

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 (Date of Earliest Event Reported): June 17, 2023

**TURTLE BEACH CORPORATION**

(Exact Name of Registrant as Specified in Its Charter)

001-35465

(Commission File Number)

Nevada

(State or Other Jurisdiction of Incorporation)

27-2767540

(I.R.S. Employer Identification No.)

44 South Broadway, 4th Floor  
White Plains, New York 10601

(Address of principal executive offices, including 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:

- 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 Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.001	HEAR	The Nasdaq Global Market
Preferred Stock Purchase Rights	N/A	The Nasdaq Global Market

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 June 17, 2023, Turtle Beach Corporation (the “Company”) entered into a Waiver of Replacement Rights Agreement (the “Waiver”) with The Donerail Group LP (“Donerail”), SCW Capital Management, LP (“SCW”) and the other parties named therein (collectively with Donerail and SCW, the “Donerail Group”).

The Company previously entered into a Cooperation Agreement, dated May 13, 2022, with the Donerail Group (the “Cooperation Agreement”). The Cooperation Agreement provides that Donerail, subject to certain conditions, will maintain certain rights to designate candidates (each a “Replacement Director”) to replace one of its appointees to the Board should any of those appointees cease to serve as a member of the Board during the term of the Cooperation Agreement. The Cooperation Agreement further provides that any Replacement Director shall be appointed to any committee of the Board of which the departing director was a member immediately prior to his/her ceasing to serve on the Board.

As previously announced by the Company, on May 12, 2023, Brian Stech informed the Company that he will not stand for re-election to the Board at the Company’s 2023 Annual Meeting of Shareholders (the “2023 Annual Meeting”). Mr. Stech will continue to serve as a director until the expiration of his current term at the 2023 Annual Meeting. Pursuant to the Cooperation Agreement and subject to its terms, Donerail has the right to designate a Replacement Director to replace Mr. Stech at the expiration of his current term as a director and as a member of any committee of the Board on which Mr. Stech serves.

Pursuant to the Waiver, Donerail agreed to waive its right to designate a Replacement Director to replace Mr. Stech, and in lieu of a Replacement Director being appointed to any committee of the Board of which Mr. Stech is a member, William Wyatt shall be appointed to such committees to fill the vacancies resulting from Mr. Stech not standing for re-election.

The foregoing description of the Waiver does not purport to be complete and is qualified in its entirety by reference to the Waiver, a copy of which is filed as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference.

**Item 7.01. Regulation FD.**

On June 22, 2023, the Company issued a press release announcing the Waiver. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

The information in this Item 7.01 is being furnished pursuant to Regulation FD and no part shall be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, regardless of any general incorporation language in such filing, except as shall be expressly set forth by specific reference in such filing.

**Item 9.01. Financial Statements and Exhibits.****(d) Exhibits.**

<b>Exhibit No.</b>	<b>Description</b>
<a href="#">10.1</a>	Waiver of Replacement Rights Agreement, dated June 17, 2023, by and among Turtle Beach Corporation, The Donerail Group LP and the other parties thereto.
<a href="#">99.1</a>	Press release dated June 22, 2023
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, hereunto duly authorized.

Dated: June 22, 2023

TURTLE BEACH CORPORATION

By: /s/ JOHN T. HANSON

**John T. Hanson**  
**Chief Financial Officer, Treasurer and Secretary**

## WAIVER OF REPLACEMENT RIGHTS AGREEMENT

Reference is hereby made to that certain Cooperation Agreement (the "Agreement"), dated as of May 13, 2022, by and among Turtle Beach Corporation, a Nevada corporation (the "Company"), on the one hand, and The Donerail Master Fund, LP, a Cayman Islands limited partnership ("Donerail Master Fund"), The Donerail Group LP, a Delaware limited partnership ("Donerail Group"), William Wyatt, The Harbert Donerail Fund GP LLC, a Delaware limited liability company ("Donerail Master GP"), The Donerail Group GP LLC, a Delaware limited liability company ("Donerail Group GP"), Harbert Fund Advisors, Inc., an Alabama corporation ("HFA"), Harbert Management Corporation, an Alabama corporation ("HMC"), SCW Capital, LP, a Texas limited partnership ("SCW Capital"), SCW Capital QP, LP, a Texas limited partnership ("SCW QP"), SCW Capital Management, LP, a Texas limited partnership ("SCW Management"), Trinity Investment Group, LLC, a Delaware limited liability company ("Trinity"), and Robert Cathey (collectively with Donerail Master Fund, Donerail Group, Mr. Wyatt, Donerail Master GP, Donerail Group GP, HFA, HMC, SCW Capital, SCW QP, SCW Management and Trinity, the "Donerail Parties" and each, a "Donerail Party"), on the other hand. Capitalized terms that are not defined herein shall have the same meanings given to such terms in the Agreement.

