

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**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): June 11, 2018**

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**GENTHERM INCORPORATED**

(Exact name of registrant as specified in its charter)

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**Michigan**  
(State or other jurisdiction  
of incorporation)

**0-21810**  
(Commission  
File Number)

**95-4318554**  
(IRS Employer  
Identification No.)

**21680 Haggerty Road, Ste. 101, Northville, MI**  
(Address of principal executive offices)

**48167**  
(Zip Code)

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

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

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

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

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

Emerging growth company

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

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

On June 11, 2018, the Compensation Committee (the “Committee”) of the Board of Directors of Gentherm Incorporated (the “Company”) approved a form of Restricted Stock Unit Award Agreement (Performance-Based) (the “Performance-Based RSU Agreement”) and a form of Restricted Stock Unit Award Agreement (Time-Based) (the “Time-Based RSU Agreement”) and made related annual grants to participants under the Gentherm Incorporated 2013 Equity Incentive Plan.

**Performance-Based Restricted Stock Unit Awards**

Under the terms of the Performance-Based RSU Agreement, each restricted stock unit (an “RSU”) represents the right to receive one share of common stock of the Company, no par value (the “Common Stock”), upon being earned, vested and the satisfaction of any required tax withholding obligation. For each performance component, grantees may earn 50% to 200% of their respective target equity awards based on threshold to maximum performance. In order for performance-based RSUs to vest, a grantee must remain continuously employed by the Company from the grant date to the applicable determination date; provided, however, (i) the target amount of performance-based RSUs will vest as of the date of the grantee’s termination in the case of death or disability and (ii) the performance-based RSUs will vest, in an amount based on actual performance through the change in control, if based on a stock price or total shareholder return measure, or in an amount equal to target, if based on any other measure, including the financial performance of the Company, upon the grantee’s termination within 12 months of such change in control if by the Company or a subsidiary (or successor thereof) without cause or by the grantee for good reason. The Form of Performance-Based RSU Agreement is attached hereto as Exhibit 10.1 and is incorporated herein by reference.

On June 11, 2018, the Committee approved the grant of the performance-based RSUs to the following executive officers of the Company: Frithjof Oldorff, 12,385 RSUs; Barry Steele, 10,733 RSUs; Kenneth Phillips, 10,733 RUSs; Ryan Gaul, 6,605 RSUs; and Yijing Brentano, 6,605 RSUs. A specified portion of each granted performance-based RSU is earned or forfeited based upon two separate components: (i) the Company’s performance relative to return on invested capital goals for the fiscal year ended December 31, 2020, and (ii) the Company’s relative total shareholder return over a three-year period starting on the grant date compared to selected peer companies.

**Time-Based Restricted Stock Unit Awards**

Under the terms of the Time-Based RSU Agreement, each RSU represents the right to receive one share of Common Stock, upon vesting and the satisfaction of any required tax withholding obligation. The time-based RSU will vest pro rata on the first, second and third anniversaries of the grant date, provided a grantee must remain continuously employed by the Company from the grant date to the vesting date. Notwithstanding the foregoing, (i) the time-based RSUs will vest as of the date of the grantee’s termination in the case of death or disability and (ii) the time-based RSUs will vest upon the grantee’s termination within 12 months of a change in control if by the Company or a subsidiary (or successor thereof) without cause or by the grantee for good reason. The Form of Time-Based RSU Agreement is attached hereto as Exhibit 10.2 and is incorporated herein by reference.

On June 11, 2018, the Committee approved the grant of the time-based RSUs to the following executive officers of the Company: Frithjof Oldorff, 8,257 RSUs; Barry Steele, 7,156 RSUs; Kenneth Phillips, 7,156 RUSs; Ryan Gaul, 4,403 RSUs; and Yijing Brentano, 4,403 RSUs.

