

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report: November 18, 2021
(Date of earliest event)

Turtle Beach Corporation

(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction
of incorporation)

001-35465
(Commission
File Number)

27-2767540
(IRS Employer
Identification No.)

44 South Broadway, 4th Floor
White Plains, New York
(Address of principal executive offices)

10601
(Zip code)

(888) 496-8001
Registrant's telephone number, including area code

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934:

Title of each class
Common Stock, par value \$0.001

Trading Symbol(s)
HEAR

Name of each exchange on which registered
The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter):

Emerging growth 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.

Item 1.01. Entry into a Material Definitive Agreement.

On November 18, 2021, the Board of Directors (the "Board") of Turtle Beach Corporation (the "Company") approved the Company's Amended and Restated Retention Plan (the "Amended Plan"), which is intended to align those severance benefits to those offered to other executive team employees by peer companies and best practice based on a peer review and assessment report prepared by Compensia, Inc., an executive compensation consulting firm, for the Compensation Committee, and replaces the prior retention plan. Participation in the Amended Plan is open to any employee of the Company who is designated by the Board as being covered by the Amended Plan.

The Amended Plan provides that if a participant is terminated by the Company without Cause or a participant terminates his or her employment for Good Reason (as those terms are defined in the Amended Plan) during the one-year period following a Change in Control, then, subject to the participant's

execution and non-revocation of a general release, the participant will be entitled to: (i) payment of any portion of the participant's annual bonus under the Company's Management Incentive Plan for the calendar year prior to the one in which the Transaction Date occurs that has not been paid prior to the participant's termination date; (ii) a lump-sum payment equal to the participant's Target Bonus for the year of termination multiplied by (x) the greater of 50% or the percentage of such year that the participant was employed by the Company, or (y) 100% if the participant is further designated by the Board as an "extended participant"; (iii) continuation of the participant's Base Pay for six (6) months (or twelve (12) months if an extended participant) from the termination date of the participant's employment in accordance with the Company's ordinary payroll practices; (iv) if the participant elects coverage under COBRA, reimbursement for the full amount of premiums for such continuation coverage for a period of six (6) months (or twelve (12) months if an extended participant); provided, that, if a participant is entitled to severance benefits under such participant's employment agreement, then the participant will only be entitled to the larger benefit for each of the items above as between the severance benefits in such employment agreement and under the Amended Plan, but not both.

The Amended Plan defines "Changes in Control" as any of the following events occurring after the date of the Amended Plan: (a) a "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act), other than a trustee or other fiduciary holding securities under an employee benefit plan of the Company or a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company, is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 50% or more of the combined voting power of the Company's then outstanding securities; (b) the Company merges or consolidates with any other corporation, other than in a merger or consolidation that would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) directly or indirectly, at least 50% of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation; or (c) the sale or other disposition of all or substantially all of the Company's assets. Notwithstanding anything in the Amended Plan to the contrary, no event that would be a Change in Control as defined in the Amended Plan shall be a Change in Control unless such event also constitutes a "change in control event" as defined in Section 409A of the Internal Revenue Code of 1986, as amended, and its corresponding regulations.

The foregoing description of the Amended Plan is qualified in its entirety by reference to the Amended Plan, which is filed herewith as Exhibit 10.1 and incorporated herein by reference.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

The information included in Item 1.01 of this Current Report on Form 8-K is incorporated by reference into this Item 5.02.

On November 19, 2021, the Company entered into a letter agreement (the "Letter Agreement"), with John Hanson, the Company's Chief Financial Officer, to grant Mr. Hanson participation in the Amended Plan as an extended participant. Accordingly, the Letter Agreement provides that if Mr. Hanson's employment is terminated by the Company without Cause or if Mr. Hanson terminates his employment for Good Reason (as those terms are defined in the Amended Plan) during the one-year period following a Change in Control, then, subject to his execution and non-revocation of a general release, Mr. Hanson will be entitled to: (i) payment of any portion of his annual bonus under the Company's Management Incentive Plan for the calendar year prior to the one in which the Transaction Date occurs that has not been paid prior to his termination date; (ii) a lump-sum payment equal his Target Bonus for the year of termination; (iii) continuation of his Base Pay for twelve (12) from the termination date of his employment in accordance with the Company's ordinary payroll practices; (iv) if he elects coverage under COBRA, reimbursement for the full amount of premiums for such continuation coverage for a period of twelve (12) months; provided, that, if he is entitled to severance benefits under his employment agreement, then he will only be entitled to the larger benefit for each of the items above as between the severance benefits in such employment agreement and under the Amended Plan, but not both.

The foregoing description of the Letter Agreement does not purport to be complete and is subject to, and qualified in its entirety by reference to, the full text of the Letter Agreement, a copy of which is attached hereto as Exhibit 10.2 and incorporated herein by reference.

Item 9.01 — Financial Statements and Exhibits

(d) Exhibits

Exhibit

No.	Description
10.1	Turtle Beach Corporation Amended and Restated Retention Plan, dated November 18, 2021
10.2	Letter Agreement between Turtle Beach Corporation and John Hanson dated November 19, 2021
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereto duly authorized.

