

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K/A
(Amendment No.1)

- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2017
OR
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to .

Commission file number 001-34529



STR Holdings, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

27-1023344
(I.R.S. Employer
Identification No.)

10 Water Street, Enfield, Connecticut
(Address of principal executive offices)

06082
(Zip code)

Registrant's telephone number, including area code: (860) 272-4235

Securities registered pursuant to Section 12(b) of the Act: **None**

Securities Registered Pursuant to Section 12(g) of the Act:

Title of each class
Common Stock \$0.01 par value per share

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES NO

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. YES NO

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES NO

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Emerging growth company filer Smaller reporting company
(Do not check if a smaller reporting 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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). YES NO

The aggregate market value of the registrant's voting and non-voting common equity held by non-affiliates of the registrant as of June 30, 2017 was \$1,884,802 based on the price of the last reported sale of \$0.20 per share on the OTCQB Marketplace on that date.

On April 23, 2018, the registrant had 20,038,461 outstanding shares of Common Stock, \$0.01 par value per share.

EXPLANATORY NOTE

On March 16, 2018, STR Holdings, Inc. (“we” or the “Company”) filed its Annual Report on Form 10-K for the fiscal year ended December 31, 2017 (the “Original Form 10-K”) with the Securities and Exchange Commission (the “SEC”). This Amendment No. 1 (the “Amendment”) amends Part III, Items 10 through 14 of the Original Form 10-K to include information previously omitted from the Original Form 10-K in reliance on General Instruction G(3) to Form 10-K. General Instruction G(3) to Form 10-K provides that registrants may incorporate by reference certain information from a definitive proxy statement which involves the election of directors if such definitive proxy statement is filed with the Securities and Exchange Commission within 120 days after the end of the fiscal year. We do not anticipate that our definitive proxy statement involving the election of directors will be filed before April 30, 2018 (i.e., within 120 days after the end of our 2017 fiscal year). Accordingly, Part III of the Original Form 10-K is hereby amended and restated as set forth below. The information included herein as required by Part III, Items 10 through 14 of Form 10-K is more limited than what is required to be included in the definitive proxy statement to be filed in connection with our annual meeting of stockholders. Accordingly, the definitive proxy statement to be filed at a later date will include additional information related to the topics herein and additional information not required by Part III, Items 10 through 14 of Form 10-K.

In addition, as required by Rule 12b-15 under the Securities Exchange Act of 1934, as amended, Item 15 of Part IV has been amended to include the currently dated certification of our principal executive officer and principal financial officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. The certifications of our principal executive officer and principal financial officer are filed with this Form 10-K/A as Exhibits 31.1 and 31.2 hereto. Because financial statements have not been included in this Form 10-K/A and this Form 10-K/A does not contain or amend any disclosure with respect to Item 307 and 308 of Regulation S-K, paragraphs 3, 4 and 5 of the certifications have been omitted. We are not including the certificate under Section 906 of the Sarbanes-Oxley Act of 2002 as no financial statements are being filed with this Form 10-K/A.

Except as stated herein, this Amendment does not reflect events occurring after the filing of the Original Form 10-K on March 16, 2018 and no attempt has been made in this Amendment to modify or update other disclosures as presented in the Original Form 10-K.

PART III

ITEM 10. Directors, Executive Officers and Corporate Governance

Board of Directors

Our business and affairs are managed under the direction of our Board of Directors (the “Board”). Our Bylaws provide that our Board will consist of between three and fifteen directors. Our Board is currently composed of seven directors.

On August 11, 2014, the Company entered into a Stock Purchase Agreement (the “Stock Purchase Agreement”) with Zhen Fa New Energy (U.S.) Co., Ltd., a Nevada corporation (“Zhenfa U.S.”), an affiliate of Zhenfa Energy Group Co., Ltd., a Chinese limited liability company (“Zhenfa”), pursuant to which Zhenfa U.S. acquired approximately 51% of our then outstanding shares of common stock (the “Transaction”) on December 15, 2014 (the “Closing Date”).

Subject in each case to all fiduciary duties of the Board, pursuant to the terms of the Stock Purchase Agreement, the Company and Zhenfa U.S. agreed that the Board will be comprised of: (i) up to four directors designated by Zhenfa U.S. and reasonably acceptable to the Board (the “Zhenfa Directors”), at least two of whom will be independent, (ii) one director who is also the President or Chief Executive Officer of the Company, and (iii) two directors who are independent directors of the Company as of the date of the Stock Purchase Agreement (including any successors to any such directors who take office after the Closing Date who are nominated, or proposed to the Nominating and Corporate Governance Committee for nomination, by the Special Committee of Continuing Directors) (“Continuing Directors”). Certain provisions of the Stock Purchase Agreement, including those provisions relating to the nomination and election of directors, ended upon our 2017 Annual Meeting of the Shareholders, which was held on December 5, 2017 (the “2017 Annual Meeting”).

The information provided below contains information regarding our directors service as a director, business experience, director positions held currently or at any time during the last five years, and information regarding involvement in certain legal or administrative proceedings, if applicable.

Robert S. Yorgensen, 54, has been our Chairman since December 2014 and our President and Chief Executive Officer and a director of our board since January 2012. Prior to becoming our CEO, Mr. Yorgensen was the Vice President of STR and President of our Solar division since 2007 and has been employed with us for 32 years. Mr. Yorgensen has held a variety of positions with us, including Extruded Products Manager and Senior Technical Specialist of Materials RD&E and Specialty Manufacturing, Technical Specialist of Materials RD&E and Specialty Manufacturing and Project Leader of Development Engineering and Specialty Manufacturing. He holds a Bachelor of Technology, Mechanical Engineering degree from the University of Connecticut and an A.S. from Hartford State Technical College.

