

IMMERSION CORPORATION AUDIT COMMITTEE CHARTER

As amended and restated by the Board of Directors of Immersion Corporation

February 22, 2011

A. Purpose

The primary purpose of the Audit Committee (the “Committee”) of the board of directors (the “Board”) of Immersion Corporation (the “Company”) is to oversee the accounting and financial reporting processes of the Company and the audits of the Company’s financial statements. The Committee shall also make such examinations as are necessary to monitor the corporate financial reporting and the internal and external audits of the Company and its subsidiaries, provide to the Board the results of its examinations and recommendations derived therefrom, outline to the Board improvements made, or to be made, in internal accounting controls, review the qualifications, independence and performance, and approve the terms of engagement of the Company’s independent auditor, and provide the Board such additional information and materials as it may deem necessary to make the Board aware of significant financial matters which require Board attention.

The Committee does not itself prepare financial statements or perform audits, and its members are not auditors or certifiers of the Company’s financial statements. The Company’s management is responsible for preparing the Company’s financial statements and providing all required certifications relating to those financial statements. The Company’s independent auditors are responsible for auditing the Company’s financial statements. The activities of the Committee are in no way designed to supersede or alter these traditional responsibilities. The Committee’s role does not provide any special assurances about the Company’s financial statements, nor does it involve a professional evaluation of the quality of the audits performed by the independent accountants or any professional evaluation as to the independence of the auditor.

B. Composition

The Audit Committee shall be composed of no fewer than three directors appointed by the Board, each of whom shall satisfy the independence requirements established by the rules of The Nasdaq Stock Market (“Nasdaq”) and the Securities and Exchange Commission (the “SEC”). In addition, the Committee shall not include any member who:

- has participated in the preparation of the financial statements of the Company or any current subsidiary at any time during the past three (3) years;
- accepts any consulting, advisory, or other compensatory fee, directly or indirectly, from the Company, other than in his or her capacity as a member of the Committee, the Board, or any other committee of the Board, or has any other relationship that, in the opinion of the Board, would interfere with the exercise of independent judgment as an audit committee member; or
- is an affiliate of the Company or any subsidiary of the Company, other than a director who meets the independence requirements of Nasdaq.

Each member of the Committee must be able to read and understand fundamental financial statements, including a company's balance sheet, income statement, and cash flow statement, and at least one member must have past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background that results in the individual's financial sophistication, including being or having been a chief executive officer, chief financial officer, or other senior officer with financial oversight responsibilities, such that at least one member meets the financial literacy requirements of Nasdaq and at least one member qualifies as an "audit committee financial expert" under SEC rules.

The members of the Committee shall be appointed by the Board and shall serve until his or her successor is duly elected and qualified or the earliest of death, resignation or removal. Any member of the Committee may be removed or replaced by the Board at any time. The Committee may, from time to time, delegate duties or responsibilities to subcommittees or to one member of the Committee.

The Board shall appoint one member of the Audit Committee as Chairperson. He or she shall be responsible for leadership of the Committee, including preparing the agenda, presiding over the meetings, making committee assignments, and reporting to the Board. The Chief Financial Officer and Vice President, Controller will help plan and facilitate the Committee meetings.

C. Meetings and Minutes

The Committee will meet with the CEO and CFO of the Company at least quarterly to review the financial affairs of the Company. The Audit Committee will meet in executive session with the independent auditors of the Company prior to and upon the completion of the annual audit, and at such other times as it deems appropriate, to review the independent auditor's examination and management report. A majority of the members shall represent a quorum of the Committee, and, if a quorum is present (in person or by conference telephone), any action approved by at least a majority of the members present shall represent the valid action of the Committee. Formal action by the Committee may also be taken by unanimous written consent. The Committee members shall have the power to call special meetings as required.

The Committee shall maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.

