

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: October 31, 2016
(Date of earliest event reported)

Turtle Beach Corporation

(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of
incorporation or organization)

001-35465
(Commission File
Number)

27-2767540
(I.R.S. Employer
Identification Number)

12220 Scripps Summit Drive, Suite 100
San Diego, California 92131
(Address of principal executive offices)

(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))

Item 1.01 - Entry into a Material Definitive Agreement.

Credit Agreement Amendments

On October 31, 2016, Turtle Beach Corporation, a Nevada corporation (the “Company”), entered into amendments (the “Credit Amendments”) to (i) its Loan, Guaranty and Security Agreement, dated March 31, 2014 (as amended, the “ABL Agreement”), by and among the Company, Voyetra Turtle Beach, Inc. (“VTB”), Turtle Beach Europe Limited (“TBE”), VTB Holdings, Inc., as guarantor (“VTBH,” and collectively with VTB and TBE, the “Obligors”), the financial institutions party thereto as lenders and Bank of America, N.A., as administrative agent, collateral agent and security trustee for the lenders thereunder, and (ii) its Term Loan, Guaranty and Security Agreement, dated July 22, 2015 (as amended, the “Term Loan Agreement,” and together with the ABL Agreement, the “Credit Agreements”), by and among the Company, the Obligors, Crystal Financial SPV LLC, Crystal Financial LLC, the other lenders party thereto from time to time and Crystal Financial LLC, as administrative agent, collateral agent and security trustee for the lenders thereunder.

The Credit Amendments were entered into in connection with the Company’s recently announced restructuring of its HyperSounds business and provide, among other things, that (i) the existing loan availability blocks under the Credit Agreements be permanently reduced during certain specified periods, subject to certain conditions, (ii) the Company maintain revised cash flow levels, in the aggregate and with respect to its restructured HyperSound division, during each rolling four week period beginning with the period ended October 31, 2016 through (and including) the periods ending December 31, 2018 and September 30, 2017, respectively, and (iii) in the event the Company’s availability under the ABL Agreement is less than certain specified amounts, the Company must obtain net proceeds equal to \$2 million from the issuance of a subordinated promissory note (the “Note”) to SG VTB Holdings, LLC, an affiliate of the Company (“SG VTB”).

Subordinated Promissory Note and Warrant

On October 31, 2016, in connection with entering into the Credit Amendments, the Company and SG VTB entered into the Note. The terms of the Note provide that in the event the Company’s availability under the ABL Agreement is less than certain specified amounts, the Company may, upon request, at any time until September 29, 2019 (the “Maturity Date”) require that SG VTB provide a \$2 million loan on the terms set forth in the Note (the “Funding”). If and when the Funding occurs, the Note will bear interest at a rate of either (i) LIBOR plus 10.5% per annum or (ii) 12.0%, dependent upon the Company’s compliance with certain financial covenants, in either case, until the Maturity Date. The Note is subordinated to all senior debt of the Company, including the Credit Agreements.

In addition, under the terms of the Note, if and when the Funding occurs, as additional consideration for SG VTB’s funding of the Note, the Company will issue to SG VTB a warrant (the “Warrant”) to purchase an amount of shares of the Company’s common stock (“Common Stock”) equal to 2.4% of the Company’s fully diluted shares outstanding at the time of the Funding at an exercise price equal to the closing price of the Common Stock on NASDAQ on the date of the Funding. The exercise price and number of shares of Common Stock purchasable under the Warrant Agreement would be subject to adjustment in accordance with the terms of the Warrant and the Warrant would be exercisable for a period of ten years beginning on the date of issuance. The Warrant would not entitle SG VTB to any voting rights or other rights as a stockholder of the Company prior to the exercise of the Warrant. The shares of Common Stock issuable upon exercise of the Warrant will have the registration rights applicable to shares of Common Stock held by a “Stripes Stockholder” as set forth in that certain Stockholder Agreement, dated as of August 5, 2013, as amended, by and among the Company, SG VTB and the other parties thereto, as amended.

Security, Guaranty and Subordination Agreement Amendments

On October 31, 2016, in connection with the Company’s entering into the Credit Amendments and the Note, the Company and certain of its subsidiaries also entered into amendments to each of (i) its subordination agreement, by and among Bank of America, N.A., Crystal Financial LLC, SG VTB, the Company, VTB, TBE and VTBH (the “Subordination Agreement Amendment”), (ii) its Third Lien Continuing Guaranty, by and among the Company, VTB and VTBH (the “Guaranty Amendment”), and (iii) its Third Lien Security Agreement, by and among the Company, VTB and VTBH (the “Security Amendment”). Pursuant to the Subordination Agreement Amendment, the parties agreed that the Company’s obligations under the Note would be subordinate in right of payment to the payment in full of all the Company’s obligations under the Credit Agreements. Pursuant to the Guaranty Amendment and Security Amendment, VTB and VTBH guarantee and promise to pay to SG VTB, on demand and in immediately available funds, any and all obligations of the Company under the Note and granted to SG VTB a security interest upon all of their property, respectively.

The foregoing descriptions of the Credit Amendments, the Subordination Agreement Amendment, the Guaranty Amendment, the Security Amendment, the Note and the Warrant do not purport to be complete and are qualified in their entirety by the full text of such agreements, copies of which are attached hereto as Exhibits 10.1, 10.2, 10.3, 10.4, 10.5, 10.6 and 4.1, respectively.

Item 2.03 - Creation of a Direct Financial Obligation or an Obligation under an Off- Balance Sheet Arrangement of Registrant.

The information in Item 1.01 is hereby incorporated by reference into this Item 2.03.

Item 9.01 — Financial Statements and Exhibits

(d) Exhibits

Exhibit No.	Description
4.1	Form of Warrant
10.1	Eleventh Amendment to Loan, Guaranty and Security Agreement, dated as of October 31, 2016, by and among Turtle Beach Corporation, Voyetra Turtle Beach, Inc., Turtle Beach Europe Limited, VTB Holdings, Inc., the financial institutions party thereto and Bank of America, N.A., as administrative agent, collateral agent and security trustee for the lenders.
10.2	Fifth Amendment to Term Loan, Guaranty and Security Agreement, dated as of October 31, 2016, by and among Turtle Beach Corporation, Voyetra Turtle Beach, Inc., Turtle Beach Europe Limited, VTB Holdings, Inc., Crystal Financial SPV LLC, Crystal Financial LLC, the other financial institutions party thereto and Crystal Financial LLC as administrative agent, collateral agent and security trustee for the lenders.
10.3	Fifth Amendment to Term Loan, Guaranty and Security Agreement, dated as of October 31, 2016, by and among Turtle Beach Corporation, Voyetra Turtle Beach, Inc., Turtle Beach Europe Limited, VTB Holdings, Inc., Crystal Financial SPV LLC, Crystal Financial LLC, the other financial institutions party thereto and Crystal Financial LLC as administrative agent, collateral agent and security trustee for the lenders.
10.4	First Amendment to Third Lien Continuing Guaranty, dated as of October 31, 2016, by and among the Company, Voyetra Turtle Beach, Inc. and VTB Holdings, Inc.
10.5	First Amendment to Third Lien Security Agreement, dated as of October 31, 2016, by and among the Company, Voyetra Turtle Beach, Inc. and VTB Holdings, Inc.
10.6	Subordinated Promissory Note, dated October 31, 2016, by and between Turtle Beach Corporation and SG VTB Holdings, LLC

SIGNATURE

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.

TURTLE BEACH CORPORATION

Date: November 4, 2016

By: _____ /S/ JOHN T. HANSON

John T. Hanson
Chief Financial Officer, Treasurer and Secretary

THIS WARRANT, AND THE SECURITIES ISSUABLE UPON THE EXERCISE OF THIS WARRANT, HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY STATE SECURITIES LAWS. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, OR HYPOTHECATED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL (WHICH MAY BE COMPANY COUNSEL) REASONABLY SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE ACT, OR ANY APPLICABLE STATE SECURITIES LAWS.

WARRANT AGREEMENT

To Purchase Shares of Common Stock of

Turtle Beach Corporation

Dated as of [] (the "Effective Date")

WHEREAS, SG VTB Holdings, LLC, a Delaware limited liability company (the "Warrantholder") is providing a loan of \$2,000,000 (the "Loan") to Turtle Beach Corporation, a Nevada corporation (the "Company"), pursuant to a Subordinated Promissory Note, dated as of [], 2016 (the "Note");

WHEREAS, the Company desires to grant to Warrantholder, in consideration for, among other things, the Warrantholder's providing the Loan, the right to purchase shares of Common Stock (as defined below) pursuant to this Warrant Agreement (the "Agreement");

NOW, THEREFORE, in consideration of the Warrantholder providing the Loan, and in consideration of the mutual covenants and agreements contained herein, the Company and Warrantholder agree as follows:

SECTION 1. GRANT OF THE RIGHT TO PURCHASE COMMON STOCK.

For value received, the Company hereby grants to the Warrantholder, and the Warrantholder is entitled, upon the terms and subject to the conditions hereinafter set forth, to subscribe for and purchase, from the Company, an aggregate number of fully paid and non-assessable shares of the Common Stock equal to []¹. The Exercise Price (as defined below) of such shares is subject to adjustment as provided in Section 8. As used herein, the following terms shall have the following meanings:

"Act" means the Securities Act of 1933, as amended.

"Charter" means the Company's Articles of Incorporation, Certificate of Incorporation or other constitutional document, as may be amended from time to time.

"Common Stock" means the Company's common stock, \$0.001 par value per share;

"Exercise Price" means \$[]² per share of Common Stock;

"Liquid Sale" means the closing of a Merger Event in which the consideration received by the Company and/or its stockholders, as applicable, consists solely of cash and/or readily marketable securities.

"Merger Event" means any sale, lease or other transfer of all or substantially all assets of the Company or any reorganization, recapitalization, consolidation or merger (or similar transaction or series of related transactions) of the Company or any Subsidiary, sale or exchange of outstanding shares (or similar transaction or series of related transactions) of the Company or any Subsidiary in which the holders of the Company or Subsidiary's outstanding shares immediately before consummation of such transaction or series of related transactions do not, immediately after consummation of such transaction or series of related transactions, retain shares representing more than fifty percent (50%) of the voting powers of the surviving entity of such transaction or series of related transactions (or the parent of such surviving entity if such surviving entity is wholly owned by such parent), in each case without regard to whether the Company or Subsidiary is the

¹ 2.4% of the fully diluted shares of the company.

² To be the stock price as of the time the Warrant is issued.

surviving entity, provided that none of the following shall constitute a Merger Event: (i) any consolidation or merger effected exclusively to change the domicile of the Company or (ii) the sale and issuance by the Company of its equity securities to investors in a bona fide equity financing;

“Purchase Price” means, with respect to any exercise of this Agreement, an amount equal to the Exercise Price as of the relevant time multiplied by the number of shares of Common Stock requested to be exercised under this Agreement pursuant to such exercise.

“SEC” means the U.S. Securities and Exchange Commission.

SECTION 2. TERM OF THE AGREEMENT.

Except as otherwise provided for herein, the term of this Agreement and the right to purchase Common Stock as granted herein (the “Warrant”) shall commence on the Effective Date and shall be exercisable for a continuous period expiring on the tenth anniversary of the Effective Date.

SECTION 3. EXERCISE OF THE PURCHASE RIGHTS.

(a) Exercise. The purchase rights set forth in this Agreement are exercisable by the Warrantholder, in whole or in part, at any time, or from time to time, prior to the expiration of the term set forth in Section 2, by tendering to the Company at its principal office a notice of exercise in the form attached hereto as Exhibit I (the “Notice of Exercise”), duly completed and executed. Promptly upon receipt of the Notice of Exercise and the payment of the Purchase Price in accordance with the terms set forth below, and in no event later than three (3) days thereafter, the Company shall issue to the Warrantholder a certificate for the number of shares of Common Stock purchased and shall execute the acknowledgment of exercise in the form attached hereto as Exhibit II (the “Acknowledgment of Exercise”) indicating the number of shares which remain subject to future purchases, if any.

The Purchase Price may be paid at the Warrantholder’s election either (i) by cash or check, or (ii) by surrender of all or a portion of the Warrant for shares of Common Stock to be exercised under this Agreement and, if applicable, an amended Agreement representing the remaining number of shares purchasable hereunder, as determined below (“Net Issuance”). If the Warrantholder elects the Net Issuance method, the Company will issue Common Stock in accordance with the following formula:

$$X = \frac{Y(A-B)}{A}$$

Where: X = the number of shares of Common Stock to be issued to the Warrantholder.

Y = the number of shares of Common Stock requested to be exercised under this Agreement.

A = the fair market value of one (1) share of Common Stock at the time of issuance of such shares of Common Stock.

B = the Exercise Price.

For purposes of the above calculation, current fair market value of Common Stock shall mean with respect to each share of Common Stock:

(i)

(A) if the Common Stock is traded on a securities exchange, the fair market value shall be deemed to be the prior day closing price before the day the current fair market value of the securities is being determined; or

(B) if the Common Stock is traded over-the-counter, the fair market value shall be deemed to be the prior day closing price quoted on the

NASDAQ system (or similar system) before the day the current fair market value of the securities is being determined;

(ii) if at any time the Common Stock is not listed on any securities exchange or quoted in the NASDAQ National Market or the over-the-counter market, the current fair market value of Common Stock shall be determined in good faith by its Board of Directors, unless the Company shall become subject to a Merger Event, in which case the fair market value of Common Stock shall be deemed to be the per share value received by the holders of the Company's Common Stock on a common equivalent basis pursuant to such Merger Event.

Upon partial exercise by either cash or Net Issuance, the Company shall promptly issue an amended Agreement representing the remaining number of shares purchasable hereunder. All other terms and conditions of such amended Agreement shall be identical to those contained herein, including, but not limited to the Effective Date hereof.

(b) Exercise Prior to Expiration. To the extent this Agreement is not previously exercised as to all Common Stock subject hereto, and if the fair market value of one share of the Common Stock is greater than the Exercise Price then in effect, this Agreement shall be deemed automatically exercised pursuant to Section 3(a) (even if not surrendered) immediately before its expiration. For purposes of such automatic exercise, the fair market value of one share of the Common Stock upon such expiration shall be determined pursuant to Section 3(a). To the extent this Agreement or any portion thereof is deemed automatically exercised pursuant to this Section 3(b), the Company agrees to promptly notify the Warrantholder of the number of shares of Common Stock, if any, the Warrantholder is to receive by reason of such automatic exercise.

SECTION 4. RESERVATION OF SHARES.

During the term of this Agreement, the Company will at all times have authorized and reserved a sufficient number of shares of its Common Stock to provide for the exercise of the rights to purchase Common Stock as provided for herein, and shall have authorized and reserved a sufficient number of shares of its Common Stock to provide for the conversion of the shares of Common Stock issuable hereunder.

SECTION 5. NO FRACTIONAL SHARES OR SCRIP.

No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Agreement, but in lieu of such fractional shares the Company shall make a cash payment therefor upon the basis of the then fair market value of one share of Common Stock.

SECTION 6. NO RIGHTS AS STOCKHOLDER.

This Agreement does not entitle the Warrantholder to any voting rights or other rights as a stockholder of the Company prior to the exercise of this Agreement.

SECTION 7. WARRANTHOLDER REGISTRY.

The Company shall maintain a registry showing the name and address of the registered holder of this Agreement. Warrantholder's initial address, for purposes of such registry, is set forth below Warrantholder's signature on this Agreement. Warrantholder may change such address by giving written notice of such changed address to the Company.

SECTION 8. ADJUSTMENT RIGHTS.