Mr. Yorgensen was selected to serve on our Board in light of his substantial experience as President of STR Solar and his 32 year tenure with STR where he has made significant contributions to our research and development, process engineering, business development efforts and led our growth in the solar market.

John A. Janitz, 75, has served on our Board since June 2007. Mr. Janitz is Chairman and Co-founding partner at Evergreen Capital Partners, a financial advisor and investment manager. In this role he also serves as a senior advisor to the private equity firm The Gores Group, where he sources investment opportunities and advises on strategy, technology, manufacturing and operational matters in the industrial sector. Prior to forming Evergreen Capital Partners, Mr. Janitz served as Co-Managing Principal for Questor Partners Funds, a private equity turnaround fund. Mr. Janitz previously served as Chairman - Global Industrial Partners at Credit Suisse, as a member of the Board, President and Chief Operating Officer of NYSE-listed Textron, Inc., as President of Gulf & Western Manufacturing Co., and as Executive Vice President of global automotive technology company TRW Inc. He began his career at Ford Motor Company.

Mr. Janitz is a Continuing Director. His significant financial, investment and operating experience, as well as his membership on public and private boards, allows him to contribute strong leadership to the Board and insights into strategic, capital and operational matters.

HuiYing (Julia) Ju, 50, has served on our Board since March 2016. Ms. Ju has been the General Manager of the International Department of Zhenfa since February 2014, where she is responsible for the development of the international market for Zhenfa, and its affiliates, primarily focused on project development and engineering, procurement and construction services for utility-scale solar farms. In addition, since September 2015, Ms. Ju has served as the Chief Executive Officer and Director of Zhenfa New Energy Pakistan (Pvt) Ltd., an affiliate of Zhenfa, where she is responsible for the development of a 100 megawatt solar project in Pakistan. From May 2004 through December 2013, Ms. Ju served as the Chairman and General Manager of Zhangjiagang SEG PV Co., Ltd., a company engaged in the manufacturing and sale of solar modules. Ms. Ju also served as Sales Manager of WuXi Suntech Power Co., Ltd. from October 2002 through March 2004, and as the Customer Service Manager of German Barmag Machinery Co., Ltd. from April 2000 through October 2002.

Ms. Ju is a Zhenfa Director. Her association with our largest stockholder and her extensive international business and management experience in the solar manufacturing field and knowledge of China brings valuable perspectives to the Board.

Andrew M. Leitch, 74, has served on our Board since our initial public offering in November 2009. Mr. Leitch was a senior partner with Deloitte & Touche LLP for over 27 years, last serving as the Vice Chairman of the Management Committee, Hong Kong from September 1997 through his retirement in March 2000. Mr. Leitch has served as a director, chairman of the board, chairman of the nominating and governance committee, and member of the audit committee and compensation committees of Blackbaud Inc., and as a director and chairman of the audit committee of Cardium Therapeutics Inc. since February 2004 and August 2007, respectively. Mr. Leitch served as director and chairman of the audit committee of Aldila, Inc. from May 2004 through February 2010 and a director of L&L Energy Inc. from February 2011 through August 2011. Mr. Leitch also serves as a director of various private companies. He is a Certified Public Accountant in the state of New York, and a Chartered Accountant in Ontario, Canada.

Mr. Leitch is a Continuing Director. Mr. Leitch has extensive experience as a director of various public and private companies, serving as the chairman of certain boards and audit committees and as a member of certain compensation committees and governance committees, and has extensive understanding of U.S. and international financial accounting principles, systems of internal control and corporate governance principles.

Xin (Cindy) Lin, 45, became one of our directors effective upon the closing of the Zhenfa Transaction on December 15, 2014. Ms. Lin is currently President of Zhen Fa New Energy (U.S.) Co., Ltd., having served in this capacity since April 2013, and is responsible for leading Zhenfa's activities in the U.S., including investment and acquisitions. Ms. Lin has also worked at Medtronic IT since August 2001, where she currently serves as senior principal IT developer, with a primary focus in business intelligence, data management and data analytics. In 2006, Ms. Lin founded L&B International LLC, a consulting firm focusing on providing consulting services in the area of renewable energy development, and is currently its President. Ms. Lin previously worked at the Bank of China in Beijing, China, where she was responsible for international trade settlement and financial instruments for export and import companies.

Ms. Lin is a Zhenfa Director. Her association with Zhenfa and her extensive experience in the solar industry, knowledge of China, prior general management experience and her significant international business expertise brings valuable perspectives to the Board.

Ping (Daniel) Yu, 54, has served on our Board since May 2017. Dr. Yu currently serves as Chief Executive Officer of UDA Education Consulting Group, based in New York and Shanghai, and as Business Representative and Advisor to China Capital Investment Group. Dr. Yu specializes in Sino-US business, education and NGO cooperation, and was previously China Country Director for the American Bar Association Rule of Law Initiative and a Senior Fellow at New York University School of Law. Dr. Yu graduated from East China University of Political Science and Law in 1984 (B.A., Law) and Fudan University (graduate diploma) in 1987, and received his (Ph.D.) at the University of Washington (Seattle) School of Law. Dr. Yu has taught at Fudan University and New York University, and has also been a director for a number of private companies during his career.