## Separation of Employment

On May 24, 2018, the employment of named executive officer Darren Schumacher (“Schumacher”), Chief Technology Officer at the time, was terminated. The Company and Schumacher entered into a Separation Agreement and Release (the “Separation Agreement”), dated as of May 29, 2018, a copy of which is attached hereto as Exhibit 10.3 and is incorporated herein by reference. Under the terms of the Separation Agreement, Schumacher received a one-time payment equal to six months’ salary or \$212,165, vesting of the 9,928 restricted shares of common stock awarded on October 3, 2017 and certain other immaterial benefits. In exchange, Schumacher has provided a general release in favor of Gentherm and certain other related parties from substantially all claims to the extent permitted by applicable law. Schumacher is subject to non-compete, non-solicit, non-interference and non-disparagement provisions for 12 months following the end of his employment with the Company and he is required to continue to comply with various confidentiality obligations in perpetuity.

### Item 9.01 Financial Statements and Exhibits.

#### (d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
10.1	<a href="#"><u>Form of Restricted Stock Unit Award Agreement (Performance-Based)</u></a>
10.2	<a href="#"><u>Form of Restricted Stock Unit Award Agreement (Time-Based)</u></a>
10.3	<a href="#"><u>Separation Agreement and Release with Darren Schumacher dated May 29, 2018</u></a>

**SIGNATURES**

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

**GENTHERM INCORPORATED**

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

Date: June 13, 2018

**GENTHERM INCORPORATED  
2013 EQUITY INCENTIVE PLAN**

**RESTRICTED STOCK UNIT AWARD AGREEMENT**

**PERFORMANCE-BASED GRANT**

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

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

**1. NOTICE OF RESTRICTED STOCK UNIT AWARD.**

**Participant:**

\_\_\_\_\_

**Grant Date:**

\_\_\_\_\_

**Number of Target RSUs in Award:**

\_\_\_\_\_

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

**3. DETERMINATION DATE; VESTING.**

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

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

**4. QUALIFYING TERMINATION PRIOR TO NORMAL VESTING DATE.** If at any time prior to the Normal Vesting Date, the Participant’s employment is terminated by the Corporation or a Subsidiary or by the Participant, other than on account of the Participant’s death or on account of the Participant’s “Disability” (as defined below), or in connection with a “Change in Control” (as defined below) any unvested RSUs shall be forfeited. If the Participant’s employment is terminated on account of the Participant’s death or on account of the Participant’s Disability prior to the Normal Vesting Date, the target performance RSUs shall become vested as of the date of the Participant’s employment termination. The vesting of RSUs under this Section 4 is conditioned upon the Participant (or, in the case of Participant’s death, an executor or administrator of Participant’s estate) signing and delivering to the Corporation, and there becoming irrevocable, within 30 days after the date of such employment termination, a general release of claims (in form and substance reasonably acceptable to the Corporation) by which the Participant releases the Corporation and its affiliated entities and individuals from any claim arising from the Participant’s

employment by, and termination of employment with, the Corporation or its Subsidiaries, in consideration for the receipt and vesting of the RSUs. Any RSUs that would have otherwise vested under this Section 4 shall be forfeited if the general release does not become effective and irrevocable on or before the 30th day following such termination of the Participant's employment.

5. **CHANGE IN CONTROL.** If there is a Change in Control of the Corporation prior to the Normal Vesting Date, the number of performance RSUs that will vest will be calculated based on actual performance through the Change in Control for RSUs based on a stock price or total shareholder return measure, and will be calculated at target for RSUs based on any other measure, including the financial performance of the Corporation (the "CIC-Earned Performance RSUs"). If the Participant remains continuously employed on a full-time basis with the new company until the Normal Vesting Date, the CIC-Earned Performance RSUs shall become vested on the Normal Vesting Date. If, within 12 months following the Change in Control, the Participant's employment is terminated by the Corporation or a Subsidiary without "Cause" (as defined below) or by the Participant with "Good Reason" (as defined below), the CIC-Earned Performance RSUs shall become vested as of such termination date.

6. **DEFINITIONS.** The following definitions shall apply for purposes of this Agreement:

(a) **Cause.** "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 you, the Board, the Corporation or any affiliate into disrepute; (iii) neglect of or negligent performance of your 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.

