, which members shall (acting as a subcommittee of the Committee, if necessary, which subcommittee, for the avoidance of doubt, shall not include any members who do not qualify as "outside directors" for purposes of Section 162(m) of the Code) make decisions of the Committee regarding certain compensation payable to potential "covered employees" within the meaning of Section 162(m) of the Code. The members of the Committee shall be appointed

by the Board from among its members and shall be subject to removal by the Board. The determination of any member's qualification to serve on the Committee shall be made by the Board in keeping with the applicable requirements and definitions of the Listing Standards and other applicable law.

Each member shall serve until his or her successor is duly appointed and qualified or until such member's resignation or removal by a majority vote of the Board.

Roles and Responsibilities

The responsibilities of the Committee include:

1. Compensation Practices and Policies
    a. Reviewing compensation practices and policies of the Company (including as applicable to the Company's directors and executive officers) to ensure they provide appropriate motivation for corporate performance and increased shareholder value;
    b. Administering the Company's equity-based, incentive and other compensation plans (including, without limitation, determining the associates who will receive compensation awards and the size of those awards under such compensation programs), along with any subplans related thereto;
    c. Making recommendations to the Board regarding the adoption, amendment or termination of equity-based compensation programs that require shareholder approval;
    d. Approving the adoption, amendment and termination of incentive compensation and deferred compensation programs for employees of the Company;
    e. Producing any report related to director and executive officer compensation, any Advisor retained by the Committee and any other matters required to be reported by the Committee under the Listing Standards or other applicable law in connection with the Company's annual proxy statement, annual report or other required filings;
    f. Reviewing and discussing the Compensation Discussion and Analysis (the "**CD&A**") required for inclusion in the proxy statement or annual report and, as appropriate, recommending to the Board that the CD&A be included in the Company's annual proxy statement and/or annual report;
2. Executive Compensation
    a. Periodically reviewing and approving the selection of companies that are comparable to the Company and surveying the executive compensation practices of such companies;
    b. Annually reviewing and approving, for the executive officers of the Company (other than the CEO): (i) annual base salary, (ii) short-term incentive compensation (e.g., target bonus percentage, annual bonus award), (iii) equity-based compensation and any other long-term incentive compensation under the Company's omnibus incentive compensation plans or any similar plan adopted by the Board;
    c. Approving for the executive officers (including the CEO) of the Company the terms and conditions of employment agreements, consulting agreements, severance or retirement arrangements, change-in-control arrangements, any

supplemental benefits or special compensation arrangements and any other material compensatory or employment-related agreement;

d. Retaining, consulting and terminating, in its sole discretion, any Advisor used to assist in the evaluation of CEO or executive officer compensation, evaluating each such Advisor's independence (in accordance with the Listing Standards and the rules promulgated under the Exchange Act) and determining in its capacity as the Committee such Advisor's fees and other retention terms (funding for which shall be provided by the Company), regardless of whether such Advisor satisfies the independence factors set forth in the Listing Standards or the rules promulgated under the Exchange Act;

e. Reviewing shareholder proposals relating to executive compensation matters and recommending to the Board the Company's response to such proposals;

f. Reviewing and approving any executive perquisites;

3. CEO Compensation

a. Reviewing and approving annual corporate goals and objectives for the CEO; and

b. Annually reviewing and approving (based on the Committee's evaluation), (i) annual base salary, (ii) short-term incentive compensation (e.g., target bonus percentage, annual bonus award), (iii) equity compensation and any other long-term incentive compensation under the Company's omnibus incentive compensation plans or any similar plan adopted by the Board. In determining the long-term incentive component of CEO compensation, the Committee will consider all factors it deems relevant, including, to the extent deemed relevant by the Committee, the Company's performance and relative shareholder return, the value of similar incentive awards to CEOs at comparable companies, and the awards given to the CEO in past years.

c. The CEO may not be present during voting or deliberations with respect to the CEO's compensation.

4. Director Compensation

The Committee periodically shall review and recommend to the Board the form and amount of director compensation (including perquisites and other benefits), and any additional compensation to be paid for service on Board committees or for service as a chair of a Board committee. In making its recommendations, the Committee shall give due consideration to what is customary compensation for directors of comparable U.S. companies and any other factors it deems appropriate that are consistent with the policies and principles set forth in this charter and the Company's Corporate Governance Guidelines.

5. Other Matters

a. In consultation with management of the Company, the Committee (or subcommittee as described above, if applicable) shall oversee regulatory compliance with respect to compensation matters, including overseeing the Company's policies on structuring compensation programs to preserve tax deductibility (including, as and when required, for compliance with Section 162(m) of the Code, establishing performance goals and certifying that such performance goals and any other material terms have been attained).

b. The Committee shall have such other roles and responsibilities as may be delegated to it by the Board from time to time.

c. Before selecting or consulting any Advisor, the Committee shall consider all applicable independence factors and potential conflicts of interest with respect to such Advisor to the extent required by the Listing Standards or applicable law. The Committee shall oversee the work of its outside Advisors. The Committee shall not be required to implement or act consistently with the advice or recommendations of any such Advisor, and the authority of the Committee with respect to an Advisor granted in this charter shall not affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties and responsibilities under this charter.

6. Reports to Board, Charter Review, Self-Evaluation
   a. The Committee shall regularly apprise the Board of its activities.
   b. The Committee shall annually review the adequacy of this charter and recommend any proposed changes to the Board for approval.
   c. The Committee shall conduct or participate in an annual performance evaluation of the Committee.

Structure and Operations

One member of the Committee shall be designated to act as its chair. The Committee shall meet in person or telephonically at least two times per year at such times and places determined by the Committee chair, with further meetings to occur, or actions to be taken by unanimous written consent, when deemed necessary or desirable by the Committee or its chair. The chair, with input from the other members of the Committee and, where appropriate, management of the Company, shall set the agendas for Committee meetings.

The Committee may request that any directors, officers or other employees of the Company, any Advisor or any other persons whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information as the Committee requests. The Committee may exclude from its meetings any persons it deems appropriate.

The Committee may, in its discretion, form subcommittees and delegate all or a portion of its duties, responsibilities and authority to such subcommittees, to any member of the Committee, or to management of the Company, when it deems such delegation appropriate and in the best interests of the Company.

The Committee shall maintain minutes or other records of its meetings and shall regularly apprise the Board of the actions taken in these meetings. Such communication may take the form of oral reports by the chair of the Committee or any other member of the Committee designated by the Committee to give such report. Except as expressly provided in this charter, the Company's Bylaws or the Company's Corporate Governance Guidelines, or as required by law, regulation or the Listing Standards, the Committee shall set its own rules of procedure.