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

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**FORM 8-K**

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CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of Earliest Event Reported): November 14, 2018

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**REAL GOODS SOLAR, INC.**

(Exact Name of Registrant as Specified in its Charter)

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Colorado  
(State or Other Jurisdiction  
of Incorporation)

001-34044  
(Commission File Number)

26-1851813  
(IRS Employer  
Identification No.)

110 16<sup>th</sup> Street, Suite 300, Denver, CO 80202  
(Address of Principal Executive Offices, Including Zip Code)

Registrant's telephone number, including area code: (303) 222-8300

Not Applicable  
(Former Name or Former Address, if Changed Since Last Report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communication pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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## **Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers**

### ***Real Goods Solar, Inc. Change in Control Agreement***

On November 14, 2018, the Compensation Committee of the Board approved the Company entering into change in control agreements (the “Change in Control Agreements”) with certain Executive Officers, employees that report directly to the Company’s Chief Executive Officer and certain other employees considered to be part of the Company’s senior leadership. On the same date, the Company entered into Change in Control Agreements with each of Mr. Fine and Mrs. Dorsey. The Change in Control Agreements are in substantially the same form and provide that in the event a Change in Control (as defined below) occurs, and either (i) any successor to the Company as a result of a Change in Control fails to assume the Company’s obligations under the applicable Change in Control Agreement, or (ii) within the one-year period immediately following the consummation of the Change in Control, the subject employee’s employment with the Company is (a) involuntarily terminated by the Company without Business Reasons (as defined in the Change in Control Agreement) or (b) voluntarily terminated by the subject employee for Good Reason (as defined in the Change in Control Agreement), then such employee shall receive a lump sum severance payment equal to a percentage of the sum of his or her base salary plus target bonus for the year in question. Mr. Fine’s and Mrs. Dorsey’s percentage is 100%. The Change in Control Agreements were approved to promote the incentive employees to stay with the Company during and after a potential future change in control transaction to promote shareholders’ interests and preserve value.

A “change in control” is defined in the Change in Control Agreements as a single transaction or a series of related transactions of any one or more of the following (subject to some exceptions): (i) any merger, consolidation or business combination of the Company with or into any other entity or person, or any other reorganization, in each case in which the equity holders of the Company immediately prior to such merger, consolidation, business combination or reorganization, own less than 50% of the voting power of the surviving entity immediately after such merger, consolidation, business combination or reorganization, (ii) any transaction in which in excess of 50% of the Company’s voting power is transferred to a person or a group other than the equity holders of the Company immediately prior to such transaction(s), or (iii) a sale or other disposition of all or substantially all of the assets of the Company.

The foregoing description of the Change in Control Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Change in Control Agreement, a copy of which is filed with this Current Report on Form 8-K as Exhibit 10.1.

### ***Amendment to Mr. Lacey’s Employment Agreement***

On November 19, 2018, the Company entered into an Amendment to Employment Agreement (the “Amendment”) with Mr. Lacey to amend the terms of his employment agreement (which is dated effective as of June 1, 2015) to increase the severance payment Mr. Lacey is eligible for if his employment with the Company is terminated without Cause (as defined in the employment agreement) within 12 month after a Change of Control (as defined in the employment agreement) or if Mr. Lacey terminates his employment for “Good Reason” (as defined in the employment agreement). The Amendment increased the base salary component of such severance payment from 12 months to 24 months and increased the Performance Bonus (as defined in the employment agreement) component of such severance payment from 100% to 200%.

The foregoing description of the Amendment does not purport to be complete and is qualified in its entirety by reference to the full text of the Amendment, a copy of which is filed with this Current Report on Form 8-K as Exhibit 10.2.

### ***Real Goods Solar, Inc. 2019 Incentive Compensation Plan***

On November 14, 2018, the Compensation Committee (the “Compensation Committee”) of the board of directors (the “Board”) of Real Goods Solar, Inc. (the “Company”) and the Board approved and the Company adopted an incentive compensation plan, the Real Goods Solar, Inc. 2019 Incentive Compensation Plan (the “Incentive Plan”), effective as of January 1, 2019 for the Company’s 2019 fiscal year ending December 31, 2019. Under the Incentive Plan, the Company will pay cash bonuses on a quarterly basis from an incentive pool to eligible full-time and part-time employees, including the Company’s named executive officers, Dennis Lacey, Chief Executive Officer, Alan Fine, Chief Financial Officer and Nicolle Dorsey, Principal Accounting Officer and Controller (collectively, the “Executive Officers”). To be eligible, the recipient must have been continuously employed by the Company for at least six months as of the beginning of the applicable quarter, must be in good standing at the end of the applicable quarter and on the date of payment, and must be employed with the Company on the date of payment. Further, the recipient’s operating segment must have achieved at least 50% of the Company’s operating plan and budget for 2019 (the “2019 Budget”).

