
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 OR 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): December 11, 2018

GENTHERM INCORPORATED

(Exact name of registrant as specified in its charter)

Michigan
(State or other jurisdiction
of incorporation)

0-21810
(Commission
File Number)

95-4318554
(IRS Employer
Identification No.)

21680 Haggerty Road, Northville, MI
(Address of principal executive offices)

48167
(Zip Code)

Registrant's telephone number, including area code: (248) 504-0500

Former name or former address, if changed since last report: N/A

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On December 12, 2018, Gentherm Incorporated (the “Company”) announced that Matteo Anversa (“Anversa”), age 47, has been appointed to be the Executive Vice-President, Chief Financial Officer and Treasurer of the Company, effective on or about January 1, 2019 (the “Anversa Start Date”). Immediately prior to the Anversa Start Date, the current Vice-President, Chief Financial Officer and Treasurer, Barry Steele (“Steele”), will resign from those positions but will remain as a non-executive employee of the Company for a transition period. A copy of the Company’s news release announcing Anversa’s appointment and the transition arrangement with Steele (the “Public Announcement”) is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Anversa Offer Letter

On October 22, 2018, the Company and Anversa entered into a written agreement concerning Anversa’s employment (the “Anversa Contract”). Pursuant to the instruction to Paragraph (c) of Item 5.02 of Form 8-K, the Company chose to delay disclosing the appointment of Anversa, as well as the existence and material terms of the Anversa Contract, until the day on which the Company announced Anversa’s appointment, the date of this Report. The Anversa Contract provides that Anversa will receive a \$500,000 annual salary, which amount is subject to annual review and adjustment in accordance with the Company’s normal compensation practices, and that Anversa is eligible for an annual cash bonus pursuant to the Amended and Restated Gentherm Incorporated Performance Bonus Plan with a target bonus of 60% of annual salary. Anversa will receive other perquisites, such as paid vacation, use of a Company-owned automobile and health and welfare benefits, generally consistent with those provided to other Company executive officers. The Company also will pay for or reimburse Anversa for costs associated with the relocation of his principal residence to the Detroit, Michigan area in accordance with the Company’s policy applicable to other Company executive officers.

On the Anversa Start Date, Anversa will be entitled to receive (1) a cash starting bonus of \$550,000 (the “Start Date Bonus”), (2) restricted stock units (“RSUs”) with a target equal to \$400,000 divided by the Company’s 10-trading day average stock price ending on the Anversa Start Date, with 60% of such RSUs (the “Performance-Based RSUs”) to vest based on the Company’s achievement of financial measures over three years and 40% of such RSUs (the “Time-Based RSUs”) to vest over three years in equal annual installments (“collectively, the “Initial Equity Grants”). The Compensation Committee of the Board of Directors of the Company (the “Compensation Committee”) has determined that the Performance-Based RSUs will be earned or forfeited based upon two separate components, equally weighted: (i) the Company’s performance relative to return on invested capital goals for the fiscal year ended December 31, 2021, and (ii) the Company’s relative total shareholder return over a three-year period starting on the grant date compared to selected peer companies. For each performance component, Anversa may earn 50% to 200% of the target equity award based on threshold to maximum performance. The Performance-Based RSUs and the Time-Based RSUs will be awarded to Anversa under the Gentherm Incorporated 2013 Equity Incentive Plan and pursuant to a Restricted Stock Unit Award Agreement (Performance-Based) (the “Performance-Based RSU Agreement”) and a Restricted Stock Unit Award Agreement (Time-Based) (the “Time-Based RSU Agreement”), respectively, in the forms attached hereto as Exhibit 10.2 and Exhibit 10.3, respectively, which forms are incorporated herein by reference.

Under the terms of the Performance-Based RSU Agreement, each RSU granted thereunder represents the right to receive, at target, one share of common stock of the Company, no par value (the “Common Stock”), upon being earned, vested and the satisfaction of any required tax withholding obligation. In order for the Performance-Based RSUs to vest, Anversa must remain continuously employed by the Company from the grant date to the applicable determination date; provided, however, the target amount of Performance-Based RSUs will vest as of the date of termination in the case of (i) Anversa’s death or Disability (as defined in the Performance-Based RSU Agreement), (ii) termination without Cause (as defined in the Anversa Contract) by the Company or successor thereof, including following a Change in Control (as defined in the Anversa Contract), or (iii) termination for Good Reason (as defined in the Anversa Contract) by Anversa.

Under the terms of the Time-Based RSU Agreement, each RSU represents the right to receive one share of Common Stock upon vesting and the satisfaction of any required tax withholding obligation. Anversa must remain continuously employed by the Company from the grant date to the applicable vesting date of each RSU granted under the Time-Based RSU Agreement for vesting to occur. Notwithstanding the foregoing, (i) the Time-Based RSUs will vest as of the date of Anversa's termination in the case of (i) Anversa's death or Disability (as defined in the Time-Based RSU Agreement), (ii) termination without Cause by the Company or successor thereof, including following a Change in Control, or (iii) termination for Good Reason by Anversa.

The Start Date Bonus and Initial Equity Grants are intended by the Company to compensate Anversa for amounts he is foregoing from his previous employer by accepting a position with the Company. Anversa is entitled to receive additional equity awards in 2019 and beyond at the discretion of the Compensation Committee, commensurate with his position and the equity awards granted to other executive officers of the Company. In the event that, prior to the first anniversary of the Anversa Start Date, Anversa voluntarily terminates his employment with the Company without Good Reason or is terminated by the Company for Cause, Anversa will be required to repay the Start Date Bonus.

Anversa will be an at-will employee of the Company. However, in the event of a termination without Cause or for Good Reason, Anversa will be entitled to receive, in addition to immediate vesting of target RSUs under the Performance-Based RSU Agreement and all RSUs under the Time-Based RSU Agreement as described further above (the "Initial Equity Grant Acceleration Benefit"), a lump sum cash payment equal to the sum of (1) 12 months' salary, (2) one full year's bonus at target and (3) a prorated target bonus for the year of termination. In addition, in such circumstances, Anversa will be entitled to (1) immediate vesting of all unvested equity awards that were scheduled to vest during the first 12 months following Anversa's termination (without duplication of the Initial Equity Grant Acceleration Benefit), (2) \$50,000 for outplacement services and (3) continued health and welfare benefits for 12 months. Anversa's right to receive the foregoing severance is conditioned upon his execution of a general release of claims, which becomes irrevocable, for the benefit of the Company. If the Company adopts a severance and/or change of control plan that includes executive officers of the Company, Anversa will be entitled to receive the more favorable of severance benefits between the Offer Letter and such plan.

Any incentive cash or equity compensation paid to Anversa will be subject to the Gentherm Incorporated Compensation Clawback Policy. On or prior to Anversa's first day of employment, Anversa and the Company will enter into a Confidential Information and Inventions Assignment Agreement (the "Confidentiality Agreement"). Pursuant to the Confidentiality Agreement, Anversa will be subject to non-competition and non-solicitation requirements during employment and for 12 months after the termination of employment, and he will be subject to confidentiality requirements in perpetuity.

A copy of the Anversa Contract is attached hereto as Exhibit 10.1 and is incorporated herein by reference. The above description of the material terms of the Anversa Contract is qualified in its entirety by reference to such exhibit.

Steele Separation Agreement

On December 11, 2018, the Company and Steele entered into a written agreement concerning Steele's separation from the Company (the "Steele Contract"). In consideration for Steele's assistance in providing transition services to the Company related to the appointment of Anversa as the new Chief Financial Officer and other factors, the Steele Contract provides for certain payments and benefits to Steele as of the date of the Public Announcement and upon Steele's final termination of employment.

Pursuant to the Steele Contract, for so long as Steele remains employed by the Company, he will continue to receive his current salary and automobile allowance and continue to be eligible to receive his bonus under the Amended and Restated Gentherm Incorporated Performance Bonus Plan for 2018 (although he will not be eligible for a bonus for 2019). In addition, the Steele Contract provides that, effective as of the date of the Public Announcement, Steele is entitled to (1) payment of all accrued but unused vacation time, (2) immediate vesting of the 9,398 shares of restricted stock granted to Steele on October 3, 2017 that were scheduled to vest on April 3, 2019

and (3) immediate vesting of the options to purchase Company common stock (the “Accelerated Options”) and the unvested restricted shares of the Company’s common stock (the “Accelerated Restricted Shares”) that were scheduled to vest during February 2019. The Accelerated Options represent the right to purchase 24,000 shares of the Company’s common stock at various exercise prices and the Accelerated Restricted Shares are comprised of 7,083 shares of the Company’s common stock.

Upon Steele’s final separation with the Company (the “Separation Date”), which shall occur either on February 15, 2019 or on such earlier date as determined by the Company’s Chief Executive Officer after giving Steele at least 30 days’ written notice (such notice not required if a termination for Cause), Steele will be entitled to (1) a cash payment of \$642,720, the equivalent of one years’ salary and target bonus, (2) \$10,000 for outplacement services and (3) continued health and welfare benefits for up to one year.

Steele remains an at-will employee of the Company until the Separation Date. The foregoing severance payments and benefits will be owed to Steele if he is terminated by the Company without Cause (as defined in the Steele Contract) by the Company prior to the Separation Date; provided, however, such severance payments and benefits will not be owed to Steele if he is terminated for Cause or he voluntarily terminates, except for accrued pay and vacation prior to such date and except to the extent the Company has already paid such severance payments and benefits prior to such date. Steele’s right to receive the foregoing amounts and benefits also is conditioned upon his execution of a general release of claims, which becomes irrevocable, for the benefit of the Company.

Any incentive cash or equity compensation paid to Steele remains subject to the Gentherm Incorporated Compensation Clawback Policy. Pursuant to a previously-executed Confidential Information and Inventions Assignment Agreement, (1) during his remaining employment and thereafter Steele remains subject to confidentiality requirements and (2) Steele is subject to non-competition and non-solicitation requirements that extend for 12 months following termination of his employment with the Company.

A copy of the Steele Contract is attached hereto as Exhibit 10.4 and is incorporated herein by reference. The above description of the material terms of the Steele Contract is qualified in its entirety by reference to such exhibit.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
10.1	Offer Letter between Gentherm Incorporated and Matteo Anversa dated as of October 22, 2018
10.2	Form of Restricted Stock Unit Award Agreement (Performance-Based) – Anversa
10.3	Form of Restricted Stock Unit Award Agreement (Time-Based) – Anversa
10.4	Separation Agreement between Gentherm Incorporated and Barry G. Steele dated as of December 11, 2018
99.1	Press Release dated December 12, 2018 Announcing the Selection of Matteo Anversa as Executive Vice-President, Chief Financial Officer and Treasurer

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

GENTHERM INCORPORATED

By: /s/ Kenneth J. Phillips
Kenneth J. Phillips
Executive Vice-President and General Counsel

Date: December 12, 2018

Technology to the next degree™



October 22, 2018

Matteo Anversa
 23599 Stanford Road
 Shaker Heights, OH 44122

Dear Matteo:

On behalf of Gentherm Incorporated (“Gentherm” or the “Company”), I am very excited to present to you an offer of employment for the position of Executive Vice-President and Chief Financial Officer. In this position you would be part of Gentherm’s Executive Committee and report directly to Phil Eyler. Your compensation package would be as set forth in the attached term sheet, the terms of which are incorporated into this letter, collectively comprising the Offer Letter Agreement between you and the Company.

I believe that you would find this role to be exciting, challenging and rewarding. The entire leadership team is thrilled at the prospect of you joining our Company.

