

Turtle Beach Corp
Form DEF 14A
April 30, 2015
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A
(Rule 14a-101)
INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

Turtle Beach Corporation

(Name of Registrant as Specified In Its Charter)

N/A

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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TURTLE BEACH CORPORATION

April 30, 2015

Dear Stockholders:

You are cordially invited to attend the 2015 Annual Meeting of Stockholders of Turtle Beach Corporation to be held at 9:00 a.m. local time on Monday, June 15, 2015, at the Embassy Suites San Diego La Jolla, 4550 La Jolla Village Drive, San Diego, California 92122. At the meeting you will be asked to vote for the election of our directors and to ratify the appointment of BDO USA, LLP as our independent registered public accounting firm for the year ending December 31, 2015. Additional details regarding the meeting, the business to be conducted, and information about Turtle Beach Corporation that you should consider when you vote your shares are described in our Proxy Statement.

Pursuant to the U.S. Securities and Exchange Commission rules that authorize companies to furnish their proxy materials over the Internet, on or about April 30, 2015, we are mailing a Notice of Internet Availability of Proxy Materials to our stockholders of record and beneficial owners as of April 16, 2015. The notice contains instructions on how to access our Proxy Statement and Annual Report and how to vote on the Internet. As of the date of mailing of the Notice, all stockholders and beneficial owners will have the ability to access all of the proxy materials on a website referred to in the Notice. These proxy materials will be available free of charge.

The Notice of Internet Availability of Proxy Materials contains information on how you may request copies of the proxy materials be sent to you by mail or email. The proxy materials accessible on the Internet or sent to you will include a Proxy Card that will provide you with instructions to cast your vote on the Internet and a telephone number you may call to cast your vote. You may also complete, sign and return the Proxy Card by mail.

We hope that you will be able to attend the Annual Meeting of Stockholders in person. Even if you choose to attend in person, you are encouraged to review the proxy materials and vote your shares in advance of the meeting. Your vote is extremely important, and we appreciate you taking the time to vote promptly.

Sincerely,

Juergen Stark

Chief Executive Officer and President

Your vote is important. Please vote as soon as possible by using the Internet, by telephone or by completing, signing, dating, and returning the enclosed proxy card. Instructions for your voting options are described on the proxy card.

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TURTLE BEACH CORPORATION

100 Summit Lake Drive, Suite 100

Valhalla, New York 10595

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Notice is hereby given that the Annual Meeting of Stockholders of Turtle Beach Corporation (the Company) will be held at the Embassy Suites San Diego La Jolla, 4550 La Jolla Village Drive, San Diego, California 92122 on June 15, 2015 at 9 a.m. local time, for the following purposes:

1. To elect six members to the Board of Directors to serve until the next Annual Meeting of Stockholders and until their successors are elected and have qualified;
2. To ratify the selection of BDO USA, LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015;
3. To transact such other business that is properly presented at the Annual Meeting and any adjournments or postponements thereof.

You may vote if you were a record owner of Turtle Beach Corporation common stock at the close of business on April 16, 2015.

All stockholders are cordially invited to attend the Annual Meeting. Whether you plan to attend the Annual Meeting or not, it is important that your shares be represented at the Annual Meeting, regardless of the number of shares you may hold. Even though you may plan to attend the Annual Meeting in person, please promptly vote using one of the following methods:

By telephone, by calling the toll-free telephone number printed on your proxy card;

On the Internet, by accessing the website address printed on your proxy card; or

By completing, signing and returning the enclosed proxy card in the enclosed postage-prepaid return envelope.

Voting by any of these methods will not prevent you from attending the Annual Meeting and voting in person. You may change or revoke your proxy at any time before it is voted.

BY ORDER OF THE BOARD OF DIRECTORS

John T. Hanson

Chief Financial Officer

April 30, 2015

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE
ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON**

JUNE 15, 2015.

This Proxy Statement and the other proxy materials also are available online at www.proxyvote.com

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TURTLE BEACH CORPORATION

100 Summit Lake Drive, Suite 100

Valhalla, New York 10595

PROXY STATEMENT

FOR ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD JUNE 15, 2015

This Proxy Statement sets forth certain information with respect to the accompanying proxy to be used at the Annual Meeting of Stockholders (the Annual Meeting) of Turtle Beach Corporation, or at any adjournments or postponements thereof, for the purposes set forth in the accompanying Notice of Annual Meeting of Stockholders. The Board of Directors has designated the Embassy Suites San Diego La Jolla, 4550 La Jolla Village Drive, San Diego, California 92122 as the location of the Annual Meeting. The Annual Meeting will be called to order at 9:00 a.m. local time on Monday, June 15, 2015. Only stockholders of record as of the close of business on April 16, 2015 (the Record Date) are entitled to vote. The Board of Directors solicits this proxy and encourages you to read this document thoroughly and to take this opportunity to vote on the matters to be decided at the Annual Meeting. Unless the context otherwise indicates, reference to we, us, our, Turtle Beach or the Company in this Proxy Statement means Turtle Beach Corporation.

Under rules and regulations of the Securities and Exchange Commission (the SEC), instead of mailing a printed copy of our proxy materials to each stockholder of record or beneficial owner of our common stock, we are furnishing proxy materials, which include our Proxy Statement and Annual Report, to our stockholders over the Internet and providing a Notice of Internet Availability of Proxy Materials by mail. *You will not receive a printed copy of the proxy materials unless you request to receive a paper copy or an email copy of these materials in hard copy by following the instructions provided in the Notice of Internet Availability of Proxy Materials.* Instead, the Notice of Internet Availability of Proxy Materials will instruct you how you may access and review all of the important information contained in the proxy materials on the Internet. The Notice of Internet Availability of Proxy Materials also instructs you how you may submit your proxy via telephone or the Internet. This proxy procedure enables all holders of common stock, many of whom are unable to attend the Annual Meeting, to vote. If you received a Notice of Internet Availability of Proxy Materials by mail and would like to receive a printed copy of our proxy materials, you should follow the instructions for requesting such materials included in the Notice of Internet Availability of Proxy Materials.

