

# **GENTHERM INCORPORATED AUDIT COMMITTEE CHARTER**

[As adopted May 2015]

1. Members. The Audit Committee shall consist of at least three non-employee members of the Board of Directors of Gentherm Incorporated ("Company"). Audit Committee members shall meet the requirements as set forth in Nasdaq's current Marketplace Rule 4350(d)(1), and as such Rule may be amended from time to time.

To the extent consistent with the above, the Audit Committee shall consist of directors who (a) are "independent," as that term is currently defined in Nasdaq Marketplace Rule 4200(a)(15), and as such Rule may be amended from time to time, (b) meet the independence criteria set forth in Rule 10A-3(b)(1) under the Securities Exchange Act of 1934 (subject to the exceptions provided in Rule 10A-3(c)), as such Rule may be amended from time to time, and (c) have not participated in the preparation of the Company's financial statements or an current subsidiary of the Company at any time during the past three years. However, the Board may appoint one "non-independent director" to the Audit Committee for the reasons and under the conditions set forth in Nasdaq's current Marketplace Rule 4350(d)(2), and other Nasdaq Marketplace Rules, and as such may be amended from time to time.

Each member of the Company's Audit Committee must be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement and cash flow statement, and at least one member of the Audit Committee shall be considered a "financial expert", having past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual's financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities.

2. Purposes, Duties and Responsibilities. The Audit Committee shall represent the Board of Directors in discharging its responsibility relating to the accounting, reporting, and financial practices of the Company and its subsidiaries, and shall have general responsibility for surveillance of internal controls and accounting and audit activities of the Company and its subsidiaries. Specifically, the Audit Committee shall:

(i) Be responsible for the appointment, compensation, oversight and retention of the registered public accounting firm engaged (including resolution of disagreements between management and the auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company. Each such registered public accounting firm will report directly to the Audit Committee.

(ii) Review with the independent auditors their audit procedures, including the scope, staffing, locations, reliance upon management, fees and timing of the audit, and the results of the annual audit examination and any accompanying management letters, and any reports of the independent auditors with respect to interim periods.

(iii) Ensure the receipt of, and review, the written statement from the outside auditor of the Company concerning any relationships between the auditor and the Company or any other relationships that may adversely affect the independence of the auditor as required under Independent Standard Boards Standard No. 1, and regularly assessing the independence of the outside auditor by actively engaging in a dialogue with the outside auditor with respect to any disclosed relationships or services that may impact the objectivity or independence of the outside auditor and for taking, or recommending that the full Board of Directors take, appropriate action to oversee the independence of the outside auditor.

(iv) Review with independent accountants and management the audited financial statements, and to discuss with the independent accountants and management the matters required to be discussed by all applicable statements on auditing standards, as modified or supplemented. These discussions should include the independent accountant's judgments about the quality of the Company's accounting principles, applications and practices as applied in its financial reporting, including such matters as the consistency of application of the Company's accounting policies, the clarity, consistency and completeness of the Company's accounting information contained in the financial statements and related disclosures, and items that have a significant impact on the representational faithfulness, verifiability, neutrality and consistency of the accounting information included in the financial statements. Examples of items that may have such an impact are (1) selection of new, or changes to, accounting policies, (2) estimates, judgments and uncertainties, (3) unusual transactions, (4) accounting policies relating to significant financial statement items, including the timing of transactions and the period in which they are recorded, (5) significant adjustments, and (6) disagreements with management.

(v) Based on the review and discussions described above, recommend to the Board of Directors whether the audited financial statements should be included in the Company's Annual Report on Form 10-K for the last fiscal year for filing with the SEC.

(vi) Review with independent accountants and management the quarterly financial information prior the Company's filing of Form 10-Q.

(vii) Establish policies and procedures for the review and approval by the Audit Committee of all auditing services and permissible non-audit services (including the fees and terms thereof) to be performed by the auditor.

(viii) In consultation with the independent auditors, monitor the adequacy of the Company's internal controls.

(ix) Review significant changes in the accounting policies of the Company and accounting and financial reporting proposals that may have a significant impact on the Company's financial reports.

(x) Review and approve the decision by the Company and its subsidiaries to enter into swaps that are exempt from the requirements of central clearing and/or trading on a designated contract market or swap execution facility ("Exempt Swaps"), pursuant to the applicable regulations and rules (the "End-User Exception"), and to set appropriate policies governing use of swaps, Exempt Swaps, and the End-User Exception by the Company and its subsidiaries (the Committee must review and approve the decision to use Exempt Swaps, and the policies governing the use of Exempt Swaps, at least annually or more often upon a triggering event, including but not limited to a change in the Company's hedging policy).

(xi) Review any material pending legal proceedings involving the Company and other contingent liabilities.

(xii) Review and assess the adequacy of the Audit Committee Charter on an annual basis.

(xiii) Annually prepare a report to shareholders as required by the Securities and Exchange Commission, to be included in the Company's annual proxy statement.

(xiv) Monitor the confidential employee hotline established for concerns regarding questionable accounting or auditing matters and take appropriate steps to investigate any such concerns.

(xv) Monitor fraud reporting from management and appropriate actions taken to investigate any confidential or other reporting of fraud.

(xvi) Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters.

(xviii) Review the control and enterprise risk management processes established to monitor significant financial, environmental, insurance, legal and other risks or exposures.

(xviii) Review and approve on an ongoing basis all related party transactions required to be disclosed pursuant to Item 404 of SEC Regulation S-K.

(xix) Engage independent counsel and other advisors as the Audit Committee determines necessary to carry out its duties.

(xx) Determine the appropriate funding for payment of the auditors, Audit Committee counsel and advisors and other ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carry out the duties of the Audit Committee.

(xxi) Review with CFO and CEO the Internal Audit Director's annual performance evaluation and compensation.

(xxii) Review resources, expertise, the appropriateness of internal audit's staffing, and the reporting of the internal audit department.

(xxiii) Review/Update the Internal Audit Charter on an annual basis.

(xxiv) Review scope of internal audit plan for upcoming year

(xxv) Review management's Special Disclosure for Conflict Minerals on an annual basis as a requirement of the Dodd-Frank Act.

3. Meetings. The Audit Committee shall meet as often as may be deemed necessary or appropriate in its judgment, generally four times each year, either in person or telephonically. The Chairperson of the Audit Committee should develop the Committee agenda with the assistance of management. The Audit Committee shall meet in executive session with the independent auditors at least annually. The

Audit Committee shall report to the full Board of Directors with respect to its meetings. The majority of the members of the Audit committee shall constitute a quorum.

4. Limitation on Scope of Responsibility. While the Audit Committee has the responsibilities and powers set forth in the Audit Committee Charter, it is not the duty of the Audit Committee to prepare financial statements, to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the registered public accountants.

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