As with all positions at Gentherm, the following conditions apply: (1) you would be permitted to begin employment with the Company only after you provide required documentation verifying your identity and employment eligibility in the United States, (2) your employment is contingent upon successfully passing a pre-employment drug test and background check, (3) your employment would be “at-will” and terminable at any time for any reason, and (4) your employment is contingent upon your signing, on or prior to your first day of employment, the attached Confidential Information and Inventions Assignment Agreement. Other than as set forth above, there are no other conditions to this offer. This offer supersedes and preempts any prior understandings, agreements or representations by or between you and Gentherm, written or oral, regarding the subject matter hereof.

Please contact me should you have any questions; otherwise, your signature below will confirm your acceptance the terms of this offer. Please return a signed copy to me via email (Barbara.runyon@gentherm.com).

I am looking forward with great anticipation to working with you!

Sincerely,

/s/ Barbara Runyon

 Barbara Runyon
 Senior Vice President and CHRO

/s/ Phillip M. Eyler

 Phillip M. Eyler
 President and CEO

cc: Phillip Eyler

AGREED TO AND ACCEPTED BY:

/s/ Matteo Anversa

 Matteo Anversa

10/22/2018

 Date

Compensation Term Sheet
Matteo Anversa
Attachment to Offer Letter Dated October 22, 2018

POSITION

Position Executive Vice President and Chief Financial Officer
Primary Work Location Gentherm Headquarters, Northville MI

DIRECT COMPENSATION

Salary Annual salary of \$500,000 per year (paid semi-monthly)

Bonus Program The position has a 60% target bonus under the Gentherm Performance Bonus Plan (prorated in the first year of your employment to reflect a partial year, if applicable) (the "Bonus"). Under such bonus plan, your Bonus will be based on a combination of (i) achievement of individual goals agreed to by you and the CEO no later than March of each year of your employment; and (ii) the Company's achievement of its financial goals, in all cases subject to approval by the Compensation Committee of the Gentherm Board of Directors, which approval shall not be unreasonably withheld. Any Bonus for a year will be payable no later than March 15 of the following year.

Make Whole Cash Bonus You will be entitled to receive a signing and make whole bonus totaling \$550,000 in cash. This amount will be paid with your first paycheck. This bonus must be repaid promptly following any (i) voluntary termination by you of your employment prior to the first anniversary of your start date or (ii) termination by Gentherm of your employment for Cause (as defined herein) prior to the first anniversary of your start date. Notwithstanding the foregoing, your resignation for Good Reason (as defined herein) shall not trigger any repayment obligation.

Make Whole Equity Grant On the first date of your employment, equity having a grant date value of \$400,000 would be awarded (the "Make Whole Equity Grant"). This amount, divided by Gentherm's 10-trading day average stock price ending on such date, will determine the number of restricted stock units (RSUs) that you would receive. [60% of these RSUs would vest based on the company's achievement of financial measures over the following three years and 40% would vest equally over the following three years, without performance conditions.] The performance-based RSUs may vest anywhere from 0-200% of target, which at 200% is equivalent to a total grant date value of the entire award of \$640,000.

Equity Compensation In addition to the Make Whole Equity Grant described above, subject to approval by the Compensation Committee of the Board of Directors in its discretion, you will be entitled to receive equity compensation commensurate with your position, and commensurate with that awarded to other executive officers of the company (with variations based on relative positions as determined by the Compensation Committee) at periodic intervals. Typically, additional equity grants are awarded by the

Compensation Committee each year. Equity grants to executive officers were made in June 2018 and it is expected, although not guaranteed, that new equity grants to executive officers will be made at approximately the same time in 2019. The recurring equity grant for this position in 2018 was an award with a grant date value of \$500,000. For the avoidance of doubt, in any year in which all or substantially all of the other executive officers of the Company receive equity compensation grants, you will also receive an equity compensation grant

Separation/Change in Control	The terms set forth further below under "Separation/Change in Control" describe your rights and benefits in the event of certain separation or change in control events.
Company Vehicle	You will be entitled to full time use of a Company-owned vehicle. The personal use of such vehicle will be a taxable benefit to you.
Technology	The Company will provide you with a mobile phone, laptop computer, iPad and appropriate other technology accessories.
Relocation	Relocation benefits will be provided to assist with your move to Northville. The relocation policy and repayment agreement have been provided to you.
Start Date	As soon as possible after December 1, 2018.

EMPLOYEE BENEFITS

Term Life Insurance/ADD – Company paid	150% of annual salary provided by Gentherm in accordance with the group benefit plan offered to other similarly-situated Gentherm employees.
Short Term/Long Term Disability – Company paid	Provided by Gentherm in accordance with the group benefit plan offered to other similarly-situated Gentherm employees
Vacation	Four weeks per year
Sick Leave	One week per year
Paid Holidays	In accordance with Gentherm's Northville location holiday schedule (15 total holidays in 2018)
Medical / Dental / Vision / Flexible Spending Account	All in accordance with the group benefit plan offered to similarly situated Gentherm employees. Details will be provided to you on your first day of employment, unless you require information sooner.
401(k) Retirement Savings Plan	Automatic enrollment at 6% unless opted out. Voluntary participation for amounts above 6%. Current Company discretionary match at dollar for dollar for first 4%.

All amounts and benefits payable by the Company to you in conjunction with your employment by the Company shall be subject to any applicable federal, state, local or other tax withholding requirements.

SEPARATION / CHANGE IN CONTROL

(a) If your employment is terminated by the Company or successor (or if the Company revokes this Offer Letter Agreement after you sign and return it) without “Cause” (as defined below) or by you for “Good Reason” (as defined below), subject to the notice and release requirements described below, the Company will pay (i) your base salary for a period of 12 months, paid in a lump sum no later than 30 days after your termination date; (ii) one full year’s Bonus at target level, paid in a lump no later than 30 days after your termination date; and (iii) a pro rated Bonus (i.e., the product of (A) the number of weeks you were employed by the Company in the year in which your employment terminates and (B) your target Bonus amount divided by 52); in addition, you will be entitled to (x) immediate vesting of (I) all unvested equity awards that were scheduled to vest during the first 12 months following your termination and (II) all unvested portions of the Make Whole Equity Grant, regardless of when such unvested portions of the Make Whole Equity Grant were scheduled to vest; (y) outplacement services for one year up to a maximum cost of \$50,000; and (z) an amount equal to 12 months of premiums for COBRA continuation coverage of your health insurance should you elect such coverage, including the portion that was paid by the Company (the employer portion) and the portion paid by you (the employee portion) during your employment.

(b) “Cause” means only your: (i) material or persistent breach of any agreement between you and the Company; (ii) engaging in any act that constitutes serious misconduct, theft, fraud, material misrepresentation, serious dereliction of fiduciary obligations or duty of loyalty to the Company; (iii) conviction of a felony, or a plea of guilty or *nolo contendere* to a felony charge or commission of any criminal act involving moral turpitude which in the reasonable opinion of the Board brings you, the Board, or the Company into disrepute; (iv) willful misconduct in the performance of your material duties under this letter agreement; (v) willful, unauthorized disclosure of material confidential information belonging to the Company, or entrusted to the Company by a client, customer, or other third party; (vi) repeatedly being under the influence of drugs or alcohol (other than prescription medicine or other medically related drugs to the extent that they are taken in accordance with their directions) during the performance of your duties under this letter agreement, or, while under the influence of such drugs or alcohol, engaging in grossly inappropriate conduct during the performance of your duties under this letter agreement; (vii) repeated failure to comply with the lawful directions of the Board that are not inconsistent with the terms of this letter agreement; (viii) any material failure to comply with the Company’s material written policies or rules that are not inconsistent with this letter agreement; (ix) material omission, misrepresentation, or falsification of any material information during your interview, background check, or employment negotiations that the Company relied upon in hiring you which first becomes known to the Company after the date of this letter agreement; or (x) your personal engagement in conduct that a judicial or arbitral tribunal finds violated applicable state or federal laws governing the workplace that could reasonably be expected to bring the Company into disrepute. In order for the Company to terminate your employment for Cause under any of clauses (i), (iv), (vi), (vii) or (viii) in the preceding sentence, the Company must provide you with written notice of its intention to terminate employment for Cause and describing the acts or omissions upon which such termination for Cause is based, and you will be provided a 30-day period from the date of such notice within which to cure or correct such acts or omissions if they are reasonably susceptible of cure or correction.

- (c) “Good Reason” means the occurrence of any of the following without your consent:
- (i) a material breach of your Offer Letter Agreement by the Company;
 - (ii) a material diminution in your then-current compensation or benefits, authority, duties, or responsibilities, including following a Change in Control, or a change of your primary work location to a location that is more than 50 miles away from Northville, MI;
 - (iii) a requirement that you report to an individual other than the Chief Executive Officer; or
 - (iv) any successor’s failure, including following a Change in Control, to explicitly assume the Company’s duties and obligations under the terms of this letter agreement.

Notwithstanding the above, no “Good Reason” exists unless (I) you notify the Company in writing within 30 days after the existence of any condition listed above, and the Company fails to cure the condition within 30 days after receiving notice, and (II) you terminate employment by no later than 30 days after the providing the notice. Your waiver of any event constituting Good Reason shall not constitute a waiver of any subsequent event.

- (d) A “Change in Control” means the earliest to occur of any of the following events, each of which must also constitute a “change in control event” (within the meaning of Treas. Reg. section 1.409A-3(i)(5)):
- (i) Any one Person or more than one Person Acting as a Group (each as defined below) acquires, or has acquired during the 12-month period ending on the date of the most recent acquisition by such Person or Group, beneficial ownership of more than a majority of the total fair market value or total voting power of the then-outstanding securities of the Company;
 - (ii) Any one Person or more than one Person Acting as a Group (each as defined below) acquires, or has acquired during the 12-month period ending on the date of the most recent acquisition by such Person or Group, the assets of the Company that have a total gross fair market value (as determined by the Gentherm Board of Directors) of more than 50% of the total gross fair market value of all of the assets of, as applicable, the Company immediately prior to the initiation of the acquisition; or
 - (iii) A majority of the members of the board of directors of the Company is replaced during any 12-month period by directors whose appointment or election is not endorsed or approved by a majority of the members of the board who were members of the board prior to the initiation of the replacement.

For purposes of this provision, a “Person” means any individual, entity or group within the meaning of section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), other than (A) the Company, (B) any trustee or other fiduciary holding securities under an employee benefit plan of the Company, or (C) any corporation owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their ownership of stock of the Company. Persons will be considered to be “Acting as a Group” (or a “Group”) if they are a “group” as defined under Section 13 of the Exchange Act. If a Person owns equity interests in both entities that enter into a merger, consolidation, purchase or acquisition of stock, or similar transaction, such shareholder is considered to be Acting as a Group with other shareholders only with respect to the ownership in that entity before the transaction giving rise to the change and not with respect to the ownership interest in the other entity. Persons will not be considered to be Acting as a Group solely because they purchase assets of the same entity at the same time or purchase or own stock of the same entity at the same time, or as a result of the same public offering.

(e) Your right to receive severance pay under this provision is conditioned upon (i) your signing and delivering to the Company, and there becoming irrevocable, within 45 days after your employment termination date, a general release of claims, in form and substance reasonably acceptable to the Company, by which you release the Company from any claim arising from your employment by, or termination of employment with, the Company, in consideration for the payment; and (ii) your continued compliance with the terms of your Confidential Information and Inventions Assignment Agreement. The release shall preserve your entitlement to your compensation and benefits under this Offer Letter Agreement, your vested savings and retirement benefits, as well as indemnification and defense in accordance with the Company’s bylaws, personnel policies, insurance policies, and applicable law. The Company will make no payment unless the general release becomes effective on or before the 45th day following your employment termination date. Provided that you satisfy the foregoing release requirement, any severance payment under this provision that otherwise would be due before then will be paid to you in a lump sum on the first regular Company payroll date following the 45th day after your employment termination date.

