



## POLICY STATEMENT

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| <b>Subject:</b> Nominating and Corporate Governance Committee Charter       | <b>Date Issued:</b> November 6, 2009<br><b>Date Amended:</b> August 16, 2011 and May 13, 2014 |
| <b>Approved by:</b> STR Board of Directors<br><b>Date:</b> November 6, 2009 | <b>Distribution:</b>  |

This Nominating and Corporate Governance Committee Charter was adopted by the Board of Directors (the “Board”) of STR Holdings, Inc. (the “Company”) on August 16, 2011 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 Nominating and Corporate Governance Committee (the “Committee”) shall assist the Board in: (i) identifying, screening and reviewing individuals qualified to serve as directors and recommending to the Board candidates for nomination for election at the annual meeting of shareholders or to fill Board vacancies; (ii) overseeing the Company’s policies and procedures for the receipt of shareholder suggestions regarding Board composition and recommendations of candidates or nominations by the Board; (iii) developing, recommending to the Board and overseeing implementation of the Company’s Corporate Governance Guidelines; and (iv) reviewing on a regular basis the overall corporate governance of the Company and recommending improvements when necessary.

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 outside counsel, director search and recruitment consultants or other advisors to assist it in carrying out its activities. The Committee shall have the sole authority to retain, compensate, direct, oversee and terminate its counsel, consultants and other advisors hired to assist the Committee, who shall be accountable ultimately to the Committee. The Company shall provide adequate resources to support the Committee’s activities, including compensation of the Committee’s counsel, consultants and other advisors.

### II. Committee Membership

The Committee shall consist of two or more members of the Board, each of whom the Board has selected and determined to be “independent” in accordance with the applicable listing standards of the New York Stock Exchange (“NYSE”). The Lead Director, if one is appointed in accordance with the Company’s Corporate Governance Guidelines, shall also serve as a member of the Committee. 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**

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 may act by unanimous written consent of its members. 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.

### **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. recommend to the Board for approval, oversee the implementation and effectiveness of, recommend modifications as appropriate to, and review Company disclosures concerning the Company's policies and procedures for identifying and reviewing Board nominee candidates, including: (i) the qualifications or criteria for Board nominees; and (ii) policies and procedures relating to consideration of Board nominee candidates recommended by shareholders;
2. (a) identify, screen and review individuals qualified to serve as directors, consistent with qualifications or criteria described in the Company's Corporate Governance Guidelines and otherwise as approved by the Board (including evaluation of incumbent directors for potential re-nomination); and recommend to the Board candidates for: (i) nomination for election or reelection by the stockholders; and (ii) any Board vacancies that are to be filled by the Board subject to any rights regarding the selection of directors by the holders, if any, of shares of preferred stock and any other contractual or other commitments of the Company; (b) review Company disclosures concerning the specific experience, qualifications, attributes or skills that led to the conclusion that each director and nominee should serve as a director in light of the Company's business and structure;
3. review annually the relationships between directors, the Company and members of management and recommend to the Board whether each director qualifies as "independent" under the applicable rules of the NYSE;
4. review annually with the Board the composition of the Board as a whole, including whether the Board reflects the appropriate balance of independence, sound judgment, business specialization, technical skills, diversity and other desired qualities;
5. (a) review the Board's leadership structure in light of the specific characteristics or circumstances of the Company and recommend any changes to the Board for approval; (b) discuss in coordination with the Audit Committee the effect on the Board's leadership structure of the Board's role in the risk oversight of the Company; and (c) review and approve Company disclosures relating to Board leadership;

6. review periodically the committee structure of the Board and recommend to the Board for its approval the appointment of directors to Board committees and assignment of committee chairs;
7. review periodically the size of the Board and recommend to the Board any appropriate changes;
8. assess the appropriateness of a director nominee who does not receive a “majority of votes cast” at an election of directors continuing to serve as a director and recommend to the Board the action to be taken with respect to any letter of resignation submitted by such director;
9. assess the appropriateness of a director continuing to serve on the Board where such director submits his or her offer to resign upon a substantial change in the director’s principal occupation, position or responsibility from the position such director held when originally invited to join the Board, and recommend to the Board any action to be taken with respect thereto;
10. design, with input from management, an appropriate orientation program for new directors and identify appropriate director development and continuing education opportunities;
11. coordinate and oversee the annual self-evaluation of the role and performance of the Board, its committees, members and management in the governance of the Company;
12. develop and recommend to the Board, oversee the implementation and effectiveness of, and recommend modifications as appropriate to, the Company’s Corporate Governance Guidelines;
13. review on a periodic basis, and as necessary when specific issues arise, relations with the Company’s stockholders and advise the Board on policies to further effective communications with such stockholders, which may include meetings between directors and significant stockholders from time to time and other communication opportunities;
14. conduct an annual self-evaluation of the performance of the Committee, including its effectiveness and compliance with this Charter;
15. review and reassess the adequacy of this Charter annually, and recommend to the Board amendments as the Committee deems appropriate; and
16. report regularly to the Board on Committee findings, recommendations and any other matters the Committee deems appropriate or the Board requests.