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Payment of such cash bonuses is contingent on the Company's achieving pre-established target levels of the 2019 Budget for each quarter. The incentive pool of available funds for bonuses will consist of an amount equal to a percentage of "cash-like income" (as described in the Incentive Plan), with such percentage increasing with the achievement of higher target levels of the 2019 Budget (the "Incentive Pool"), as follows:

Percent of 2019 Budget Achieved	Incentive Compensation Pool Percentage
≥ 130%	20.0%
≥ 120% and ≤ 129%	15.0%
≥ 100% and ≤ 119%	12.5%
≥ 50% and ≤ 99%	10.0%
Less than 50%	00.0%

An eligible recipient's quarterly bonus is calculated based on an annual incentive target percentage of base pay, divided by four (the "Incentive Target"). The incentive target percentages for the Executive Officers are as follows: (i) Mr. Lacey: 200%, (ii) Mr. Fine: 200%, and (iii) Mrs. Dorsey: 100%. An eligible recipient's bonus is calculated by multiplying such recipient's Incentive Target by a payout ratio equal to the Incentive Pool divided by the aggregate Incentive Targets of all eligible recipients. In no event will the total bonuses paid for a quarter exceed the Incentive Pool. Under the Incentive Plan, the Company has the authority to adjust tentative bonus payments to match the size of the Incentive Pool.

The Company established the Incentive Plan to incentivize employees to work well together and individually to meet and exceed the 2019 Budget.

The foregoing description of the Incentive Plan does not purport to be complete and is qualified in its entirety by reference to the full text of the Incentive Plan, a copy of which is filed with this Current Report on Form 8-K as Exhibit 10.3.

#### ***Real Goods Solar, Inc. Discretionary Bonus Plan***

On November 14, 2018, the Compensation Committee and the Board approved and the Company adopted a one-time discretionary bonus plan, the Real Goods Solar, Inc. 2019 One-Time Special Discretionary Bonus Plan (the "One-Time Bonus Plan"), effective as of January 1, 2019 for the Company's 2019 fiscal year ending December 31, 2019. Under the One-Time Bonus Plan, the Company may pay cash bonuses on a quarterly basis to all eligible full-time employees, including the Executive Officers, and to members of the Board. To be eligible, an employee must be in good standing at the end of the applicable quarter and on the date of payment and employed with the Company on the date of payment. Members of the Board must be serving as directors on the date of payment to be eligible. The Company will determine the timing and amounts payable under the One-Time Bonus Plan in its discretion.

Payments under the One-Time Bonus Plan will solely be made using the proceeds the Company may receive in the future from the cash exercise of outstanding common stock warrants.

The Company established the One-Time Bonus Plan to recognize the efforts of employees and members of the Board to reposition the Company for future growth and increased shareholder value.

The foregoing description of the One-Time Bonus Plan does not purport to be complete and is qualified in its entirety by reference to the full text of the One-Time Bonus Plan, a copy of which is filed with this Current Report on Form 8-K as Exhibit 10.4.

#### **Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

Exhibit No.	Description
<a href="#">10.1</a>	<a href="#">Form of Change in Control Agreement entered into on November 14, 2018 between Real Goods Solar, Inc. and each of, among others, Alan Fine and Nicolle Dorsey</a>
<a href="#">10.2</a>	<a href="#">Amendment to Employment Agreement, dated November 19, 2018, between Real Goods Solar, Inc. and Dennis Lacey</a>
<a href="#">10.3</a>	<a href="#">Real Goods Solar, Inc. 2019 Incentive Compensation Plan</a>
<a href="#">10.4</a>	<a href="#">Real Goods Solar, Inc. 2019 One-Time Special Discretionary Bonus Plan</a>



**CHANGE IN CONTROL AGREEMENT**

This Change in Control Agreement (this "Agreement"), effective as of (the "Effective Date") is entered by and between Real Goods Energy Tech dba Real Goods Solar and Real Goods Solar, Inc. (collectively, the "Company"), with its principal offices located at 110 16<sup>th</sup> Street, 3<sup>rd</sup> Floor Denver, CO 80202, and \_\_\_\_\_, who resides at [*insert address*] ("Executive"), each a "Party" and, collectively, the "Parties."

**RECITALS**

**WHEREAS**, the Compensation Committee of the Board of Directors of the Company (the "Compensation Committee") has determined that it is advisable and in the best interest of the Corporation to provide for its Section 16 Officers and CEO Direct Reports a Change in Control Agreement, as the Company is now more valuable, the possibility of a Change in Control exists.

**WHEREAS**, the Compensation Committee has determined that it is in the best interests of the Company to guarantee that the Company will have the continued commitment and objectivity of Executive, notwithstanding the possibility, threat or occurrence of such a termination of employment or the occurrence of a Change in Control of the Company.

**WHEREAS**, the Compensation Committee believes that during a Covered Termination (as defined below) it is imperative to provide Executive with certain severance benefits. These benefits will provide Executive with enhanced financial security, incentive and encouragement to remain with the Company. Most importantly, these benefits will deter Executive from dealing in bad faith which could negatively impact the Company.

