STR Holdings, Inc. **POLICY STATEMENT**	
Subject: Compensation Committee Charter	**Date Issued**: November 6, 2009 **Date Last Amended:** August 27, 2013 and May 13, 2014
Approved by: STR Board of Directors **Date:** May 13, 2014	**Distribution**:

This Compensation Committee Charter was adopted by the Board of Directors (the "Board") of STR Holdings, Inc. (the "Company") on August 16, 2011, amended on August 27, 2012 and May 13, 2014.

This Charter is intended as a component of the flexible governance framework within which the Board, assisted by its committees, directs the affairs of the Company. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Company's Certificate of Incorporation and Bylaws, it is not intended to establish by its own force any legally binding obligations.

I. Purposes

The Compensation Committee (the "Committee") shall: (A) assist the Board in overseeing the Company's management compensation policies and practices, including (i) determining and approving the compensation of the Company's Chief Executive Officer ("CEO") and the Company's other executive officers, (ii) reviewing and approving management incentive compensation policies and programs, and exercising discretion in the administration of such programs, and (iii) reviewing and approving equity compensation programs for employees, and exercising discretion in the administration of such programs; and (B) annually prepare the report of the Committee required by the rules of the U.S. Securities and Exchange Commission ("SEC").

In discharging its role, the Committee is empowered to: (i) inquire into any matter it considers appropriate to carry out its responsibilities, with access to all books, records, facilities and personnel of the Company, and, subject to the direction of the Board, the Committee is authorized and delegated the authority to act on behalf of the Board with respect to any matter necessary or appropriate to the accomplishment of its purposes; and (ii) retain or obtain the advice of outside counsel, compensation consultants or other advisors to assist it in carrying out its activities. The Committee shall have the sole discretion to retain or obtain the advice of such advisors and be directly responsible for the appointment, termination, compensation and oversight of their work. The Company shall provide adequate resources to support the Committee's activities, including reasonable compensation of the Committee's counsel, consultants and other advisors as determined by the Committee. In selecting an advisor, the Committee shall consider all factors relevant to the independence of the advisor, including the factors as required by the New York Stock Exchange Listing Rules.

II. Committee Membership

The Committee shall consist of two or more members of the Board, each of whom the Board shall determine to be "independent" in accordance with the applicable listing standards of the New York Stock Exchange ("NYSE"), including those specifically applicable to members of the Committee. In addition, no director may serve unless he or she (i) is a "non-employee director" for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and (ii) satisfies the requirements of an "outside director" for purposes of Section 162(m) of the Internal Revenue Code.

Except as otherwise directed by the Board, a director selected as a Committee member shall continue to be a member for as long as he or she remains a director or until his or her earlier death, incapacity, resignation or removal from the Committee. Any member may be removed from the Committee by the Board,

with or without cause, at any time. The Chair of the Committee shall be appointed from among the Committee members by, and serve at the pleasure of, the Board. The Chair shall preside at meetings of the Committee and shall have authority to convene meetings, set meeting agendas and determine the Committee's information needs, except as otherwise provided by action of the Committee. In the absence of the Chair at a duly convened meeting, the Committee shall select a temporary substitute from among its members to serve as chair of the meeting.

III. Committee Organization and Delegation

The Committee shall meet on a regularly-scheduled basis at least two times per year and additionally as circumstances dictate, establish its own schedule of meetings and rules of procedure and maintain minutes or other records of Committee meetings and activities. The Committee shall meet at least annually with the CEO and any other corporate officers the Board and Committee deem appropriate to discuss and review the performance criteria and compensation levels of key executives. The Committee may act by unanimous written consent of its members. The Committee, by resolution approved by a majority of the Committee, may form and delegate any of its responsibilities to a subcommittee so long as such subcommittee is solely comprised of one or more members of the Committee and such delegation is not otherwise inconsistent with law and applicable rules and regulations of the SEC and the NYSE.

In addition, the Committee may, by resolution approved by a majority of the Committee, delegate to management the administration of the Company's incentive compensation and equity-based compensation plans, to the extent permitted by law and as may be permitted by such plans and subject to such rules, policies and guidelines (including limits on the aggregate awards that may be made pursuant to such delegation) as the Committee shall approve, provided that, consistent with paragraphs IV.5 and IV.6 below, the Committee shall determine and approve the awards made under such plan to any executive officer and any other member of senior management as the Committee shall designate and at least annually review the awards made to such other members of senior management as the Committee shall designate.

