



*Effective as of October 1, 2019*

## **CODE OF BUSINESS CONDUCT AND ETHICS**

- 8.1 Compliance with Laws
- 8.2 Proprietary Information & Inventions Agreement and Confidentiality & Information Security Policy; Personal Information
- 8.3 Code of Ethics
- 8.4 Disclosure
- 8.5 Insider Trading
- 8.6 Conflict of Interest and Safeguarding of Immersion Assets
- 8.7 Anti-Corruption
- 8.8 Export Compliance Policy
- 8.9 Safe Workplace
- 8.10 Fair Dealing
- 8.11 No Loans to Executive Officers or Directors
- 8.12 Reporting and Compliance Procedures; Waivers
- 8.13 Further Information

Immersion Corporation (“Immersion”) is committed to being a good corporate citizen. Immersion’s policy is to conduct its business affairs honestly and in an ethical manner, and it requires all employees, officers and directors representing Immersion to act in a manner utilizing good judgment, high ethical standards and honesty.

This Code of Business Conduct and Ethics (“Code”) provides a general statement of Immersion’s expectations regarding the ethical standards that each director, officer, and employee should adhere to while acting on behalf of Immersion. It does not cover every issue that may arise, but it sets out basic principles to help guide all employees, officers, and directors of Immersion. All of our employees, officers, and directors must conduct themselves in compliance with these guidelines, seek to avoid any perception of improper behavior and exercise reasonable judgment when conducting Immersion’s business. Unless stated otherwise below, this Code extends to all operations of Immersion and applies to all officers, managers, full and part time employees, contract workers, directors, and anyone who conducts business with Immersion (“Immersion Personnel” or “You”).

Three fundamental principles underlie the Code:

1. Each member of Immersion Personnel has an individual responsibility to establish and maintain a high standard of ethical business conduct.
2. Each manager has a duty to aid Immersion Personnel in understanding the content, scope, and importance of this Code and to illustrate by his or her own behavior, the spirit and practice of ethical business conduct.
3. Each manager must use reasonable efforts to learn of the ethical quality of business

behavior engaged in by Immersion Personnel he or she supervises.

Conduct in violation of this Code is unacceptable in the workplace and in all work-related settings outside of the workplace. Immersion's interests, policies, and high standard of business conduct must not be compromised as a result of an individual's improper behavior. Any member of Immersion Personnel who violates this Code will be subject to disciplinary action, up to and including termination of employment or engagement.

Immersion encourages you to refer to this Code frequently to ensure that you are acting within both the letter and the spirit of this Code. If you have questions or concerns about this Code, Immersion encourages you to speak with your manager (if applicable) or with the Ethics Manager (as defined below). A good rule to follow, however, is to consider whether you would feel comfortable if your potential actions or dealings were made public – if the answer is no, you should reconsider following through on them and consult with your manager or the Ethics Manager if you have any questions. Questions regarding the interpretation of this Code should be directed to Immersion's head of Human Resources (the "Ethics Manager"), the General Counsel, Chief Financial Officer, or the Chief Executive Officer. If you have a reasonable suspicion of or observe a violation of this Code, you must report the violation or suspicion in accordance with the procedures set forth in this Code, see Section 8.12 ("Reporting and Compliance Procedures") below.

Immersion Personnel generally have other legal and contractual obligations to Immersion. This Code is not intended to reduce or limit the other obligations that such individuals may have to Immersion. Rather, the standards in this Code should be viewed as the *minimum standards* that Immersion expects from Immersion Personnel in the conduct of its business and should be read in conjunction with such other policies and contractual obligations.

## **8.1 Compliance with Laws**

All Immersion Personnel must comply with federal, state, and applicable local laws, and must perform his or her duties in an honest and ethical manner. If an applicable law conflicts with guidelines in this Code, Immersion Personnel must comply with the law; however, if a non-binding local custom or policy conflicts with this Code, Immersion Personnel must comply with this Code. Immersion Personnel are urged to discuss any potential conflicts with their supervisor, the Ethics Manager or the General Counsel before taking any action that may conflict with this Code.

