

VOXX International Corp  
Form DEF 14A  
June 10, 2013

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934

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 Rule 14a-12

VOXX International Corporation  
(Name of Registrant as Specified in Its Charter)

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- ☒ 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:

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- ☐ 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:

180 Marcus Boulevard  
Hauppauge, NY 11788

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
TO BE HELD ON JULY 24, 2013

Dear Shareholder:

You are cordially invited to the annual meeting of the shareholders of VOXX International Corporation ("Voxx" or the "Company") which will be held at the Smithtown Sheraton, 110 Motor Parkway, Hauppauge, New York 11788 on Wednesday, July 24, 2013 at 10:00 a.m. EDT, for the following purposes:

1. To elect the eight nominees for director as set forth herein to hold office until the 2014 Annual Meeting of Shareholders;
2. To ratify the appointment by the Audit Committee of the Board of Directors of Grant Thornton LLP as the Company's independent registered public accounting firm for our fiscal year ending February 28, 2014;
3. To transact such other business as may properly come before the meeting.

Shareholders of record as of the close of business on May 31, 2013 are entitled to notice of, to attend, and to vote at the annual meeting or any adjournment thereof. A list of shareholders entitled to vote at the meeting will be available for inspection at the Office of the Secretary, 180 Marcus Boulevard, Hauppauge, NY 11788 for ten (10) days before the meeting, as well as at the meeting.

As detailed in the Proxy Statement, you may vote your shares via the Internet, by telephone, by mail or by written ballot at the annual meeting. Voting your shares via the Internet is the most cost-effective method. If your shares are held for your account by a broker or other nominee, you will receive instructions from the holder of record that you must follow for your shares to be voted.

Whether or not you plan to attend the annual meeting, we encourage you to vote your shares promptly using one of the methods discussed above. If you attend the annual meeting, you may revoke your proxy and vote in person if you wish, even if you have previously returned your proxy card.

We hope to see many of you at our meeting in Hauppauge, New York.

BY ORDER OF THE BOARD OF DIRECTORS,

CHRIS LIS JOHNSON,  
Corporate Secretary

Hauppauge, New York  
June 10, 2013

IMPORTANT NOTICE REGARDING AVAILABILITY OF PROXY MATERIAL FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON JULY 24, 2013. The Proxy Statement and the Form 10-K of the Company are available at <http://www.proxyvote.com>.

Please vote your shares promptly.



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|---|-----------|
| TABLE OF CONTENTS   |           |
| ANNUAL MEETING OF SHAREHOLDERS  | <u>1</u>  |
| PROPOSAL 1: ELECTION OF DIRECTORS   | <u>4</u>  |
| EXECUTIVE OFFICERS OF THE REGISTRANT  | <u>6</u>  |
| CORPORATE GOVERNANCE  | <u>8</u>  |
| PROPOSAL 2: RATIFICATION OF SELECTION OF THE INDEPENDENT REGISTERED PUBLIC<br>ACCOUNTING FIRM | <u>11</u> |
| REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS                                       | <u>12</u> |
| CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS  | <u>13</u> |
| SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT                                | <u>14</u> |
| EXECUTIVE COMPENSATION  | <u>16</u> |
| SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE                                       | <u>29</u> |
| OTHER MATTERS   | <u>30</u> |

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VOXX INTERNATIONAL CORPORATION  
180 MARCUS BOULEVARD  
HAUPPAUGE, NEW YORK 11788  
631-231-7750

ANNUAL MEETING OF SHAREHOLDERS  
WEDNESDAY, JULY 24, 2013

#### PROXY STATEMENT

This proxy statement contains information about the annual meeting of shareholders of VOXX International Corporation. The accompanying proxy is solicited by the Board of Directors on behalf of the Company which is paying the full costs of the solicitation.

#### 2013 Annual Meeting

The annual meeting of shareholders of VOXX International Corporation will be held at 10:00 a.m. EDT on July 24, 2013 at the Smithtown Sheraton, 110 Motor Parkway, Hauppauge, NY 11788.

At the annual meeting, you will be asked:

• to elect the eight nominees for director to the Board of Directors to hold office until the next annual meeting of shareholders or until their respective successors are duly elected and qualified; and

• to ratify the appointment of Grant Thornton LLP as our independent registered public accounting firm for the fiscal year ending February 28, 2014.

The Board of Directors knows of no other matters to be presented for action at the annual meeting. If any other matters properly come before the annual meeting, however, the persons named in the proxy will vote on such other matters in accordance with their best judgment.

#### Internet Availability of Proxy Materials

Proxy materials are being furnished to shareholders via the Internet on or about June 10, 2013 rather than mailing printed copies of those materials to each stockholder. If you received a Notice of Internet Availability of Proxy Materials by mail, you will not receive a printed copy of the proxy materials unless you request one. Instead, the Notice of Internet Availability of Proxy Materials will instruct you as to how you may access and review the proxy materials and cast your vote on the Internet. 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, please follow the instructions included in the Notice of Internet Availability of Proxy Materials. This proxy statement and the Company's 2013 Annual Report on Form 10-K are available at [www.proxyvote.com](http://www.proxyvote.com). Internet distribution of proxy materials is designed to expedite receipt by shareholders, lower the cost of the Annual Meeting and conserve natural resources. However, if you have not received a copy of our proxy materials and would like to receive one for the annual meeting or for future shareholder meetings, you may request printed copies as follows:

• By telephone: call 1-800-579-1639 free of charge and follow the instructions;

• By Internet: go to [www.proxyvote.com](http://www.proxyvote.com) and follow the instructions; or

By e-mail: send an email message to [sendmaterial@proxyvote.com](mailto:sendmaterial@proxyvote.com). Please send a blank e-mail and put the 12 digit control number located in your Notice of Internet Availability of Proxy Materials in the subject line.

