

Meyer Sound Global Anti-Corruption Policy and Guidelines

(as adopted on September 17, 2013)

I. INTRODUCTION

Meyer Sound Laboratories, Inc. and its affiliated companies (collectively, “Meyer Sound” or the “Company”) are committed to maintaining the highest level of professional and ethical standards in the conduct of their business in all countries in which they operate or otherwise have business connections. Our reputation for honesty, integrity, and fair dealing is an invaluable component of its success.

To implement this Policy effectively, every person in our Company must make a personal commitment to it. While we do not expect all employees to become expert in anti-corruption law, we *do* expect all employees to adhere to Meyer Sound’s ethical standards, to be cognizant of applicable laws that relate to the issue of corrupt payments, and to seek guidance from the Company’s senior management (who will consult with legal counsel as necessary) whenever any uncertainty regarding those laws or standards arises. Departures from our business standards will not be tolerated.

II. POLICY STATEMENT

It has been and continues to be the policy of Meyer Sound, in doing business anywhere in the world, to fully comply with all applicable anti-corruption laws and regulations, including the U.S. Foreign Corrupt Practices Act (“FCPA”).

Officers, directors, employees, and agents (defined below) of Meyer Sound must not engage in any form of bribery, either directly or through a third party, whether in commercial dealings or in dealings with Government Officials (defined below).

III. SCOPE

A. What is a Bribe?

As used in this Policy, a “bribe” means the offering, promising, giving, accepting or soliciting of anything of value as an inducement for an action which is improper. Bribes are not limited to cash or gifts and there is no “*de minimis*” amount or level. Bribes may be in the form of business courtesies, including gifts, gratuities, favors, benefits, loans, commissions, discounts, forbearances, entertainment, hospitality or other tangible or intangible items of value. Bribery can occur in both the private and public sectors. The person receiving the bribe is usually in a position to influence the award or the progress of business.

Bribery violations can result in millions of dollars in civil or criminal fines against a company and can subject an individual to prosecution, fines and imprisonment, as well as dismissal or other disciplinary action.

B. Who is Covered by this Policy?

This policy applies to all officers, directors, employees, and agents of Meyer Sound. As used in this Policy, “agent” means any person or entity acting for or on behalf of the Company, including, without limitation, distributors, dealers, representatives, advisors, consultants, sub-

consultants, contractors, subcontractors, suppliers, third party intermediaries, and venture partners.

C. Who is a Government Official?

For purposes of this Policy, "Government Official" is defined broadly and includes not only any person acting in an official capacity for or on behalf of any government, but also employees of any government-owned or government-controlled entity or any public international organizations, any political party or party official, or any candidate for public office.

So, for example, just as a customs official in Russia is a Government Official, if we were to sell our products to a government-owned performing arts center in China, our dealings with employees of that arts center should also be considered dealings with Government Officials for purposes of this Policy.

Whether a person is a Government Official matters because of the way in which the FCPA and other international anti-corruption laws apply to dealings with these officials. However, it is not always obvious when someone is a Government Official, particularly in countries where commercial enterprises are owned and/or controlled by the government. Given the heightened legal risk associated with dealings with Government Officials, if you are engaged in business or potential business, directly or indirectly, with someone who is or may be a Government Official for purposes of this Policy, you must promptly notify the Vice President of Worldwide Sales, the Director of Human Resources, or the Executive Vice President and keep them informed of all developments so that they may oversee compliance with this Policy and applicable laws.

IV. GIFTS, ENTERTAINMENT AND HOSPITALITY

It is customary in many parts of the world to occasionally provide nominal gifts, entertainment or hospitality to customers and others in a business relationship. Gifts, entertainment and hospitality are allowed under this Policy but only if they are:

1. reasonable in value (on an individual and aggregate basis, when combined with other benefits provided to or on behalf of the same recipient over the course of a year);
2. appropriate to the recipient's position, the circumstances and the occasion, so as not to create an appearance of bad faith or impropriety;
3. not in the form of cash or a cash equivalent (such as gift cards or vouchers);
4. provided openly and transparently;
5. completely and accurately recorded in the Company's books and records; and
6. otherwise in accordance with this Policy, the FCPA, and applicable local law.

