

ENVOY MEDICAL, INC.
RELATED PARTY TRANSACTION POLICIES AND PROCEDURES

Policy

It is the policy of the Board of Directors (the “Board”) of Envoy Medical, Inc. (the “Company”) that all Related Party Transactions, as that term is defined in this policy, shall be subject to review in accordance with the procedures set forth below.

The Board has determined that the Audit Committee (the “Committee”), restricted to its Disinterested Members (as defined below), is best suited to review all Related Party Transactions, subject to the policies and procedures provided herein.

Procedures

The Disinterested Members of the Committee shall review the material facts of all Related Party Transactions that require the Committee’s approval and either approve or disapprove of the entry into the Related Party Transaction, subject to the exceptions described below. In the event the Chief Executive Officer determines that it is impractical or undesirable to wait until a Committee meeting can be convened in order to review a Related Party Transaction, the Chairperson of the Committee may act as an authorized subcommittee on behalf of the Committee to review the Related Party Transaction, so long as the Chairperson is a Disinterested Member with respect to such Related Party Transaction. Where advance Committee review of a Related Party Transaction is not feasible or has otherwise not been obtained, the Related Party Transaction shall not be deemed to violate this policy, so long as the Related Party Transaction is reviewed subsequently by the Committee as promptly as reasonably practical (and such transaction may be ratified subsequently by the Committee). The Committee may disapprove of a previously entered into Related Party Transaction and may require that management of the Company take all reasonable efforts to terminate, unwind, cancel or annul the Related Party Transaction.

The Committee shall be authorized to review in advance and provide standing pre-approval in advance for certain Related Party Transactions or categories of Related Party Transactions. The Committee has reviewed the Related Party Transactions described below in “Standing Pre-Approval for Certain Related Party Transactions” and determined that each of the Related Party Transactions described therein shall be deemed to have been reviewed and approved in advance by the Committee under the terms of this Policy.

In connection with its review of a Related Party Transaction, the Committee will take into account, among other factors it deems appropriate, whether the Related Party Transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances and the extent of the Related Party’s interest in the Related Party Transaction. The Committee may also take into account the following factors when reviewing the Related Party Transaction (without limitation):

- whether there are demonstrable business reasons for entering into the transaction;

- whether the Related Party Transaction is in, or not inconsistent with, the best interests of the Company and its stockholders;
- whether the Related Party Transaction would impair the independence of a director;
- whether the Related Party Transaction would present a conflict of interest for any director, officer or employee of the Company, taking into account, the size of the transaction, the overall financial position of the director, officer or employee, the direct or indirect nature of the interest of the director, officer or employee in the transaction and the ongoing nature of any proposed relationship; and
- any other factors the Committee deems relevant.

With respect to actual or potential Related Party Transactions, management shall present to the Committee relevant financial information in order to evaluate the transaction, which may include:

1. A general description of the transaction(s), including the material terms and conditions and the business purpose of the transaction.
2. The name of the Related Party and the basis on which such person or entity is a Related Party.
3. The Related Party's interest in the transaction(s) with the Company, including the Related Party's position(s) or relationship(s) with, or ownership in, a firm, corporation or any other entity that is a party to or has an interest in the transaction(s).
4. The approximate dollar value of the transaction(s), and the approximate dollar value of the Related Party's interest in the transaction(s) without regard to amount of profit or loss.
5. In the case of any lease or other transaction providing for periodic payments or installments, the aggregate amount of all periodic payments or installments expected to be made, including any required or optional payments due during or at the conclusion of the lease or other transaction providing for period payments or installments.
6. In the case of indebtedness, the largest aggregate amount of principal outstanding or expected to be outstanding, the amount thereof outstanding as of the latest practicable date, the amount of principal and interest paid during the periods for which disclosure is required to be provided, if applicable, and the rate or amount of interest payable on such indebtedness.

7. Any other information regarding the transaction(s) or the Related Party in the context of the transaction that may be material in light of the circumstances of the particular transaction(s).

Each director who is a Related Party with respect to a particular Related Party Transaction shall disclose all material information to the Committee concerning such Related Party Transaction and his or her interest in such transaction, including interests of any Immediate Family Member. The Committee or the Board may recommend the creation of a special committee to review any Related Party Transaction.

