

**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): May 18, 2023**

**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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, no par value	THRM	Nasdaq

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**

At the annual meeting of shareholders of Gentherm Incorporated (the “Company”) on May 18, 2023 (the “Annual Meeting”), the Company’s shareholders approved the Gentherm Incorporated 2023 Equity Incentive Plan (the “2023 Plan”). The 2023 Plan provides for the award to employees (including officers and directors who are also employees), non-employee directors, consultants and advisors to the Company or any of its subsidiaries of stock options (including nonqualified stock options and incentive stock options), stock appreciation rights, restricted stock, restricted stock units, performance stock units, performance units, and other awards based on or related to shares of common stock up to an aggregate of (a) 3,730,000 shares of the Company’s common stock, plus (b) the number of shares of common stock that, as of the effective date of the 2023 Plan, are subject to awards granted under the Gentherm Incorporated 2013 Equity Incentive Plan (the “2013 Plan”) and that, on or after the effective date of the 2023 Plan, are forfeited, surrendered, terminated (other than by exercise), cancelled, lapsed or reacquired by the Company prior to vesting, without the delivery of any shares of common stock, and otherwise comply with the recycling provisions of the 2013 Plan and 2023 Plan. The foregoing summary is qualified in its entirety by reference to the 2023 Plan, which is filed as Exhibit 10.1 hereto and incorporated herein by reference.

On March 27, 2023, the Compensation and Talent Committee of the Board of Directors approved each of a new Form of Performance Stock Unit Award Agreement, Form of Restricted Stock Unit Award Agreement, and Form of Restricted Stock Award Agreement (Director) for grants under the 2023 Plan, which are attached hereto as Exhibits 10.2, 10.3 and 10.4, respectively, and are incorporated herein by reference.

**Item 5.07      Submission of Matters to a Vote of Security Holders**

At the Annual Meeting, the Company’s shareholders: elected eight directors, each to serve for a one-year term until the 2024 annual meeting of shareholders or until a successor has been duly elected and qualified, or until such director’s earlier resignation, retirement or other termination of service; ratified the appointment of Ernst & Young LLP as the Company’s independent registered public accounting firm for the year ending December 31, 2023; approved (on an advisory basis) the compensation of the Company’s named executive officers; approved (on an advisory basis) the frequency of the advisory vote on the compensation of the Company’s named executive officers to occur every year; and approved the 2023 Plan.

The final results of the voting are shown below.

***Proposal No. 1 – Election of directors***

<b>Nominee</b>	<b>For</b>	<b>Withheld</b>	<b>Broker Non-Votes</b>
Sophie Desormière	22,730,832	7,858,671	994,190
Phillip M. Eyler	30,254,708	334,795	994,190
David Heinzman	30,360,572	228,931	994,190
Ronald Hundzinski	30,348,209	241,294	994,190
Charles Kummeth	30,204,367	385,136	994,190
Betsy Meter	30,243,079	346,424	994,190
Byron Shaw II	27,818,471	2,771,032	994,190
John Stacey	27,650,023	2,939,480	994,190

***Proposal No. 2 – Ratification of appointment of Ernst & Young LLP as independent registered public accounting firm for the year ending December 31, 2023***

<b>For</b>	<b>Against</b>	<b>Abstain</b>
31,339,873	239,677	4,143

***Proposal No. 3 – Approval (on an advisory basis) of named executive officer compensation***

<b>For</b>	<b>Against</b>	<b>Abstain</b>	<b>Broker Non-Votes</b>
28,961,995	1,617,522	9,986	994,190

**Proposal No. 4 – Approval (on an advisory basis) of the frequency of the advisory vote on named executive officer compensation**

<b>One year</b>	<b>Two years</b>	<b>Three years</b>	<b>Abstain</b>	<b>Broker Non-Votes</b>
29,443,252	4,339	1,131,898	10,014	994,190

**Proposal No. 5 – Approval of the Gentherm Incorporated 2023 Equity Incentive Plan**

<b>For</b>	<b>Against</b>	<b>Abstain</b>	<b>Broker Non-Votes</b>
27,418,341	2,592,042	579,120	994,190

On Proposal 4, the most votes were received for an advisory vote on named executive officer compensation once every year. In light of such voting results and the prior recommendation of the Board of Directors of the Company, the Board has determined that it will implement an annual advisory vote on named executive officer compensation until the next required advisory vote on such frequency.

**Item 9.01 Financial Statements and Exhibits.**

**(d) Exhibits**

- Exhibit 10.1\* [Gentherm Incorporated 2023 Equity Incentive Plan](#)
- Exhibit 10.2\* [Form of Performance Stock Unit Award Agreement under the Gentherm Incorporated 2023 Equity Incentive Plan](#)
- Exhibit 10.3\* [Form of Restricted Stock Unit Award Agreement under the Gentherm Incorporated 2023 Equity Incentive Plan](#)
- Exhibit 10.4\* [Form of Restricted Stock Award Agreement \(Director\) under the Gentherm Incorporated 2023 Equity Incentive Plan](#)
- Exhibit 104 Cover page Interactive Data File (embedded within the Inline XBRL document)

\* Filed herewith. Indicates management contract or compensatory plan.

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**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/ Wayne Kauffman

Wayne Kauffman

Senior Vice President, General Counsel and Secretary

Date: May 18, 2023

**GENTHERM INCORPORATED**  
**2023 Equity Incentive Plan**

**1. Definitions.** Capitalized terms used in this Plan have the meanings given below. Additional defined terms are set forth in other paragraphs of this Plan.

(a) “409A Award” means any Award that is treated as a deferral of compensation subject to the requirements of Section 409A of the Code.

(b) “Award” means any grant of a Stock Option, a Stock Appreciation Right, Restricted Stock, a Restricted Stock Unit, Performance Stock, a Performance Stock Unit, Other Stock-Based Award or any other type of award permitted under this Plan.

(c) “Award Agreement” means a written or electronic agreement between the Corporation and the Participant that shall contain the terms and conditions of an Award.

(d) “Benefit Arrangement” shall have the meaning set forth in Paragraph 22(c).

(e) “Board” means the Board of Directors of the Corporation.

(f) “Cause” means the Participant’s: (i) engaging in any act that constitutes serious misconduct, theft, fraud, material misrepresentation, serious dereliction of fiduciary obligations or duty of loyalty to the Corporation or a Subsidiary; (ii) conviction of a felony, or a plea of guilty or nolo contendere to a felony charge or any criminal act involving moral turpitude or which in the reasonable opinion of the Board brings the Participant, the Board, the Corporation or any affiliate into disrepute; (iii) neglect of or negligent performance of the Participant’s employment duties; (iv) willful, unauthorized disclosure of material confidential information belonging to the Corporation or a Subsidiary, or entrusted to the Corporation or a Subsidiary by a client, customer, or other third party; (v) 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 the Participant’s employment duties or, while under the influence of such drugs or alcohol, engaging in grossly inappropriate conduct during the performance of the Participant’s employment duties; (vi) repeated failure to comply with the lawful directions of the Participant’s superior that are not inconsistent with the terms of the Participant’s employment; (vii) any material failure to comply with the Corporation’s or a Subsidiary’s written policies or rules; or (viii) actual engagement in conduct that violates applicable state or federal laws governing the workplace that could reasonably be expected to bring the Corporation or any affiliate into disrepute. In order for the Corporation or a Subsidiary to terminate the Participant’s employment for Cause under any of clauses (iii), (v), (vi) or (vii) in the preceding sentence, the Corporation or a Subsidiary must provide the Participant 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 the Participant 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. Notwithstanding the foregoing, if a Participant and the Corporation or any Subsidiary have entered into an employment, offer letter, retention, change in control, severance or other similar agreement that specifically defines “Cause,” then with respect to such Participant, “Cause” shall have the meaning defined in such agreement.

(g) “Change in Control” means any of the following: (i) the consummation of a merger, consolidation or reorganization involving the Corporation, unless securities representing more than 50% of the total combined voting power of the voting securities of the successor corporation are immediately thereafter beneficially owned, directly or indirectly and in substantially the same proportion, by the Persons who beneficially owned the Corporation’s outstanding voting securities immediately prior to such transaction;

(ii) the consummation of a transfer, sale or other disposition, in one or a series of related transactions, of all or substantially all of the Corporation's assets to any Person (other than any Person that is directly controlled by or under common control with the Corporation); (iii) the consummation of an acquisition, directly or indirectly, by any Person (other than the Corporation or any Person that is directly controlled by or under common control with the Corporation), of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of securities possessing more than 50% of the total combined voting power of the Corporation's outstanding securities; (iv) individuals who constitute the Incumbent Board cease for any reason to constitute at least a majority of the Board; or (v) the consummation of a complete liquidation or dissolution of the Corporation. In no event, however, shall a Change in Control be deemed to occur in connection with (A) a merger or reorganization of the Corporation, the sole purpose of which is to reincorporate the Corporation in a different state, or (B) any public offering of stock, the primary purpose of which is to raise additional capital. Notwithstanding the foregoing definition or any other provision of this Plan, in the case of a 409A Award, where a Change in Control is a payment trigger and not merely a vesting trigger, or where otherwise necessary to ensure that the Participant does not incur liability for additional tax under Section 409A of the Code, a transaction or event (or series of related transactions or events) shall constitute a Change in Control only if, in addition to satisfying the foregoing definition, such transaction or event (or series of related transactions or events) also satisfies the definition of a "change in control event" under Treasury Regulation Section 1.409A-3(i)(5).

(h) "Code" means the Internal Revenue Code of 1986, as amended. Any reference to a specific provision of the Code includes any successor provision and the rules and regulations promulgated under such provision.

(i) "Committee" means, subject to Paragraph 3(a), the Compensation and Talent Committee of the Board (or any successor committee thereof with the same or similar authority) or such other committee of the Board designated by the Board to administer this Plan and composed of two or more Directors, each of whom may be a "non-employee director" as defined in Rule 16b-3 promulgated under the Exchange Act.

(j) "Common Stock" means shares of common stock, without par value, of the Corporation.

(k) "Corporation" means Gentherm Incorporated, a Michigan corporation, or any successor thereof.

(l) "Director" means a member of the Board.

(m) "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 12 months as provided in Sections 22(e)(3) and 409A(a)(2)(c)(i) of the Code, as applicable, and shall be determined by the Committee on the basis of such medical evidence as the Committee deems warranted under the circumstances.

(n) "Discretion" means in the sole discretion of the Committee, with no requirement whatsoever that the Committee follow past practices, act in a manner consistent with past practices, or treat a Participant in a manner consistent with the treatment afforded other Participants with respect to this Plan, which may be set forth in an Award Agreement or otherwise.

(o) "Effective Date" shall have the meaning set forth in Paragraph 20.

(p) "Exchange Act" means the Securities Exchange Act of 1934, as amended. Any reference to a specific provision of the Exchange Act includes any successor provision and the rules and regulations promulgated under such provision.

(q) “Fair Market Value” with respect to a share of Common Stock as of any date means (i) the closing sales price for a share of Common Stock on such day (or, if such day is not a trading day or no sales of Common Stock occur on such date, on the preceding trading day on which there was a sale of Common Stock on such market) on Nasdaq, (ii) if the Common Stock is not listed on such an exchange but is traded in an over-the-counter market, the last sales price (or, if there is no last sales price reported, the average of the last bid and asked prices) for Common Stock on the particular date, or the last preceding date on which there was a sale of Common Stock on such market, or (iii) if the Common Stock is not listed on an exchange or market referenced in clauses (i) or (ii), then the price determined in good faith by the Committee on the basis of such considerations as the Committee deems appropriate from time to time. The Committee also shall establish the Fair Market Value of any other property. Notwithstanding the foregoing, in the case of an Award intended to be exempt from Section 409A of the Code, the Fair Market Value of such Award shall be determined in accordance with Section 409A of the Code.

(r) “Incentive Option” means an option to purchase Common Stock that meets the requirements set forth in this Plan and also meets the definition of an incentive stock option set forth in Section 422 of the Code.

(s) “Incumbent Board” means Directors who, as of the date hereof, constitute the Board, and any additional Directors who become a Director subsequent to the date hereof whose election, or nomination for election, by the Corporation’s shareholders was approved by the vote of at least a majority of the Independent Directors (as defined by applicable listing standards of Nasdaq or, if the Corporation ceases to be listed on Nasdaq and is instead listed on another stock exchange, then as defined by the applicable rules of such other stock exchange).