**AGREEMENT**

The Company and Executive hereby agree as follows:

**Change in Control Payments: Benefits.**

1. **Conditions and Benefits.** If a Change in Control (defined below) is consummated during the term of this Agreement, while Executive is an employee of the Company, *and* either:
  - a. any successor to the Company as a result of a Change in Control fails to assume the Company's obligations hereunder in connection with the consummation of a Change in Control or
  - b. within the one- (1-) year period immediately following the consummation of the Change in Control, Executive's employment with the Company is (i) involuntarily terminated by the Company without Business Reasons (as defined below) or (ii) voluntarily terminated by Executive for Good Reason (as defined below) (a termination under either of the circumstances set forth in clause (i) or (ii) referred to herein as a "Covered Termination" and the date on which a Covered Termination occurs, the "Termination Date"),

then Executive shall be entitled to receive a lump sum cash payment in an amount equal to [ ] times the sum of (1) Executive's annual base salary as of the Termination Date and (2) Executive's target bonus for the calendar year in which the Termination Date occurs (the "Severance Benefit"). The Severance Benefit shall be paid to Executive, subject to applicable deductions and withholdings, within 30 days immediately following (x) the consummation of the Change in Control if the Severance Benefit is payable pursuant to Section 1.a above or (y) the Termination Date if the Severance Benefit is payable pursuant to Section 1.b above. Executive shall *not* be entitled to receive, and the Company nor any successor thereto shall *not* be obligated to pay, the Severance Benefit if any successor to the Company as a result of a Change in Control assumes the Company's obligations hereunder in connection with the consummation of the Change in Control *and* Executive's termination occurs, for any reason, after the expiration of the one- (1-) year period immediately following the consummation of a Change in Control or Executive's employment with the Company terminates during the one- (1-) year period immediately following the consummation of a Change in Control due to involuntary termination by the Company for Business Reasons, voluntary termination by Executive other than for Good Reason, or Executive's death or disability.

2. **Confidentiality and Noncompetition.** Executive confirms that as of the date hereof Executive has executed, or agrees that Executive will execute, the Company's standard Confidentiality and Noncompetition Agreement pursuant to which Executive has (i) agreed to refrain from disclosing the Company's confidential information, and (ii) covenanted not to compete with the Company as described in such standard Confidentiality and Noncompetition Agreement.

#### Miscellaneous Provisions

3. **Authority and Discretion of the Company.** The Company shall have the sole authority and discretion to construe and interpret this Agreement, to correct any defect, omission or inconsistency in this Agreement, and to make all determinations, decisions with respect to this Agreement, and all such interpretations, corrections, determinations, and decisions shall be final and binding on all parties.
4. **Withholdings and Deductions.** All compensation payable under this Agreement is subject to withholdings and deductions as required by applicable law.

5. **Taxation; Code Section 409A.** The compensation arrangement under this Agreement is intended to either comply with the applicable requirements of the statutory provisions of Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”) and any Treasury Regulations and other interpretive guidance issued thereunder (collectively “Code Section 409A”) or satisfy the requirements of an applicable exception thereto, and this Agreement shall be construed and administered in accordance with such intent. No provision of this Agreement shall be interpreted or construed to transfer any liability imposed on Executive under the Code, including any liability due to a failure to comply with the requirements of Code Section 409A, from Executive or any other individual to the Company or its subsidiaries, affiliates or successors. In the event the Company determines that any compensation payable hereunder may violate the applicable requirements of Code Section 409A, the Company (without any obligation to do so or obligation to indemnify any Participant for any failure to do so) may adopt, without the consent of Executive, such amendments to this Agreement or take any other actions that the Company in its sole discretion determines are necessary or appropriate for such compensation to either (a) be exempt from the requirements of Code Section 409A or (b) comply with the applicable requirements of Code Section 409A. Each payment payable hereunder shall be deemed to be a separate payment for purposes of Code Section 409A. Whenever a payment under this Agreement specifies a payment period, the actual date of payment within such specified period shall be within the sole discretion of the Company, and Executive shall have any right (directly or indirectly) to determine the year in which such payment is made. With respect to compensation payable hereunder that is subject to the requirements of Code Section 409A, in the event a payment period straddles two consecutive calendar years, the payment shall be made in the later of such calendar years. No compensation that is subject to the requirements of Code Section 409A and that is payable upon Executive’s termination of employment shall be paid unless Executive’s termination of employment constitutes a “separation from service” within the meaning of Treasury Regulation Section 1.409A-1(h). If Executive is deemed at the time of Executive’s separation from service to be a “specified employee” for purposes of Code Section 409A(a)(2)(B)(i), to the extent delayed commencement of any portion of the compensation to which Executive is entitled under this Agreement is required in order to avoid a prohibited distribution under Code Section 409A(a)(2)(B)(i) (any such delayed commencement, a “Payment Delay”), such compensation shall not be paid to Executive prior to the earlier of (1) the expiration of the six-month period measured from the date of Executive’s “separation from service” with the Company or (2) the date of Executive’s death. Upon the earlier of such dates, all payments deferred pursuant to the Payment Delay shall be paid in a lump sum to Executive, and any remaining compensation due under this Agreement shall be paid as otherwise set forth herein. The determination of whether Executive is a “specified employee” for purposes of Code Section 409A(a)(2)(B)(i) as of the time of Executive’s separation from service shall be made by the Company in accordance with the terms of Code Section 409A and applicable guidance thereunder (including without limitation Treasury Regulation Section 1.409A-1(i) and any successor provision thereto).
6. **Unfunded Obligation; Unsecured Creditor of the Company.** In no event shall the Company set aside all or any portion of any compensation payable hereunder in trust for the exclusive benefit of Executive. Executive’s rights to any payment hereunder shall be solely that of an unsecured general creditor of the Company.
7. **Assignment.** This Agreement may not be assigned, in whole or in part, by either Party without the prior written consent of the other Party, except that the Company shall assign its rights and obligations under this Agreement to any successor to the Company pursuant to the consummation of a Change in Control.