(b) **Change in Control.** "Change in Control" means any transaction or event, or series of related transactions or events, which constitutes both a "Change in Control" as defined in the Plan and a "change in control event" as defined in Treasury Regulation section 1.409A-3(i)(5).

(c) **Good Reason.** "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, 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.

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

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

**8. SETTLEMENT OF RSUs.** Subject to the withholding tax provisions of Section 12 below, within forty five (45) days after the date upon which an RSU becomes vested in accordance with the terms of this Agreement, the Corporation shall issue or transfer to the Participant one share of common stock, no par value, of the Corporation (“**Common Stock**”) per each RSU; provided, however, if RSUs vest in accordance with Section 5 hereof, the Corporation shall issue or transfer to the Participant such shares of Common Stock immediately prior to consummation of the Change in Control.

**9. 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.

**10. ADJUSTMENTS.**

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

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

**11. NON-TRANSFERABILITY OF AWARD.** Neither the RSUs nor any interest in the RSUs may be transferred, assigned, pledged, hypothecated or borrowed against, except for a transfer under the laws of descent or distribution as a result of the death of the Participant. The terms of the Plan and this Agreement shall be binding upon the Participant’s executors, administrators, heirs, successors and assigns. Any attempt to transfer, assign, pledge, hypothecate or borrow against the RSUs in violation of this Section 11 in any manner shall be null and void and without legal force or effect.

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

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

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

**15. 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.

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

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

**18. 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 11 hereof) any part of this Agreement without the prior express written consent of the Corporation.

**19. 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.

**20. 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.



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

22. **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.

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

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

SIGNATURE PAGE FOLLOWS

**GENTHERM INCORPORATED**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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

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

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

By:

\_\_\_\_\_

Name: \_\_\_\_\_

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

**GENTHERM INCORPORATED**  
**2013 EQUITY INCENTIVE PLAN**

**RESTRICTED STOCK UNIT AWARD AGREEMENT**

**TIME-BASED GRANT**

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

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

**1. NOTICE OF RESTRICTED STOCK UNIT AWARD.**

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

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

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

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

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

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

**4. QUALIFYING TERMINATION PRIOR TO NORMAL VESTING DATE.** Notwithstanding Section 3 of this Agreement but subject to the notice and release requirements set forth below in this Section 4, if the Participant’s employment with the Corporation and its Subsidiaries terminates on account of the Participant’s death or on account of the Participant’s “Disability” (as defined below), any then unvested RSUs shall become vested as of the date of the Participant’s employment termination. The vesting of unvested RSUs under this

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

5. **CHANGE IN CONTROL.** Notwithstanding Section 3 of this Agreement, if there is a Change in Control of the Corporation and if within 12 months after the Change in Control, the Participant's employment is terminated by the Corporation or a Subsidiary or successor thereof without Cause (as defined below) or by the Participant for Good Reason (as defined below), any RSUs that are unvested at the time of such termination of the Participant's employment shall become vested upon such termination of the Participant's employment.

6. **DEFINITIONS.** The following definitions shall apply for purposes of this Agreement:

(a) **Cause.** "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 of Directors of the Corporation (the "**Board**") brings you, the Board, the Corporation or any affiliate into disrepute; (iii) neglect of or negligent performance of your 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.

**(b) Change in Control.** “Change in Control” means any transaction or event, or series of related transactions or events, which constitutes both a “Change in Control” as defined in the Plan and a “change in control event” as defined in Treasury Regulation section 1.409A-3(i)(5).

**(c) Good Reason.** “Good Reason” means in respect of the Corporation 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; 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.

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

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

**8. SETTLEMENT OF RSUs.** Subject to satisfaction of the Participant’s withholding tax obligations under Section 12 below, within ten (10) business days after the date upon which an RSU becomes vested in accordance with the terms of this Agreement, the Corporation shall issue or transfer to the Participant one share of Common Stock.