IV. Key Responsibilities

The following responsibilities are set forth as a guide for fulfilling the Committee's purposes, with the understanding that the Committee may undertake other and different activities, and the Committee's activities may diverge from those described below as appropriate under the circumstances. In such manner as the Committee determines is appropriate to fulfill its purposes, the Committee shall:

1. establish and review the objectives of the Company's management compensation programs and its basic compensation policies;

2. review and approve corporate goals and objectives relevant to the compensation of the Company's executive officers, including annual and long-term performance goals and objectives;

3. periodically discuss and review whether the incentive compensation arrangements for the Company's executive officers promote appropriate approaches to the management of risk and, specifically, do not encourage executive officers to take unnecessary and excessive risks that threaten the value of the Company;

4. review and authorize, subject to such further action of the Board as the Board shall determine, any employment, compensation, benefit or severance agreement with any executive officer or other member of senior management;

5. evaluate at least annually the performance of the Company's executive officers against corporate goals and objectives including the annual performance objectives and, based on this evaluation, determine and approve, subject to such further action of the Board as the Board shall determine, the compensation (including any awards under any equity-based compensation or non-equity-based incentive compensation plan of the Company and any material perquisites) for the executive officers based on this evaluation;

6. determine and approve the compensation level (including any incentive awards under any equity-based compensation or non-equity-based incentive compensation plan of the Company and any material perquisites) for members of senior management of the Company (other than executive officers) as the Committee or the Board may from time to time determine to be appropriate;

7. review on a periodic basis the Company's management compensation programs, including any management incentive compensation plans as well as plans and policies pertaining to perquisites, to determine whether they are appropriate, properly coordinated and achieve their intended purposes, and recommend to the Board any appropriate modifications or new plans, programs or policies;

8. review, approve and recommend to the Board the adoption of any equity-based compensation plan for employees of or consultants to the Company and any modifications of any such plan; administer such plans as provided by the terms thereof, including authorizing all awards made pursuant to such plans, and monitor compliance by management with such rules, policies and guidelines for the issuance of awards pursuant to such plans as the Committee or the Board may establish;

9. review, approve and recommend to the Board the adoption of any non-equity-based incentive compensation plan for employees of or consultants to the Company and any modification of any such plan and review at least annually the awards made pursuant to such plans;

10. review, approve and recommend to the Board the adoption of any employee retirement plan, and any other material employee benefit plan, and any material modifications of any such plans;

11. review at least annually from a risk management perspective the Company's compensation policies and practices for executives, management employees and employees generally, including the incentives established for risk-taking, the manner in which any risks arising out of the Company's compensation policies and practices are monitored and mitigated and any adjustments necessary to address changes in the Company's risk profile;

12. with respect to any compensation consultant who has been engaged by the Committee to provide advice on the amount or form of executive or director compensation, review and approve any engagement of such consultant to provide any other services to the Company and evaluate, in accordance with Item 407(e)(3)(iv) of Regulation S-K whether any conflict of interest exists with respect to such compensation consultant, and review at least annually the nature of any services provided to the Company by any other compensation consultant who provided advice or recommendations on the amount or form or executive or director compensation to the Committee or to management as well as all remuneration provided to such consultant;

13. review and discuss with management the Company's Compensation Discussion and Analysis disclosure required by SEC regulations and determine whether to recommend to the Board that it be included in the Company's Annual Report on Form 10-K and proxy statement on Schedule 14A or information statement on Schedule 14C, as applicable;

14. prepare the report of the Committee required to be included in the Company's Annual Report on Form 10-K and proxy statement on Schedule 14A or information statement on Schedule 14C, as applicable, in accordance with applicable SEC rules and regulations;

15. make a recommendation to the Board regarding the frequency of the advisory vote on compensation of the Company's named executive officers as required by Rule 14a-21 of the Securities Exchange Act of 1934, as amended.

16. review the form and amount of director compensation at least annually, and make recommendations thereon to the Board;

17. monitor compliance of directors and executive officers with the Company's program of required stock

ownership;

18. conduct an annual self-evaluation of the performance of the Committee, including its effectiveness and compliance with this Charter;

19. review and reassess the adequacy of this Charter annually, and recommend to the Board amendments as the Committee deems appropriate; and

20. report regularly to the Board on Committee findings and recommendations and any other matters the Committee deems appropriate or the Board requests.