8. **Notices.** All notices and other communications to be given pursuant to this Agreement shall be in writing and shall be deemed to have been duly given if delivered by hand or mailed by registered or certified mail, return receipt requested, postage prepaid, to the addresses set forth at the beginning of this Agreement or such other address as a Party shall have designated by notice in writing to the other Party, *provided that* notice of any change in address must actually have been received to be effective hereunder.
9. **Integration.** This Agreement is the entire agreement of the Parties with respect to the subject matter hereof and supersedes any prior agreement or understanding relating to the subject matter hereof. Subject to Section 4 above, this Agreement may not be superseded, amended, supplemented or otherwise modified except by a writing signed by Executive and the Company.
10. **Successors and Assigns.** This Agreement is intended to bind and inure to the benefit of and be enforceable by Executive, and the Company, and any surviving entity resulting from a Change in Control and upon any other person who is a successor by merger, acquisition, consolidation or otherwise to the business formerly carried on by the Company, and their respective successors, assigns, heirs, executors and administrators, without regard to whether or not such person actively assumes any rights or duties hereunder; *provided, however,* that Executive may not assign any duties or rights hereunder without the written consent of the Company, which consent shall not be withheld unreasonably.
11. **Counterparts.** This Agreement may be executed in two counterparts, each of which shall be deemed an original and shall together constitute one and the same instrument.
12. **Severability.** If any provision of this Agreement is held to be invalid, illegal or unenforceable by any court or arbitrator of competent jurisdiction, then solely as to such jurisdiction and subject to this provision, that provision shall be limited (“blue-penciled”) to the minimum extent necessary so that this Agreement shall otherwise remain enforceable in full force and effect in such jurisdiction and without affecting in any way the enforceability of this Agreement in other jurisdictions. To the extent such provision cannot be so modified, the offending provision shall, solely as to such jurisdiction, be deemed severable from the remainder of this Agreement, and the remaining provisions contained in this Agreement shall be construed to preserve to the maximum permissible extent the intent and purposes of this Agreement in such jurisdiction and without affecting in any way the enforceability of this Agreement in other jurisdictions.
13. **Governing Law.** This Agreement shall be governed by the laws of Colorado, without regard to its conflict-of-law provisions.
14. **Termination.** Nothing in this Agreement is intended to or shall modify the at-will nature of Executive’s employment relationship with the Company or limit the right of the Company to terminate Executive’s employment for any reason or no reason. Executive may terminate Executive’s employment at any time with or without notice and with or without cause and the Company may do likewise, subject only to the express provisions of this Agreement and except as otherwise set forth in any other written agreement between Executive and the Company.

15. **Survival of Obligations; Enforcement.** Executive's duties hereunder shall survive termination of Executive's employment by the Company. Executive acknowledges that a remedy at law for any breach or threatened breach by Executive of the provisions of this Agreement may be inadequate and Executive therefore agrees that the Company shall be entitled to injunctive relief in case of any such breach or threatened breach.

16. **Definition of Terms.** The terms below referenced in this Agreement shall have the following meanings:

- a. "**Change in Control**" shall mean the first occurrence after the Effective Date, whether in a single transaction or in a series of related transactions, of any one or more of the following:
  - i. any merger, consolidation or business combination of the Company with or into any other entity or person, or any other reorganization, in each case in which the equity holders of the Company immediately prior to such merger, consolidation, business combination or reorganization, own less than fifty percent (50%) of the voting power of the surviving entity immediately after such merger, consolidation, business combination or reorganization,
  - ii. any transaction in which in excess of fifty percent (50%) of the Company's voting power is transferred to a person or a group other than the equity holders of the Company immediately prior to such transaction(s), or
  - iii. a sale or other disposition of all or substantially all of the assets of the Company,

*provided that* a Change in Control shall not include (A) any spin-off of a parent entity or its assets from the Company, or any spin-off of the Company or its assets from its parent entity after which the Company or its assets are owned by substantially the same ownership group; (B) any consolidation or merger effected exclusively to change the domicile of the Company; (C) any conversion of the Company into another form of entity (whether executed by a reorganization, conversion, consolidation, exchange of securities or otherwise) by which the equity holders immediately prior to such conversion own more than fifty percent (50%) of the voting power of the surviving entity immediately after such conversion; (D) any transaction or series of transactions in which equity securities of the Company are issued principally for bona fide equity financing purposes in which cash is received by the Company or any successor or indebtedness of the Company is cancelled or converted or a combination thereof; or (E) acquisition of securities by a trustee or fiduciary under an employee benefit plan of the Company, and *provided further* that, in the case of any payment hereunder that is subject to Code Section 409A, "Change in Control" shall be limited to events that constitute a "change in control event" under Treasury Regulation Section 1.409A-3(i)(5) or successor guidance.

