
**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 reported)

Date of Report: June 17, 2016
(Date of earliest event)

Turtle Beach Corporation
(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction
of incorporation)

001-35465
(Commission
File Number)

27-2767540
(IRS Employer
Identification 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))
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Item 1.01 – Entry into a Material Definitive Agreement.

On June 17, 2016, Turtle Beach Corporation, a Nevada corporation (the “Company”), entered into amendments (the “Amendments”) to its Loan, Guaranty and Security Agreement, dated March 31, 2014 (as amended, the “ABL Agreement”), by and among the Company, Voyetra Turtle Beach, Inc., Turtle Beach Europe Limited, VTB Holdings, Inc., as guarantor (collectively, the “Obligors”), the financial institutions party thereto as lenders (collectively, the “ABL Lenders”), and Bank of America, N.A., as administrative agent, collateral agent and security trustee for the ABL Lenders (the “ABL Agent”) and 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 and the other lenders party to the Term Loan Agreement from time to time (collectively, the “Term Loan Lenders,” and collectively with the ABL Lenders, the “Lenders”), and Crystal Financial LLC, as administrative agent, collateral agent and security trustee for the Term Loan Lenders (the “Term Loan Agent”).

The Amendments provide, among other things, that (i) the existing loan availability blocks under the Credit Agreements be temporarily reduced between June 17, 2016 and October 31, 2016, (ii) the Company maintain certain cash flow levels with respect to its HyperSound division during each rolling four week period beginning with the period ending June 24, 2016 through (and including) the period ending October 28, 2016 and (iii) that the Obligors make certain periodic reports to the ABL Agent, the Term Loan Agent and the Lenders with respect to certain financial metrics

The foregoing description of the Amendments do not purport to be complete and are qualified in their entirety by the full text of the Amendments, copies of which are attached hereto as Exhibit 10.1 and Exhibit 10.2.

Item 9.01 – Financial Statements and Exhibits

(d) Exhibits

- 10.1 Tenth Amendment to Loan, Guaranty and Security Agreement, dated as of June 17, 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 Fourth Amendment to Term Loan, Guaranty and Security Agreement, dated as of June 17, 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.

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.

Dated: June 23, 2016

TURTLE BEACH CORPORATION

By: /s/ John T. Hanson

John T. Hanson

Chief Financial Officer

TENTH AMENDMENT TO LOAN, GUARANTY AND SECURITY AGREEMENT

This **TENTH AMENDMENT TO LOAN, GUARANTY AND SECURITY AGREEMENT** (this "Amendment") is dated as of June 17, 2016, and is entered into by and among **TURTLE BEACH CORPORATION**, a Nevada corporation, formerly known as Parametric Sound Corporation ("Parametric"), **VOYETRA TURTLE BEACH, INC.**, a Delaware corporation ("Voyetra"; and together with Parametric, 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:

Tenth Amendment: that certain Tenth Amendment to Loan, Guaranty and Security Agreement, dated as of June 17, 2016, by and among Borrowers, Guarantors, Lenders and Agent.

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

(b) 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: \$9,000,000; provided that from and after the Tenth Amendment Effective Date through and including September 30, 2016, the Temporary Availability Block shall be \$6,000,000, and from and after October 1, 2016, through and including October 31, 2016, the Temporary Availability Block shall be \$7,500,000.

2.02. Amendments to Section 10.1.2. Section 10.1.2(l) of the Loan Agreement is hereby deleted in its entirety and the following is inserted in lieu thereof:

(l) commencing on June 15, 2016, for the week ending June 10, 2016, and on the third Business Date of each week thereafter, a thirteen (13)-week cash flow forecast, in a form, and with such detail, satisfactory to Agent and Lenders, together with a weekly variance reporting comparing actual amounts to forecasted amounts, in a form, and with such detail, satisfactory to Agent and Lenders; and

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 "Tenth 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 "Fourth Amendment to Term Loan Agreement") and otherwise acceptable to Agent and Lenders;

(d) Obligors shall have delivered to Agent a certificate, in form and substance satisfactory to Agent and Lenders, from John Hansen certifying that not less than \$100,000 in immediate cost reductions have been implemented at Obligors' Hypersound Division; and

(e) Obligors shall have paid to Agent, for the benefit of itself and Lenders, \$42,500 in immediately available funds as the first installment of the \$85,000 tenth amendment fee (the "Tenth Amendment Fee"), which Tenth Amendment Fee each Obligor hereby expressly agrees and acknowledges is fully earned as of the Tenth Amendment Effective Date and payable in two (2) installments with the first such installment due on the Tenth Amendment Effective Date and the remaining \$42,500 due no later than the earlier of (i) September 30, 2016, and (ii) the Revolver Commitment Termination 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

AFFIRMATIVE COVENANTS

5.01. **Payment of Outstanding Tenth Amendment Fee.** Obligors hereby covenant and agree to pay to Agent, for the benefit of itself and Lenders, the outstanding balance of the Tenth Amendment Fee no later than the earlier of (a) September 30, 2016, and (b) the Revolver Commitment Termination Date. Failure to comply with this Section 5.01 of this Amendment shall constitute an Event of Default under this Amendment and pursuant to Section 12.1(c) of the Loan Agreement for which there is no cure or remedy.