(f) On termination of your employment (for whatever reason) you will be entitled to receive the pro rata portion of your base salary through the date of your termination, together with such compensation or benefits to which you may be entitled by law or under the terms of the Company’s compensation and benefit plans in effect including, without limitation, amounts owed to you for unpaid vacation leave accrued during the course of your employment with the Company pursuant to Company policy as from time to time in effect.

(g) Upon the Company’s adoption of a severance/change in control benefit plan applicable to executive officers of the Company (a “New Plan”), the terms of this Offer Letter Agreement set forth beneath the heading “Separation / Change in Control” (page 4 hereof) shall no longer control and shall be superseded by the New Plan, provided that the terms of the New Plan are no less favorable to you than the terms hereof, and provided that the New Plan entitles you to receive the same benefits upon separation or change in control as other executive officers of the Company.

ATTACHMENT

Form of CONFIDENTIAL INFORMATION AND INVENTION ASSIGNMENT AGREEMENT

Agreement made _____/_____/_____

RECITALS

As an employee of Gentherm Incorporated, (hereinafter referred to as the "Company"), I have gained or will gain knowledge of the Company's trade secrets or other confidential information or proprietary information, as defined below. The Company would suffer irreparable harm if I were to use such confidential information outside of the Company, and/or on behalf of any competitor of the Company; and the Company is entitled to be protected from any such unauthorized retention or use. Furthermore, because I have extensive knowledge about the Company's business and I possess special knowledge concerning that business, the Company is also entitled to be protected from the possibility that I may seek to become associated with a business that competes with the Company's business.

DEFINITIONS

For the purposes of this Agreement, the term "**trade secret**" includes, but is not limited to, technical data, non-technical data, a program, a device, a method, a technique, a drawing, a process, financial data, financial plans, or a list of actual or potential customers or suppliers lists, graphs, sheets, diskettes for computer storage, and correspondence which (a) derives economic value, actual or potential, from not being generally known outside the Company and not being readily ascertainable; and (b) is subject to efforts to maintain its secrecy. For purposes of this Agreement the term "**other confidential information**" includes any information which is not a trade secret, but which is not generally known to the public, and is received from, or concerns the affairs of, the Company or is received from a third party under obligation of confidentiality.

The following is a list of trade secrets or other confidential information intended to be covered by this Agreement. This list is not inclusive, but intended as an illustration of the types of information protected by this Agreement:

A. Marketing Information: Information about the Company's operations, including, but not limited to, identity, number and location of customers, sales, sales volume(s), and marketing and advertising research.

B. Management Information: Any and all information relating to employee compensation programs, procedural systems, hiring practices, technical information, sales techniques quality control, financial information, marketing plans and strategy, operational plans, strategies and goals, contracts, marketing, evaluation procedures and case studies.

C. Proprietary Information: Any inventions, source codes, algorithms, schematics, models, discoveries, developments, improvements, methods, processes, know-how, compositions, works, concepts, trade secrets, designs and ideas (whether or not capable of patent, trademark or copyright protection), trademarks, logos, trade names, proprietary materials, copyrights, copyrightable works, non-copyrightable works, patents, domain names, database rights, methodologies, websites, web-pages, search engines, designs, applications, data, programs, phone numbers, fax numbers, cell numbers, email addresses and accounts, and any other proprietary information.

D. Other Information: Any other information of any kind which gives the Company an opportunity to obtain advantage over competitors.

For the purposes of this Agreement, the "**Company**" shall mean Gentherm Incorporated and any corporation, division, partnership, limited liability company or other person and/or business organization working in connection with Gentherm Incorporated, as well as their respective officers, directors, members, employees, and agents.

AGREEMENT

In consideration for my employment and/or continued employment with the Company, the disclosure to me of the Company's trade secrets and/or other confidential information, and other valuable consideration, I agree to the following:

A. Trade Secrets & Other Confidential Information.

1. I will not at any time, either during or after my employment with the Company, use or disclose to others any trade secrets or other confidential information about the Company's business or any of its proprietary rights to which I had access or was provided during my employment and any such information reasonably considered confidential and not within my general knowledge or within the scope of my acquired skills from sources other than my employment. I agree to execute any further agreements concerning any trade secrets of the Company as may be required by the Company.
2. Upon termination of my employment, I will deliver to the Company all documents or papers (including any medium for electronic storage of information) relating to the Company's business or such trade secrets or other confidential information that are in my possession or under my control without making copies or summaries of any such material.
3. To the fullest extent permitted by law, any inventions, source codes, algorithms, schematics, models, discoveries, developments, improvements, methods, processes, know-how, compositions, works, concepts, trade secrets, designs and ideas (whether or not capable of patent, trademark copyright protection), trademarks, logos, trade names, proprietary materials, copyrights, copyrightable works, non-copyrightable works, patents, domain names, database rights, methodologies, websites, web-pages, search engines, designs, applications, data, programs, phone numbers, fax numbers, cell numbers, email address and accounts, and any other proprietary information (collectively "Proprietary Information") (a) suggested by or resulting from any work I do as an employee (alone or with others) of the Company; (b) resulting from my use of the Company's time, materials or facilities; or (c) relating to existing or planned activities of the Company (including all affiliates of the Company) are WORKS-FOR-HIRE and shall be promptly disclosed to the Company and shall be its exclusive property. I assign to the Company any rights I may have or acquire in such Proprietary Information and agree to sign and deliver at any time any instruments confirming the exclusive ownership by the Company. In the event that any Proprietary Information is determined not to be WORKS-FOR-HIRE by a court of competent jurisdiction, this Agreement shall operate as an irrevocable assignment by me to the Company of my entire interest in any such Proprietary Information, including, without limitation, any and all rights that I may have or acquire in the Proprietary Information.
4. All inventions, proprietary information, or discoveries that belong to me before being employed by the Company, and which I want to exempt from this agreement, are listed on an attached schedule.
5. I agree that during my employment by the Company I will not engage in any other employment or business, unless specifically authorized by the VP of Human Resources and/ or the General Counsel.
6. I agree that my obligations under this Section will continue indefinitely until such time as the information ceases to be a trade secret or of any other advantage to the Company.

B. Non-Solicitation and Non-Compete.

While associated with the Company, and for a period of twelve months after my employment with the Company ends for any reason, I shall not, either directly or indirectly:

- (a) induce or solicit, directly or indirectly, any employee of the Company to terminate his or her employment with the Company,
- (b) engage in or otherwise provide services to any business which is the same or is substantially similar to the business of the Company, or
- (c) take any action that will cause the termination of a business relationship between the Company and any business entity who is or was a customer or supplier, or a prospective customer or supplier of the Company within twelve months prior to my employment ending, and with whom I had material dealings or about whom I was provided confidential information.

C. At Will Employment, Governing Law, Etc.

I agree that this agreement (a) shall not be construed as an agreement by the Company to employ me for any specific period; (b) cannot be modified except in writing, signed by me and the President of the Company entitled "Employment Contract"; (c) shall inure to the benefit of the Company and its successors and assigns; (d) shall be binding upon my heirs, legal representatives, and assigns; and (e) shall be governed by Michigan Law. I further acknowledge and agree that I am an **Employee At Will**.

D. Injunctive Relief.

I acknowledge that: (a) the breach of any provision of this Agreement will result in immediate and irreparable damage to the Company; (b) no adequate remedy at law exists with regard to any such breach; (c) public policy will be furthered by the enforcement of this Agreement by an injunction; (d) injunctive relief will not deprive me of an ability to earn a living because I am qualified for many positions which do not involve the breach of any provision of this Agreement; and (e) the Company will be entitled to enforce this Agreement by injunction or other equitable remedies in the event of such breach, in addition to any other remedies available to the Company (including, without limitation, monetary damages). Accordingly, in the event of a breach (or threatened or attempted breach) of this Agreement, the Company shall, in addition to any other rights and remedies, be entitled to immediate appropriate injunctive relief, or a decree of specific performance of this Agreement, without the necessity of showing any irreparable injury or special damages. If it is judicially determined that I have violated any of my obligations under this Agreement, I shall pay the Company's actual legal fees and costs associated with any such judicial action, including, but not limited to, the Company's actual attorneys' fees.

E. Severability.

If this Agreement shall be held by a court to be invalid or unenforceable because it is too broad in any respect, the agreement shall be narrowed by the court to the extent required to be enforceable.

F. Entire Agreement.

This Agreement constitutes the entire agreement and understanding between me and the Company concerning the matters contained herein and supersedes any prior understanding, agreement or negotiations regarding such matters.

G. Assignment.

This Agreement shall be assigned by Company in connection with any sale of the Company's business. I acknowledge that my obligations under this Agreement are personal to me and that I cannot assign my obligations in this Agreement to any other person or entity.

H. No Legal Restrictions.

I confirm that there is no legal restriction on my ability to perform the duties and obligations set forth in this Agreement, nor do I have any existing obligation to others which might be inconsistent with any provision contain herein.

Dated: ____/____/____

I have read and fully understand the terms of this Agreement.

Employee

Accepted and Agreed:

On behalf of Gentherm

Optional Attachment: Excluded Prior Inventions (if any)

**GENTHERM INCORPORATED
2013 EQUITY INCENTIVE PLAN**

RESTRICTED STOCK UNIT AWARD AGREEMENT

PERFORMANCE-BASED GRANT

Gentherm Incorporated, a Michigan corporation (the “*Corporation*”), as permitted by the Gentherm Incorporated 2013 Equity Incentive Plan (the “*Plan*”), hereby grants to the individual listed below (the “*Participant*”), a restricted stock unit (“*RSU*”) award as described herein, subject to the terms and conditions of the Plan and this Restricted Stock Unit Award Agreement (“*Agreement*”).

Unless otherwise defined in this Agreement, the terms used in this Agreement have the same meaning as defined in the Plan.

1. NOTICE OF RESTRICTED STOCK UNIT AWARD.

Participant: _____

Grant Date: _____

**Number of Target
RSUs in Award:** _____

2. GRANT OF RSU AWARD. The Corporation hereby grants to the Participant, as of the Grant Date, the number of target RSUs described in the table above.

3. DETERMINATION DATE; VESTING.

(a) Determination Date. Whether and the extent to which RSUs are earned shall be determined by the Committee within 45 days following the finalization of the calculation of the performance measures as finalized as appropriate by the Chief Financial Officer (or person having similar duties) using financial results audited by an independent registered public accounting firm (the “*Determination Date*”), where applicable, provided, however, in no event shall the Determination Date be earlier than the third anniversary of the Grant Date.

(b) Vesting. If the Participant remains continuously employed on a full-time basis with the Corporation or its Subsidiaries from the Grant Date until the end of the applicable Determination Date (the “*Normal Vesting Date*”), the earned RSUs shall become vested on the Normal Vesting Date.

4. QUALIFYING TERMINATION PRIOR TO NORMAL VESTING DATE. If at any time prior to the Normal Vesting Date, the Participant’s employment is terminated by the Corporation or a Subsidiary or by the Participant, other than (a) on account of the Participant’s death, (b) on account of the Participant’s “Disability” (as defined below), (c) on account of the Participant’s termination by the Corporation or applicable Subsidiary without “Cause” (as defined in the Offer Letter between the Corporation and the Participant dated as of October 22, 2018 (the “Offer Letter”)), whether or not in connection with a “Change in Control” (as defined in the Offer Letter), or (d) on account of the Participant’s resignation for “Good Reason” (as defined in the Offer Letter), any unvested RSUs shall be forfeited. If the Participant’s employment is terminated on account of any of (a) through (d) above, prior to the Normal Vesting Date, the target performance RSUs shall become vested as of the date of the Participant’s employment termination. The vesting of RSUs under this Section 4 is conditioned upon the Participant (or, in the case of Participant’s death, an executor or administrator of Participant’s estate) signing and delivering to the Corporation, and there becoming irrevocable, within 30 days after the date of such employment termination,

a general release of claims (in form and substance reasonably acceptable to the Corporation) by which the Participant releases the Corporation and its affiliated entities and individuals from any claim arising from the Participant's employment by, and termination of employment with, the Corporation or its Subsidiaries, in consideration for the receipt and vesting of the RSUs. Any RSUs that would have otherwise vested under this Section 4 shall be forfeited if the general release does not become effective and irrevocable on or before the 30th day following such termination of the Participant's employment.