(t) “Nasdaq” means the Nasdaq Stock Market, or such other principal stock market or exchange that is the principal United States stock market or exchange on which the Common Stock is then quoted or regularly trades.

(u) “Non-Employee Director” means a Director who is not also an officer or an employee of the Corporation or any Subsidiary.

(v) “Non-Employee Director Limit” shall have the meaning set forth in Paragraph 12.

(w) “Nonqualified Option” means an option to purchase Common Stock that meets the requirements set forth in this Plan but does not meet the definition of an incentive stock option set forth in Section 422 of the Code.

(x) “Original Settlement Date” shall have the meaning set forth in Paragraph 15(g).

(y) “Other Agreement” shall have the meaning set forth in Paragraph 22(c).

(z) “Other Stock-Based Award” means any right granted under Paragraph 11, including but not limited to Unrestricted Stock.

(aa) “Parachute Payment” shall have the meaning set forth in Paragraph 22(c).

(bb) “Participant” means any individual designated by the Committee under Paragraph 6 for participation in this Plan who is (i) an employee (including an officer or Director who is also an employee) of the Corporation or any Subsidiary, (ii) a Non-Employee Director, or (iii) a consultant or advisor of the Corporation or any Subsidiary.

(cc) "Performance Stock" means an Award that is a bookkeeping entry representing a right granted to a Participant pursuant to an Award made under Paragraph 10 to receive shares of Common Stock (or Restricted Stock) to be issued and delivered upon the attainment of one or more performance goals during a performance period established by the Committee, as provided in Paragraph 10.

(dd) "Performance Stock Unit" means an Award that is the right to receive a payment valued in relation to a unit that has a designated dollar value or the value of which is equal to the Fair Market Value of one or more shares of Common Stock, to be paid upon the attainment of one or more performance goals during a performance period established by the Committee, as provided in Paragraph 10.

(ee) "Person" means any individual, entity or group.

(ff) "Plan" means this Gentherm Incorporated 2023 Equity Incentive Plan, as it may be amended or restated from time to time.

(gg) "Prior Plan" shall have the meaning set forth in Paragraph 2.

(hh) "Regulation T Stock Option Exercise" shall have the meaning set forth in Paragraph 8(c).

(ii) "Restricted Period" means the length of time established relative to an Award during which the Participant cannot sell, assign, transfer, pledge or otherwise encumber the Common Stock or units (including any bookkeeping entry of a right) subject to such Award and at the end of which the Participant obtains an unrestricted right to such Common Stock or units (including any bookkeeping entry of a right).

(jj) "Restricted Stock" means an Award that is a grant of Common Stock subject to forfeiture or a Restricted Period, or both, and such other terms and conditions determined by the Committee, as provided in Paragraph 9.

(kk) "Restricted Stock Unit" means an Award that is a bookkeeping entry representing a right granted to a Participant to receive shares of Common Stock to be issued and delivered at the end of a specified period subject to forfeiture, a Restricted Period, or both, and such other terms and conditions determined by the Committee, as provided in Paragraph 9.

(ll) "Securities Act" means the Securities Act of 1933, as amended. Any reference to a specific provision of the Securities Act includes any successor provision and the rules and regulations promulgated under such provision.

(mm) "Share Limit" shall have the meaning set forth in Paragraph 5(a).

(nn) "Stock Appreciation Right" means an Award that is a right to receive the appreciation in the Fair Market Value, or a portion of the appreciation in the Fair Market Value, of a specified number of shares of Common Stock, as provided in Paragraph 8.

(oo) "Stock Option" means the right to purchase Common Stock at a stated price for a specified period of time, including an Incentive Option and Nonqualified Option.

(pp) "Subsidiary" means any corporation, limited liability company, partnership or any other entity in which the Corporation owns, directly or indirectly, stock or other ownership interest therein, possessing more than 50% of the combined voting power of all classes of stock or other ownership interest.

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(qq) “Substitute Award” means any shares of Common Stock that are issued by the Corporation or any Subsidiary in substitution for outstanding awards, and any awards that are assumed by or otherwise become obligations of the Corporation or a Subsidiary, in connection with any merger, consolidation, acquisition of property or shares, reorganization or similar transaction.

(rr) “Trading Policy” shall have the meaning set forth in Paragraph 15(g).

(ss) “Unrestricted Stock” means Common Stock issued under this Plan that is not subject to either a risk of forfeiture or Restricted Period.

**2. Purpose of Plan.** The purpose of this Plan is to attract and retain Participants, incentivize Participants to contribute to the long-term performance and growth of the Corporation and its Subsidiaries, develop a culture of ownership, and align further the interests of Participants and shareholders. Following the Effective Date, no new awards will be granted under the Gentherm Incorporated 2013 Equity Incentive Plan, as amended (the “Prior Plan”). For the avoidance of doubt, the Prior Plan and awards previously granted thereunder under any applicable award agreement that are still outstanding will continue to be outstanding on and after the Effective Date, subject to the terms and conditions set forth therein.

### **3. Administration.**

(a) *Administration of this Plan by the Committee and Other Persons.* This Plan shall be administered by the Committee; provided that (i) the Board may exercise all of the Committee’s powers, authority and obligations under this Plan (and any Award Agreement) at any time, in whole or in part, in the Board’s discretion and (ii) the Board or the Committee may delegate all or a portion of its powers, authority and obligations under this Plan (and any Award Agreement), including the authority to grant Awards without further approval of the Board or Committee, to one or more officers of the Corporation, or such persons’ delegate(s) who are officers of the Corporation, to the extent permitted under Michigan corporate law and excluding any grants of Awards to Participants who are subject to Section 16 of the Exchange Act. All references in this Plan to the “Committee” also shall be deemed to refer to the foregoing Persons in this Paragraph 3(a) as applicable.

(b) *Authority of the Committee.* Subject to the provisions of this Plan, the Committee shall determine, from those who are or become eligible to be Participants under this Plan in accordance with Paragraph 6, the individuals or class of individuals to be granted Awards, the type of Awards and the amount or maximum amount of Common Stock or rights covered by Awards to be granted to each such individual or class of individuals, and the terms and conditions of any Awards, including but not limited to, the rights of Participants with respect to an Award upon any termination of employment or service or Change in Control, under what circumstances to accelerate the vesting of any Award, and to what extent and under what circumstances an Award may be settled, cancelled, forfeited, exchanged or surrendered. In addition to the authority specifically granted to the Committee in this Plan and subject to Paragraph 21, the Committee is authorized to: interpret this Plan; promulgate, amend and rescind rules and regulations relating to this Plan; correct any defect, supply any omission or reconcile any inconsistency in this Plan or in any Award Agreement in the manner and to the extent it deems necessary to carry out the intent of this Plan or an Award Agreement; and make all other determinations necessary or advisable for administration of this Plan. Interpretation and construction of any provision of this Plan by the Committee shall be final and conclusive.

**4. Indemnification of Committee Members.** Members of the Committee and any employee of the Corporation or a Subsidiary to whom authority or administrative responsibilities has been delegated shall not be liable for any action or determination made in good faith with respect to this Plan. In addition to such other rights of indemnification as they may have, each member of the Board and the Committee, and any other officer or member of any other committee to whom a delegation under Paragraph 3(a) has been made, shall be indemnified by the Corporation against the reasonable expenses, including attorneys' fees, actually and necessarily incurred in connection with the defense of any action, suit or proceeding, or in connection with any appeal therein, to which they or any of them may be a party by reason of any action taken or failure to act under or in connection with this Plan or any Award granted hereunder, and against all amounts paid by them in settlement thereof (provided such settlement is approved by the Board) or paid by them in satisfaction of a judgment in any such action, suit or proceeding, up to the maximum extent permitted by applicable law and the Corporation's governing documents; provided, however, that within 60 days after receipt of notice of institution of any such action, suit or proceeding, an indemnified person under this Paragraph 4 shall offer the Corporation in writing the opportunity, at its own cost, to handle and defend the same upon confirmation of the Corporation's obligations under this Paragraph 4.

**5. Maximum Number of Shares Subject to Plan; Share Usage.**

(a) *Share Limit.* Shares of Common Stock issued or to be issued under this Plan shall be authorized but unissued Common Stock. Subject to the other provisions of this Paragraph 5, the maximum number of shares of Common Stock which may be issued pursuant to Awards granted under this Plan or with respect to which Awards may be granted under this Plan shall not exceed in the aggregate (i) 3,730,000 shares of Common Stock plus (ii) the number of shares of Common Stock that, as of the Effective Date were subject to awards granted under the Prior Plan and that, on or after the Effective Date, expire or are forfeited, surrendered, terminated (other than by exercise), cancelled, lapsed or reacquired by the Corporation prior to vesting, without the delivery of any shares of Common Stock in accordance with the terms of such Prior Plan, and comply with the share recycling provisions of the Prior Plan and Paragraph 5(c) of this Plan (in each case, subject to adjustments as provided in this Paragraph 5) (the "Share Limit").

(b) *Fungible Share Ratio and Share Counting.* Awards of Stock Options and Stock Appreciation Rights shall count against the Share Limit as **1.00 share** of Common Stock for each share of Common Stock covered by such Awards. The full number of shares of Common Stock subject to a Stock Option or Stock Appreciation Right shall count against the Share Limit, even if the exercise price of the such Stock Option or Stock Appreciation Right is satisfied in whole or in part through net-settlement or by delivering shares of Common Stock to the Corporation (by either actual delivery or attestation). All other Awards payable in shares of Common Stock shall count against the Share Limit as **1.85 shares** of Common Stock for each share of Common Stock covered by such Awards. Awards that are valued by reference to shares of Common Stock but are required to be paid in cash pursuant to their terms shall not be counted against the Share Limit.

(c) *Share Recycling.* If any shares of Common Stock covered by an Award are not purchased and are forfeited, cancelled, reacquired by the Corporation prior to vesting or expired (whether voluntarily or involuntarily), or if an Award otherwise expires or terminates without delivery of Common Stock subject thereto, then the number of shares of Common Stock related to such Award to the extent so forfeited, cancelled, reacquired by the Corporation, expired or terminated shall not be counted against the Share Limit and shall again be available for making Awards (in accordance with Paragraph 5(b)) under this Plan after such event. Notwithstanding the foregoing, there shall not be added back to the Share Limit: (i) shares of Common Stock tendered by Participants to, or withheld by, the Corporation as full or partial payment to the Corporation of the exercise price of Stock Options; (ii) shares of Common Stock reserved for issuance upon the grant of Stock Appreciation Rights, to the extent that the number of reserved shares of Common Stock exceeds the number of shares of Common Stock actually issued upon the exercise of the Stock Appreciation Rights; (iii) shares of Common Stock withheld by, or otherwise remitted to, the Corporation to satisfy a Participant's tax withholding obligations upon the exercise of, or upon the lapse of restrictions on or settlement of, an Award; and (iv) shares of Common Stock repurchased on the open market with the proceeds of a Stock Option exercise.

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(d) *Substitute Awards.* Any Substitute Award shall not be counted against the Share Limit; provided, that, Substitute Awards issued in connection with the assumption of, or in substitution for, outstanding stock options intended to qualify as Incentive Options shall be counted against the limit with respect to Incentive Options. Subject to applicable stock exchange requirements, available shares under a shareholder-approved plan of an entity directly or indirectly acquired by the Corporation or with which the Corporation combines (as appropriately adjusted to reflect such acquisition or transaction) may be used for Awards under this Plan and shall not count toward the Share Limit.

(e) *Stock Dividends, Stock Splits, Recapitalizations, and Similar Events.* The number of shares of Common Stock with respect to each outstanding Award, the exercise price per share with respect to outstanding Stock Options, the strike price with respect to outstanding Stock Appreciation Rights, and the Share Limit to an individual Participant during the term of this Plan shall be subject to such adjustment as the Committee, in its Discretion, deems appropriate to reflect such events as stock dividends, stock splits, recapitalizations, mergers, consolidations, split-up, spin-off, combinations, exchanges of shares or reorganizations of or by the Corporation (and the adjusted Awards shall be subject to the same restrictions and conditions applicable to the original Award); provided, however, that no fractional shares shall be issued pursuant to this Plan, no Awards may be granted under this Plan with respect to fractional shares, and any fractional shares resulting from such adjustments shall be eliminated from any outstanding Award.