5.02. Hypersound Division Rolling Four-Week Cash Flow Reports.

(a) Obligors hereby covenant and agree, in consultation with, and subject to the review and approval of, their financial advisor, to prepare and deliver to Agent and Lenders on or prior to June 24, 2016, and on or prior to the third Business Date of each week thereafter, a report comparing the actual cash flow at Obligors' Hypersound Division over the four (4)-consecutive-week period ended on the preceding Friday to the budgeted cash flow at Obligors' Hypersound Division for such four (4)-consecutive-week period as set forth in Obligors' Summary Cash Flow Estimates as of June 10, 2016 (the "Specified Cash Flow Projections"). Such rolling four (4)-week cash flow reports shall be calculated using a methodology consistent with the methodology used to calculate the Specified Cash Flow Projections, and such methodology, and such four (4)-week cash flow reports, shall be in form and substance satisfactory to Agent and Lenders. At the time of delivery of such reports, Obligors shall provide a compliance certificate (in form and substance satisfactory to Agent) certifying, among other things, that (x) such reports are prepared in accordance with this Section 5.02(a) of this Amendment and (y) compliance with the covenant contained in Section 5.02(b) of this Amendment for the relevant period.

(b) Obligors covenant and agree that commencing with the four (4)-consecutive-week period ending June 24, 2016, and continuing through (and including) the four (4)-consecutive-week period ending October 28, 2016, the actual cash flow at Obligors' Hypersound Division (as reflected on such rolling four (4)-week cash flow reports) shall not be less than the "Minimum Cash Flow at Hypersound Division" amount set forth below for each four (4)-consecutive-week period ending on such date:

<u>Four Consecutive Week Period End Date</u>	<u>Minimum Cash Flow at Hypersound Division</u>
June 24, 2016	\$ (929,000)
July 1, 2016	\$ (857,000)
July 8, 2016	\$ (981,000)
July 15, 2016	\$ (1,036,000)
July 22, 2016	\$ (801,000)
July 29, 2016	\$ (796,000)
August 5, 2016	\$ (755,000)
August 12, 2016	\$ (727,000)
August 19, 2016	\$ (700,000)
August 26, 2016	\$ (667,000)
September 2, 2016	\$ (651,000)
September 9, 2016	\$ (617,000)
September 16, 2016	\$ (498,000)
September 23, 2016	\$ (553,000)
September 30, 2016	\$ (547,000)
October 7, 2016	\$ (544,000)
October 14, 2016	\$ (532,000)
October 21, 2016	\$ (529,000)
October 28, 2016	\$ (542,000)

Failure to comply with this Section 5.02 shall constitute an Event of Default under this Amendment and pursuant to Section 12.1(c) of the Loan Agreement for which there is no cure or remedy.

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 Obligors 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 Tenth Amendment Effective Date, Obligors, Term Agent and Term Loan Lenders are agreeing to the Fourth Amendment to Term Loan Agreement, in the form attached hereto as Annex I. Agent and Lenders hereby acknowledge and consent to the Fourth 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

Signature Page to Tenth Amendment to Loan, Guaranty and Security Agreement

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

By: /s/ Matthew Van Steenhuyse

Name: Matthew Van Steenhuyse

Title: Senior Vice President

Signature Page to Tenth Amendment to Loan, Guaranty and Security Agreement

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 6.11 of the Amendment.

VTB HOLDINGS, INC.,
a Delaware corporation

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

Guarantor Consent to Tenth Amendment to Loan, Guaranty and Security Agreement

FOURTH AMENDMENT TO TERM LOAN, GUARANTY AND SECURITY AGREEMENT

This **FOURTH AMENDMENT TO TERM LOAN, GUARANTY AND SECURITY AGREEMENT** (this "Amendment") is dated as of June 17, 2016, and is entered into by and among **TURTLE BEACH CORPORATION**, a Nevada corporation, formerly known as Parametric Sound Corporation ("Parametric"), **VOYETRA TURTLE BEACH, INC.**, a Delaware corporation ("Voyetra"); and together with Parametric, 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"), and as further amended by that certain Third Amendment to Term Loan, Guaranty and Security Agreement, dated as of February 1, 2016 (the "Third 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:

Fourth Amendment: that certain Fourth Amendment to Term Loan, Guaranty and Security Agreement, dated as of June 17, 2016, by and among Borrowers, Guarantors, Lenders and Agent.

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

(b) 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 \$9,000,000, provided that such amount in this clause (i) shall be (x) from and after the Fourth Amendment Effective Date through and including September 30, 2016, \$6,000,000, and (y) from and after October 1, 2016 through and including October 31, 2016, \$7,500,000, plus (ii) the Seasonal Availability Block then in effect.