In addition, all gifts by or on behalf of Meyer Sound, other than pre-approved company "swag" of nominal value, as well as all entertainment or hospitality provided by or on behalf of Meyer Sound in excess of \$200 per attendee, must be pre-approved in writing by the Company's Vice President of Worldwide Sales or Executive Vice President.

Care must be taken that the provision or receipt of a gift, entertainment or other consideration will not be construed as a bribe. You should ask yourself: is the benefit being properly provided to build or maintain a business relationship or is it instead a prohibited inducement or reward to the recipient for doing, or refraining from doing, something in their professional capacity? Might

it be misunderstood by the recipient or others as a bribe? When in doubt, ask. The expectation is that you will use good judgment.

Special Requirement for Dealings with Government Officials: Because the FCPA and other international laws specifically prohibit paying bribes to Government Officials, no gifts, entertainment, hospitality or anything else of value may be provided by or on behalf of Meyer Sound to any Government Official without the advance written permission of the Company's Vice President of Worldwide Sales or Executive Vice President. Requests for approval will require assurances that the gift, entertainment or other thing of value will not be provided, directly or indirectly, to or for the benefit of any Government Official, to obtain an improper business advantage. This prohibition applies to the use of corporate as well as personal funds. It also applies to indirect contributions, payments, entertainment expenses or gifts made through third parties. Note that *bona fide* payments to a government entity (such as a cash grant to the engineering department of public university in Russia for research in the audio field) are not prohibited under the FCPA unless Meyer Sound has some reason to know that the funds will actually end up in the hands of an individual official.

V. FACILITATION PAYMENTS

Meyer Sound prohibits "facilitation" payments. Facilitation payments are a form of bribery made for the purpose of expediting or facilitating the performance of a public official for a routine governmental action, and not to obtain or retain business or any improper business advantage (sometimes called "grease" payments). Facilitation payments are common in many countries, particularly those where foreign officials may be poorly paid. You may be told that such payments are normal practice and that we will be disadvantaged unless we follow suit. But such payments are illegal under the bribery laws of many countries where we do business. Whatever their size, we do not offer or pay facilitating payments, and (unless they constitute a personal safety payment, as described below) no Meyer Sound employee or Representative should do so.

VI. CHARITABLE AND POLITICAL CONTRIBUTIONS

Charitable and political contributions can be (or be seen as) bribes in disguise. Any charitable contribution requested by a Government Official, or by an organization affiliated with a Government Official, requires the advance written approval of the Company's Executive Vice President. In no event will such a request be approved absent assurances that the charitable contribution will not be paid, directly or indirectly, to or for the benefit of any Government Official, to obtain an improper business advantage. Political contributions on behalf of the Company are expressly prohibited.

VII. DEALINGS WITH THIRD-PARTIES

The FCPA establishes liability for bribes made indirectly on behalf of the Company, as well as bribes made directly. For example, under the FCPA, the Company and individual directors, officers or employees may be liable for a payment made by an agent, such as a distributor, consultant or joint venture partner, if the Company makes a payment or transfers other value to that third-party "knowing" that it will be given to a government official. Firm belief that the third-party will pass through all or part of the value received from Meyer Sound to a Government Official, or an awareness of facts that create a "high probability" of such a pass-through, also constitute knowledge under the FCPA.

A. Due Diligence

To avoid liability for the conduct of agents, due diligence into the agent's background and reputation should be undertaken to confirm, among other things: (1) the agent is technically able to perform the services required; (2) the agent will conduct business in accordance with our policies and, in particular will not do anything to cause us to breach the FCPA; (3) neither the individual or, if it is a company, its representatives, is a Government Official or a close relative of same; and (4) the company is not owned, controlled or otherwise a front for a Government Official or any close relative of same.

B. Contractual Requirements

Due to the risk that the Company will be held liable for corrupt payments (or transfers of other value) made or offered on its behalf by an agent, no agent may be retained without a written agreement which includes an appropriate provision requiring compliance with applicable anti-corruption laws.

