

INTRICON CORPORATION

Corporate Governance Guidelines

The following Corporate Governance Guidelines have been adopted by the Board of Directors (the “Board”) of Intricon Corporation (the “Company”) to assist the Board in the exercise of its responsibilities. These Corporate Governance Guidelines are not intended to change or interpret any Federal or state law or regulation, including the Pennsylvania Business Corporation Law of 1988, as amended, or the Company’s Articles of Incorporation (as amended or restated), Bylaws (as amended or restated) or Committee Charters (as amended or restated). Recognizing that best practices for corporate boards of directors and practical considerations will change over time, the Board will monitor developments in these areas and will amend these guidelines as it deems appropriate.

- I. Board Purpose and Responsibilities.** The business and affairs of the Company are managed under the direction of the Board. The Board represents and acts on behalf of the shareholders of the Company. The primary responsibilities of the Board are oversight, counseling and direction to the management of the Company in the interests and for the benefits of the Company’s shareholders. The Board, directly and through its Committees, performs a number of specific functions, including:
 - A.** Reviewing and, where appropriate, approving critical business and financial strategies of the Company and monitor performance against such plans.
 - B.** Reviewing and, where appropriate, approving major corporate actions.
 - C.** Assessing major risks facing the Company and options for their mitigation.
 - D.** Overseeing the processes for maintaining the integrity of the Company with regard to its financial statements and other public disclosures, maintenance of accounting, financial and other controls, corporate conduct and compliance with law and ethics.
 - E.** Selecting, regularly evaluating the performance of, and approving the compensation of the Company’s CEO. The independent directors shall evaluate the performance of the CEO annually in executive session. The Compensation Committee shall coordinate a process for the independent directors to consider CEO performance in advance of the Board meeting during which the CEO’s performance is to be reviewed. The evaluation shall take into account both qualitative and quantitative performance measures. The independent directors shall also evaluate the performance of, and review and approve the recommendations of the CEO as to the compensation of, the other members of the executive management team.
 - F.** Planning for succession with respect to the position of CEO and monitoring and advising on management’s succession and development planning for other members of the executive management team.
 - G.** Reviewing the recommendations of Company management for, and appointing, the Company’s principal officers.

H. Adopting and implementing applicable best practices in corporate governance, conforming in letter and spirit to all applicable laws, rules and regulations.

I. Periodically evaluating the effectiveness of the Board, its committees and individual directors. The evaluation process shall be coordinated by the Nominating and Corporate Governance Committee.

J. Recognizing the significant impact that environmental, social and governance issues (“ESG”) have on our ability to achieve sustainable growth, the Nominating and Corporate Governance Committee has the responsibility to develop and review the Company’s ESG policies and performance, including the impacts of our operations on society and the environment. The Company’s approach is grounded in the Company’s philosophy which acknowledges our responsibility to deliver the highest-quality products to our customers; make a fair profit; recognize the personal worth of employees; and maintain good citizenship as a company.

II. Board Size, Composition and Qualifications

A. Size. The Board will periodically review the appropriate size of the Board. The Company’s Bylaws currently provide that the Board shall be comprised of between three and seven members.

B. Composition. A substantial majority of the Board must qualify as independent directors. For purposes of these guidelines, “independence” will be determined in accordance with the independence standards of the Nasdaq Stock Market listing requirements, as they may be amended from time to time.

C. Selection of Directors.

1. The Board will be responsible for nominating members for election to the Board and for filling vacancies on the Board that may occur. The Nominating and Corporate Governance Committee with input from other Board members is responsible for identifying, screening and recommending candidates to the Board for Board membership.

2. The Nominating and Corporate Governance Committee will consider candidates recommended by the Company’s shareholders. In considering candidates submitted by shareholders, the Nominating and Corporate Governance Committee will take into consideration the needs of the Board and the qualifications of the candidate. The Nominating and Corporate Governance Committee may establish procedures, from time to time, regarding shareholder submission of candidates. Currently, these procedures are set forth in the Company’s Proxy Statement.

D. Qualifications for Non-Employee Board Members. A candidate for Director must be a natural person at least 21 years of age. Characteristics expected of all directors include: integrity, high personal and professional ethics, sound business judgment, and the ability and willingness to commit sufficient time to the Board. In evaluating the suitability of individual Board members, the Board considers many factors, including capability,

experience, skills, expertise, dedication, conflicts of interest, independence from the Company's management and the Company and such other relevant factors that may be appropriate in the context of the needs of the Board. Additional criteria apply to directors being considered to serve on particular committees of the Board.