#### Solicitation and Voting of Proxies

Only shareholders of record at the close of business on May 31, 2013 (the "Record Date") will be entitled to notice of and to vote at the annual meeting or any adjournment thereof. At the close of business on the Record Date, there were 21,603,679 outstanding shares of our Class A common stock, par value \$.01 per share, and 2,260,954 outstanding shares of our Class B common stock, par value \$.01 per share. At the annual meeting, each share of Class A common stock is entitled to one vote (whether in person or by proxy or pursuant to a shareholders' consent) and each share of Class B common stock is entitled to ten votes (whether in person or by proxy or pursuant to a shareholders' consent).

Class A nominees are elected by the affirmative vote of a plurality of the votes of the Class A shares present in person or represented by proxy at the annual meeting and entitled to vote on the election of directors. The Class A and B nominees are elected by the Class A and Class B shareholders voting together. The ratification of the appointment of the independent registered public accounting firm must be approved by holders of a majority of the shares of common stock present in person or represented by proxy at the annual meeting and entitled to vote thereon.

Mr. John J. Shalam, our Chairman of the Board, controls in excess of 50% of all outstanding votes and he intends to vote his shares to approve all of the matters to be voted upon at the meeting that are described in this proxy statement.

The Company will bear the entire cost of solicitation of proxies, including preparation, assembly, printing and mailing of this proxy statement, the proxy and any additional information furnished to shareholders. Copies of solicitation materials will be furnished to banks, brokerage houses, fiduciaries and custodians holding in their name shares of Common Stock beneficially owned by others to forward to such beneficial owners. In addition, the Company may reimburse persons representing beneficial owners of Common Stock for their costs of forwarding solicitation materials to such beneficial owners.

#### Quorum Requirement and Votes Required

The presence in person or by proxy of the holders of a majority of the issued and outstanding shares of common stock entitled to vote as of the record date is necessary to constitute a quorum at the annual meeting. If your shares of Voxx Class A Common Stock are held by a broker, bank or other nominee, you will receive instruction from them on how to vote your shares. Abstentions and broker non-votes are treated as present at the meeting and are therefore counted to determine a quorum. The annual meeting may be adjourned by a majority of the votes cast upon the question, whether or not a quorum is present. If a quorum is not present, the Chairman of the meeting may adjourn the meeting to another place, date or time, without notice other than announcement at the meeting. At any adjourned meeting, any business may be transacted that might have been transacted at the annual meeting as originally notified.

If you hold shares of Voxx Class A Common Stock in your own name, you may give instructions on how your shares are to be voted by following the telephone or internet voting procedures described on the proxy card, or, if you received a printed copy of the proxy materials, by marking, signing, dating, and returning the enclosed proxy card in the accompanying postage paid envelope.

A proxy, when properly completed and not revoked, will be voted in accordance with its instructions. If no voting instructions on a particular matter are given on a properly submitted and unrevoked proxy, the shares represented by the proxy will be voted on that particular matter as follows:

**FOR** the election as directors of the eight nominees named in this proxy statement under the caption "Nominees";

**FOR** the ratification of the appointment by the Audit Committee of Grant Thornton LLP as the Company's Independent Registered Public Accounting Firm for the fiscal year ending February 28, 2014.

#### Board Recommendation

The Board of Directors recommends that an affirmative vote be cast in favor of each of the proposals listed in the proxy card and described in this proxy statement.

#### Voting Your Shares

The Board of Directors is soliciting proxies from our shareholders. By completing and returning the accompanying proxy, you will be authorizing Patrick M. Lavelle and Charles M. Stoehr to vote your shares. If your proxy is properly signed and dated it will be voted as you direct. If you attend the annual meeting in person, you may vote your shares by completing a ballot at the meeting. You may also vote your shares by mail, telephone or by the Internet as described on your proxy card.

#### Changing Your Vote By Revoking Your Proxy

Your proxy may be revoked at any time before it is voted at the annual meeting by giving notice of revocation to us, in writing, by execution of a later dated proxy or by attending and voting at the annual meeting. Simply attending the annual meeting, however, will not revoke your proxy; you must vote at the annual meeting.



#### Shareholder Proposals and Director Nominations at Future Meetings

Proposals intended to be presented by shareholders at the Company's 2014 annual meeting must be received by the Secretary of the Company at its principal executive offices no later than February 9, 2014, which is 120 calendar days prior to the anniversary of this year's mailing date. The proposals must comply with all applicable statutes and regulations.

## PROPOSAL 1

### ELECTION OF DIRECTORS

#### Nominees

Our Board of Directors is currently comprised of Paul C. Kreuch, Jr., Dennis F. McManus, Peter A. Lesser, Philip Christopher, Ari M. Shalam, Fred S. Klipsch, John J. Shalam, Patrick M. Lavelle and Charles M. Stoehr, all with terms ending at the 2013 Annual Meeting of Shareholders. Under the Company's restated bylaws, all directors are elected at each annual meeting of shareholders, to hold office until the expiration of their term or until their respective successors are elected and shall qualify. Messrs. Christopher and McManus have notified the Company that they will not seek re-election to the Board this year. The Board has nominated eight directors, to be elected at the 2013 annual meeting to serve until the next annual meeting, or until a successor is elected and has qualified, or until his earlier death, resignation or removal.

The ages, principal occupations, certain directorships held (including all directorships held within the past five years), specific experience, qualifications, attributes and skills that led to the conclusion that the nominee should serve as a director, and other information as of May 31, 2013 with respect to our nominees and directors are shown below. Diversity is one of the factors that the Board of Directors considers in identifying nominees for director. This means that the Board of Directors seeks nominees who bring a variety of business backgrounds, experiences and perspectives to the Board. We believe that the backgrounds and qualifications of the directors, considered as a group, should provide a broad diversity of experience, professions, skills, knowledge and abilities that will allow the Board to fulfill its responsibilities. In selecting director nominees, the Board of Directors considers all aspects of a potential nominee's background, including leadership skills, integrity, educational background, business and professional experience, business acumen, diversity of viewpoints, and other qualities. The Board's goal is to identify individuals who will enhance and add valuable perspective to the Board and who will help us capitalize on business opportunities in a challenging and highly competitive market. The Board of Directors has not adopted a formal diversity policy with regard to the selection of director nominees.