## **8.2 Proprietary Information & Inventions Agreement and Confidentiality & Information Security Policy; Personal Information**

Immersion's trade secrets are confidential and critical to Immersion's continued success. Immersion's trade secrets include policies, processes, technical information, customer lists, new business ideas, marketing plans, pricing information, information about our customers and their business practices, and other related information. Any disclosure of this information jeopardizes Immersion's competitive edge, as well as our relationship with our customers; disclosure of Immersion trade secrets is absolutely forbidden, except when disclosure is authorized by Immersion or required by applicable law, rule or regulation or pursuant to an applicable legal proceeding. Any non-authorized disclosure may be grounds for immediate termination of employment or engagement. Upon hire or engagement, each member of Immersion Personnel is required to execute a Proprietary Information & Inventions Agreement or other agreement relating to that person's duties to keep trade secrets and confidential information secure.

Immersion Personnel must return all of Immersion's trade secrets and proprietary information in their respective possession to Immersion when they cease to be employed by or to otherwise serve Immersion. The obligation to protect trade secrets does not end when an employee leaves Immersion. Any questions about whether information is confidential should be directed to the Ethics Manager. Immersion also seeks to maintain and protect employees' and other individuals' privacy and the security of their personally identifiable information collected by Immersion, which is generally identifiable information is information that can be used to identify, contact or locate an individual. If your job duties require you to keep or work with personally identifiable information about Immersion Personnel, you must keep such information secure. Do not disclose such information internally to any person who does not have the requisite authority and a need to know. Do not disclose employment data such as salaries or performance reviews to third parties except with Ethics Manager's approval or to vendors approved by the Ethics Manager.

**Please review the following Immersion Policies on Immersion's Website:**

- a) [Proprietary Information & Inventions Agreement](#)
- b) [Confidentiality & Information Security Policy](#)
- c) [Communications Policy](#)
- d) [IT Policy](#)

### **8.3 Code of Ethics**

The following guidelines are applicable to all Immersion Personnel:

1. All transactions made on behalf of Immersion shall be executed in accordance with management's general or specific authorization and recorded on a consistent basis. In addition, all Immersion Personnel must refrain from entering into, encouraging or facilitating any unauthorized agreement, including side agreements. A side agreement is any unauthorized agreement or commitment (whether oral or written) made with a party after an approved agreement has been signed. An agreement is unauthorized if it is entered into in contravention of Immersion's Contract Policy and Procedures.
2. Cash disbursements shall not be approved or made for any purpose other than for what is supported by the accompanying documentation and in accordance with Immersion's policies.
3. Use of or access to Immersion property for any unlawful or unethical purpose is strictly prohibited.
4. All fund accounts and other assets shall be properly recorded and disclosed.
5. Immersion Personnel shall not make, offer, or accept a bribe, kickback, or gratuity from any person or entity with the intention or effect of influencing judgment or conduct with respect to Immersion's business or operations.

6. No activity will be undertaken for the purpose of evading any lawful tax.
7. Immersion property will not be used by or contributed to any political party.
8. All cash receipts will be properly identified and recorded.
9. If any member of Immersion Personnel has access to confidential or proprietary information, such information shall not be disclosed to any individual or entity outside Immersion (either during or after employment) without the prior written approval of Immersion. Such information shall only be used in furtherance of Immersion's business.
10. Immersion's financial statements will be prepared in conformity with Generally Accepted Accounting Principles ("GAAP") or other applicable standards, which maintain clear accountability. Furthermore, Immersion Personnel shall comply with Section 303 of the Sarbanes-Oxley Act ("Section 303") and any rules promulgated thereunder. Section 303 provides that it is unlawful for any officer or director of a company, or any other person acting under the direction thereof, to take any action to fraudulently influence, coerce, manipulate, or mislead any independent public or certified accountant engaged in the performance of an audit of the financial statements of that company if the person knows or should know that such action, if successful, could result in rendering the financial statements materially misleading. Examples of "improper influence" include, but are not limited to, actions by Immersion Personnel directly or indirectly:
  - To offer or pay bribes or other financial incentives, including offers for future employment or contracts for non-audit services
  - To knowingly provide an auditor with an inaccurate or misleading legal analysis
  - To threaten to cancel or actually cancel existing non-audit or audit engagements solely due to the auditor's objections of the issuer's accounting
  - To seek to have a partner removed from the audit engagement solely because the partner objects to the issuer's accounting
  - To knowingly provide an auditor with inaccurate or misleading information regarding a sales transaction involving Immersion
  - To blackmail any person
  - To make physical threats against any person