We are mailing the Notice of Internet Availability of Proxy Materials on or about April 30, 2015 to each stockholder at the holder's address of record. SEC rules permit us to deliver only one copy of the Notice of Internet Availability of Proxy Materials or a single set of proxy materials to multiple stockholders sharing the same address. Upon written or oral request, we will deliver separate Notices and/or copies of our 2014 Annual Report and/or this Proxy Statement to any stockholder without charge at a shared address to which a single copy of the Notice was delivered. Stockholders may notify our Company of their requests by calling or writing ICR, Inc., c/o Brendon Frey, 761 Main Avenue, Norwalk, Connecticut 06851, Phone: 203-682-8200, Re: Turtle Beach Corporation.

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VOTING PROCEDURES

Your vote is very important. Your shares can only be voted at the Annual Meeting if you are present in person or represented by proxy. Whether or not you plan to attend the Annual Meeting, you are encouraged to vote by proxy to ensure that your shares will be represented. Stockholders can choose among the following methods to vote:

Via the Internet Stockholders can vote by voting their shares via the Internet as instructed on the website identified in the Notice of Internet Availability of Proxy Materials. The Internet procedures are designed to authenticate a stockholder's identity to allow stockholders to vote their shares and confirm that their instructions have been properly recorded. Internet voting for stockholders of record is available 24 hours a day and will close at 11:59 p.m., Eastern Time, on June 14, 2015. The Notice instructs you how to access and review all important information in the Proxy Statement and Annual Report. You will then be able to request that copies of proxy materials be emailed to you or you will be directed to select a link where you will be able to vote on the proposals presented here.

By Telephone The Notice of Internet Availability of Proxy Materials includes a toll-free number you can call to request printed copies of proxy materials. Telephone voting for stockholders of record is available 24 hours a day and will close at 11:59 p.m., Eastern Time, on June 14, 2015. The printed proxy materials include a different toll-free number that you can call for voting.

By Mail Stockholders who receive a paper Proxy Card may elect to vote by mail by completing, signing and dating their Proxy Card and mailing it in the pre-addressed envelope that accompanies the delivery of a paper Proxy Card. Proxy Cards submitted by mail must be received prior to the Annual Meeting in order for your shares to be voted. Stockholders who hold shares beneficially in street name may vote by mail by requesting a paper Proxy Card according to the instructions contained in the Notice of Internet Availability of Proxy Materials, and then completing, signing and dating the Proxy Card provided by the brokers or other agents and mailing it in the pre-addressed envelope provided.

At the Annual Meeting Shares held in your name as the stockholder of record may be voted by you in person at the Annual Meeting. Shares held beneficially in street name may be voted by you in person at the Annual Meeting only if you obtain a legal proxy from the broker or other agent that holds your shares giving you the right to vote the shares and you bring such proxy to the Annual Meeting.

If your shares are held in street name (held in the name of a bank, broker or other holder of record), you will receive instructions from the holder of record. You must follow the instructions of the holder of record in order for your shares to be voted. Telephone and Internet voting also will be offered to stockholders owning shares through certain banks and brokers. If your shares are not registered in your own name and you plan to vote your shares in person at the Annual Meeting, you should contact your broker or agent to obtain a legal proxy or broker's proxy card and bring it to the Annual Meeting in order to vote.

If you vote via the Internet, by telephone or by mailing a Proxy Card, we will vote your shares as you direct. For the election of directors (Item 1), you can specify whether your shares should be voted for all, some or none of the nominees for director listed. With respect to the ratification of our Audit Committee's appointment of BDO USA, LLP as our independent registered public accounting firm (Item 2), you may vote for or against the ratification, or you may abstain from voting on the ratification.

You may revoke or change a previously delivered proxy at any time before the Annual Meeting by delivering another proxy with a later date, by voting again via the Internet or by telephone, or by delivering written notice of revocation of your proxy to the corporate Secretary of the Company at the Company's principal executive offices before the

beginning of the Annual Meeting. You may also revoke your proxy by attending the Annual Meeting and voting in person, although attendance at the Annual Meeting will not, in and of itself, revoke a valid proxy that was previously delivered. If you hold shares through a bank or brokerage firm, you must contact that bank or brokerage firm to revoke any prior voting instructions. You may also vote in person at

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the Annual Meeting if you obtain a legal proxy as described above. Unless properly revoked, properly executed and delivered proxies that are received before the Annual Meeting's adjournment will be voted in accordance with the directions provided and if no directions are provided on such properly executed and delivered proxy, those shares will be voted by one of the individuals named on your proxy card as recommended by the Board of Directors, as stated in this Proxy Statement and in the Notice of Internet Availability of Proxy Materials, specifically (1) in favor of our nominees for directors; and (2) in favor of the ratification of the appointment of BDO USA, LLP as our independent registered public accounting firm for the year ending December 31, 2015. If you wish to give a proxy to someone other than those named on the proxy card, you should cross out those names and insert the name(s) of not more than three people, to whom you wish to give your proxy.

Who can vote? Only stockholders of record as of the close of business on April 16, 2015, the (Record Date), are entitled to vote. On that day, approximately 42,132,551 shares of common stock were outstanding and eligible to vote, and there were 958 record holders. Each share is entitled to one vote on each matter presented at the Annual Meeting. A list of stockholders eligible to vote will be available at the offices of Turtle Beach Corporation, 100 Summit Lake Drive, Suite 100, Valhalla, New York 10595 beginning June 4, 2015. Stockholders may examine this list during normal business hours for any purpose relating to the Annual Meeting by contacting the Secretary of the Company.

