



## POLICY STATEMENT

<b>Subject:</b> STR Holdings, Inc. Code of Ethics for CEO, CFO and Other Senior Officers	<b>Date Issued:</b> November 6, 2009 <b>Date Amended:</b> August 16, 2011. December 20, 2012, August 26, 2015
<b>Approved by:</b> STR Board of Directors <b>Date:</b> August 26, 2015	<b>Distribution:</b> All Employees

### I. Overview

This Code of Ethics (this “Code”) is applicable to the President and Chief Executive Officer (“CEO”), the Vice President and Chief Financial Officer (“CFO”) and other senior officers of STR Holdings, Inc. and its subsidiaries and affiliates (together, “STR” or the “Company”) identified below.

The Company has also adopted a Code of Business Conduct and Ethics (the “Business Conduct Code”) that applies to all directors, officers and employees of the Company. The CEO, CFO and other senior officers of STR that are subject to this Code of Ethics are also subject to the Business Conduct Code. In adopting both this Code of Ethics and the Business Conduct Code, the Company has recognized the vital importance of conducting its business subject to the highest ethical standards and in full compliance with all applicable laws and regulations and, even where not required by law, with the utmost integrity and honesty.

### II. Persons Covered by this Code of Ethics

This Code of Ethics is applicable to each officer or other employee of the Company or its affiliates having any or all of the following responsibilities and/or authority, regardless of his or her formal title: the president, the chief executive officer, the chief operating officer, the chief financial officer, the vice president – finance, the controller, the chief legal officer, the treasurer, the chief of internal audit, any other officer or employee responsible for finance or legal matters, any assistant controller and any regional or business unit financial officer or other employee performing similar functions (each, a “Covered Officer”). This Code of Ethics applies to a Covered Officer irrespective of the affiliated company or other entity that employs such Covered Officer. All references herein to dealings with, or actions of or transactions with, the Company refer also to dealings with, or actions of or transactions with, any Company subsidiary or affiliate and any other entity in which the Company has a substantial investment.

### III. General Principles

In all of his or her dealings on behalf of, or with, the Company, each Covered Officer must:

- a) engage in and promote honest and ethical conduct, including by avoiding actual or potential conflicts of interest between personal and business or professional relationships;
- b) act in good faith, responsibly, with due care, competence and diligence, without misrepresenting material facts or allowing his or her objectivity and independent judgment to be subordinated to the judgment of others;

- c) produce full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with, or submits to, the U.S. Securities and Exchange Commission (“SEC”), and in other public communications;
- d) comply with all applicable governmental laws, rules and regulations (including, but not limited to, those relating to disclosure of the business activities and/or performance of the Company);
- e) promptly report violations of this Code of Ethics, or of the Business Conduct Code, by designated senior management, him or herself or others to the appropriate persons;
- f) protect the confidentiality of non-public information about the Company and its customers, suppliers, and/or other business partners/co-venturers, and prevent the unauthorized disclosure of such information unless required by law;
- g) ensure the responsible use of, and control over, all Company assets and resources entrusted to his or her care; and
- h) assume accountability for compliance with, and the interpretation and enforcement of, this Code of Ethics.

#### **IV. Implementing Policies and Procedures**

In furtherance of the general principles stated above, each Covered Officer must adhere to the following set of implementing policies and procedures:

A. Avoidance and Handling of Conflict of Interest Situations. Each Covered Officer is expected to fully disclose the circumstances giving rise to an actual or apparent conflict of interest, and to avoid whenever possible situations where his or her personal interest may conflict with, or be reasonably perceived to conflict with, the best interests of the Company and, where it is not possible to avoid an actual or apparent conflict of interest, to act in a manner expected to protect and advance the Company’s sole best interest. The Covered Officer may not participate in any discussions with respect to such conflict. Accordingly, a Covered Officer or an “immediate family member” of a Covered Officer (as defined below):

- 1) is not permitted to compete, either directly or indirectly, with or against the Company (and may be subject to the additional requirements of any applicable non-compete or similar agreement with the Company);
- 2) is not permitted to receive compensation in connection with services performed relating to any transaction entered into by the Company, other than compensation received in the ordinary course of the Covered Officer’s employment by the Company;
- 3) should avoid making any personal investment, acquiring any personal financial interest or entering into any association that interferes, might interfere, or might reasonably be thought to interfere, with his or her independent exercise of judgment on behalf of the Company and in its best interests; and
- 4) is not permitted to take or otherwise appropriate for his or her personal benefit, or for the benefit of any other person or enterprise, any asset, property or information belonging to the Company or any opportunity or potential

opportunity that arises or may arise in any line of business in which the Company or any Company subsidiary or affiliate engages or is considering engaging without first notifying and obtaining the written approval of the Company's Chief Compliance Director (the Company's Controller and Chief Compliance Director, or such other person who may be designated by the Company from time to time as the Company's Chief Compliance Officer); provided however, that the procedures of the Company's Related Person Transaction Policy may apply to opportunities involving the Company's "executive officers" (see Section IV.D below).

