

RESOLVED, shareholders request that the Board of Directors of First Solar, Inc. adopt a policy for improving board diversity requiring that the initial list of candidates from which new director nominees are chosen by the Nominating and Corporate Governance Committee should include, but need not be limited to, qualified women and minority candidates.

SUPPORTING STATEMENT

Currently, First Solar, Inc. appears to have no ethnic or racially diverse directors on its board. Furthermore, there are only two women on its ten-member Board of Directors.

A McKinsey study found that companies in the top quartile for gender diversity in corporate leadership had a 21% likelihood of outperforming bottom-quartile industry peers on profitability. Similarly, leaders in racial and ethnic diversity are 33% more likely to outperform peers on profitability.

(<https://www.mckinsey.com/business-functions/organization/our-insights/delivering-through-diversity>)

A 2019 study of the S&P 500 by the *Wall Street Journal* found that the 20 most diverse companies had an average annual five year stock return that was 5.8% higher than the 20 least-diverse companies.

(<https://www.wsj.com/articles/the-business-case-for-more-diversity-11572091200>)

First Solar CEO, Mark Widmar, has stated “Ours is a corporate culture of inclusion, and we are stronger for the richness of our geographic, cultural, ethnic, social and gender diversity. In a world that demands agility and innovation, this diversity is an asset in dealing with the complexity of our markets. It is, in fact, vital to our long-term success.”

(<http://www.firstsolar.com/en/Careers>, accessed November 26, 2019)

Adopting a policy that requires the consideration of women and minority candidates for every open Director seat enhances the nomination process, and assists the Nominating and Corporate Governance Committee in developing a diverse Board.

A 2016 study published by *Harvard Business Review* found that including more than one woman or minority in a finalist pool changes the status quo to help combat unconscious bias among interviewers. Researchers found that the odds of hiring a woman were 79 times greater when there were at least two women in the finalist pool, and the odds of hiring a minority were 193 times greater when there were at least two minority candidates in the finalist pool.

(<https://hbr.org/2016/04/if-theres-only-one-woman-in-your-candidate-pool-theres-statistically-no-chance-shell-be-hired>)

Diverse search policies have been adopted by the Nominating and Governance Committees of Amazon, Facebook, Intel, Costco, Home Depot, Oracle, Marathon Petroleum, and United Continental, among others. Additionally, in its 2016 Principles of Corporate Governance, the Business Roundtable calls on boards to “develop a framework for identifying appropriately

diverse candidates that allows the nominating/governance committee to consider women, minorities, and others with diverse backgrounds as candidates for each open board seat.”
(<https://s3.amazonaws.com/brt.org/Principles-of-Corporate-Governance-2016.pdf>)

This proposal resembles the Rooney Rule in the National Football League (NFL), which requires teams to interview minority candidates for head coaching and senior operations openings. In the twelve years before the Rule was implemented, the NFL had four minority head coaches and one minority general manager. Twelve years after, the NFL had sixteen minority head coaches and eight minority general managers.