How does the Board recommend I vote? The Board recommends the following votes:

FOR each of the Board's nominees for election to serve until the Annual Meeting of Stockholders in 2016 and until their successors are duly elected and qualified (Item 1); and

FOR the ratification of the Audit Committee's appointment of BDO USA, LLP as the Company's independent registered public accounting firm for the year ending December 31, 2015 (Item 2).

How are votes counted? The Annual Meeting will be held if a quorum, consisting of not less than 50% of the outstanding shares of common stock entitled to vote, is represented at the Annual Meeting in person or by proxy. If you are a stockholder whose shares are not registered in your name and you do not vote, then your bank, broker or other holder of record may still represent your shares at the Annual Meeting for purposes of obtaining a quorum.

In the absence of your voting instructions, your bank, broker or other holder of record may not be able to vote your shares in its discretion depending on the proposal before the Annual Meeting. As a result of rules applicable to director elections after January 1, 2010, your broker may no longer vote your shares in its discretion in the election of directors; therefore, you must vote your shares if you want them to be counted in the election of directors. However, your broker may vote your shares in its discretion on routine matters such as the ratification of the Company's independent registered public accounting firm.

Because each director nominee is elected by the affirmative vote of the holders of a plurality of the shares of common stock voted, abstentions will have no effect on the election of director nominees (Item 1). The ratification of the appointment of BDO USA, LLP (Item 2) requires the affirmative vote of a majority of the shares present in person or by proxy and entitled to vote at the Annual Meeting. Because abstentions will be included in tabulations of the votes entitled to vote for purposes of determining whether Item 2 has been approved, abstentions have the same effect as negative votes.

Who will count the vote? The votes will be tabulated by the Company's Vice President, Administration, James A. Barnes, the inspector of elections appointed by the Board of Directors for the Annual Meeting.

Where can I find the results of the Annual Meeting? We intend to announce preliminary voting results at the Annual Meeting and publish final results in a Current Report on Form 8-K within four business days of the Annual Meeting.

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Who is soliciting this proxy? Solicitation of proxies is made on behalf of the Board of Directors of the Company. The cost of soliciting proxies, including preparing, assembling and mailing the Notice of Internet Availability of Proxy Materials, Proxy Statement, form of proxy and other soliciting materials, as well as the cost of forwarding such material to the beneficial owners of stock, will be paid by us, except for some costs associated with individual stockholders' use of the Internet or telephone. In addition to solicitation by e-proxy and/or by mail, directors, officers, regular employees and others may also, but without compensation other than their regular compensation, solicit proxies personally or by telephone or other means of electronic communication. We may reimburse brokers and others holding stock in their names or in the names of nominees for their reasonable out-of-pocket expenses in sending proxy materials to principals and beneficial owners.

What if I can't attend the Annual Meeting? If you are unable to attend the Annual Meeting in person and you intend to vote, you may vote your shares by proxy, via the Internet, by telephone or by mail by the applicable deadline.

Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to be Held on June 15, 2015.

The Proxy Statement and our Annual Report on Form 10-K for the year ended December 31, 2014 are both available free of charge at corp.turtlebeach.com. We will provide without charge to each person to whom this Proxy Statement has been delivered (whether by mail or through the Internet), on the request of any such person, up to two additional copies per request of our Annual Report, including the consolidated financial statements and financial statement schedule. Requests should be directed as described below:

ICR, Inc.

c/o Brendon Frey

761 Main Avenue

Norwalk, Connecticut 06851

Phone: 203-682-8200

Re: Turtle Beach Corporation.

We make available free of charge through our Internet website (corp.turtlebeach.com) our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and certain other forms and reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act"), as soon as reasonably practicable after such documents are electronically filed with, or furnished to, the SEC. The information on our website is not, and shall not be deemed to be, a part of this Proxy Statement or incorporated into any other filings we make with the SEC.

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CORPORATE GOVERNANCE

In accordance with the Nevada Revised Statutes and the Company's Articles of Incorporation, as amended, and our Bylaws, as amended, the Company's Board of Directors (the Board) has full control over the affairs of the Company. Although the Company's non-management directors are not involved in the day-to-day operating details, they are kept informed of the Company's business through reports and materials provided to them regularly, as well as by operating, financial and other reports presented by the officers of the Company at meetings of the Board and committees of the Board.

Board Leadership Structure. Ronald Doornink serves as the Chairman of the Board and in such capacity presides over meetings of the Board. Our Chief Executive Officer (CEO) is Juergen Stark, and he manages the business and affairs of the Company under the direction of the Board. We currently separate the positions of CEO and Chairman of the Board. The Board has reviewed this leadership structure and has determined that it is the most appropriate structure for the Company because it enables the CEO to focus on running the Company's business while the Board Chair focuses on the affairs of the Board. Mr. Stark provides hands-on leadership running the business on a day-to-day basis, and the Board believes that currently it is most effective to keep the principal executive officer and Board Chair positions separate.

The Board's Role in Risk Oversight. The Board as a whole has responsibility for the general oversight of risk, and the Board's committees address and report to the Board on any individual risk areas within their purview. Topics related to risk and risk management are regularly discussed at Board and Board Committee meetings. The Company's senior management makes presentations to the full Board as to the areas of principal risk, as well as on the processes that the Company has in place to identify, assess and report such risks.