2.02. **Amendments to Section 10.1.** Section 10.1.2(l) of the Term Loan Agreement is hereby deleted in its entirety and the following is inserted in lieu thereof:

(l) commencing on June 15, 2016, for the week ending June 10, 2016, and on the third Business Day of each week thereafter, a thirteen (13)-week cash flow forecast, in a form, and with such detail, satisfactory to Agent and Lenders, together with a weekly variance reporting comparing actual amounts to forecasted amounts, in a form, and with such detail, satisfactory to Agent and Lenders; and

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 "Fourth 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 "Tenth Amendment to ABL Revolver Loan Agreement") and otherwise acceptable to Agent and Lenders;

(d) Obligors shall have delivered to Agent a certificate, in form and substance satisfactory to the Agent and Lenders, from John Hansen certifying that not less than \$100,000 in immediate cost reductions have been implemented at the Obligor's Hypersound Division; and

(e) Obligors shall have paid to Agent for the benefit of itself and Lenders, \$42,500 in immediately available funds as the first installment of the \$85,000 fourth amendment fee (the "Fourth Amendment Fee"), which Fourth Amendment Fee each Obligor hereby expressly agrees and acknowledges is fully earned as of the Fourth Amendment Effective Date and payable in two (2) installments with the first such installment due on the Fourth Amendment Effective Date and the remaining \$42,500 due no later than the earlier of (i) September 30, 2016, and (ii) the date the maturity of the Obligations is accelerated (or deemed accelerated).

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

AFFIRMATIVE COVENANTS

5.01. **Payment of Outstanding Fourth Amendment Fee.** Obligors hereby covenant and agree to pay to Agent, for the benefit of itself and Lenders, the outstanding balance of the Fourth Amendment Fee no later than the earlier of (a) September 30, 2016, and (b) the date the maturity of the Obligations is accelerated (or deemed accelerated). Failure to comply with this Section 5.01 of this Amendment shall constitute an Event of Default under this Amendment and pursuant to Section 12.1(a) of the Term Loan Agreement for which there is no cure or remedy.

5.02. Hypersound Division Rolling Four Week Cash Flow Reports.

(a) The Obligors hereby covenant and agree, in consultation with, and subject to the review and approval of, their financial advisor, to prepare and deliver to Agent and Lenders on or prior to June 24, 2016 (and on or prior to the third Business Day of each week thereafter) a report comparing the actual cash flow at the Obligors' Hypersound Division over the four (4) consecutive week period ended on the preceding Friday, to the budgeted cash flow at the Obligors' Hypersound Division for such four (4) consecutive week period as set forth in the Obligors' Summary Cash Flow Estimates as of June 10, 2016 (the "Specified Cash Flow Projections"). Such rolling four (4) week cash flow reports shall be calculated using a methodology consistent with the methodology used to calculate the Specified Cash Flow Projections, and such methodology, and such four (4) week cash flow reports, shall be in form and substance satisfactory to the Agent and the Lenders. At the time of delivery of such reports, the Obligors shall provide a compliance certificate (in form and substance satisfactory to the Agent) certifying, among other things, that (x) such reports are prepared in accordance with this Section 5.02(a) of this Amendment and (y) compliance with the covenant contained in Section 5.02(b) of this Amendment for the relevant period.

(b) The Obligors covenant and agree that commencing with the four (4) consecutive week period ending June 24, 2016, and continuing through (and including) the four (4) consecutive week period ending October 28, 2016, the actual cash flow at the Obligors' Hypersound Division (as reflected on such rolling four (4) week cash flow reports) shall not be less than the "Minimum Cash Flow at Hypersound Division" amount set forth below for each four (4) consecutive week period ending on such date:

<u>Four Consecutive Week Period End Date</u>	<u>Minimum Cash Flow at Hypersound Division</u>
June 24, 2016	\$ (929,000)
July 1, 2016	\$ (857,000)
July 8, 2016	\$ (981,000)
July 15, 2016	\$ (1,036,000)
July 22, 2016	\$ (801,000)
July 29, 2016	\$ (796,000)
August 5, 2016	\$ (755,000)
August 12, 2016	\$ (727,000)
August 19, 2016	\$ (700,000)
August 26, 2016	\$ (667,000)
September 2, 2016	\$ (651,000)
September 9, 2016	\$ (617,000)
September 16, 2016	\$ (498,000)
September 23, 2016	\$ (553,000)
September 30, 2016	\$ (547,000)
October 7, 2016	\$ (544,000)
October 14, 2016	\$ (532,000)
October 21, 2016	\$ (529,000)
October 28, 2016	\$ (542,000)

Failure to comply with this Section 5.02 of this Amendment shall constitute an Event of Default under this Amendment and pursuant to Section 12.1(c) of the Term Loan Agreement for which there is no cure or remedy.

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 Obligors 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 Fourth Amendment Effective Date, the Obligors, the ABL Revolver Agent and the ABL Revolver Lenders are agreeing to the Tenth 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 Tenth 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

[Turtle Beach - Signature Page to Fourth Amendment to Term Loan, Guaranty and Security Agreement]

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

[Turtle Beach - Signature Page to Fourth Amendment to Term Loan, Guaranty and Security Agreement]

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

[Turtle Beach - Guarantor Consent to Fourth Amendment to Term Loan, Guaranty and Security Agreement]