B. Recusal of Covered Officer. To protect and advance the interests of the Company in any situation where the interests of the Company and the interests of a Covered Officer may conflict or be perceived to conflict, it will generally be necessary for the Covered Officer to cease to be involved in dealing with the situation on behalf of the Company and for another director, officer or employee of the Company to act on the matter on behalf of the Company, for example, in the negotiation of a transaction on behalf of the Company.

C. Conflict of Interest Situations. There is no "bright-line" test for, or comprehensive definition of what constitutes, a conflict of interest, although the minimum standard is compliance with all applicable laws, this Code of Ethics, and the Business Conduct Code. Accordingly, while not every situation that may give rise to a conflict of interest can be enumerated either in this Code of Ethics or the Business Conduct Code, a Covered Officer must treat as a conflict of interest any situation in which that person, or any person with whom he or she has a personal relationship, including, but not limited to, an immediate family member, business associate, or a person living in such Covered Officer's personal residence:

- 1) solicits or accepts, directly or indirectly, from customers, suppliers or others dealing with the Company any kind of gift or other personal, unearned benefit as a result of his or her position with the Company including payment or reimbursement of travel and meal expenses (other than non-monetary items of nominal intrinsic value);
- 2) has any financial interest in any competitor, customer, supplier or other party dealing with the Company (other than interests that are less than 1% of the outstanding securities of a publicly-traded corporation or equivalent percentage of ownership interests in an unincorporated business);
- 3) has a consulting, managerial or employment relationship in any capacity with a competitor, customer, supplier or other party dealing with the Company, including the provision of voluntary services; or
- 4) acquires, directly or indirectly, real property, leaseholds, patents or other property or rights in which the Company has, or the Covered Officer knows or has reason to believe at the time of acquisition that the Company is likely to have, an interest.

For purposes of this Policy, an "immediate family member" includes the spouse, parents, stepparents, children, stepchildren, siblings, mothers-and fathers-in-law, sons-and daughters-in-law, brothers-and sisters-in-law, and any person (other than a tenant or employee) sharing the household of a Covered Officer.

D. Applicability of the Company's Related Person Transaction Policy. Conflict of interest transactions described above may also be subject to the Company's Related Person

Transaction Policy, if the transaction or opportunity involves an “executive officer” (or their immediate family members) and the transaction or opportunity comes within the scope of such policy. If the Covered Officer is an “executive officer” of the Company, then he or she must consult with the Company’s Chief Compliance Director to determine whether the transaction or opportunity would constitute a “related person transaction” under the Company’s Related Person Transaction Policy.

If the Company’s Chief Compliance Director determines that such policy would apply to the transaction or opportunity, then the Covered Officer shall submit the transaction or opportunity for consideration by the Audit Committee of the Company’s Board of Directors (the “Board”). The transaction or opportunity shall be reviewed and approved or ratified in accordance with that policy.

## **V. Full, Fair and Timely Disclosure; Adequacy of Disclosure Controls and Procedures and Internal Control Over Financial Reporting**

A. Disclosure Matters. Covered Officers are responsible under the federal securities laws and this Code of Ethics for assuring accurate, full, fair, timely and understandable disclosure in all of the Company’s public communications, including, but not limited to, any report or other document filed with or submitted to the SEC or other federal, state or foreign governmental agency or entity, or in a press release, investor conference or any other medium in which a Covered Officer purports to communicate on behalf of the Company. Accordingly, it is the responsibility of each Covered Officer promptly to bring to the attention of the Company’s Chief Compliance Director or the Chairman of the Audit Committee any credible information of which he or she becomes aware that would place in doubt the accuracy and completeness in any material respect of any disclosures of which he or she is aware that have been made, or are to be made, directly or indirectly by the Company in any public SEC filing or submission or any other formal or informal public communication, whether oral or written (including, but not limited to, a press release).

B. Controls and Procedures. In addition, each Covered Officer is responsible for promptly bringing to the attention of the Company’s Chief Compliance Director or the Chairman of the Audit Committee and the Disclosure Committee of the Company any credible information of which he or she becomes aware that indicates any deficiency in the Company’s internal control over financial reporting within the meaning of Section 404 of the Sarbanes-Oxley Act and the SEC’s implementing rules, and/or the Company’s disclosure controls and procedures for preparing SEC reports or other public communication as mandated by Section 302 of the Sarbanes-Oxley Act and the SEC’s implementing rules, even if a materially inaccurate or incomplete disclosure by or on behalf of the Company has not resulted or is not expected imminently to result from such deficiency.

C. Books and Records. Each Covered Officer is reminded, moreover, that the Company is required by law and its Business Conduct Code to keep books and records that accurately and fairly reflect its business operations, its acquisition and disposition of assets and its incurrence of liabilities, as part of a system of internal accounting controls that will ensure the reliability and adequacy of these books and records and that will ensure that access to Company assets is granted only as permitted by Company policies.