The Board committees report to the Board on their consideration of any risks within their respective areas of focus. The Audit Committee primarily oversees risks relating to or arising from financial and disclosure controls and procedures, and accounting and other financial matters. The Company's Chief Financial Officer reports to the Audit Committee on such risks and related risk management, and the Company's independent auditors regularly provide reports at Audit Committee meetings. The Compensation Committee has considered whether the Company's compensation policies and practices create risks that are reasonably likely to have a material adverse effect on its business or operations. The Nominating and Governance Committee reviews any risks that come within its area of responsibility (for example, risks related to corporate governance).

Controlled Company Status. The Board has elected for the Company to be treated as a controlled company under NASDAQ's listing rules. A controlled company under NASDAQ rules is a listed company more than 50 percent of the voting power of which is held by an individual, a group or another company (and which elects to be treated as a controlled company). Pursuant to the voting provisions contained in the Stockholder Agreement described under the Certain Relationships and Related Transactions - Related Party Transactions section of this Proxy Statement, certain of our stockholders constitute a group (for purposes of Rule 13d-5(b) of the Exchange Act) controlling more than 50% of the voting power of the Company's voting stock.

As a controlled company, the Company is not required to comply, and has opted not to comply, with certain corporate governance rules of NASDAQ that would otherwise require (i) a majority of the members of the Board to be independent, (ii) that the Company's Compensation Committee be comprised entirely of independent directors and (iii) that the Company establish a Nominating and Governance Committee comprised entirely of independent directors or otherwise ensure that director nominees are determined, or recommended to the Board, by the independent members of the Board.

Independence. Our common stock is currently listed on the NASDAQ Global Market under the symbol HEAR, and therefore, our determination of the independence of directors is made using the definition of independent director contained in the NASDAQ listing rules. On the basis of information solicited from each

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director, the Board has determined that each of Mr. Keitel, Ms. DeBuono and Dr. Wolfe has no material relationship with the Company and is an independent director within the meaning of NASDAQ listing rules. In making its determinations regarding director independence, the Board considered, among other things:

any material relationships with the Company, its subsidiaries or its management, aside from such director's service as a director;

transactions between the Company, on the one hand, and the directors and their respective affiliates, on the other hand;

transactions outside the ordinary course of business between the Company and companies at which some of its directors are or have been executive officers or significant stakeholders, and the amount of any such transactions with these companies; and

relationships among the directors with respect to common involvement with for-profit and non-profit organizations.

Conflicts of Interest and Corporate Governance Matters. Under our Code of Business Conduct and Ethics (Code of Conduct), no employee may serve as a director of any outside business concern, other than on behalf of the Company, without the written approval of the Company. In addition, no director may serve as a director of a company that engages in the business of providing audio products such as headsets, speakers, soundbars or other commercial audio products, or gaming accessories. The Charter of the Nominating and Governance Committee empowers the Nominating and Governance Committee to at least once a year review the Company's corporate governance principles, as recommended by the Nominating and Governance Committee and adopted by the Board. There are no pre-determined limitations on the number of other boards of directors on which the directors of the Company may serve; however, the Board expects individual directors to use judgment in accepting other directorships and to allow sufficient time and attention to Company matters. There are no set term limits for directors.

Code of Business Conduct and Ethics. The Company is committed to ethical business practices. Our Code of Conduct applies to all of the Company's employees, officers and directors and our Code of Ethics for Senior Financial Employee applies to the Company's principal executive officer, principal financial officer and principal accounting officer within the meaning of the SEC regulations adopted under the Sarbanes-Oxley Act of 2002, as amended, as well as certain other senior financial employees. The Company's corporate Code of Conduct can be found on the Company's website at corp.turtlebeach.com under the heading Investors Relations Corporate Governance Code of Ethics. Please note that none of the information on the Company's website is incorporated by reference in this Proxy Statement.

Communications with the Board of Directors. If you would like to communicate with the Company's directors, please send a letter to the following address: Turtle Beach Corporation c/o Corporate Secretary, 100 Summit Lake Drive, Suite 100, Valhalla, New York 10595. The Company's corporate Secretary will review each such communication and forward a copy to the Board of Directors.

Meetings of the Board of Directors and Stockholders. It is the policy of the Board to meet at least quarterly. The Board of Directors held ten meetings in 2014. In 2014, the Board also held regular executive sessions where

non-management directors met without management participation. Each incumbent director attended at least 75% of the meetings of the Board and the committees on which he or she served in 2014. Directors are encouraged to attend the Annual Meeting of Stockholders. The Company did not hold an annual meeting of stockholders in 2014.

Committees of the Board of Directors. The Board of Directors currently has three standing committees: an Audit Committee, a Compensation Committee and a Nominating and Governance Committee. Charters for the Audit Committee, Compensation Committee and Nominating and Governance Committee can be found on the Company's website at corp.turtlebeach.com under the heading Investor Relations.

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Audit Committee The Audit Committee operates under a written charter adopted by the Board of Directors, which is available on the Company's website at corp.turtlebeach.com. The Audit Committee's primary purpose is to assist the Board in the oversight of the integrity of its accounting and financial reporting process, the audits of the Company's financial statements and its compliance with legal and regulatory requirements. The functions of the audit committee include, among other things: (i) hiring the Company's independent registered public accounting firm to conduct the annual audit of the Company's consolidated financial statements and monitoring its independence and performance; (ii) reviewing and approving the planned scope of the annual audit and the results of the annual audit; (iii) pre-approving all audit services and permissible non-audit services provided by the Company's independent registered public accounting firm; (iv) reviewing the significant accounting and reporting principles to understand their impact on the Company's consolidated financial statements; (v) reviewing the Company's internal financial, operating and accounting controls with management and the Company's independent registered public accounting firm; (vi) reviewing with management and the Company's independent registered public accounting firm, as appropriate, the Company's financial reports, earnings announcements and its compliance with legal and regulatory requirements; (vii) establishing procedures for the treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and confidential submissions by the Company's employees of concerns regarding questionable accounting or auditing matters; (viii) reviewing and approving related-party transactions; and (ix) reviewing and evaluating, at least annually, the Audit Committee charter.