**6. Participants.** The Committee shall determine and designate from time to time, in its Discretion, those individuals who are employees (including Directors who are also employees), Non-Employee Directors, consultants or advisors of the Corporation or any Subsidiary to receive Awards. Subject to the provisions of this Plan, the Committee may authorize in advance the grant of Awards to individuals or classes of individuals who are not at the time of Committee authorization, but who subsequently become, eligible to participate in this Plan; provided, however, that (i) for all purposes of this Plan, the date of grant of any Award made to an individual pursuant to such authorization shall be no earlier than the date on which such individual becomes eligible to participate in this Plan, and (ii) such authorization shall prescribe the principal terms or range of terms of the Awards that may be made to such individuals or classes of individuals including, without limitation, the type or types of Awards and the number or maximum number of shares of Common Stock to be covered by such Awards. No individual shall have any right to be granted an Award solely due to an Award being granted to such individual at any prior time, or because a similarly situated individual is or was granted an Award under similar circumstances.

Notwithstanding any other provision of this Plan, the Committee may authorize Substitute Awards under this Plan upon such terms and conditions as it may deem appropriate, subject to the listing requirements Nasdaq and applicable law.

**7. Award Agreement.** Each Award granted under this Plan shall be evidenced by an Award Agreement, as may be approved by the Committee. An Award Agreement shall constitute a binding contract between the Corporation and the Participant, and every Participant, upon acceptance of such agreement, shall be bound by the terms and restrictions of this Plan and of such agreement. The terms of each Award Agreement shall be in accordance with this Plan, but such agreements may include such additional provisions and restrictions as determined by the Committee, including that any Participant agree in writing to comply with any confidentiality, non-solicitation, non-competition and non-disparagement provisions and covenants as a condition to receiving such Award, provided that such additional provisions and restrictions do not violate the terms of this Plan.

## 8. Stock Options and Stock Appreciation Rights.

(a) *Stock Options.* Subject to the terms of this Plan, the Committee, in its Discretion, may grant to Participants either Incentive Options, Nonqualified Options or any combination thereof; provided, however, that an Incentive Option only may be granted to an employee of the Corporation or a Subsidiary, and in the case of a Subsidiary only if (i) the Subsidiary is treated as a disregarded entity owned by the Corporation, or (ii) the Subsidiary is a corporation (or is treated as a disregarded entity owned by a corporation) 50% or more of the combined voting power of all classes of stock of which is owned, directly or indirectly, by the Corporation. Each Award Agreement for a Stock Option granted under this Plan shall designate whether such Stock Option is intended to be an Incentive Option or Nonqualified Option, the number of shares of Common Stock covered thereby, the exercise price per share for which the shares of Common Stock covered by such Stock Option may be purchased, the date of grant (which may not be prior to the date of the Committee's approval of the Award), the expiration date, and such other terms as determined by the Committee in its Discretion. No Incentive Option may be granted under this Plan to any one Participant which would result in the aggregate Fair Market Value of underlying Common Stock (determined as of the date the option is granted) with respect to which Incentive Options first become exercisable by such Participant in any calendar year (under this Plan and any other plan or agreement of the Corporation or any Subsidiary) exceeding \$100,000 (or such other amount as may be specified in Section 422 of the Code). To the extent that the aggregate Fair Market Value of shares of Common Stock (determined at the date such Stock Option was granted) with respect to which Stock Options designated as Incentive Options first become exercisable by a Participant in any calendar year (under this Plan and any other plan or agreement of the Corporation or any Subsidiary) exceeds \$100,000 (or such other amount as may be specified in Section 422 of the Code), such excess Stock Options shall be treated as Nonqualified Options.

(b) *Stock Option Exercise Price.* The Committee, in its Discretion, shall establish the exercise price per share for which the shares of Common Stock covered by the Stock Option may be purchased. The exercise price per share of a Stock Option (except a Substitute Award) shall not be less than 100% of the Fair Market Value of a share of Common Stock on the date on which such Stock Option is granted; provided, however, that with respect to an Incentive Option granted to a Participant who as of the grant date owns (after applying the attribution rules of Section 424(d) of the Code) more than 10% of the total combined voting stock of the Corporation or of any parent or Subsidiary, the exercise price per share shall not be less than 110% of the Fair Market Value of a share of Common Stock on the date such Stock Option is granted. The exercise price per share shall be subject to adjustment in accordance with the provisions of Paragraph 5.

(c) *Payment of Stock Option Exercise Price.* At the time of the exercise in whole or in part of any Stock Option granted hereunder, payment of the exercise price shall be made in cash by the Participant for the shares so purchased; provided that in the Discretion of, and subject to such conditions as may be established by, the Committee, payment of the exercise price in whole or in part also may be made: (i) by the Participant delivering shares of Common Stock having a Fair Market Value on the date of exercise equal to the exercise price of the shares so purchased; (ii) by the Corporation retaining from the shares of Common Stock to be delivered upon exercise of the Stock Option that number of shares having a Fair Market Value on the date of exercise equal to the exercise price of the shares so purchased; (iii) by irrevocable instructions to a stock broker to promptly deliver to the Corporation payment of the exercise price for the shares so purchased from the proceeds of the stock broker's sale of or loan against some or all of the shares (a "Regulation T Stock Option Exercise"); or (iv) in such other manner as the Committee determines is appropriate.

(d) *Stock Appreciation Rights.* Subject to the terms of this Plan, the Committee may grant Stock Appreciation Rights to Participants either in conjunction with, or independently of, any Stock Options granted under this Plan. A Stock Appreciation Right granted in conjunction with a Stock Option may be an alternative right wherein the exercise of the Stock Option terminates the Stock Appreciation Right to the

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extent of the number of shares of Common Stock purchased upon exercise of the Stock Option and, correspondingly, the exercise of the Stock Appreciation Right terminates the Stock Option to the extent of the number of shares with respect to which the Stock Appreciation Right is exercised. Alternatively, a Stock Appreciation Right granted in conjunction with a Stock Option may be an additional right wherein both the Stock Appreciation Right and the Stock Option may be exercised. A Stock Appreciation Right may not be granted in conjunction with an Incentive Option under circumstances in which the exercise of the Stock Appreciation Right affects the right to exercise the Incentive Option or vice versa, unless the Stock Appreciation Right, by its terms, meets all of the following requirements:

- (i) the Stock Appreciation Right will expire no later than the Incentive Option;
- (ii) the Stock Appreciation Right may be for no more than the difference between the exercise price of the Incentive Option and the Fair Market Value of the shares of Common Stock subject to the Incentive Option at the time the Stock Appreciation Right is exercised;
- (iii) the Stock Appreciation Right is transferable only when the Incentive Option is transferable, and under the same conditions;
- (iv) the Stock Appreciation Right may be exercised only when the Incentive Option is eligible to be exercised; and
- (v) the Stock Appreciation Right may be exercised only when the Fair Market Value of the shares of Common Stock subject to the Incentive Option exceeds the exercise price of the Incentive Option.

Each Award Agreement for a Stock Appreciation Right granted under this Plan shall designate the number of shares of Common Stock covered thereby, the strike price per share (which shall not be less than the Fair Market Value of a share of Common Stock as determined on the date of grant, except a Substitute Award), the date of grant (which may not be prior to the date of the Committee's approval of the Award), the expiration date, and such other terms as determined by the Committee in its Discretion. The strike price shall be subject to adjustment in accordance with the provisions of Paragraph 5.

Upon exercise of a Stock Appreciation Right, a Participant shall be entitled to receive, without payment to the Corporation (except for applicable withholding taxes), an amount equal to the excess of or, in the Discretion of the Committee, a portion of the excess of (A) the then aggregate Fair Market Value of the number of shares of Common Stock with respect to which the Participant exercises the Stock Appreciation Right, over (B) the aggregate strike price of the applicable Stock Appreciation Rights so exercised. This amount shall be payable by the Corporation, in the Discretion of the Committee, in cash, in shares of Common Stock, in other property or any combination thereof.

(e) *Granting and Exercise of Stock Options and Stock Appreciation Rights.* Subject to the provisions of this Paragraph 8, each Stock Option and Stock Appreciation Right granted hereunder shall become vested and/or exercisable at any such time or times or in any such installments during the term of such Award as may be determined by the Committee in its Discretion and set forth in the Award Agreement. In addition, the Committee may, in its Discretion, condition the vesting of a Stock Option or Stock Appreciation Right on the attainment of one or more performance goals over a performance period prescribed by the Committee. A Participant may exercise a Stock Option or Stock Appreciation Right, if then exercisable, in whole or in part, by delivery to the Corporation of written notice of the exercise, in such form as the Committee may prescribe, accompanied, in the case of a Stock Option, by payment for the shares of Common Stock in the manner prescribed in Paragraph 8(c). No Participant shall have any of the rights of a shareholder of the Corporation in respect of the shares of Common Stock covered by a Stock Option or Stock Appreciation Right until the actual issuance of shares of Common Stock to said Participant, if any.

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(f) *Term of Stock Options and Stock Appreciation Rights.* If not sooner terminated, each Stock Option and Stock Appreciation Right granted hereunder shall expire not more than ten years from the date of the grant thereof; provided, however, that with respect to an Incentive Option granted to a Participant who as of the grant date owns (after applying the attribution rules of Section 424(d) of the Code) more than 10% of the total combined voting stock of all classes of stock of the Corporation or any parent or Subsidiary, such option shall expire not more than five years after the date of grant thereof.

**9. Restricted Stock or Restricted Stock Units.** Subject to the terms of this Plan, the Committee, in its Discretion, may grant to Participants shares of Restricted Stock and/or Restricted Stock Units with respect to a specified number of shares of Common Stock. An Award Agreement for shares of Restricted Stock and all Restricted Stock Units granted to Participants under this Plan shall include the following terms and conditions (and to such other terms and conditions prescribed by the Committee):

(a) *Restricted Period.* At the time of such Award, there shall be established a Restricted Period, which period may differ among Participants and may have different expiration dates with respect to portions of shares or units covered by the same Award. In addition, the Committee may, in its Discretion, condition the vesting of Restricted Stock and/or Restricted Stock Units on the attainment of one or more performance goals over a performance period prescribed by the Committee.

(b) *Rights as a Shareholder.* A Participant may be provided all of the rights of a shareholder in respect of shares of Restricted Stock including the right to vote the shares, subject to Paragraph 15(g). A Participant shall have no ownership interest in shares of Common Stock with respect to which Restricted Stock Units are granted.

(c) *Settlement.*

(i) *Restricted Stock.* Shares of Restricted Stock granted under this Plan may be evidenced in such manner as the Committee may deem appropriate, including, without limitation, book-entry registration or issuance of stock certificates. If stock certificates are issued in respect of shares of Restricted Stock, such certificates shall be registered in the name of the Participant, deposited with the Corporation or its designee, together with a stock power endorsed in blank, and, in the Discretion of the Committee, a legend shall be placed upon such certificates reflecting that the shares represented thereby are subject to restrictions against transfer and forfeiture. After the expiration of the Restricted Period applicable to the Restricted Stock (if applicable, after attainment of the applicable performance goals and approval by the Committee of such performance), the Corporation shall deliver to the Participant the stock certificates for such shares; provided that the Committee may determine instead that such shares shall be evidenced by book-entry registration. If stock certificates or book-entry registrations were previously issued for the shares and a legend had been placed on such certificate or book-entry registration, the Corporation shall cause such certificates or book-entry registrations to be reissued without the legend.

(ii) *Restricted Stock Units.* After the expiration of the Restricted Period applicable to the Restricted Stock Units (if applicable, after attainment of the applicable performance goals and approval by the Committee of such performance), the Corporation shall pay to the Participant an amount equal to the then Fair Market Value of the shares to which the Restricted Stock Units relate. In the Discretion of the Committee, such amount may be paid in cash, Common Stock, other property or any combination thereof. If paid in Common Stock, the Corporation shall deliver to the Participant the stock certificates for such shares; provided that the Committee may determine instead that such shares shall be evidenced by book-entry registration.

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**10. Performance Stock and Performance Stock Units.** Subject to the terms of this Plan, the Committee may grant to a Participant the right to earn Performance Stock and Performance Stock Units with respect to a specified number of shares of Common Stock. The terms in this Paragraph 10 shall apply to other Awards as appropriate to the extent they are subject to the attainment of one or more performance goals. An Award Agreement for the Performance Stock and Performance Stock Units granted to Participants under this Plan shall include the following terms and conditions (and to such other terms and conditions prescribed by the Committee):

(a) *Performance Goals; Performance Period.* The Participant's right to earn Performance Stock and Performance Stock Units shall be subject to the attainment of one or more performance goals over a performance period prescribed by the Committee. In connection with any such Award, the performance goal, specific targets and other details of the performance goal applicable to such Award shall be established by the Committee in its Discretion. Performance goals with respect to a performance period may differ from Participant to Participant and from Award to Award. The Committee shall have the authority to make equitable adjustments to the performance goals as may be determined by the Committee, in its sole Discretion.