#### CLASS A DIRECTOR NOMINEES

Paul C. Kreuch, Jr., 75, was elected to the Board of Directors in February 1997. Mr. Kreuch has over 34 years of experience in the banking industry. Since August 2005, he has been a Principal at Knightsbridge Advisors, Inc., a firm specializing in executive retained search, management consulting, and mergers and acquisitions. Prior to entering the search profession, Mr. Kreuch was a banker beginning his career at Pittsburgh National Bank and later Wachovia Bank and Trust Company in Winston-Salem, North Carolina. Mr. Kreuch joined Natwest Bancorp in 1982 and managed the U.S. and Regional banking groups. He became head of corporate banking and was named President, CEO, and a member of the board of Natwest USA (a \$17 billion subsidiary), in 1991. Upon the sale of Natwest in 1996, Mr. Kreuch became a management consultant and executive search professional. He has served as a director since 1997 and as Chairman of the Audit Committee since May of 2005. Mr. Kreuch's qualifications to serve on the Board include leadership experience gained through his service as a chief executive officer of other public companies and expertise in corporate finance gained through his decades of experience in commercial banking.

Peter A. Lesser, 78, was elected to the Board of Directors in 2003. Mr. Lesser was the President of X-10 (USA) Inc., a wholesaler of electronic home control and security systems from 1984 through 2009. Mr. Lesser is a founder and shareholder of, and has served as a director of X-10 Limited, the Hong Kong based parent company of X-10 (USA) Inc. since 1979. X-10 Limited is a Bermuda corporation with its headquarters in Hong Kong and had a manufacturing facility in China from 1987 to 2011. He was a Member of the Executive Board of the Consumer Electronics Association ("CEA") from 1999 to 2010, and was its Industry Executive Advisor from 2005 to 2010. From 1997

through 1999, Mr. Lesser served as the President of the (electronic) Security Industry Association ("SIA"). Mr. Lesser's qualifications to serve on the Board include his demonstrated leadership and knowledge of marketing, operational and strategic issues facing the consumer electronics business gained through his experience as a chief executive officer and director of a leading electronic home control and security system business. In addition, Mr. Lesser's years of service on the boards of the CEA and SIA provide the Board with diverse and valuable expertise.

Stan Glasgow, 62, nominee for election to the Board of Directors, has more than 40 years' experience in consumer/computer electronics. He worked for Sony Electronics Inc. (USA) since 2001, including 2 years as Chairman and 4 years as President. Prior to joining Sony, he was Owner and President of Capetech Sales Inc. from 1996 through 2001, a company that sold display products and consulting services to Asian electronics companies. Mr. Glasgow managed over \$500 million in annual sales while at Capetech. Prior to joining Capetech, he started Capetronic Computer Products Inc. in 1981 where he served as COO/President through 1996. Capetronic, a Hong Kong public display manufacturing and engineering company with factories in Taiwan, Thailand, the USA and China grew to a company with \$800 million in annual sales. He has also held various management, sales, engineering and

manufacturing positions at GTE and Borg Warner including managing the television and stereo manufacturing facilities for GTE Sylvania in Asia.

## CLASS A AND B DIRECTOR NOMINEES

John J. Shalam, 79, was elected Chairman of the Board of VOXX International Corporation on May 1, 2005. He has served as President, Chief Executive Officer and as a Director of Voxx or its predecessor from 1960 through May of 2005. Since then, he has served as Chairman of the Board and Director of Voxx. Mr. Shalam is on the Board of Industry Leaders of the Consumer Electronics Association ("CEA"). Mr. Shalam's qualifications to serve on the Board include his decades of leadership experience in the consumer electronics industry as well as his in-depth knowledge of the Company, its history and the consumer electronics industry, gained through his years of service to the Company, including leading the Company as President, CEO and Director from 1960 through 2005. Mr. Shalam is also uniquely qualified to provide leadership and strategic expertise to the Board gained through his many years of service on various boards including the JPMorgan Chase Regulatory Advisory Board and various boards of the CEA, including the Executive Board.

Patrick M. Lavelle, 61, was elected President and Chief Executive Officer of VOXX International Corporation on May 1, 2005. He had been Vice President of Voxx since 1980 and was appointed Senior Vice President in 1991. In 1998, Mr. Lavelle was appointed President of Audiovox Electronics Corporation, the Company's Mobile and Consumer Electronics Division. He was elected to the Board of Directors in 1993 and serves as a Director of most of Voxx's operating subsidiaries. Mr. Lavelle is a Past Chairman of the Consumer Electronics Association's ("CEA") Board of Directors. Mr. Lavelle is also a member of the Board of Trustees and Chairman of the Admissions Committee of Marist College, Poughkeepsie, New York. He is currently a member of CEA's Executive Board and Chair of the Compensation Committee. Mr. Lavelle's qualifications to serve on the Board include his expertise in marketing, sales, finance and strategy in the consumer electronics industry gained through his experience as an executive of the Company for over 30 years. In addition, through his years of service on the Board of the Company and other boards, such as the CEA and Marist College, Mr. Lavelle is able to provide diverse and valuable financial and operational expertise to the Board.

Charles M. Stoehr, 67, has been our Chief Financial Officer since 1978 and was elected Senior Vice President in 1990. Mr. Stoehr has been a Director of Voxx since 1987 and also serves as a Director of most of Voxx's operating subsidiaries. Mr. Stoehr's qualifications to serve on the Board include his extensive financial, executive leadership and organizational experience, including over six years of experience in the commercial banking industry and 35 years of experience as Chief Financial Officer of our Company. His insight into the Company's financial performance and the banking and consumer electronics businesses are critical to Board discussions.