5. DISABILITY. "Disability" means the Participant's inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected either to result in death or to last for an uninterrupted period of not less than twelve (12) months.

6. FORFEITURE. Upon termination of the Participant's employment with the Corporation and its Subsidiaries for any reason prior to the Normal Vesting Date, any RSUs that do not become vested upon or after such employment termination in accordance with the terms of this Agreement shall be immediately canceled and forfeited for no consideration at the time of termination of the Participant's employment. Any RSUs that are outstanding but do not become vested on the Normal Vesting Date in accordance with the terms of this Agreement shall be cancelled and forfeited for no consideration as of the Normal Vesting Date.

7. SETTLEMENT OF RSUS. Subject to the withholding tax provisions of Section 11 below, within forty five (45) days after the date upon which an RSU becomes vested in accordance with the terms of this Agreement, the Corporation shall issue or transfer to the Participant one share of common stock, no par value, of the Corporation ("**Common Stock**") per each RSU; provided, however, if RSUs vest at the time of a Change in Control in accordance with Section 4 hereof, the Corporation shall issue or transfer to the Participant such shares of Common Stock immediately prior to consummation of the Change in Control. In all cases in which RSUs vest in accordance with Section 4, the delivery of Common Stock by the Corporation is conditioned upon the receipt by the Corporation of the general release of claims described in Section 4.

8. RIGHTS AS SHAREHOLDER. Until and if shares of Common Stock are issued in settlement of vested RSUs, the Participant shall not have any rights of a shareholder (including voting and dividend rights) in respect of the Common Stock underlying the RSUs.

9. ADJUSTMENTS.

(a) In the event of any stock dividend, stock split, recapitalization, merger, consolidation or reorganization of or by the Corporation that occurs after the Grant Date and prior to the date of settlement of the RSUs, appropriate adjustments shall be made to the RSUs so that they represent the right to receive upon settlement any and all substituted or additional securities or other property (other than cash dividends) to which the Participant would have been entitled if the Participant had owned, at the time of such stock dividend, stock split, recapitalization, merger, consolidation, or reorganization, the Common Stock that may be issued upon vesting of the RSUs.

(b) Notwithstanding the attainment of financial results, all RSUs are subject to reduction or elimination by the Committee prior to settlement if financial results are achieved in ways that are considered not in the best interests of the Company's shareholders or not authorized by the Board or management.

10. NON-TRANSFERABILITY OF AWARD. Neither the RSUs nor any interest in the RSUs may be transferred, assigned, pledged, hypothecated or borrowed against, except for a transfer under the laws of descent or distribution as a result of the death of the Participant. The terms of the Plan and this Agreement shall be binding upon the Participant's executors, administrators, heirs, successors and assigns. Any attempt to transfer, assign, pledge, hypothecate or borrow against the RSUs in violation of this Section 10 in any manner shall be null and void and without legal force or effect.

11. WITHHOLDING OBLIGATIONS. The Participant shall be responsible for all taxes required by law to be withheld by the Corporation or a Subsidiary in respect of the grant, vesting or settlement of the RSUs, and the Corporation may make any arrangements it deems appropriate to ensure payment of any such tax by the Participant. In its Discretion and by way of example and without limitation (i) the Corporation may require the Participant to make a cash payment to the Corporation in an amount equal to any such withholding tax obligation at the time or at any time after such withholding tax obligation is due and payable, (ii) the Corporation may retain and not issue to the Participant that number of shares of Common Stock otherwise issuable upon settlement of vested RSUs which have a then value equal to the amount of any such withholding tax, or (iii) the Corporation or any Subsidiary may collect any such withholding tax by reducing any compensation or other amount otherwise then or thereafter owing by the Corporation or any Subsidiary to the Participant.

12. THE PLAN; AMENDMENT. This Award is subject in all respects to the terms, conditions, limitations and definitions contained in the Plan, which is incorporated herein by reference. In the event of any discrepancy or inconsistency between this Agreement and the Plan, the terms and conditions of the Plan shall control. The Committee shall have the right, in its sole discretion, to modify or amend this Agreement from time to time in accordance with and as provided in the Plan. This Agreement may also be modified or amended by a writing signed by both the Corporation and the Participant. The Corporation shall give written notice to the Participant of any such modification or amendment of this Agreement as soon as practicable after the adoption thereof.

13. RIGHTS OF PARTICIPANT; REGULATORY REQUIREMENTS. Without limiting the generality of any other provision of this Agreement or the Plan, Sections 21 and 22 of the Plan pertaining to the Participant's rights and certain regulatory requirements are hereby explicitly incorporated into this Agreement.

14. NOTICES. Notices hereunder shall be mailed or delivered to the Corporation at its principal place of business and shall be mailed or delivered to the Participant at the address on file with the Corporation or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

15. GOVERNING LAW. This Agreement shall be legally binding and shall be executed and construed and its provisions enforced and administered in accordance with the laws of the State of Michigan, without regard to its choice of law or conflict of law provisions that would cause the application of the laws of any jurisdiction other than the State of Michigan.

16. TRANSFER OF PERSONAL DATA. The Participant authorizes, agrees and unambiguously consents to the transmission by the Corporation (and its Subsidiaries) of any personal data information related to this Award for legitimate business purposes (including, without limitation, the administration of the Plan). This authorization and consent is freely given by the Participant.

17. BINDING AGREEMENT; ASSIGNMENT. This Agreement shall inure to the benefit of, be binding upon, and be enforceable by the Corporation and its successors and assigns. The Participant shall not assign (except in accordance with Section 10 hereof) any part of this Agreement without the prior express written consent of the Corporation.

18. HEADINGS. The titles and headings of the various sections of this Agreement have been inserted for convenience of reference only and shall not be deemed to be a part of this Agreement.

19. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument.

20. SEVERABILITY. The invalidity or unenforceability of any provision of this Agreement in any jurisdiction shall not affect the validity, legality or enforceability of the remainder of this Agreement in such jurisdiction or the validity, legality or enforceability of any provision of this Agreement in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder shall be enforceable to the fullest extent permitted by law.

21. ACQUIRED RIGHTS. The Participant acknowledges and agrees that: (a) the Corporation may terminate or amend the Plan at any time; (b) the award of the RSUs made under this Agreement is completely independent of any other award or grant and is made in the Discretion of the Corporation; (c) no past grants or awards (including, without limitation, the RSUs awarded hereunder) give the Participant any right to any grants or awards in the future whatsoever; and (d) none of the benefits granted under this Agreement are part of the Participant's ordinary salary or compensation, and shall not be considered as part of such salary or compensation in the event of or for purposes of determining the amount of or entitlement to severance, redundancy or resignation or benefits under any employee benefit plan.

22. RESTRICTIVE COVENANTS; COMPENSATION RECOVERY. By signing this Agreement, the Participant acknowledges and agrees that this Award or any Award previously granted to Participant by the Corporation or a Subsidiary shall be subject to forfeiture as a result of the Participant's violation of any agreement with the Corporation regarding non-competition, non-solicitation, confidentiality, inventions and/or other restrictive covenants (the "**Restricted Covenant Agreements**"). For avoidance of doubt, compensation recovery rights to shares of Common Stock (including such shares acquired under previously granted equity awards) shall extend to the proceeds realized by the Participant due to the sale or other transfer of such shares. The Participant's prior execution of the Restricted Covenant Agreements was a material inducement for the Corporation's grant of this Award.

23. CODE SECTION 409A. It is intended that this Award be exempt from or comply with Section 409A of the Code and this Agreement shall be interpreted and administered in a manner which effectuates such intent; provided, however, that in no event shall the Corporation or any Subsidiary be liable for any additional tax, interest or penalty imposed upon or other damage suffered by the Participant on account of this Award being subject to but not in compliance with Section 409A of the Code.

SIGNATURE PAGE FOLLOWS

GENTHERM INCORPORATED

By: _____

Name: _____

Title: _____

Dated: _____

PARTICIPANT ACKNOWLEDGES AND AGREES THAT NOTHING IN THIS RESTRICTED STOCK UNIT AWARD AGREEMENT, NOR IN THE CORPORATION'S 2013 EQUITY INCENTIVE PLAN, WHICH IS INCORPORATED INTO THIS AGREEMENT BY REFERENCE, CONFERS ON PARTICIPANT ANY RIGHT WITH RESPECT TO CONTINUATION AS AN EMPLOYEE OF THE CORPORATION OR ANY PARENT OR ANY SUBSIDIARY OR AFFILIATE OF THE CORPORATION, NOR INTERFERES IN ANY WAY WITH PARTICIPANT'S RIGHT OR THE CORPORATION'S RIGHT TO TERMINATE PARTICIPANT'S EMPLOYMENT WITH THE CORPORATION OR ANY PARENT OR ANY SUBSIDIARY OR AFFILIATE OF THE CORPORATION AT ANY TIME, WITH OR WITHOUT CAUSE AND WITH OR WITHOUT PRIOR NOTICE.

BY ACCEPTING THIS AGREEMENT, PARTICIPANT ACKNOWLEDGES RECEIPT OF A COPY OF THE PLAN AND REPRESENTS THAT THE PARTICIPANT IS FAMILIAR WITH THE TERMS AND PROVISIONS OF THE PLAN. PARTICIPANT ACCEPTS THE RESTRICTED STOCK UNITS SUBJECT TO ALL OF THE TERMS AND PROVISIONS OF THIS AGREEMENT. PARTICIPANT HAS REVIEWED THE PLAN AND THIS AGREEMENT IN THEIR ENTIRETY. PARTICIPANT AGREES TO ACCEPT AS BINDING, CONCLUSIVE AND FINAL ALL DECISIONS OR INTERPRETATIONS OF THE COMMITTEE UPON ANY QUESTIONS ARISING UNDER THE PLAN OR THIS AGREEMENT.

By: _____

Name: _____

Dated: _____

**GENTHERM INCORPORATED
2013 EQUITY INCENTIVE PLAN**

RESTRICTED STOCK UNIT AWARD AGREEMENT

TIME-BASED GRANT

Gentherm Incorporated, a Michigan corporation (the "**Corporation**"), as permitted by the Gentherm Incorporated 2013 Equity Incentive Plan (the "**Plan**"), hereby grants to the individual listed below (the "**Participant**"), a restricted stock unit award as described herein, subject to the terms and conditions of the Plan and this Restricted Stock Unit Award Agreement ("**Agreement**").

Unless otherwise defined in this Agreement, the terms used in this Agreement have the same meaning as defined in the Plan.

1. NOTICE OF RESTRICTED STOCK UNIT AWARD.

Participant: _____

Grant Date: _____

**Number of Restricted
Stock Units in Award:** _____

2. GRANT OF RESTRICTED STOCK UNIT AWARD. The Corporation hereby grants to the Participant, as of the Grant Date, the number of restricted stock units ("**RSUs**") described in the table above. Each RSU that becomes vested in accordance with the terms of this Agreement represents the right to receive one share of Common Stock of the Corporation.