D. Key Functions and Responsibilities of the Audit Committee

The primary function of the Committee is to assist the Board in fulfilling its financial oversight responsibilities by reviewing and reporting to the Board upon (i) the financial reports and other financial information provided by the Company to any governmental body or to the public, (ii) the Company's systems of internal and external controls regarding finance, accounting, legal compliance, and ethics that management and the Board have established, and (iii) the Company's auditing, accounting, and financial reporting processes in general. Consistent with this function, the Committee should encourage continuous improvement of, and should foster adherence to, the Company's financial policies, procedures, and practices at all levels. In carrying out its responsibilities, the policies and procedures of the Committee should remain flexible, in order to best react to changing conditions and circumstances. The Committee should take the appropriate actions to set the overall corporate "tone" for quality financial

reporting, sound business risk practices, and ethical behavior. The Committee's primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the Company's financial reporting process and internal control systems.
- Review and appraise the audit efforts and independence of the Company's auditors.
- Provide an open avenue of communication among the independent auditors, financial and senior management, and the Board.
- Review compliance with the Company's Code of Conduct and the procedures to monitor such compliance.

The Committee will primarily fulfill these responsibilities, and others as may be prescribed by the Board from time to time, by carrying out the activities enumerated below.

1. The Committee shall be directly and solely responsible for the appointment, compensation, retention, and oversight (including resolution of disagreements between management and the independent auditor regarding financial reporting) and, if necessary, termination and replacement of any independent auditor engaged by the Company for the purpose of preparing or issuing an audit report or related work, with each such auditor reporting directly to the Committee.
2. The Committee shall consult with the independent auditor to assure the rotation of the lead audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit every five years, consider issues related to the timing of such rotation and the transition to new lead and reviewing partners, and consider whether, in order to assure continuing auditor independence, there should be regular rotation of the audit firm, and report to the Board on its conclusions.
3. The Committee shall review with management its assessment of the effectiveness and adequacy of the Company's internal control structure and procedures for financial reporting ("Internal Controls"), including a review with the chief executive and chief financial officer of the Company of any report on significant deficiencies in the design or operation of the Internal Controls that could adversely affect the Company's ability to record, process, summarize, or report financial data, and any material weaknesses in Internal Controls identified to the auditors. The Committee shall meet separately and review with the independent auditor the results of the independent auditors' examinations, including the Company's Internal Controls and the fullness and accuracy of the Company's financial statements, and the independent auditors' attestation to and report on the assessment made by management. The Committee shall consider with management and the independent auditor whether any changes to the Internal Controls are appropriate in light of management's assessment or the independent auditor's attestation.
4. To the extent that it deems appropriate, the Committee shall review with management its evaluation of the Company's procedures and controls, designed to assure that information required to be disclosed in its periodic public reports is

recorded, processed, summarized, and reported in such reports within the time periods specified by the SEC for the filing of such reports (“Disclosure Controls”) and consider whether any changes are appropriate in light of management’s evaluation of the effectiveness of such Disclosure Controls.

5. The Committee shall periodically review and discuss with the independent auditor (i) the matters required to be discussed in accordance with the applicable requirements of the Public Company Accounting Oversight Board Statement on Auditing Standards No. 114, *The Auditor’s Communication with Those Charged with Governance* (supersedes Statement on Auditing Standards No. 61, as amended), and (ii) any formal written statements received from the independent auditor consistent with and in satisfaction of Independence Standards Board Standard No. 1, as amended, including without limitation, descriptions of (x) all relationships between the independent auditor and the Company, (y) any disclosed relationships or services that may impact the independent auditor’s objectivity and independence, and (z) whether any of the Company’s senior finance personnel were recently employed by the independent auditor.
6. The Committee shall approve in advance the retention of the independent auditors for all audit services and any permissible non-audit services, and approve the fees and terms of such engagement; provided, however, that the Committee may establish pre-approval policies and procedures for any engagement to render such services and delegate to one or more members of the Committee the authority to grant pre-approvals for such services, provided that such policies, procedures, and delegation are in accordance with applicable law (including SEC and Nasdaq rules).
7. The Committee shall review and discuss with management and the independent auditors (i) any material financial or non-financial arrangements of the Company which do not appear on the financial statements of the Company, and (ii) any transactions or courses of dealing with parties related to the Company which are significant in size or involve terms or other aspects that differ from those that would likely be negotiated with independent parties, and which arrangements or transactions are relevant to an understanding of the Company’s financial statements.
8. The Committee shall review and discuss with management and the outside auditors the accounting policies and practices which may be viewed as critical, and review and discuss any significant changes in accounting policies of the Company and accounting and financial reporting proposals that may have a significant impact on the Company’s financial reports.
9. The Committee shall discuss with a representative of management and the independent auditors: (i) the interim financial information contained in the Company’s quarterly report on Form 10-Q prior to its filing, (ii) the earnings announcement prior to its release (if practicable), and (iii) the results of the review of such information by the auditors. These discussions may be held with the Committee as a whole or with the Committee chairperson in person or by telephone.