Ari M. Shalam, 43, has over 13 years' experience in the real estate investment business in sourcing, finance, acquisition, development and management of commercial, retail and residential properties and has been a Director of Voxx since July 2011. Presently, Mr. Shalam is Managing Director of RWN Real Estate Partners, LLC, a NYC based real estate private equity investment fund. From September 2009 to April 2011, Mr. Shalam was the President and CEO of Enterprise Asset Management, Inc. with oversight of nearly one billion dollars in portfolio assets. From December 2003 to September 2009, Mr. Shalam was a senior partner and director of Taconic Investment Partners, a fully integrated real estate investment and development company. From April 2001 to December 2003, Mr. Shalam was director of acquisitions for the Kaufman Organization. From 1992-1996 and 1998-2000, Mr. Shalam was employed by the Company as VP for Strategic Planning. Mr. Shalam is currently a trustee of the Trinity School in New York City and a member of the board of directors of Buggy Baby Inc., a not-for-profit entity. Mr. Shalam received his BS-Economics from the Wharton School of the University of Pennsylvania and his MBA from the Harvard Business School. Mr. Shalam's qualifications to serve on the Board include his extensive leadership experience and knowledge of real estate, corporate finance and investment strategy gained throughout his real estate investment career.

Fred S. Klipsch, 71, is the Chairman of Klipsch Group, Inc. ("KGI"), has served in that capacity for twenty-three (23) years and has been a Director of Voxx since July 2011. Mr. Klipsch has also owned and operated several health care companies and in 2002, successfully executed an IPO of Windrose Medical Properties Trust, a health care REIT. Mr. Klipsch is Chairman of School Choice Indiana, Chairman of Hoosiers for Economic Growth and Chairman of the Educational Choice Charitable Trust. He received his B.S. from Purdue University and is a Purdue Honorary PhD. recipient. Mr. Klipsch's qualifications to serve on the Board include his extensive business experience in both the public and private sector as well as his leadership roles in several philanthropic organizations.

MANAGEMENT RECOMMENDS VOTING "FOR" ALL OF THE NOMINEE DIRECTORS

Executive Officers of the Registrant

The following is a list of our executive officers as of February 28, 2013:

6

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| Name                | Age | Date First Elected Officer | Present Title   |
|---------------------|-----|----------------------------|---|
| Patrick M. Lavelle  | 61  | 1980                       | President and Chief Executive Officer                               |
| Charles M. Stoehr   | 67  | 1978                       | Senior Vice President and Chief Financial Officer                   |
| Thomas C. Malone    | 58  | 1986                       | Senior Vice President of Sales                                      |
| C. David Geise      | 62  | 2007                       | Senior Vice President of Sales                                      |
| Loriann Shelton     | 56  | 1994                       | Senior Vice President and Chief Accounting Officer                  |
| Chris Lis Johnson   | 61  | 1986                       | Vice President of Employee Programs and Corporate Secretary         |
| Richard A. Maddia   | 54  | 1991                       | Vice President, Management Information Systems                      |
| T. Paul Jacobs      | 55  | 2011                       | President and Chief Executive Officer for KGI                       |
| David P. Kelley     | 48  | 2011                       | President of Global Sales for KGI                                   |
| Michael Klipsch     | 50  | 2011                       | President of Global Operations for KGI                              |
| Frederick L. Farrar | 56  | 2011                       | Executive Vice President, Treasurer and Assistant Secretary for KGI |

Mr. Patrick M. Lavelle was elected President and Chief Executive Officer of VOXX International Corporation in May 2005. From 1991 to 2005, Mr. Lavelle was Senior Vice President of Voxx. From 1980 to 1991, Mr. Lavelle held the position of Vice President of Voxx. In 1993, Mr. Lavelle was elected to the Board of Directors and serves as a Director of most of Voxx's operating subsidiaries.

Mr. Charles M. Stoehr has been the Chief Financial Officer of VOXX International Corporation since 1978. In 1990, he was elected Senior Vice President of Voxx. Mr. Stoehr was elected to the Board of Directors in 1987 and serves as a Director of most of Voxx's operating subsidiaries.

Mr. Thomas C. Malone has held the position of Senior Vice President of Sales of VOXX International Corporation from 2006 - present. In 2007, Mr. Malone was appointed President of Audiovox Electronics Corporation (a subsidiary of Voxx). From 1986 to 2006, Mr. Malone was Vice President of Sales for Audiovox Electronics Corporation.

Mr. David Geise has been President of VOXX Accessories, Corp. (a subsidiary of VOXX International Corporation) and a Senior Vice President of Voxx since 2007. From 1998 - 2006, Mr. Geise held numerous executive positions with Thomson Consumer Electronics. From 2001 - 2006, Mr. Geise was Vice President and General Manager Thomson Accessories World-Wide. In 2006, Mr. Geise also held the position of Vice President of International Business Americas.

Ms. Loriann Shelton has held the position of Senior Vice President of Accounting and Credit of VOXX International Corporation from 2006 - 2012 and Senior Vice-President and Chief Accounting Officer from 2012 - present. During this period, she has also been Chief Financial Officer of Audiovox Electronics Corporation and Audiovox Accessories Corporation (subsidiaries of Voxx). From 1994 - 2006, Ms. Shelton was Vice President of Finance and Controller for Audiovox Electronics Corporation.

Ms. Chris Lis Johnson has held the position of Corporate Secretary of VOXX International Corporation since 1980. She has been Vice President of Voxx since 1986. From 2006 to present, she has been Vice President of Employee Programs. From 1994 to 2006, she was Vice President of Systems Management.