3. VESTING IN GENERAL. Except as otherwise provided in this Agreement, the RSUs shall become vested in the following amounts on the following dates, provided, however, that the portion of the RSUs scheduled to become vested on any such vesting date shall become vested on such vesting date only if the Participant remains continuously employed on a full-time basis with the Corporation or its Subsidiaries from the Grant Date until such vesting date:

<u>Anniversary of Grant Date (each, a "Vesting Date")</u>	<u>Shares of RSUs Vested on Vesting Date</u>
First	_____
Second	_____
Third	_____

4. QUALIFYING TERMINATION PRIOR TO NORMAL VESTING DATE. Notwithstanding Section 3 of this Agreement but subject to the notice and release requirements set forth below in this Section 4, if the Participant's employment is terminated (a) on account of the Participant's death, (b) on account of the Participant's "Disability" (as defined below), (c) on account of the Participant's termination by the Corporation or applicable Subsidiary without "Cause" (as defined in the Offer Letter between the Corporation and the Participant dated as of October 22, 2018 (the "Offer Letter")), whether or not in connection with a "Change in

Control” (as defined in the Offer Letter), or (d) on account of the Participant’s resignation for “Good Reason” (as defined in the Offer Letter), any then unvested RSUs shall become vested as of the date of the Participant’s employment termination. The vesting of unvested RSUs under this Section 4 is conditioned upon the Participant (or, in the case of the Participant’s death, an executor or administrator of the Participant’s estate) signing and delivering to the Corporation, and there becoming irrevocable, within 30 days after the date of such employment termination, a general release of claims (in form and substance reasonably acceptable to the Corporation) by which the Participant releases the Corporation and its affiliated entities and individuals from any claim arising from the Participant’s employment by, or termination of employment with, the Corporation or its Subsidiaries, in consideration for the receipt and vesting of the RSUs. Any RSUs that would have otherwise vested under this Section 4 shall be forfeited unless the general release becomes effective and irrevocable on or before the 30th day following such termination of the Participant’s employment.

5. DISABILITY. “Disability” means the Participant’s inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected either to result in death or to last for an uninterrupted period of not less than twelve (12) months.

6. FORFEITURE. Upon termination of the Participant’s employment with the Corporation and its Subsidiaries for any reason prior to the generally applicable vesting date under Section 3 above, any RSUs that do not become vested upon such employment termination in accordance with the terms of this Agreement shall be immediately canceled and forfeited for no consideration at the time of termination of the Participant’s employment termination.

7. SETTLEMENT OF RSUs. Subject to satisfaction of the Participant’s withholding tax obligations under Section 11 below, within ten (10) business days after the date upon which an RSU becomes vested in accordance with the terms of this Agreement, the Corporation shall issue or transfer to the Participant one share of Common Stock. In all cases in which RSUs vest in accordance with Section 4, the delivery of Common Stock by the Corporation is conditioned upon the receipt by the Corporation of the general release of claims described in Section 4.

8. RIGHTS AS STOCKHOLDER. Until and if shares of Common Stock are issued in settlement of vested RSUs, the Participant shall not have any rights of a stockholder (including voting and dividend rights) in respect of the Common Shares underlying the RSUs.

9. ADJUSTMENTS. In the event of any stock dividend, stock split, recapitalization, merger, consolidation or reorganization of or by the Corporation that occurs after the Grant Date and prior to the date of settlement of the RSUs, appropriate adjustments shall be made to the RSUs so that they represent the right to receive upon settlement any and all substituted or additional securities or other property (other than cash dividends) to which the Participant would have been entitled if the Participant had owned, at the time of such stock dividend, stock split, recapitalization, merger, consolidation, or reorganization, the Common Stock that may be issued upon vesting of the RSUs.

10. NON-TRANSFERABILITY OF AWARD. Neither the RSUs nor any interest in the RSUs may be transferred, assigned, pledged, hypothecated or borrowed against, except for a transfer under the laws of descent or distribution as a result of the death of the Participant. The terms of the Plan and this Agreement shall be binding upon the Participant’s executors, administrators, heirs, successors and assigns. Any attempt to transfer, assign, pledge or hypothecate the RSUs in violation of this Section 10 in any manner shall be null and void and without legal force or effect.

11. WITHHOLDING OBLIGATIONS. The Participant shall be responsible for all taxes required by law to be withheld by the Corporation or a Subsidiary in respect of the settlement of vested RSUs, and the Corporation may make any arrangements it deems appropriate to ensure payment of any such tax by the Participant. In its Discretion and by way of example and without limitation (i) the Corporation may condition the settlement of vested RSUs upon the Participant first paying cash to the Corporation in an amount equal to any such withholding tax obligation, (ii) the Corporation may retain and not issue to the Participant that number of shares of Common Stock otherwise issuable upon vesting of the RSUs which have a then value equal to the amount of any such withholding tax, or (iii) the Corporation or any Subsidiary may collect any such withholding tax by reducing any compensation or other amount otherwise then or thereafter owing by the Corporation or any Subsidiary to the Participant.

12. THE PLAN; AMENDMENT. This Award is subject in all respects to the terms, conditions, limitations and definitions contained in the Plan, which is incorporated herein by reference. In the event of any discrepancy or inconsistency between this Agreement and the Plan, the terms and conditions of the Plan shall control. The Committee shall have the right, in its sole discretion, to modify or amend this Agreement from time to time in accordance with and as provided in the Plan. This Agreement may also be modified or amended by a writing signed by both the Corporation and the Participant. The Corporation shall give written notice to the Participant of any such modification or amendment of this Agreement as soon as practicable after the adoption thereof.

13. RIGHTS OF PARTICIPANTS; REGULATORY REQUIREMENTS. Without limiting the generality of any other provision of this Agreement or the Plan, Sections 21 and 22 of the Plan pertaining to the Participant's rights and certain regulatory requirements are hereby explicitly incorporated into this Agreement.

14. NOTICES. Notices hereunder shall be mailed or delivered to the Corporation at its principal place of business and shall be mailed or delivered to the Participant at the address on file with the Corporation or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

15. GOVERNING LAW. This Agreement shall be legally binding and shall be executed and construed and its provisions enforced and administered in accordance with the laws of the State of Michigan, without regard to its choice of law or conflict of law provisions that would cause the application of the laws of any jurisdiction other than the State of Michigan.

16. TRANSFER OF PERSONAL DATA. The Participant authorizes, agrees and unambiguously consents to the transmission by the Corporation (and its Subsidiaries) of any personal data information related to this Award for legitimate business purposes (including, without limitation, the administration of the Plan). This authorization and consent is freely given by the Participant.

17. BINDING AGREEMENT; ASSIGNMENT. This Agreement shall inure to the benefit of, be binding upon, and be enforceable by the Corporation and its successors and assigns. The Participant shall not assign (except in accordance with Section 10 hereof) any part of this Agreement without the prior express written consent of the Corporation.

18. HEADINGS. The titles and headings of the various sections of this Agreement have been inserted for convenience of reference only and shall not be deemed to be a part of this Agreement.

19. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument.

20. SEVERABILITY. The invalidity or unenforceability of any provisions of this Agreement in any jurisdiction shall not affect the validity, legality or enforceability of the remainder of this Agreement in such jurisdiction or the validity, legality or enforceability of any provision of this Agreement in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder shall be enforceable to the fullest extent permitted by law.

21. ACQUIRED RIGHTS. The Participant acknowledges and agrees that: (a) the Corporation may terminate or amend the Plan at any time; (b) the award of the RSUs made under this Agreement is completely independent of any other award or grant and is made in the Discretion of the Corporation; (c) no past grants or awards (including, without limitation, the RSUs awarded hereunder) give the Participant any right to any grants or awards in the future whatsoever; and (d) any benefits granted under this Agreement are not part of the Participant's ordinary salary or compensation, and shall not be considered as part of such salary or compensation in the event of or for purposes of determining the amount of or entitlement to severance, redundancy or resignation or benefits under any employee benefit plan.

22. RESTRICTIVE COVENANTS; COMPENSATION RECOVERY. By signing this Agreement, Participant acknowledges and agrees that this Award or any Award previously granted to Participant by the Corporation or a Subsidiary shall be subject to forfeiture as a result of the Participant's violation of any agreement with the Corporation regarding non-competition, non-solicitation, confidentiality, inventions and/or other restrictive covenants (the "**Restricted Covenant Agreements**"). For avoidance of doubt, compensation recovery rights to shares of Common Stock (including such shares acquired under previously granted equity awards) shall extend to the proceeds realized by the Participant due to the sale or other transfer of such shares. The Participant's prior execution of the Restricted Covenant Agreements was a material inducement for the Corporation's grant of this Award.

23. CODE SECTION 409A. It is intended that this Award be exempt from or comply with Section 409A of the Code and this Agreement shall be interpreted and administered in accordance such intent; provided, however, that in no event shall the Corporation or any Subsidiary be liable for any additional tax, interest or penalty imposed upon or other damage suffered by the Participant on account of this Award being subject to but not in compliance with Section 409A of the Code.

SIGNATURE PAGE FOLLOWS

GENTHERM INCORPORATED

By: _____

Name: _____

Title: _____

Dated: _____

PARTICIPANT ACKNOWLEDGES AND AGREES THAT NOTHING IN THIS RESTRICTED STOCK UNIT AWARD AGREEMENT, NOR IN THE CORPORATION'S 2013 EQUITY INCENTIVE PLAN, WHICH IS INCORPORATED INTO THIS AGREEMENT BY REFERENCE, CONFERS ON PARTICIPANT ANY RIGHT WITH RESPECT TO CONTINUATION AS AN EMPLOYEE OF THE CORPORATION OR ANY PARENT OR ANY SUBSIDIARY OR AFFILIATE OF THE CORPORATION, NOR INTERFERES IN ANY WAY WITH PARTICIPANT'S RIGHT OR THE CORPORATION'S RIGHT TO TERMINATE PARTICIPANT'S EMPLOYMENT WITH THE CORPORATION OR ANY PARENT OR ANY SUBSIDIARY OR AFFILIATE OF THE CORPORATION AT ANY TIME, WITH OR WITHOUT CAUSE AND WITH OR WITHOUT PRIOR NOTICE.

BY ACCEPTING THIS AGREEMENT, PARTICIPANT ACKNOWLEDGES RECEIPT OF A COPY OF THE PLAN AND REPRESENTS THAT THE PARTICIPANT IS FAMILIAR WITH THE TERMS AND PROVISIONS OF THE PLAN. PARTICIPANT ACCEPTS THE RESTRICTED STOCK UNITS SUBJECT TO ALL OF THE TERMS AND PROVISIONS OF THIS AGREEMENT. PARTICIPANT HAS REVIEWED THE PLAN AND THIS AGREEMENT IN THEIR ENTIRETY. PARTICIPANT AGREES TO ACCEPT AS BINDING, CONCLUSIVE AND FINAL ALL DECISIONS OR INTERPRETATIONS OF THE COMMITTEE UPON ANY QUESTIONS ARISING UNDER THE PLAN OR THIS AGREEMENT.

By: _____

Name: _____

Dated: _____

SEPARATION AGREEMENT

This SEPARATION AGREEMENT (this "**Agreement**"), is entered into as of December 11, 2018 (the "**Effective Date**") by and between Barry G. Steele ("**Steele**") and Gentherm Incorporated, a Michigan corporation ("**Gentherm**").

Recitals

A. Steele has been an employee of Gentherm since 2004, holding the office of Vice-President of Finance and Chief Financial Officer ("**CFO**") since his hire date and Treasurer since 2005.