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

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

**11. NON-TRANSFERABILITY OF AWARD.** Neither the RSUs nor any interest in the RSUs may be transferred, assigned, pledged, hypothecated or borrowed against, except for a transfer under the laws of descent or distribution as a result of the death of the Participant. The terms of the Plan and this Agreement shall be binding upon the Participant's executors, administrators, heirs, successors and assigns. Any attempt to transfer, assign, pledge or hypothecate the RSUs in violation of this Section 11 in any manner shall be null and void and without legal force or effect.

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

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

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

**15. 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.

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

**17. TRANSFER OF PERSONAL DATA.** The Participant authorizes, agrees and unambiguously consents to the transmission by the Corporation (and its Subsidiaries) of any personal data information related to this Award for legitimate business purposes (including,

without limitation, the administration of the Plan). This authorization and consent is freely given by the Participant.

**18. 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 11 hereof) any part of this Agreement without the prior express written consent of the Corporation.

**19. 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.

**20. 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.

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

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

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

**24. CODE SECTION 409A.** It is intended that this Award be exempt from or comply with Section 409A of the Code and this Agreement shall be interpreted and administered in accordance such intent; provided, however, that in no event shall the Corporation or any Subsidiary be liable for any additional tax, interest or penalty imposed upon or other damage suffered by the

Participant on account of this Award being subject to but not in compliance with Section 409A of the Code.

SIGNATURE PAGE FOLLOWS



**GENTHERM INCORPORATED**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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

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

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

By:

\_\_\_\_\_  
Name: \_\_\_\_\_

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

**CONFIDENTIAL SEPARATION AGREEMENT AND RELEASE**

It is agreed by and between Darren Schumacher (“Employee”) and Gentherm Incorporated, a Michigan corporation (“Gentherm” and, together with Employee, each a “Party” and, collectively, the “Parties”), as follows:

1. **Separation of Employment.** Employee acknowledges that Employee’s employment with Gentherm has ended effective May 24, 2018 (“Separation Date”).
2. **Payment of Moneys Owed and Other Benefits.** Employee acknowledges that, excluding (a) accrued salary for the period from May 15, 2018 to the Separation Date (the “Accrued Wages”), (b) accrued but unused vacation time through the Separation Date (“Accrued Vacation”), and (c) any unreimbursed expenses that Employee has incurred in connection with the performance of Employee’s duties and in accordance with Gentherm’s policies and practices for reimbursement of expenses (“Unreimbursed Expenses”), Gentherm has paid all remuneration owed to Employee as a result of Employee’s employment with Gentherm. Employee’s accrual of wages, employee benefits and privileges ends on the Separation Date and no additional amounts are owed to Employee. For administrative ease, Gentherm has agreed to pay Employee’s full recurring paycheck on the next regularly scheduled payroll date, May 31, 2018 (which payment will therefore include the Accrued Wages plus an additional 7 days of pay). Gentherm also agrees to pay the Accrued Vacation to Employee on May 31, 2018 calculated as 204.03 hours of accrued, unused vacation at \$204.02 per hour or \$41,626.20, less taxes and other lawful deductions. Group health benefits for which Employee currently is eligible will remain in effect through and including May 31, 2018. With respect to any Unreimbursed Expenses, Employee must submit a final expense report within thirty (30) days of the Separation Date for reimbursement eligibility and Gentherm agrees to pay such Unreimbursed Expenses within thirty (30) days after receipt of such expense report, to the extent such amounts are determined to be in accordance with Gentherm’s policies and practices for the reimbursement of employee expenses.
3. **Consideration.** As consideration for Employee’s promises in this Confidential Separation Agreement and Release (this “Agreement”), including the general release of claims, if Employee signs and does not revoke this Agreement within the time period specified in Section 12, Gentherm agrees to pay to Employee the following amounts and benefits (collectively, the “Separation Benefits”):
  - a. Gentherm will pay to Employee a one-time payment of \$212,165, less lawful deductions and withholdings, representing six months of Employee’s salary. This one-time payment will be paid to Employee on the first regularly scheduled payroll date following the expiration of the revocation period described in Section 12 (the “Severance Payroll”).<sup>1</sup>
  - b. Subject both to Employee’s timely election of continuation coverage under COBRA and to Employee’s continued copayment of premiums during the COBRA Subsidy

<sup>1</sup> Only if the Parties agree that it is necessary to change this payment date to avoid the imposition on Employee of additional taxes under Section 409A (as defined in Section 18), such one-time payment will not be paid until the first regularly scheduled payroll date following the earlier of (i) the six-month anniversary date of the Separation Date or (ii) the date of Employee’s death. For clarity, absent any such agreement by the Parties that a change to the payment date is necessary to avoid such additional taxes on Employee, the payment date will remain the first regularly scheduled payroll date following expiration of the revocation period described in Section 12.