If a Related Party Transaction will be ongoing, the Committee may establish guidelines for the Company's management to follow in its ongoing dealings with the Related Party. Thereafter, the Committee shall periodically review and assess ongoing relationships with the Related Party. Any material amendment, renewal or extension of a transaction, arrangement or relationship previously reviewed under this Policy shall also be subject to subsequent review under this Policy.

This Policy is intended to augment and work in conjunction with other Company policies having any code of conduct, code of ethics and/or conflict of interest provisions.

The Committee periodically shall review this Policy and may recommend amendments to this Policy from time to time as it deems appropriate. In addition to guidelines for ongoing Related Party Transactions, the Committee may, as it deems appropriate and reasonable, establish from time to time guidelines regarding the review of other Related Party Transactions including those that (i) involve *de minimus* amounts, (ii) do not require public disclosure, or (iii) involve transactions that have primarily a charitable purpose.

Definitions

A "Disinterested Member" with respect to any Related Party Transaction is any member of the Committee who has no, and whose Immediate Family Members have no, direct or indirect material interest in such Related Party Transaction.

An "Executive Officer" is any officer of the Company who is a reporting person under Section 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

An "Immediate Family Member" means a person's spouse, parents, stepparents, children, stepchildren, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, and brothers- and sisters-in-law and anyone sharing the household of such person (other than a tenant or employee).

A "Related Party" is any:

- (a) person who is or was (since the beginning of the last fiscal year, even if they do not presently serve in that role) an Executive Officer, director or nominee for election as a director;

- (b) greater than 5% beneficial owner of the Company's common stock; or
- (c) Immediate Family Member of any of the foregoing.

A "Related Party Transaction" is any financial transaction, arrangement or relationship (including any indebtedness or guarantee of indebtedness) or series of similar transactions, arrangements or relationships in which:

- (1) the aggregate amount involved will or may be expected to exceed the lesser of (i) \$120,000 or (ii) 1% of the average of the Company's total assets since the beginning of the Company's last completed fiscal year,
- (2) the Company was or is to be a participant, and
- (3) any Related Party had or will have a direct or indirect material interest.

Standing Pre-Approval for Certain Related Party Transactions

The Committee has reviewed the types of Related Party Transactions described below and determined that each of the following Related Party Transactions shall be deemed to have been reviewed in advance and pre-approved by the Committee, even if the aggregate amount involved exceeds \$120,000.

- 1. Employment of Executive Officers. Any employment by the Company of, or compensation of, an Executive Officer of the Company if (i) the Executive Officer is not an Immediate Family Member of another Executive Officer or director of the Company, (ii) the Executive Officer was not otherwise a Related Party of the Company prior to becoming an employee of the Company and (iii) the Company's Compensation Committee has approved (or recommended that the Board approve) the compensation of such Executive Officer, including any reimbursement of business and travel expenses incurred in the ordinary course, consistent with applicable travel and reimbursement policies.
- 2. Director compensation. Any compensation paid to a director if the compensation is required to be reported (or would be required to be reported if the Company were subject to the reporting requirements under Section 13 or 15(d) of the Exchange Act) in the Company's proxy statement under Item 402 of Regulation S-K. Any reimbursement to a director including business and travel expenses incurred in the ordinary course, consistent with applicable travel and reimbursement policies.
- 3. Certain transactions with other companies. Any transactions, arrangements or relationships with another company at which a Related Party's only relationship is as a director and/or beneficial owner of less than 10% of that company's equity interests.

4. Transactions where all stockholders receive proportional benefits. Any transactions, arrangements or relationships where the Related Party's interest arises solely from the ownership of the Company's common stock and all holders of the Company's common stock received the same benefit on a pro rata basis (e.g., dividends or stock splits).

Disclosure

All Related Party Transactions shall be disclosed, to the extent required under applicable laws, rules and regulations.

Administrative Measures

Management shall institute appropriate administrative measures to provide that all Related Party Transactions are not in violation of, and are reviewed in accordance with, these Policies and Procedures.

Interpretation

In any circumstance where the terms of this policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over these policies and procedures until such time as these Policies and Procedures are changed to conform to the law, rule, regulation or standard.