Mr. Richard A. Maddia has held the position of Vice President of Management Information Systems of VOXX International Corporation since 1991. From 1996 - 2005, he was a member of the Board of Directors of Voxx. Prior to joining the Company in 1986, Mr. Maddia held positions at Upjohn Healthcare Services, Associated Merchandise Corporation and Executive Life Insurance Company.

Mr. T. Paul Jacobs was elected President and CEO of Klipsch Group, Inc. ("KGI") in July 2011. Prior thereto he served as the President of both Klipsch Audio Technologies and Jamo International and as Executive Vice President, Chief Operating Officer and Vice President of Worldwide Sales for KGI. Mr. Jacobs also serves on the Audio Board of the Consumer Electronics Association.

Mr. David P. Kelley was elected President of Global Sales of Klipsch Group, Inc. ("KGI") in July 2011. Prior thereto, since joining KGI in 1993, Mr. Kelley served as Vice President of Sales, International Sales Manager, National Sales Manager and other positions at KGI. Mr. Kelley is a member of several industry organizations including CEA, CEDIA, PARA and NSCA most notably.

Mr. Michael Klipsch was elected President of Global Operations, Executive Vice President and Chief Counsel of Klipsch Group, Inc. ("KGI") in 2011. Mr. Klipsch joined Klipsch Audio Technologies in 1996 as Chief Counsel and later served as Senior Vice



President of Operations. Prior to joining Klipsch Audio, Mr. Klipsch was a partner at the law firm of Bingham Summers Welsh & Spilman.

Mr. Fred L. Farrar was elected Executive Vice President and Chief Financial Officer of Klipsch Group, Inc. ("KGI") in 2006. Prior thereto he served as EVP/Treasurer and was a member of the KGI Board of Directors. Mr. Farrar has also served as Executive Vice President of Health Care REIT from 2006 through 2010 and as the President and Chief Operating Officer/Treasurer of Windrose Medical Properties Trust from 2002 through 2006, both publicly traded companies.

Under the Company's By-Laws, the officers of the corporation hold office until their respective successors are chosen and qualified or until they have resigned, retired or been removed by the affirmative vote of a majority of the Board of Directors. There are no family relationships between any of the executive officers, and there is no arrangement or understanding between any executive officer and any other person pursuant to which the executive officer was elected.

## CORPORATE GOVERNANCE

### Corporate Governance Guidelines and Code of Business Conduct

The Company operates in accordance with a plan of corporate governance that is designed to define responsibilities, set high standards of professionalism and personal conduct, and assure compliance with such responsibilities and standards. The Company regularly monitors developments in the area of corporate governance and modifies its corporate governance plan accordingly.

It is the policy of the Company that it maintain a standard Code of Business Conduct, Ethics and a Whistleblower or Complaint Procedure that clearly define the organization's expectations of its employees regarding ethical and honest business conduct and actions that represent a conflict of interest. The aforementioned Code of Conduct and Whistleblower policy aids management in preventing and identifying possible fraudulent acts within the Company. The Company's Code of Business Conduct and Ethics for Officers and Directors (the "Code of Ethics") prohibits our directors, named executive officers ("NEOs"), other officers and key accounting and finance personnel from buying or selling our common stock for at least three business days after material nonpublic information is released to the public or fifteen days prior to the end of each fiscal quarter through three business days after the Company's quarterly and annual earnings release. The Company communicates to all of its employees its Code of Conduct and Ethics and maintains a posting of such policies on its corporate website. The Company does not have a formal written compensation recovery policy. However, it reserves the right to create such a policy in the future.

### Board Leadership Structure

The offices of the Chairman of the Board and Chief Executive Officer are currently separate. Mr. Shalam serves as the Company's Chairman and Mr. Lavelle serves as the Company's Chief Executive Officer. The Board believes that this structure is the most appropriate structure at this time. Mr. Shalam is not an independent director, but is the former President and CEO of the Company. The directors of the Board believe that Mr. Shalam's in-depth knowledge of and former management responsibility for the Company's business make him the best qualified director to serve as our Chairman.

### Board's Role in Risk Oversight

Our Board of Directors is responsible for consideration and oversight of risks facing the Company. In order to ensure that material risks are identified and managed appropriately, the Board and its committees regularly review material

financial and other risks with management. The Audit Committee reviews and discusses with management the Company's processes and policies with respect to risk assessment and risk management. The Audit Committee also discusses major areas of financial risks with our independent registered accounting firm. In addition, the Company's risk oversight process involves the Board receiving information from management on a variety of matters, including operations, finance, regulatory, and strategy, as well as information regarding any material risks associated with each matter. The full Board, or the appropriate Board committee, receives this information through updates from the appropriate members of management to enable it to understand and monitor the Company's risk management practices. Information brought to the attention of one of the committees can then be shared with management or the full Board, as appropriate.

#### Board of Directors

The Board of Directors has standing audit, compensation and affiliate transaction committees, and may also, in accordance with the Company's Bylaws, appoint other committees from time to time. Inasmuch as the Company is a "Controlled Company" under Rule 4350(c)(5) of the NASD Manual, the Board does not have a standing nominating committee. Each committee has a written

charter. Any of these documents will be provided in print to any shareholder who submits a request in writing to the Company's Corporate Secretary, VOXX International Corporation, 180 Marcus Boulevard, Hauppauge, New York 11788.

The Board of Directors held ten (10) meetings and acted by consent seven (7) times during the fiscal year ended February 28, 2013. Each member of the Board of Directors is expected to make a reasonable effort to attend all meetings of the Board and its committees, as well as the annual meeting of shareholders. All of the directors attended last year's annual meeting of shareholders. Each director attended 75% or more of the aggregate number of Board and related committee meetings during the year.