WHEREAS, on May 12, 2023, Brian Stech informed the Company that he will not stand for re-election to the Board of Directors of the Company (the "Board") at the Company's 2023 Annual Meeting of Shareholders;

WHEREAS, pursuant to Section 1.3(c)(i) of the Agreement, the parties to the Agreement shall identify and appoint a Replacement Director for Mr. Stech, and pursuant to Section 1.3(c)(ii) of the Agreement, such Replacement Director shall be appointed to any applicable committee of the Board of which Mr. Stech is a member immediately prior to his ceasing to serve on the Board (collectively, the "Replacement Rights"); and

WHEREAS, the Donerail Group wish to waive the Replacement Rights with respect to any Replacement Director for Mr. Stech.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound hereby, agree as follows:

1. The Donerail Group hereby permanently waives the Replacement Rights with respect to the seat on the Board currently held by Mr. Stech, and in lieu of a Replacement Director being appointed to any applicable committee of the Board of which Mr. Stech is a member immediately prior to his ceasing to serve on the Board, William Wyatt shall be appointed to such committees to fill any vacancy on such committee resulting from Mr. Stech not standing for re-election.

2. This Waiver of Replacement Rights Agreement ("Waiver") may be executed in one or more textually identical counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. Signatures to this Waiver transmitted by facsimile transmission, by electronic mail in "portable document format" (".pdf") form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document (including any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com), shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

[Signature pages follow]

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**THE COMPANY:**

Turtle Beach Corporation

By: /s/ John T. Hanson  
Name: John T. Hanson  
Title: Chief Financial Officer, Treasurer and Secretary

*[Signature page to Waiver of Replacement Rights]*

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IN WITNESS WHEREOF, the undersigned have executed this Waiver of Replacement Rights this 16<sup>th</sup> day of June 2023.

**THE DONERAIL PARTIES:**

The Donerail Master Fund, LP

By: The Donerail Group LP, its investment manager

By: /s/ William Wyatt

Name: William Wyatt

Title: Managing Partner

The Donerail Group LP

By: /s/ William Wyatt

Name: William Wyatt

Title: Managing Partner

William Wyatt

/s/ William Wyatt

The Harbert Donerail Fund GP LLC

By: /s/ William Wyatt

Name: William Wyatt

Title: Senior Managing Director

The Donerail Group GP LLC

By: /s/ William Wyatt

Name: William Wyatt

Title: Authorized Signatory

Harbert Fund Advisors, Inc.

By: /s/ John F. Bryant

Name: John F. Bryant

Title: Executive Vice President and Senior Managing Director

[Signature page to Waiver of Replacement Rights]

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**THE DONERAIL PARTIES:**

Harbert Management Corporation

By: /s/ John F. Bryant  
Name: John F. Bryant  
Title: Executive Vice President and Senior Managing Director

SCW Capital, LP

By: Trinity Investment Group, LLC, its investment manager

By: /s/ Robert Cathey  
Name: Robert Cathey  
Title: Managing Member

SCW Capital QP, LP

By: Trinity Investment Group, LLC, its investment manager

By: /s/ Robert Cathey  
Name: Robert Cathey  
Title: Managing Member

SCW Capital Management, LP

By: Trinity Investment Group, LLC, its investment manager

By: /s/ Robert Cathey  
Name: Robert Cathey  
Title: Managing Member

Trinity Investment Group, LLC

By: /s/ Robert Cathey  
Name: Robert Cathey  
Title: Managing Member

Robert Cathey

/s/ Robert Cathey

[Signature page to Waiver of Replacement Rights]



## **Turtle Beach Board of Directors Takes Additional Steps to Optimize Governance Best Practices**

Amends the Cooperation Agreement with Donerail; William Wyatt to be Added to Additional Governance Committees and Waives Replacement Rights for Outgoing Director

Highlights Significant Recent Improvements Made by the Refreshed Turtle Beach Board of Directors in Furtherance of Its Commitment for Best-in-Class Corporate Governance

WHITE PLAINS, N.Y. –(BUSINESS WIRE)–June 22, 2023– Turtle Beach Corporation (Nasdaq: HEAR, the "Company"), a leading gaming headset and audio accessory brand, continues to take actions to further its mission for best-in-class Corporate Governance.

The Board of Directors ("Board") announced today a waiver agreement under the May 13, 2022, Cooperation Agreement signed between the Board and one of its largest shareholders, The Donerail Group ("Donerail"). In the mutually agreed-upon waiver, Donerail has elected to waive its right to replace an outgoing director, Brian Stech, who has announced his decision not to stand for re-election at the Company's 2023 Annual Meeting. Mr. Stech is graciously thanked for his time and contribution to Turtle Beach over the past year.