(b) *Rights as a Shareholder.* A Participant shall have no ownership interest in shares of Common Stock with respect to which Performance Stock or Performance Stock Units are granted.

(c) *Settlement of Performance Stock and Performance Stock Units.* Shares or cash shall be issued to a Participant (in whole or in part, as applicable) pursuant to an Award of Performance Stock or Performance Stock Units, respectively, only after (i) expiration of the performance period and attainment of the applicable performance goals, and (ii) approval by the Committee that the performance goals and any other material terms of the Award have been attained or satisfied. If the performance goals applicable to an Award of Performance Stock or Performance Stock Units has not been attained by the end of the performance period, either in whole or in part, the shares or units subject to the Award shall be forfeited and transferred back to the Corporation by the Participant, in whole or in part, as applicable (as required by the Award Agreement), without payment of any consideration by the Corporation. After attainment of the applicable performance goals and approval by the Committee pursuant to this Paragraph 10(c), the Corporation shall pay to the Participant an amount equal to the then Fair Market Value of the shares or cash to which the Award of Performance Stock or Performance Stock Units, respectively, relate. In the Discretion of the Committee, such amount owing may be paid in cash, Common Stock, other property or any combination thereof. If paid in Common Stock, the Corporation shall deliver to the Participant stock certificates for such shares; provided that the Committee may determine instead that such shares shall be evidenced by book-entry registration.

**11. Other Stock-Based Awards.** The Committee may grant to Participants such other Awards that are denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, shares of Common Stock as are deemed by the Committee, in its Discretion, to be consistent with the purposes of this Plan; provided, however, that such grants must comply with applicable law. Without limitation, the Committee may permit a Participant to make a current, outright purchase of shares of Common Stock, which shares may or may not be subject to any restrictions or conditions, for a price equal to, less than or greater than the then Fair Market Value of the shares, with the price payable by the Participant in such form and manner and at such time as determined by the Committee in its Discretion.

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**12. Non-Employee Director Limit.** Notwithstanding any provision to the contrary in this Plan or in any other agreement, plan, policy or program regarding the compensation of Non-Employee Directors, the sum of any cash compensation received by any individual for service as a Non-Employee Director and the grant date fair value (determined in accordance with U.S. generally accepted accounting principles) of all Awards granted to such individual Non-Employee Director for service in such capacity shall not exceed \$600,000 in any calendar year (the “Non-Employee Director Limit”).

**13. Investment Purpose.** If the Committee, in its Discretion, determines that as a matter of law such procedure is or may be desirable, it may require a Participant, upon any acquisition of Common Stock hereunder and as a condition to the Corporation’s obligation to deliver certificates representing such shares, to execute and deliver to the Corporation a written statement in form satisfactory to the Committee, representing and warranting that the Participant’s acquisition of shares of Common Stock shall be for such Person’s own account, for investment and not with a view to the resale or distribution thereof and that any subsequent offer for sale or sale of any such shares shall be made either pursuant to (a) a registration statement on an appropriate form under the Securities Act, which registration statement has become effective and is current with respect to the shares being offered and sold, or (b) a specific exemption from the registration requirements of the Securities Act, but in claiming such exemption the Participant shall, prior to any offer for sale or sale of such shares, obtain a favorable written opinion from counsel for or approved by the Corporation as to the availability of such exemption. The Corporation may endorse an appropriate legend referring to the foregoing restriction upon the certificate or certificates representing any shares issued or transferred to the Participant under this Plan.

**14. No Rights to Continued Employment or Service.** Nothing contained in this Plan or in any Award granted pursuant to this Plan, nor any action taken by the Committee hereunder, shall confer upon any Participant any right with respect to continuation of employment or service as an employee, consultant, advisor or Director of the Corporation or a Subsidiary nor interfere in any way with the right of the Corporation or a Subsidiary to terminate such Person’s employment or service at any time with or without Cause. Unless determined otherwise by the Committee, for purposes of this Plan and all Awards, (a) a Participant who transfers employment between the Corporation and its Subsidiaries, or between Subsidiaries, will not be considered to have ended employment; and (b) a Participant employed by a Subsidiary will be considered to have ended employment when such entity ceases to be a Subsidiary.

**15. General Provisions Applicable to Awards.**

(a) *Minimum Vesting.* Notwithstanding any other provision of this Plan to the contrary and subject to the immediately following proviso, any Awards that settle in shares of Common Stock (excluding, for this purpose, any (i) Substitute Awards and (ii) shares delivered in lieu of fully vested cash-denominated obligations) granted under this Plan shall vest no earlier than the first anniversary of the date the Award is granted; provided, however, that the Committee may grant Awards without regard to the foregoing minimum vesting requirement with respect to a maximum of five percent of the shares of Common Stock subject to the Share Limit, as adjusted pursuant to Paragraph 5(e). For purposes of Awards to Non-Employee Directors, such Award will be deemed to vest no earlier than the first anniversary of the date of grant of the Award if such Award vests on the earlier of (A) the date of the next annual meeting of shareholders (which date is at least 50 weeks after the immediately preceding year’s annual meeting of shareholders) and (B) the first anniversary of the date of grant. For the avoidance of doubt, this Paragraph 15(a) shall not be construed to limit the Committee’s Discretion to provide for accelerated exercisability or vesting of an Award, or deem an Award to be earned, including in cases of death, Disability, retirement, termination without Cause or a Change in Control.

(b) *Transferability; Exercisability.* Notwithstanding any other provision of this Plan to the contrary, no Award (other than Unrestricted Stock), and no right under any such Award, shall be assignable, alienable, saleable, pledged, hypothecated, encumbered or transferable by a Participant otherwise than by will or by the laws of descent and distribution, unless and to the extent the Committee uses its Discretion

to allow a Participant to: (i) designate in writing a beneficiary to exercise the Award after the Participant's death; or (ii) transfer an Award, provided that, unless approved by shareholders, in no event shall any Award be transferable for consideration or any Stock Option or Stock Appreciation Right (either granted independently or in tandem) be transferable to third-party financial institutions. Each Award, and each right under any Award, shall be exercisable during the lifetime of the Participant only by such individual or, if permissible under applicable law, by such individual's guardian or legal representative.

(c) *Effect of Termination of Employment or Service.* The Committee shall have the Discretion to determine and set forth in the Award Agreement, at the time an Award is made to a Participant or any time thereafter, the effect on the Award of the termination of the Participant's employment or service with the Corporation and its Subsidiaries; provided, that if the Participant has in effect an employment, offer letter, retention, change in control, severance or similar agreement with the Corporation or any Subsidiary that determines the effect of such termination event on the Participant's Awards, then such agreement shall take precedence over the terms of any Award Agreement.

(d) *Deferral.* In its Discretion and subject to such terms and conditions as it may impose, the Committee may permit a Participant to elect to defer receipt of shares issuable pursuant to any Award to a time later than the time the cash or shares otherwise would be issued to the Participant; provided, that such deferral election complies with rules adopted by the Committee, which comply with, or are exempt from, the requirements of Section 409A of the Code. In such event, the Committee may, in its Discretion, provide for the payment by the Corporation of an additional amount representing interest at a reasonable rate or the actual rate of return on one or more predetermined specific investments, as determined by the Committee.

(e) *Clawback or Recoupment Policies.* Any Awards granted under this Plan and any amounts or benefits arising from such Awards, including but not limited to shares of Common Stock issued or cash paid pursuant to such Awards (including any dividends or distributions) or proceeds realized by the Participant (on a pre-tax basis) due to the sale or other transfer of shares of Common Stock issued pursuant to such Awards shall be subject to (i) any recoupment, clawback, equity holding, stock ownership or similar policies adopted by the Corporation from time to time and (ii) recoupment, clawback, equity holding, stock ownership or similar requirements law, regulation or listing standards applicable to the Corporation from time to time.

(f) *Offset.* Subject to compliance with applicable law, the Corporation shall have the right to offset, from any amount payable or shares deliverable hereunder, any amount that the Participant owes to the Corporation or any Subsidiary without the consent of the Participant or any individual with a right to the Participant's Award.

(g) *Dividends, Distributions and Equivalents.*

(i) *Stock Options and Stock Appreciation Rights.* Prior to such issuance of shares of Common Stock in respect of Stock Options and Stock Appreciation Rights, no adjustment shall be made for dividends, distributions or other rights in respect of such shares, except as provided in Paragraph 5(e). For the avoidance of doubt, subject to Paragraph 5(e), the Committee shall not grant payments of shares or cash in connection with Stock Options and Stock Appreciation Rights that are equivalent to dividends declared and paid (i.e. dividend equivalents) on the shares of Common Stock underlying the Stock Options and Stock Appreciation Rights.

(ii) *Restricted Stock and Other Stock-Based Awards.* A Participant may be provided all of the rights of a shareholder in respect of shares of Restricted Stock and Other Stock-Based Awards, including the right to receive dividends and distributions, if any.

(iii) *Restricted Stock Units, Performance Stock and Performance Stock Units.* The Committee, in its Discretion, may provide that Restricted Stock Units, Performance Stock and Performance Stock Units shall earn dividend and distribution equivalents equal to the amount of dividends and distributions, if any, that are paid on that number of shares with respect to which such Awards are granted (subject to such terms, conditions, limitations and restrictions as the Committee may establish).

(iv) *Restrictions on and Payments of Dividends, Distributions and Equivalents.* Any dividends and distributions, or dividend and distribution equivalents, if any, shall be subject to the restrictions applicable to the original Award and, if any such dividends and distributions are paid in cash, such dividends and distributions shall be accumulated during the Restricted Period and performance period, if any (without interest), and (A) paid if and when, and only to the extent that, the applicable Award is earned and/or vested or (B) forfeited, if and when, and to the extent that, the applicable Award is forfeited prior to earning and/or vesting. Any dividend and distribution equivalent rights shall be paid in a manner that either complies with, or is exempt from, Section 409A of the Code.

(h) *Delayed Settlement.* Notwithstanding anything to the contrary herein, in the event that (i) the Participant is subject to the Corporation's insider trading policy or any similar policy, including any policy permitting specified Participants to sell Common Stock only during certain "window periods", in effect from time to time (collectively, the "**Trading Policy**") or the Participant is otherwise prohibited from selling Common Stock in the public market (including Nasdaq or other national securities exchange on which the Common Stock is then listed), and any Common Stock underlying the Awards are scheduled to be delivered on a settlement date (the "**Original Settlement Date**") that (A) does not occur during an open "window period" applicable to the Participant or on a day on which the Participant, which has a written plan in effect that meets the requirements of Rule 10b5-1 under the Exchange Act relating to such Awards, is permitted to sell Common Stock underlying the vested Awards pursuant to such written plan, as determined by the Corporation in accordance with the Trading Policy, as applicable, or (B) does not occur on a date when the Participant is otherwise permitted to sell Common Stock in the public market, and (ii) the Corporation does not satisfy the Participant's tax withholding obligations by withholding Common Stock from the Participant's distribution, then such Common Stock shall not be delivered on such Original Settlement Date and shall instead be delivered, as applicable, on (x) on or promptly after the first business day of the next occurring open "window period" applicable to the Participant pursuant to the Trading Policy, or (y) on or promptly after the next business day on which the Participant is not otherwise prohibited from selling Common Stock in such public market, but in no event later than March 15th of year following the year in which the Awards vest.

**16. Change in Control.** Notwithstanding any other provision of this Plan or any provision of an Award Agreement, in the event the Committee determines that there has been or will be a Change in Control of the Corporation, the Committee may, without the consent of the Participant, provide for any treatment of outstanding Awards that it determines, in its Discretion, to be appropriate; provided, that if the Participant has in effect an employment, offer letter, retention, change in control, severance or similar agreement with the Corporation or any Subsidiary that determines the effect of Change in Control on the Participant's Awards, then such agreement shall take precedence over the terms of the Award Agreement. Such treatment may (but not automatically) include, without limitation, acceleration of vesting of Stock Options and Stock Appreciation Rights, release of restrictions applicable to Restricted Stock or Restricted Stock Units, or deeming Performance Stock, Performance Stock Units or other performance-based Awards to have been earned.