The Board evaluates each individual in the context of the Board as a whole, with the objective of recommending a group that can best perpetuate the success of the Company's business and represent shareholder interests through the exercise of sound judgment, using its diversity of experience. Accordingly, the Nominating and Corporate Governance Committee believes that the Board, as a whole, should include members who collectively bring the following strengths and backgrounds to the Board:

- experience as a chief executive officer, president or a principal officer of another company;
- senior-level experience in the extended healthcare industry generally or with companies that have similar business models;
- experience with domestic and overseas commercial, distribution, manufacturing and engineering operations; and
- strengths in the functional areas of finance, corporate governance, financial statement analysis, business operations and strategic planning, and mergers and acquisitions as well as IT and HR.

Other factors are set forth in the Company's Proxy statement.

While the Company does not have a formal policy with regard to consideration of diversity, the Board seeks to achieve a diversity of strengths and backgrounds on the Board. The Board believes that the directors should encompass a range of experience, viewpoints, qualifications, attributes and skills in order to provide sound and prudent guidance on the Company's operations. The Board does not assign specific weights to particular criteria and no particular criteria is necessarily applicable to all prospective nominees.

E. Employees as Board Members. The CEO will ordinarily be a member of the Board. Otherwise, to be considered for Board membership, employees of the Company must have senior management responsibility for broad areas of the Company's operating or functional groups. Generally, Company employee or retiree directors should not exceed one director (if Board has less than seven members) or two directors (if the Board has seven members).

F. Tenure and Retirement. All Board members are elected for three-year terms as provided in the Bylaws, except any newly-created directorships or any decrease in directorships shall be so apportioned among the three Board classes so as to make all classes as nearly equal in number as possible. As a matter of policy, a director shall not stand for re-election if he/she would be 75 years old or older when the new term of office begins. Exceptions from this policy can be approved by a unanimous vote by the Board. Further, a director shall be deemed to have retired with the consent of the Board for purposes of such director's equity award agreements, absent a resolution by the Board to the contrary, if (i) he/she does not stand for re-election pursuant to the policy set forth in the preceding sentence; or (ii) he/she does not stand for re-election or retires from the Board

after at least five years of service on the Board (including service on the board of any predecessor entity or entity acquired by the Company). The terms of this Section are in addition to the terms of the Company's equity plans.

G. Conflicts of Interest. In addition to abiding by the Company's code of conduct, as currently in effect, each Board member must recuse himself or herself from any decision affecting, or potentially affecting, his or her personal, business or professional interests, and should consider whether it would be appropriate to recuse himself or herself from any related discussion.

H. Change in Occupation of Independent Board Member. An independent Board member must offer his or her resignation for consideration by the Nominating and Corporate Governance Committee in the event of a significant change in that Board member's principal occupation. The Nominating and Corporate Governance Committee will consider such factors as it deems relevant in determining whether to recommend that the offer of resignation be accepted and will present its recommendation to the Board for action.

III. Board Meetings

A. Regular Meeting Calendar

1. Dates and Times. The Board will meet, either in person or by conference telephone or other electronic technology, at least four times per year, unless it determines that more meetings are required.

2. Topics. The Board agenda will include regular in-depth reviews of the key issues affecting the Company overall, and various Company businesses and functions. Appropriate time will be allotted for Board member questions and input.

B. Distribution of Materials. Board members generally expect to receive information and materials in advance of the Board meetings where important to the Board's understanding or to facilitate discussion. It is expected that Board members will review all such materials in advance of the Board meetings and make such other advance preparations as may be appropriate to make Board meetings as productive and efficient as reasonably possible. In the event of a pressing need for the Board to meet on short notice or if such materials would otherwise contain highly confidential or sensitive information, it is recognized that written materials may not be available in advance of the meeting.

C. Preparation and Attendance of Directors. All directors are expected to devote sufficient time to adequately prepare for each Board and applicable Committee meeting and to attend all such meetings for the full length of such meetings. A director who is unable to attend any Board or Board Committee meeting (which it is understood will occur on occasion) is expected to notify the Chairman of the Board (the "Chairman") or the chairperson of the appropriate Committee in advance of such meeting.

D. Special Meetings. In accordance with the Bylaws, the President, any Corporate Vice President, the Secretary or two or more directors may call special meetings as

necessary to address important or urgent Company issues. Special meetings may be held in person, or by conference telephone or other form of electronic technology.

E. Attendance of Management Personnel at Board Meetings. The Board encourages the CEO to bring members of management from time to time into Board meetings to: (i) provide management insight into items being discussed by the Board; (ii) make presentations to the Board on matters; and (iii) bring managers with significant potential into contact with the Board. Attendance of such management personnel at Board meetings is at the discretion of the Board. If the CEO desires to add additional members of management as attendees on a regular basis, this should be suggested to the Board for its concurrence.

