

EMERSON RADIO CORP.
SECOND AMENDED AND RESTATED AUDIT COMMITTEE CHARTER

I. PURPOSE

The Audit Committee is a standing committee of the Board of Directors of Emerson Radio Corp. (“Emerson”). Its purpose is to assist the Board of Directors in fulfilling its oversight responsibility relating to the quality and integrity of Emerson’s accounting, auditing, monitoring and reporting practices, and other such duties as directed by the Board of Directors.

To accomplish that purpose, the Audit Committee shall oversee:

- (a) Emerson’s financial statement generation and reporting process and systems of internal accounting and financial control;
- (b) Emerson’s internal audit function;
- (c) The annual independent audit of Emerson’s financial statements;
- (d) Emerson’s compliance with legal and regulatory requirements involving financial disclosure and controls;
- (e) Emerson’s compliance with applicable ethical requirements; and
- (f) Other responsibilities as set forth herein.

II. COMPOSITION

The Audit Committee will consist of at least two members of the Board of Directors, all of whom meet the independence and expertise requirements established by applicable laws, regulations, and listing requirements, including the requirements of the Sarbanes-Oxley Act of 2002, the Securities and Exchange Commission (“SEC”) and the American Stock Exchange (“AMEX”). At least one member of the Audit Committee will be a “financial expert” as defined by SEC and AMEX rules and regulations. The Board of Directors appoints Audit Committee members and the Audit Committee elects the Chair. The Audit Committee members may be removed by the Board of Directors for cause.

III. PROCEDURES

The Audit Committee will meet at least four times a year, with authority to convene additional meetings as circumstances require. All Audit Committee members are expected to attend each meeting, in person or via tele- or video-conference. As it deems appropriate, the Audit Committee will invite members of management, auditors, legal counsel, and/or others to attend meetings and provide pertinent information. In planning the annual schedule of meetings, the Audit Committee will ensure that sufficient opportunities exist for its members to meet separately with the independent auditors, the internal auditor, members of management, and to meet in private with only Audit Committee members present.

Meeting agendas will be prepared and provided in advance to Audit Committee members, with appropriate briefing materials. Minutes will be prepared to document the Audit Committee's discharge of its responsibilities. The minutes will be circulated in draft form to all Audit Committee members to ensure an accurate final record, approved at a subsequent meeting of the Audit Committee. The Audit Committee will make regular reports to the Board of Directors.

IV. AUTHORITY

The Audit Committee will have the resources and authority necessary to discharge its duties and responsibilities. It has sole authority to retain and terminate outside counsel and other experts or consultants, as it deems appropriate in its discretion, including sole authority to approve the outside firms' fees and other retention terms. Emerson will provide the Audit Committee with adequate funding, as the Audit Committee determines, to compensate Emerson's independent auditor, internal auditor, outside counsel, and other advisers, and will pay all administrative expenses of the Audit Committee that it deems necessary and appropriate in carrying out its duties. In discharging its oversight role, the Audit Committee is empowered to investigate any matter brought to its attention, with or without outside assistance as the Audit Committee may elect in its discretion. The Audit Committee will have access to Emerson's books, records, facilities and personnel. The Audit Committee may form and delegate authority to subcommittees and may delegate authority to one or more designated members of the Audit Committee.

V. RESPONSIBILITIES

The Audit Committee relies on the expertise and knowledge and good faith of management, the internal auditor, and the independent auditor in discharging its oversight responsibilities. Emerson management is responsible for determining that Emerson's financial statements are complete, accurate, and in accordance with generally accepted accounting principles, and for establishing satisfactory internal control over financial reporting. The auditors are responsible for auditing Emerson's financial statements and the effectiveness of Emerson's internal control over financial reporting. It is not the Audit Committee's duty to plan or conduct audits, to determine that the financial statements are complete, accurate, and in accordance with generally accepted accounting principles, or to assure compliance with laws and regulations or Emerson's standards of business conduct, codes of ethics, internal policies, procedures, or controls.

The Audit Committee's principal responsibilities are as follows:

A. Responsibilities Related to Internal Audits:

1. The internal auditor will report directly to the Audit Committee. The Audit Committee has the authority and responsibility to appoint, approve terms of engagement for, retain, oversee, compensate, review, evaluate, and terminate Emerson's internal auditor. The Audit Committee will act to ensure that there are no unjustified restrictions or limitations upon the actions of the internal

auditor or internal audit function. The Audit Committee will review, at least annually, the performance of the internal auditor.