### **Special Ethics Obligations for Members of Immersion's Board of Directors**

Members of Immersion's Board of Directors have a special responsibility because Immersion's Directors are prominent individuals with substantial other responsibilities. Directors owe duties to Immersion to avoid conflicts of interest, not to accept benefits from third parties by reason of being a director and to declare an interest in an actual or proposed transaction or arrangement with Immersion. Each director is expected to:

- avoid situations in which he or she has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of Immersion. This applies in particular to the exploitation of any property, information or opportunity belonging to Immersion (and it is immaterial for these purposes whether Immersion could actually take advantage of the property, information or opportunity);
- not accept a benefit from a third party conferred by reason of being a director or doing (or not doing) anything as a director;
- disclose to their fellow Directors and to the General Counsel and Vice President of Legal of Immersion any personal interest they may have in an actual or proposed transaction or arrangement with Immersion discussed by the Board, and to recuse themselves from participation in any decision in which there is a conflict between their personal interests and the interests of Immersion; and
- not divert to himself or herself or to others any opportunities that are discovered using Immersion property or information, or as a result of his or her position with Immersion, unless such opportunity has first been presented to, and rejected in writing by, the Ethics Manager.

Directors may seek authorization from the Board for any actual or potential conflict situation.

### **Special Ethics Obligations for Employees with Financial Reporting Responsibilities**

With responsibilities to stakeholders both inside and outside of Immersion, the Finance Department bears a special responsibility for promoting integrity throughout the organization. The Chief Executive Officer and Finance Department personnel have a special role both to adhere to these principles individually and also to ensure that a culture exists throughout Immersion to ensure the fair and timely reporting of Immersion's financial results and condition.

Because of this special role, the Chief Executive Officer and all members of Immersion's Finance Department are bound by the following Financial Officer Code of Ethics, and each agrees that he or she will, in his or her capacity as an employee of Immersion:

1. Perform his or her duties in an honest and ethical manner.
2. Manage all actual or apparent conflicts of interest between his or her personal and professional relationships in an ethical manner.
3. Take all necessary actions to ensure full, fair, accurate, timely, and understandable disclosure in reports and documents that Immersion files with or submits to government agencies and in other public communications.
4. Share knowledge and maintain skills important and relevant to stakeholder's needs.
5. Comply with all applicable laws, rules, and regulations of federal, state, and local governments.

6. Promptly report to the Chairman of the Audit Committee any conduct that the individual believes to be a violation of law or business ethics or of any provision of this Code, including any transaction or relationship that reasonably could be expected to give rise to such a conflict.

Violations of this Financial Officer Code of Ethics, including failures to report potential violations by others, will be viewed as a severe disciplinary matter that may result in personnel action, including termination of employment or engagement.

#### **8.4 Disclosure**

It is of paramount importance that all disclosure in documents filed by Immersion with the Securities and Exchange Commission or in other public communications by Immersion is full, fair, accurate, timely, and understandable. Immersion Personnel must take all steps necessary to assist Immersion in fulfilling these responsibilities, consistent with each person's role. Each member of Immersion Personnel must give prompt, accurate answers to all inquiries in connection with Immersion's preparation of public disclosures and reports.

#### **8.5 Insider Trading**

**Please review Immersion's Trading Policy on Immersion's Website:**

- a) [Insider Trading Policy](#)

#### **8.6 Conflict of Interest and Safeguarding of Immersion Assets**

Every member of Immersion Personnel has the right to engage in non-Immersion financial, business, and other activities if those actions (i) do not conflict or interfere with the performance of his or her duties to Immersion, (ii) are legal, (iii) do not involve the misuse of Immersion property, facilities, influence, or other resources, and (iv) do not negatively affect Immersion's reputation.

**Immersion Personnel Shall Not:**

1. Engage in any activity that may interfere with the performance of his or her job.
2. Personally benefit from the sale or purchase of goods and services by Immersion (other than benefits received as part of his or her compensation from Immersion).
3. Engage in any activity on behalf of any person or entity which directly or indirectly competes with Immersion, including acting as an employee, director, or agent for such a person or entity.
4. Own, directly or indirectly, a controlling interest or an interest greater than 5% (five percent) in any entity that does business with Immersion or competes with Immersion, except securities quoted on a recognized stock exchange or over-the-counter market.
5. Take advantage personally of business or investment opportunities that are discovered using Immersion property, business or information.