In so doing, it is the responsibility of the Audit Committee to maintain free and open communication among the Audit Committee, the independent registered public accounting firm, the internal audit function and Company management. In discharging its oversight role, the Audit Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the Company and the power to retain at the expense of the Company independent outside counsel or other experts or advisers as it deems necessary to carry out its duties. In addition, the Committee periodically meets in executive session without management present. A detailed list of the Audit Committee's functions is included in its charter, a copy of which can be found on the Company's website. The Company maintains a policy that the Audit Committee review certain transactions in which the Company and its directors, executive officers or their immediate family members are participants to determine whether a related person has a direct or indirect material interest. The Audit Committee is responsible for reviewing and, if appropriate, approving or ratifying any such related party transaction. This policy has been communicated orally by the Board. See the *Certain Relationships and Related Transactions* *Related Party Transactions* section of this Proxy Statement.

The current members of the Audit Committee are Ms. DeBuono, Mr. Keitel and Dr. Wolfe. Mr. Keitel is the Chair of this committee. The Board has determined in its business judgment that each member of the Audit Committee is financially literate and that Ms. DeBuono, Mr. Keitel and Dr. Wolfe are independent as defined in the applicable NASDAQ listing standards and the applicable rules under the Exchange Act. In addition, the Board has determined that Mr. Keitel is an *audit committee financial expert* as that term is defined in Item 407(d)(5) of Regulation S-K of the Exchange Act. The Audit Committee held four meetings in 2014.

Compensation Committee The Compensation Committee operates under a written charter adopted by the Board of Directors, which is available on the Company's website at corp.turtlebeach.com. The primary purpose of the Compensation Committee is to assist the Board in exercising its responsibilities relating to compensation of the Company's executive officers and employees and to administer the Company's equity compensation and other benefit plans including the Company's 2013 Stock-Based Incentive Compensation Plan (the *Equity Plan*).

In carrying out these responsibilities, the committee reviews all components of executive officer and employee compensation for consistency with its compensation philosophy, as in effect from time to time. The functions of the Compensation Committee include, among other things (i) designing and implementing competitive compensation policies to attract and retain key personnel; (ii) reviewing and formulating policy and determining the compensation of

the Company's executive officers and employees; (iii) reviewing and recommending to the Board the compensation of the directors; (iv) administering the Company's equity incentive

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plans and granting equity awards to employees and directors under these plans; (v) reviewing with management the Company's disclosures under the caption "Compensation Discussion and Analysis" and recommending to the full Board its inclusion in the Company's periodic reports to be filed with the SEC; (vi) preparing the report of the compensation committee to be included in the Company's annual proxy statement; (vii) engaging compensation consultants or other advisors it deems appropriate to assist with its duties; and (viii) reviewing and evaluating, at least annually, the Compensation Committee's charter.

The current members of the Compensation Committee are Messrs. Doornink and Keitel, and Mr. Doornink is the Chair of this committee. The Board has determined in its business judgment that Mr. Keitel is independent as defined in the applicable NASDAQ listing standards, a non-employee director under SEC Rule 16b-3 and an outside director under Section 162(m) of the Internal Revenue Code of 1986, as amended. As a controlled company, as defined under NASDAQ rules, the Company's Compensation Committee is not required to be comprised entirely of independent directors. The Compensation Committee met four times in 2014. For additional information on the Compensation Committee, see "Compensation Discussion and Analysis" beginning on page 23.

Nominating and Governance Committee The Nominating and Governance Committee operates under a written charter adopted by the Board of Directors, which is available on the Company's website at corp.turtlebeach.com. The primary purpose of the Nominating and Governance Committee is to assist the Board in promoting the best interest of the Company and its stockholders through the implementation of sound corporate governance principles and practices. The functions of the Nominating and Governance Committee include, among other things: (i) identifying, reviewing and evaluating candidates to serve on the Board; (ii) determining the minimum qualifications for service on the Board; (iii) developing and recommending to the Board an annual self-evaluation process for the Board and overseeing the annual self-evaluation process; (iv) developing, as appropriate, a set of corporate governance principles, and reviewing and recommending to the Board any changes to such principles; and (v) annually reviewing and evaluating the Nominating and Corporate Governance Committee's charter.

The Nominating and Governance Committee considers stockholder nominees for directors in the same manner as nominees for director from other sources. Stockholder suggestions for nominees for director should be submitted to the Company's Corporate Secretary no later than the date by which stockholder proposals for action must be submitted (see "Submission of Stockholder Proposals and Director Nominations" below) and should include the information required under our Bylaws.

The current members of the Nominating and Governance Committee are Ms. DeBuono and Messrs. Doornink and Fox, and Ms. DeBuono is the Chair of this committee. The Board has determined in its business judgment that Ms. DeBuono is independent, as defined in the applicable NASDAQ listing standards. As a controlled company, as defined under NASDAQ rules, the Company is not required to establish a Nominating and Governance Committee comprised entirely of independent directors or otherwise ensure that director nominees are determined, or recommended to the Board, by the independent members of the Board. The Nominating and Governance Committee held one meeting during 2014.