**17. Prohibition on Repricing.** Except in connection with a corporate transaction involving the Corporation (including, without limitation, any stock dividend, stock split, extraordinary cash dividend, recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination, or exchange of shares), the Committee may not, without shareholder approval, (a) amend the terms of outstanding Stock Options or Stock Appreciation Rights to reduce the exercise price or strike price, respectively, (b) cancel any outstanding Stock Options or Stock Appreciation Rights in exchange for other Stock Options or Stock Appreciation Rights with an exercise price or strike price that is less than the exercise price or strike price of the original Stock Options or Stock Appreciation Rights, respectively, (c) cancel any outstanding Stock Options or Stock Appreciation Rights with an exercise price or strike price above the current Fair Market Value of a share of Common Stock in exchange for cash or another Award, or (d) take any other action that would be treated as a repricing under the rules of Nasdaq.

**18. Tax Matters.**

(a) *Withholding Payments.* If, upon the grant, exercise, release of restrictions or settlement of or in respect of an Award, or upon any other event or transaction under or relating to this Plan, there shall be payable by the Corporation or a Subsidiary any amount for income or employment tax withholding, in the Committee's Discretion, either the Corporation shall appropriately reduce the amount of Common Stock, cash or other property to be paid to the Participant or the Participant shall pay such amount to the Corporation or Subsidiary to enable it to pay or to reimburse it for paying such income or employment tax withholding. The Committee may, in its Discretion, permit Participants to satisfy such withholding obligations, in whole or in part, by (i) electing to 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) electing to have the amount of Common Stock delivered or deliverable by the Corporation in respect of an Award appropriately reduced, (iii) electing to tender Common Stock back to the Corporation subsequent to receipt of such Common Stock in respect of an Award or (iv) in the case of a Regulation T Stock Option Exercise, irrevocably instructing a stock broker to promptly deliver to the Corporation an amount (in addition to the Stock Option exercise price) equal to any withholding tax owing in respect of such Stock Option exercise from the proceeds of the stock broker's sale of or loan against some or all of the shares. The Corporation or any of its Subsidiaries also shall have the right to (A) withhold the amount of such taxes from any other sums or property due or to become due from the Corporation or any of its Subsidiaries to the Participant upon such terms and conditions as the Committee shall prescribe or (B) defer issuance of Common Stock under this Plan until payment by the Participant to the Corporation or any of its Subsidiaries of the amount of any such tax. The amount withheld by the Corporation may not exceed the Participant's total maximum statutory tax withholding obligations associated with the transaction.

(b) *Section 409A of the Code.* It is intended that Awards granted under this Plan either be exempt from, or comply with, the requirements of Section 409A of the Code and the guidance and regulations issued thereunder and, accordingly, to the maximum extent permitted, this Plan and the Award Agreements shall be interpreted consistent with such intent. In the event that any Award is subject to but fails to comply with Section 409A of the Code, the Corporation may revise the terms of the Award to correct such noncompliance to the extent permitted under any guidance, procedure or other method promulgated by the Internal Revenue Service now or in the future or otherwise available that provides for such correction as a means to avoid or mitigate any taxes, interest or penalties that would otherwise be incurred by the Participant on account of such noncompliance; provided, however, that in no event whatsoever shall the Corporation be liable for any additional tax, interest or penalty imposed upon or other detriment suffered by a Participant under Code Section 409A or damages for failing to comply with Section 409A of the Code. Notwithstanding anything to the contrary contained herein or in any Award Agreement, the payment or settlement of any 409A Award that would otherwise be payable or distributable upon the occurrence of a Change in Control, the Participant's Disability or termination of employment or service, shall not be payable or distributable to the Participant by reason of such circumstance unless (i) the circumstances giving rise to such event also constitutes a change in control within the meaning of Treas. Reg. §1.409A-3(i)(5), a disability within the meaning of Treas. Reg. §1.409A-3(i)(4), or a "separation from service" within

the meaning of Treas. Reg. §1.409A-1(h), respectively, or (ii) the payment or distribution of such amount or benefit would be exempt from the application of Section 409A of the Code by reason of the short-term deferral exemption or otherwise. This provision does not prohibit the vesting of any Award. If this provision prevents the payment or distribution of any amount or benefit, such payment or distribution shall be made on the next earliest payment or distribution date or event specified in the Award Agreement that is permissible under Section 409A of the Code. Notwithstanding anything else to the contrary in this Plan, to the extent that a Participant is a “specified employee” (as determined in accordance with the requirements of Section 409A of the Code), no payment on account of a Participant’s separation from service (determined in accordance with Treas. Reg. §1.409A-1(h)) in settlement of a 409A Award may be made before the date which is six months after such Participant’s date of separation from service, or, if earlier, the date of the Participant’s death.

(c) *No Guarantee of Tax Treatment.* Notwithstanding any provisions of this Plan, the Corporation does not guarantee to any Participant or any other Person with an interest in an Award that (i) any Award intended to be exempt from Section 409A of the Code shall be so exempt, (ii) any Award intended to comply with Section 409A of the Code or Section 422 of the Code shall so comply, or (iii) any Award shall otherwise receive a specific tax treatment under any other applicable tax law, nor in any such case will the Corporation or any Subsidiary indemnify, defend or hold harmless any individual with respect to the tax consequences of any Award.

(d) *Participant Responsibilities.* If a Participant shall dispose of shares of Common Stock acquired through exercise of an Incentive Option within either (i) two years after the date the Stock Option is granted or (ii) one year after the date the Stock Option is exercised (i.e., in a disqualifying disposition), such Participant shall notify the Corporation within seven days of the date of such disqualifying disposition. In addition, if a Participant elects, under Section 83(b) of the Code, to be taxed at the time an Award of Restricted Stock (or other property subject to such Code section) is made, rather than at the time the Award vests, such Participant shall notify the Corporation within seven days of the date the Participant makes such an election.

**19. Foreign Participation.** To assure the viability of Awards granted to Participants employed or residing in foreign countries, the Committee may provide for such special terms as it may consider necessary or appropriate to accommodate differences in local law, tax policy or custom. Moreover, the Committee may approve such supplements to, or amendments, restatements or alternative versions of, this Plan as it determines is necessary or appropriate for such purposes. Any such amendment, restatement or alternative versions that the Committee approves for purposes of using this Plan in a foreign country will not affect the terms of this Plan for any other country. In addition, all such supplements, amendments, restatements or alternative versions must comply with the provisions of Paragraph 21.

In addition, if an Award is held by a Participant who is employed or residing in a foreign country and the amount payable or shares of Common Stock issuable under such Award would be taxable to the Participant under Section 457A of the Code in the year such Award is no longer subject to a substantial risk of forfeiture, then the amount payable or shares of Common Stock issuable under such Award shall be paid or issued to the Participant as soon as practicable after such substantial risk of forfeiture lapses (or, for Awards that are not considered nonqualified deferred compensation subject to Section 409A of the Code, no later than the end of the short-term deferral period permitted by Section 457A of the Code) notwithstanding anything in this Plan or the Award Agreement to contrary.

**20. Effectiveness of Plan.** This Plan shall be effective May 18, 2023 (the “Effective Date”), provided that the Corporation’s shareholders approve this Plan at the annual meeting of shareholders on such date. Awards may not be granted under this Plan prior to shareholder approval of this Plan.

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**21. Termination, Duration and Amendments of Plan.** This Plan may be abandoned or terminated at any time by the Board or Committee. Unless sooner terminated by the Board or Committee, this Plan shall terminate on the date 10 years after its approval by the Corporation's shareholders, and no Awards may be granted thereafter. The termination of this Plan shall not affect the validity of any Award outstanding on the date of termination.

For the purpose of conforming to any changes in applicable law or governmental regulations, or for any other lawful purpose, the Board or Committee shall have the right, without approval of the shareholders of the Corporation, to amend or revise the terms of this Plan at any time; provided however, that no such amendment or revision shall (i) with respect to this Plan, increase the Share Limit or with respect to which Awards may be made to individual Participants (subject in each case, however, to the provisions of Paragraph 5), materially change the class of Persons eligible to be Participants under this Plan, materially increase the benefits accruing to Participants under this Plan, or increase the Non-Employee Director Limit contained in Paragraph 12 without approval or ratification of the shareholders of the Corporation; or (ii) with respect to an Award previously granted under this Plan, materially adversely affect the rights of any affected Participant under any such Award without the consent of such Participant, except (A) as otherwise specifically provided in this Plan or an Award Agreement, (B) to the extent any such amendment or revision is made to cause this Plan to comply with applicable law, Nasdaq rules and regulations or accounting or tax rules and regulations or (C) to the extent any such amendment or revision imposes any clawback or recoupment provisions with respect to any Awards (including any amounts or benefits arising from such Awards) adopted by the Corporation from time to time.

## **22. General.**

(a) *Compliance with Law.* The granting of Awards and the issuance of shares of Common Stock hereunder shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies as may be required. No shares of Common Stock shall be issued or transferred pursuant to this Plan unless and until all legal requirements applicable to such issuance or transfer have, in the opinion of counsel to the Corporation, been complied with. In connection with any such issuance or transfer, the Person acquiring the shares shall, if requested by the Corporation, give assurances satisfactory to counsel to the Corporation in respect to such matters as the Corporation may deem desirable to assure compliance with all applicable legal requirements.

(b) *Awards Outside of this Plan.* Neither the adoption of this Plan nor the submission of this Plan to the Corporation's shareholders for approval shall be construed as creating any limitations upon the right and authority of the Board to adopt such other incentive compensation arrangements (which arrangements may be applicable either generally to a class or classes of individuals or specifically to a particular individual or particular individuals) as the Board in its discretion determines desirable.

(c) *Other Benefit Plans or Arrangements.* Payments and other benefits received by a Participant under an Award made pursuant to this Plan shall not be deemed a part of Participant's compensation for purposes of determining the Participant's benefits under any other benefit plans or arrangements provided by the Corporation or any affiliate, except where the Committee expressly provides otherwise in writing. Notwithstanding any other provision of this Plan or of any other agreement, contract, or understanding heretofore or hereafter entered into by a Participant with the Corporation or any affiliate, except an agreement, contract, or understanding hereafter entered into that expressly modifies or excludes application of this paragraph (an "Other Agreement"), and notwithstanding any formal or informal plan or other arrangement for the direct or indirect provision of compensation to the Participant (including groups or classes of Participants or beneficiaries of which the Participant is a member), whether or not such compensation is deferred, is in cash, or is in the form of a benefit to or for the Participant (a "Benefit Arrangement"), if the Participant is a "disqualified individual," as defined in Section 280G(c) of the Code,

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any Awards hereunder held by that Participant and any right to receive any payment or other benefit under this Plan shall not become exercisable or vested (i) to the extent that such right to exercise, vesting, payment, or benefit, taking into account all other rights, payments, or benefits to or for the Participant under this Plan, all Other Agreements, and all Benefit Arrangements, would cause any payment or benefit to the Participant under this Plan to be considered a “parachute payment” within the meaning of Section 280G(b)(2) of the Code as then in effect (a “Parachute Payment”) and (ii) if, as a result of receiving a Parachute Payment, the aggregate after-tax amounts received by the Participant from the Corporation under this Plan, all Other Agreements, and all Benefit Arrangements would be less than the maximum after-tax amount that could be received by the Participant without causing any such payment or benefit to be considered a Parachute Payment. In the event that the receipt of any such right to exercise, vesting, payment, or benefit under this Plan, in conjunction with all other rights, payments, or benefits to or for the Participant under any Other Agreement or any Benefit Arrangement would cause the Participant to be considered to have received a Parachute Payment under this Plan that would have the effect of decreasing the after-tax amount received by the Participant as described in clause (ii) of the preceding sentence, then the Participant shall have the right, in the Participant’s sole discretion, to designate those rights, payments, or benefits under this Plan, any Other Agreements, and any Benefit Arrangements that should be reduced or eliminated so as to avoid having the payment or benefit to the Participant under this Plan be deemed to be a Parachute Payment, provided that any such payment or benefit that is excluded from the coverage of Section 409A of the Code shall be reduced or eliminated prior to the reduction or elimination of any benefit that is related to a 409A Award.

(d) *Creditor Claims.* The interests of any Participant under this Plan or any Award shall not be subject to the claims of creditors and may not, in any way, be assigned, alienated, or encumbered.