Dr. Yu is an independent Zhenfa Director. Dr. Yu's extensive experience in American and Chinese partner relationships, as well his legal background, brings valuable perspectives to the Board.

Lenian (Charles) Zha, 55, has served on our board since March 2017. Mr. Zha has served in various positions with Cisco Systems, Inc. ("Cisco"), an information technology products and services provider, since 2000, most recently as a Program Manager, where he manages Cisco Services Compliance. Prior to that, Mr. Zha served as a Business Operations Manager, where he managed business intelligence programs and focused on long-term planning, sales opportunities, revenue/cost and risk analysis and product lifecycle management. Since September 2002, Mr. Zha has also served as the owner and Chief Executive Officer of BiLink, Inc., a provider of business consulting services. Mr. Zha received his Master of Science in Electrical Engineering from the Rose-Hulman Institute of Technology in 1992.

Mr. Zha is an independent Zhenfa Director. Mr. Zha's extensive engineering and project management experience brings valuable perspectives to the Board.

Executive Officers

Biographical information for our executive officers are included in the Original Form 10-K and is incorporated herein by reference.

Audit Committee

We have a standing Audit Committee. Our Audit Committee currently consists of Messrs. Leitch, Janitz and Yu with Mr. Leitch serving as Chair of the Audit Committee. Our former directors, Dr. Gokalp Bayramoglu and Haiyang Yuan each, served as a member of the Audit Committee until their resignation from the Board effective January 9, 2017 and March 4, 2017, respectively. Mr. Janitz was appointed to fill a vacancy on the Audit Committee on March 16, 2017.

Our Board affirmatively determined that Messrs. Leitch, Janitz and Yu meet the definition of “independent directors” for purposes of serving on an Audit Committee under applicable SEC and NYSE rules. In addition, our Board has determined that each member of our Audit Committee is financially literate and Mr. Leitch qualifies as our “Audit Committee financial expert.” Mr. Leitch currently serves on the Audit Committee of three public companies (including us).

Code of Ethics

We have adopted a code of business conduct and ethics for directors, officers and employees, known as the STR Code of Business Conduct and Ethics. The STR Code of Business Conduct and Ethics is available at www.strholdings.com on the “Investor Relations” page under the link “Corporate Governance”. Any amendments to the STR Code of Business Conduct and Ethics, or any waivers of its requirements, will be disclosed on our website.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our officers and directors and holders of more than 10% of our common stock to file with the SEC initial reports of ownership and reports of changes in ownership of our common stock. Such persons are required by regulations of the SEC to furnish us with copies of all such filings. To our knowledge, based solely on our review of the copies of such filings received by us and the written representations of our officers and directors, with respect to the fiscal year ended December 31, 2017, all applicable Section 16(a) filing requirements were timely met.

ITEM 11. Executive Compensation

Summary Compensation Table

The following table sets forth certain information with respect to compensation for the years ended December 31, 2017 and 2016 earned by or paid to our named executive officers during 2017.

Name and Principal Position	Year	Salary (\$)	Non-Equity Incentive Plan Compensation (\$)(1)	Retention Bonus Agreement (\$)(2)	All Other Compensation (\$)(3)	Total (\$)
Robert S. Yorgensen	2017	475,000	50,000	—	40,645	565,645
Chairman, President and CEO	2016	475,000	—	—	36,002	511,002
Thomas D. Vitro	2017	215,000	15,000	100,000	8,989	338,989
Vice President, Chief Financial Officer and Chief Accounting Officer	2016	215,000	44,163	—	4,431	263,594

- (1) Represents cash payments under the Company’s Management Incentive Plan (“MIP”). Bonuses paid under the 2017 and 2016 MIP were based on a combination of corporate financial and non-financial goals.
- (2) Represents cash payments under the Company’s Retention Bonus Agreement with Mr. Vitro. For more information regarding this agreement, see “Retention Bonus Agreement”.
- (3) The amounts reported in this column represent 401(k) and profit sharing contributions to eligible employees, our Section 125 cafeteria plan, term life insurance, disability insurance, long-term care insurance and other personal benefits. The amounts included in that column are included in the table below.

Name	Year	401(k) Match(a)	Section 125 Plan(b)	Term Life Insurance(c)	Disability Insurance(c)	Long-Term Care Insurance(c)
Robert S. Yorgensen	2017	\$ 6,625	\$ 32,250	\$ 795	\$ 468	\$ 507
	2016	\$ 6,625	\$ 27,607	\$ 795	\$ 468	\$ 507
Thomas D. Vitro	2017	\$ 5,375	\$ 1,861	\$ 778	\$ 468	\$ 507
	2016	\$ 620	\$ 2,058	\$ 778	\$ 468	\$ 507

- (a) Reflects amounts of contributions paid to such executive under 401(k) matching plan for eligible employees.
- (b) We maintain a Section 125 cafeteria plan that allows our employees to set aside pre-tax dollars to pay for certain benefits. This amount represents payments made by us on the employee's behalf towards a Section 125 cafeteria benefits plan.
- (c) Represents premiums paid by us for applicable insurance policies.

Outstanding Equity Awards at Fiscal Year End

The following table sets forth certain information with respect to outstanding equity awards of our named executive officers as of December 31, 2017.