B. Steele and Gentherm have agreed that Steele's tenure as Vice-President of Finance, CFO and Treasurer will end on the date (the "**Transition Date**") of the appointment of a new CFO of Gentherm by the Gentherm Board of Directors (the "**Board**"). Upon the Board's request, Steele has agreed to provide transition services to Gentherm as a Vice President (but not an executive officer) of the Company after the Transition Date for a period of time thereafter ending as set forth in Section 1 hereof.

C. In consideration of Steele's service to Gentherm for the Remaining Employment Period (as defined in Section 2(a) hereof), Gentherm has agreed to make the payments and provide the benefits to Steele described in this Agreement, subject to the terms and conditions herein.

NOW, THEREFORE, the parties agree as follows:

1. Separation of Employment. Steele's employment with Gentherm will terminate no earlier than 30 days after the Transition Date and no later than February 15, 2019, on an exact date to be determined by the Chief Executive Officer of Gentherm (the "**CEO**") in his sole discretion (the "**Separation Date**"); provided, however, that Gentherm may terminate Steele for Cause (as defined in Section 8 hereof) at any time and without notice. Except as set forth in the prior sentence, the CEO must provide written notice of the Separation Date to Steele at least 30 days prior to the Separation Date; provided, if there is no written notice provided prior to termination by Gentherm (including in the event Steele's employment terminates on February 15, 2019 pursuant to the first sentence of this Section 1 without Steele having received notice), then for purposes of determining the further rights and benefits accruing to Steele under Sections 2 and 3 hereof, the Separation Date shall be deemed to be the earlier of 30 days after Steele's actual termination date and February 15, 2019. If Steele's employment with Gentherm is terminated at any time either by Gentherm for Cause or due to Steele's resignation, the provisions of Section 8 shall apply and Steele shall not be entitled to any of the rights and benefits under Section 2 and 3 hereof that have not already been paid, except as required by law.

2. Continuation of Salary, Bonus and Benefits; Duties.

- a. From the Effective Date through and including the Separation Date (the “**Remaining Employment Period**”), Steele will continue to receive his current salary and automobile allowance, payable in accordance with the Company’s normal payroll practices. During the Remaining Employment Period, Steele also will be eligible to receive bonus payments pursuant to the Gentherm Incorporated Performance Bonus Plan (the “**Bonus Plan**”); provided, however, that regardless of whether the Separation Date is before or after December 31, 2018, (a) Steele will be eligible for a bonus under the Bonus Plan for the calendar year 2018, subject to the other terms and conditions of the Bonus Plan, which shall be payable at the time provided in the Bonus Plan, and (b) Steele will not be eligible to receive any bonus under the Bonus Plan for calendar year 2019. During the Remaining Employment Period, Steele will continue to receive the employee health and welfare benefits he receives from Gentherm as of the Effective Date; provided, that, except as set forth in Section 3 hereof, Steele agrees that his right to participate in such employee health and welfare benefit plans will cease on the Separation Date.
- b. During the Remaining Employment Period, Steele shall devote his working time, efforts and skills as is reasonably necessary to assist Gentherm and its new CFO in the transitioning of the new CFO to such role (the “**Transition Services**”). Steele shall provide the Transition Services at the Company’s headquarters in Northville, Michigan or such other location as mutually agreed upon by Steele and Gentherm. Steele shall be available during normal business hours to provide Transition Services and to assist, advise and counsel the new CFO as may be reasonably requested.

3. Transition and Separation Benefits. On the date that that Gentherm publicly announces that Steele will be replaced as the CFO of Gentherm (the “**Announcement Date**”), Steele is entitled to receive payment for any accrued but unused vacation time through the Announcement Date, and at the Separation Date, Steele is entitled to receive payment for any accrued but unused vacation time during the period from the Announcement Date through the Separation Date (“**Accrued Vacation**”). At the Separation Date, Steele is entitled to receive any accrued but unpaid salary through the Separation Date (“**Accrued Wages**”). In recognition of Steele’s many years of service to Gentherm, and in consideration of and conditioned upon Steele’s continued service through the Separation Date and his obligations under this Agreement, Gentherm has agreed to make the following additional separation payments and provide the following additional separation benefits to Steele (the “**Separation Benefits**”), subject to the conditions set forth herein:

- a. *Cash Payment.* Gentherm shall pay Steele \$642,720 in cash (the “**Severance Payment**”) if Steele has, in accordance with Section 5 hereof, executed and delivered to Gentherm the Release (defined below in Section 5 hereof) and the Release has become irrevocable prior to such date of payment. The Severance Payment, if due under the preceding sentence, shall be paid by Gentherm as soon as reasonably practical after the Release has been executed and delivered and becomes irrevocable, but not later than March 15, 2019. For clarity, if the Release has not been executed and delivered and become irrevocable before March 15, 2019, Steele shall not be entitled to receive and shall not be paid the \$642,720 cash payment.

- b. *Incentive Equity*. As of the Announcement Date, (i) 9,398 shares of restricted stock of Gentherm granted to Steele on October 3, 2017 and issued under the Gentherm Incorporated 2013 Equity Incentive Plan (the “**2013 Equity Plan**”) shall vest immediately and no longer be subject to the restrictions set forth in the applicable award agreement, and (ii) the portion of restricted stock and options to purchase Gentherm common stock (“**Options**”) granted to Steele under the 2013 Equity Plan that are scheduled to vest in February 2019 (the “**February 2019 Equity**”) shall vest immediately and no longer be subject to the restrictions set forth in the applicable award agreement and shall be immediately exercisable, and such Options, along with any other vested Options to purchase Gentherm common stock held by Steele on the Announcement Date (collectively, all vested Options held by Steele on the Announcement Date after the vesting of the February 2019 Equity are referred to as “**Outstanding Options**”) are automatically amended so that they may be exercised by Steele at any time through the stated expiration date of each such Outstanding Option as set forth in the applicable award agreement. For clarity, the February 2019 Equity consists of:
- 9,000 Options with an exercise price of \$38.05 per share;
 - 7,500 Options with an exercise price of \$40.64 per share;
 - 7,500 Options with an exercise price of \$41.69 per share; and
 - 7,083 shares of restricted stock.

Gentherm and Steele hereby agree that Steele may sell any or all of his shares of Gentherm common stock at any time subject to compliance with applicable law and subject to Section 9 hereof.

- c. *COBRA*. Subject to Steele’s timely election of continuation coverage under the Consolidated Omnibus Budget Reconciliation Act (“**COBRA**”), during the COBRA Subsidy Period (as defined below), Gentherm will pay Steele’s health insurance coverage to the same extent that Gentherm paid for such coverage immediately prior to the Separation Date, in a manner intended to avoid any excise tax under Section 4980D of the Internal Revenue Code of 1986, as amended, subject to the eligibility requirements and other terms and conditions of such insurance coverage. The “**COBRA Subsidy Period**” shall begin on the Separation Date and end upon the earliest of: (i) a date that is twelve months following Separation Date; (ii) the date the Steele is no longer eligible to receive COBRA coverage; and (iii) the date on which the Steele otherwise becomes eligible to receive substantially similar coverage from another employer. Steele agrees to notify Gentherm within five (5) calendar days of becoming eligible to receive substantially similar coverage from another employer. Following the expiration of the COBRA Subsidy Period, Steele may elect to continue COBRA coverage for the remainder of the COBRA eligibility period as defined by law, if any, at Steele’s own expense. In no event will Gentherm be obligated to pay any portion of Steele’s COBRA coverage premiums for a period beyond the COBRA Subsidy Period. Gentherm reserves the right to modify or terminate Gentherm’s payment toward the cost of the premium for COBRA coverage provided hereunder to the extent necessary to comply with applicable law.

- d. **Outplacement Services.** Gentherm will pay up to \$10,000 for outplacement services for the benefit of Steele through an outplacement firm selected by Steele (the “**Outplacement Firm**”), provided Steele submits appropriate documentation to enable Gentherm to pay such Outplacement Firm directly. Gentherm’s obligation to pay for any outplacement costs for the benefit of Steele will expire on the earlier of (i) December 31, 2019 or (ii) the date on which Steele has accepted other employment, in each case regardless of whether the entire \$10,000 amount referred to above has been spent.

Steele is responsible for the payment of all taxes on all of the Separation Benefits and other compensation provided to him in this Agreement. All of the payments and benefits described above to be made or provided to or for the benefit of Steele (including accelerated vesting of restricted stock and any exercise of Options) will be subject to withholding of taxes and other lawful deduction, as well as reporting on a W-2 under applicable law. Cash payments hereunder may be reduced by withholding tax owing on such payments and by withholding tax owing on any non-cash benefits hereunder (including accelerated vesting of restricted stock and any exercise of Options). If at the time withholding tax is owing on such non-cash benefits there is then payable hereunder to Steele either no or insufficient cash to cover the withholding tax on such cash and on such non-cash benefits, then Steele shall immediately make a cash payment to the Company in an amount equal to the deficiency.

4. Other Separation Date Matters. On or before the Separation Date, Steele will deliver to Gentherm all Gentherm-owned property in his possession or in his control, including but not limited to any documents, data, property and other materials, in whatever form, that he received, created or compiled during his employment with Gentherm (the “**Gentherm Owned Property**”) and he hereby confirms that he (or anyone on his behalf) has not and will not retain any copies thereof. Steele will submit to Gentherm a request for reimbursement of all business expenses relating to his employment no later than 30 days after the Separation Date; such expenses will subject to and paid in accordance with Gentherm’s business expense reimbursement policy and the provisions of this Agreement.

5. Release Condition. It is a condition of Gentherm’s obligations to provide the Separation Benefits not yet provided (and it is a condition of Steele’s right to retain Separation Benefits previously provided) that Steele sign and deliver to Gentherm on or within 10 days after the Separation Date (but in no event prior to the Separation Date) the Release attached to this Agreement as Exhibit A (the “**Release**”) and that Steele does not revoke such Release. Steele understands and agrees that Gentherm has expressly informed him that Gentherm would not have agreed to provide any of the Separation Benefits absent Steele’s execution of both this Agreement and the Release. If Steele fails to sign and deliver the Release to Gentherm within 10 days after Separation Date, or delivers the Release but revokes it within the time period permitted for revocation in the Release, then none of the Separation Benefits shall have been earned by Steele and, in the event any of the Separation Benefits have already been paid to him at such time, Steele shall be obligated to promptly refund or reimburse Gentherm for such Separation Benefits

(including the repayment of pre-tax gross proceeds from any sale of Gentherm common stock that vested or otherwise remained outstanding in accordance with Section 3(b) hereof) and Gentherm shall be authorized to immediately terminate any outstanding equity awards under the 2013 Equity Plan and to take any reasonably related actions to effectuate its rights hereunder; provided, that "gross proceeds" for an Option will be calculated less the exercise price of such Option, on a pre-tax basis.

6. Confidential Information. Steele acknowledges that he remains bound by and agrees that he will comply in all respects with all confidentiality agreements that he signed during his employment with Gentherm, or any policies and procedures of Gentherm relating to confidentiality by employees or officers in effect as of the Effective Date, including the Confidential Information and Inventions Assignment Agreement dated as of October 3, 2017 (the "**Confidentiality Agreement**"), and Steele acknowledges that his obligations under such confidentiality agreements, policies and procedures will continue after his employment with Gentherm ends. Steele acknowledges and agrees that Gentherm has invested considerable amounts of time and money in attaining and developing all of the confidential or proprietary information, and any unauthorized disclosure or release of such information in any form would irreparably harm Gentherm.

