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# RESTATED STATEMENT OF POLICY FOR SECURITIES TRADING BY COMPANY PERSONNEL

[As adopted November 2015]

*This Policy Statement supersedes all previous statements and policies for Securities Trading by Company Personnel adopted by Gentherm Incorporated.*

## The Need For A Policy Statement

Gentherm Incorporated (including its direct and indirect subsidiaries and affiliates, the “Company”) has adopted this Statement of Policy (“Policy Statement”) in order to set forth procedures governing specified securities transactions by employees, officers and directors of the Company and other specified persons below to comply with federal securities laws and regulations (collectively “federal securities laws”) adopted by the U.S. Securities and Exchange Commission (the “SEC”).

Federal securities laws prohibit the purchase or sale of Company securities by specified persons while aware of material non-public information about the Company, or the disclosure of material non-public information about the Company by such persons to another person who then trades in the Company's securities. Insider trading violations are pursued vigorously by the SEC and the Justice Department and are punished severely. **Those subject to sanctions include the persons illegally trading, persons who tip material non-public information to other persons who illegally trade, and potentially companies and other controlling persons if they fail to take reasonable steps to prevent insider trading.**

The Company recognizes that the Company's directors, officers and other employees will, and other Covered Persons may, invest in and hold securities of the Company and encourages them to do so as a long-term investment. However, the Company is adopting this Policy Statement in order to insulate the Company and such persons from sanctions for insider trading and to avoid any situation that could damage the Company's reputation for integrity and ethical conduct -- an important corporate asset. We have all worked hard to establish our reputation for integrity. Therefore, even the appearance of improper conduct on the part of anyone employed by or associated with our Company (not just so-called insiders) could severely damage the Company's reputation.

## Persons Subject to This Policy Statement

This Policy Statement covers the Company's directors, officers and other employees, as well as any other person having access to material non-public information of the Company, including any contractors or consultants to the Company. This Policy Statement also applies to the foregoing persons' family members or others who reside with them, and any other persons or entities whose securities transactions are directed by the foregoing persons or subject to their influence or control. Employees, officers, directors and consultants are responsible for the transactions of these other persons and therefore should make them aware of the need to confer with you before they trade in the Company's securities. Collectively, the persons noted in this paragraph are referred to herein as "Covered Persons."

Certain persons covered by this Policy Statement are, based on their position, deemed to have access to material non-public information concerning the Company. These persons are referred to in this Policy Statement as the "Restricted Persons" and include: (1) all officers and directors of the Company, (2) all employees of the Company who report directly to the Chairman, Chief Executive Officer, President and Chief Financial Officer and (3) any other employees of the Company designated as Restricted Persons by the Chief Executive Officer or Chief Financial Officer. Certain transaction limitations in this Policy Statement apply to the Restricted Persons regardless of whether or not such persons have actual knowledge of material non-public information. **All transactions in the Company's securities (acquisitions, dispositions, transfers, etc.) by Restricted Persons covered by this Policy Statement must be approved in advance by the Chief Financial Officer.** The Company's Chief Financial Officer maintains a current list of Restricted Persons. Company employees are notified once they are added to the list and become a Restricted Person. Company employees who are not Restricted Persons must adhere to each of the other terms of this Policy Statement (i.e. those terms that are not solely applicable to Restricted Persons) and are encouraged to adhere to the additional terms of this Policy Statement that apply only to Restricted Persons.

## The Consequences of Insider Trading Violations

The consequences of an insider trading violation can be severe. For this reason, the limitations in this Policy Statement are necessary to avoid even the appearance of improper conduct as described above.

The civil and criminal penalties for insider trading violations under federal securities laws are as follows:

Traders and Tippees. Covered Persons (or their tippees) who trade on inside information (or tip information to others) are subject to the following penalties:

- a civil penalty of up to three times the profit gained or loss avoided;
- civil liability in suits by other purchasers or sellers of the Company's securities;

- a criminal fine (no matter how small the profit) of up to \$1 million; and
- a jail term of up to 20 years.