	Option Awards			
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable (1)	Option Exercise Price (\$)	Option Expiration Date
	Robert S. Yorgensen	437,778	218,889	1.52
Thomas D. Vitro	—	—	—	—

- (1) The options vest one-third on each of the anniversaries of the date of grant, which was February 5, 2015.

Pension Benefits

In the year ended December 31, 2017, our named executive officers received no pension benefits and had no accumulated pension benefits.

Nonqualified Deferred Compensation

We had no deferred compensation arrangements with our named executive officers as of December 31, 2017.

Employment Agreements

We entered into an employment agreement with Mr. Yorgensen, effective January 1, 2012, in connection with his appointment as the Company's President and Chief Executive Officer. Pursuant to the agreement, his annual base salary is \$475,000 subject to annual discretionary increases, and he is eligible to participate in the Company's (i) management incentive plan with an annual performance bonus target of at least 80% of his annual base salary and (ii) long-term incentive plan awards, in each case based upon performance goals set by our Board for a particular fiscal year.

We entered into an employment offer letter (the "Offer Letter") with Mr. Vitro, dated December 1, 2015. The Offer Letter provides for an initial base salary for Mr. Vitro of \$215,000. Under the terms of the Offer Letter, Mr. Vitro is eligible to receive an annual performance bonus pursuant to the Company's management incentive plan, with a target bonus amount of at least 45% of his annual base salary, and he is generally entitled to participate in benefit plans and programs, if any, on the same terms as other similarly situated employees. Under the Offer Letter, Mr. Vitro is entitled to receive certain benefits upon termination of employment. If Mr. Vitro is terminated without "Cause" or if he terminates his employment for "Good Reason" (as such terms are defined in the Offer Letter), Mr. Vitro will be entitled to standard Company severance of one week of salary per year of service.

Severance Agreements

We entered into a severance agreement with Mr. Yorgensen, effective October 1, 2012 (the “Severance Agreement”). The Severance Agreement sets forth certain payments and benefits for Mr. Yorgensen in the event of the termination of his employment under various circumstances. The Severance Agreement will remain in effect until October 1, 2018 and will automatically renew for successive one year periods unless the Company or the executive provides notice of termination at least 90 days prior to October 1st of the preceding year. Notwithstanding the foregoing, the term of the Severance Agreement may not expire before a date that is 18 months after a Change of Control (as defined in the Severance Agreement) that occurs during the term of the Severance Agreement. To the extent applicable, the Severance Agreement supersedes and replaces the severance provisions set forth in Mr. Yorgensen’s employment agreement with the Company.

The Severance Agreement provides, among other things, that, if Mr. Yorgensen is terminated by the Company for any reason, he is entitled to his full base salary through the date of termination at the rate in effect immediately prior to such termination date, as well as all compensation and benefits due to the executive under the terms of the Company’s benefit plans, programs and arrangements in effect immediately prior to the termination date.

If Mr. Yorgensen is terminated by the Company without “cause” (as such term is defined in the Severance Agreement) or if he terminates his employment with “good reason” (as such term is defined in the Severance Agreement), other than during a “change in control severance period” (as such term is defined in the Severance Agreement), he is entitled to receive the payments described above plus (i) the sum of 2.0 times his base salary; (ii) a pro rata portion of any bonus payment he would have been eligible to receive for the performance year during which the termination date occurs; (iii) up to 24 months of payments in the amount required for continuation of COBRA plans and other benefits; (iv) prepayment of all life insurance premiums for 24 months plus the transfer of ownership of all rights of ownership of such arrangements; (v) payments for reasonable outplacement services for up to 24 months; and (vi) the reimbursement of reasonable legal fees and expenses incurred by the executive in disputing in good faith issues relating to the termination of employment or obtaining or enforcing any benefit provided under the Severance Agreement.

If Mr. Yorgensen is terminated by the Company without cause or if he terminates his employment with good reason during a change in control severance period, he is entitled to (i) the sum of 2.0 times his base salary; (ii) his target bonus for the performance year during which the termination date occurs; and (iii) the continued COBRA benefits, life insurance benefits, and outplacement services for up to 24 months and legal fees described above. The change of control severance period is the period commencing 90 days prior to a change in control (as such term is defined in the Severance Agreement) and ending one year following a change in control.

Retention Bonus Agreement

On March 17, 2017, the Company entered into a Retention Bonus Agreement (the “Retention Bonus Agreement”) with Mr. Vitro, in recognition of the importance of his continued service to the Company as the Company undertakes a review of its strategic direction. Under the terms of the Retention Bonus Agreement, if Mr. Vitro remains continuously employed by the Company through the periods (each, a “Retention Period” and collectively, the “Retention Periods”) commencing on March 17, 2017 and ending on each of December 31, 2017, June 30, 2018 and December 31, 2018 (each, an “Outside Date” and collectively, the “Outside Dates”), the Company will pay to Mr. Vitro an amount equal to \$100,000, for the Retention Period ending on December 31, 2017, \$50,000 for the Retention Period ending on June 30, 2018, and \$50,000 for the Retention Period ending on December 31, 2018 (each, a “Retention Bonus” and collectively, the “Retention Bonuses”).