SUBMISSION OF STOCKHOLDER PROPOSALS AND DIRECTOR NOMINATIONS

Under the rules of the SEC, stockholders wishing to have a proposal included in the Company's Proxy Statement for the Annual Meeting of Stockholders to be held in 2016 must submit the proposal so that the Corporate Secretary of the Company receives it no later than January 1, 2016. The SEC rules set forth standards as to what stockholder proposals are required to be included in a proxy statement. In addition, under the Company's Bylaws certain procedures must be followed for a stockholder to nominate persons as directors or to introduce a proposal at an annual meeting of stockholders that will not be included in our proxy statement. A stockholder wishing to make a nomination

for election to the Board of Directors or to have a proposal presented

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at an annual meeting of stockholders that is not included in our proxy statement must submit written notice of such nomination or proposal so that the Corporate Secretary of the Company receives it no later than April 16, 2016 but no earlier than March 17, 2016, which is 60 days and 90 days prior to the one year anniversary of the date the Company's 2015 Annual Meeting of Stockholders, respectively; provided, however, that in the event that the Company did not hold an annual meeting of stockholders the preceding year or if the date of the annual meeting of stockholders is changed by more than 30 days from the date of the preceding year's annual meeting of stockholders, notice by the stockholder must be delivered within a reasonable time before the Company prints and mails its proxy materials (or makes them available on the Internet) in connection with the annual meeting of stockholders. The Company's Bylaws also set forth certain informational requirements for stockholders' nominations of directors and proposals.

Table of Contents**ITEM 1 ELECTION OF DIRECTORS**

The Company's Bylaws provide that the Company's business shall be managed by a Board of Directors ranging from one to twelve members. The number of directors may be increased or decreased from time to time by resolution of the Board. Directors shall be elected at the annual meeting of the stockholders and each director elected shall hold office until a successor is duly elected and qualified or until his or her death, resignation or removal.

The Board is currently comprised of six members. The Nominating and Governance Committee identifies and recommends director candidates to serve on the Board. Director candidates are then nominated for election by the Board of Directors. Stockholders are also entitled to nominate director candidates for election in accordance with the procedures set forth in the Company's Bylaws (see Submission of Stockholder Proposals and Director Nominations above).

In identifying and recommending director candidates to serve on the Board, the Nominating and Governance Committee considers the qualifications and composition of the Board as a whole, taking into account the totality of experience, skills and other qualifications or attributes that the individual nominees collectively bring to the Board and striving to maintain diversity of representation among its members. The Committee also considers each individual's experience, skills and other qualifications and attributes to determine that individual's suitability and desirability for service on the Company's Board. All director candidates should possess high personal and professional ethics, integrity and values, and should have sufficient time available to devote to service on the Board and Board committees. The characteristics which the Nominating and Governance Committee considers include, but are not limited to, the individual's: (i) personal integrity and professional ethical standards along with the willingness to express independent thought, (ii) being committed to representing the long-term interests of the Company's shareholders; (iii) practical wisdom and mature judgment; (iv) objectivity; (v) professional knowledge and business expertise; and (vi) broad industry knowledge.

At the Annual Meeting, six directors are to be elected. As a controlled company, as defined under NASDAQ rules, the Company is not required to establish a Nominating and Governance Committee comprised entirely of independent directors or otherwise ensure that director nominees are determined, or recommended to the Board, by the independent members of the Board. All nominees have consented to being named as nominees for directors of the Company and have agreed to serve if elected. If some or all of the nominees should become unavailable to serve at the time of the Annual Meeting, the shares represented by proxy will be voted for any remaining nominee(s) and any substitute nominee(s) designated by the Board of Directors. In no event, however, will the shares represented by proxy be voted for more than six nominees. Director elections are determined by a plurality of the votes cast.

Set forth below is information regarding each nominee for director, including the specific experience, qualifications, skills or attributes that led to the conclusion that such nominee should serve as a director of the Company.

Name	Age	Title
Juergen Stark	48	Chief Executive Officer, President and Director
Ronald Doornink	60	Chairman of the Board
Laureen DeBuono	57	Director
Kenneth A. Fox	44	Director
William E. Keitel	62	Director
Andrew Wolfe, Ph.D.	52	Director

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Nominees for Directors

Juergen Stark. Mr. Stark is our Chief Executive Officer, as well as a member of the Board, and has served as Chief Executive Officer of the Company since January 2014 and of VTB Holdings, Inc. since September 2012. Before joining Turtle Beach, Mr. Stark spent over eight years in senior management positions with Motorola Inc. and Motorola Mobility Holdings, Inc. with responsibilities for hardware and software businesses in the consumer, enterprise, and government sectors. From January 2011 to June 2012, Mr. Stark served as Chief Operating Officer of Motorola Mobility after having previously served as Senior Vice President and Chief Operating Officer, Mobile Devices, for Motorola from August 2010 until the spinoff of Motorola Mobility in January 2011. Prior to that, Mr. Stark served as Motorola's Corporate Vice President, Mobile Devices Business Operations, Corporate Vice President, Product Management, Feature and Mass Market Phones, and Corporate Vice President, General Manager of Windows Mobile Products, from January 2009 to July 2010, November 2008 to January 2009, and August 2007 to October 2008, respectively. After leaving Motorola but prior to joining Turtle Beach, from June 2012 to September 2012, Mr. Stark pursued personal interests. Prior to joining Motorola, Mr. Stark served as Chief Executive Officer of Centerpost Corporation, a technology company he co-founded. Mr. Stark has served as a member of the Board since January 2014. Mr. Stark received his B.S. in Aerospace Engineering from University of Michigan and his M.B.A. from Harvard Business School.

Mr. Stark's perspective and business experience in consumer and enterprise hardware and software businesses, as well as the depth of his operating and senior management experience, provide him with the qualifications and skills to serve as a director.