Theft, carelessness and waste have a direct impact on Immersion's profitability. Immersion Personnel

should protect Immersion’s assets and ensure their efficient use. Immersion assets should be used for legitimate business purposes, except for reasonable authorized incidental personal use. Immersion assets include intellectual property such as patents, trademarks, copyrights, business and marketing plans, engineering and manufacturing ideas, designs, salary information and any unpublished financial data and reports. Unauthorized use or distribution of this information is a violation of Immersion policy.

**8.7 Anti-Corruption**

**Please review Immersion’s Anti-Corruption Policy on Immersion’s Website:**

- a) [Anti-Corruption Policy](#)

Pursuant to Immersion’s Anti-Corruption Policy (the “Anti-Corruption Policy”), Immersion requires full compliance with the Foreign Corrupt Practices Act (FCPA), the UK Bribery Act, other anti-bribery laws, local laws and any procedures developed by management to implement the Anti-Corruption Policy. The Anti-Corruption Policy applies to all employees, independent contractors, consultants and other agents worldwide, including individuals engaged by or acting on behalf of Immersion.

Among other prohibitions included in the Anti-Corruption Policy, the policy prohibits all Immersion Personnel from:

- Authorizing, making, offering, promising, requesting, receiving or accepting bribes (whether commercial bribes or bribes of government officials) or accepting kickbacks in any form
- Giving anything of value to any government official in order to wrongfully influence the government official, obtain or retain business or receive any improper advantage
- Giving or accepting gifts unless such gifts are (i) reasonable and not extravagant, (ii) customary and appropriate under U.S. and local customs, (iii) not offered for any improper purpose and (iv) could not be constructed as a bribe, kickback or payoff
- Initiating a relationship with a representative, partner, consultant, distributor, agent or other third party, without conducting appropriate due diligence to assure that such third party will not engage in any improper conduct
- Failing to maintain accurate records of all transactions

All Immersion Personnel must report, in person or in writing, any known or suspected violations of this Policy to either the General Counsel or the Chair of the Audit Committee. Additionally, all Immersion Personnel may contact the Compliance Officer (as defined in the Anti-Corruption Policy) or the Chair of the Audit Committee with questions or concerns about this Policy. Any questions or violation reports will be addressed promptly and can be made anonymously.

**8.8 Export Compliance Policy**

**Purpose**

Immersion’s policy on export compliance applies to all Immersion Personnel involved in export administration, export sales, traffic, engineering, and related functions.

## **Policy**

1. All Immersion Personnel must comply with the U.S. Export Administration Regulations.
2. Senior management must be directly involved in assuring compliance with all regulations, maintaining quality compliance control programs and providing adequate staffing and resources.
3. Immersion will develop and maintain policies and procedures for all export related activities.
4. All suspicious transactions or known violations should be reported pursuant to the Reporting Procedures set forth in Section 8.10 below.

## **Penalties**

The possible penalties imposed by the Department of Commerce and any other affected government agencies are significant. Violations of the U.S. Export Administration Regulations may result in criminal penalties, administrative penalties, or both. Violations may also result in termination of employment or engagement.

### **8.9 Safe Workplace**

We want to provide a work environment where people feel safe and are treated with courtesy and professionalism at all times. All employment must comply with all applicable laws and regulations, including those concerning hours, compensation, benefits, opportunity, human rights, working conditions and safety. Immersion is committed to being an equal employment opportunity employer and to complying with applicable federal, state and local laws. Immersion strictly prohibits discrimination or harassment against any employee because of the individual's race, color, religion, gender, sexual orientation, national origin, age, disability, veteran's status or any status protected by law.

Employees must be familiar with and follow all safety guidelines and report any unsafe conditions or accidents. Any acts or threats of violence toward another person or company property must also be reported immediately.

### **8.10 Fair Dealing**

Immersion seeks to excel while operating fairly and honestly, never through unethical or illegal business practices. Immersion Personnel should endeavor to deal fairly with Immersion's customers, suppliers, competitors and employees. No employee, officer or director should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair dealing practices.

### **8.11 No Loans to Executive Officers or Directors**

It is the Immersion's policy not to extend or maintain credit, to arrange for the extension of credit, or to renew an extension of credit, in the form of a personal loan to or for any director or executive officer of Immersion. Any questions about whether a loan has been made to a director or executive officer in violation of this policy should be directed to the General Counsel.