IV. Board Leadership

A. Chairman. The Company's policies permit the Board to select its Chairman in the manner it determines to be most appropriate for the Company. The Board will be chaired by one (1) member. The Chairman will be appointed by vote of a majority of members of the Board present at a duly constituted meeting, and may be removed at any time by the same vote. Only independent directors are eligible for appointment as the Chairman. The Chairman will act as a key liaison with the CEO, will set the Board agenda with the assistance of the CEO, will chair the executive sessions described in Section IV.B below, will communicate Board member feedback to the CEO, and will perform such other duties as may be delegated by the Board from time to time.

B. Sessions of Independent Directors. At each quarterly Board meeting, time is set aside for the independent directors to meet in executive session without Company management or other non-independent directors present. Additional executive sessions may be held as needed. Executive sessions will be called and chaired by the Chairman. These executive session discussions may include such topics as the independent directors determine.

C. Communication with the Board. Any interested parties desiring to communicate with the Board or any individual director may directly contact such director or directors by sending a letter addressed to the Board or the individual director c/o the Corporate Secretary. In the letter, the shareholder must identify him or herself as a shareholder of the Company. The Corporate Secretary may require reasonable evidence that the communication is being made by or on behalf of a shareholder before the communication is transmitted to the individual director or to the Board. The Corporate Secretary has the authority to disregard any inappropriate communications or to take other appropriate actions with respect to any such inappropriate communications.

D. Board Agendas. The Chairman will determine the agenda for each meeting. All Board members should propose to the Chairman the inclusion of additional agenda items that they deem necessary or appropriate in carrying out their duties. If necessary, directors are free to raise topics that are not on the meeting agenda.

V. Board Committees

A. Standing Committees. The Board has established the following three standing Committees of the Board to assist the Board in discharging its responsibilities: (i) Audit; (ii) Compensation; and (iii) Nominating and Corporate Governance and. The purposes, duties and responsibilities of each of these Committees are set forth in their Committee charters. The Board may add, eliminate, and change the charter or composition of any Committee at any time, except to the extent that such a change would violate the Company's Articles of Incorporation (as amended or restated), Bylaws (as amended or restated), the listing standards of the Nasdaq Stock Market or applicable law.

B. Committee Membership. Each standing Committee will be comprised of three or more independent directors. In all events the membership of any Committee shall meet any minimum standards established from time to time by the Nasdaq Stock Market or applicable law.

C. Assignment of Committee Members. The Nominating and Corporate Governance Committee will annually review the composition of each Committee and present Committee membership recommendations to the Board. After considering the recommendations of the Nominating and Corporate Governance Committee, the Board will designate the members and the chairperson of each Committee, endeavoring to match the Committee's function and needs for expertise with individual skills and experience of the appointees to the Committee. The Board shall consider periodic rotation of committee membership, considering the benefits of rotation as well as continuity and experience, applicable legal, regulatory and listing requirements. The Board shall also consider rotating committee chair responsibilities when appointing or re-appointing chairpersons.

D. Committee Agendas. The chairperson of each Committee will, after consultation with appropriate members of Company management, determine the agenda for each meeting. The Chairman and other Committee members may also suggest the inclusion of items on the agenda.

E. Committee Reports. Reports on each committee meeting will be made to the full Board as determined by the Chairperson of the Board. All directors shall receive each committee's agenda and associated materials, including meeting minutes.

VI. Board Compensation

A. Nominating and Corporate Governance Committee Responsibility. The Nominating and Corporate Governance Committee of the Board will periodically review the compensation paid to non-employee Board members, and will make recommendations to the Board for any adjustments.

B. Compensation Philosophy. In making its recommendations to the Board concerning the compensation of Board members, the Nominating and Corporate Governance Committee will consider the following goals:

1. Board members should be fairly compensated for the work involved in overseeing the management of a company the size and scope of the Company.

2. Board member compensation should be competitive with director compensation at other U.S. companies the size and scope of the Company.

3. Board member compensation should align Board members' interests with the long-term interests of the Company's shareholders.

Director's fees (including any fees paid in the form of equity awards and any additional amounts paid to the Chairman chairs of Committees and members of Committees of the Board) are the only compensation a non-employee member of the Board or Any Committee may receive from the Company. A director who is also an employee of the Company shall not receive additional compensation for such service as a director.