#### Audit Committee

The Audit Committee, which held six (6) meetings during the fiscal year ended February 28, 2013, currently consists of three members, namely, Paul C. Kreuch, Jr., Chairman, Dennis F. McManus, and Peter A. Lesser, all of whom qualify as "independent directors" and as Audit Committee Members under the Nasdaq corporate governance rules. All Audit Committee members possess the required level of financial literacy and the Board of Directors has determined that at least one member of the Audit Committee, Mr. Paul C. Kreuch, Jr., meets the current standard of "audit committee financial expert" as defined in Item 407 of Regulation S-K.

The Audit Committee operates pursuant to the VOXX International Corporation Audit Committee Charter. The Company's independent auditors report directly to the Audit Committee. The Audit Committee, consistent with the SEC rules, meets with management and the auditors prior to the filing of the officer certifications with the SEC to receive information concerning, among other things, any significant deficiencies in the design or operation of internal controls.

#### Compensation Committee

The Compensation Committee, which held five (5) meetings during the fiscal year ended February 28, 2013, currently consists of three members, namely, Messrs. Lesser, Chairman, Kreuch and McManus, each of whom qualify as "independent directors" under the Nasdaq corporate governance rules and as "outside directors" under the Internal Revenue Code of 1986. The Compensation Committee has the responsibility for establishing, implementing and monitoring adherence to the Company's executive compensation policies and practices; overseeing and administering the Company's stock option plan and restricted stock plans; and approving equity awards and non-equity awards for all employees. The Committee's responsibilities are further defined in the Committee's charter.

#### Affiliate Transaction Committee

The Affiliate Transaction Committee which met once during the fiscal year ended February 28, 2013, currently consists of three members, namely, Messrs. McManus, Chairman, Kreuch and Lesser.

The Affiliate Transaction Committee has the authority to negotiate, review and approve or disapprove of any transaction involving consideration of more than \$1 million between the Company and any director, officer or controlling shareholder of the Company.

#### Stock Ownership Guidelines

The Company does not have any, nor does it plan to adopt in the near future, equity ownership targets for its NEOs or other executives to maintain a personal ownership position in the Company.

#### Compensation Committee Interlocks and Insider Participation

The Compensation Committee is currently comprised of three independent directors, Peter A. Lesser, Paul C. Kreuch, Jr. and Dennis F. McManus.

#### Communications with Directors

Shareholders who wish to communicate with our directors to report complaints or concerns may do so by writing to them c/o Corporate Secretary, VOXX International Corporation, 180 Marcus Boulevard, Hauppauge, NY 11788, or by sending an email to [secretary@audiovox.com](mailto:secretary@audiovox.com). Any such communication should contain the security holder's name, number of shares owned, length of period held, proof of ownership, address and any individual director or committee to which the security holder would like to have the written communication sent. Such comments or questions will be referred to members of the Audit Committee. All other questions or comments will be referred to the appropriate director.

## Compensation of Directors

Currently, our non-management directors receive an annual retainer of \$50,000, plus \$1,500 per Board meeting attended, \$1,000 per compensation committee meeting attended and \$1,500 per audit committee (\$2,500 for the chair of the audit committee per in-person meetings of the audit committee). If the non-management director attends a meeting via telephone, the fee is \$500 per meeting for the Board and Compensation Committee, and \$1,000 for the audit committee (\$1,500 for the chair of the audit committee for telephone attendance of the audit committee). Chairs of each of the audit and compensation committees also receive an additional \$15,000 and \$10,000 per year, respectively.

The following table discloses the cash, stock option awards, and other compensation earned, paid, or awarded to each of the Company's directors during the fiscal year ended February 28, 2013.

| Name                 | Fees<br>Earned or<br>Paid in<br>Cash<br>(\$) | Stock<br>Awards<br>(\$) | Option<br>Awards<br>(\$) | Non-Equity<br>Incentive Plan<br>Compensation<br>(\$) | Change in<br>Pension<br>Value and<br>Nonqualified<br>Deferred<br>Compensation<br>Earnings<br>(\$) | All Other<br>Compensation<br>(\$) | Total<br>(\$) |
|----------------------|--|-------------------------|--------------------------|--|---|-----------------------------------|---------------|
| Paul C. Kreuch       | \$99,500                                     | \$—                     | \$11,940                 | \$—  | \$—   | \$891                             | \$112,331     |
| Dennis F.<br>McManus | \$72,500                                     | \$—                     | \$11,940                 | \$—  | \$—   | \$482                             | \$84,922      |
| Peter A. Lesser      | \$82,000                                     | \$—                     | \$11,940                 | \$—  | \$—   | \$562                             | \$94,502      |
| Philip Christopher   | \$54,500                                     | \$—                     | \$11,940                 | \$—  | \$—   | \$—                               | \$66,440      |
| Ari Shalam           | \$57,500                                     | \$—                     | \$11,940                 | \$—  | \$—   | \$—                               | \$69,440      |

MANAGEMENT RECOMMENDS VOTING "FOR" ALL OF THE NOMINEES FOR DIRECTOR.

## PROPOSAL 2

RATIFICATION OF SELECTION OF THE INDEPENDENT  
REGISTERED PUBLIC ACCOUNTING FIRM

On the recommendation of the Audit Committee, the Board has selected Grant Thornton LLP, as the Company's independent registered public accounting firm to examine the financial statements of the Company for the fiscal year ending February 28, 2014 and has further directed that management submit the selection of Grant Thornton LLP for ratification by our shareholders. Grant Thornton LLP has audited the Company's financial statements since Fiscal 2003. Representatives of Grant Thornton LLP are expected to be present at the annual meeting of shareholders, will have an opportunity to make a statement if they so desire, and will be available to respond to appropriate questions from shareholders.

The Company has been informed by Grant Thornton LLP that, to the best of their knowledge, neither the firm nor any of its members or their associates has any direct financial interest or material indirect financial interest in the Company or its affiliates.