- b. "**Business Reasons**" shall mean (i) any act of personal dishonesty taken by Executive in connection with Executive's responsibilities as an employee and intended to result in substantial personal enrichment of Executive, (ii) commission of a felony or other offense which involves moral turpitude or is otherwise injurious to the Company or its reputation, (iii) a willful act by Executive which constitutes gross misconduct and which is injurious to the Company or its reputation, (iv) a material breach of this Agreement by Executive or (v) continued violation by Executive of Executive's obligations and duties as an Executive of the Company that are demonstrably willful and deliberate on Executive's part after there has been delivered to Executive a written demand for performance from the Company which describes the basis for the Company's belief that Executive has not substantially performed Executive's duties.
- c. "**Good Reason**" shall mean (i) assignment to Executive of any duties inconsistent in any material respect with Executive's position (including titles and reporting requirements), authority, duties or responsibilities as contemplated by the job description of Executive's position, or any other action by the Company or its successor, which results in a diminution in such position, authority, duties or responsibilities, other than an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of written notice thereof given by Executive; (ii) a reduction in Executive's annual base salary (or an adverse change in the form or timing of the payment thereof), other than an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of written notice thereof given by Executive; or the elimination of or reduction of any benefit under any bonus, incentive or other employee benefit plan in effect on the day immediately preceding the Change in Control, without an economically equivalent replacement, if Executive was a participant or member of such plan on the day immediately preceding the Change in Control; (iii) the Company's or its successor's requiring Executive (i) to be based at any office or location more than 50 miles away from the office or location where Executive was performing services immediately prior to the Change in Control, or (ii) a requirement that Executive relocate Executive's personal residence, or (iii) the Company's requiring Executive to travel on Company business to a substantially greater extent than required immediately prior to the Change in Control, *provided that*, within 30 days after the date on which Executive has or reasonable would be expected to have knowledge of any such breach or condition, Executive provides written notice to the Company or its successor, as the case may be, and the Company or its successor, as the case may be, has not cured such breach or condition within 30 days after its receipt of such written notice (the "Cure Period"), and *provided further that*, Executive terminates Executive's employment within 30 days after the expiration of the Cure Period.

IN WITNESS WHEREOF, the Parties, have duly authorized and caused this Agreement to be executed as follows:

**EXECUTIVE**

Dated: \_\_\_\_\_, 2018

\_\_\_\_\_

**REAL GOODS ENERGY TECH, INC. and  
REAL GOODS SOLAR, INC. d/b/a RGS ENERGY**

Dated: \_\_\_\_\_, 2018

By:

**AMENDMENT TO EMPLOYMENT AGREEMENT**

This is a contractual amendment to the Employment Agreement between Real Goods Solar Inc., a Colorado corporation ("Company"), and Dennis Lacey ("Executive"), dated June 1, 2015 ("Employment Agreement"). The Company and Executive do now mutually desire to amend certain terms of the Employment Agreement by entering into this Amendment to the Employment Agreement ("Amendment") and shall be effective as of November 16, 2018 (the "Effective Date"). Pursuant to Section 14(d) of the Employment Agreement, the Company and Executive can amend the Employment Agreement pursuant to a written agreement executed by both parties.

**NOW, THEREFORE**, in consideration of the mutual promises and covenants contained in this Amendment, and such other good and valuable consideration the receipt and sufficiency of which the parties hereby acknowledge, the parties agree to amend the Employment Agreement as follows:

**10. TERM AND TERMINATION****1. Section 10(f)(i) is amended to provide as follows:**

(i) Company may in its sole discretion terminate this Agreement at any time without Cause. If Company does so during the Term, subject to Executive's execution and delivery to the Company, no later than the 60th day following the date on which Executive's employment is terminated, of (A) an irrevocable legal release in a form substantially similar to Exhibit B, so as to ensure a final, complete and enforceable release of all claims that Executive has or may have against Company relating to or arising in any way from Executive's employment with Company and/or the termination thereof, (B) an acknowledgement of Executive's continuing obligations under the Confidentiality Agreement, and (C) an agreement, in a form reasonably satisfactory to Company, to treat as Confidential Information of Company the circumstances of Executive's separation from Company and compensation received by Executive in connection with that separation (collectively, the "Release"). Company shall pay Executive severance compensation equal to 12 months of Executive's most recent base salary contemplated under Section 2(a), as amended from time to time; provided, however, if Executive's termination by the Company without Cause (including a voluntary termination for Good Reason pursuant to Section 10(g)) occurs within the 12-month period commencing on the date a Change of Control is consummated, the severance compensation shall equal 24 months of Executive's most recent base salary contemplated under Section 2(a), as amended from time to time, plus 200% of the maximum Performance Bonus that may be earned by Executive for such fiscal year (the "Change of Control Severance Payment"). If Executive fails to timely deliver to the Company the Release, Executive shall forfeit and shall have no right to receive, and the Company shall have no obligation to pay, any of the severance compensation provided under this Section 10(f).