Period (as defined below) at the same level and cost to individuals employed by Gentherm, during that COBRA Subsidy Period, Gentherm will pay Employee's health insurance coverage to the same extent that Gentherm paid for such coverage immediately prior to the Separation Date, in a manner intended to avoid any excise tax under Section 4980D of the Internal Revenue Code of 1986, as amended, subject to the eligibility requirements and other terms and conditions of such insurance coverage. The "COBRA Subsidy Period" shall begin on June 1, 2018 and end upon the earliest of: (i) May 31, 2019; (ii) the date the Employee is no longer eligible to receive COBRA coverage; and (iii) the date on which the Employee otherwise becomes eligible to receive substantially similar coverage from another employer. Employee agrees to notify Gentherm within five (5) calendar days of becoming eligible to receive substantially similar coverage from another employer. Following the expiration of the COBRA Subsidy Period, Employee may elect to continue COBRA coverage for the remainder of the COBRA eligibility period as defined by law, if any, at Employee's own expense. In no event will Gentherm be obligated to pay any portion of Employee's COBRA coverage premiums for a period beyond May 31, 2019. Gentherm reserves the right to modify or terminate Gentherm's payment toward the cost of the premium for COBRA coverage provided hereunder to the extent necessary to comply with applicable law.

- c. Employee is also party to a Restricted Stock Award Agreement, dated as of October 3, 2017 (the "Retention Agreement"), pursuant to which Employee received 9,928 restricted shares of Gentherm common stock (the "Retention Shares"), subject to the restrictions set forth in the Retention Agreement. Pursuant to the terms of the Retention Agreement, the Retention Shares will immediately vest upon the date of Employee's termination if such termination is by Gentherm without "Cause" (as defined in the Retention Agreement) and if Employee signs and delivers to Gentherm within 30 days of Employee's termination, and the same becomes irrevocable, a general release of claims in form and substance reasonably acceptable to Gentherm, by which Employee releases Gentherm from any claim arising from Employee's employment by, or termination of employment with, Gentherm, in consideration for the receipt of the Retention Shares. If Employee signs and does not revoke this Agreement within the time period specified in Section 12, Gentherm agrees as follows: (a) Employee's termination will be without "Cause" for purposes of the Retention Agreement, (b) Gentherm will accept the general release in Section 5 below as a general release of claims meeting the requirements of the Retention Agreement, (c) Employee will be permitted to elect (by notifying Gentherm in writing) to satisfy the withholding obligations in connection with the delivery of the Retention Shares by reducing the number of shares of common stock deliverable by Gentherm in respect of the Retention Agreement.

Employee understands and acknowledges that the Separation Benefits are purely discretionary and are not currently owed to Employee, and will only be paid if Employee executes and delivers a copy of this Agreement to Gentherm, does not revoke it within the time period described in Section 12, and remains in full compliance with the terms of this Agreement.

Employee is solely responsible for paying all taxes, if any, which may at any time be found to be due upon or as a result of any of the payments described herein, and Employee agrees to indemnify and

hold harmless Gentherm against any claim or liability for any such taxes and any related penalties and/or interest.