(e) *Governing Law.* This Plan, and all Awards made pursuant hereto, shall be governed, construed, and administered in accordance with and governed by the laws of the State of Michigan (regardless of the laws that might otherwise govern under applicable principles of choice of law or conflicts of laws of such jurisdiction or any other jurisdiction that would cause the application of the laws of any jurisdiction other than the State of Michigan).

(f) *Rule 16b-3 Under the Exchange Act.* It is the intent of the Corporation that Awards and transactions permitted by Awards be interpreted in a manner that, in the case of Participants who are or may be subject to Section 16 of the Exchange Act, qualify, to the maximum extent compatible with the express terms of the Awards, for the exemption from liability provided in Rule 16b-3 promulgated under the Exchange Act. The Corporation shall have no liability to any Participant or other person for Section 16 consequences of Awards or events in connection with Awards if an Award or related event does not so qualify.

(g) *Successor Rules.* References in this Plan to any law, rule or regulation shall include a reference to any corresponding rule (or number redesignation) of any amendments or restatements to such law, rule or regulation adopted after the Effective Date.

(h) *Headings.* Headings are given to the paragraphs and subparagraphs of this Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Plan or any provision thereof.

(i) *Authority of Corporation.* Nothing contained in this Plan shall be construed to limit the authority of the Corporation to exercise its corporate rights and powers.

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(j) *Severability*. If any provision of this Plan or any Award Agreement or any Award (i) is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction, or as to any person or Award, or (ii) would disqualify this Plan, any Award Agreement or any Award under any law the Committee deems applicable, then such provision should be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Committee, materially altering the intent of this Plan, Award Agreement or Award, then such provision should be stricken as to such jurisdiction, person or Award, and the remainder of this Plan, such Award Agreement and such Award will remain in full force and effect.

(k) *Entire Agreement*. This document is a complete statement of this Plan.

\* \* \*

**As approved by the Board of Directors of the Corporation on March 27, 2023**

**As approved by the shareholders of the Corporation on May 18, 2023.**

**GENTHERM INCORPORATED  
2023 EQUITY INCENTIVE PLAN**

**PERFORMANCE STOCK UNIT AWARD AGREEMENT**

Gentherm Incorporated, a Michigan corporation (the "**Corporation**"), as permitted by and pursuant to the terms and conditions of the Gentherm Incorporated 2023 Equity Incentive Plan, as amended (the "**Plan**"), and on behalf of the Participant's employing legal entity, hereby grants to the individual listed below (the "**Participant**") an award of Performance Stock Units ("**PSUs**") as described herein, subject to the terms and conditions of the Plan and this Performance 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 PSU AWARD.**

Participant:  \_\_\_\_\_

Grant Date:  \_\_\_\_\_

Number of Target PSUs in Award:  \_\_\_\_\_

**2. GRANT OF PSU AWARD.** The Corporation hereby grants to the Participant, as of the Grant Date, the number of target PSUs set forth in the table above. By clicking the "ACCEPT" button, the Participant agrees to the following: "***This electronic contract contains my electronic signature, which I have executed with the intent to sign this Agreement.***"

**3. DETERMINATION DATE; VESTING.**

**(a) Determination Date.** Whether and the extent to which the PSUs are earned with respect to a specific performance goal shall be determined by the Committee within 45 days following the calculation of the achievement of such performance goal set forth in **Exhibit A** to this Agreement (based on the methodology set forth therein and in the Plan), such calculation to be finalized as appropriate by the Chief Financial Officer (or person having similar duties) using, if applicable, the financial results audited by the Corporation's independent registered public accounting firm (the "**Determination Date**"); provided, that the Administrator may establish a different Determination Date for each performance goal set forth in **Exhibit A** to this Agreement.

**(b) Vesting.** Except as otherwise provided in this Agreement, the earned PSUs shall become vested on the later of the Determination Date or the third anniversary of the Grant Date (the "**Normal Vesting Date**") if the Participant remains continuously employed on a full-time basis with the Corporation or its Subsidiaries from the Grant Date until the Normal Vesting Date.

**4. QUALIFYING TERMINATION PRIOR TO NORMAL VESTING DATE.** Notwithstanding Section 3 hereof but subject to the notice and release requirements set forth below in this Section 4, if there is a termination of employment due to the Participant's death or Disability prior to the Normal Vesting Date, then then target PSUs shall become vested as of the date of the Participant's termination of employment. The vesting of unvested PSUs 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, and termination of employment with, the Corporation and its Subsidiaries, in consideration for the receipt and vesting of the target PSUs. Any PSUs 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 the Participant's termination of employment.

**5. CHANGE IN CONTROL.** Notwithstanding Section 3 hereof but subject to the notice and release requirements set forth below in this Section 5, if there is a Change in Control of the Corporation prior to the Normal Vesting Date, the number of PSUs that shall vest will be calculated based on actual performance through the Change in Control for PSUs subject to a stock price or total shareholder return performance measure, and shall be the target PSUs for PSUs subject to any other performance measure, including the financial performance of the Corporation (the "**CIC-Earned PSUs**"). The CIC-Earned PSUs shall become vested on the earlier of (a) third anniversary of the Grant Date and (b) if the Participant's employment is terminated by the Corporation or a Subsidiary (or a successor thereof) without Cause or by the Participant for Good Reason within three months prior to or any time after the Change in Control, the date of termination of employment. The vesting of unvested PSUs under this Section 5 is conditioned upon the Participant 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 (including any successor thereof) from any claim arising from the Participant's employment by, and termination of employment with, the Corporation and its Subsidiaries (including any successor thereof), in consideration for the receipt and vesting of the PSUs. Any PSUs that would have otherwise vested under this Section 5 shall be forfeited if the general release does not become effective and irrevocable on or before the 30th day following the Participant's termination of employment.

"Good Reason" means in respect of the Corporation and the Subsidiaries and without the Participant's consent: (i) the occurrence of a material diminution in the Participant's authority, duties, or responsibilities (other than temporarily while the Participant is physically or mentally incapacitated or as required by applicable law); (ii) a material adverse change in the reporting structure applicable to the Participant; (iii) a relocation of the Participant's principal place of employment by more than 50 miles, provided that a change in Participant's hybrid working arrangement shall not constitute a relocation for purposes of this definition; or (iv) a material reduction in the Participant's aggregate base salary and target bonus (other than a general reduction that affects all similarly situated executives in substantially the same proportions); provided, however, that the Participant shall be considered to have terminated employment for Good Reason only if (A) the Participant provides notice to the Corporation of the event or condition meeting the foregoing definition of Good Reason within 30 days after the initial occurrence of such event or condition, (B) the Corporation or the applicable Subsidiary fails to correct such event or condition within 30 days of receiving notice thereof from the Participant, and (C) the Participant terminates employment with the Corporation and the Subsidiaries within 30 days after the expiration of such correction period. Notwithstanding the foregoing, if the Participant and the Corporation or any Subsidiary have entered into an employment, offer letter, retention, change in control, severance or other similar agreement that specifically defines "Good Reason," then with respect to the Participant, "Good Reason" shall have the meaning defined in such agreement.

**6. FORFEITURE.** Upon the Participant's termination of employment with the Corporation and its Subsidiaries for any reason prior to the Normal Vesting Date, any PSUs that do not become vested upon such employment termination in accordance with the terms of this Agreement (including Sections 4 and 5 hereof) shall be immediately canceled and forfeited for no consideration as of the Participant's termination of employment. Any PSUs 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. Notwithstanding anything to the contrary contained herein, the Committee may, in its Discretion, accelerate the vesting of all or a portion of the PSUs subject to this Award as of or prior to any cancellation or forfeiture thereof.

**7. SETTLEMENT OF PSUS.** Subject to the withholding tax provisions of Section 11 hereof and Section 15(h) of the Plan, within 45 days after the date upon which an PSU becomes vested in accordance with the terms of this Agreement, the Corporation shall issue or transfer to the Participant stock certificates or, if applicable, book-entry registration, one share of Common Stock per each vested PSU; provided, however, if PSUs vest in accordance with Section 5 hereof, the Corporation (or a successor thereto) shall issue or transfer to the Participant such shares of Common Stock or common stock of the successor having approximately equivalent value (and references herein to Common Stock issued on vesting shall include such successor common stock, if applicable), or the cash equivalent of such shares of Common Stock or common stock if neither security is listed on a U.S. national securities exchange (including Nasdaq or the New York Stock Exchange).

**8. RIGHTS AS SHAREHOLDER.** Until and if shares of Common Stock are issued in settlement of vested PSUs, the Participant shall not have any rights of a shareholder (including voting and dividend rights) in respect of the Common Stock underlying the PSUs; provided, however, the Committee, in its sole Discretion, shall pay unvested RSUs with dividend or distribution equivalents equal to the amount of dividends and distributions, if any, that are paid on that number of shares with respect to the RSUs granted hereunder, in accordance with Section 15(g)(iv) of the Plan and any other conditions, limitations and other restrictions determined by the Committee.

**9. ADJUSTMENTS.**

(a) In the event of any stock dividend, stock split, recapitalization, merger, consolidation, split up, spin-off, combinations, exchange of shares or reorganization of or by the Corporation affecting this Award, the rights of the Participant will be adjusted as provided in Section 5(e) of the Plan.

(b) Notwithstanding the achievement of performance goals underlying the PSUs, all PSUs are subject to reduction or elimination by the Committee prior to settlement if such performance goals are achieved in ways that are considered not in the best interests of the Corporation's shareholders or not authorized by the Board or management.

**10. NON-TRANSFERABILITY OF AWARD.** Without the express written consent of the Committee, which may be withheld for any reason in its sole Discretion, neither the PSUs nor any interest in the PSUs may be assignable, alienable, saleable, pledged, hypothecated, encumbered or transferable by the Participant, except for a transfer by will or by the laws of descent and distribution as a result of the death of the Participant; provided that, unless approved by shareholders, in no event shall any Award be transferable for consideration. 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 PSUs 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 PSUs, and the Corporation may make any arrangements it deems appropriate to ensure payment of any such tax by the Participant. The Committee may, in its Discretion, permit the Participant to satisfy such withholding obligations in accordance with Section 18(a) of the Plan.

**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 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 13 and 14 of the Plan pertaining to the limitations on 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 governed, construed, and administered in accordance with and governed by the laws of the State of Michigan (regardless of the laws that might otherwise govern under applicable principles of choice of law or conflicts of laws of such jurisdiction or any other jurisdiction that would cause the application of the laws of any jurisdiction other than the State of Michigan).

**16. DATA PRIVACY NOTICE.** The Participant hereby acknowledges that the collection, use and transfer, in electronic or other form, of the Participant's personal data as described in this Agreement and any other PSU grant materials by the Corporation (and its Subsidiaries) is necessary for the purpose of implementing, administering and managing the Participant's participation in the Plan. 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.

The Participant understands that the Corporation and its Subsidiaries may hold certain personal information about the Participant, including, but not limited to, the Participant's name, home address and telephone number, email address, date of birth, social insurance, passport or other identification number (e.g., resident registration number), salary, nationality, job title, details of all PSUs or any other entitlement to shares of Common Stock awarded, canceled, exercised, vested, unvested or outstanding in the Participant's favor ("**Data**"), for the purpose of implementing, administering and managing the Plan.

The Participant understands that Data will be transferred to Merrill Lynch, Pierce, Fenner & Smith Inc., and its related companies ("**Merrill Lynch**") or any stock plan service provider as may be selected by the Corporation in the future, which is assisting the Corporation with the implementation, administration and management of the Plan. Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country of operation (e.g., the United States) may have different data privacy laws and protections than the Participant's country. The Participant understands that if he or she resides outside the United States, he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. The Corporation, Merrill Lynch, any other stock plan service provider selected by the Corporation and any other possible recipients that may assist the Corporation (presently or in the future) with implementing, administering and managing the Plan may receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing his or her participation in the Plan. The Participant understands that Data will be held only as long as is necessary to implement, administer and manage the Participant's participation in the Plan plus any required period thereafter for purposes of complying with data retention policies and procedures. The Participant understands that based on where s/he resides, s/he may have additional rights with respect to personal data collected, used or transferred in connection with this Agreement or any other PSU grant materials by the Corporation (and its Subsidiaries), and the Participant may contact in writing his or her local human resources representative.

**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. 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 PSUs 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 PSUs 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.

**21. RESTRICTIVE COVENANTS; COMPENSATION RECOVERY; OTHER POLICIES.** By signing this Agreement, the Participant acknowledges and agrees that this Award or any Award previously granted to the 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.