These penalties can apply even if the individual is not a director, officer or senior executive.

Control Persons. The Company as well as any supervisory personnel that fail to take appropriate steps to prevent illegal insider trading are subject to the following penalties:

- a civil penalty of the greater of (i) up to \$1 million or (ii) three times the profit gained or loss avoided as a result of the employee's violation; and
- a criminal penalty of up to \$25 million.

Company-Imposed Sanctions. A Covered Person's failure to comply with this Policy Statement may subject such person to Company-imposed sanctions, including, but not limited to, dismissal for cause, whether or not such person's failure to comply results in a violation of law. A violation of law, or even an SEC investigation that does not result in prosecution, can tarnish one's reputation and irreparably damage a career.

### The Company's Policy

Except for the limited exceptions set forth below, any Covered Person who is aware of material non-public information relating to the Company may not directly or indirectly through other persons or entities, buy or sell securities of the Company or engage in any other action to take advantage of, or pass on to others (including family or friends), that information. You may not recommend to anyone that he or she buy or sell a security while you are in possession of material non-public information about the Company (including through "anonymous" communications through the internet or elsewhere), even if you do not disclose the specific information to that person. The Company also prohibits Covered Persons from engaging in transactions in Company securities for speculative purposes. See "Additional Prohibited Transactions" below.

In addition, Covered Persons who learn of material non-public information about a company with whom the Company does or may do business, including any customers or suppliers, in the course of working for or on behalf of the Company, may not trade in such company's securities until no longer in possession of such material non-public information. Any such material non-public information has been shared with the Company with the understanding that such information is only to be used to facilitate the relationship between the Company and the third party and may not be used for any other purpose. You are strictly prohibited from misappropriating such information to trade in the securities of the third party or otherwise and are obliged to keep all such information confidential, sharing it only as directly or indirectly authorized by such third party.

For purposes of this Policy Statement, "material information" means any information that a reasonable investor would consider important in a decision to buy, hold or sell securities. In short, any information is material if it could reasonably affect the price of the securities. If you

are not certain if non-public information you have is material, you should treat it as if it is material.

Common examples of information that will frequently be regarded as material are (whether proposed, pending or having already occurred):

- projections of future earnings or losses, or other earnings guidance;
- analyst upgrades or downgrades of the Company or one of its securities;
- results of operations for an ongoing or recently completed period;
- earnings that are inconsistent with the consensus expectations of the investment community;
- restatement of previously issued financial statements;
- an important financing transaction or borrowings outside the ordinary course of business;
- budgets or other internal financial information which departs from what the market would expect;
- news of a pending or proposed merger, acquisition or tender offer;
- news of a significant pending or proposed sale of assets or the disposition of a subsidiary;
- the potential delisting of securities from a national securities exchange;
- changes in dividend policies, the declaration of dividends, a stock split or the offering or repurchase of additional securities;
- changes in management;
- development of significant new products, processes or discoveries;
- a significant increase or decrease in business performance and related metrics;
- a significant expansion or curtailment of current or planned operations;
- litigation or regulatory proceedings or investigations;
- impending bankruptcy or financial liquidity problems; and
- the gain or loss of a significant contract, purchase order or substantial customer or supplier.

Either positive or negative information may be material. We emphasize that this list is merely illustrative and not exhaustive.

For purposes of this Policy Statement, “non-public” information means that such information has not been broadly disclosed to the marketplace, such as by press release or filing with the SEC, and/or the investing public has not had time to absorb the information fully (See

“Period of Public Absorption” below). Common examples of information that will frequently be regarded as non-public are:

- information available to a select group of persons subject to confidentiality obligations to the Company;
- undisclosed facts that are the subject of rumors, even if the rumors are widely circulated; and
- information that has been entrusted to the Company on a confidential basis until a public announcement of the information has been made and enough time has elapsed for the market to respond to a public announcement of the information.