7. Restrictive Covenants; Non-Disparagement. Steele acknowledges that he remains bound by and agrees that he will continue to comply in all respects with all restrictive covenants that he was subject to (whether by written agreement with Gentherm or Gentherm policy) during his employment with Gentherm in effect as of the Effective Date, and Steele acknowledges that his obligations under such restrictive covenants will continue after his employment with Gentherm ends. From the Effective Date through and including the second anniversary of the Separation Date, Steele shall not engage in any defamatory, slandering or maliciously disparaging statements or other communications (whether in written or oral form) or conduct against Gentherm or any of its subsidiaries or affiliates or any of their respective employees, officers, directors, advisors or consultants, which includes, but is not limited to, disparaging text messages, e-mail communications and comments or postings on blogs, comment boards, and social media networking websites. Further, Steele shall not make any statements, comments or other communications concerning the foregoing parties or their respective products and services to the press, media other similar entity or organization.

8. Termination for Cause or Voluntarily. If, at any time after the Effective Date Steele's employment with Gentherm is terminated by the Board for Cause or Steele voluntarily resigns from his employment with Gentherm (a) he will not receive any compensation or benefits set forth in Sections 2 and 3 hereof, except (i) to the extent Gentherm has already paid such compensation or benefits at the time of such termination (such as, for example, in the case where such termination occurs after the Announcement Date and Steele has already received the Accrued Vacation through the Announcement Date and acceleration of the February 2019 Equity) and (ii) that Gentherm shall make payment of the Accrued Wages and Accrued Vacation through the date of his termination and reimburse Steele for all business expenses relating to his employment that are submitted to Gentherm within 30 days after the date of his termination, subject to and paid in accordance with Gentherm's business expense reimbursement policy and this Agreement, and (b) excluding Sections 2 and 3 hereof, the provisions of this Agreement, including, without limitation, the provisions of Section 7 above, will remain in full force and effect (with any

reference to Separation Date to refer to the date of termination). As used in this Agreement, “**Cause**” means (i) gross or willful misconduct in the performance of Steele’s duties, (ii) fraud of any kind, or (iii) gross insubordination with respect to directions from the CEO or the Board with respect to otherwise executing the duties and responsibilities as the CFO and Treasurer of Gentherm (through the Transition Date) or a Vice President of Gentherm (through the Separation Date), based on historical practice or as set forth in any policy or procedure as of the Effective Date or otherwise required by law; provided, however, that for purposes of this proviso (iii), Steele must first be given written notice and not less than 15 days to cure such insubordination before such conduct shall qualify as a termination for Cause.

9. Clawback Policy / Insider Trading Policy. Steele acknowledges that some of the payments required to be made to him under this Agreement are subject to the Gentherm Incorporated Compensation Clawback Policy. Steele has had an opportunity to review such policy and has previously signed an acknowledgement of the policy terms. Steele also acknowledges that he is currently subject to the Restated Statement of Policy for Securities Trading by Company Personnel and that he will continue to be subject to such policy for so long as he meets the definition of “Persons Subject to This Policy Statement” therein; provided, such policy will be applied to Steele in the same manner as applied to the executive officers of the Gentherm.

10. No Representation. Steele represents and acknowledges that, in executing this Agreement, Steele does not rely and has not relied on any representation or statement by Gentherm or any agents or representatives of Gentherm with regard to the subject matter, basis or effect of this Agreement that is not set forth in this Agreement.

11. Binding Agreement. Steele represents and warrants that the execution, delivery and performance of this Agreement will not (and with the giving of notice or lapse of time, or both, would not) result in the breach of any agreement or other obligation to which he is a party or is otherwise bound. This Agreement shall be binding upon Steele and Steele’s heirs, administrators, representatives, executors, successors and assigns, and shall inure to the benefit of Gentherm and its directors, officers, representatives, successors and assigns.

12. Governing Law and Interpretation. This Agreement is made and entered into in the State of Michigan, and shall in all respects be interpreted, enforced and governed under the laws of the State of Michigan without regard to its choice of law or conflict of laws provision or rule (whether the State of Michigan or any other jurisdiction). The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, and not strictly for or against any of the parties. In the event of a breach of any provision of this Agreement, either party may institute an action specifically to enforce any term or terms of this Agreement and/or to seek any damages for breach. Should any term, condition, provision or covenant of this Agreement be declared illegal or unenforceable by any court of competent jurisdiction and cannot be modified to be enforceable, excluding the general release language, such term, condition, provision or covenant shall immediately become null and void, leaving the remainder of this Agreement in full force and effect.

13. Amendment. This Agreement may not be modified, altered or changed except in writing and signed by both Steele and Gentherm (with express approval of the Gentherm Board) wherein specific reference is made to this Agreement.

14. Notices. Any notice or other communication required or permitted to be given under this agreement will be sufficient if it is in writing, sent to the applicable address set forth below (or as otherwise specified by a party by notice to the other party in accordance with this Section 14) and delivered personally, by certified or registered mail or by recognized overnight courier, or delivered by e-mail coupled with confirmation of actual receipt:

If to Gentherm, to the address set forth below:

Gentherm Incorporated
Attention: Vice-President and General Counsel
21680 Haggerty Rd.
Northville, MI 48167

If to Steele, at the last known address in Gentherm's payroll records.

15. Entire Agreement. This Agreement, together with the Release, sets forth the entire agreement between the parties, and fully supersedes any and all prior agreements or understandings between the parties pertaining to the subject matter of the Agreement, except that any other agreements that Steele entered into with Gentherm that pertains to confidentiality, non-disclosure, non-solicitation, and/or non-competition, including, without limitation, the Confidentiality Agreement, remain in full force and effect.

16. Support. Steele warrants and agrees that he will not, directly or indirectly, challenge and/or dispute the enforceability and/or validity of this Agreement, or any portion thereof. Steele further agrees and warrants that he will not, and has not, directly or indirectly, instigate(d), incite(d), encourage(d) and/or otherwise cause(d) or aid(ed) any person and/or entity to bring any claim and/or action which challenges and/or disputes the enforceability and/or validity of this Agreement, including any portion thereof. Steele further agrees that in the event that any such claim, action and/or challenge is brought, he will support, advocate for and agree with the enforceability and validity of this Agreement, and will cooperate with Gentherm in defending against any such claim, action and/or challenge.

17. Cooperation. During and after the Remaining Employment Period, Steele shall cooperate with Gentherm with respect to any claim or matter and shall make himself available to consult with counsel or serve as a witness in any action, investigation or other proceeding before any court, governmental agency, arbitrator or mediator, in which he may be called to appear by Gentherm, regarding any business, property or operations of Gentherm or any of its affiliates or subsidiaries, and he shall truthfully testify in any such action, proceeding or deposition in which he also appears. Upon request by Steele and prior approval by Gentherm, Gentherm shall reimburse Steele for reasonable travel expenses incurred by Steele in connection with any such appearance in which Steele is so called to appear.

18. Waiver of Breach. The waiver by a party of any breach of any provision of this Agreement by the other party shall not operate or be construed as a waiver of any subsequent breach of the same or any other provision hereof by that party.

19. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same agreement.

20. Code Section 409A.

- a. Gentherm and Steele intend that any amounts or benefits to be paid or provided under this Agreement be exempt from or comply with the provisions of Section 409A of the Internal Revenue Code and the Treasury Regulations and other guidance relating thereto (“**Code Section 409A**”) so that Steele is not subject to additional tax or other sanctions under Code Section 409A. The provisions of this Agreement shall be interpreted in a manner consistent with such intent. In furtherance thereof, to the extent that any provision hereof would otherwise result in Steele being subject to additional tax or other sanctions under Code Section 409A, if and to the extent permissible under Code Section 409A, Gentherm and Steele agree to amend this Agreement in a manner that brings this Agreement into compliance with Code Section 409A and preserves to the maximum extent possible the economic value of the relevant payment or benefit under this Agreement to Steele. Notwithstanding the foregoing, no particular tax result for Steele with respect to any income recognized by him in connection with this Agreement is guaranteed, and Steele alone will be solely responsible for any additional taxes or other sanctions imposed on him under or as a result of Code Section 409A in connection with this Agreement.
- b. With respect to any amount of expenses eligible for reimbursement under this Agreement, such expenses will be reimbursed by Gentherm no later than December 31st of the year following the year in which Steele incurs the related expenses. In no event will the amount of expenses eligible for reimbursement, or in-kind benefits to be provided, by Gentherm in one calendar year affect the amount of expenses eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year, nor will Steele’s right to reimbursement or in-kind benefits be subject to liquidation or exchange for another benefit.
- c. If any amount payable under this Agreement is subject to Code Section 409A and is payable upon, on account of or as a result of termination of Steele’s employment with Gentherm, notwithstanding any other provision of this Agreement such amount (if otherwise payable before the earlier of the dates set forth in the following clauses (i) and (ii)) shall be paid on the earlier of (i) the date that is six months and one day after Steele’s “separation from service” (within the meaning of Code Section 409A), or (ii) the date of Steele’s death, but only to the extent such delay is necessary to prevent Steele from incurring additional tax on and/or other sanctions in respect of such payment under Code Section 409A.

Gentherm and Steele knowingly and voluntarily sign this Agreement as of the date(s) set forth below:

DATED: December 11, 2018

/s/ Barry G. Steele
BARRY G. STEELE

GENTHERM INCORPORATED

DATED: December 11, 2018

By: /s/ Phillip M. Eyler
Name: Phillip M. Eyler
Its: President and Chief Executive Officer

EXHIBIT A

FORM OF RELEASE

This document constitutes the Release contemplated by Separation Agreement between Barry G. Steele (“Employee”) and Gentherm Incorporated (“Gentherm”) dated as of _____, 2018 (the “Separation Agreement”). All capitalized terms utilized but not otherwise defined herein shall have the meanings ascribed to them in Separation Agreement. Pursuant to this Release, Employee hereby acknowledges and promises to Gentherm as follows:

1. **Separation of Employment.** Employee acknowledges that his employment with Gentherm ended on _____ (“Separation Date”).
2. **Payment of Moneys Owed.** Employee acknowledges that, excluding the amounts expressly set forth in the Separation Agreement which, by their terms, are to be paid after the date hereof, Gentherm has paid all remuneration owed to him as a result of his employment with Gentherm.
3. **Consideration.** Employee is giving the promises set forth in this Release as consideration for Gentherm’s promises, amounts, payments, benefits and privileges in the Separation Agreement which are contingent upon Employee’s promises in this Release, including the general release of claims. Employee agrees that such amounts, payments, benefits and privileges specified in the Separation Agreement are in excess of any amounts, payments, benefits and privileges to which he is entitled. Employee also agrees that the amounts, payments, benefits and privileges described in the Separation Agreement are independent and adequate consideration for his release of all claims and rights specified herein and any other obligations set forth in this Release or the Separation Agreement.
4. **Complete Release of All Claims.** Employee, on behalf of himself and all of his heirs, assigns, proxies and/or attorneys in fact, hereby knowingly and voluntarily releases and forever discharges Gentherm and its current and former parents, subsidiaries and affiliates, predecessors, successors and assigns and each of its and their respective directors, officers, attorneys, agents, representatives and employees, individually and in their business capacities, and its and their employee benefit plans and programs and their administrators and fiduciaries (all of which shall be given its broadest interpretation, and collectively referred to as “Releasees”) from any and all claims and causes of action, whether now known or unknown, of whatever kind or nature, based on any act, omission, event, occurrence, or nonoccurrence from the beginning of time to the date of execution of this Release, including, but not limited to, claims that arise out of or in any way relate to Employee’s employment or separation from employment with Gentherm. Employee acknowledges and agrees that this general release includes, but is not limited to, claims of breach of implied or express employment contracts or covenants, promissory estoppel, entitlement to any pay (other than the amounts promised in the Separation Agreement), defamation, wrongful termination, public