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By signing this Agreement, the Participant also acknowledges and agrees that any Award previously granted to the Participant by the Corporation (under this Plan or any other current or prior equity plan of the Corporation), including the Restricted Stock subject to this Award, and any amounts or benefits arising from such Awards, including but not limited to shares of Common Stock issued or cash paid pursuant to such Awards (including any dividends or distributions) or proceeds realized by the Participant (on a pre-tax basis) due to the sale or other transfer of shares of Common Stock issued pursuant to such Awards shall be subject to (i) any recoupment, clawback, equity holding, stock ownership or similar policies adopted and amended by the Corporation from time to time and (ii) recoupment, clawback, equity holding, stock ownership or similar requirements law, regulation or listing standards applicable to the Corporation from time to time. The remedies under such policy are in addition, and are in no way limiting, to the remedies of the recoupment provision set forth above.

**22. 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: \_\_\_\_\_  
\_\_\_\_\_

**THE PARTICIPANT ACKNOWLEDGES AND AGREES THAT NOTHING IN THIS PERFORMANCE STOCK UNIT AWARD AGREEMENT, NOR IN THE CORPORATION'S 2023 EQUITY INCENTIVE PLAN, AS AMENDED, WHICH IS INCORPORATED INTO THIS AGREEMENT BY REFERENCE, CONFERS ON THE 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 THE PARTICIPANT'S RIGHT OR THE CORPORATION'S RIGHT TO TERMINATE THE 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, THE PARTICIPANT ACKNOWLEDGES RECEIPT OF A COPY OF THE PLAN AND REPRESENTS THAT THE PARTICIPANT IS FAMILIAR WITH THE TERMS AND PROVISIONS OF THE PLAN. THE PARTICIPANT ACCEPTS THE PSUS SUBJECT TO ALL OF THE TERMS AND PROVISIONS OF THIS AGREEMENT. THE PARTICIPANT HAS REVIEWED THE PLAN AND THIS AGREEMENT IN THEIR ENTIRETY. THE 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: [NAME OF THE PARTICIPANT]

Dated: \_\_\_\_\_  
\_\_\_\_\_

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**Exhibit A**

**Determination of Performance Goals and Earned PSUs**

**GENTHERM INCORPORATED  
2023 EQUITY INCENTIVE PLAN**

**RESTRICTED STOCK UNIT AWARD AGREEMENT**

Gentherm Incorporated, a Michigan corporation (the “*Corporation*”), as permitted by and pursuant to the terms and conditions of the Gentherm Incorporated 2023 Equity Incentive Plan, as amended (the “*Plan*”), and on behalf of the Participant’s employing legal entity, hereby grants to the individual listed below (the “*Participant*”), an award of Restricted Stock Units (“*RSUs*”) 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 RSU AWARD.**

**Participant:** \_\_\_\_\_  
**Grant Date:** \_\_\_\_\_  
**Number of RSUs in Award:** \_\_\_\_\_

**2. GRANT OF RSU AWARD.** The Corporation hereby grants to the Participant, as of the Grant Date, the number of RSUs set forth in the table above. By clicking the “ACCEPT” button, the Participant agrees to the following: “*This electronic contract contains my electronic signature, which I have executed with the intent to sign this Agreement.*”

**3. VESTING.** 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 vest 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 the applicable Normal Vesting Date:

<u>Anniversary of Grant Date (each, a “Normal Vesting Date”)</u>	<u>RSUs Vested on Normal Vesting Date</u>
First	One-third
Second	One-third
Third	One-third

**4. QUALIFYING TERMINATION PRIOR TO ANY NORMAL VESTING DATE.** Notwithstanding Section 3 hereof but subject to the notice and release requirements set forth below in this Section 4, if there is a termination of employment due to the Participant’s death or Disability prior to any Normal Vesting Date, then any unvested RSUs shall become vested as of the date of the Participant’s termination of employment. 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, and termination of employment with, the Corporation and 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 the Participant’s termination of employment.

**5. CHANGE IN CONTROL.** Notwithstanding Section 3 hereof but subject to the notice and release requirements set forth below in this Section 5, if there is a Change in Control prior to any Normal Vesting Date, and if within three months prior to or 12 months after the Change in Control, the Participant's employment is terminated by the Corporation or a Subsidiary (or a successor thereof) without Cause or by the Participant for Good Reason, any unvested RSUs at the time of such termination of employment shall become vested upon such termination of employment. The vesting of unvested PSUs under this Section 5 is conditioned upon the Participant 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 (including any successor thereof) from any claim arising from the Participant's employment by, and termination of employment with, the Corporation and its Subsidiaries (including any successor thereof), in consideration for the receipt and vesting of the PSUs. Any PSUs that would have otherwise vested under this Section 5 shall be forfeited if the general release does not become effective and irrevocable on or before the 30th day following the Participant's termination of employment.

"Good Reason" means in respect of the Corporation and the Subsidiaries and without the Participant's consent: (i) the occurrence of a material diminution in the Participant's authority, duties, or responsibilities (other than temporarily while the Participant is physically or mentally incapacitated or as required by applicable law); (ii) a material adverse change in the reporting structure applicable to the Participant, provided that a change in Participant's hybrid working arrangement shall not constitute a relocation for purposes of this definition; (iii) a relocation of the Participant's principal place of employment by more than 50 miles; or (iv) a material reduction in the Participant's aggregate base salary and target bonus (other than a general reduction that affects all similarly situated executives in substantially the same proportions); provided, however, that the Participant shall be considered to have terminated employment for Good Reason only if (A) the Participant provides notice to the Corporation of the event or condition meeting the foregoing definition of Good Reason within 30 days after the initial occurrence of such event or condition, (B) the Corporation or the applicable Subsidiary fails to correct such event or condition within 30 days of receiving notice thereof from the Participant, and (C) the Participant terminates employment with the Corporation and the Subsidiaries within 30 days after the expiration of such correction period. Notwithstanding the foregoing, if the Participant and the Corporation or any Subsidiary have entered into an employment, offer letter, retention, change in control, severance or other similar agreement that specifically defines "Good Reason," then with respect to the Participant, "Good Reason" shall have the meaning defined in such agreement.

**6. FORFEITURE.** Upon the Participant's termination of employment with the Corporation and its Subsidiaries for any reason prior to any Normal Vesting Date, any RSUs that do not become vested upon such employment termination in accordance with the terms of this Agreement (including Sections 4 and 5 hereof) shall be immediately canceled and forfeited for no consideration as of the Participant's termination of employment. Any RSUs that are outstanding but do not become vested on the third and final Normal Vesting Date in accordance with the terms of this Agreement shall be cancelled and forfeited for no consideration as of such date. Notwithstanding anything to the contrary contained herein, the Committee may, in its Discretion, accelerate the vesting of all or a portion of the RSUs subject to this Award as of or prior to any cancellation or forfeiture thereof.

**7. SETTLEMENT OF RSUS.** Subject to the withholding tax provisions of Section 11 hereof and Section 15(h) of the Plan, within 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 stock certificates or, if applicable, book-entry registration, one share of Common Stock per each vested RSU; provided, however, if RSUs vest in accordance with Section 5 hereof, the Corporation (or a successor thereto) shall issue or transfer to the Participant such shares of Common Stock or common stock of the successor having approximately equivalent value (and references herein to Common Stock issued on vesting shall include such successor common stock, if applicable), or the cash equivalent of such shares of Common Stock or common stock if neither security is listed on a U.S. national securities exchange (including Nasdaq or the New York Stock Exchange).

**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; provided, however, the Committee, in its sole Discretion, shall pay unvested RSUs with dividend or distribution equivalents equal to the amount of dividends and distributions, if any, that are paid on that number of shares with respect to the RSUs granted hereunder, in accordance with Section 15(g)(iv) of the Plan and any other conditions, limitations and other restrictions determined by the Committee.

**9. ADJUSTMENTS.** In the event of any stock dividend, stock split, recapitalization, merger, consolidation, split up, spin-off, combinations, exchange of shares or reorganization of or by the Corporation affecting this Award, the rights of the Participant will be adjusted as provided in Section 5(e) of the Plan.

**10. NON-TRANSFERABILITY OF AWARD.** Without the express written consent of the Committee, which may be withheld for any reason in its sole Discretion, neither the RSUs nor any interest in the RSUs may be assignable, alienable, saleable, pledged, hypothecated, encumbered or transferable by the Participant, except for a transfer by will or by the laws of descent and distribution as a result of the death of the Participant; provided that, unless approved by shareholders, in no event shall any Award be transferable for consideration. 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. The Committee may, in its Discretion, permit the Participant to satisfy such withholding obligations in accordance with Section 18(a) of the Plan.

**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 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 13 and 14 of the Plan pertaining to the limitations on 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 governed, construed, and administered in accordance with and governed by the laws of the State of Michigan (regardless of the laws that might otherwise govern under applicable principles of choice of law or conflicts of laws of such jurisdiction or any other jurisdiction that would cause the application of the laws of any jurisdiction other than the State of Michigan).

**16. DATA PRIVACY NOTICE.** The Participant hereby acknowledges that the collection, use and transfer, in electronic or other form, of the Participant's personal data as described in this Agreement and any other RSU grant materials by the Corporation (and its Subsidiaries) is necessary for the purpose of implementing, administering and managing the Participant's participation in the Plan. 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.

The Participant understands that the Corporation and its Subsidiaries may hold certain personal information about the Participant, including, but not limited to, the Participant's name, home address and telephone number, email address, date of birth, social insurance, passport or other identification number (e.g., resident registration number), salary, nationality, job title, details of all RSUs or any other entitlement to shares of Common Stock awarded, canceled, exercised, vested, unvested or outstanding in the Participant's favor ("**Data**"), for the purpose of implementing, administering and managing the Plan.

The Participant understands that Data will be transferred to Merrill Lynch, Pierce, Fenner & Smith Inc., and its related companies (“**Merrill Lynch**”) or any stock plan service provider as may be selected by the Corporation in the future, which is assisting the Corporation with the implementation, administration and management of the Plan. The Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipients’ country of operation (e.g., the United States) may have different data privacy laws and protections than the Participant’s country. The Participant understands that if he or she resides outside the United States, he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. The Corporation, Merrill Lynch, any other stock plan service provider selected by the Corporation and any other possible recipients that may assist the Corporation (presently or in the future) with implementing, administering and managing the Plan may receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing his or her participation in the Plan. The Participant understands that Data will be held only as long as is necessary to implement, administer and manage the Participant’s participation in the Plan plus any required period thereafter for purposes of complying with data retention policies and procedures. The Participant understands that based on where s/he resides, s/he may have additional rights with respect to personal data collected, used or transferred in connection with this Agreement or any other RSU grant materials by the Corporation (and its Subsidiaries), and the Participant may contact in writing his or her local human resources representative.

**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. 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.

**21. RESTRICTIVE COVENANTS; COMPENSATION RECOVERY; OTHER POLICIES.** By signing this Agreement, the Participant acknowledges and agrees that this Award or any Award previously granted to the 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.

By signing this Agreement, the Participant also acknowledges and agrees that any Award previously granted to the Participant by the Corporation (under this Plan or any other current or prior equity plan of the Corporation), including the Restricted Stock subject to this Award, and any amounts or benefits arising from such Awards, including but not limited to shares of Common Stock issued or cash paid pursuant to such Awards (including any dividends or distributions) or proceeds realized by the Participant (on a pre-tax basis) due to the sale or other transfer of shares of Common Stock issued pursuant to such Awards shall be subject to (i) any recoupment, clawback, equity holding, stock ownership or similar policies adopted and amended by the Corporation from time to time and (ii) recoupment, clawback, equity holding, stock ownership or similar requirements law, regulation or listing standards applicable to the Corporation from time to time. The remedies under such policy are in addition, and are in no way limiting, to the remedies of the recoupment provision set forth above.