VII. Board Access to Information and Independent Advisors

A. Information. The Company's management will afford each Board member access to the Company's employees, outside auditors, legal counsel and other professional advisors for any purpose reasonably related to the Board's responsibilities. Executives and other management of the Company shall periodically make presentations to the Board and its Committees on Company business and activity.

B. Independent Advisors. The Board and its Committees shall have the right to retain independent advisors, including attorneys, accountants, investment bankers, and other consultants, as they deem necessary or appropriate to carry out their duties.

VIII. Board Orientation and Continuing Education

A. Orientation. An understanding of the Company's business is required to enable a director to make a substantial contribution to the Board. Accordingly, after their election to the Board, all new directors will participate in an orientation program developed by the Company. The orientation includes presentations by senior management to familiarize new directors with the Company's strategic plans, its significant financial, accounting and risk management issues, its financial statements, its principal officers, its internal and independent auditors and its key policies, guidelines and practices.

B. Continuing Education. From time to time, the Company, either directly or through its advisors or consultants, will provide Board members with presentations from Company and/or third party experts on topics that will assist Board members in carrying out their responsibilities. The Company encourages its Board members to participate in continuing education programs to assist them in performing their Board responsibilities. The Company shall reimburse all reasonable and customary expenses incurred for that purpose.

IX. Service on Other Boards and Other Audit Committees

A. Non-Employee Directors.

1. Other Boards. The Company expects all directors to devote sufficient time and effort to their duties as a Board member. To ensure this, a member of the Board shall not serve on more than three other for-profit public company boards without specific prior approval of the Board. The number of boards on which a director serves is a factor to be considered in selecting candidates for nomination or renomination.

B. Employee Directors.

1. Chief Executive Officer. The Company's CEO must obtain the approval of a majority of the non-employee members of the Board before serving on any outside public board and may not serve on more than two (2) outside public boards. Service on charitable or educational boards does not count towards this limit, unless a majority of the non-employee members of the Board determines that such service constitutes an unreasonable demand on the CEO's time.

2. Other Employee Board Members. Members of the Board who are Company employees (other than the CEO) may not serve on more than two (2) outside public boards without the approval of a majority of the non-employee members of the Board, and must consult with the CEO before accepting any appointment to an outside board. The CEO will consult, as appropriate, with the Chairman or the Nominating and Corporate Governance Committee with respect to such appointments. Service on charitable or educational boards does not count towards this limit, unless a majority of the non-employee members of the Board determines that such service constitutes an unreasonable demand on the employee Board member's time.

C. Principal Officers of the Company Appointed by the Board. No principal officer of the Company appointed by the Board may serve on the board of a major competitor or customer, a major potential competitor or customer or a major or potential major supplier, contractor, or consultant. All principal officers must consult with the Company's CEO before accepting an appointment to an outside board. The CEO will consult with the Board prior to any officer accepting a position on the board of any major or potential major supplier, contractor, or consultant, and will inform the Board of any outside board memberships accepted by a principal officer of the Company.

X. Director Attendance at Annual Meetings of Shareholders. Absent sufficient cause, each director is expected to attend the Company's annual meeting of shareholders. A director who is unable to attend the Company's annual meeting of shareholders (which it is understood will occur on occasion) is expected to notify the Chairman in advance of such meeting.

XI. Stock Ownership Guidelines. Each member of the Board is required to comply with the Company's stock ownership guidelines as currently in effect.

XII. Advance Resignation to Address Majority Voting (Majority Voting Policy). Each nominee for director, as a condition to such nomination, shall tender to the Secretary of the Company, an advance, contingent irrevocable resignation that will be effective upon (i) the failure to receive the Required Vote at the next annual meeting of shareholders at which they face election, and (ii) Board acceptance of such resignation. If a director fails to receive the Required Vote for election, the Nominating and Corporate Governance Committee will act on an expedited basis to determine whether to accept the director's resignation and will submit such recommendation for prompt consideration by the Board. The Board will act on the Nominating and Corporate Governance Committee's recommendation and publicly disclose its decision and the rationale behind it within 90 days from the date of the certification of the election results. Any director whose resignation is under consideration shall abstain from participating in any decision regarding that resignation. The Nominating and Corporate Governance Committee and the Board may consider any factors they deem relevant in deciding whether to accept a director's resignation. This policy shall not apply in the case of a Contested Election. For the purposes of this policy, the following definitions shall apply: (i) "Required Vote" means that a director nominee has received more "for" votes than "against" or "withhold authority" votes in the election of directors (it being understood that "abstentions" or "broker nonvotes" shall not be considered to be votes cast in such election) and (ii) "Contested Election" means an election of directors in which the number of nominees for director exceeds the number of directors to be elected at such meeting, as determined by the Secretary of the Company.