The Exercise Price and the number of shares of Common Stock purchasable hereunder are subject to adjustment, as follows:

(a) Merger Event. In connection with a Merger Event that is a Liquid Sale, this Agreement shall, on and after the closing thereof, automatically and without further action on the part of any party or other person, represent the right to receive, in lieu of the shares of Common Stock that are issuable hereunder as of immediately prior to the closing of such Merger Event, the consideration payable on or in respect of such shares of Common Stock less the Purchase Price for all such shares of Common Stock (such consideration to include both the consideration payable at the closing of such Merger Event and all deferred consideration payable thereafter, if any, including, but not limited to, payments of amounts deposited at such closing into escrow and payments in the nature of earn-outs, milestone payments or other performance-based payments), and such Merger Event consideration shall be paid to the Warrantholder as and when it is paid to the holders of the outstanding shares of Common Stock. In connection with a Merger Event that is not a Liquid Sale, the Company shall cause the successor or surviving entity to assume this Agreement and the obligations of the Company hereunder on the closing thereof, and thereafter this Agreement shall be exercisable for the same number and type of securities or other property as the Warrantholder would have received in consideration for the shares of Common Stock issuable hereunder had it exercised this Agreement in full as of immediately prior to such closing, at an aggregate Exercise Price no greater than the aggregate Exercise Price in effect as of immediately prior to such closing, and subject to further adjustment from time to time in accordance with the provisions of this Agreement. The provisions of this Section 8(a) shall similarly apply to successive Merger Events.

(b) Reclassification of Shares. Except for a Merger Event subject to Section 8(a), and subject to Section 8(e), if the Company at any time shall, by combination, reclassification, exchange or subdivision of securities or otherwise, change any of the securities as to which purchase rights under this Agreement exist into the same or a different number of securities of any other class or classes, this Agreement shall thereafter represent the right to acquire such number and kind of securities as would have been issuable as the result of such change with respect to the securities which were subject to the purchase rights under this Agreement immediately prior to such combination, reclassification, exchange, subdivision or other change. The provisions of this Section 8(b) shall similarly apply to successive combination, reclassification, exchange, subdivision or other change.

(c) Subdivision or Combination of Shares. If the Company at any time shall combine or subdivide its Common Stock, (i) in the case of a subdivision, the Exercise Price shall be proportionately decreased and the number of shares of Common Stock issuable hereunder shall be proportionately increased, or (ii) in the case of a combination, the Exercise Price shall be proportionately increased and the number of shares of Common Stock issuable hereunder shall be proportionately decreased.

(d) Stock Dividends. If the Company at any time while this Agreement is outstanding and unexpired shall:

(i) pay a dividend with respect to the Common Stock payable in Common Stock, then the Exercise Price shall be adjusted, from and after the date of determination of stockholders entitled to receive such dividend or distribution, to that price determined by multiplying the Exercise Price in effect immediately prior to such date of determination by a fraction (A) the numerator of which shall be the total number of shares of Common Stock outstanding immediately prior to such dividend or distribution, and (B) the denominator of which shall be the total number of shares of Common Stock outstanding immediately after such dividend or distribution; or

(ii) make any other distribution with respect to Common Stock (or stock into which the Common Stock is convertible), except any distribution specifically provided for in any other clause of this Section 8, then, in each such case, provision shall be made by the Company such that the Warrantholder shall receive upon exercise or conversion of this Warrant a proportionate share of any such distribution as though it were the holder of the Common Stock (or other stock for which the Common Stock is

convertible) as of the record date fixed for the determination of the stockholders of the Company entitled to receive such distribution.

(e) Notice of Adjustments. If: (i) the Company shall declare any dividend or distribution upon its stock, whether in stock, cash, property or other securities; (ii) there shall be any Merger Event; (iii) the Company shall sell, lease, license or otherwise transfer all or substantially all of its assets; or (iv) there shall be any voluntary dissolution, liquidation or winding up of the Company; then, in connection with each such event, the Company shall send to the Warrantholder: (A) at least ten (10) days' prior written notice of the date on which the books of the Company shall close or a record shall be taken for such dividend, distribution, subscription rights (specifying the date on which the holders of Common Stock shall be entitled thereto) or for determining rights to vote in respect of such Merger Event, dissolution, liquidation or winding up; and (B) in the case of any such Merger Event, sale, lease, license or other transfer of all or substantially all assets, dissolution, liquidation or winding up, at least thirty (30) days' prior written notice of the date when the same shall take place (and specifying the date on which the holders of Common Stock shall be entitled to exchange their Common Stock for securities or other property deliverable upon such Merger Event, dissolution, liquidation or winding up).

Each such written notice shall set forth, in reasonable detail, (i) the event requiring the notice, and (ii) if any adjustment is required to be made, (A) the amount of such adjustment, (B) the method by which such adjustment was calculated, (C) the adjusted Exercise Price (if the Exercise Price has been adjusted), and (D) the number of shares subject to purchase hereunder after giving effect to such adjustment, and shall be given in accordance with Section 12(f) below.

SECTION 9. REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE COMPANY.

(a) Reservation of Common Stock. The Common Stock issuable upon exercise of the Warrantholder's rights has been duly and validly reserved and, when issued in accordance with the provisions of this Agreement, will be validly issued, fully paid and non-assessable, and will be free of any taxes, liens, charges or encumbrances of any nature whatsoever; provided, that the Common Stock issuable pursuant to this Agreement may be subject to restrictions on transfer under state and/or federal securities laws. The Company has made available to the Warrantholder true, correct and complete copies of its Charter and current bylaws. The issuance of certificates for shares of Common Stock upon exercise of this Agreement shall be made without charge to the Warrantholder for any issuance tax in respect thereof (other than income taxes of the Warrantholder), or other cost incurred by the Company in connection with such exercise and the related issuance of shares of Common Stock; provided, that the Company shall not be required to pay any tax which may be payable in respect of any transfer and the issuance and delivery of any certificate in a name other than that of the Warrantholder.

(b) Due Authority. The execution and delivery by the Company of this Agreement and the performance of all obligations of the Company hereunder, including the issuance to Warrantholder of the right to acquire the shares of Common Stock and the Common Stock into which it may be converted, have been duly authorized by all necessary corporate action on the part of the Company. This Agreement: (1) does not violate the Company's Charter or current bylaws; (2) does not contravene any law or governmental rule, regulation or order applicable to it; and (3) does not and will not contravene any provision of, or constitute a default under, any indenture, mortgage, contract or other instrument to which it is a party or by which it is bound. This Agreement constitutes a legal, valid and binding agreement of the Company, enforceable in accordance with its terms.

(c) Consents and Approvals. No consent or approval of, giving of notice to, registration with, or taking of any other action in respect of any state, federal or other governmental authority or agency is required with respect to the execution, delivery and performance by the Company of its obligations under this Agreement, except for the filing of notices pursuant to Regulation D under the Act

and any filing required by applicable state securities law, which filings will be effective by the time required thereby.

(d) Issued Securities. All issued and outstanding shares of Common Stock, Common Stock or any other securities of the Company have been duly authorized and validly issued and are fully paid and nonassessable. All outstanding shares of Common Stock, Common Stock and any other securities were issued in full compliance with all federal and state securities laws.

(e) Registration Rights. The Company agrees and acknowledges that the shares of Common Stock issued and issuable upon conversion of the shares of Common Stock issued and issuable upon exercise of this Warrant, and, at all times, the shares of Common Stock issued and issuable upon exercise of this Warrant, shall have the registration rights applicable to shares of Common Stock held by “Stripes Stockholder” as set forth in that certain Stockholder Agreement, dated as of August 5, 2013, by and among the Company, the Warrantholder and the other parties thereto, as amended.

(f) Exempt Transaction. Subject to the accuracy of the Warrantholder’s representations in Section 10, the issuance of the Common Stock upon exercise of this Agreement, and the issuance of the Common Stock upon conversion of the Common Stock, will each constitute a transaction exempt from (i) the registration requirements of Section 5 of the Act, in reliance upon Section 4(2) thereof, and (ii) the qualification requirements of the applicable state securities laws.

(g) Compliance with Rule 144. If the Warrantholder proposes to sell Common Stock issuable upon the exercise of this Agreement, in compliance with Rule 144 promulgated by the SEC, then, upon Warrantholder’s written request to the Company, the Company shall furnish to the Warrantholder, within ten days after receipt of such request, a written statement confirming the Company’s compliance with the filing requirements of the SEC as set forth in such Rule, as such Rule may be amended from time to time.

SECTION 10. REPRESENTATIONS AND COVENANTS OF THE WARRANTHOLDER.

This Agreement has been entered into by the Company in reliance upon the following representations and covenants of the Warrantholder:

(a) Investment Purpose. The right to acquire Common Stock is being acquired for investment and not with a view to the sale or distribution of any part thereof, and the Warrantholder has no present intention of selling or engaging in any public distribution of such rights or the Common Stock except pursuant to an effective registration statement or an exemption from the registration requirements of the Act.

(b) Private Issue. The Warrantholder understands (i) that the Common Stock issuable upon exercise of this Agreement is not registered under the Act or qualified under applicable state securities laws on the ground that the issuance contemplated by this Agreement will be exempt from the registration and qualifications requirements thereof, and (ii) that the Company’s reliance on such exemption is predicated on the representations set forth in this Section 10.

(c) Financial Risk. The Warrantholder has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment, and has the ability to bear the economic risks of its investment.

(d) Risk of No Registration. The Warrantholder understands that if the Company does not register with the SEC pursuant to Section 12 of the Securities Exchange Act of 1934, as amended (the “1934 Act”), or file reports pursuant to Section 15(d) of the 1934 Act, or if a registration statement covering the securities under the Act is not in effect when it desires to sell (i) the rights to purchase Common

Stock pursuant to this Agreement or (ii) the Common Stock issuable upon exercise of the right to purchase, it may be required to hold such securities for an indefinite period. The Warrantholder also understands that any sale of (A) its rights hereunder to purchase Common Stock or (B) Common Stock issued or issuable hereunder which might be made by it in reliance upon Rule 144 under the Act may be made only in accordance with the terms and conditions of that Rule.

(e) Accredited Investor. Warrantholder is an “accredited investor” within the meaning of SEC Rule 501 of Regulation D, as presently in effect.

SECTION 11. TRANSFERS.

Subject to compliance with applicable federal and state securities laws, this Agreement and all rights hereunder are transferable, in whole or in part, without charge to the holder hereof (except for transfer taxes) upon surrender of this Agreement properly endorsed, provided, however, that any successor transferee makes the representations and covenants set forth in Section 10 and agrees in writing to be bound by the covenants, terms and conditions of this Warrant. Each taker and holder of this Agreement, by taking or holding the same, consents and agrees that this Agreement, when endorsed in blank, shall be deemed negotiable, and that the holder hereof, when this Agreement shall have been so endorsed and its transfer recorded on the Company’s books, shall be treated by the Company and all other persons dealing with this Agreement as the absolute owner hereof for any purpose and as the person entitled to exercise the rights represented by this Agreement. The transfer of this Agreement shall be recorded on the books of the Company upon receipt by the Company of a notice of transfer in the form attached hereto as Exhibit III (the “Transfer Notice”), at its principal offices and the payment to the Company of all transfer taxes and other governmental charges imposed on such transfer. Until the Company receives such Transfer Notice, the Company may treat the registered owner hereof as the owner for all purposes.

SECTION 12. MISCELLANEOUS.

(a) Effective Date. The provisions of this Agreement shall be construed and shall be given effect in all respects as if it had been executed and delivered by the Company on the date hereof. This Agreement shall be binding upon any successors or assigns of the Company.

(b) Remedies. In the event of any default hereunder, the non-defaulting party may proceed to protect and enforce its rights either by suit in equity and/or by action at law, including but not limited to an action for damages as a result of any such default, and/or an action for specific performance for any default where Warrantholder will not have an adequate remedy at law and where damages will not be readily ascertainable.

(c) No Impairment of Rights. The Company will not, by amendment of its Charter or through any other means, avoid or seek to avoid the observance or performance of any of the terms of this Agreement, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate in order to protect the rights of the Warrantholder against impairment. The foregoing notwithstanding, the Company shall not have been deemed to have impaired the Warrantholder’s rights hereunder if the Company, through a reorganization, transfer of assets, consolidation, merger, dissolution, issue, or sale of securities or any other voluntary action, affects Warrantholder’s rights hereunder in a manner that does not affect the Common Stock differently from the effect that such transactions have generally on the rights, preferences, privileges or restrictions of the other shares of the same class of stock.

(d) Additional Documents. The Company, upon execution of this Agreement, shall provide the Warrantholder with certified resolutions evidencing the due authorization, execution, delivery and performance of this Warrant. The Company shall also supply documentation reasonably necessary to evaluate whether to exercise (in cash or a net issuance basis) this Warrant and such other documents as the Warrantholder may from time to time reasonably request.

(e) Severability. In the event any one or more of the provisions of this Agreement shall for any reason be held invalid, illegal or unenforceable, the remaining provisions of this Agreement shall be unimpaired, and the invalid, illegal or unenforceable provision shall be replaced by a mutually acceptable valid, legal and enforceable provision, which comes closest to the intention of the parties underlying the invalid, illegal or unenforceable provision.

(f) Notices. Except as otherwise provided herein, any notice, demand, request, consent, approval, declaration, service of process or other communication that is required, contemplated, or permitted under this Agreement or with respect to the subject matter hereof shall be in writing, which shall include email communication, and shall be deemed to have been validly served, given, delivered, and received upon the earlier of: (i) the day of transmission by facsimile, email communication or hand delivery if transmission or delivery occurs on a business day at or before 5:00 pm in the time zone of the recipient, or, if transmission or delivery occurs on a non-business day or after such time, the first business day thereafter, or the first business day after deposit with an overnight express service or overnight mail delivery service; or (ii) the third calendar day after deposit in the United States mails, with proper first class postage prepaid, and shall be addressed to the party to be notified as follows:

If to Warrantholder:

SG VTB HOLDINGS, LLC.
c/o Stripes Group, LLC
Attention: Kenneth Fox
402 West 13th Street
New York, NY 10014

If to the Company:

TURTLE BEACH CORPORATION
Attention: John Hanson
12220 Scripps Summit Drive, Suite 100
San Diego, CA 92131

or to such other address as each party may designate for itself by like notice.

(g) Entire Agreement; Amendments. This Agreement constitutes the entire agreement and understanding of the parties hereto in respect of the subject matter hereof, and supersedes and replaces in its entirety any prior proposals, term sheets, letters, negotiations or other documents or agreements, whether written or oral, with respect to the subject matter hereof. None of the terms of this Agreement may be amended except by an instrument executed by each of the parties hereto.

(h) Headings. The various headings in this Agreement are inserted for convenience only and shall not affect the meaning or interpretation of this Agreement or any provisions hereof.

(i) No Strict Construction. The parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement.

(j) No Waiver. No omission or delay by Warrantholder at any time to enforce any right or remedy reserved to it, or to require performance of any of the terms, covenants or provisions hereof by the Company at any time designated, shall be a waiver of any such right or remedy to which Warrantholder is entitled, nor shall it in any way affect the right of Warrantholder to enforce such provisions thereafter.

(k) Survival. All agreements, representations and warranties contained in this Agreement or in any document delivered pursuant hereto shall be for the benefit of Warrantholder and shall survive the execution and delivery of this Agreement and the expiration or other termination of this Agreement.

(l) Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of New York, excluding conflict of laws principles that would cause the application of laws of any other jurisdiction.

