

## **Entech Solar, Inc.**

### **Related Party Transaction Policy and Procedures**

#### ***Policy***

It is the policy of Entech Solar, Inc. (the "Company") that all Interested Transactions with Related Parties (each as defined in this Policy) will be subject to the procedures set forth below. Accordingly, except as otherwise provided in the Policy, all Interested Transactions with Related Parties require prior approval of (a) the Board of Directors and the Audit Committee (the "Audit Committee") (acting in each case by a majority of the directors then in office who have no interest in a proposed Interested Transaction) or (b) the Board of Directors (acting as above) and a committee of not less than two Independent Directors appointed by the Board of Directors who have no interest in the proposed Interested Transaction being considered (a "Special Committee), in each case, following full disclosure in accordance with the procedures set forth in Section 144(a)(1) of the Delaware General Corporation Law and those set forth below. This policy is intended to supplement the Company's Code of Ethics, which also is applicable to Related Parties and is not limited by this policy.

#### ***Procedures***

The Board of Directors and either the Audit Committee or a Special Committee shall review the material facts of all Interested Transactions that require approval in accordance with this Policy and either approve or disapprove of the entry into the Interested Transaction, subject to the exceptions described below. In determining whether to approve an Interested Transaction, the Board of Directors, the Audit Committee and the Special Committee, as applicable, will take into account, among other factors each deems appropriate, whether the Interested Transaction is on terms no less favorable than terms generally available to an unaffiliated third-party under the same or similar circumstances and the extent of the Related Party's interest in the transaction.

The Board of Directors has reviewed the Interested Transactions described below in the section captioned "Standing Pre-Approval for Certain Interested Transactions" and determined that each of the Interested Transactions described therein shall be deemed to be pre-approved under the terms of this Policy. In connection with each scheduled meeting of the Board of Directors, a summary of each new Interested Transaction deemed pre-approved pursuant to paragraph (4) or (5) under "Standing Pre-Approval for Certain Interested Transactions" below shall be provided to the Board of Directors for its review.

If an Interested Transaction will be ongoing, the Board of Directors may establish guidelines for the Company's management to follow in its ongoing dealings with the Related Party. Thereafter, the Board of Directors shall periodically review and assess ongoing relationships with the Related Party to see that they are in compliance with such guidelines and that the Interested Transaction remains appropriate.

### ***Definitions***

An "Interested Transaction" is any transaction, arrangement or relationship or series of similar transactions, arrangements or relationships (including any indebtedness or guarantee of indebtedness) in which (1) the aggregate amount involved will or may be expected to exceed \$120,000 in any calendar year, (2) the Company is a participant, and (3) any Related Party has or will have a direct or indirect interest (other than solely as a result of being a director or a less than 10 percent beneficial owner of another entity).

A "Related Party" is any (a) person who is or was (since the beginning of the last fiscal year for which the Company has filed a Form 10-K and proxy statement, even if they do not currently serve in that role) an executive officer, director or nominee for election as a director, (b) greater than 5 percent beneficial owner of the Company's common stock, or (c) immediate family member of any of the foregoing. Immediate family member includes a person's spouse, parents, stepparents, children, stepchildren, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, and brothers- and sisters-in-law and anyone residing in such person's home (other than a tenant or employee).

An "Independent Director" means a person meeting the requirements set forth in Rule 4200(a)(15) of The Nasdaq Stock Market, LLC.

### ***Standing Pre-Approval for Certain Interested Transactions***

The Board of Directors has reviewed the types of Interested Transactions described below and determined that each of the following Interested Transactions shall be deemed to be pre-approved for purposes of this Policy, even if the aggregate amount involved will exceed \$120,000.

1. ***Executive officer compensation.*** Any compensation paid by the Company to an executive officer if the compensation is required to be reported in the Company's proxy statement under Item 402 of Regulation S-K (generally applicable to "named executive officers") or, if the executive officer is not an immediate family member of another executive officer or director of the Company, the related compensation would be reported in the Company's proxy statement under Item 402 of Regulation S-K if the executive officer was a "named executive officer" and the related compensation has been approved, or recommended for approval by the Board of Directors, by the Company's Compensation Committee.

2. ***Director compensation.*** Any compensation paid by the Company to a director if the compensation is required to be reported in the Company's proxy statement under Item 402 of Regulation S-K.

3. ***Certain transactions with other companies.*** Any transaction with another company at

which a Related Party's only relationship is as an employee, director or beneficial owner of less than 10% of that company's equity interests, if the aggregate amount involved does not exceed the lesser of \$250,000, or 2 percent of that company's total annual revenue.

4. ***Certain Company charitable contributions.*** Any charitable contribution or grant by the Company to a charitable organization, foundation or university (a) at which a Related Party's only relationship is as an employee or a director, if the aggregate amount involved does not exceed the lesser of \$10,000, or 2 percent of the charitable organization's total annual receipts or (b) pursuant to any matching program maintained by the Company that is available on a broad basis to employees generally.

5. ***Transactions where all security holders receive proportional benefits.*** Any transaction where the Related Party's interest arises solely from the ownership of the Company's common stock or other securities and all holders of the Company's common stock or such other securities are entitled to receive the same benefit on a *pro rata* basis (e.g. dividends, interest payments or anti-dilution rights).

#### ***Amendment***

The Board of Directors may amend or otherwise modify this Policy from time to time with the approval of a majority of the Independent Directors.