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**22. 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: \_\_\_\_\_

**THE PARTICIPANT ACKNOWLEDGES AND AGREES THAT NOTHING IN THIS RESTRICTED STOCK UNIT AWARD AGREEMENT, NOR IN THE CORPORATION'S 2023 EQUITY INCENTIVE PLAN, AS AMENDED, WHICH IS INCORPORATED INTO THIS AGREEMENT BY REFERENCE, CONFERS ON THE 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 THE PARTICIPANT'S RIGHT OR THE CORPORATION'S RIGHT TO TERMINATE THE 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, THE PARTICIPANT ACKNOWLEDGES RECEIPT OF A COPY OF THE PLAN AND REPRESENTS THAT THE PARTICIPANT IS FAMILIAR WITH THE TERMS AND PROVISIONS OF THE PLAN. THE PARTICIPANT ACCEPTS THE RSUs SUBJECT TO ALL OF THE TERMS AND PROVISIONS OF THIS AGREEMENT. THE PARTICIPANT HAS REVIEWED THE PLAN AND THIS AGREEMENT IN THEIR ENTIRETY. THE 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: [NAME OF THE PARTICIPANT]

Dated: \_\_\_\_\_

**GENTHERM INCORPORATED  
2023 EQUITY INCENTIVE PLAN**

**RESTRICTED STOCK AWARD AGREEMENT**

Gentherm Incorporated, a Michigan corporation (the “**Corporation**”), as permitted by and pursuant to the terms and conditions of the Gentherm Incorporated 2023 Equity Incentive Plan, as amended (the “**Plan**”), hereby grants to the individual listed below (the “**Participant**”), an award of shares of Restricted Stock as described herein, subject to the terms and conditions of the Plan and this Restricted Stock 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 AWARD.**

**Participant:** \_\_\_\_\_

**Grant Date:** \_\_\_\_\_

**Number of Shares of  
Restricted Stock in Award:** \_\_\_\_\_

**2. GRANT OF RESTRICTED STOCK AWARD.** The Corporation hereby grants to the Participant, as of the Grant Date, the number of shares of Restricted Stock set forth in the table above. By clicking the “ACCEPT” button, the Participant agrees to the following: *“This electronic contract contains my electronic signature, which I have executed with the intent to sign this Agreement.”*

**3. VESTING.** Subject to the Participant’s continued service with the Corporation, the Restricted Stock shall vest on such date that is the earlier of (a) the 20[\_\_\_] annual meeting of shareholders of the Corporation (if such date is at least 50 weeks after the immediately preceding year’s annual meeting of shareholders) and (b) the first anniversary of the Grant Date (the “**Vesting Date**”).

**4. TERMINATION OF SERVICES; FORFEITURE.** Notwithstanding any other provision of this Agreement:

**(a) Termination for Any Reason.** Any unvested shares of Restricted Stock subject to this Award shall be immediately canceled and forfeited if the Participant’s continued service with the Corporation is terminated for any reason.

**(b) Discretion to Accelerate.** Notwithstanding anything to the contrary contained herein, the Committee may, in its Discretion, accelerate the vesting of all or a portion of the Restricted Stock subject to this Award as of or prior to any cancellation or forfeiture thereof.

**5. CHANGE IN CONTROL.** In the event of a Change in Control prior to the Vesting Date, any unvested Restricted Stock shall become vested as of the date of the Participant’s termination of service with the Corporation. The Corporation (or a successor thereto) shall issue or transfer to the Participant such shares of Common Stock or common stock of the successor having approximately equivalent value (and references herein to Common Stock issued on vesting shall include such successor common stock, if applicable), or the cash equivalent of such shares of Common Stock or common stock if neither security is listed on a U.S. national securities exchange (including Nasdaq or the New York Stock Exchange).

**6. SECTION 83(B).** Within 30 days after the Grant Date, the Participant may elect to file with the Internal Revenue Service an election under Section 83(b) of the Code to include in the Participant's gross income for federal income tax purposes in the year of the issuance the fair market value of the Restricted Stock. The Participant acknowledges that it is the Participant's sole responsibility, and not the Corporation's responsibility, to file timely and properly the election under Section 83(b) of the Code and any corresponding provisions of state tax laws if the Participant elects to make such election, and the Participant agrees to provide the Corporation with a copy of any such election within 10 calendar days of making such election. The Participant understands that the Participant (and not the Corporation) shall solely be responsible for the Participant's tax liability that may arise as a result of this Award.

**7. RIGHTS AS SHAREHOLDER.** Except for the potential forfeitability of the Restricted Stock before the occurrence of a Vesting Date, the Participant has all rights of a shareholder (including voting and dividend rights) commencing on the Grant Date, subject to the Participant's execution of this Agreement. With respect to any dividends that are paid with respect to the Restricted Stock between the date of this Agreement and the end of any applicable restricted period, such dividends, if paid in shares, shall be subject to the same restrictions as the Restricted Stock, including any forfeiture provisions described in Section 2 hereof. If any such dividends are paid in cash, such dividends shall be accumulated during the Restricted Period (without interest), and (A) paid if and when, and only to the extent that, the Restricted Stock is vested or (B) forfeited, if and when, and to the extent that, the Restricted Stock is forfeited prior to vesting. Any dividend and distribution equivalent rights shall be paid in a manner that either complies with, or is exempt from, Section 409A of the Code.

**8. ADJUSTMENTS.** In the event of any stock dividend, stock split, recapitalization, merger, consolidation, split up, spin-off, combinations, exchange of shares or reorganization of or by the Corporation affecting this Award, the rights of the Participant will be adjusted as provided in Section 5(e) of the Plan.

**9. NON-TRANSFERABILITY OF AWARD.** Without the express written consent of the Committee, which may be withheld for any reason in its sole Discretion, neither the Restricted Stock nor any interest in the Restricted Stock may be assignable, alienable, saleable, pledged, hypothecated, encumbered or transferable by the Participant, except for a transfer by will or by the laws of descent and distribution as a result of the death of the Participant; provided that, unless approved by shareholders, in no event shall any Award be transferable for consideration. 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 Restricted Stock in violation of this Section 9 in any manner shall be null and void and without legal force or effect.

**10. RESTRICTED STOCK CERTIFICATE LEGEND.** The Corporation will either issue a stock certificate or certificates representing the shares of Restricted Stock (the "*Certificate*") and register the Certificate in the Participant's name (and deposited with the Corporation or its designee, together with a stock power endorsed in blank), or make such other arrangements with its stock transfer agent to issue uncertificated interests, including in book-entry form ("*Book Entry*"). Each Certificate representing shares of Restricted Stock granted pursuant to this Agreement shall initially bear the following legend:

"THE SALE OR OTHER TRANSFER OF THE SHARES OF COMMON STOCK REPRESENTED BY THIS CERTIFICATE, WHETHER VOLUNTARY, INVOLUNTARY, OR BY OPERATION OF LAW, IS SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER SET FORTH IN THE GENTHERM INCORPORATED 2023 EQUITY INCENTIVE PLAN, AND IN A RESTRICTED STOCK AWARD AGREEMENT. A COPY OF THE PLAN AND SUCH RESTRICTED STOCK AWARD AGREEMENT MAY BE OBTAINED FROM THE SECRETARY OF GENTHERM INCORPORATED."

If a Certificate is issued it will be deposited with the Corporation together with a stock power endorsed in blank by the Participant. After the expiration of the Restricted Period applicable to the Restricted Stock, the Corporation shall deliver to the Participant the stock certificates for such shares, which shall be reissued without the legend set forth above; provided that the Committee may determine instead that such shares shall be evidenced by book-entry registration. If stock certificates or book-entry registrations were previously issued for the shares and a legend had been placed on such certificate or book-entry registration, the Corporation shall cause such certificates or book-entry registrations to be reissued without the legend.

**11. 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 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.

**12. RIGHTS OF PARTICIPANT; REGULATORY REQUIREMENTS.** Without limiting the generality of any other provision of this Agreement or the Plan, Sections 13 and 14 of the Plan pertaining to the limitations on the Participant's rights and certain regulatory requirements are hereby explicitly incorporated into this Agreement.

**13. 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.

**14. GOVERNING LAW.** This Agreement shall be legally binding and shall be governed, construed, and administered in accordance with and governed by the laws of the State of Michigan (regardless of the laws that might otherwise govern under applicable principles of choice of law or conflicts of laws of such jurisdiction or any other jurisdiction that would cause the application of the laws of any jurisdiction other than the State of Michigan).

**15. DATA PRIVACY NOTICE.** The Participant hereby acknowledges that the collection, use and transfer, in electronic or other form, of the Participant's personal data as described in this Agreement and any other Restricted Stock grant materials by the Corporation (and its Subsidiaries) is necessary for the purpose of implementing, administering and managing the Participant's participation in the Plan. 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.

The Participant understands that the Corporation and its Subsidiaries may hold certain personal information about the Participant, including, but not limited to, the Participant's name, home address and telephone number, email address, date of birth, social insurance, passport or other identification number (e.g., resident registration number), salary, nationality, job title, details of all Restricted Stock or any other entitlement to shares of Common Stock awarded, canceled, exercised, vested, unvested or outstanding in the Participant's favor ("**Data**"), for the purpose of implementing, administering and managing the Plan.

The Participant understands that Data will be transferred to Merrill Lynch, Pierce, Fenner & Smith Inc., and its related companies ("**Merrill Lynch**") or any stock plan service provider as may be selected by the Corporation in the future, which is assisting the Corporation with the implementation, administration and management of the Plan. The Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country of operation (e.g., the United States) may have different data privacy laws and protections than the Participant's country. The Participant understands that if he or she resides outside the United States, he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. The Corporation, Merrill Lynch, any other stock plan service provider selected by the Corporation and any other possible recipients that may assist the Corporation (presently or in the future) with implementing, administering and managing the Plan may receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing his or her participation in the Plan. The Participant understands that Data will be held only as long as is necessary to implement, administer and manage the Participant's participation in the Plan plus any required period thereafter for purposes of complying with data retention policies and procedures. The Participant understands that based on where s/he resides, s/he may have additional rights with respect to personal data collected, used or transferred in connection with this Agreement or any other Restricted Stock grant materials by the Corporation (and its Subsidiaries), and the Participant may contact in writing his or her local human resources representative.

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**16. 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 9 hereof) any part of this Agreement without the prior express written consent of the Corporation.

**17. 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.

**18. 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.

**19. 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 Restricted Stock 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 Restricted Stock 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.

**20. COMPENSATION RECOVERY; OTHER POLICIES.** By signing this Agreement, the Participant acknowledges and agrees that any Award previously granted to the Participant by the Corporation (under this Plan or any other current or prior equity plan of the Corporation), including the Restricted Stock subject to this Award, and any amounts or benefits arising from such Awards, including but not limited to shares of Common Stock issued or cash paid pursuant to such Awards (including any dividends or distributions) or proceeds realized by the Participant (on a pre-tax basis) due to the sale or other transfer of shares of Common Stock issued pursuant to such Awards shall be subject to (i) any recoupment, clawback, equity holding, stock ownership or similar policies adopted and amended by the Corporation from time to time and (ii) recoupment, clawback, equity holding, stock ownership or similar requirements law, regulation or listing standards applicable to the Corporation from time to time.

**21. 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: \_\_\_\_\_

**THE PARTICIPANT ACKNOWLEDGES AND AGREES THAT NOTHING IN THIS RESTRICTED STOCK AWARD AGREEMENT, NOR IN THE CORPORATION'S 2023 EQUITY INCENTIVE PLAN, AS AMENDED, WHICH IS INCORPORATED INTO THIS AGREEMENT BY REFERENCE, CONFERS ON THE PARTICIPANT ANY RIGHT WITH RESPECT TO CONTINUATION AS A SERVICE PROVIDER OR DIRECTOR OF THE CORPORATION OR ANY PARENT OR ANY SUBSIDIARY OR AFFILIATE OF THE CORPORATION, NOR INTERFERES IN ANY WAY WITH THE PARTICIPANT'S RIGHT OR THE CORPORATION'S RIGHT TO TERMINATE THE PARTICIPANT'S SERVICE OR DIRECTOR RELATIONSHIP AT ANY TIME, WITH OR WITHOUT CAUSE AND WITH OR WITHOUT PRIOR NOTICE.**

**BY ACCEPTING THIS AGREEMENT, THE PARTICIPANT ACKNOWLEDGES RECEIPT OF A COPY OF THE PLAN AND REPRESENTS THAT THE PARTICIPANT IS FAMILIAR WITH THE TERMS AND PROVISIONS OF THE PLAN. THE PARTICIPANT ACCEPTS THE RESTRICTED STOCK SUBJECT TO ALL OF THE TERMS AND PROVISIONS OF THIS AGREEMENT. THE PARTICIPANT HAS REVIEWED THE PLAN AND THIS AGREEMENT IN THEIR ENTIRETY. THE 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: [NAME OF THE PARTICIPANT]

Dated: \_\_\_\_\_