Dated: November 19, 2021

TURTLE BEACH CORPORATION

By: /S/ JOHN T. HANSON

John T. Hanson

Chief Financial Officer, Treasurer and Secretary

Turtle Beach Corporation
Amended and Restated Retention Plan
Plan Document

ARTICLE I

PURPOSE

The purpose of the Turtle Beach Corporation (the "Company") Retention Plan (this "Plan") is to encourage the continued employment of certain employees of the Company in the event of a Change in Control.

ARTICLE II

DEFINITIONS

"Administrator" means the committee appointed by the Board to administer the Plan.

"Base Pay" means the Participant's annual base salary at the rate in effect as of the day prior to his or her termination of employment.

"Board" means the Board of Directors of the Company.

"Cause" shall have the meaning ascribed to it in a Participant's employment or consulting agreement or, if no employment or consulting agreement is in effect or if "cause" is not defined therein, "Cause" shall mean: (a) the Participant's conviction of or plea of guilty or nolo contendere to a felony; (b) a determination by the Board that the Participant committed fraud, misappropriation or embezzlement against any person; (c) the Participant's material breach of the terms of any material written agreement with the Company or any affiliate to which Participant is a party; (d) the Participant's willful misconduct or gross neglect in performance of Participant's duties; or (e) the Participant's failure or refusal to carry out material responsibilities reasonably assigned by the Board or the Company's Chief Executive Officer to the Participant; provided, however, that with respect to subsections (c), (d) and (e) above, Cause will only be deemed to occur after written notice to the Participant of such action or inaction giving rise to Cause and the failure by the Participant to cure such action or inaction (which is capable of cure) within 30 days after written notice.

"Change in Control" means, any of the following events occurring after the date hereof: (a) a "person" (as such term is used in Sections 13(d) and 14(d) of the 1934 Act), other than a trustee or other fiduciary holding securities under an employee benefit plan of the Company or a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company, is or becomes the "beneficial owner" (as defined in Rule 13D-3 under the 1934 Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the combined voting power of the Company's then outstanding securities; (b) the Company merges or consolidates with any other corporation, other than in a merger or consolidation that would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) directly or indirectly, at least fifty percent (50%) of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation; or (c) the sale or other disposition of all or substantially all of the Company's assets. Notwithstanding anything in the Plan to the contrary, no event that would be a Change in Control as defined above shall be a

Change in Control unless such event also constitutes a “change in control event” as defined in Section 409A.

“Good Reason” shall have the meaning ascribed to it in a Participant’s employment or consulting agreement or, if no employment or consulting agreement is in effect or if “good reason” is not defined therein, “Good Reason” shall mean: (a) a material diminution, without a Participant’s consent, in such Participant’s title, duties or responsibilities as in effect immediately before such diminution; (b) a material breach by the Company of any written employment agreement between a Participant and the Company; (c) a material reduction in a Participant’s base salary or target bonus opportunity by the Company or (d) the relocation of Participant’s primary office location more than 50 miles from the original office location; in each case, after written notice to the Company thereof and the Company’s failure to remedy such diminution, breach, reduction or relocation within 30 days thereafter and where the Participant actually terminates employment within 60 days after the expiration of such cure period.

“1934 Act” means the Securities Exchange Act of 1934, as amended, and the rules promulgated thereunder.

“Participant” means an employee of the Company who is designated by the Board as being covered by the Plan and executes a retention plan letter agreement in form and substance satisfactory to the Company.

“Section 409A” means section 409A of the Internal Revenue Code of 1986, as amended, and its corresponding regulations

“Target Bonus” means a Participant’s annual target bonus under the Company’s Management Incentive Plan for the calendar year in which the Transaction Date occurs.

“Transaction Date” means the date upon which a Change in Control occurs.

ARTICLE III

ELIGIBILITY

Any employee of the Company designated in writing by the Board is eligible to participate in the Plan.

ARTICLE IV

SEVERANCE

If a Participant is terminated by the Company without Cause or a Participant terminates his or her employment for Good Reason during the one year period following a Change in Control, then subject to the Participant’s execution and non-revocation of a general release in form and substance satisfactory to the Company, the Participant will be entitled to the following: (i) payment of any portion of the Participant’s annual bonus under the Company’s Management Incentive Plan for the calendar prior to the one in which the Transaction Date occurs that has not been paid prior to the Participant’s termination date; (ii) a lump-sum payment equal to the Participant’s Target Bonus for the year of termination multiplied by (x) the greater of 50% or the percentage of such year that the Participant was employed by the Company, or (y) 100% if the Participant is further

designated by the Board as an “Extended Participant”; (iii) continuation of the Participant’s Base Pay for six (6) months (or twelve (12) months if an Extended Participant) from the termination date of the Participant’s employment in accordance with the Company’s ordinary payroll practices; (iv) if the Participant elects coverage under COBRA, reimbursement for the full amount of premiums for such continuation coverage for a period of six (6) months (or twelve (12) months if an Extended Participant); provided, that, if a Participant is entitled to severance benefits under such Participant’s employment agreement, then the Participant shall only be entitled to the larger benefit for each of the items above as between the severance benefits in such employment agreement and under this Plan, but not both.