In conjunction with this announcement, Mr. Wyatt, in his capacity as shareholder representative, will be added to the CEO Search Committee and the Compensation Committee in addition to the previously announced appointment of Mr. Wyatt to the Value Enhancement Committee of the Board.

This is the latest step that the Board has taken to demonstrate its commitment to best-in-class corporate governance.

In recent months, the Turtle Beach Board has taken the following actions:

- Separated the Chair and CEO roles effectively May 1, 2023 with the appointment of Terry Jimenez as Chairman of the Board
  - Appointed a new Chairperson to each ongoing committee - all of whom are women
    - Katie Scherping, Audit Committee Chair
    - Michelle Wilson, Compensation Committee Chair
    - Julia Sze, Nominating and Governance Committee Chair
  - Completed a majority refreshment of the Turtle Beach Board members
    - Majority of members have been with the Board less than fifteen months
  - Completed significant improvements in the diversity of the Board
  - Appointed a large shareholder as a Board member
  - Announced an early termination of the shareholder rights plan some nine months ahead of schedule
  - Waiver by Donerail Group of their board replacement rights (as described above)
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These changes come in addition to the recent administrative changes completed recently:

- Announced new Interim CEO to start July 1, 2023
- The Company has made a change in auditors to EY (Ernst & Young)
- The company has additionally made a change in its Financial Advisor, which advises the Company and the Board on market conditions and strategic alternatives

The Turtle Beach Board will continue to strive for governance best practices and will provide associated updates as they develop.

#### **About Turtle Beach Corporation**

Turtle Beach Corporation (the "Company") ([www.turtlebeachcorp.com](http://www.turtlebeachcorp.com)) is one of the world's leading gaming accessory providers. The Company's namesake Turtle Beach brand ([www.turtlebeach.com](http://www.turtlebeach.com)) is known for designing best-selling gaming headsets, top-rated game controllers, and groundbreaking gaming simulation accessories. Innovation, first-to-market features, a broad range of products for all types of gamers, and [top-rated customer support](#) have made Turtle Beach a fan-favorite brand and the market leader in console gaming audio for over a decade. Turtle Beach's ROCCAT brand ([www.ROCCAT.com](http://www.ROCCAT.com)) combines detail-loving German innovation with a genuine passion for designing the best PC gaming products, including award-winning keyboards, mice, headsets, mousepads, and other PC Accessories. Turtle Beach's shares are traded on the Nasdaq Exchange under the symbol: HEAR.

#### **Cautionary Note on Forward-Looking Statements**

This press release includes forward-looking information and statements within the meaning of the federal securities laws. Except for historical information contained in this release, statements in this release may constitute forward-looking statements regarding assumptions, projections, expectations, targets, intentions, or beliefs about future events. Statements containing the words "may", "could", "would", "should", "believe", "expect", "anticipate", "plan", "estimate", "target", "goal", "project", "intend" and similar expressions, or the negatives thereof, constitute forward-looking statements. Forward-looking statements involve known and unknown risks and uncertainties, which could cause actual results to differ materially from those contained in any forward-looking statement. The inclusion of such information should not be regarded as a representation by the Company, or any person, that the objectives of the Company will be achieved. Forward-looking statements are based on management's current beliefs and expectations, as well as assumptions made by, and information currently available to, management.

While the Company believes that its expectations are based upon reasonable assumptions, there can be no assurances that its goals and strategy will be realized. Numerous factors, including risks and uncertainties, may affect actual results and may cause results to differ materially from those expressed in forward-looking statements made by the Company or on its behalf. Some of these factors include, but are not limited to, risks related to inflationary pressures, logistic and supply chain challenges, the substantial uncertainties inherent in the acceptance of existing and future products, the difficulty of commercializing and protecting new technology, the impact of competitive products and pricing, general business and economic conditions, risks associated with the expansion of our business including the integration of any businesses we acquire and the

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integration of such businesses within our internal control over financial reporting and operations, our indebtedness, liquidity, and other factors discussed in our public filings, including the risk factors included in the Company's most recent Annual Report on Form 10-K, Quarterly Report on Form 10-Q, and the Company's other periodic reports filed with the Securities and Exchange Commission. Except as required by applicable law, including the securities laws of the United States and the rules and regulations of the Securities and Exchange Commission, the Company is under no obligation to publicly update or revise any forward-looking statement after the date of this release whether as a result of new information, future developments or otherwise.

All trademarks are the property of their respective owners.

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