Ronald Doornink. Mr. Doornink has served as the Chairman of the Board since January 2014. Since May 2006, Mr. Doornink has served as an Operating Partner of Stripes Group, LLC. Prior to joining Stripes, Mr. Doornink served as President of Activision, Inc. from 1998 to 2006, and served in other senior management and advisory roles with Activision and Activision-Blizzard, Inc. through July 2012. Mr. Doornink has also held senior management positions with ConAgra Foods, Inc. and the Procter & Gamble Company. Mr. Doornink has served on the board of directors of Turtle Beach since October 2010, including as executive chairman from October 2010 to September 2012, and he served as a board member of Activision from May 2003 to July 2008. Mr. Doornink currently serves as a board member of Stella & Chewy's, as a member of the Board of Overseers of Columbia Business School and as a sustaining director of the Prevent Cancer Foundation, positions he has held since October 2013, February 2013 and October 2010, respectively. Mr. Doornink holds an undergraduate degree in Economics from the Hogere Economische School of Arnhem in the Netherlands and an M.B.A. from Columbia University.

Mr. Doornink's perspective and business experience in the branded consumer product and consumer technology marketplaces, as well as his many years of senior executive experience, provide him with the qualifications and skills to serve as a director.

Kenneth A. Fox. Mr. Fox has served as a member of the Board since January 2014. Mr. Fox founded Stripes Group, LLC in February 2003 and has served as the Managing General Partner of Stripes Group since that time. Prior to forming Stripes Group, Mr. Fox co-founded Internet Capital Group in 1995 and served as Managing Director until June 2002. Mr. Fox currently serves on the board of directors of Kareo Inc., eMarketer, Inc., Stella & Chewy's LLC, Turtle Beach, Sandata Technologies, LLC, Blue Apron Inc. and The Reformation Inc., and also serves as a board observer at Seamless North America, LLC. Mr. Fox received his B.S. in Economics from Pennsylvania State University.

Mr. Fox's perspective and business experience as an entrepreneur and investor, as well as the depth of his operating and senior management experience, provide him with the qualifications and skills to serve as a director.

William E. Keitel. Mr. Keitel has served as a member of the Board since January 2014. Prior to joining our Board, Mr. Keitel served as special advisor to QUALCOMM Incorporated from March 2013 to November 2013, as QUALCOMM's Executive Vice President from December 2003 to March 2013, and as its Chief Financial

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Officer from February 2002 to March 2013. Since November 2013, Mr. Keitel has been pursuing personal interests including various not-for-profit ventures. Mr. Keitel also served as Senior Vice President and Corporate Controller of QUALCOMM from May 1999 to February 2002. Mr. Keitel holds a B.A. degree in Business Administration from the University of Wisconsin and an M.B.A. from Arizona State University.

Mr. Keitel's many years of senior executive experience with technology companies qualifies him to serve as a director.

Laureen DeBuono. Ms. DeBuono has served as a member of the Board since January 2014. Ms. DeBuono has served as a partner of FLG Partners, LLC, a leading consulting services firm, since October 2011. Prior to joining FLG Partners, Ms. DeBuono served as a management consultant and interim CEO to several medical technology start-up companies, as President, CEO and a member of the board of directors of Coapt Systems, Inc. from April 2008 to August 2010 and as Chief Financial Officer of Thermage, Inc. from November 2003 to January 2008. Previously, Ms. DeBuono served as chief financial officer, executive vice president, chief operations officer and general counsel of several medical technology, consumer products, and technology companies. Ms. DeBuono is currently a member of the board of directors of Cradle Holdings, Inc., a privately held company. Ms. DeBuono previously served as a member of the board of directors and audit committee chair of two other public companies, VISX, Incorporated from 2003 until 2005, and InVivo Corporation from 1997 until 2004, and as a member of the board of directors of Cadence Pharmaceuticals, Inc. from August 2013 until its acquisition by Mallinckrodt plc in March 2014. Ms. DeBuono holds a B.A. in Political Science and History from Duke University, an M.A. in Political Science from Stanford University and a J.D. from New York University.

Ms. DeBuono's experience with medical device companies and previous service as a member of public company boards of directors qualifies her to serve as a director.

Andrew Wolfe, Ph.D. Dr. Wolfe was appointed as a member of the Board in February 2012. He founded Wolfe Consulting in 2002 and serves as a technology and intellectual property consultant in the consumer electronics, computer, and semiconductor industries. He works with Global 500 corporations and technology startups in developing product strategy, new product technology, and intellectual property strategy. He also serves as an expert for intellectual property (IP) and other technology-related litigation matters. Dr. Wolfe was Chief Technology Officer for SONICblue Incorporated (formerly S3 Incorporated) from 1999 to 2002 and also served as Senior Vice President of Business Development from 2001 to 2002. He served as a Consulting Professor at Stanford University from 1999 to 2002 and an Assistant Professor at Princeton University from 1991 to 1997 and currently lectures at Santa Clara University. Dr. Wolfe obtained a B.S.E.E. in Electrical Engineering and Computer Science from The Johns Hopkins University in 1985, a M.S. in Electrical and Computer Engineering in 1987 and a Ph.D. in Computer Engineering in 1992 both from Carnegie Mellon University. Dr. Wolfe is also a named inventor on over 65 patents.

Dr. Wolfe's extensive IP and licensing experience qualifies him to serve as a director.

The Board of Directors recommends a vote FOR each of the listed nominees.

Table of Contents**EXECUTIVE OFFICERS**

The following table sets forth the names, current ages and titles of the Company's current executive officers and its executive officers as of December 31, 2014.

Name	Age	Title
Juergen Stark	48	Chief Executive Officer, President and Director
John T. Hanson	57	Chief Financial Officer, Treasurer and Secretary
Robert Andris	44	Senior Vice President, Global Supply Chain and Operations
James Adams (1)	61	Senior Vice President, Consumer Sales
Robert Picunko (2)	51	Chief Marketing Officer

(1) Effective March 13, 2015, Mr. Adams' employment with the Company was terminated and he is no longer an executive officer.

(2) Effective February 27, 2015, Mr. Picunko's employment with the Company was terminated and he is no longer an executive officer.