(m) Consent to Jurisdiction and Venue. All judicial proceedings arising in or under or related to this Agreement may be brought in any state or federal court of competent jurisdiction located in the State of New York. By execution and delivery of this Agreement, each party hereto generally and unconditionally: (a) consents to personal jurisdiction in the State of New York; (b) waives any objection as to jurisdiction or venue the State of New York; (c) agrees not to assert any defense based on lack of jurisdiction or venue in the aforesaid courts; and (d) irrevocably agrees to be bound by any judgment rendered thereby in connection with this Agreement. Service of process on any party hereto in any action arising out of or relating to this Agreement shall be effective if given in accordance with the requirements for notice set forth in Section 12(f), and shall be deemed effective and received as set forth in Section 12(f). Nothing herein shall affect the right to serve process in any other manner permitted by law or shall limit the right of either party to bring proceedings in the courts of any other jurisdiction.

(n) Mutual Waiver of Jury Trial. Because disputes arising in connection with complex financial transactions are most quickly and economically resolved by an experienced and expert person and the parties wish applicable state and federal laws to apply (rather than arbitration rules), the parties desire that their disputes be resolved by a judge applying such applicable laws. EACH OF THE COMPANY AND WARRANTHOLDER SPECIFICALLY WAIVES ANY RIGHT IT MAY HAVE TO TRIAL BY JURY OF ANY CAUSE OF ACTION, CLAIM, CROSS-CLAIM, COUNTERCLAIM, THIRD PARTY CLAIM OR ANY OTHER CLAIM (COLLECTIVELY, "CLAIMS") ASSERTED BY THE COMPANY AGAINST WARRANTHOLDER OR ITS ASSIGNEE OR BY WARRANTHOLDER OR ITS ASSIGNEE AGAINST THE COMPANY. This waiver extends to all such Claims, including Claims that involve Persons other than Company and Warrantholder; Claims that arise out of or are in any way connected to the relationship between the Company and Warrantholder; and any Claims for damages, breach of contract, specific performance, or any equitable or legal relief of any kind, arising out of this Agreement.

(o) Prejudgment Relief. In the event Claims are to be resolved by arbitration, either party may seek from a court of competent jurisdiction identified in Section 12(m), any prejudgment order, writ or other relief and have such prejudgment order, writ or other relief enforced to the fullest extent permitted by law notwithstanding that all Claims are otherwise subject to resolution by judicial reference.

(p) Counterparts. This Agreement and any amendments, waivers, consents or supplements hereto may be executed in any number of counterparts, and by different parties hereto in separate counterparts, each of which when so delivered shall be deemed an original, but all of which counterparts shall constitute but one and the same instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by its officers thereunto duly authorized as of the Effective Date.

COMPANY: TURTLE BEACH CORPORATION

By: __

Name: __

Title: __

WARRANTHOLDER:

SG VTB HOLDINGS, LLC

By: __

Name: __

Title: __

EXHIBIT I

NOTICE OF EXERCISE

To: Turtle Beach Corporation

- (1) The undersigned Warrantholder hereby elects to purchase [_____] shares of Common Stock of Turtle Beach Corporation, pursuant to the terms of the Warrant Agreement dated the [] day of [], 2016 (the "Agreement") between Turtle Beach Corporation and the Warrantholder, and [CASH PAYMENT: tenders herewith payment of the Purchase Price in full, together with all applicable transfer taxes, if any.] [NET ISSUANCE: elects pursuant to Section 3(a) of the Agreement to effect a Net Issuance.]
- (2) Please issue a certificate or certificates representing said shares of Common Stock in the name of the undersigned or in such other name as is specified below.

The representations and warranties set forth in Section 10 of the Agreement are true and correct in all material respects as of the date of this Notice of Exercise, with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date.

(Name) _____

(Address) _____

WARRANTHOLDER:SG VTB HOLDINGS, LLC

By:___

Name:___

Title:___

Date:___

EXHIBIT II
ACKNOWLEDGMENT OF EXERCISE

The undersigned Turtle Beach Corporation, hereby acknowledge receipt of the "Notice of Exercise" from SG VTB Holdings, LLC, to purchase [____] shares of Common Stock of Turtle Beach Corporation pursuant to the terms of the Agreement, and further acknowledges that [____] shares remain subject to purchase under the terms of the Agreement.

COMPANY:Turtle Beach Corporation

By: __
Name: __
Title: __
Date: __

EXHIBIT III
TRANSFER NOTICE

(To transfer or assign the foregoing Agreement, execute this form and supply required information. Do not use this form to purchase shares.)

FOR VALUE RECEIVED, the foregoing Agreement and all rights evidenced thereby are hereby transferred and assigned to

(Please Print)

whose address is__

Dated: __

Holder's Signature: __

Holder's Address: __

—

Signature Guaranteed: __

NOTE: The signature to this Transfer Notice must correspond with the name as it appears on the face of the Agreement, without alteration or enlargement or any change whatever. Officers of corporations and those acting in a fiduciary or other representative capacity should file proper evidence of authority to assign the foregoing Agreement.

ELEVENTH AMENDMENT TO LOAN, GUARANTY AND SECURITY AGREEMENT

This **ELEVENTH AMENDMENT TO LOAN, GUARANTY AND SECURITY AGREEMENT** (this "Amendment") is dated as of October 31, 2016, and is entered into by and among **TURTLE BEACH CORPORATION**, a Nevada corporation, formerly known as Parametric Sound Corporation ("Parent"), **VOYETRA TURTLE BEACH, INC.**, a Delaware corporation ("Voyetra"; and together with Parent, individually, "US Borrower," and individually and collectively, jointly and severally, "US Borrowers"), **TURTLE BEACH EUROPE LIMITED**, a company limited by shares and incorporated in England and Wales with company number 03819186 ("Turtle Beach," also referred to hereinafter as "UK Borrower"; and together with US Borrowers, individually, "Borrower," and individually and collectively, "Borrowers"), **VTB HOLDINGS, INC.**, a Delaware corporation ("VTB" or "US Guarantor"; and together with US Borrowers, individually, a "UK Guarantor," and individually and collectively, jointly and severally, "UK Guarantors"; UK Guarantors and US Guarantor, individually, a "Guarantor," and individually and collectively, "Guarantors"), the financial institutions party hereto as lenders (collectively, "Lenders"), and **BANK OF AMERICA, N.A.**, a national banking association, as administrative agent, collateral agent and security trustee for Lenders (in such capacities, together with its successors and assigns in such capacities, "Agent").

WHEREAS, Borrowers, Guarantors, Agent, and Lenders have entered into that certain Loan, Guaranty and Security Agreement (as amended, restated, or otherwise modified from time to time, the "Loan Agreement"), dated as of March 31, 2014; and

WHEREAS, Borrowers have requested that Agent and Lenders agree to enter into certain amendments to the Loan Agreement.

NOW, THEREFORE, in consideration of the mutual conditions and agreements set forth in the Loan Agreement and this Amendment, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

ARTICLE I

DEFINITIONS

Initially capitalized terms used but not otherwise defined in this Amendment have the respective meanings set forth in the Loan Agreement, as amended hereby.

ARTICLE II

AMENDMENTS TO LOAN AGREEMENT

2.01. New/Amended Definitions.

(a) Section 1.1 of the Loan Agreement is hereby amended by inserting the following defined terms in the appropriate alphabetical order therein:

Eleventh Amendment: that certain Eleventh Amendment to Loan, Guaranty and Security Agreement, dated as of October 31, 2016, by and among Borrowers, Guarantors, Lenders and Agent.

Eleventh Amendment Effective Date: as defined in the Eleventh Amendment.

Hypersound Division Foxconn Expenditures: Obligor's payments to, or other expenditures in respect of, Foxconn Technology Group and/or its Affiliates in respect of the Hypersound Division for the applicable period, all calculated in a manner reasonably acceptable to Agent.

Hypersound Division Net Operating Disbursements: Obligor's actual disbursements in respect of the Hypersound Division (other than the Hypersound Division Foxconn Expenditures) for the applicable period, net of any cash collections of the Hypersound Division for such period, all calculated in a manner reasonably acceptable to Agent.

Specified Capital Contribution: as defined in Section 10.1.14 hereof.

Temporary Availability Block Reduction Conditions: Each of the following conditions are satisfied: (A) no Default or Event of Default has occurred and is continuing, (B) Obligor is in compliance with all of the financial covenants contained in Section 10.3, and (C) Borrowers shall have delivered to Agent all of the financial statements and Compliance Certificates required to be delivered pursuant to Sections 10.1.2(a), (b) and (c).

Third Lien Subordinated Notes (Eleventh Amendment): certain secured subordinated promissory note(s), made by Borrowers in favor of Third Lien Creditors in the principal amount of \$2,000,000 and incurred by Borrowers to fund the Specified Equity Contribution required under Section 10.1.14, in the form attached to the Eleventh Amendment as Annex II.

(b) The definition of "Cash Flow Reporting Change Date" set forth in Section 1.1 of the Loan Agreement is hereby deleted in its entirety.

(c) Clause (c) of the definition of "EBITDA" set forth in Section 1.1 of the Loan Agreement is hereby amended by (i) deleting the text "and" appearing before sub-clause (iv) in such clause (c) and inserting a comma (" , ") in lieu thereof and (ii) inserting the following text immediately before the period at the end of such clause (c):

"and (v) any non-cash charges (including reserves) relating to the reduction or discontinuation of operations of or the sale of all or any portion of the business of the Hypersound Division including the reclassification of the Hypersound Division as a discontinued operation, in each case as required under GAAP"

(d) The definition of "Eligible Account" set forth in Section 1.1 of the Loan Agreement is hereby amended by deleting clause (c) thereof in its entirety and inserting the following clause (c) in lieu thereof:

(c) when aggregated with other Accounts owing by the Account Debtor, it exceeds 15% of the aggregate Eligible Accounts (or (x) with respect to such Accounts owed to a US Borrower, 55% with respect to Accounts owed by Gamestop and 40% with respect to Accounts owed by Target, Best Buy, Amazon, Walmart and Solutions 2 Go, Inc. (Canada), and (y) with respect to such Accounts owed to UK Borrower, 40% with respect to Accounts owed by Argos and Amazon, or in any case, such higher percentage as Agent may establish for such or any other Account Debtor from time to time);

(e) The definition of "Headset Division EBITDA" set forth in Section 1.1 of the Loan Agreement is hereby amended by deleting the words "January 2016 Projections" contained therein and substituting the words "October 21, 2016 Projections" in lieu thereof.

(f) The definition of “Hypersound Division EBITDA” set forth in Section 1.1 of the Loan Agreement is hereby amended by deleting the words “January 2016 Projections” contained therein and substituting the words “October 21, 2016 Projections” in lieu thereof.

(g) The definition of “Seasonal Availability Block” set forth in Section 1.1 of the Loan Agreement is hereby deleted in its entirety and the following is inserted in lieu thereof:

Seasonal Availability Block: (i) for the period commencing on (and including) February 15 of each calendar year and ending on (and including) March 16 of such calendar year (other than for calendar year 2017, as set forth in clause (ii) hereof), \$8,000,000, (ii) for the period commencing on (and including) February 15, 2017, through (and including) March 16, 2017, zero (0), and (iii) at all other times, zero (0).

(h) The definition of “Temporary Availability Block” set forth in Section 1.1 of the Loan Agreement is hereby deleted in its entirety and the following is inserted in lieu thereof:

Temporary Availability Block: As of the Eleventh Amendment Effective Date, \$6,000,000; provided that as of the later of (a) March 1, 2017, or (b) the filing date of Parent’s Form 10-K with the Securities and Exchange Commission for its Fiscal Year ending December 31, 2016, so long as the Temporary Availability Block Reduction Conditions are satisfied on such later date, the Temporary Availability Block shall be an amount equal to the lesser of (i) 6,000,000 and (ii) 12.5% of the US Borrowing Base (prior to giving effect to the Temporary Availability Block and the Seasonal Availability Block, *i.e.*, the gross U.S. Borrowing Base); provided that if the result of this clause (b) is less than \$4,000,000, then the result of this clause (b) shall be \$4,000,000.

(i) The definition of “Third Lien Subordinated Notes” set forth in Section 1.1 of the Loan Agreement is hereby deleted in its entirety and the following is inserted in lieu thereof:

Third Lien Subordinated Notes: certain secured subordinated promissory note(s), made by Borrowers in favor of Third Lien Creditors, in form and substance, and on terms, satisfactory to Agent, and the Third Lien Subordinated Notes (Eleventh Amendment), as each of the same may from time to time be amended, restated, amended and restated, supplemented, refinanced, replaced or otherwise modified in accordance with the terms of this Agreement and the Third Lien Subordination Agreement.

(j) The definition of “UK Revolver Commitment” set forth in Section 1.1 of the Loan Agreement is hereby deleted in its entirety and the following is inserted in lieu thereof:

UK Revolver Commitment: for any UK Lender, its obligation to make UK Revolver Loans and to participate in UK LC Obligations up to the maximum principal Dollar Equivalent amount in the applicable Available Currencies equal to its UK Commitment Percentage of the aggregate amount of all UK Revolver Commitments, which are shown on **Schedule 1.1** as of the Eleventh Amendment Effective Date, or as hereafter determined pursuant to each Assignment and Acceptance to which it is a party.

(k) The definition of “US Revolver Commitment” set forth in Section 1.1 of the Loan Agreement is hereby deleted in its entirety and the following is inserted in lieu thereof:

US Revolver Commitment: for any US Lender, its obligation to make US Revolver Loans and to participate in US LC Obligations up to the maximum principal amount in US Dollars equal to its US Commitment Percentage of the aggregate amount of all US Revolver Commitments, which are shown on **Schedule 1.1** as of the Eleventh Amendment Effective Date, or as hereafter modified pursuant to **Section 2.1.8** or an Assignment and Acceptance to which it is a party.

(l) The definition of “US Special Loan Amount” set forth in Section 1.1 of the Loan Agreement is hereby deleted in its entirety and the following is inserted in lieu thereof:

US Special Loan Amount: the amount of Seven Million Six Hundred Ninety One Thousand Five Hundred Eighty Six Dollars and Ninety-Three Cents (\$7,691,586.93) which amount shall be reduced monthly on the first day of each month in consecutive monthly installments of \$213,655.19, commencing on April 1, 2015, until the US Special Advance Loan Period, on which date the US Special Loan Amount shall be reduced to \$0; provided that such monthly installments shall not be required to be paid as of the Eleventh Amendment Effective Date through the month ending April 30, 2017.

(m) The definition of “US Special Advance Loan Period” set forth in Section 1.1 of the Loan Agreement is hereby deleted in its entirety and the following is inserted in lieu thereof:

US Special Advance Loan Period: the period commencing on the date the US Special Advance Loan is advanced and ending on the earlier of (a) October 1, 2018, and (b) such other date as approved by Agent in writing.

2.02. **Amendment to Section 10.1.** Section 10.1 of the Loan Agreement is hereby amended to insert the following new Section 10.1.14 immediately after Section 10.1.13 contained therein:

10.1.14. Specified Capital Contribution. If, at any time, the average Availability reflected on the four (4) most recent weekly Borrowing Base Certificates delivered pursuant to Section 8.1 is less than \$3,000,000 (determined with any payables paid in accordance with Borrowers’ historical practices, and leases, payments due under other Debt and taxes being paid currently (excluding any good faith disputes)), US Obligor shall, within twelve (12) Business Days, receive net proceeds equal to \$2,000,000 in the form of Subordinated Debt incurred under the Third Lien Subordinated Notes (Eleventh Amendment) (the “Specified Capital Contribution”) and the related Third Lien Loan Documents, which shall be in the form attached to the Eleventh Amendment as Annex II. Such Specified Capital Contribution shall be applied to the US Revolver Loans (or, to the extent that the US Revolver Loans have been reduced to zero, to US Obligor’s operating account).