## **VI. Compliance with the Code of Ethics; Violations of Law**

Each Covered Officer will promptly bring to the attention of the Chairman of the Audit Committee and the Compliance and Internal Audit function (or such other person as may be

designated by the Board from time to time) any credible information he or she may receive or become aware of indicating:

- that any violation by a Covered Officer of this Code or the Code of Business Conduct and Ethics either has occurred, may be occurring, or will occur;
- that any violation of the U.S. federal securities laws or any rule or regulation thereunder by a Covered Officer has occurred, may be occurring, or is imminent; or
- that any violation by a Covered Officer of any other law, rule or regulation has occurred, is occurring or will occur.

In reporting violations under this section, Covered Officers should speak with the Compliance and Internal Audit function or Chairman of the Audit Committee. Covered Officers may also elect to utilize the confidential or anonymous complaint procedures for contacting directly the Audit Committee and/or its Chairman set forth in the Company's Whistleblower Policy and Complaint Procedures (the "Whistleblower Policy").

Unless otherwise directed by the Audit Committee or the full Board, the Compliance and Internal Audit function, in conjunction with the Chief Compliance Director, will have responsibility for investigating and responding to violations reported under this section in accordance with the Whistleblower Policy. Among other things, the provisions of Section III of the Whistleblower Policy relating to the protection of persons making complaints will apply to violations reported under this section. The Compliance and Internal Audit function will ensure that the Audit Committee of the Board and the Company's internal Disclosure Committee (other than any member who is the subject of a report) are also promptly informed of all violations reported under this section that are considered credible and meritorious.

A completed certificate attesting to compliance with this Code of Ethics will be obtained from all Covered Officers by the Compliance and Internal Audit function promptly after the approval of this Code of Ethics by the Audit Committee or an individual becoming a Covered Officer, as pertinent, and, thereafter, on an annual basis. The Compliance and Internal Audit function will make all such certificates available to the Audit Committee or full Board, upon request.

## **VII. Independent Auditors**

Covered Officers are prohibited from directly or indirectly taking any action to fraudulently influence, coerce, manipulate or mislead the Company's independent public auditors for the purpose of rendering the financial statements of the Company misleading.

## **VIII. Amendments to and Waivers of the Code of Ethics**

Where an amendment to or waiver of this Code of Ethics may be necessary or appropriate with respect to a Covered Officer, such person shall submit a request for approval to the Board, through the Chief Compliance Director. Only the Board, or a duly authorized committee of the Board, may grant waivers from compliance with this Code of Ethics or make amendments to this Code of Ethics. All waivers, including implicit waivers and amendments, will be publicly disclosed as required by applicable SEC regulations and the requirements of the New York Stock Exchange ("NYSE"), and no waiver, implicit waiver or amendment of this Code of Ethics will become effective until such public disclosure is made.

For this purpose, a “waiver” means the approval by the Board of a material departure from a provision of this Code of Ethics and an “implicit waiver” means the failure of the Board to take action within a reasonable period of time regarding a material departure from a provision of this Code of Ethics after any executive officer of the Company has become aware of such material departure.

If the Board, or a duly authorized committee of the Board, decides to grant a waiver from this Code of Ethics, it will ensure that, if the circumstances warrant, the waiver is accompanied by appropriate controls designed to protect the Company from the risks of the transaction with respect to which the waiver is granted. The Chief Financial Officer will be advised of the waiver for the purposes of ensuring timely disclosure of the waiver in accordance with SEC and NYSE rules and modification (if required) of the Company’s disclosure controls or procedures in light of the waiver.

## **IX. Sanctions for Violations**

In the event of a violation of this Code of Ethics by a Covered Officer, the Board or the Audit Committee, as appropriate, will determine the appropriate actions to be taken after considering all relevant facts and circumstances. Such actions will be reasonably designed to:

- deter future violations of this Code of Ethics or other wrongdoing; and
- promote accountability for adherence to the policies of this Code of Ethics and other applicable policies.

In determining the appropriate sanction in a particular case, the Board, the Audit Committee or the Company’s management, as appropriate, may consider the following matters:

- the nature and severity of the violation;
- whether the violation was a single occurrence or repeated occurrences;
- whether the violation appears to have been intentional or inadvertent;
- whether the individual(s) involved had been advised prior to the violation as to the proper course of action; and
- whether or not the individual in question had committed other violations in the past.

Covered Officers are reminded that violations of this Code of Ethics may also constitute violations of law that may result in civil or criminal penalties for the Covered Officers and/or the Company.

Appendix A

**STR HOLDINGS, INC.**

**COVERED OFFICERS**

<b>Name</b>	<b>Title</b>
Robert S. Yorgensen	Chairman, President and Chief Executive Officer
Joseph C. Radzewicz	Vice President and Chief Financial Officer, Chief Accounting Officer and Corporate Secretary
Qu Chao	Vice President of Strategic Investment
Weijie Kong	Vice President, Business Development and General Manager, China
Luke Strzegowski	Director, Global Sales & Technology
Thomas C. McDermott	Controller and Chief Compliance Director

**Appendix B**

**STR HOLDINGS, INC.  
CHIEF COMPLIANCE DIRECTOR**

<b>Name</b>	<b>Title</b>
Thomas C. McDermott	Controller and Chief Compliance Director

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**Adopted by the Board of Directors of STR Holdings, Inc. on August 16, 2011.**