Mr. Vitro will earn the Retention Bonus for a Retention Period only if he is actively employed by the Company throughout such Retention Period, including on the Outside Date for such Retention Period; provided, however, that if Mr. Vitro’s employment with the Company is terminated by the Company without “cause” (as such term is defined in the Retention Bonus Agreement), or by Mr. Vitro for “good reason” (as such term is defined in the Retention Bonus Agreement), then Mr. Vitro will be entitled to receive the applicable Retention Bonus for the applicable Retention Period. If Mr. Vitro’s employment is terminated by the Company with Cause or by Mr. Vitro without Good Reason, Mr. Vitro will not receive a Retention Bonus for the Retention Period during which his employment was terminated, or for any subsequent Retention Period. The Retention Bonus will be paid in one lump sum cash payment within five (5) business days following the completion of the applicable Retention Period.

Non-Competition and Non-Solicitation

Mr. Yorgensen entered into non-competition and non-solicitation agreements with us. Pursuant to such agreements, Mr. Yorgensen agreed not to compete with us for twenty-four (24) months following his date of termination. In addition, Mr. Yorgensen may not solicit any of our employees during the term of his non-competition period. We have the option to extend Mr. Yorgensen's non-competition and non-solicitation period for an additional year. If we extend the non-competition and non-solicitation period for Mr. Yorgensen, we must provide six months' notice to him, pay him his annual base salary, payable over 12 months, and extend his participation in our health, life insurance, and retirement plans through the extended period.

Annual Incentive Awards

The Company's Management Incentive Plan provides our named executive officers, as well as other key managers, with performance based cash bonuses based on the achievement of a combination of financial and non-financial corporate goals that are established each year by the Board. Target payout levels are expressed as a percentage of base salary and are established for each participant. The target payout levels for Mr. Yorgensen and Mr. Vitro were 80% and 45% of base salary, respectively.

The financial goals under the 2017 MIP for our named executive officers were primarily focused on the achievement of sales, EBITDA and cash balance targets, as well as multiple non-financial goals. No payout was made for a financial target if the Company achieved an actual result equal to less than 80% of such financial target. Non-financial corporate goals included targets related to the expansion and development of the business.

Director Compensation

It is STR's policy to set the compensation of directors for their service on the Board and its committees (which may include equity awards under the Company's 2009 Equity Incentive Plan) in a manner that is designed to attract, retain and motivate highly-qualified candidates for director, and to be broadly comparable with those companies which STR considers to be its peers in the industries in which it operates. Directors who are also employees of STR or affiliates of Zhenfa do not receive any compensation for their service as directors of STR. Director compensation, including compensation for committee service, is reviewed annually by the Compensation Committee, which makes such recommendations to the Board with respect thereto as it deems appropriate.

Retainer and Meeting Fees. Directors who are or were our employees or employees of our subsidiaries or affiliated with Zhenfa did not, and will not, receive compensation for their service as members of either our Board or Board committees.

In 2017, compensation for all independent directors of the Company was as follows:

- a base annual retainer of \$31,500 to be payable 50% in shares of the Company's common stock and 50% payable in cash, issued quarterly, in arrears, which shares vest immediately upon issuance and will be pro-rated for any partial quarter;
- shares of the Company's common stock having a fair market value of \$27,000; to be issued annually following the Company's annual meeting of stockholders and to vest upon the earlier of the first anniversary of the date of issuance or the day before the date of the next annual meeting of stockholders, assuming continued service by such director, pro-rated for any partial quarter;
- an annual payment of \$25,000 in cash to the chair of the Audit Committee of the Board; \$12,500 in cash to the Chair of each of the Compensation Committee of the Board and Nominating and Corporate Governance Committee of the Board; and \$10,000 to each member of the Special Committee of Continuing Directors, each payable quarterly in arrears and pro-rated for any partial quarter; and
- a fee of \$1,200 in cash for each meeting of the Board and any committee thereof attended (up to eight Board of Directors meetings and eight meetings of each committee per year).

The Company also reimburses all directors for reasonable expenses incurred to attend meetings of our Board or committees.

Director Compensation Table. The following table sets forth all director compensation information for the year ended December 31, 2017.

	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)(1)(2)	Total Compensation (\$)
Dr. Gokalp D. Bayramoglu (3)	—	394	394
John A. Janitz	61,400	42,750	104,150
HuiYing (Julia) Ju	—	—	—
Andrew M. Leitch	61,400	42,750	104,150
Xi (Cindy) Lin	—	—	—
Robert Yorgensen	—	—	—
Ping (Daniel) Yu (4)	8,400	52,266	60,666
Haiyang (Ocean) Yuan (5)	2,400	2,756	5,156
Lenian (Charles) Zha (6)	7,200	57,584	64,784