2.03. **Amendments to Section 10.3.** Section 10.3 of the Loan Agreement is hereby amended as set forth below:

(a) Section 10.3.1 of the Loan Agreement is hereby deleted in its entirety and the following is inserted in lieu thereof:

EBITDA. Commencing with the month ending October 31, 2016, maintain an EBITDA for Parent and its Subsidiaries on a consolidated basis (measured monthly as of the last day of each month for the trailing twelve-month period then-ended), but excluding any Hypersound Division

EBITDA for such period, in an amount not less than the amount set forth in the table below opposite such date:

Testing Date	Required EBITDA
October 31, 2016	\$12,617,000
November 30, 2016	\$11,268,000
December 31, 2016	\$13,246,000
January 31, 2017	\$13,211,000
February 28, 2017	\$12,747,000
March 31, 2017	\$12,651,000
April 30, 2017	\$11,041,000
May 31, 2017	\$10,992,000
June 30, 2017	\$11,941,000
July 31, 2017	\$10,527,000
August 31, 2017	\$9,767,000
September 30, 2017	\$10,707,000
October 31, 2017	\$10,806,000
November 30, 2017	\$12,483,000
December 31, 2017	\$12,101,000
January 31, 2018, February 28, 2018, and March 31, 2018	\$12,150,000
April 30, 2018, May 31, 2018, and June 30, 2018	\$12,175,000
July 31, 2018, August 31, 2018, and September 30, 2018	\$12,200,000
October 31, 2018, and November 30, 2018	\$12,225,000
December 31, 2018, and the last day of each month thereafter	\$12,500,000

(b) Section 10.3.5 of the Loan Agreement is hereby deleted in its entirety and the following is inserted in lieu thereof:

10.3.5 [Reserved].

(c) Section 10.3.6 of the Loan Agreement is hereby deleted in its entirety and the following is inserted in lieu thereof:

10.3.6 Hypersound Division Net Operating Disbursements.

(a) Commencing with the month ending October 31, 2016, not permit Hypersound Division Net Operating Disbursements to be greater than the amount set forth below for each period ending on the last day of each month referenced below, measured on a period-to-date basis commencing on October 1, 2016, and ending on the last day of each such month:

Month-Ending Testing Date	Hypersound Division Net Operating Disbursements
October 31, 2016	\$806,000
November 30, 2016	\$1,300,000
December 31, 2016	\$1,767,000
January 31, 2017	\$2,060,000
February 28, 2017	\$2,422,000
March 31, 2017	\$2,789,000
April 30, 2017	\$2,917,000
May 31, 2017	\$3,053,000
June 30, 2017	\$3,244,000
July 31, 2017	\$3,410,000
August 31, 2017	\$3,441,000
September 30, 2017, and the end of each calendar month thereafter	\$3,472,000

(b) Commencing with the month ending October 31, 2016, not permit Hypersound Division Foxconn Expenditures to be greater than the amount set forth below for each period ending on the last day of each month referenced below, measured on a period-to-date basis commencing on October 1, 2016, and ending on the last day of each such month:

Month-Ending Testing Date	Hypersound Division Foxconn Expenditures
October 31, 2016	\$237,000
November 30, 2016	\$311,000
December 31, 2016	\$1,380,000
January 31, 2017	\$1,399,000
February 28, 2017	\$1,418,000
March 31, 2017	\$1,935,000
April 30, 2017	\$2,172,000
May 31, 2017	\$2,409,000
June 30, 2017	\$2,644,000
July 31, 2017	\$2,878,000
August 31, 2017	\$3,112,000
September 30, 2017	\$3,841,000
October 31, 2017	\$4,070,000
November 30, 2017	\$4,297,000
December 31, 2017, and the end of each calendar month thereafter	\$4,523,000

2.04. **Amendments to Section 12.1.** Clause (c) of Section 12.1 of the Loan Agreement is hereby amended to insert the text “10.1.14,” immediately after the text “10.1.2,” set forth therein.

2.05. **Amendment to Schedule 1.1.** Schedule 1.1 to the Loan Agreement is hereby deleted in its entirety and Schedule 1.1 attached hereto is hereby inserted in lieu thereof.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

Each Obligor hereby represents and warrants to Agent and each Lender, as of the date hereof, as follows:

3.01. **Representations and Warranties.** After giving effect to this Amendment, the representations and warranties set forth in Section 9 of the Loan Agreement and in each other Loan Document are true and correct in all material respects on and as of the date hereof with the same effect as if made on and as of the date hereof, except to the extent such representations and warranties expressly relate solely to an earlier date.

3.02. **No Defaults.** After giving effect to this Amendment, each Obligor is in compliance with all terms and conditions of the Loan Agreement and the other Loan Documents on its part to be observed and performed and no Default or Event of Default has occurred and is continuing.

3.03. **Authority and Pending Actions.** The execution, delivery, and performance by each Obligor of this Amendment has been duly authorized by each such Obligor (as applicable) and there is no action pending or any judgment, order, or decree in effect which is likely to restrain, prevent, or impose materially adverse conditions upon the performance by any Obligor of its obligations under the Loan Agreement or the other Loan Documents.

3.04. **Enforceability.** This Amendment constitutes the legal, valid, and binding obligation of each Obligor, enforceable against each such Obligor in accordance with its terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency, moratorium, reorganization, or other similar laws affecting the enforcement of creditors' rights or by the effect of general equitable principles.

ARTICLE IV

CONDITIONS PRECEDENT AND FURTHER ACTIONS

4.01. **Conditions Precedent.** This Amendment shall not be binding upon Agent, Lenders or any Obligor until each of the following conditions precedent have been satisfied in form and substance satisfactory to Agent (such date, the “Eleventh Amendment Effective Date”):

(a) The representations and warranties contained herein and in the Loan Agreement, as amended hereby, shall be true and correct in all material respects as of the date hereof, after giving effect to this Amendment, as if made on such date, except for such representations and warranties limited by their terms to a specific date;

(b) Each Obligor shall have delivered to Agent duly executed counterparts of this Amendment which, when taken together, bear the authorized signatures of Obligors, Agent and Lenders;

(c) Obligors shall have delivered to Agent a fully-executed copy of an amendment to the Term Loan Agreement substantially similar to this Amendment (the "Fifth Amendment to Term Loan Agreement") and otherwise acceptable to Agent and Lenders;

(d) Agent shall have received a fully-executed and effective amendment to the Intercreditor Agreement in form and substance satisfactory to Agent and Lenders;

(e) Obligors shall have delivered to Agent a fully-executed and effective Capital Contribution Agreement and each other agreement, instrument or other document executed in connection with the Specified Capital Contribution contemplated thereby, each in form, substance and on terms, satisfactory to Agent; and

(f) Obligors shall have paid to Agent, for the benefit of itself and Lenders, \$150,000 in immediately available funds (the "Eleventh Amendment Fee"). Each Obligor hereby expressly agrees and acknowledges that the Eleventh Amendment Fee is fully earned and due and payable on the Eleventh Amendment Effective Date.

4.02. **Further Actions.** Each of the parties to this Amendment agrees that at any time and from time to time upon the written request of any other party, it will execute and deliver such further documents and do such further acts and things as such other party may reasonably request in order to affect the purposes of this Amendment.

ARTICLE V

[RESERVED]

ARTICLE VI

COSTS AND EXPENSES

6.01. Without limiting the terms and conditions of the Loan Documents, notwithstanding anything in the Loan Documents to the contrary, Obligors jointly and severally agree to pay on demand: (a) all reasonable costs and expenses incurred by Agent in connection with the preparation, negotiation, and execution of this Amendment and the other Loan Documents executed pursuant to this Amendment and any and all subsequent amendments, modifications, and supplements to this Amendment, including, without limitation, the reasonable costs and fees of Agent's legal counsel; and (b) all reasonable costs and expenses reasonably incurred by Agent in connection with the enforcement or preservation of any rights under the Loan Agreement, this Amendment, and/or the other Loan Documents, including, without limitation, the reasonable costs and fees of Agent's legal counsel.

ARTICLE VII

MISCELLANEOUS

7.01. **No Course of Dealing.** The amendments and consents set forth herein are a one-time accommodation only and relate only to the matters set forth in Article II herein. The amendments and consents are not amendments or consents to any other deviation of the terms and conditions of the Loan Agreement or any other Loan Document unless otherwise expressly agreed to by Agent and Lenders in writing.

7.02. **Cross-References.** References in this Amendment to any Section are, unless otherwise specified, to such Section of this Amendment.

7.03. **Instrument Pursuant to Loan Agreement.** This Amendment is a Loan Document executed pursuant to the Loan Agreement and shall (unless otherwise expressly indicated herein) be construed, administered, and applied in accordance with the terms and provisions of the Loan Agreement. Any failure by Obligor to comply with any of the terms and conditions of this Amendment shall constitute an immediate Event of Default.

7.04. **Acknowledgment of Obligors.** Each Obligor hereby represents and warrants that the execution and delivery of this Amendment and compliance by such Obligor with all of the provisions of this Amendment: (a) are within the powers and purposes of such Obligor; (b) have been duly authorized or approved by the board of directors (or other appropriate governing body) of such Obligor; and (c) when executed and delivered by or on behalf of such Obligor will constitute valid and binding obligations of such Obligor, enforceable in accordance with its terms. Each Obligor reaffirms its obligations to perform and pay all amounts due to Agent or Lenders under the Loan Documents (including, without limitation, its obligations under any promissory note evidencing any of the Loans) in accordance with the terms thereof, as amended and modified hereby.

7.05. **Loan Documents Unmodified.** Each of the amendments provided herein shall apply and be effective only with respect to the provisions of the Loan Document specifically referred to by such amendments. Except as otherwise specifically modified by this Amendment, all terms and provisions of the Loan Agreement and all other Loan Documents, as modified hereby, shall remain in full force and effect and are hereby ratified and confirmed in all respects. Nothing contained in this Amendment shall in any way impair the validity or enforceability of the Loan Documents, as modified hereby, or alter, waive, annul, vary, affect, or impair any provisions, conditions, or covenants contained therein or any rights, powers, or remedies granted therein, except as otherwise specifically provided in this Amendment. Subject to the terms of this Amendment, any lien and/or security interest granted to Agent, for the benefit of Lenders, in the Collateral set forth in the Loan Documents shall remain unchanged and in full force and effect and the Loan Agreement and the other Loan Documents shall continue to secure the payment and performance of all of the Obligations.

7.06. **Parties, Successors and Assigns.** This Amendment represents the agreement of Obligors, Agent and each Lender signatory hereto with respect to the subject matter hereof, and there are no promises, undertakings, representations, or warranties relative to the subject matter hereof not expressly set forth or referred to herein or in the other Loan Documents. This Amendment shall be binding upon and inure to the benefit of Obligors, Agent, Lenders, and their respective successors and assigns, except that (a) no Borrower shall have the right to assign its rights or delegate its obligations under any Loan Documents; and (b) any assignment by a Lender must be made in compliance with Section 14.3 of the Loan Agreement.

7.07. **Counterparts.** This Amendment may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of a signature page of this Amendment by telecopy shall be effective as delivery of a manually executed

counterpart of this Amendment. This Amendment may be executed and delivered by facsimile or electronic mail, and will have the same force and effect as manually signed originals.

7.08. **Headings.** The headings, captions, and arrangements used in this Amendment are for convenience only, are not a part of this Amendment, and shall not affect the interpretation hereof.

7.09. **Miscellaneous.** This Amendment is subject to the general provisions set forth in the Loan Agreement, including, but not limited to, Sections 15.14, 15.15, and 15.16.

7.10. **Severability.** Wherever possible, each provision of the Loan Documents shall be interpreted in such manner as to be valid under Applicable Law. If any provision is found to be invalid under Applicable Law, it shall be ineffective only to the extent of such invalidity and the remaining provisions of the Loan Documents shall remain in full force and effect.

7.11. **Release.**

(a) EACH OBLIGOR HEREBY IRREVOCABLY RELEASES AND FOREVER DISCHARGES AGENT, LENDERS AND THEIR AFFILIATES, AND EACH SUCH PERSON'S RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, MEMBERS, ATTORNEYS AND REPRESENTATIVES (EACH, A "RELEASED PERSON") OF AND FROM ALL DAMAGES, LOSSES, CLAIMS, DEMANDS, LIABILITIES, OBLIGATIONS, ACTIONS OR CAUSES OF ACTION WHATSOEVER (EACH, A "CLAIM") THAT SUCH OBLIGOR MAY NOW HAVE OR CLAIM TO HAVE AGAINST ANY RELEASED PERSON ON THE DATE OF THIS AMENDMENT, WHETHER KNOWN OR UNKNOWN, OF EVERY NATURE AND EXTENT WHATSOEVER, FOR OR BECAUSE OF ANY MATTER OR THING DONE, OMITTED OR SUFFERED TO BE DONE OR OMITTED BY ANY OF THE RELEASED PERSONS THAT BOTH (1) OCCURRED PRIOR TO OR ON THE DATE OF THIS AMENDMENT AND (2) IS ON ACCOUNT OF OR IN ANY WAY CONCERNING, ARISING OUT OF OR FOUNDED UPON THE LOAN AGREEMENT OR ANY OTHER LOAN DOCUMENT.

(b) EACH OBLIGOR INTENDS THE ABOVE RELEASE TO COVER, ENCOMPASS, RELEASE, AND EXTINGUISH, INTER ALIA, ALL CLAIMS, DEMANDS, AND CAUSES OF ACTION THAT MIGHT OTHERWISE BE RESERVED BY THE CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

(c) EACH OBLIGOR ACKNOWLEDGES THAT IT MAY HEREAFTER DISCOVER FACTS DIFFERENT FROM OR IN ADDITION TO THOSE NOW KNOWN OR BELIEVED TO BE TRUE WITH RESPECT TO SUCH CLAIMS, DEMANDS, OR CAUSES OF ACTION, AND AGREES THAT THIS AMENDMENT AND THE ABOVE RELEASE ARE AND WILL REMAIN EFFECTIVE IN ALL RESPECTS NOTWITHSTANDING ANY SUCH DIFFERENCES OR ADDITIONAL FACTS.

7.12. **Total Agreement.** This Amendment, the Loan Agreement, and all other Loan Documents constitute the entire agreement, and supersede all prior understandings and agreements, among the parties relating to the subject matter hereof.

7.13. **Amendment to Term Loan Agreement.** Each of the undersigned Lenders and Agent hereby acknowledge that as of the Eleventh Amendment Effective Date, Obligors, Term Agent and Term Loan Lenders are agreeing to the Fifth Amendment to Term Loan Agreement, in the form attached hereto as Annex I. Agent and Lenders hereby acknowledge and consent to the Fifth Amendment to Term Loan Agreement, including, without limitation, for purposes of the Intercreditor Agreement.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have executed and delivered this Amendment as of the day and year first written above.

BORROWERS:

TURTLE BEACH CORPORATION, a Nevada corporation, formerly known as Parametric Sound Corporation

By: /s/ John T. Hanson
Name: John T. Hanson
Title: Chief Financial Officer

VOYETRA TURTLE BEACH, INC.,
a Delaware corporation

By: /s/ John T. Hanson
Name: John T. Hanson
Title: Chief Financial Officer

TURTLE BEACH EUROPE LIMITED,
a company limited by shares and incorporated in England and Wales with company number 03819186

By: /s/ John T. Hanson
Name: John T. Hanson
Title: Chief Financial Officer

BANK OF AMERICA, N.A.,
as Agent and Lender

By: /s/ Matthew Van Steenhuyse
Name: Matthew Van Steenhuyse
Title: Senior Vice President

GUARANTOR CONSENT

The undersigned hereby consents to the foregoing Amendment and hereby (a) confirms and agrees that notwithstanding the effectiveness of the foregoing Amendment, each Loan Document to which it is a party is, and shall continue to be, in full force and effect and is hereby ratified and confirmed in all respects, except that, on and after the effectiveness of the foregoing Amendment, each reference in any Loan Document to the "Loan Agreement," "thereunder," "thereof" or words of like import shall mean and be a reference to the Loan Agreement, as amended by the foregoing Amendment, (b) confirms and agrees that the pledge and security interest in the Collateral granted by it pursuant to any Security Documents to which it is a party shall continue in full force and effect, (c) acknowledges and agrees that such pledge and security interest in the Collateral granted by it pursuant to such Security Documents shall continue to secure the Obligations purported to be secured thereby, as amended or otherwise affected hereby, and (d) agrees to be bound by the release set forth in Section 7.11 of the Amendment.