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**MISCELLANEOUS**

1. **TERMS & CONDITIONS** - The parties agree that all of the terms and conditions of the Agreement, not amended by this Amendment, shall remain in full force and effect.
2. **ENTIRE AGREEMENT** - The Agreement, as amended by this Amendment, contains the entire agreement of the parties hereto with respect to the subject matter hereof. Any representations, inducements, or agreements, oral or otherwise, between the parties not contained in this Amendment shall be of no force and effect. This Amendment may not be modified, changed or terminated, in whole or in part, in any manner other than by an agreement in writing, signed by a duly authorized representative of the Parties.

**WHEREFORE**, Executive and the Company voluntarily enter into this Amendment by affixing their signatures on the date set forth below.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Executive

\_\_\_\_\_  
Date

\_\_\_\_\_  
Company

\_\_\_\_\_



### Real Goods Solar, Inc. 2019 Incentive Compensation Plan

#### **PURPOSE & OBJECTIVE**

The objective of this Real Goods Solar, Inc. 2019 Incentive Compensation Plan (the “Plan”) is to incentivize employees of Real Goods Solar, Inc. (the “Company” or “RGSE”) to work well together and individually to meet and exceed the RGSE Operating Plan and Budget for 2019. This document (i) sets forth the terms and conditions of the Plan and (ii) explains how RGSE will calculate and distribute the incentive compensation payable hereunder to employees.

#### **INCENTIVE COMPENSATION PLAN DESCRIPTION**

RGSE has an Operating Plan and Budget for 2019 (the “2019 Plan”). Included in the 2019 Plan is an incentive compensation pool rewarding eligible employees, on a quarterly basis, for achieving certain division and overall income targets. The incentive compensation pool for each quarter will be based on a percentage of the Company’s “cash-like income”. As it relates to the Plan, “cash-like income” for a quarter is income of RGSE for the quarter before certain items are taken into account, including but not limited to: (i) items of complex non-cash derivative accounting; (ii) non-cash stock option expense; (iii) the results of discontinued operations; (iv) any one-time discretionary bonuses; as well as (v) income tax payments.

The “Incentive Compensation Pool Percentage” for a quarter will be determined by the Company in accordance with the applicable percentage from the table below based on the Company’s quarterly consolidated results and the Company’s achievement of various levels of the 2019 Plan for the quarter. As provided in the table below, the Company must achieve at least 50% of the 2019 Plan for a quarter in order for there to be any incentive compensation pool for the quarter and for any incentive compensation to be payable to eligible employees for the quarter.

Percent of 2019 Plan Achieved	Incentive Compensation Pool Percentage
≥ 130%	20.0%
≥ 120% and ≤ 129%	15.0%
≥ 100% and ≤ 119%	12.5%
≥ 50% and ≤ 99%	10.0%
Less than 50%	00.0%

#### **ELIGIBILITY**

Subject to the other terms and conditions of the Plan, for each quarter, all regular full-time and part-time employees who have been continuously employed by the Company for at least six months, as of the beginning of the quarter, are eligible to participate in the Plan (each an “Eligible Employee” and collectively, “Eligible Employees”). Seasonal employees, interns and temporary employees are not eligible to participate in the Plan or to receive any incentive compensation payable hereunder. In order to receive incentive compensation under the Plan for a quarter, (i) an Eligible Employee must be (A) in good standing (*i.e.*, not on a performance improvement plan) at the end of the quarter and on the date the incentive compensation is paid, *and* (B) must be an active employee of the Company on the date the incentive compensation is paid, and (ii) the Eligible Employee’s operating segment must achieve at least 50% of the 2019 Plan for the quarter. If any of the conditions in the preceding sentence are not satisfied for a quarter, the Eligible Employee shall not have earned and shall not be entitled to receive, and the Company shall not be obligated to pay, any incentive compensation pursuant to the Plan for that quarter.



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## CALCULATIONS

The incentive compensation payable under the Plan will be calculated using the quarterly consolidated and segment results. Each Eligible Employee will have an annual incentive target percentage of base pay and that annual incentive target will be divided by four to calculate the quarterly targets for the Eligible Employee. An aggregate incentive compensation pool will be calculated based on the Company's percentage of the 2019 Plan achieved.

The incentive compensation for a quarter is determined as follows:

- 1) Identification of all Eligible Employees for the quarter
- 2) Aggregate the base pay of all Eligible Employees for the quarter
- 3) Determine the size of the incentive compensation pool (the "Quarterly Incentive Pool")
- 4) Determine the incentive compensation payable to each Eligible Employee as follows:
  - a. Eligible Employee's base pay  $\times$  one-fourth of the Eligible Employee's annual incentive target percentage (the "Dollar Incentive Target")
  - b. Aggregate the Dollar Incentive Targets of all Eligible Employees (the "Total Incentive Targets")
  - c.  $\text{Quarterly Incentive Pool} \div \text{Total Incentive Targets} = \text{Payout Ratio}$
  - d. An Eligible Employee's "Tentative Award" is the Eligible Employee's Dollar Incentive Target  $\times$  the Payout Ratio
    - i. The total incentive compensation payable for a quarter shall not exceed the Quarterly Incentive Pool for that quarter, *provided that*, the Company, in its sole discretion may, but is not obligated to, scale up or down the Tentative Awards for a quarter to match the size of the Quarterly Incentive Pool.

## TAXATION OF INCENTIVE COMPENSATION

All incentive compensation payable under the Plan is subject to withholdings and deductions as required by applicable law.