Juergen Stark is described as a director nominee above.

John T. Hanson. Mr. Hanson is our Chief Financial Officer and has served as Chief Financial Officer of the Company since January 2014 and of VTB Holdings, Inc. since September 2013. Before joining Turtle Beach, Mr. Hanson served as Executive Vice President and Chief Financial Officer of Dialogic, Inc., a global telecommunications network appliance and software business, from September 2011 to June 2013. From June 2013 to September 2013 and from April 2011 to September 2011, Mr. Hanson pursued personal interests. From April 2008 to April 2011, Mr. Hanson served as Chief Financial Officer for OneCommunications Corp., a local exchange carrier located in Boston, Massachusetts. Mr. Hanson has also previously served as the Chief Financial Officer for Worldport Communications, Inc., Millennium Rail, Inc., and Wace USA, Inc., and in other senior financial positions with Motorola, Inc. and Ameritech, Inc. Mr. Hanson has a master's degree in management from Northwestern University J.L. Kellogg Graduate School of Business and bachelor's degree in commerce with an accounting major from DePaul University. He is a CPA (inactive) in Illinois and an adjunct professor at the Lake Forest Graduate School of Management.

Robert Andris. Mr. Andris is our Senior Vice President, Global Supply Chain & Operations, a position he has held since September 2013. His functional accountabilities include planning, sourcing, supplier management, manufacturing, logistics, product lifecycle management and quality. Before joining Turtle Beach, Mr. Andris served as Vice President, Global Supply Chain & Manufacturing Operations - Inkjet and Printing Solutions, for Hewlett-Packard from July 2008 to September 2013. Prior to joining Hewlett-Packard, Mr. Andris served in various supply chain management positions with Cisco Systems, Celestica and IBM Canada Ltd. Mr. Andris has a bachelor's degree from the University of Western Ontario.

James Adams. Mr. Adams served as our Senior Vice President, Consumer Sales, from May 2012 until March 2015. Prior to joining Turtle Beach, Mr. Adams served as Senior Vice President, Sales & Business Development, Worldwide, for Zeemote, a developer of Bluetooth mobile technologies, from August 2007 to April 2012. Prior to Zeemote, Mr. Adams served in senior sales positions with Bamboo Technology, Acclaim, Hasbro Interactive and Navarre Corporation.

Robert Picunko. Mr. Picunko served as our Chief Marketing Officer from August 2011 to February 2015. Prior to joining Turtle Beach, Mr. Picunko served as Senior Vice President, Publishing for Viacom/MTV Networks from June 2006 to December 2011, and before that served in senior marketing positions with the Walt Disney Company, Interplay and DDB Worldwide Communications Group. Mr. Picunko holds a bachelor's degree in telecommunications management, marketing and management information systems from the Syracuse University Newhouse School of Communications and Whitman School of Management.

Table of Contents**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth certain information with respect to the beneficial ownership of our Common Stock as of the Record Date for (i) each person who is known by the Company to own beneficially more than 5% of the Common Stock, (ii) each of the Company's directors and executive officers and (iii) all of the Company's directors and executive officers as a group. Other than as set forth below, we are not aware of any other stockholder who may be deemed a beneficial owner of more than 5% of our Common Stock.

Beneficial ownership is determined in accordance with the rules of the SEC. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, shares of Common Stock subject to options or warrants held by that person that are currently exercisable or will become exercisable within 60 days after April 16, 2015 are deemed outstanding, while such shares are not deemed outstanding for purposes of computing percentage ownership of any other person. Unless otherwise indicated in the footnotes below, we believe that the persons and entities named in the table have sole voting or investment power with respect to all shares beneficially owned, subject to community property laws where applicable.

Unless otherwise indicated, the principal address of each of the persons below is c/o Turtle Beach Corporation, 100 Summit Lake Drive, Suite 100, Valhalla, NY 10595.

	Number of Shares Beneficially Owned ⁽¹⁾	Percentage of Outstanding Shares Beneficially Owned ⁽²⁾		
Executive Officers and Directors				
Juergen Stark ⁽³⁾	1,655,160	3.8%		
John Hanson ⁽⁴⁾	121,657	*		
Ronald Doornink ⁽⁵⁾⁽⁶⁾	1,016,036	2.4%		
Kenneth A. Fox (includes shares held by Stockholder Group (as defined below)) ⁽⁶⁾⁽⁷⁾	29,773,180	70.7%		
William E. Keitel ⁽⁸⁾	61,997	*		
Laureen DeBuono ⁽⁸⁾	3,997	*		
Andrew Wolfe, Ph.D. ⁽⁹⁾	15,000	*		
Robert Picunko ⁽¹⁰⁾	115,807	*		
James Adams ⁽¹¹⁾	73,342	*		
Robert Andris ⁽¹²⁾	87,910	*		
All executive officers and directors as a group (10 persons) ⁽¹³⁾	31,917,05	72.3%		
			Percentage of Outstanding Shares Beneficially Owned⁽²⁾	Number of Shares Held of Record
Certain Other Stockholders (excludes Executive Officers and Directors)	Number of Shares Beneficially Owned⁽¹⁾	Percentage of Outstanding Shares Beneficially Owned⁽²⁾		Percentage of Shares Owned of Record⁽²⁾
SG VTB Holdings, LLC ⁽⁶⁾⁽¹⁴⁾ 402 West 13 th Street New York, New York 10014	29,773,180	70.7%	15,438,830	36.6%

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Carmine Bonanno ⁽⁶⁾ 39 Albermarle Road White Plains, New York 10605	5,633,233	13.4%	5,633,233	13.4%
Frederick Romano ⁽⁶⁾ 3176 Arbour Lane	5,633,233	13.4%	5,633,233 &	13.4%