2. The Audit Committee will consider the effectiveness of Emerson's internal control system, understand the scope of the internal auditor's reviews of internal controls over financial reporting, and obtain reports on significant findings and recommendations, together with management's response.
3. The Audit Committee will review the effectiveness of Emerson's systems for monitoring compliance with laws and regulations, the results of management's investigation and follow-up (including disciplinary action) of any instances of noncompliance, the findings of any examinations by regulatory agencies, and any auditor observations regarding compliance.
4. The Audit Committee will review the process for communicating Emerson's code of conduct to Emerson's employees, and for monitoring compliance therewith, and will obtain regular updates from management and Emerson legal counsel regarding compliance matters.
5. The Audit Committee will monitor the performance of Emerson's internal audit function by the internal auditor, and will review with management and the internal auditor the organizational structure, adequacy of staffing, resources and budget, scope of activities, and other factors that may affect internal audits. The Audit Committee will have authority to review and approve the annual audit plan and all major changes to the plan. The internal auditor will report periodically to the Audit Committee regarding the status of implementation and completion of the internal audit plan.
6. The internal auditor will report periodically to the Audit Committee regarding significant deficiencies in the design or operation of internal controls, material weaknesses in internal controls, any fraud involving persons having a significant role in internal controls, any significant change in internal controls implemented by management, any other significant control issues, risks, or exposures by Emerson, the initiation and status of any investigations, and the effectiveness of the internal audit function generally.
7. The Audit Committee will meet separately with the internal auditor on a regular basis to discuss any matters that the Audit Committee or internal auditor believes should be discussed privately.

B. Responsibilities Related to Independent Audits:

1. The independent auditors are accountable to the Board of Directors and the Audit Committee, and will report directly to the Audit Committee. The Audit Committee has the authority and responsibility to appoint, approve terms of engagement for, retain, oversee, compensate, review, evaluate, and terminate Emerson's independent auditors.

2. The Audit Committee will review the independent auditors' proposed audit scope and approach, including coordination with the internal auditor. As part of this review, the Audit Committee will require the independent auditor to report to the Audit Committee all critical accounting policies and practices to be used, all alternative treatments of financial information within generally accepted accounting principles that have been discussed with Emerson's management, ramifications of the use of such alternative disclosures and treatments, the treatments preferred by the independent auditor and other material written communications between the independent auditor and Emerson's management, including management's letters and schedules of unadjusted differences.
3. The Audit Committee will obtain confirmation from the independent auditor at the commencement of each audit that such firm is a "registered public accounting firm" as such term is defined under the Sarbanes-Oxley Act of 2002.
4. The Audit Committee shall set clear policies, compliant with applicable law, rules and regulations, for the hiring of employees or former employees of Emerson's independent auditor.
5. The Audit Committee will require the independent auditors to advise the Audit Committee in advance in the event that the outside auditors intend to provide any professional services to Emerson other than services provided in connection with an audit or a review of the Emerson's financial statements ("non-audit services"); provided that such non-audit services are not listed in Section 10A(g) of the Exchange Act ("prohibited services"). The Audit Committee shall approve, in advance, any non-audit services to be provided to Emerson by Emerson's independent auditing firm.
6. The Audit Committee shall obtain confirmations from time to time from Emerson's independent auditing firm that such firm is not providing to Emerson (i) any prohibited services, or (ii) any other non-audit service or any auditing service that has not been approved in advance by the Audit Committee. The Audit Committee has the authority to approve the provision of non-audit services that have not been pre-approved by the Audit Committee, but only to the extent that such non-audit services qualify under the *de minimus* exception set forth in Section 10A(i)(1)(B) of the Exchange Act. The Audit Committee will record in its minutes and report to the Board all approvals of non-audit services granted by the Audit Committee.
7. The independent auditor will provide reports to the Audit Committee upon request regarding the auditor's internal quality-control procedures, any material issues raised by the most recent internal quality-control or peer review, or any inquiry or investigations by governmental or professional authorities within the preceding five years respecting one or more independent

audits carried out by the audit firm, and any steps taken to deal with such issues.