- (1) Represents the aggregate grant date fair value of restricted stock awards computed in accordance with FASB ASC Topic 718 as of the grant date. The grant date fair value for the stock awards granted to each of the non-employee directors (other than directors affiliated with Zhenfa) in 2017 is set forth in footnote 2 below. The assumptions used to calculate the amount recognized for these restricted stock awards set forth in Note 17 to the Company's audited financial statements. For purposes of the table above, the effects of estimated forfeitures are excluded.
- (2) The number of shares issued and their grant date fair values were as follows: Dr. Bayramoglu, 1,875 shares at \$0.21 per share on the date of issuance; Mr. Janitz, 18,750 shares, 19,688 shares, 19,688 shares, 96,429 shares and 16,406 shares at \$0.21, \$0.20, \$0.20, \$0.28 and \$0.24 per share on the date of issuance, respectively; Mr. Leitch, 18,750 shares, 19,688 shares, 19,688 shares, 96,429 shares and 16,406 shares at \$0.21, \$0.20, \$0.20, \$0.28 and \$0.24 per share on the date of issuance, respectively; Mr. Yu, 70,450 shares, 12,981 shares, 19,688 shares, 96,429 shares and 16,406 shares at \$0.21, \$0.20, \$0.20, \$0.28 and \$0.24 per share on the date of issuance, respectively; Mr. Yuan, 13,125 shares at \$0.21 per share on the date of issuance; Mr. Zha, 91,356 shares, 3,333 shares, 19,688 shares, 19,688 shares, 96,429 shares and 16,406 shares at \$0.20, \$0.21, \$0.20, \$0.20, \$0.28 and \$0.24 per share on the date of issuance, respectively.
- (3) Dr. Bayramoglu resigned effective January 9, 2017. His unvested restricted stock awards were cancelled as of this date.
- (4) Mr. Yu was appointed to the Board effective May 2, 2017.
- (5) Mr. Yuan resigned effective March 4, 2017. His unvested restricted stock awards were cancelled as of this date.
- (6) Mr. Zha was appointed to the Board effective March 16, 2017.

Indemnification of Officers and Directors

Our Bylaws provide that we will indemnify our directors and officers to the fullest extent permitted by Delaware General Corporation Law ("DGCL"). We have established directors' and officers' liability insurance that insures such persons against the costs of defense, settlement or payment of a judgment under certain circumstances.

In addition, our certificate of incorporation provides our directors will not be liable for monetary damages for breach of fiduciary duty, except for liability relating to any breach of the director's duty of loyalty, acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, violations under Section 174 of the DGCL or any transaction from which the director derived an improper personal benefit.

In addition, prior to the completion of our initial public offering, we entered into indemnification agreements with each of our executive officers and directors. We also entered into indemnification agreements with each of our officers and directors that joined the Company after the initial public offering. The indemnification agreements provide the executive officers and directors with contractual rights to indemnification, expense advancement and reimbursement to the fullest extent permitted under the DGCL.

There is no pending litigation or proceeding naming any of our directors or officers for which indemnification is being sought, and we are not aware of any pending or threatened litigation that may result in claims for indemnification by any director or executive officer.

ITEM 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Beneficial ownership of shares is determined under rules of the SEC and generally includes any shares over which a person exercises sole or shared voting or investment power. Except as noted by footnote, and subject to community property laws where applicable, we believe based upon the information provided to us that the persons and entities named in the table below have sole voting and investment power with respect to all shares of our common stock shown as beneficially owned by them. Percentage of beneficial ownership is based upon 20,038,221 shares of common stock outstanding as of April 23, 2018. Shares of common stock subject to options currently exercisable or exercisable within 60 days of April 23, 2018, (“presently exercisable stock options”) are deemed to be outstanding and beneficially owned by the person holding the options for the purposes of computing the percentage of beneficial ownership of that person and any group of which that person is a member, but are not deemed outstanding for the purpose of computing the percentage of beneficial ownership for any other person. Except as otherwise indicated, the persons named in the table below have sole voting and investment power with respect to all shares of common stock held by them. Unless otherwise indicated, the address for each holder listed below is STR Holdings, Inc., 10 Water Street, Enfield, CT 06082.

Name of beneficial owner	Amount and nature of ownership	Percentage of class
Zhen Fa New Energy (U.S.) Co., Ltd. (1)(2)	9,210,710	46.0%
Zha Zhengfa (1)	9,210,710	46.0%
Downriver Capital Management, LLC (3)	1,728,462	8.6%
T. Rowe Price Associates, Inc. (4)	1,313,707	6.6%
Robert S. Yorgensen	816,484	4.1%
John A. Janitz	766,505	3.8%
Andrew M. Leitch	703,188	3.5%
Lenian (Charles) Zha	260,477	*
Ping (Daniel) Yu	229,531	*
HuiYing (Julia) Ju	—	*
Xi (Cindy) Lin	—	*
All directors and executive officers as a group	2,776,185	13.9%

* Less than one percent of the outstanding shares of our common stock.

- (1) Information in the table and this footnote is based solely upon information contained in a filing of Schedule 13G filed with the SEC by Zhen Fa New Energy (U.S.) Co., Ltd. on December 18, 2014. Zha Zhengfa, due to his 98% indirect ownership of Zhen Fa New Energy (U.S.) Co., Ltd., may be deemed to possess sole voting power and sole dispositive power over 9,210,710 shares of common stock beneficially owned by Zhen Fa New Energy (U.S.) Co., Ltd. The principal business address of Mr. Zhengfa is 27th Floor, No. 4 Gemini Building, No. 12 North Qingfeng Road, Yubei District, Chongqing City, China.
- (2) Zhen Fa New Energy (U.S.) Co., Ltd. has advised the Company that it has pledged these shares as collateral in support of borrowings obtained by Zhenfa (and its affiliates) from The Export-Import Bank of China, which are outstanding from time to time.

- (3) Information in the table and this footnote is based solely upon information contained in a filing of Schedule 13G filed with the SEC by Downriver Capital Management, LLC on February 2, 2016. As of December 31, 2016, Downriver Capital Management, LLC had sole dispositive power over 1,728,462 shares and sole voting power over 1,728,462 shares. The principal business address of Downriver Capital Management, LLC is 1310 N. Maple Street, Spokane, Washington 99201.
- (4) Information in the table and this footnote is based solely upon information contained in a joint filing of Schedule 13G filed with the SEC by T. Rowe Price Associates, Inc. and T. Rowe Price Science & Technology Fund, Inc. on February 9, 2016. As of December 31, 2016, T. Rowe Price had sole dispositive power over 1,313,707 shares and sole voting power over 236,075 shares. The principal business address of T. Rowe Price is 100 East Pratt Street, Baltimore, Maryland 21202.