C. Red Flags

Any transaction that has the appearance of impropriety must be avoided and Company personnel must be conscious of any "red flags" that may be present or arise. A "red flag" is a fact or circumstance that serves as a warning signal that someone may act corruptly. The following is a non-exclusive list of red flags regarding third parties:

- ▶ Refusal to promise in writing to abide by anti-corruption laws
- ▶ Lack of qualifications to do what the third party has been engaged to do
- ▶ Relationships with government officials
- ▶ Government officials serving as principals of the third party
- ▶ Reputation for unusual or unethical business practices
- ▶ Reliance on government contacts rather than knowledgeable staff and investment of time to promote company interests
- ▶ Inadequate or generic descriptions on invoices
- ▶ Missing or incomplete supporting documentation for invoices
- ▶ Requests for payments in cash or of unusual size or delivery method
- ▶ Requests for advance payments before service has been completed
- ▶ Desire to keep business relationships or location of bank accounts secret

VIII. PERSONAL SAFETY PAYMENTS

In limited circumstances where immediate payment may be demanded of Meyer Sound personnel to avoid imminent serious physical harm or imminent deprivation of liberty (for example, threatened unjust imprisonment for a routine traffic violation in a foreign country) then payments may be made to alleviate the immediate risk. If possible and practical under the circumstances, such payments should be discussed with Meyer Sound's Vice President of Worldwide Sales, Director of Human Resources, or Executive Vice President prior to remittance, but in any event such payments must be reported to Meyer Sound's senior management as soon as possible. Meyer Sound reserves the right to report the payment to the appropriate authorities.

IX. ACCOUNTING AND RECORDKEEPING REQUIREMENTS

To demonstrate compliance with this Policy, Meyer Sound prepares and maintains books, records, and accounts that accurately and completely reflect all transactions and dispositions of Company assets, and maintains a system of internal accounting controls to ensure that all transactions are properly authorized. Each officer, director, employee and agent is expected to maintain accurate and complete records for all transactions they undertake on behalf of the Company, and must never inaccurately describe or seek to mischaracterize the nature or amount of a transaction. All records relating to compliance with this Policy shall be maintained for a minimum of five years, and diligent efforts should be used to maintain original documents. Meyer Sound personnel should never accede to requests for false invoices or for payment of expenses that are unusual, excessive, inadequately described, or otherwise raise questions under this Policy. Moreover, Meyer Sound personnel should ensure that all transactions are executed in accordance with management's authorization and that there are no off-book accounts or unauthorized payments. Finally, personal funds must not be used to do what is otherwise banned by this or any other corporate Policy. Consult your manager, the Vice President of Worldwide Sales, the Director of Human Resources, or the Executive Vice President if you have any questions or concerns regarding these requirements.

X. DISTRIBUTION & ACKNOWLEDGEMENT, REPORTING REQUIREMENT AND ENFORCEMENT

A. Distribution of Policy & Acknowledgement

Each person whose duties are likely to lead to involvement in any of the areas covered by the FCPA and this Policy must complete, sign and return an annual Certification of Compliance to the Company's Director of Human Resources, which will indicate the person's familiarity and compliance with this Policy. This form will be kept in an HR file.

B. Reporting Requirement

Any employee or agent acting on behalf of Meyer Sound who learns of or suspects a violation of this Policy, no matter how seemingly insignificant, should promptly report the matter to his or her manager, the Vice President of Worldwide Sales, the Director of Human Resources, or the Executive Vice President. Failure to report known or suspected wrongdoing may subject an employee to disciplinary action.

C. Enforcement

Failure to comply with the letter and spirit of this Policy shall result in disciplinary action, up to and including termination. The Company may also require an employee who fails to comply with this Policy to reimburse the Company for any unauthorized expense or obligation.

XI. FURTHER INFORMATION

Any questions concerning this Policy or the FCPA in general may be addressed to your manager, the Company's the Vice President of Worldwide Sales, the Director of Human Resources, or the Executive Vice President.

For reference, the full text of the Foreign Corrupt Practices Act is available at: <http://www.justice.gov/criminal/fraud/fcpa/docs/fcpa-english.pdf>.