Stockholder ratification of the selection of Grant Thornton LLP as the Company's independent registered public accounting firm is not required by the Company's Bylaws or otherwise. However, the Board is submitting the selection of Grant Thornton LLP to the shareholders for ratification as a matter of good corporate practice. If the shareholders fail to ratify the selection, the Audit Committee and the Board will reconsider whether or not to retain that firm. Even if the selection is ratified, the Audit Committee and the Board in their discretion may direct the appointment of a different independent registered public accounting firm at any time during the year if they determine that such a change would be in the best interests of the Company and its shareholders.

## Principal Accounting Fees and Services

For the fiscal years ended February 28, 2013 and February 29, 2012, the Company was billed the following fees by Grant Thornton LLP (and its affiliates) for services rendered during the year or for the audit in respect of that year:

| Fee Type               | 2/28/2013<br>(In thousands) | 2/29/2012 |
|------------------------|-----------------------------|-----------|
| Audit Fees (1)         | \$2,456                     | \$2,514   |
| Audit-Related Fees (2) | 189                         | 232       |
| Tax Fees (3)           | 105                         | 127       |
| Total                  | \$2,750                     | \$2,873   |

- Audit Fees comprise fees for professional services necessary to perform an audit or review in accordance with the standards of the Public Company Accounting Oversight Board, including services rendered for the audit of the
- (1) Company's annual financial statements (including services incurred with rendering an opinion under Section 404 of the Sarbanes-Oxley Act of 2002) and review of quarterly financial statements. It also includes fees for statutory audits of our international subsidiaries for the respective fiscal years.
  - (2) Audit-Related Fees comprise fees for services that reasonably relate to the performance of the audit or review of the Company's financial statements including the support of business acquisitions.
  - (3) Tax Fees comprise fees for tax compliance, tax planning and tax consulting.

The Audit Committee of the Board of Directors has considered whether the provision of non-audit services by Grant Thornton LLP is compatible with maintaining auditor independence. In 2003, the Audit Committee adopted a policy concerning approval of audit and non-audit services to be provided by Grant Thornton LLP. The policy requires that

all services Grant Thornton LLP may provide to the Company, including audit services and permitted audit-related and non-audit services, be pre-approved by the Audit Committee. The Chairman of the Audit Committee may approve certain permitted non-audit services in between Committee meetings, which services are subsequently reported to and approved by the Audit Committee. In addition, for particular permitted services, the Chief Financial Officer may approve the engagement of Grant Thornton LLP provided such engagement will amount to fees of less than \$50,000 and such engagement is reported to the Chairman of the Committee and reported to and ratified by the Committee at its next meeting.

All of the services for Audit and Audit-Related Fees, Tax Fees and All Other Fees referenced above were approved by the Audit Committee pursuant to Rule 2-01i(c)(7)(i)(C) of Regulation S-X under the Securities Act of 1933, as amended.

The Audit Committee considered the compatibility of the non-audit services provided to us by Grant Thornton LLP in Fiscal 2013 on the independence of Grant Thornton LLP from us in evaluating whether to appoint Grant Thornton LLP to perform the audit of our financial statements and internal controls for the fiscal year ending February 28, 2014.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE "FOR" THE RATIFICATION OF THE APPOINTMENT OF GRANT THORNTON LLP, AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR 2014.

#### REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

The following report of the Audit Committee shall not be deemed to be soliciting material or to be filed with the Securities Exchange Commission under the Securities Act of 1933 or the Securities Exchange Act of 1934 or incorporated by reference in any document so filed.

As members of the Audit Committee we are responsible for the oversight of all aspects of the Company's accounting and financial reporting processes, internal controls and audit functions.

Management has primary responsibility for the integrity of the Company's financial information and the financial reporting process, including the system of internal controls. We have reviewed and discussed the Company's financial statements with management.

Grant Thornton LLP, the Company's independent registered public accounting firm, is responsible for conducting independent audits, in accordance with generally accepted auditing standards, of the Company's financial statements and management's assessment and effectiveness of internal controls. Grant Thornton LLP also has the responsibility of expressing an opinion on the financial statements of the Company.

In connection with the preparation and filing of the Company's annual report on Form 10-K for the fiscal year ended February 28, 2013 (the "2013 Annual Report on Form 10-K"):

the Audit Committee reviewed and discussed the audited financials included in the 2013 Annual Report on Form 10-K with the Company's management and Grant Thornton LLP; and

the Audit Committee discussed with Grant Thornton, LLP the matters required to be discussed by Statement of Accounting Standards (SAS) 61 (as updated by SAS 114 The Auditor's Communication with Those Charged with Governance); and

the Audit Committee received and reviewed the written disclosures and the letter from Grant Thornton LLP required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees) and has discussed with Grant Thornton LLP the independence of Grant Thornton LLP and satisfied itself as to Grant Thornton LLP's independence; and

met with representatives of Grant Thornton LLP, with and without management present, to discuss the results of their examinations, their evaluations of our internal controls and the overall quality of our financial reporting.

Based on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors of the Company that the February 28, 2013 audited financial statements and assessment of the effectiveness of internal control over financial reporting be included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission.



AUDIT COMMITTEE

Paul C. Kreuch, Jr. Chairman

Dennis F. McManus

Peter A. Lesser

## CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The Affiliate Transaction Committee of the Board reviews all related party transactions involving aggregate consideration of more than \$1 million between the Company and any of the Company's controlling shareholders or members of our Board of Directors or officers or affiliates. All facts and circumstances surrounding each related party transaction may be considered. If the Affiliate Transaction Committee determines that any such related party transaction creates a conflict of interest situation or would require disclosure under Item 404 of Regulation S-K, as promulgated by the SEC, the transaction must be approved by the committee prior to the Company entering into such transaction or ratified thereafter. Transactions or relationships previously approved by the committee or in existence prior to the formation of the committee do not require approval or ratification.