10. The Committee shall review with management and the independent auditors the financial statements to be included in the Company's Annual Report on Form 10-K (or the annual report to shareholders if distributed prior to the filing of Form 10-K), including their judgment about the quality, not just acceptability, of accounting principles, the reasonableness of significant judgments, and the clarity of the disclosures in the financial statements, and any certification, report, opinion, or review rendered by the independent auditor. The Committee shall review the independent auditor's overall scope and planning of the audit and discuss the results of the annual audit and any other matters required to be communicated to the Committee by the independent auditors under generally accepted auditing standards. Also, the Committee shall recommend to the Board whether the audited financial statements should be included in the Company's Annual Report on Form 10-K.
11. The Committee shall prepare the report required by the rules of the SEC to be included in the Company's annual proxy statement. The Committee shall adopt a Code of Conduct (the "Code") for all employees and directors, which meets applicable SEC and NASDAQ requirements. The Committee shall review the Code periodically and recommend such changes to the Code as the Committee shall deem appropriate and adopt procedures for monitoring and enforcing compliance with the Code.
12. As requested by the Board, the Committee shall review and investigate conduct alleged by the Board to be in violation of the Code and adopt as necessary or appropriate, remedial, disciplinary, or other measures with respect to such conduct.
13. The Committee shall establish procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters. The Committee shall also adopt, as necessary, appropriate remedial measures or actions with respect to such complaints or concerns.
14. The Committee shall discuss with the Company's General Counsel any significant legal matters that may have a material effect on the financial statements and the Company's compliance policies, including material notices to or inquiries received from governmental agencies.
15. The Committee shall review alleged fraudulent actions or violations of law reported by internal compliance programs or, under the terms of the Private Securities Litigation Reform Act of 1995, by independent auditors.
16. The Committee may conduct or authorize such inquiries into matters within the Committee's scope of responsibility as the Committee deems appropriate, with full and unrestricted access to the books, records, documents, facilities and personnel of the Company.
17. The Committee shall review with management significant financial risk exposures facing the Company, and the steps management has taken to monitor and control

such exposures, including the Company's procedures and related policies with respect to risk assessment and risk management.

18. The Committee shall review and approve any related-party transactions and review any such transactions regularly for potential conflicts of interest.
19. At least annually, review with management (i) the Company's program for promoting and monitoring compliance with applicable legal and regulatory requirements and (ii) the Company's major legal compliance risk exposures and the steps management has taken to monitor or mitigate such exposures, including the Company's procedures and any related policies with respect to risk assessment and risk management.

1. Other Duties

1. The Committee shall provide minutes of Committee meetings to the Board, and report to the Board on any significant matters arising from the Committee's work.
2. The Committee shall review and reassess this Charter and, if appropriate, recommend changes to the Board.
3. The Committee shall perform any other activities consistent with this Charter, the Company's Bylaws and governing law, as the Committee or the Board deems necessary or appropriate.

E. Authority

By adopting this Charter, the Board delegates to the Committee full authority in its discretion to:

1. Perform each of the responsibilities of the Committee described above.
2. Delegate such of its authority and responsibilities as the Committee deems proper to members of the Committee or a subcommittee.
3. Appoint a chairperson of the Committee, unless a chairperson is designated by the Board.
4. Obtain advice or assistance from consultants, legal counsel, accounting and other advisers as the Committee determines necessary to carry out its duties and responsibilities, and to determine and approve the fees, costs and other terms for such engagements.
5. Cause the Company to provide such funding as the Committee shall determine to be appropriate for payment of compensation to any consultant, legal counsel or other advisor engaged by the Committee to assist the Committee in performing its duties.