VTB HOLDINGS, INC.,

a Delaware corporation

By: /s/ John T. Hanson

Name: John T. Hanson

Title: Chief Financial Officer

SCHEDULE 1.1

SCHEDULE 1.1
to
Loan, Guaranty and Security Agreement

REVOLVER COMMITMENTS OF LENDERS

From January 16 through October 14 of each calendar year:

Lender	US Revolver Commitment	UK Revolver Commitment	Revolver Commitment
Bank of America, N.A.	\$50,000,000	\$0	\$50,000,000
Bank of America, N.A. (London Branch)	\$0	\$10,000,000	\$10,000,000

From October 15 of each calendar year through January 15 of the following calendar year:

Lender	US Revolver Commitment	UK Revolver Commitment	Revolver Commitment
Bank of America, N.A.	\$48,000,000	\$0	\$48,000,000
Bank of America, N.A. (London Branch)	\$0	\$12,000,000	\$12,000,000

ANNEX I

Fifth Amendment to Term Loan Agreement

Attached hereto

ANNEX II

**Form of Third Lien Subordinated Notes (Eleventh Amendment)
and the related Third Lien Loan Documents**

Attached hereto

FIFTH AMENDMENT TO TERM LOAN, GUARANTY AND SECURITY AGREEMENT

This **FIFTH AMENDMENT TO TERM LOAN, GUARANTY AND SECURITY AGREEMENT** (this "Amendment") is dated as of October 31, 2016, and is entered into by and among **TURTLE BEACH CORPORATION**, a Nevada corporation, formerly known as Parametric Sound Corporation ("Parent"), **VOYETRA TURTLE BEACH, INC.**, a Delaware corporation ("Voyetra"; and together with Parent, individually, "US Borrower," and individually and collectively, jointly and severally, "US Borrowers"), **TURTLE BEACH EUROPE LIMITED**, a company limited by shares and incorporated in England and Wales with company number 03819186 ("Turtle Beach," also referred to hereinafter as "UK Borrower"; and together with US Borrowers, individually, "Borrower," and individually and collectively, "Borrowers"), **VTB HOLDINGS, INC.**, a Delaware corporation ("VTB", individually, a "US Guarantor," and individually and collectively, jointly and severally, "US Guarantors"; and together with US Borrowers, individually, a "UK Guarantor," and individually and collectively, jointly and severally, "UK Guarantors"; UK Guarantors and US Guarantors, individually, a "Guarantor," and individually and collectively, "Guarantors"), **CRYSTAL FINANCIAL SPV LLC**, **CRYSTAL FINANCIAL LLC** and the other lenders party to the Term Loan Agreement (as such term is defined below) from time to time (collectively, "Lenders"), and **CRYSTAL FINANCIAL LLC**, as agent, collateral agent and security trustee for Lenders (in such capacities, together with its successors and assigns in such capacities, "Agent").

WHEREAS, Borrowers, Guarantors, Agent, and Lenders have entered into that certain Term Loan, Guaranty and Security Agreement, dated as of July 22, 2015, as amended by that certain First Amendment to Term Loan, Guaranty and Security Agreement, dated as of November 2, 2015 (the "First Amendment"), as amended by that certain Second Amendment to Term Loan, Guaranty and Security Agreement, dated as of December 1, 2015 (the "Second Amendment"), as amended by that certain Third Amendment to Term Loan, Guaranty and Security Agreement, dated as of February 1, 2016 (the "Third Amendment") and as further amended by that certain Fourth Amendment to Term Loan, Guaranty and Security Agreement, dated as of June 17, 2016 (the "Fourth Amendment") (as further amended, restated, or otherwise modified from time to time, the "Term Loan Agreement"); and

WHEREAS, Borrowers have requested that Agent and Lenders agree to enter into certain amendments to the Term Loan Agreement.

NOW, THEREFORE, in consideration of the mutual conditions and agreements set forth in the Term Loan Agreement and this Amendment, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

ARTICLE I

DEFINITIONS

Initially capitalized terms used but not otherwise defined in this Amendment have the respective meanings set forth in the Term Loan Agreement, as amended hereby.

ARTICLE II

AMENDMENTS TO TERM LOAN AGREEMENT

2.01. New/Amended Definitions.

(a) Section 1.1 of the Term Loan Agreement is hereby amended by inserting the following defined terms in the appropriate alphabetical order therein:

Availability Block Reduction Conditions. Each of the following conditions are satisfied: (A) no Default or Event of Default has occurred and is continuing, (B) Obligors are in compliance with all of the financial covenants contained in Section 10.3, and (C) the Borrowers shall have delivered to the Agent all of the financial statements and Compliance Certificates required to be delivered pursuant to Sections 10.1.2(a), (b) and (c).

Fifth Amendment: that certain Fifth Amendment to Term Loan, Guaranty and Security Agreement, dated as of October 31, 2016, by and among Borrowers, Guarantors, Lenders and Agent.

Fifth Amendment Effective Date: as defined in the Fifth Amendment.

Hypersound Division Foxconn Expenditures: the Obligors' payments to, or other expenditures in respect of, Foxconn Technology Group and/or its Affiliates in respect of the Hypersound Division for the applicable period, all calculated in a manner reasonably acceptable to the Agent.

Hypersound Division Net Operating Disbursements: the Obligors' actual disbursements in respect of the Hypersound Division (other than the Hypersound Division Foxconn Expenditures) for the applicable period, net of any cash collections of the Hypersound Division for such period, all calculated in a manner reasonably acceptable to the Agent.

Specified Capital Contribution: as defined in Section 10.1.14 hereof.

Specified Term Loan Amortization Holiday Month: each of the nine (9) consecutive calendar months commencing with the calendar month beginning on November 1, 2016 through and including the calendar month beginning on July 1, 2017.

Third Lien Subordinated Notes (Fifth Amendment): certain secured subordinated promissory note(s), made by the Borrowers in favor of the Third Lien Creditors in the principal amount of \$2,000,000 and incurred by the Borrower to fund the Specified Equity Contribution required under Section 10.1.14, in the form attached to the Fifth Amendment.

(b) The definition of "ABL UK Revolver Commitments" set forth in Section 1.1 of the Term Loan Agreement is hereby deleted in its entirety and the following is inserted in lieu thereof:

ABL UK Revolver Commitments: the "UK Revolver Commitments" (or any analogous term) as defined in the ABL Revolver Loan Agreement in effect on the Fifth Amendment Effective Date.

(c) The definition of "ABL US Revolver Commitments" set forth in Section 1.1 of the Term Loan Agreement is hereby deleted in its entirety and the following is inserted in lieu thereof:

ABL US Revolver Commitments: the "US Revolver Commitments" (or any analogous term) as defined in the ABL Revolver Loan Agreement in effect on the Fifth Amendment Effective Date.

(d) The definition of “Availability Block” set forth in Section 1.1 of the Term Loan Agreement is hereby deleted in its entirety and the following is inserted in lieu thereof:

Availability Block: the sum of (i) an amount equal to \$6,000,000, provided that, from and after the later of (x) the date of the filing of Parent’s Form 10-K with Securities and Exchange Commission for its Fiscal Year ending December 31, 2016 and (y) March 1, 2017, so long as the Availability Block Reduction Conditions are satisfied on such later date, such amount in this clause (i) shall be equal to the lesser of (a) \$6,000,000 and (b) 12.5% of the “US Borrowing Base” ((as defined in the ABL Revolver Loan Agreement as in effect on the Fifth Amendment Effective Date) prior to giving effect to the “Temporary Availability Block” and the “Seasonal Availability Block” (each as defined in the ABL Revolver Loan Agreement as in effect on the Fifth Amendment Effective Date)), provided that if the result of this clause (b) is less than \$4,000,000, then the result of this clause (b) shall be deemed to be \$4,000,000, plus (ii) the Seasonal Availability Block then in effect.

(e) Clause (b) of the definition of “Consolidated Leverage Ratio” set forth in Section 1.1 of the Term Loan Agreement is hereby deleted in its entirety and the following is inserted in lieu thereof:

“(b) EBITDA for Parent and Subsidiaries on a consolidated basis for the period of the twelve months most recently ended, but excluding Hypersound Division EBITDA for such period.”

(f) Clause (c) of the definition of “EBITDA” set forth in Section 1.1 of the Term Loan Agreement is hereby amended by (i) deleting the text “and” appearing before sub-clause (iv) in such clause (c) and inserting a comma (“,”) in lieu thereof and (ii) inserting the following text immediately before the period at the end of such clause (c):

“and (v) any non-cash charges (including reserves) relating to the reduction or discontinuation of operations of or the sale of all or any portion of the business of the Hypersound Division including the reclassification of the Hypersound Division as a discontinued operation, in each case as required under GAAP”

(g) The definition of “Headset Division EBITDA” set forth in Section 1.1 of the Term Loan Agreement is hereby amended by deleting the words “January 2016 Projections” therein and substituting the words “October 21, 2016 Projections” in lieu thereof.

(h) The definition of “Hypersound Division EBITDA” set forth in Section 1.1 of the Term Loan Agreement is hereby amended by deleting the words “January 2016 Projections” therein and substituting the words “October 21, 2016 Projections” in lieu thereof.

(i) The definition of “Seasonal Availability Block” set forth in Section 1.1 of the Term Loan Agreement is hereby deleted in its entirety and the following is inserted in lieu thereof:

Seasonal Availability Block: (i) for the period commencing on (and including) February 15 of each calendar year and ending on (and including) March 16 of such calendar year (other than for calendar year 2017, as set forth in clause (ii) hereof), \$8,000,000, (ii) for the period commencing on (and including) February 15, 2017, through (and including) March 16, 2017, zero (0), and (iii) at all other times, zero (0).

(j) The definition of “Term Loan Prepayment Fee” set forth in Section 1.1 of the Term Loan Agreement is hereby deleted in its entirety and the following is inserted in lieu thereof:

Term Loan Prepayment Fee: (i) from the Fifth Amendment Effective Date through and including the date that is fifteen (15) months following the Fifth Amendment Effective Date (the “Specified Prepayment Fee Date”), 3.00% of the principal amount of the Term Loans prepaid or required to be prepaid, (ii) following the Specified Prepayment Fee Date through and including the first anniversary of the Specified Prepayment Fee Date, 2.00% of the principal amount of the Term Loans prepaid or required to be prepaid, and (iii) at all times following the first anniversary of the Specified Prepayment Fee Date, 0.00%.

(k) The definition of “Third Lien Subordinated Note(s)” set forth in Section 1.1 of the Term Loan Agreement is hereby deleted in its entirety and the following is inserted in lieu thereof:

Third Lien Subordinated Note(s): certain secured subordinated promissory note(s), made by the Borrowers in favor of the Third Lien Creditors, in form and substance, and on terms, satisfactory to the Agent, and the Third Lien Subordinated Notes (Fifth Amendment), as each of the same may from time to time be amended, restated, amended and restated, supplemented, refinanced, replaced or otherwise modified in accordance with the terms of this Agreement and the Third Lien Subordination Agreement.

2.02. **Amendment to Section 5.2.1.** Section 5.2.1 of the Term Loan Agreement is hereby amended in its entirety as follows:

5.2.1. US Term Loans. Commencing on January 1, 2016, the US Borrowers shall repay to the US Lenders the aggregate principal amount of all US Term Loans outstanding on the first day of each calendar month (other than a Specified Term Loan Amortization Holiday Month) in equal monthly amounts of \$187,500.00; provided, however, that the final principal repayment installment of the US Term Loans shall be repaid on the Maturity Date and in any event shall be in an amount equal to the aggregate principal amount of all US Term Loans outstanding on such date.

2.03. **Amendment to Section 10.1.** Section 10.1 of the Term Loan Agreement is hereby amended to insert the following new Section 10.1.14 immediately after Section 10.1.13 contained therein:

10.1.14. Specified Capital Contribution. If, at any time, the average ABL Availability reflected on the four (4) most recent weekly Borrowing Base Certificates delivered pursuant to Section 8.1 is less than \$3,000,000 (determined with any payables paid in accordance with the Borrowers’ historical practices, and leases, payments due under other Debt and taxes being paid currently (excluding any good faith disputes)), the US Obligors shall, within 12 Business Days, receive net proceeds equal to \$2,000,000 in the form of Subordinated Debt incurred under the Third Lien Subordinated Notes (Fifth Amendment) (the “Specified Capital Contribution”) and the related Third Lien Loan Documents, which shall be in form attached hereto as Annex II. Such Specified Capital Contribution shall be applied to the ABL Revolver Loans of the US Borrowers (or, to the extent that such ABL Revolver Loans have been reduced to zero, to the US Obligors’ operating account) and, for the avoidance of doubt, shall not be required to be applied to the US Term Loans pursuant to Section 5.3.7 of the Term Loan Agreement.

2.04. **Amendments to Section 10.3.** Section 10.3 of the Term Loan Agreement is hereby amended as follows:

(a) Section 10.3.1 of the Term Loan Agreement is hereby amended and restated in its entirety as follows:

10.3.1. EBITDA. Commencing with the month ending October 31, 2016, maintain an EBITDA for Parent and its Subsidiaries on a consolidated basis (measured monthly as of the last day of each month for the trailing twelve month period then-ended), but excluding any Hypersound Division EBITDA for such period, in an amount not less than the amount set forth in the table below opposite such date:

Testing Date	Required EBITDA
October 31, 2016	\$12,617,000
November 30, 2016	\$11,268,000
December 31, 2016	\$13,246,000
January 31, 2017	\$13,211,000
February 28, 2017	\$12,747,000
March 31, 2017	\$12,651,000
April 30, 2017	\$11,041,000
May 31, 2017	\$10,992,000
June 30, 2017	\$11,941,000
July 31, 2017	\$10,527,000
August 31, 2017	\$9,767,000
September 30, 2017	\$10,707,000
October 31, 2017	\$10,806,000
November 30, 2017	\$12,483,000
December 31, 2017	\$12,101,000
January 31, 2018, February 28, 2018, March 31, 2018	\$12,150,000
April 30, 2018, May 31, 2018, June 30, 2018	\$12,175,000
July 31, 2018, August 31, 2018, September 30, 2018	\$12,200,000
October 31, 2018 and November 30, 2018	\$12,225,000
December 31, 2018 and the last day of each month thereafter	\$12,500,000

(b) Section 10.3.2 of the Term Loan Agreement is hereby amended and restated in its entirety as follows:

“10.3.2 [Reserved].”