## TIMING OF PAYMENTS

Subject to the other terms and conditions of the Plan, incentive compensation for a quarter will be paid during the quarter immediately following the quarter to which the incentive compensation relates and within 30 days after the Company's quarterly report is filed with the Securities and Exchange Commission.



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## ADDITIONAL TERMS

1. Receipt of any incentive compensation under the Plan for one quarter does not provide any right to any Eligible Employee to receive incentive compensation, of any amount, for any other quarter or ever again.
2. The Company reserves the right to amend or terminate the Plan, in its sole discretion, at any time without the consent of any Eligible Employee or potential Eligible Employee.
3. In no event does the establishment of the Plan, the provisions of the Plan, or any action of the Company or any Company officer with respect to the Plan confer upon any Eligible Employee the right to continued employment with the Company or limit the right of the Company to terminate the Eligible Employee's employment for any reason or no reason.
4. The incentive compensation payable under the Plan is intended to either comply with the applicable requirements of the statutory provisions of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") and any Treasury Regulations and other interpretive guidance issued thereunder (collectively "Code Section 409A") or to satisfy the requirements of an applicable exception thereto, and the Plan shall be construed and administered in accordance with such intent. No provision of the Plan shall be interpreted or construed to transfer any liability imposed on any Eligible Employee under the Code, including any liability due to a failure to comply with the requirements of Code Section 409A, from any Eligible Employee or any other individual to the Company or its subsidiaries, affiliates or successors. In the event the Company determines that any incentive compensation payable hereunder may violate the applicable requirements of Code Section 409A, the Company (without any obligation to do so or obligation to indemnify any Eligible Employee for any failure to do so) may adopt, without the consent of any Eligible Employee, such amendments to the Plan or take any other actions that the Company in its sole discretion determines are necessary or appropriate for such compensation to either (a) be exempt from the requirements of Code Section 409A or (b) comply with the applicable requirements of Code Section 409A. Each payment payable hereunder shall be deemed to be a separate payment for purposes of Code Section 409A. Whenever a payment under the Plan specifies a payment period, the actual date of payment within such specified period shall be within the sole discretion of the Company, and no Eligible Employee shall have any right (directly or indirectly) to determine the year in which such payment is made. With respect to incentive compensation that is subject to the requirements of Code Section 409A, in the event a payment period straddles two consecutive calendar years, the payment shall be made in the later of such calendar years.
5. The Company shall have the sole authority and discretion to construe and interpret the Plan, to correct any defect, omission or inconsistency in the Plan, and to make all determinations, decisions with respect to any incentive compensation payable hereunder, and all such interpretations, corrections, determinations, and decisions shall be final and binding on all parties.

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6. Any incentive compensation payable hereunder is personal to the Eligible Employee. Any incentive compensation payable hereunder and the Eligible Employee's rights hereunder may not be transferred by gift or otherwise, or pledged, hypothecated, or otherwise disposed of, by operation of law or otherwise, and are subject to forfeiture pursuant to the terms of the Plan. Any attempted disposition of any rights under the Plan in violation of this provision shall be null and void and of no legal effect, and the Company shall not recognize any purported transferee as the owner of any rights granted hereunder.
  7. In no event shall the Company set aside all or any portion of any incentive compensation payable hereunder in trust for the exclusive benefit of any Eligible Employee. Any Eligible Employee's rights to any payment hereunder shall be solely that of an unsecured general creditor of the Company.
  8. Employees who are, or could be, terminated for not meeting performance standards or violating business policy are not eligible for any incentive compensation payable hereunder, including, without limitation, employees who are, or could be, terminated for poor performance, disclosure of confidential information, violation of the duty of loyalty, violation of business policy, off-duty misconduct that affects the operation of the business, or any other misconduct.
  9. If any provision of the Plan (or portion thereof) is held to be invalid, illegal or unenforceable by any court or arbitrator of competent jurisdiction, then solely as to such jurisdiction and subject to this provision, that provision shall be limited ("blue-penciled") to the minimum extent necessary so that the Plan shall otherwise remain enforceable in full force and effect in such jurisdiction and without affecting in any way the enforceability of the Plan in other jurisdictions. To the extent such provision cannot be so modified, the offending provision shall, solely as to such jurisdiction, be deemed severable from the remainder of the Plan, and the remaining provisions contained in the Plan shall be construed to preserve to the maximum permissible extent the intent and purposes of the Plan in such jurisdiction and without affecting in any way the enforceability of the Plan in other jurisdictions.
  10. The laws of the State of Colorado, without regard to any conflicts of law provisions, shall govern the enforcement and interpretation of Plan.

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## **REAL GOODS SOLAR, INC. 2019 ONE-TIME SPECIAL DISCRETIONARY BONUS PLAN**

### **POLICY PURPOSE & OBJECTIVE**

The objective of this Real Goods Solar, Inc. 2019 One-time Special Discretionary Bonus Plan (this "Plan") is to recognize the hard work and unwavering dedication of certain current employees of Real Goods Solar, Inc. (the "Company") and members of the Board of Directors of the Company (the "Board") over the past few years. The Company believes that a one-time special discretionary bonus is appropriate for keeping the Company going and reinventing it with POWERHOUSE.