## 8.12 Reporting and Compliance Procedures

All Immersion Personnel will be supplied with a copy of the Code and are responsible for the enforcement of and compliance with the Code.

If You (i) become aware or suspect any conduct by an officer, director, employee, or contract worker that You believe in good faith is a potential violation of this Code or (ii) become aware of or have any complaint or concern regarding Immersion's accounting, internal accounting controls, or auditing matters, or any concerns regarding questionable accounting or auditing matters, You should call our Whistleblower Hotline at **(888) 893-9065** or **submit via web at MyComplianceReport.com** and report any acts which You believe to be in violation of this Code.

The Whistleblower Hotline is operated by an independent third-party organization who transmits all reports directly to Immersion's Audit Committee. The Audit Committee is required to investigate all such reports submitted. Immersion management will not be advised of any report, unless the Audit Committee expressly notifies management.

Immersion's Whistleblower Hotline is available to all employees, contractors, customers, partners and shareholders who wish to bring to Immersion's attention any potential violations of or non-compliance with Immersion's Code of Business Conduct and Ethics. These issues will be handled promptly and with appropriate confidentiality.

Immersion employees or contractors do not need to disclose their identity when calling the Whistleblower Hotline, other than stating that he or she is an employee of Immersion. Because Immersion Personnel may remain anonymous and therefore prevent further contact in any subsequent investigation, it is critical to provide sufficient detail of any reported violation to allow a proper investigation to occur.

All reports of violations or suspected violations of the Code and complaints or concerns regarding accounting, internal accounting controls, or auditing matters will be recorded in a log, indicating the description of the matter reported, the date of the report, and a brief summary of the disposition. The log shall be maintained by the Audit Committee and retained for five years. Allegations of violations of this Code should be made only in good faith and not to embarrass or put someone in a false light. If You become aware of a suspected or potential violation, do not try to investigate or resolve it on your own. Prompt disclosure under this Code is vital to ensuring a timely and thorough investigation and resolution.

All Immersion Personnel are expected to cooperate in internal or external investigations or alleged violations of this Code. If it is determined that this Code has been violated, Immersion shall attempt to impose disciplinary and remedial action for each Code violation in a consistent manner appropriate to the nature of the violation, including termination of employment or engagement, as the circumstances may warrant.

It is Immersion's policy to promote and implement prompt and consistent enforcement of this Code, fair treatment for persons reporting unethical behavior, objective and clear standards for compliance and a fair process by which to determine violations of this Code and other Immersion policies. It is against Immersion policy to retaliate against any employee for good faith reporting of violations of this Code. Further, all Immersion Personnel are protected by law from retaliation for reporting possible violations of this Code or for participating in procedures connected with an investigation, proceeding, or hearing conducted by Immersion or a government agency with respect to such complaints. Immersion will take

disciplinary action up to and including the immediate termination of employment of any member of Immersion Personnel who retaliates against another member for reporting any suspected or actual violation of this Code.

### **Waivers**

Waivers of provisions and policies of this Code will be granted when determined to be appropriate under the circumstances and in accordance with applicable law, and require the written approval of the General Counsel and the Chief Financial Officer. Any waiver of or departure from a provision of this Code involving any director, executive officer or the Company's principal accounting officer (or, if there is no principal accounting officer, the controller) may be made only by the Board of Directors and will be promptly disclosed as required by applicable laws, rules and regulations or stock exchange regulation. Subject to the foregoing, this Code of Conduct is subject to modification by the full Board of Directors or a board committee designated by the Board of Directors, at any time in order to ensure continued compliance with applicable laws, rules and regulations.

**Please review Immersion's Whistleblower Policy and Hotline on Immersion's Website:**

- a) [Whistleblower Policy and Hotline](#)

### **8.13 Further Information**

Please contact the Ethics Manager, General Counsel, Chief Financial Officer, or the Chief Executive Officer if you have any questions about this Code or require further information.

***As of September [●], 2019***

### **Confirmation of Receipt of Code of Business Conduct and Ethics**

**I confirm that I have received a copy of the Immersion Corporation Code of Business Conduct and Ethics. I certify that I adhere to and advocate the principles and responsibilities governing my profession and ethical conduct.**

**This Policy may be executed and delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the Uniform Electronic Transactions Act (UETA) and the United States Electronic Signatures in Global and National Commerce (ESIGN) Act, e.g., www.docusign.com) or other transmission method and any document so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.**

**Employee's Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_