#### **4. Existing Equity Awards.**

On the Separation Date, Employee holds the following vested stock options (the "Vested Equity Rights"):

- Options to purchase 15,000 shares at \$23.71 per share that were granted on November 20, 2013
- Options to purchase 20,000 shares at \$26.17 per share that were granted on February 19, 2014
- Options to purchase 22,500 shares at \$41.69 per share that were granted on February 18, 2015
- Options to purchase 15,000 shares at \$40.64 per share that were granted on February 24, 2016
- Options to purchase 9,000 shares at \$38.05 per share that were granted on February 22, 2017

In accordance with the terms of the governing plan documents, the Vested Equity Rights must be exercised within 90 days following the Separation Date or else they will automatically terminate. Also in accordance with the terms of the governing plan documents, all unvested stock options and unvested restricted stock held by the Employee on the Separation Date (excluding the Retention Shares) shall be automatically terminated for no consideration.

**5. Complete Release of All Claims.** In consideration for the promises set forth in this Agreement, Employee hereby knowingly and voluntarily releases and forever discharges Gentherm and its current and former parents, subsidiaries and affiliates, predecessors, successors and assigns and each of its and their respective directors, officers, attorneys, agents, representatives and employees, individually and in their business capacities, and its and their employee benefit plans and programs and their administrators and fiduciaries (collectively referred to as "Releasees") from any and all claims and causes of action, whether now known or unknown, of whatever kind or nature, based on any act, omission, event, occurrence, or nonoccurrence from the beginning of time to the date of execution of this Agreement, including, but not limited to, claims that arise out of or in any way relate to Employee's employment or separation from employment with Gentherm. Employee acknowledges and agrees that this general release includes, but is not limited to, claims of breach of implied or express employment contracts or covenants, promissory estoppel, entitlement to any pay (other than the amounts promised in this Agreement), defamation, wrongful termination, public policy violations, emotional distress and related matters, claims of discrimination, harassment, or retaliation under federal, state or local laws, and claims based on any federal, state or other governmental statute, regulation or ordinance, including, but not limited to, Title VII of the Civil Rights Act of 1964 ("Title VII"); Sections 1981 through 1988 of Title 42 of the United States Code; The Employee Retirement Income Security Act of 1974 ("ERISA") (as modified below); The Immigration Reform and Control Act; the Americans with Disabilities Act ("ADA"); the Equal Pay Act ("EPA"); the Age Discrimination in Employment Act ("ADEA"); The Worker Adjustment and Retraining Notification Act; the Family and Medical Leave Act ("FMLA"); The Fair Credit Reporting Act; The Genetic Information Nondiscrimination Act of 2008; Michigan's Elliott-Larsen Civil Rights Act; the Michigan Persons with Disabilities Civil Rights Act; the Michigan Whistleblowers' Protection Act; Michigan Statutory Provision Regarding Retaliation/Discrimination for Filing a Worker's Compensation Claim; the Michigan Payment of Wages and Fringe Benefits Act; the Michigan Minimum Wage Law; the Michigan Equal Pay Law; and any other federal, state, or local laws, or regulations, or any common law actions, relating to Employee's employment that Employee may have against Gentherm or any of the Releasees as of the Separation Date and/or any type of damages, wages, commissions, benefits, attorney fees, costs or relief of any type (legal, equitable or otherwise).

If any claim is not subject to release, to the extent permitted by law, Employee waives any right or ability to be a class or collective action representative or to otherwise participate in any putative or certified class, collective or multi-party action or proceeding based on such a claim in which Gentherm or any other Releasee identified in this Agreement is a party.

**6. Claims Not Released.** Employee is not waiving any rights Employee may have to: (a) Employee's own vested accrued employee benefits under the applicable health, welfare, or retirement benefit plans as of the Separation Date; (b) benefits and the right to seek benefits under applicable workers' compensation and unemployment compensation statutes; (c) pursue claims that by law cannot be waived by signing this Agreement; and (d) enforce this Agreement.

**7. Exclusions.** Excluded from this Agreement are any claims or rights which cannot be waived by law, including the right to file a charge of discrimination with an administrative agency, to file or participate in an investigative proceeding of any federal, state or local government agency or to receive a monetary award offered by the Securities and Exchange Commission pursuant to Section 21F of the Securities Exchange Act of 1934. Nothing in this Agreement prohibits or prevents Employee from filing a charge with or participating, testifying, or assisting in any investigation, hearing, or other proceeding before any federal, state, or local government agency. However, to the maximum extent permitted by law, Employee agrees that if such an administrative claim is made, Employee shall not be entitled to recover any individual monetary relief (except as to possible whistleblower awards from the Securities and Exchange Commission) or other individual remedies.