ARTICLE V

ADMINISTRATION

The Administrator shall administer the Plan and shall have the power to implement, operate and interpret the Plan in its discretion and, further, to take such other action as the Administrator deems appropriate under the circumstance in light of the purpose of the Plan, including, but not limited to, substituting the severance benefits under Article IV with payments or benefits of reasonably equivalent value. In all cases, the rights and benefits of Participants under the Plan shall be governed solely by the terms and conditions of the Plan. Interpretation and application of the Plan, including the construction of all Plan provisions and the determination of eligibility for benefits, shall be made by the Administrator, and are within the Administrator’s sole and absolute discretion.

ARTICLE VI

MISCELLANEOUS

6.1. Amendment. Prior to the Transaction Date, the Plan may be amended at any time by the Administrator. On or after Transaction Date, the Plan may not be amended.

6.2. Termination. Prior to the Transaction Date, the Company may terminate the Plan at any time by providing written notice to the Participants. If the Plan is terminated, then no Participant shall be entitled to any payments hereunder.

6.3. Withholding. The Company shall have the right to reduce any payment under the Plan to satisfy any requirement under federal, state, local or other applicable law to withhold taxes or otherwise make deductions from any benefit payable under the Plan. Except as specifically provided otherwise in the Plan, each Participant shall be responsible for all taxes applicable to amounts payable under the Plan.

6.4. Right to Employment; Entire Agreement. Nothing in the Plan shall be construed as giving any Participant the right to continue in the employment of the Company. Nothing in the Plan shall diminish the Company’s right to terminate a Participant’s employment at any time for any reason. The Plan (and the retention plan letter agreement executed by each Participant) constitutes the entire understanding and agreement between the Company and each Participant concerning the subject matter hereof. The Plan supersedes all prior written or oral agreements or understandings existing between the Parties concerning the subject matter hereof.

6.5. Successors; No Assignment. The provisions of the Plan are legally binding upon and will inure to the benefit of Company and their respective successors and assigns. A Participant may not, except by the laws of descent and distribution, alienate, assign, transfer or otherwise encumber any of his or her benefits under the Plan for any purpose whatsoever, and any attempt to do so shall be disregarded as null and void.

6.6. Governing Law and Construction. The Plan shall be construed in accordance with the law of the State of California, without regard to conflict of laws provisions, to the extent not preempted by federal law.

6.7. Section 409A. The Plan is intended to comply with Section 409A, or an exemption thereto. Payments may only be made under the Plan upon an event and in a manner permitted by Section 409A, to the extent applicable, and payments to be made upon a termination of employment may only be made upon a "separation from service" under Section 409A. In no event may a Participant, directly or indirectly, designate the calendar year of a payment, and, if required by Section 409A, if a payment that is subject to execution of a general release could be made in more than one calendar year, based on timing of the execution of the general release, payment shall be made in the later calendar year. Notwithstanding the foregoing, although the Company has made every effort to ensure that the payments provided under the Plan comply with, or are exempt from, Section 409A, in no event shall the Company be liable for all or any portion of any taxes, penalties, interest, or other expenses that may be incurred by the Participant on account of non-compliance with Section 409A. Notwithstanding anything in the Plan to the contrary, if a Participant is a "specified employee" of a publicly traded corporation (within the meaning of Section 409A) and if payment of any amount under the Plan is required to be delayed for a period of six (6) months after separation from service pursuant to Section 409A, payment of such amount shall be delayed as required by Section 409A, and the accumulated postponed amount shall be paid in a lump sum payment within ten (10) days after the end of the six (6) month period (or within sixty (60) days after death, if earlier).

Adopted this 18th day of November, 2021.



November 19, 2021

PERSONAL AND CONFIDENTIAL

Dear John Hanson:

Turtle Beach Corporation (the "Company") is pleased to offer you participation in the Turtle Beach Corporation Retention Plan attached hereto as Exhibit A (the "Plan") as an Extended Participant. Capitalized terms not defined herein shall be defined as set forth in the Plan.

As a participant in the Plan, you may be eligible for enhanced benefits relating to severance payments if the Company has a Change in Control. Your right to the enhanced benefits provided for under the Plan is subject to the terms and conditions of the Plan. As set forth in the Plan, the Company may, at its sole discretion, amend or terminate the Plan and any payments or benefits provided under the Plan at any time prior to a Change in Control.

The terms of the Plan and your participation in the Plan are strictly confidential matters. You shall not disclose any information concerning such matters to any person except your attorney, your accountant and your immediate family.

Please acknowledge your participation in the Plan and your agreement to the terms and conditions of the Plan by signing this letter. Please keep this letter with your copy of the Plan for your records. If you have any questions about the Plan, please do not hesitate to contact me.

Very truly yours,

/s/ Juergen Stark

By: Juergen Stark, CEO

ACKNOWLEDGED AND ACCEPTED:

/s/ John Hanson

Date: November 19, 2021