8. The independent auditors will also submit a formal written statement to the Audit Committee upon request delineating all relationships between the audit firm and Emerson, including each non-audit service provided to Emerson, consistent with applicable auditing standards. Such statement will confirm that the outside auditors are not aware of any conflict of interest prohibited by Section 10A(i) of the Securities Exchange Act of 1934. The Audit Committee will discuss with the independent auditor whether any disclosed relationships or services, or any other factors, may affect the objectivity and independence of the independent auditors under applicable auditing standards. The Audit Committee will take, or recommend that the full Board take, appropriate action to ensure the independence of the outside auditors.
9. The Audit Committee will meet with the independent auditor, with no management in attendance, as the Audit Committee may deem necessary, to openly discuss the quality of Emerson's accounting principles as applied in its financial reporting, including issues such as (a) the appropriateness, not just the acceptability, of the accounting principles and financial disclosure practices used or proposed to be used by Emerson, (b) the clarity of Emerson's financial disclosures and (c) the degree of aggressiveness or conservatism that exists in Emerson's accounting principles and underlying estimates and other significant decisions made by Emerson's management in preparing Emerson's financial disclosures, and (d) any matters the Audit Committee or independent auditors believe should be discussed privately. The Audit Committee will then meet, without management or the independent auditor being present, to discuss the information presented to it. The Audit Committee will resolve any disagreements between management and the independent auditor about financial reporting.
10. At the completion of the annual audit, the Audit Committee will review with the independent auditors their audit of Emerson's financial statements and their report thereon, including any matters to be communicated by the independent auditor; any significant changes required in the independent auditor's audit plan; any serious difficulties or disputes with management encountered during the course of the audit and management's response, and any other matters related to the conduct of the audit required to be communicated to the Audit Committee under generally accepted auditing standards.
11. Upon the completion of the annual audit, the Audit Committee will review the audit findings reported to it by the independent auditor, including any comments or recommendations of the independent auditors, with the entire Board. In consultation with the independent auditor and management, the Audit Committee will consider the integrity of Emerson's financial reporting processes and controls. The Audit Committee shall consider and review with

management significant findings during the year and management's responses thereto, including the status of previous audit recommendations. The Audit Committee will discuss significant financial risk exposures and the steps management has taken to monitor, control, and report such exposures, and review significant findings prepared by the independent auditor together with management's responses.

C. Other Responsibilities:

1. The Audit Committee will report regularly to the Board of Directors about Audit Committee activities, issues, and related recommendations, and will provide reasonable communication between the internal auditor, the independent auditor, and the Board of Directors.
2. The Audit Committee will review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.
3. The Audit Committee will review and approve each transaction between the Company and related parties that has a dollar value of \$500,000.00 or more. Any such transactions engaged in by the Company without Audit Committee approval shall be without proper corporate authority.
4. The Audit Committee will review Emerson's quarterly reports on Form 10-Q and annual report on Form 10-K and reports from time to time on Form 8-K, consider whether they are complete and consistent with information known to Audit Committee members, and discuss any significant adjustments, management judgments, accounting estimates, and other material disclosure matters before such forms are filed with the SEC.
5. The Audit Committee will review the annual financial statements, and consider whether they are complete, consistent with information known to committee members, and reflect appropriate accounting principles. The Audit Committee will review other sections of the annual report and related regulatory filings before release and consider the accuracy and completeness of the information.
6. The Audit Committee shall consider and approve, if appropriate, changes to Emerson's auditing and accounting principles and practices, as suggested by the independent auditor, internal auditor or management, and the Audit Committee shall review with the independent auditor and management the extent to which such changes have been implemented.
7. The Audit Committee will prepare a report to Emerson shareholders to be included in Emerson's proxy statement, as required by applicable laws, regulations and rules, describing the committee's composition,

responsibilities, how responsibilities were discharged, and any other required information.

8. The Audit Committee will review and approve updates to the Emerson Global Finance and Accounting Policy and Procedure Manual. The Audit Committee will also review and update periodically the Code of Ethics for Senior Financial Officers to ensure compliance with all applicable laws, rules and regulations.
9. The Audit Committee shall review and revise as necessary procedures for the receipt, retention and treatment of complaints received by Emerson regarding accounting, internal accounting controls or auditing matters, and confidential, anonymous submissions to Emerson concerns regarding questionable accounting or auditing matters.
10. The Audit Committee will evaluate on a regular basis the performance of individual members and the performance of the Audit Committee as a whole, and will confirm annually that all responsibilities outlined in this Charter have been carried out.
11. The Audit Committee will review and assess this Charter annually, requesting Board of Directors approval for proposed changes. This Charter will be published at least once every three years in accordance with SEC regulations.
12. The Audit Committee will perform other activities related to this Charter at the reasonable request of the Board of Directors and proper compensation should be provided to the committee members at levels commensurate with fees competitive outside professional fees for such activities.

VI. ADOPTION

This Charter is adopted by Resolution of the Board of Directors of the Emerson Radio Corp., thereby amending and restating all prior Charters of the Audit Committee in their entirety, effective as of August 12, 2008.