**8. Confidential Information.** Employee agrees that Employee will comply in all respects with the Confidential Disclosure Agreement and any other confidentiality agreement that Employee signed during Employee's employment and Employee acknowledges that Employee's obligations under such confidentiality agreements will continue after Employee's employment with Gentherm ends. Employee acknowledges and agrees that in the course of Employee's employment with Gentherm Employee had access to and currently may possess confidential information regarding Gentherm's business including, but not limited to: trade secrets, product and process designs, samples, specifications, models, drawings, prototypes, know-how, processes, methods, techniques, formulas, scientific knowledge, requirements and specifications relating to products, schematics, business plans, financial information, customer information, distribution information, materials and vendors (collectively referred to as "Confidential Information"). Employee acknowledges that Employee has returned all Confidential Information to Gentherm. Employee acknowledges and agrees that all such Confidential Information is proprietary to Gentherm, regarded by Gentherm as highly confidential and shall remain the sole and exclusive property of Gentherm. Employee covenants that Employee will not disseminate or otherwise divulge to third parties, or use for Employee's own benefit or for the benefit of any other person or entity, any Confidential Information which Employee learned or had access to while employed by Gentherm.

Employee acknowledges that all tangible information, including all files, records, summaries, copies, excerpts, data, documents, drawings, designs, schematics, memoranda, letters, notes, written policies and procedures manuals and other information or material pertaining to Employee's work at Gentherm or containing Confidential Information which came into Employee's custody, possession or knowledge or were compiled prepared, developed or used by Employee at any time in the course of or in connection with Employee's work at Gentherm, and all tangible property put in Employee's custody or possession by Gentherm in connection with Employee's work at Gentherm, is solely the property of Gentherm, and Employee agrees that Employee will immediately return to Gentherm all such tangible information in Employee's possession or control. Employee also agrees to immediately return to

Gentherm all other Gentherm property and equipment Employee was given to use during Employee's employment.

**9. Limited Disclosure.** As further consideration for the promises set forth in this Agreement, Employee agrees not to disclose any information regarding the underlying facts leading up to or the existence or substance of this Agreement, except to Employee's spouse, tax advisor, an attorney with whom Employee chooses to consult regarding Employee's consideration of this Agreement and/or to any federal, state, or local government agency.

**10. Nondisparagement.** As further consideration for the promises set forth in this Agreement, Employee agrees and promises that Employee will not engage in, or encourage any other person or entity to engage in, any defamatory or maliciously disparaging conduct against any of the Releasees. Employee's obligation under this Section 10 extends to but is not limited to disparaging text messages, e-mail communications, and comments or postings on blogs, comment boards, and social media networking websites.

**11. No Representation.** Employee represents and acknowledges that in executing this Agreement Employee does not rely and has not relied on any representation or statement by any of the Releasees or by any of the Releasees' agents or representatives with regard to the subject matter, basis or effect of this Agreement.

**12. Voluntary Agreement.** Employee acknowledges that Employee has been advised in writing to consult with an attorney before Employee signs this Agreement. Employee understands that Employee has twenty-one (21) days within which to decide whether to sign this Agreement, although Employee may sign this Agreement at any time within the twenty-one (21) day period. If Employee does sign this Agreement, Employee also understands that Employee will have seven (7) days after Employee signs to revoke this Agreement, in which case a written notice of revocation must be delivered to General Counsel, Gentherm Incorporated, 21680 Haggerty Rd., Northville, MI 48167, on or before the seventh (7th) day after Employee's execution of the Agreement. Employee understands that the Agreement will not become effective unless and until after that seven (7) day revocation period has expired without revocation. Employee knowingly and voluntarily agrees to all of the terms set forth in this Agreement and intends to be bound legally by them. Employee agrees that any modifications, material or otherwise, made to this Agreement, do not restart or affect in any manner the original up to twenty-one (21) calendar day consideration period. Unless accepted in writing by Gentherm, Employee's acceptance of this Agreement will not be effective if received by Gentherm after the twenty-first (21st) day after the Separation Date.