(c) The table set forth in Section 10.3.3 of the Term Loan Agreement is hereby deleted in its entirety and the following is inserted in lieu thereof:

Period Ending	Consolidated Leverage Ratio
October 31, 2016	2.32:1.00
November 30, 2016	2.68:1.00
December 31, 2016	2.32:1.00
January 31, 2017	2.32:1.00
February 28, 2017	2.42:1.00
March 31, 2017	2.50:1.00
April 30, 2017	2.92:1.00
May 31, 2017	2.99:1.00
June 30, 2017	2.78:1.00
July 31, 2017	3.17:1.00
August 31, 2017	3.42:1.00
September 30, 2017	3.10:1.00
October 31, 2017	3.09:1.00
November 30, 2017	2.69:1.00
December 31, 2017	2.78:1.00
January 31, 2018 and the last day of each month thereafter	3.00:1.00

(d) The table set forth in Section 10.3.4 of the Term Loan Agreement is hereby deleted in its entirety and the following is inserted in lieu thereof:

Twelve-Month Period Ending	Capital Expenditures
December 31, 2015	\$11,000,000
December 31, 2016	\$5,000,000
December 31, 2017	\$5,500,000
December 31, 2018	\$5,000,000
December 31, 2019	\$5,000,000

(e) Section 10.3.9 of the Term Loan Agreement is hereby amended and restated in its entirety as follows:

10.3.9 Hypersound Division Net Operating Disbursements.

(a) Commencing with the month ending October 31, 2016, not permit Hypersound Division Net Operating Disbursements to be greater than the amount set forth below for each period ending on the last day of each month referenced below, measured on a period-to-date basis commencing on October 1, 2016 and ending on the last day of each such month:

Month-Ending Testing Date	Hypersound Division Net Operating Disbursements
October 31, 2016	\$806,000
November 30, 2016	\$1,300,000
December 31, 2016	\$1,767,000
January 31, 2017	\$2,060,000
February 28, 2017	\$2,422,000
March 31, 2017	\$2,789,000
April 30, 2017	\$2,917,000
May 31, 2017	\$3,053,000
June 30, 2017	\$3,244,000
July 31, 2017	\$3,410,000
August 31, 2017	\$3,441,000
September 30, 2017 and the end of each calendar month thereafter	\$3,472,000

(b) Commencing with the month ending October 31, 2016, not permit Hypersound Division Foxconn Expenditures to be greater than the amount set forth below for each period ending on the last day of each month referenced below, measured on a period-to-date basis commencing on October 1, 2016 and ending on the last day of each such month:

Month-Ending Testing Date	Hypersound Division Foxconn Expenditures
October 31, 2016	\$237,000
November 30, 2016	\$311,000
December 31, 2016	\$1,380,000
January 31, 2017	\$1,399,000
February 28, 2017	\$1,418,000
March 31, 2017	\$1,935,000
April 30, 2017	\$2,172,000
May 31, 2017	\$2,409,000
June 30, 2017	\$2,644,000
July 31, 2017	\$2,878,000
August 31, 2017	\$3,112,000
September 30, 2017	\$3,841,000
October 31, 2017	\$4,070,000
November 30, 2017	\$4,297,000
December 31, 2017 and the end of each calendar month thereafter thereafter	\$4,523,000

2.05. **Amendments to Section 12.1.** Clause (c) of Section 12.1 of the Term Loan Agreement is hereby amended to insert the text “10.1.14,” immediately after the text “10.1.7,” set forth therein.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

Each Obligor hereby represents and warrants to Agent and each Lender, as of the date hereof, as follows:

3.01. **Representations and Warranties.** After giving effect to this Amendment, the representations and warranties set forth in Section 9 of the Term Loan Agreement and in each other Loan Document are true and correct in all material respects on and as of the date hereof with the same effect as if made on and as of the date hereof, except to the extent such representations and warranties expressly relate solely to an earlier date.

3.02. **No Defaults.** After giving effect to this Amendment, each Obligor is in compliance with all terms and conditions of the Term Loan Agreement and the other Loan Documents on its part to be observed and performed and no Default or Event of Default has occurred and is continuing.

3.03. **Authority and Pending Actions.** The execution, delivery, and performance by each Obligor of this Amendment has been duly authorized by each such Obligor (as applicable) and there is no action pending or any judgment, order, or decree in effect which is likely to restrain, prevent, or impose materially adverse conditions upon the performance by any Obligor of its obligations under the Term Loan Agreement or the other Loan Documents.

3.04. **Enforceability.** This Amendment constitutes the legal, valid, and binding obligation of each Obligor, enforceable against each such Obligor in accordance with its terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency, moratorium, reorganization, or other similar laws affecting the enforcement of creditors' rights or by the effect of general equitable principles.

ARTICLE IV

CONDITIONS PRECEDENT AND FURTHER ACTIONS

4.01. **Conditions Precedent.** This Amendment shall not be binding upon Agent, Lenders or any Obligor until each of the following conditions precedent have been satisfied in form and substance satisfactory to Agent (such date, the "Fifth Amendment Effective Date"):

(a) The representations and warranties contained herein and in the Term Loan Agreement, as amended hereby, shall be true and correct in all material respects as of the date hereof, after giving effect to this Amendment, as if made on such date, except for such representations and warranties limited by their terms to a specific date;

(b) Each Obligor shall have delivered to the Agent duly executed counterparts of this Amendment which, when taken together, bear the authorized signatures of the Obligors, the Agent, and the Lenders;

(c) Obligors shall have delivered to Agent a fully-executed copy of an amendment to the ABL Revolver Loan Agreement substantially similar to this Amendment (the "Eleventh Amendment to ABL Revolver Loan Agreement") and otherwise acceptable to Agent and Lenders;

(d) The Agent shall have received a fully-executed and effective amendment to the Intercreditor Agreement in form and substance satisfactory to the Agent and Lenders;

(e) Obligors shall have delivered to Agent a fully-executed and effective Capital Contribution Agreement and each other agreement, instrument or other document executed in connection with the Specified Capital Contribution contemplated thereby, each in form, substance and on terms, satisfactory to the Agent; and

(f) Obligors shall have paid to Agent, for the benefit of itself and Lenders, a fee in the amount of \$150,000 (the "Fifth Amendment Fee") in immediately available funds. Each Obligor hereby expressly agrees and acknowledges that the Fifth Amendment Fee shall be fully earned and due and payable on the Fifth Amendment Effective Date.

4.02. **Further Actions.** Each of the parties to this Amendment agrees that at any time and from time to time upon the written request of any other party, it will execute and deliver such further documents and do such further acts and things as such other party may reasonably request in order to affect the purposes of this Amendment.

ARTICLE V

[RESERVED]

ARTICLE VI

COSTS AND EXPENSES

Without limiting the terms and conditions of the Loan Documents, notwithstanding anything in the Loan Documents to the contrary, Obligors jointly and severally agree to pay on demand: (a) all reasonable costs and expenses incurred by Agent in connection with the preparation, negotiation, and execution of this Amendment and the other Loan Documents executed pursuant to this Amendment and any and all subsequent amendments, modifications, and supplements to this Amendment, including, without limitation, the reasonable costs and fees of Agent's legal counsel; and (b) all reasonable costs and expenses reasonably incurred by Agent in connection with the enforcement or preservation of any rights under the Term Loan Agreement, this Amendment, and/or the other Loan Documents, including, without limitation, the reasonable costs and fees of Agent's legal counsel.

ARTICLE VII

MISCELLANEOUS

7.01. **No Course of Dealing.** The amendments and consents set forth herein are a one-time accommodation only and relate only to the matters set forth in Article II herein. The amendments and consents are not amendments or consents to any other deviation of the terms and conditions of the Term Loan Agreement or any other Loan Document unless otherwise expressly agreed to by Agent and Lenders in writing.

7.02. **Cross-References.** References in this Amendment to any Section are, unless otherwise specified, to such Section of this Amendment.

7.03. **Instrument Pursuant to Term Loan Agreement.** This Amendment is a Loan Document executed pursuant to the Term Loan Agreement and shall (unless otherwise expressly indicated herein) be construed, administered, and applied in accordance with the terms and provisions of the Term Loan

Agreement. Any failure by Obligor to comply with any of the terms and conditions of this Amendment shall constitute an immediate Event of Default.

7.04. **Acknowledgment of the Obligors.** Each Obligor hereby represents and warrants that the execution and delivery of this Amendment and compliance by such Obligor with all of the provisions of this Amendment: (a) are within the powers and purposes of such Obligor; (b) have been duly authorized or approved by the board of directors (or other appropriate governing body) of such Obligor; and (c) when executed and delivered by or on behalf of such Obligor will constitute valid and binding obligations of such Obligor, enforceable in accordance with its terms. Each Obligor reaffirms its obligations to perform and pay all amounts due to Agent or Lenders under the Loan Documents (including, without limitation, its obligations under any promissory note evidencing any of the Loans) in accordance with the terms thereof, as amended and modified hereby.

7.05. **Loan Documents Unmodified.** Each of the amendments provided herein shall apply and be effective only with respect to the provisions of the Loan Document specifically referred to by such amendments. Except as otherwise specifically modified by this Amendment, all terms and provisions of the Term Loan Agreement and all other Loan Documents, as modified hereby, shall remain in full force and effect and are hereby ratified and confirmed in all respects. Nothing contained in this Amendment shall in any way impair the validity or enforceability of the Loan Documents, as modified hereby, or alter, waive, annul, vary, affect, or impair any provisions, conditions, or covenants contained therein or any rights, powers, or remedies granted therein, except as otherwise specifically provided in this Amendment. Subject to the terms of this Amendment, any lien and/or security interest granted to Agent, for the benefit of Lenders, in the Collateral set forth in the Loan Documents shall remain unchanged and in full force and effect and the Term Loan Agreement and the other Loan Documents shall continue to secure the payment and performance of all of the Obligations.

7.06. **Parties, Successors and Assigns.** This Amendment represents the agreement of Obligors, Agent and each Lender signatory hereto with respect to the subject matter hereof, and there are no promises, undertakings, representations, or warranties relative to the subject matter hereof not expressly set forth or referred to herein or in the other Loan Documents. This Amendment shall be binding upon and inure to the benefit of Obligors, Agent, Lenders, and their respective successors and assigns, except that (a) no Borrower shall have the right to assign its rights or delegate its obligations under any Loan Documents; and (b) any assignment by a Lender must be made in compliance with Section 14.3 of the Term Loan Agreement.

7.07. **Counterparts.** This Amendment may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of a signature page of this Amendment by telecopy shall be effective as delivery of a manually executed counterpart of this Amendment. This Amendment may be executed and delivered by facsimile or electronic mail, and will have the same force and effect as manually signed originals.

7.08. **Headings.** The headings, captions, and arrangements used in this Amendment are for convenience only, are not a part of this Amendment, and shall not affect the interpretation hereof.

7.09. **Miscellaneous.** This Amendment is subject to the general provisions set forth in the Term Loan Agreement, including, but not limited to, Sections 15.14, 15.15, and 15.16.

7.10. **Severability.** Wherever possible, each provision of the Loan Documents shall be interpreted in such manner as to be valid under Applicable Law. If any provision is found to be invalid under Applicable

Law, it shall be ineffective only to the extent of such invalidity and the remaining provisions of the Loan Documents shall remain in full force and effect.

7.11. **Release.**

(a) EACH OBLIGOR HEREBY IRREVOCABLY RELEASES AND FOREVER DISCHARGES AGENT, LENDERS AND THEIR AFFILIATES, AND EACH SUCH PERSON'S RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, MEMBERS, ATTORNEYS AND REPRESENTATIVES (EACH, A "**RELEASED PERSON**") OF AND FROM ALL DAMAGES, LOSSES, CLAIMS, DEMANDS, LIABILITIES, OBLIGATIONS, ACTIONS OR CAUSES OF ACTION WHATSOEVER (EACH, A "**CLAIM**") THAT SUCH OBLIGOR MAY NOW HAVE OR CLAIM TO HAVE AGAINST ANY RELEASED PERSON ON THE DATE OF THIS AMENDMENT, WHETHER KNOWN OR UNKNOWN, OF EVERY NATURE AND EXTENT WHATSOEVER, FOR OR BECAUSE OF ANY MATTER OR THING DONE, OMITTED OR SUFFERED TO BE DONE OR OMITTED BY ANY OF THE RELEASED PERSONS THAT BOTH (1) OCCURRED PRIOR TO OR ON THE DATE OF THIS AMENDMENT AND (2) IS ON ACCOUNT OF OR IN ANY WAY CONCERNING, ARISING OUT OF OR FOUNDED UPON THE TERM LOAN AGREEMENT OR ANY OTHER LOAN DOCUMENT.

(b) EACH OBLIGOR INTENDS THE ABOVE RELEASE TO COVER, ENCOMPASS, RELEASE, AND EXTINGUISH, INTER ALIA, ALL CLAIMS, DEMANDS, AND CAUSES OF ACTION THAT MIGHT OTHERWISE BE RESERVED BY THE CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

(c) EACH OBLIGOR ACKNOWLEDGES THAT IT MAY HEREAFTER DISCOVER FACTS DIFFERENT FROM OR IN ADDITION TO THOSE NOW KNOWN OR BELIEVED TO BE TRUE WITH RESPECT TO SUCH CLAIMS, DEMANDS, OR CAUSES OF ACTION, AND AGREES THAT THIS AMENDMENT AND THE ABOVE RELEASE ARE AND WILL REMAIN EFFECTIVE IN ALL RESPECTS NOTWITHSTANDING ANY SUCH DIFFERENCES OR ADDITIONAL FACTS.

7.12. **Total Agreement.** This Amendment, the Term Loan Agreement, and all other Loan Documents constitute the entire agreement, and supersede all prior understandings and agreements, among the parties relating to the subject matter hereof.

7.13. **Amendment to ABL Revolver Loan Agreement.** Each of the undersigned Lenders and Agent hereby acknowledge that as of the Fifth Amendment Effective Date, the Obligors, the ABL Revolver Agent and the ABL Revolver Lenders are agreeing to the Eleventh Amendment to Loan, Guaranty and Security Agreement in the form attached hereto as **Annex I**. The Agent and the Lenders hereby acknowledge and consent to the Eleventh Amendment to Loan, Guaranty and Security Agreement, including, without limitation, for purposes of the Intercreditor Agreement.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have executed and delivered this Amendment as of the day and year first written above.

BORROWERS:

TURTLE BEACH CORPORATION, a Nevada corporation, formerly known as Parametric Sound Corporation

By: /s/ John T. Hanson
Name: John T. Hanson
Title: Chief Financial Officer

VOYETRA TURTLE BEACH, INC.,
a Delaware corporation

By: /s/ John T. Hanson
Name: John T. Hanson
Title: Chief Financial Officer

TURTLE BEACH EUROPE LIMITED,
a company limited by shares and incorporated in England and Wales with company number 03819186

By: /s/ John T. Hanson
Name: John T. Hanson
Title: Chief Financial Officer

AGENT AND LENDERS:

CRYSTAL FINANCIAL LLC, as Agent

By: /s/ Mirko Andric
Name: Mirko Andric
Title: Managing Director

CRYSTAL FINANCIAL SPV LLC, as a Lender

By: /s/ Mirko Andric
Name: Mirko Andric
Title: Managing Director

CRYSTAL FINANCIAL LLC, as a Lender

By: /s/ Mirko Andric
Name: Mirko Andric
Title: Managing Director

GUARANTOR CONSENT

The undersigned hereby consents to the foregoing Amendment and hereby (a) confirms and agrees that notwithstanding the effectiveness of the foregoing Amendment, each Loan Document to which it is a party is, and shall continue to be, in full force and effect and is hereby ratified and confirmed in all respects, except that, on and after the effectiveness of the foregoing Amendment, each reference in any Loan Document to the "Term Loan Agreement," "thereunder," "thereof" or words of like import shall mean and be a reference to the Term Loan Agreement, as amended by the foregoing Amendment, (b) confirms and agrees that the pledge and security interest in the Collateral granted by it pursuant to any Security Documents to which it is a party shall continue in full force and effect, (c) acknowledges and agrees that such pledge and security interest in the Collateral granted by it pursuant to such Security Documents shall continue to secure the Obligations purported to be secured thereby, as amended or otherwise affected hereby, and (d) agrees to be bound by the release set forth in Section 7.11 of the Amendment.

