

EMERSON RADIO CORP.

POLICY FOR THE HANDLING OF ACCOUNTING, AUDITING, CODE OF CONDUCT AND CODE OF ETHICS COMPLAINTS

ISSUED UNDER THE AUSPICES OF THE AUDIT COMMITTEE OF EMERSON RADIO CORP.

INTRODUCTION

We at Emerson Radio Corp. conduct ourselves with integrity, in accord with our own Code of Conduct and Code of Ethics, and in full compliance with all laws and regulations that affect our business activities, including our accounting, auditing, and internal control matters (“accounting matters”).

To facilitate the reporting of concerns, questions, issues or complaints related to the above, the Audit Committee of the Emerson Radio Corp. Board of Directors has established procedures for the receipt, retention, and treatment of complaints regarding accounting matters, and the confidential, anonymous submission by employees of concerns regarding accounting matters, Emerson’s Code of Conduct and Code of Ethics. Emerson will also receive and process complaints about these matters raised by parties outside Emerson. The Audit Committee of the Board of Directors will oversee treatment of these complaints.

If you have a concern about any accounting matter, or if you are aware of any illegal, unethical, or questionable behavior, or suspected or known violations of the Code of Conduct or Code of Ethics, Emerson policies or guidelines, or any state or federal statute or rule, related to accounting matters, you have a duty to promptly report such concerns. You may report them to your manager, another member of management, or a human resources representative. If you do not wish to report these matters to Emerson management or human resources, or you wish to make a confidential or anonymous report, you may do so through the means stated below. Members of management and human resource personnel must report such matters directly to the Chief Compliance Officer (*at the present time the Chairman of the Audit Committee is acting as the Chief Compliance Officer*).

NO RETALIATION

Any Emerson Radio Corp. employee may submit good faith concerns or complaints regarding accounting matters, internal accounting controls, auditing, the Code of Conduct, the Code of Ethics, or related matters, without fear of reprisal or retaliation. Emerson Radio Corp. will not discharge, demote, suspend, threaten, harass, or in any manner discriminate against any employee in the terms or conditions of employment based upon any lawful actions of that employee with respect to good faith reporting of

concerns or complaints regarding accounting matters, potential Code of Conduct or Code of Ethics violations, or related matters. Nor will Emerson Radio Corp. take any other action prohibited by the Sarbanes-Oxley Act of 2002. Emerson Radio Corp. will not tolerate any retribution or retaliation taken against any employee who has, in good faith, sought advice or reported questionable behavior or a possible violation. Nor will Emerson Radio Corp. tolerate any retribution or retaliation against any employee who provides information or causes information to be provided or assist in an investigation regarding violations of law, or files, testifies, or participates in a proceeding relating to violations of law. Employees who believe they have been subject to retaliation for reporting concerns or complaints may use the same procedures as outlined above. However, if any employee makes a knowing false report of a possible violation for the purpose of harming another employee, that employee will be subject to disciplinary action.

REPORTING CONCERNS OR COMPLAINTS

Employees with concerns regarding accounting matters or potential violations of the Code of Conduct, Code of Ethics, or related matters may report their concerns to their direct manager, to higher levels of management, to in-house counsel, or to the Chief Compliance Officer (presently, the Audit Committee Chairman). Employees may report these matters, on a confidential, anonymous basis if desired, by the following means:

Telephone Number of the Audit Committee Chairman:

416-364-9816

E-mail Address of the Audit Committee Chairman:

kareemsethi@emersonradio.com

Mailing Address of the Audit Committee Chairman:

Kareem E. Sethi
Streetwise Capital Partners, Inc.
1514 - 44 Victoria Street
Toronto, Ontario, M5C 1Y2

EMERSON RECEIPT AND TREATMENT OF COMPLAINTS

When Emerson Radio Corp. receives a complaint, question, concern or other communication related to accounting matters, the Code of Conduct, Code of Ethics or related matters, the communication will be forwarded to the Chief Compliance Officer (presently, the Audit Committee Chairman), who will determine if and whether the complaint pertains to an accounting matter, Code of Conduct or Code of Ethics issue.

If the answer is “yes,” the Chief Compliance Officer (presently, the Audit Committee Chairman) will inform the Chair of the Audit Committee within 48 hours of receipt of the communication. The Audit Committee, in consultation with such inside or outside

counsel or other advisors as it chooses, will determine an appropriate course of investigation. Confidentiality will be maintained to the fullest extent possible throughout the course of the investigation, consistent with the need to conduct an adequate review and investigation. Prompt and appropriate corrective action will be taken when and as warranted in the judgment of the Audit Committee.

If the answer is “no,” the Chief Compliance Officer (presently, the Audit Committee Chairman) will refer the matter to human resources personnel, management, or in-house counsel as appropriate.

REPORTING AND RETENTION

The Chief Compliance Officer (presently, the Audit Committee Chairman) will maintain a log of all complaints, tracking the receipt, routing, investigation, and resolution of each. Each quarter, the Chief Compliance Officer (presently, the Audit Committee Chairman) will prepare a report for the Audit Committee, detailing complaints received and actions taken. Copies of all such documents will be maintained by the Audit Committee.

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