We lease some of our office, warehouse and distribution facilities from entities in which our Chairman owns controlling interests. The following table identifies leases that result in payments in excess of \$120,000 to any of the related entities.

| Real Property Location          | Expiration Date   | Owner of Property               | Paid During Fiscal Year Ended |
|---------------------------------|-------------------|---------------------------------|-------------------------------|
| 150 Marcus Blvd Hauppauge, NY   | March 30, 2016    | 150 Marcus Blvd. Realty, LLC(1) | 2/28/2013<br>\$757,819        |
| 555 Wireless Blvd Hauppauge, NY | November 30, 2026 | Wireless Blvd. Realty, LLC(2)   | \$596,824                     |

- (1) Property owned by 150 Marcus Blvd. Realty, LLC, a New York limited liability company, of which John J. Shalam owns 99% and Mr. Shalam's three sons own the remaining 1%.  
Property owned or leased by Wireless Blvd. Realty, LLC, a New York limited liability company, owned 98% by the Shalam Long Term Trust, 1% by John J. Shalam and 1% by Mr. Shalam's three sons. The Shalam Long Term Trust is a grantor trust of which Mr. Shalam is the Grantor and his three sons are the beneficiaries. In connection with the sale of substantially all of the assets relating to our wireless business to UTStarcom Inc. ("UTStarcom") on November 1, 2004, VOXX International Corporation and UTStarcom entered into a sublease agreement for the
- (2) space at 555 Wireless Boulevard, Hauppauge, New York which provided for a net monthly rent of \$46,000 for five years. On July 1, 2008, Wireless Blvd. Realty, LLC received notice that a Permitted Transfer of the sublease (as that term is defined therein) to Personal Communication Devices, LLC had occurred. The sublease agreement was renewed and required, for a term of three years, monthly payments of \$50,000 until November 1, 2012. Upon the expiration of this sublease agreement, the Company entered into an agreement with Airtype Communications LLC to sublease the space for a term of three years, terminating on October 15, 2015, for monthly payments of \$60,000.

We believe that the terms of each of the leases are no less favorable to us than those that could have been obtained from unaffiliated third parties. To the extent that conflicts of interest arise between us and such persons in the future, such conflicts will be resolved by a committee of disinterested directors.

Michael Klipsch, the son of Fred Klipsch, has served as President of Global Operations of Klipsch Group, Inc. since March 2011. Michael Klipsch's aggregate annual compensation was \$605,774 for the Fiscal year ended February 28, 2013.

Ian Geise, the son of C. David Geise, has served as Vice President of Marketing for VOXX Accessories Corporation since September 2007. Ian Geise's annual aggregate compensation was \$392,865 for the fiscal year ended February 28, 2013.



## SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information regarding ownership of the Company's Common Stock by all directors, nominees for election as directors, executive officers named in the Summary Compensation Table and all directors and such executive officers as a group. Unless otherwise indicated, the principal address of each of the shareholders below is c/o VOXX International Corporation, 180 Marcus Blvd., Hauppauge, New York 11788. Except as otherwise provided, the table below relates to shares of the Company's Class A Common stock. The content of the table is based upon information supplied by the Company's named executive officers, directors and nominees for election as directors, and represents the Company's understanding of circumstances in existence as of May 31, 2013.

| Name and Address (1)                               | Number of Shares<br>Beneficially<br>Owned (2) | Percent of<br>Outstanding<br>Shares |   |
|--|---|-------------------------------------|---|
| John J. Shalam                                     | 4,207,825                                     | (3) 19.5                            | % |
| Philip Christopher                                 | 217,974                                       | *                                   |   |
| Patrick M. Lavelle                                 | 63,940  | *                                   |   |
| Charles M. Stoehr                                  | 28,922  | *                                   |   |
| Fred S. Klipsch                                    | —   | *                                   |   |
| Thomas C. Malone                                   | 25,015  | *                                   |   |
| T. Paul Jacobs                                     | 48,500  | *                                   |   |
| David P. Kelley                                    | 10,000  | *                                   |   |
| Paul C. Kreuch, Jr.                                | 11,000  | *                                   |   |
| Dennis F. McManus                                  | 11,000  | *                                   |   |
| Peter A. Lesser                                    | 11,000  | *                                   |   |
| Ari M. Shalam                                      | 50,668  | (4) *                               |   |
| All directors and officers as a group (18 persons) | 4,766,822                                     | 22.0                                | % |

\* Less than one (1%) percent.

(1) Except as otherwise indicated by footnote, each named person claims sole voting and investment power with respect to the shares indicated.

The number of shares stated as "beneficially owned" includes stock options currently exercisable or that are exercisable within sixty (60) days of May 31, 2013 - Mr. John Shalam - 143,300, Mr. Christopher - 13,500,

(2) Mr. Lavelle - 50,000, Mr. Stoehr - 25,000, Mr. Klipsch - 0, Mr. Malone - 25,000, Mr. Jacobs - 25,000, Mr. Kelley - 10,000, Mr. Kreuch - 11,000, Mr. McManus - 11,000, Mr. Lesser - 11,000, and Mr. Ari Shalam - 11,000. Such shares are deemed outstanding for the purpose of calculating the percentage ownership of each person.

Includes 2,144,152 shares of Class B common stock (which are entitled to 10 votes per share) held by Mr. Shalam (3) that he may convert into Class A common stock at any time. Excludes 116,802 shares of Class B common stock and 2,202 shares of Class A common stock held by Mr. Shalam's three sons.

Includes 38,934 shares of Class B common stock (which are entitled to 10 votes per share) held by Mr. Ari Shalam (4) that he may convert into Class A common stock at any time. Excludes 10 shares of Class A common stock held for the benefit of his minor son.

Security Ownership of More than Five Percent

The following table contains information with respect to ownership of the Company's common stock by persons or entities that are beneficial owners of more than five percent of the Company's Class A common stock. The information contained in this table is based solely on statements in filings with the Securities and Exchange Commission (the "SEC") or other reliable information.

Number of Shares