This Plan explains the terms and conditions of any discretionary bonus distributable hereunder.

### **ELIGIBILITY**

This Plan applies to all regular full-time employees and members of the Board who have been selected by the Company, in its sole discretion, and who have been with the Company through considerable lean and difficult times (each a "Participant"). In addition to the other terms and conditions set forth herein, employees who have been selected to receive a discretionary bonus pursuant this Plan must (i) be in good standing (*i.e.*, not on a performance plan) at the end of the quarter for which the discretion bonus is being paid and on the date on which the discretionary bonus is paid, *and* (ii) the employee must be employed by the Company on the date on which the discretionary bonus is paid. If an employee is not in good standing at the end of the quarter for which a discretionary bonus is payable or on the date on which the discretionary bonus is payable, or the employee's employment with the Company terminates for any reason prior to the date on which the discretionary bonus is paid, the employee shall not have earned and shall have no rights to receive, and the Company shall have no obligation to pay, the discretionary bonus to the employee. A recipient of a discretionary bonus under this Plan who is Board member must be a member of the Board as of the date on which the discretionary bonus is paid to the Board member. If the recipient ceases to be a Board member prior to the date on which a discretionary bonus is paid, the Board member shall not have earned and shall not be entitled to receive, and the Company shall not be obligated to pay, the discretionary bonus to the Board member.

### **TAXATION OF BONUS PLAN**

All discretionary bonus payments under this Plan are subject to withholdings and deductions as required by applicable law.

### **AMOUNT AND TIMING OF PAYMENTS**

The Company, in its sole discretion, shall determine whether any discretionary bonuses are payable for a given quarter and, if discretionary bonuses are payable, the amount of the discretionary bonuses payable hereunder to each Participant. Each discretionary bonus payable hereunder shall be paid as soon as administratively feasible following the end of the quarter to which the discretionary bonus relates, subject to the terms and conditions set forth herein, including, as applicable, the obligation of employees to be employed in good standing as of the end of the quarter to which the discretionary bonus applies *and* on the date on which the discretionary bonus is paid.



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#### Additional Terms

1. Receipt of a discretionary bonus under this Plan for one quarter does not provide any right to any Participant to receive a discretionary bonus, of any amount, for any other quarter or ever again.
2. The Company reserves the right to amend or terminate this Plan, in its sole discretion, at any time without the consent of any Participant or potential Participant.
3. In no event does the establishment of this Plan, the provisions of this Plan, or any action of the Company or any Company officer with respect to this Plan confer upon any Participant, as applicable, the right to continued employment with the Company or to continue as a Board member or limit the right of the Company to terminate the Participant's employment for any reason or no reason or discontinue the Participant's service as a Board member.
4. The discretionary bonuses payable under this Plan are intended to constitute short-term deferrals, within the meaning of Treasury Regulation Section 1.409A-1(b)(4), and to be exempt from the applicable requirements of the statutory provisions of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") and any Treasury Regulations and other interpretive guidance issued thereunder (collectively "Code Section 409A"), and this Plan shall be construed and administered in accordance with such intent. No provision of this Plan shall be interpreted or construed to transfer any liability imposed on any Participant under the Code, including any liability due to a failure to comply with the requirements of Code Section 409A, from the Participant or any other individual to the Company or its subsidiaries, affiliates or successors. In the event the Company determines that any compensation payable hereunder may violate the applicable requirements of Code Section 409A, the Company (without any obligation to do so or obligation to indemnify any Participant for any failure to do so) may adopt, without the consent of any Participant, such amendments to this Plan or take any other actions that the Company in its sole discretion determines are necessary or appropriate for such compensation to either (a) be exempt from the requirements of Code Section 409A or (b) comply with the applicable requirements of Code Section 409A. Each payment payable hereunder shall be deemed to be a separate payment for purposes of Code Section 409A. Whenever a payment under this Plan specifies a payment period, the actual date of payment within such specified period shall be within the sole discretion of the Company, and no Participant shall have any right (directly or indirectly) to determine the year in which such payment is made.
5. The Company shall have the sole authority and discretion to construe and interpret this Plan, to correct any defect, omission or inconsistency in this Plan, and to make all determinations, decisions with respect to any discretionary bonus payable hereunder, and all such interpretations, corrections, determinations, and decisions shall be final and binding on all parties.



6. Any discretionary bonus payable hereunder is personal to the Participant. Any discretionary bonus payable hereunder and the Participant's rights hereunder may not be transferred by gift or otherwise, or pledged, hypothecated, or otherwise disposed of, by operation of law or otherwise, and are subject to forfeiture pursuant to the terms of this Plan. Any attempted disposition of any rights under this Plan in violation of this provision shall be null and void and of no legal effect, and the Company shall not recognize any purported transferee as the owner of any rights granted hereunder.
7. In no event shall the Company set aside all or any portion of any discretionary bonus payable hereunder in trust for the exclusive benefit of any Participant. Any Participant's rights to any payment hereunder shall be solely that of an unsecured general creditor of the Company.
8. The laws of the State of Colorado, without regard to any conflicts of law provisions, shall govern the enforcement and interpretation of this Plan.