**13. Binding Agreement.** This Agreement shall be binding upon Employee and Employee's heirs, administrators, representatives, executors, successors and assigns, and shall inure to the benefit of Releasees and each of them, and to their heirs, administrators, representatives, executors, successors, and assigns.

**14. Acknowledgments.**

Employee affirms that Employee has not filed, caused to be filed, or presently is a party to any claim against Gentherm.

Employee agrees that Employee will not seek or accept employment or contract placement with Gentherm or any of its related or affiliated companies at any time in the future, including, but not limited to, regular, temporary, contract or consulting employment. In the event that Employee is contracted for or hired by Gentherm, Employee expressly acknowledges that Employee's contract or employment may be

terminated on the basis of this Agreement. Gentherm and Employee agree that this provision is a negotiated, nonretaliatory term of this Agreement.

Employee affirms that Employee has no known workplace injuries or occupational diseases arising out of Employee's employment with Gentherm.

Employee affirms that Employee has been granted any leave to which Employee was entitled under the Family and Medical Leave Act or related state or local leave or disability accommodation laws.

Employee affirms that all of Gentherm's decisions regarding Employee's pay and benefits through the date of Employee's execution of this Agreement were not discriminatory based on age, disability, race, color, sex, religion, national origin or any other classification protected by law.

Employee represents and warrants that prior to signing this Agreement, Employee has disclosed to an officer of Gentherm any belief or information Employee may have that Gentherm has engaged in any unlawful activity of any kind.

Employee affirms that Employee has not been retaliated against for reporting any allegations of wrongdoing by Gentherm or its officers, including any allegations of corporate fraud.

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

**16. Amendment.** This Agreement may not be modified, altered or changed except in writing and signed by both Employee and Gentherm wherein specific reference is made to this Agreement.

**17. Entire Agreement.** This Agreement sets forth the entire agreement between the Parties, and fully supersedes any and all prior agreements or understandings between the Parties pertaining to the subject matter of the Agreement, except that any agreement that Employee entered into with Gentherm or any Releasee that provides for confidentiality, non-disclosure, non-solicitation, and/or non-competition (including, without limitation, the provisions of the Retention Agreement pertaining to "restrictive covenants" and Gentherm's right of compensation recovery in the event of a breach of such restrictive covenants) are incorporated herein by reference and remain in full force and effect.

**18. 409A.** This Agreement and the Separation Benefits are intended to either be exempt from or comply in form and operation with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended, and the final regulations issued thereunder ("Section 409A"). To the extent permitted by applicable Department of Treasury/Internal Revenue Service guidance, or law or regulation, Gentherm and Employee will take reasonable actions to reform this Agreement or any actions taken pursuant to their operation of this Agreement in order to comply with Section 409A. Notwithstanding the foregoing, in no event shall Gentherm or any of its subsidiaries, affiliates or representatives be liable to Employee for any additional tax, interest or penalty imposed upon or other detriment suffered by Employee under Section

409A or for any damage suffered by Employee for failure of this Agreement to comply with or be exempt from Section 409A. In addition, for purposes of this Agreement, all references to "termination of employment" and correlative phrases shall be construed to refer to a "separation from service" (as defined in Section 1.409A-1(h) of the Treasury regulations after giving effect to the presumptions contained therein).

**19. Non-Admission of Liability.** This Agreement does not constitute an admission that any Releasee has violated any law, rule, regulation, contractual right or any other duty or obligation.

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

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

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

DATED: May 25, 2018 /s/ Darren Schumacher  
**Darren Schumacher**

**GENTHERM INCORPORATED**

DATED: May 29, 2018 By: /s/ Phillip M. Eyler  
Name: Phillip M. Eyler  
Its: President and Chief Executive Officer