VTB HOLDINGS, INC.,
a Delaware corporation

By: /s/ John T. Hanson
Name: John T. Hanson
Title: Chief Financial Officer

ANNEX I

**ELEVENTH AMENDMENT
TO
LOAN, GUARANTY AND SECURITY AGREEMENT**

Attached hereto

ANNEX II

**Form of Third Lien Subordinated Notes (Fifth Amendment)
and the related Third Lien Loan Documents**

Attached hereto

FIRST AMENDMENT TO SUBORDINATION AGREEMENT

This **FIRST AMENDMENT TO SUBORDINATION AGREEMENT** (this "**AMENDMENT**";) is dated as of October 31, 2016, and is entered into by and among (a) **BANK OF AMERICA, N.A.**, in its capacity as agent (in such capacity, the "**ABL Agent**"), (b) **CRYSTAL FINANCIAL LLC**, in its capacity as agent (in such capacity, the "**Term Agent**"; and, together with the ABL Agent, collectively, the "**Senior Agents**," and, individually, a "**Senior Agent**"), (c) **SG VTB HOLDINGS, LLC** (in its capacity as the holder of the Subordinated Debt (as defined below), together with any successors and/or assigns, the "**Junior Creditor**"), and (d) (i) **TURTLE BEACH CORPORATION**, a Nevada corporation (the "**Parent**"), (ii) **VOYETRA TURTLE BEACH, INC.**, a Delaware corporation ("**Voyetra**"; and together with Parent, individually, a "**US Borrower**," and individually and collectively, jointly and severally, the "**US Borrowers**"), (iii) **TURTLE BEACH EUROPE LIMITED**, a company limited by shares and incorporated in England and Wales with company number 03819186 ("**Turtle Beach**"; and together with its successors and assigns, also referred to hereinafter as "**UK Borrower**"; and together with the US Borrowers, individually, a "**Borrower**," and individually and collectively, the "**Borrowers**") and (iv) **VTB HOLDINGS, INC.**, a Delaware corporation ("**VTB**"; and together with any other party that becomes a US Guarantor, individually, a "**US Guarantor**," and individually and collectively, jointly and severally, the "**US Guarantors**"; and together with the US Borrowers, individually, a "**UK Guarantor**" and individually and collectively, jointly and severally, the "**UK Guarantors**"; the UK Guarantors and the US Guarantors, individually, a "**Guarantor**," and individually and collectively, the "**Guarantors**," and the Guarantors, together with the Borrowers, collectively, the "**Obligors**").

WHEREAS, the Guarantors had previously entered into that certain Subordination Agreement, dated as of November 16, 2015 (the "**Agreement**"; capitalized terms used but not defined herein shall have the meaning given to such term in the Agreement); and

WHEREAS, the Lender and the Obligors desire to enter into certain amendments to the Agreement.

NOW, THEREFORE, in consideration of the mutual conditions and agreements set forth in the Agreement and this Amendment, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

ARTICLE I

AMENDMENT TO THE SUBORDINATION AGREEMENT

(a) Section 1 of the Agreement is hereby amended by adding the following definition in the appropriate alphabetical order:

Additional Junior Note: That certain Subordinated Promissory Note, dated as of October 31, 2016 (as amended, amended and restated, supplemented, replaced, renewed, refinanced, and otherwise in effect from time to time in accordance with the terms of this Agreement, the "**Additional Junior Note**"), pursuant to which, upon the terms and subject to the conditions contained therein, the Junior Creditor agreed to make loans and otherwise extend credit to the Parent.

(b) Section 1 of the Agreement is hereby amended by replacing the definitions of "Subordinated Debt" and "Subordinated Documents" in their entirety with the following:

Subordinated Debt: All indebtedness, liabilities or obligations of any type or form whatsoever under the Junior Note, the Additional Junior Note and the other Subordinated Documents, including, without limitation, all “Principal Amounts” and “Principal Increases” (as defined in the Junior Note or Additional Junior Note, as applicable), all accrued interest thereon, and all principal, interest, fees, costs, enforcement expenses (including legal fees and disbursements), collateral protection expenses and other reimbursement or indemnity obligations created or evidenced by the Junior Note, the Additional Junior Note or any of the other Subordinated Documents, in each case, whether now or hereafter incurred or owing thereunder. Subordinated Debt shall expressly include any and all interest accruing or out of pocket costs or expenses incurred after the date of any filing by or against any Obligor of any petition under any Debtor Relief Law or Insolvency Proceeding, or that would have accrued or become due under the terms of the Junior Note, the Additional Junior Note or the Subordinated Documents but for the effect of such petition under any Debtor Relief Law or Insolvency Proceeding, and irrespective of whether a claim for all or any portion of such amounts is allowable or allowed in such Insolvency Proceeding.

Subordinated Documents: The Junior Note, the Additional Junior Note, the Third Lien Guaranty, the Third Lien Security Agreement and all documents, agreements and/or instruments entered into or delivered in connection therewith, and any and all guaranties and security interests and other liens directly or indirectly guarantying or securing any of the Subordinated Debt, and any and all other documents or instruments evidencing or further guarantying or securing directly or indirectly any of the Subordinated Debt, whether now existing or hereafter created.

ARTICLE II

CLOSING CONDITIONS

This Amendment shall be deemed effective as of the date set forth above upon the Senior Agents having received a copy of this Amendment duly executed by the Senior Agents, the Junior Creditor, the Parent and the Guarantors.

ARTICLE III

ACKNOWLEDGEMENT AND CONSENT

The Senior Agents hereby acknowledge receipt of execution copies of the (a) First Amendment to Third Lien Continuing Guaranty, dated the date hereof, among VTB, Voyetra and the Junior Creditor and (b) First Amendment to Third Lien Security Agreement, dated the date hereof, among the Parent, VTB, Voyetra and the Junior Creditor, and hereby acknowledge and consent to the entering into of such amendments by the Parent, VTB, Voyetra and the Junior Creditor, as applicable.

ARTICLE IV

MISCELLANEOUS

Except as otherwise specifically modified by this Amendment, all terms and provisions of the Agreement, as modified hereby, shall remain in full force and effect and are hereby ratified and confirmed in all respects. Nothing contained in this Amendment shall in any way impair the validity or enforceability

of the Agreement, as modified hereby, or alter, waive, annul, vary, affect, or impair any provisions, conditions, or covenants contained therein or any rights, powers, or remedies granted therein, except as otherwise specifically provided in this Amendment. This Amendment may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of a signature page of this Amendment by telecopy shall be effective as delivery of a manually executed counterpart of this Amendment. This Amendment may be executed and delivered by facsimile or electronic mail, and will have the same force and effect as manually signed originals. This Amendment shall be governed by and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first above written.

BANK OF AMERICA, N.A., in its capacity as the ABL Agent and as a Senior Agent

By: /s/ Matthew R. Van Steenhuyse

Name: Matthew R. Van Steenhuyse

Title: Senior Vice President

CRYSTAL FINANCIAL LLC, in its capacity as the Term Agent and as a Senior Agent

By: /s/ Mirko Andric

Name: Mirko Andric

Title: Managing Director

SG VTB HOLDINGS, LLC, in its capacity as a Junior Creditor

By: /s/ Kenneth A. Fox

Name: Kenneth A. Fox

Title: Managing Member

OBLIGORS:

TURTLE BEACH CORPORATION, a Nevada corporation

By: /s/ John T. Hanson
Name: John T. Hanson
Title: Chief Financial Officer

VOYETRA TURTLE BEACH, INC., a Delaware corporation

By: /s/ John T. Hanson
Name: John T. Hanson
Title: Chief Financial Officer

TURTLE BEACH EUROPE LIMITED, a company limited by shares and incorporated in England and Wales

By: /s/ John T. Hanson
Name: John T. Hanson
Title: Director

VTB HOLDINGS, INC., a Delaware corporation

By: /s/ John T. Hanson
Name: John T. Hanson
Title: Chief Financial Officer

FIRST AMENDMENT TO THIRD LIEN CONTINUING GUARANTY

This **FIRST AMENDMENT TO THIRD LIEN CONTINUING GUARANTY** (this "**AMENDMENT**") is dated as of October 31, 2016, and is entered into by and among **VTB HOLDINGS, INC.**, a Delaware corporation ("**VTB HOLDINGS**"), **VOYETRA TURTLE BEACH, INC.**, a Delaware corporation ("**VTB**;" collectively, with VTB Holdings, jointly and severally, the "**GUARANTORS**" and each a "**GUARANTOR**") and **SG VTB HOLDINGS, LLC** (the "**LENDER**").

WHEREAS, the Guarantors had previously entered into that certain Third Lien Continuing Guaranty, dated as of November 16, 2015 (the "**Agreement**"); and

WHEREAS, the Lender and the Guarantors desire to enter into certain amendments to the Agreement.

NOW, THEREFORE, in consideration of the mutual conditions and agreements set forth in the Agreements and this Amendment, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

ARTICLE I

AMENDMENT TO THE AGREEMENT

1.01. **Amendment.**

(a) Section 1 of the Agreement is hereby replaced in its entirety with the following:

"1. **GUARANTY; DEFINITIONS.** In consideration of any credit extended to Borrower by Lender under the Notes referred to below, and for other valuable consideration, the undersigned **VTB HOLDINGS, INC.**, a Delaware corporation ("**VTB Holdings**") and **VOYETRA TURTLE BEACH, INC.**, a Delaware corporation ("**VTB**;" collectively, with VTB Holdings, jointly and severally, the "**Guarantors**" and each a "**Guarantor**"), jointly and severally unconditionally guarantee and promise to pay to **SG VTB HOLDINGS, LLC**, a Delaware limited liability company ("**Lender**"), on demand in lawful money of the United States of America and in immediately available funds, any and all obligations of **TURTLE BEACH CORPORATION**, a Nevada corporation ("**Borrower**") to Lender under (x) the Subordinated Promissory Note, dated November 16, 2015 (the "**Note**") from Borrower to the Lender, including all principal and interest thereon and (y) the Subordinated Promissory Note, dated October 31, 2016 (the "**Additional Note**" and together with the Note, the "**Notes**") from Borrower to the Lender, including all principal and interest thereon (such obligations under the Notes, the "**Indebtedness**"). This Third Lien Continuing Guaranty (this "Guaranty") is a guaranty of payment and not collection."

(b) Each reference to "Note" in the Agreement other than in Section 1 shall be replaced with "Notes".

ARTICLE II

CLOSING CONDITIONS

This Amendment shall be deemed effective as of the date set forth above upon the Lender having received a copy of this Amendment duly executed by the Guarantors and Lender.

ARTICLE III

MISCELLANEOUS

Except as otherwise specifically modified by this Amendment, all terms and provisions of the Agreement, as modified hereby, shall remain in full force and effect and are hereby ratified and confirmed in all respects. Nothing contained in this Amendment shall in any way impair the validity or enforceability of the Agreement, as modified hereby, or alter, waive, annul, vary, affect, or impair any provisions, conditions, or covenants contained therein or any rights, powers, or remedies granted therein, except as otherwise specifically provided in this Amendment. This Amendment may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of a signature page of this Amendment by telecopy shall be effective as delivery of a manually executed counterpart of this Amendment. This Amendment may be executed and delivered by facsimile or electronic mail, and will have the same force and effect as manually signed originals. This Amendment shall be governed by and construed in accordance with the laws of the State of New York.

[Rest of page left intentionally blank]

IN WITNESS WHEREOF, the parties have executed and delivered this Amendment as of the day and year first written above.

VOYETRA TURTLE BEACH, INC.

By: /s/ John T. Hanson
Name: John T. Hanson
Title: Chief Financial Officer

VTB HOLDINGS, INC.

By: /s/ John T. Hanson
Name: John T. Hanson
Title: Chief Financial Officer

ACKNOWLEDGED AND AGREED:

SG VTB HOLDINGS, LLC

By: /s/ Kenneth A. Fox
Name: Kenneth A. Fox
Title: Managing Member

FIRST AMENDMENT TO THIRD LIEN SECURITY AGREEMENT

This **FIRST AMENDMENT TO THIRD LIEN SECURITY AGREEMENT** (this "**AMENDMENT**") is dated as of October 31, 2016, and is entered into by and among **TURTLE BEACH CORPORATION**, a Nevada corporation ("**TURTLE BEACH**"), **VTB HOLDINGS, INC.**, a Delaware corporation ("**VTB HOLDINGS**"), **VOYETRA TURTLE BEACH, INC.**, a Delaware corporation ("**VTB**," collectively, with Turtle Beach and VTB Holdings, jointly and severally, the "**Debtor**") and **SG VTB HOLDINGS, LLC** (the "**LENDER**").

WHEREAS, the Debtor had previously entered into that certain Third Lien Security Agreement, dated as of November 16, 2015 (the "**Agreement**"); and

WHEREAS, the Lender and the Debtor desire to enter into certain amendments to the Agreement.

NOW, THEREFORE, in consideration of the mutual conditions and agreements set forth in the Agreements and this Amendment, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

ARTICLE I**AMENDMENT TO THE AGREEMENT****1.01. Amendment.**

(a) Section 2 of the Agreement is hereby replaced in its entirety with the following:

"2. OBLIGATIONS SECURED. The obligations secured hereby are the payment and performance of all obligations of Debtor under the Guaranty entered into by VTB Holdings and VTB, dated November 16, 2015, as amended October 31, 2016 (the "Guaranty"), the Subordinated Promissory Note, dated November 16, 2015 (the "Note") from Turtle Beach to the Lender including all principal and interest thereon and the Subordinated Promissory Note, dated October 31, 2016 (the "Additional Note" and together with the Note, the "Notes") from Turtle Beach to the Lender including all principal and interest thereon (collectively, the "Indebtedness")."

(b) Section 7 of the Agreement is hereby replaced in its entirety with the following:

"7. EVENTS OF DEFAULT. The occurrence of any of the "Events of Default" as such term is defined in either of the Notes shall be an "Event of Default" under this Agreement."

(c) Each reference to "Note" in the Agreement other than in Section 2 shall be replaced with "Notes".

ARTICLE II
CLOSING CONDITIONS

This Amendment shall be deemed effective as of the date set forth above upon the Lender having received a copy of this Amendment duly executed by Debtor and Lender.

ARTICLE III
MISCELLANEOUS

Except as otherwise specifically modified by this Amendment, all terms and provisions of the Agreement, as modified hereby, shall remain in full force and effect and are hereby ratified and confirmed in all respects. Nothing contained in this Amendment shall in any way impair the validity or enforceability of the Agreement, as modified hereby, or alter, waive, annul, vary, affect, or impair any provisions, conditions, or covenants contained therein or any rights, powers, or remedies granted therein, except as otherwise specifically provided in this Amendment. This Amendment may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of a signature page of this Amendment by telecopy shall be effective as delivery of a manually executed counterpart of this Amendment. This Amendment may be executed and delivered by facsimile or electronic mail, and will have the same force and effect as manually signed originals. This Amendment shall be governed by and construed in accordance with the laws of the State of New York.

[Rest of page left intentionally blank]

IN WITNESS WHEREOF, the parties have executed and delivered this Amendment as of the day and year first written above.

DEBTOR:

TURTLE BEACH CORPORATION, a Nevada corporation

By: /s/ John T. Hanson
Name: John T. Hanson
Title: Chief Financial Officer

VOYETRA TURTLE BEACH, INC., a Delaware corporation

By: /s/ John T. Hanson
Name: John T. Hanson
Title: Chief Financial Officer

VTB HOLDINGS, INC., a Delaware corporation

By: /s/ John T. Hanson
Name: John T. Hanson
Title: Chief Financial Officer

ACKNOWLEDGED AND AGREED:

SG VTB HOLDINGS, LLC

By: /s/ Kenneth A. Fox
Name: Kenneth A. Fox
Title: Managing Member

NEITHER THIS NOTE NOR THE UNDERLYING SECURITIES HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AS AMENDED OR THE SECURITIES LAWS OF ANY STATE AND NEITHER THIS NOTE NOR ANY SECURITIES ISSUED PURSUANT TO ITS CONVERSION MAY BE SOLD OR TRANSFERRED IN THE ABSENCE OF REGISTRATION THEREUNDER OR AN EXEMPTION THEREFROM.