EQUITY COMPENSATION PLAN

The following table summarizes common stock that may be issued under our existing equity compensation plan as of December 31, 2017:

Plan Category	Common shares to be issued upon exercise of outstanding options, warrants and rights(1)	Weighted-average exercise price of outstanding options, warrants and rights (\$)	Common shares available for future issuance under equity compensation plans (excluding securities reflected in column(a))
	(a)	(b)	(c)
Equity compensation plans approved by STR stockholders(2)	—	—	776,823
Equity compensation plans not approved by STR stockholders	N/A	N/A	N/A
Totals	—	—	776,823

(1) Includes shares issuable pursuant to the exercise of stock options.

(2) STR Holdings, Inc. 2009 Equity Incentive Plan.

ITEM 13. Certain Relationships and Related Transactions, and Director Independence

The Board, with the assistance of the Nominating and Corporate Governance Committee, conducted an evaluation of director independence, based primarily on a review of the responses of the directors and executive officers to questions regarding employment and compensation history, affiliations and family and other relationships with the Company, including those relationships described under this “Item 13. Certain Relationships and Related Transactions, and Director Independence – Certain Relationships and Related Person Transactions” of this Amendment, and on discussions with the Board.

Our Board affirmatively determined that Messrs. Janitz, Leitch, Yu and Zha are independent directors, and that Messrs. Janitz, Leitch and Yu, as current members of our Audit Committee, are also independent directors as such term is defined in Rule 10A-3(b)(1) under the Exchange Act.

Certain Relationships and Related Person Transactions

Set forth below is a description of certain relationships and related person transactions between us and our directors, executive officers and holders of more than 5% of our voting securities since January 1, 2017. We believe that all of the following transactions were entered into with terms as favorable as could have been obtained from unaffiliated third parties.

Zhenfa Transaction. On August 14, 2014, the Company entered into a Stock Purchase Agreement (the “Stock Purchase Agreement”) with Zhenfa U.S., pursuant to which Zhenfa U.S. acquired approximately 51% of our then outstanding shares of common stock on December 14, 2014. Certain provisions of the Stock Purchase Agreement, including those provisions relating to the nomination and election of directors, ended upon our 2017 Annual Meeting which was held of December 5, 2017.

The Company also entered into a guarantee agreement (the “Guarantee Agreement”) with Zhenfa pursuant to which Zhenfa agreed to guarantee all obligations of Zhenfa U.S. under the Stock Purchase Agreement, including but not limited to, the payment of the purchase price and the performance of all covenants and agreements of Zhenfa U.S in the Stock Purchase Agreement.

In connection with the closing of the Transaction, the Company entered into a registration rights agreement (the “Registration Rights Agreement”) with Zhenfa U.S. that, among other things, requires the Company to register the Purchased Shares, at the Company’s expense, upon the request of Zhenfa U.S. or certain transferees of Zhenfa U.S.

Sales Service Agreement. In connection with the execution of the Purchase Agreement, Specialized Technology Resources, Inc., our wholly owned subsidiary, entered into a sales service agreement (the “Sales Service Agreement”) with Zhenfa, whereby Zhenfa agreed, among other things, to assist us in a number of endeavors, including, without limitation, marketing and selling our products in China, acquiring local raw materials, hiring and training personnel in China, and complying with Chinese law. The Sales Service Agreement became effective on December 15, 2017, for an initial term of two years and automatically renews for one year periods unless terminated earlier. The Sales Service Agreement may also be terminated by either party at such time as Zhenfa and its affiliates own less than 10% of our outstanding Common Stock.

As we have substantially discontinued operations in China, Zhenfa is not currently providing us with any material services under this agreement. However, we continue to interact with Zhenfa to assess whether there may be projects of interest to us to pursue in China. Our activities with Zhenfa under the Sales Service Agreement are subject to the oversight of our Special Committee of Continuing Directors.

Huhui Contract. The Company’s Chinese subsidiary, Specialized Technology Resources Solar (Suzhou) Co. Ltd. (“STR China”) entered into a supply agreement (the “Huhui Supply Agreement”) dated as of December 31, 2014, with Zhangjiagang Huhui Segpv Co. Ltd (“Huhui”), a solar module manufacturer and an affiliate of Zhenfa. Pursuant to the Huhui Supply Agreement, STR China agreed to supply Huhui with the Company’s encapsulant products and Huhui agreed (i) to purchase not less than 535 MW worth of encapsulants (the “Minimum Amount”) during each contract year, (ii) to pay the Company a deposit equal to 10% of the Minimum Amount, and (iii) not to purchase encapsulant products from other encapsulant manufacturers. The initial term of the Huhui Supply Agreement was for one year; however, such initial term was extended for an additional six months due to failure by Huhui to purchase the Minimum Amount at the end of the first year anniversary of the effective date of the Huhui Supply Agreement. The Huhui Supply Agreement further provided that Huhui’s obligations were contingent (unless otherwise provided in the agreement) upon (i) the delivery by STR China of an initial shipment of products in accordance with the specifications and (ii) the qualification of the products by Huhui during a sample production run of not less than 30 days. The Company received a deposit of RMB7,125 (approximately \$1,148 at the then-current exchange rate) as a deposit (the “Deposit”) from Huhui during the year ended December 31, 2015, which was included in accrued liabilities on our Consolidated Balance Sheets as of December 31, 2017.