policy violations, emotional distress and related matters, claims of discrimination, harassment, or retaliation under federal, state or local laws, and claims based on any federal, state or other governmental statute, regulation or ordinance, including, but not limited to, Title VII of the Civil Rights Act of 1964 ("Title VII"); Sections 1981 through 1988 of Title 42 of the United States Code; The Employee Retirement Income Security Act of 1974 ("ERISA") (as modified below); The Immigration Reform and Control Act; the Americans with Disabilities Act ("ADA"); the Equal Pay Act ("EPA"); the Age Discrimination in Employment Act ("ADEA"); the Rehabilitation Act of 1973; the Older Workers Benefit Protection Act; The Worker Adjustment and Retraining Notification Act; the Family and Medical Leave Act ("FMLA"); The Fair Credit Reporting Act; The Genetic Information Nondiscrimination Act of 2008; Michigan's Elliott-Larsen Civil Rights Act; the Michigan Persons with Disabilities Civil Rights Act; the Michigan Whistleblowers' Protection Act; Michigan's Bullard-Plawecki Right to Know Act; Michigan Statutory Provision Regarding Retaliation/Discrimination for Filing a Worker's Compensation Claim; the Michigan Payment of Wages and Fringe Benefits Act; the Michigan Minimum Wage Law; the Michigan Equal Pay Law; and any other federal, state, or local laws, or regulations, or any common law actions, relating to Employee's employment that Employee may have against Gentherm or any of the Releasees as of the date hereof, and/or any type of damages, wages, bonuses, commissions, benefits, attorney fees, costs or relief of any type (legal, equitable or otherwise). If any claim is not subject to release, to the extent permitted by law, Employee waives any right or ability to be a class or collective action representative or to otherwise participate in any putative or certified class, collective or multi-party action or proceeding based on such a claim in which Gentherm or any other Releasee identified in this Release is a party.

5. **Claims Not Released.** Employee is not waiving any rights Employee may have to: (a) Employee's own vested accrued employee benefits under the applicable health, welfare, or retirement benefit plans as of the Separation Date, the rights to which are governed by the terms of the applicable plan documents; (b) benefits and the right to seek benefits under applicable workers' compensation and unemployment compensation statutes; (c) pursue claims that by law cannot be waived by signing this Release, including but not limited to filing a charge with the Equal Employment Opportunity Commission ("EEOC"), the National Labor Relations Board ("NLRB") or other governmental or administrative agency or from participating in any investigation, hearing or proceeding of the EEOC, the NLRB or other governmental or administrative agency; provided, however, to the maximum extent permitted by law, Employee agrees that if such an administrative claim is made, Employee shall not be entitled to recover any individual monetary relief or other individual remedies, other than any monetary award offered by the Securities and Exchange Commission ("SEC") pursuant to Section 21F of the Securities Exchange Act of 1934, as amended; (d) enforce the Separation Agreement; (e) claims that may arise after he signs this Release; (f) challenge the validity or enforceability of this Release under the ADEA, as amended by the Older Workers Benefit Protection Act of 1990 ("OWBPA"), or (g) any claim for indemnification arising under the Company's organizational documents.

6. **No Representation.** Employee represents and acknowledges that in executing this Release, Employee does not rely and has not relied on any representation or statement by any of the Releasees or by any of the Releasees' agents or representatives with regard to the subject matter, basis or effect of this Release that is not reflected herein.
7. **Acknowledgments.**
 - i. Employee affirms that Employee has not filed, has not caused to be filed, and is not presently is a party to any claim against Gentherm.
 - ii. Employee affirms that Employee has no known workplace injuries or occupational diseases arising out of Employee's employment with Gentherm for which he has not already filed a claim.
 - iii. Employee affirms that Employee has been granted any leave to which Employee was entitled under the Family and Medical Leave Act or related state or local leave or disability accommodation laws, and has not been subjected to any improper treatment, conduct or actions due to or related to his request for, or taking of, any such leave of absence.
 - iv. Employee affirms that all of Gentherm's decisions regarding Employee's pay and benefits through the date of Employee's execution of this Release were not discriminatory based on age, disability, race, color, sex, religion, national origin or any other classification protected by law.
 - v. Employee represents and warrants that prior to signing this Release, Employee has disclosed to the Board of Directors of Gentherm any belief or information Employee may have that Gentherm has engaged in any unlawful activity of any kind.
 - vi. Employee affirms that Employee has not been retaliated against for reporting any allegations of wrongdoing by Gentherm or its officers, directors or employees including any allegations of corporate fraud.
 - vii. Employee represents and warrants that he has the sole right, title and interest in the claims released in this Release, and that he has not assigned or transferred, to any person, any claim intended to be released under this Release.
8. **Non-Admission of Liability.** This Release does not constitute an admission that any Releasee has violated any law, rule, regulation, contractual right or any other duty or obligation.
9. **Voluntary Agreement; ADEA Notice.** Employee understands that this Release includes a release of all claims, known and unknown, that Employee has or may have against the Releasees, including all claims arising under the ADEA. Employee acknowledges that Employee has been advised in writing to consult with an

attorney before Employee signs this Release. Employee acknowledges and agrees that Employee was provided with a copy of this Release on December 11, 2018 and was thereafter provided with at least twenty-one (21) days within which to decide whether to sign this Release. If Employee does sign this Release, Employee understands that he will have seven (7) days after he signs to change Employee's mind and revoke the Release, in which case a written notice of revocation must be delivered to Vice-President and General Counsel, Gentherm Incorporated, 21680 Haggerty Rd., Northville, MI 48167, on or before the seventh (7th) day after Employee's execution of the Release.

10. **Binding.** This Release shall be binding upon Employee and his heirs, administrators, representatives, executors, successors and assigns, and shall inure to the benefit of Releasees and each of them, and to their heirs, administrators, representatives, executors, successors, and assigns.
11. **Governing Law.** This Release shall in all respects be interpreted, enforced and governed under the laws of the State of Michigan without regard to its choice of law or conflict of laws provision or rule (whether the State of Michigan or any other jurisdiction). The language of all parts of this Release shall in all cases be construed as a whole, according to its fair meaning, and not strictly for or against any of the parties.
12. **Severability.** Should any term, condition, provision or covenant of this Release be declared or be determined by any court to be illegal or invalid, the validity of the remaining terms, conditions, provisions or covenants shall not be affected, and said illegal or invalid term, condition, provision or covenant shall be deemed not to be part of this Release.
13. **Entire Agreement.** This Release, together with the Separation Agreement and other agreements referenced in Section 15 thereof, sets forth the entire agreement between the parties, and fully supersedes any and all prior agreements or understandings between the parties pertaining to the subject matter of such documents.
14. **Acknowledgement.** By signing below, Employee acknowledges and confirms that he: (a) has read this Release in its entirety and understands all of its terms; (b) knowingly, freely, and voluntarily agrees to all of the terms and conditions set forth in this Release and intends to be bound legally by them; and (c) is signing this Release in exchange for good and valuable consideration in addition to anything of value to which Employee is otherwise entitled. Employee further acknowledges and confirms that he may not execute and is not executing this Release until on or after the Separation Date.

PLEASE READ CAREFULLY. THIS AGREEMENT INCLUDES A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.

EMPLOYEE FREELY AND KNOWINGLY, AND AFTER DUE CONSIDERATION, ENTERS INTO THIS RELEASE INTENDING TO WAIVE, SETTLE AND RELEASE ALL CLAIMS HE HAS OR MIGHT HAVE AGAINST RELEASEES.

DATED: _____

BARRY G. STEELE

Gentherm Names Matteo Anversa as Executive Vice President, Chief Financial Officer and Treasurer

NORTHVILLE, Mich., December 12, 2018 (GLOBE NEWSWIRE) – Gentherm (NASDAQ: THRM), the global market leader and developer of innovative thermal management technologies, announced today that Matteo Anversa will join the Company's leadership team as Executive Vice President, Chief Financial Officer and Treasurer on January 1, 2019.

Anversa will lead all of Gentherm's financial and IT operations on a global basis, and he will report to Gentherm's President and CEO, Phil Eyler. Anversa succeeds Barry Steele as Gentherm's CFO. Steele will step down as the Company's Vice-President of Finance, Chief Financial Officer and Treasurer effective upon Anversa's start date. Steele will provide transition services through February 15, 2019.

"I am delighted that Matteo is joining our executive management team as CFO. He is an accomplished financial executive with global experience and strong business acumen," said Eyler. "Matteo's disciplined approach to financial reporting and analysis and operational excellence will help continue to drive Gentherm's focused growth and improved profitability."

Eyler added, "Barry was Gentherm's CFO for more than 14 years and he oversaw the Company's growth from a start-up to \$1 billion in revenue. I want to personally thank Barry for his dedication and commitment to Gentherm and wish him well in his future endeavors."

"I'm excited to be part of a company that has so much opportunity ahead," said Anversa. "I am looking forward to leading the finance and IT organizations to help deliver the next phase of growth for Gentherm."

Anversa joins Gentherm from Myers Industries, Inc., an international manufacturer of polymer-based material handling products and a wholesale distributor of tire repair and retread products (NYSE: MYE), where he was Executive Vice President, CFO since December 2016. At Myers Industries, he was responsible for driving cash flow, improving working capital, managing business restructuring and M&A activities, strengthening corporate controls and developing the Company's IT strategy. Prior to Myers Industries, he was the Vice President, Group FP&A for Fiat Chrysler Automobiles N.V. since April 2015. He joined FCA in 2013 as the CFO for Ferrari SpA, where he helped prepare the company for its IPO. Anversa began his career with General Electric Corporation where he held various leadership roles during his 16-year tenure, including CFO, GE Gas Engines; Global FP&A Manager, GE Transportation; and CFO, GE Consumer & Industrial, Asia Pacific.

Anversa holds a degree in Mechanical Engineering from the University of Parma, Italy. He is a dual citizen of the United States and Italy. Anversa will be based at Gentherm's corporate headquarters in Northville, MI.

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About Gentherm

Gentherm (NASDAQ:THRM) is a global developer and marketer of innovative thermal management technologies for a broad range of heating and cooling and temperature control applications. Automotive products include variable temperature Climate Control Seats (CCS®), heated automotive interior systems (including heated seats, steering wheels, armrests and other components), battery thermal management systems, cable systems and other electronic devices. Medical products include patient temperature management systems. The Company is also developing a number of new technologies and products that will help enable improvements to existing products and to create new product applications for existing and new markets. Gentherm has over 13,000 employees in facilities in the United States, Germany, Canada, China, Hungary, Japan, Korea, Macedonia, Malta, Mexico, United Kingdom, Ukraine, and Vietnam. For more information, go to www.gentherm.com.

Except for historical information contained herein, statements in this release are forward-looking statements that are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements represent Gentherm Incorporated's goals, beliefs, plans and expectations about its prospects for the future and other future events. The forward-looking statements included in this release are made as of the date hereof or as of the date specified and are based on management's current expectations and beliefs. Such statements are subject to a number of important assumptions, risks, uncertainties and other factors that may cause the Company's actual performance to differ materially from that described in or indicated by the forward-looking statements. Those risks include, but are not limited to, risks that new products may not be feasible, sales may not increase, additional financing requirements may not be available, new competitors may arise or customers may develop their own products to replace the Company's products, currency exchange rates may change unfavorably, pricing pressures from customers may increase, and other adverse conditions in the industries in which the Company operates may negatively affect its results. The foregoing risks should be read in conjunction with other cautionary statements included herein, as well as in the Company's annual report on Form 10-K for the year ended December 31, 2017 and subsequent reports filed with the Securities and Exchange Commission. Except as required by law, the Company expressly disclaims any obligation or undertaking to update any forward-looking statements to reflect any change in its expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.