THIS NOTE, THE OBLIGATIONS HEREUNDER AND ANY LIENS SECURING SUCH OBLIGATIONS ARE SUBJECT TO THE SUBORDINATION AGREEMENT (AS DEFINED BELOW).

THIS PROMISSORY NOTE WILL BE CONSIDERED TO HAVE BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT ("OID") FOR PURPOSES OF SECTIONS 1271 ET SEQ. OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED. THIS NOTE WAS ORIGINALLY ISSUED ON [], 2016. FOR INFORMATION REGARDING THE ISSUE PRICE, AMOUNT OF OID PER \$1,000 OF PRINCIPAL AMOUNT AND YIELD TO MATURITY FOR PURPOSES OF THE OID RULES, PLEASE CONTACT THE TREASURER OF THE BORROWER AT 12220 SCRIPPS SUMMIT DRIVE, SUITE 100, SAN DIEGO, CA 92131.

SUBORDINATED PROMISSORY NOTE

October 31, 2016

FOR VALUE RECEIVED, the undersigned, TURTLE BEACH CORPORATION, a Nevada corporation (the "**Company**"), hereby promises, subject to the terms and conditions hereof including Section 5, to pay to the order of SG VTB HOLDINGS, LLC (together with any successors and/or assigns, the "**Holder**"), in lawful money of the United States of America and in immediately available funds, the Principal Amount borrowed by the Company pursuant to Section 1 together with any accrued interest thereon that has not been capitalized, plus any Principal Increases (as defined below) together with any accrued interest thereon that has not been capitalized, on September 29, 2019 (the "**Maturity Date**").

1. Borrowings. If the Company is required to obtain a Specified Capital Contribution under the Credit Agreement at any time prior to the Maturity Date, the Company may request in writing that the Holder lend the Company \$2,000,000 on the terms contained herein (the "**Funding Request**"). The Holder shall transfer such amount to the Company within 12 business days of the receipt of the Funding Request and concurrent with such transfer (the "**Funding**"): (a) the Principal Amount hereunder shall be increased from \$0 to \$2,000,000 and (b) the Company shall execute and deliver to the Holder the Warrant Agreement in the form attached as Exhibit A hereto (the Effective Date of the Warrant to be either (a) the Funding Date if the interest rate set forth in Section 2(b) is applicable or (b) the date that the interest rate becomes a fixed interest rate pursuant to Section 2(a)(y)). The Holder shall ensure that it has sufficient funds to comply with its Funding obligations hereunder through the Maturity Date.

2. Interest. Interest shall accrue on the Principal Amount and on any Principal Increases at the rate set forth in clause (a) or clause (b) of the next sentence. The interest rate shall be equal

to either (a) if the Company provides a compliance certificate to the Holder on the date of Funding certifying that the Company is in compliance with at least 90% of the amount required under the financial covenant under Section 10.3.1 (EBITDA) of the Crystal Term Loan and with at least 90% of the amount required under the financial covenant under Section 10.3.1 (EBITDA) of the Credit Agreement, each as of the date of the Funding, (x) from the date of the Funding up to and including the date that is 12 months after the Funding, LIBOR + 10.5% per annum and (y) 12.0% per annum thereafter or (b) if the Company does not provide a compliance certificate at the date of the Funding, 12.0% per annum from the date of Funding, and in each case shall be calculated based upon a 365-day year. Interest on this Note shall accrue at the applicable rate from the Funding until the repayment in full of the Principal Amount plus any Principal Increases together with any accrued interest thereon that has not been capitalized. Interest shall be paid quarterly by increasing the principal amount of this Note (any such increase, a “**Principal Increase**”) by an amount equal to the interest accrued on the Principal Amount (as increased by the Principal Increases) during such quarter.

3. Payments. The principal of this Note, together with accrued but unpaid interest thereon, shall be immediately due and payable and shall be repaid in full upon the earliest occurrence of the Maturity Date or a Change of Control, in each case subject to Section 5 and unless the holders of a majority of the aggregate outstanding principal amount of the Note (“**Majority in Interest**”) shall otherwise agree in writing. For this purpose, a “**Change of Control**” has the meaning set forth in the Credit Agreement referenced in Section 5(a)(i) hereof.

4. Prepayment. Subject to Section 5 hereof, this Note may be prepaid at any time in whole or in part without premium or penalty.

5. Method of Payment. All payments hereunder shall be made for the account of the Holder at its office located at c/o Stripes Group, 402 West 13th Street, New York, NY 10014 or to such other address as the Holder may designate in writing to the Company.

6. Subordination.

(a) Certain Defined Terms. The following terms shall have the following meanings:

(i) “**Credit Agreement**” shall mean the Loan, Guaranty and Security Agreement, dated as of March 31, 2014, by and among the Company, Voyetra Turtle Beach, Inc., a Delaware corporation, Turtle Beach Europe Limited, a company limited by shares and incorporated in England and Wales with company number 03819186, VTB Holdings, Inc., a Delaware corporation, the financial institutions party thereto from time to time as lenders (the “**Senior Lenders**”), Bank of America, N.A., a national banking association, as agent, collateral agent and security trustee for the Senior Lenders (the “**Agent**”), and Bank of America, N.A. as sole lead arranger and sole book runner, as the same has been and may be amended, restated, amended and restated, supplemented, refinanced, renewed, replaced or otherwise modified from time to time.

(ii) “**Credit Agreement Debt**” shall mean all Obligations under, and as defined in, the Credit Agreement

(iii) “**Crystal Term Loan**” shall mean the Term Loan, Guaranty and Security Agreement, dated July 22, 2015, by and among the Company, Turtle Beach Europe Limited, a

company limited by shares and incorporated in England and Wales with company number 03819186, VTB Holdings, Inc., a Delaware corporation, Voyetra Turtle Beach, Inc., a Delaware corporation, the financial institutions party thereto from time to time as lenders (the “**Term Lenders**”), Crystal Financial LLC, as agent, collateral agent and security trustee for the Lenders (the “**Term Agent**”) and sole lead arranger and sole bookrunner and the other parties thereto, as the same has been and may be amended, restated, amended and restated, supplemented, refinanced, renewed, replaced or otherwise modified from time to time.

(iv) “**LIBOR**” shall mean the London Interbank Offered Rate for US Dollars. For all purposes under this Note LIBOR shall be determined on the date of the Funding and thereafter as of each date the interest has been capitalized (each such date, a “**Determination Date**”) by reference to:

(i) the rate per annum (rounded upwards, if necessary, to the nearest 1/100 of 1 percent) appearing on Bloomberg Page BBA or, as applicable, BBAM (or any successor page) as the London Interbank Offered Rate for deposits in US Dollars at 11:00 AM (London time) two London business days before such Determination Date for the period of 3 months commencing on such Determination Date and ending on a date three months after such Determination Date;

(ii) in the event of the unavailability of the applicable Bloomberg Page, by the rate per annum (rounded upwards, if necessary to the nearest 1/100 of 1 percent) appearing on the Reuters LIBOR page as the London Interbank Offered Rate for deposits of US Dollars at approximately 11:00 AM (London time) two London business days before such Determination Date for the period commencing on such Determination Date and ending on a date three months after such Determination Date; or

(iii) in the event of the unavailability of both the applicable Bloomberg Page and the Reuters Page, three month “LIBOR BBA Interbank Fixing Rate” for US Dollars as published in the World Interest Rates section of the Financial Times newspaper two London business days before such Determination Date. If LIBOR shall be less than zero, such rate shall be deemed to be zero for purposes of this Note.

(v) “**Senior Debt**” shall mean the Credit Agreement Debt and all Obligations under, and as defined in, the Crystal Term Loan.

(b) Subordination Agreement. The Company and Holder agree that this Note is subordinated to the Senior Debt pursuant to that certain Subordination Agreement, dated November 15, 2016, as amended, by and among the Company, Turtle Beach Europe Limited, a company limited by shares and incorporated in England and Wales with company number 03819186, VTB Holdings, Inc., a Delaware corporation, Voyetra Turtle Beach, Inc., a Delaware corporation, the Holder, the Agent and the Term Agent (the “**Subordination Agreement**”).

7. Events of Default.

(a) An “**Event of Default**” occurs if:

(i) the Company defaults in the payment of the principal of, or interest on, this Note when the same becomes due and payable at maturity, upon acceleration, or otherwise; or

(ii) the Company shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors, or any proceeding shall be instituted by or against the Company seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, or other similar official for it or for any substantial part of its property and in the case of any such proceeding instituted against the Company such proceeding shall not be stayed or dismissed within sixty (60) days from the date of institution thereof.

(b) Acceleration. Subject to the provisions of Section 5, if an Event of Default (other than an Event of Default specified in clause (a)(ii) of Section 6) occurs and is continuing, the holders of at least a Majority in Interest, by written notice to the Company and the holders of Senior Debt (as provided in Section 11) (an “**Acceleration Notice**”), may declare the unpaid principal of and accrued interest on all of the Notes to be immediately due and payable. Upon such declaration, if there is at such time any Senior Debt outstanding, the principal of and interest on the Notes shall be due and payable upon the first to occur of an acceleration under the applicable Senior Debt instrument or one hundred eighty (180) days after receipt by the Agent and Term Agent of such Acceleration Notice given hereunder. If an Event of Default specified in clause (a)(ii) of Section 6 occurs, all principal of and interest on all of the Notes outstanding shall ipso facto become and be immediately due and payable without any declaration or other act on the part of the Holder. The holders of at least a Majority in Interest, by written notice to the Company, may rescind an acceleration and its consequences if (i) all existing Events of Default, other than the nonpayment of principal of or interest on the Notes which has become due solely because of the acceleration, have been cured or waived and (ii) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction. Any amounts received by the Holder in connection with any action taken pursuant to this Section 6(b) shall be subject to the provisions of Section 5.

(c) Default Rate. Any payment of principal or interest under this Note shall begin to bear interest at a penalty rate of two percent (2%) above the then applicable interest rate per annum upon the occurrence and during the continuance of an Event of Default under this Note or an event of default under any of the Senior Debt.

(d) Majority in Interest. The holders of a Majority in Interest may direct the time, method and place of conducting any proceeding for any remedy available to the holders of the Notes or exercising any trust or power conferred on them. The Holder of this Note may not pursue a remedy with respect to this Note unless the holders of at least a Majority in Interest consent to the pursuit of the remedy. A holder may not use the provision hereof to prejudice the rights of another holder or to obtain a preference or priority over another holder.

(e) Remedies Cumulative. A delay or omission by the Holder in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a

waiver of or acquiescence in the Event of Default. No remedy is exclusive of any other remedy. All remedies are cumulative to the extent permitted by law.

8. Amendment and Waiver.

(a) Consent Required. Subject to the Subordination Agreement, any term, covenant, agreement or condition of the Notes may, with the consent of the Company, be amended or compliance therewith may be waived (either generally or in a particular instance and either retroactively or prospectively), if the Company shall have obtained the consent in writing of the holders of at least a Majority in Interest.

(b) Effect of Amendment or Waiver. Any amendment or waiver shall be binding upon the Holder, upon each future holder of any Note and upon the Company, whether or not such Note shall have been marked to indicate such amendment or waiver. No such amendment or waiver shall extend to or affect any obligation not expressly amended or waived or impair any right consequent thereon.

9. Replacement Notes. If a mutilated Note is surrendered to the Company or if the Holder presents evidence to the reasonable satisfaction of the Company that this Note has been lost, destroyed or wrongfully taken, the Company shall issue a replacement note of like tenor if the requirements of the Company for such transactions are met. An indemnity agreement may be required that is sufficient in the reasonable judgment of the Company to protect the Company from any loss which it may suffer. The Company may charge for its out-of-pocket expenses incurred in replacing this Note.

10. No Recourse Against Others. No director, officer, employee or stockholder, as such, of the Company shall have any liability for any obligations of the Company under this Note or for any claim based on, in respect or by reason of, such obligations or their creation. The Holder by accepting this Note waives and releases all such liability. This waiver and release are part of the consideration for the issue of this Note.

11. Notices. All notices provided for or permitted hereunder shall be made in writing by hand-delivery, registered or certified first-class mail, fax or reputable courier guaranteeing overnight delivery to the other party at the following addresses (or at such other address as shall be given in writing by any party to the others):

If to the Company, to:
Turtle Beach Corporation
12220 Scripps Summit Drive, Suite 100
San Diego, CA 92131
Attention: John Hanson

and

Dechert LLP
1900 K Street, NW
Washington, D.C. 20006
Attention: Tony Chan
Fax: (202) 261-3117

If to the Holder, to the Holder's address as reflected in the books of the Company.

If to the Agent:

Bank of America, N.A.
333 South Hope Street, 13th Floor
Los Angeles, California 90071
Attention: Matthew R. Van Steenhuysen

If to the Term Agent:

Crystal Financial LLC
Two International Place, 17th Floor
Boston, Massachusetts 02110
Attention: Mirko Andric

All such notices shall be deemed to have been duly given: when delivered by hand, if personally delivered; four business days after being deposited in the mail, postage prepaid, if mailed; and on the next business day, if timely delivered to a reputable courier guaranteeing overnight delivery.

12. Successors, etc. This Note shall be binding upon and shall inure to the benefit of the Holder and the Company and their respective successors and permitted assigns.

13. Waiver of Jury Trial. THE PARTIES HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHT SUCH PARTIES MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY SUIT OR ACTION ARISING OUT OF THIS NOTE OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH OF THE PARTIES HEREBY CERTIFIES THAT NEITHER THE OTHER PARTY NOR ANY OF ITS REPRESENTATIVES HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT IT WOULD NOT SEEK TO ENFORCE THIS WAIVER OF RIGHT TO JURY TRIAL. FURTHER, EACH OF THE PARTIES ACKNOWLEDGES THAT THE OTHER PARTY RELIED ON THIS WAIVER OF RIGHT TO JURY TRIAL AS A MATERIAL INDUCEMENT TO ENTER INTO THIS NOTE.

14. Costs of Enforcement. The Company is obligated to pay the costs of enforcement of this Note (including without limitation the reasonable fees and expenses of counsel) incurred by or on behalf of the holder of this Note.

15. Waiver of Notice, etc. The Company hereby waives presentment, notice of dishonor or acceleration, protest and notice of protest, and any and all other notices or demands in connection with the delivery, acceptance, performance, default or enforcement of this Note.

16. Headings. The section headings of this Note are for convenience only and shall not affect the meaning or interpretation of this Note or any provision hereof.

17. Governing Law. This Note shall be deemed a contract under, and shall be governed by and construed in accordance with, the laws of the State of New York without giving effect to principles of conflicts of laws.

[Signature page follows]

IN WITNESS WHEREOF, the Company has caused this Note to be duly executed, and the Holder has caused this Note to be duly acknowledged, as of the date set forth below.

TURTLE BEACH CORPORATION

By: /s/ John T. Hanson

Name: John T. Hanson

Title: Chief Financial Officer

ACKNOWLEDGED BY THE HOLDER

THIS 31st DAY OF OCTOBER 2016:

SG VTB HOLDINGS, LLC

By: /s/ Kenneth A. Fox

Name: Kenneth A. Fox

Title: Managing Member

EXHIBIT A

WARRANT AGREEMENT