Huhui did not complete its 30 day production run as contemplated under the Supply Agreement and on March 27, 2018, following the approval of the Company’s Special Committee of Continuing Directors, STR China entered into an agreement to terminate the Supply Agreement (the “Termination Agreement”). Pursuant to the Termination Agreement, Huhui agreed that STR China would retain the Deposit, and each of Huhui and STR China agreed to release the other from any liability or further obligations under the Supply Agreement.

Indemnification Agreements. We entered into indemnification agreements with each of our directors and executive officers. These agreements, among other things, require us to indemnify each director and executive officer to the fullest extent permitted by Delaware law, including indemnification of expenses such as attorneys’ fees, judgments, fines and settlement amounts incurred by the director or executive officer in any action or proceeding, including any action or proceeding by or in right of us, arising out of the person’s services as a director or executive officer.

ITEM 14. Principal Accountant Fees and Services

The following table sets forth the aggregate fees billed to us to date for the audit and other services provided by UHY LLP during the fiscal year ended December 31, 2017:

	2017
Audit Fees(1)	\$ 225,000
Audit-Related Fees(2)	11,250
Tax Fees	—
All Other Fees(3)	—
Total	\$ 236,250

- (1) Represents the aggregate fees billed for the audit of the Company’s financial statements in connection with the statutory and regulatory filings or engagements for the 2017 fiscal year.
- (2) 2017 fees represent the aggregate fees billed for an employee benefit plan audit.
- (3) Represents the aggregate fees billed for all products and services provided that are not included under “audit fees”, “audit-related fees or “tax fees”.

The following table sets forth the aggregate fees billed to us for the audit and other services provided by UHY LLP during the fiscal year ended December 31, 2016:

	2016
Audit Fees(1)	\$ 224,000
Audit-Related Fees(2)	13,000
Tax Fees	—
All Other Fees(3)	—
Total	\$ 237,000

- (1) Represents the aggregate fees billed for the audit of the Company’s financial statements in connection with the statutory and regulatory filings or engagements for the 2016 fiscal year.
- (2) 2016 fees represent the aggregate fees billed for an employee benefit plan audit.
- (3) Represents the aggregate fees billed for all products and services provided that are not included under “audit fees”, “audit-related fees or “tax fees”.

Audit Committee’s Pre-Approval Policies and Procedures

The Audit Committee has policies and procedures that require the pre-approval by the Audit Committee of all fees paid to, and all services performed by, the Company’s independent auditor, subject to exceptions for de minimis fees related to non-audit services set forth in the applicable rules of the Commission. Each year, the Audit Committee approves the proposed services, including the nature, type and scope of services to be performed by the independent auditor during the fiscal year and the related fees. Audit Committee pre-approval is also required for those engagements that may arise during the course of the year that are outside the scope of the initial services and fees pre-approved by the Audit Committee.

The services related to Audit-Related Fees, Tax Fees, and All Other Fees presented in the above table were approved by the Audit Committee pursuant to pre-approval provisions set forth in the applicable rules of the Commission without resort to a waiver of such pre-approval provisions.

PART IV

ITEM 15. Exhibits and Financial Statement Schedule

- (a) List of documents filed as part of this report or incorporated herein by reference:

(3) Exhibits:

EXHIBIT INDEX

- 10.1 [Termination Agreement, made as of March 6, 2018, by and between Specialized Technology Resources Solar \(Suzhou\) Co., Ltd. and Zhanjiagang Huhui SEGPV Co., Ltd. \(filed as Exhibit 10.1 to the Company's Current Report on Form 8-K, filed on April 2, 2018 and incorporated herein by reference\).](#)
- **31.1 [Certification of Chief Executive Officer pursuant to Securities Exchange Act rules 13a-14\(a\) and 15d-14\(a\), as adopted by Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- **31.2 [Certification of Chief Financial Officer pursuant to Securities Exchange Act rules 13a-14\(a\) and 15d-14\(a\), as adopted by Section 302 of the Sarbanes-Oxley Act of 2002.](#)

** Furnished herewith.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

STR HOLDINGS, INC.
(Registrant)

Dated: April 27, 2018

By: /s/ Robert S. Yorgensen
Name: Robert S. Yorgensen
Title: *Chairman, President and Chief Executive Officer*

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO
SECURITIES EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a), AS ADOPTED
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Robert S. Yorgensen, certify that:

1. I have reviewed this Amendment No. 1 on Form 10-K/A of STR Holdings, Inc.; and
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

Date: April 27, 2018

/s/ Robert S. Yorgensen

Name: Robert S. Yorgensen

Title: *Chairman, President and Chief Executive Officer
(Principal Executive Officer)*

**CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO
SECURITIES EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a), AS ADOPTED
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Thomas D. Vitro, certify that:

1. I have reviewed this Amendment No. 1 on Form 10-K/A of STR Holdings, Inc.; and
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

Date: April 27, 2018

/s/ Thomas D. Vitro
Name: Thomas D. Vitro
Title: *Vice President, Chief Financial Officer and Chief Accounting Officer
(Principal Financial Officer and Principal Accounting Officer)*