Transactions by an individual trading in the Company’s securities that may be necessary or justifiable for independent reasons (such as the need to raise money for an emergency expenditure) are not exempt from this Policy Statement or the legal restrictions described above; the federal securities laws do not recognize mitigating circumstances. Even the appearance of an improper transaction must be avoided to preserve the Company's reputation for adhering to the highest standards of conduct.

If your securities transactions become the subject of scrutiny, they will be viewed by the SEC after-the-fact with the benefit of hindsight. As a result, before engaging in any transaction, you may want to consult with your own attorney (in addition to clearing the transaction with the designated Company representative) and carefully consider how regulators and others might view your transaction in hindsight.

If you become aware of a potential insider trading violation of the Company’s securities, you should immediately advise the the General Counsel or, in his or her absence, the Chief Financial Officer. You also should take steps, where appropriate, to prevent persons under your control from using non-public information of the Company.

Trading After Public Announcements. If you are aware of material non-public information, you may not trade until the information has been disclosed broadly to the marketplace (such as by press release or an SEC filing) and the investing public has had time to absorb the information fully, as described below.

Period of Public Absorption. To avoid the appearance of impropriety, the Company has adopted a rule that ***information should not be considered fully absorbed by the marketplace until a full trading day session has passed after the information is released.*** Covered Persons are required to adhere to the above rule to the extent they were previously aware of the information being announced and are encouraged to adhere to the above rule in all other circumstances; however, Restricted Persons are ***required*** to abide by the above rule under all circumstances. If, for example, the Company were to make an announcement of previously non-public, material information at 9am ET on Monday, before the market opens, the affected Covered Persons should not trade in the Company's securities until Tuesday. If such an announcement of were made at 1pm ET on Monday, the affected Covered Persons should not

trade in the Company's securities until Wednesday. Finally, if such an announcement were made at 6pm ET on Monday, the affected Covered Persons should not trade in the Company's securities until Wednesday.

Trading After Earnings Announcements. It is also our policy that no Restricted Person, nor any person related to a Restricted Person, may enter into a trade immediately prior to or immediately after the Company has made a public announcement of an earnings release. Because the Company's shareholders and the investing public should be afforded the time to receive the information and act upon it, the Company has adopted a rule that Restricted Persons *may not engage in any transaction during a period starting ten days before the end of a fiscal quarter and ending on the day after a full trading day session has passed after the information is released.* As an example of the foregoing, if a Company earnings release was made at 6pm ET on Monday or 8am on Tuesday, in either case Restricted Persons may not engage in any transaction until Wednesday, after a full trading day session had passed since the release was made.

Disclosure of Information to Others. Serious problems could be caused for the Company by unauthorized disclosure of internal information about the Company, whether or not for the purpose of facilitating improper trading in the Company's securities. For example, the Company is required under Regulation FD of the federal securities laws to avoid the selective disclosure of material non-public information. The Company has established procedures for releasing material information as required in the performance of regular corporate duties and only to the extent appropriate confidentiality protections are effective or in a manner that is designed to achieve broad public dissemination of the information immediately upon release. Directors, consultants, officers and other employees may not, therefore, disclose information to anyone outside the Company (including through "anonymous" communications through the Internet or elsewhere), including family members and friends, other than in accordance with those procedures. If you receive any inquiries of this nature, you should decline comment and refer the inquirer to the Chief Financial Officer unless you are expressly authorized to the contrary by the Chief Financial Officer. The penalties set forth above apply, whether or not you derive any benefit from another's actions. This requirement also serves the Company's broader interest in preserving the confidentiality of its proprietary information. If you become aware that material non-public information has been improperly disclosed by any Covered Person, you should immediately report all the facts to the the General Counsel or, in his or her absence, the Chief Financial Officer so that the Company may take appropriate remedial action.

#### Additional Prohibited Transactions.

Because we believe it is improper and inappropriate for any Company personnel to engage in short-term or speculative transactions involving the Company's securities, it is the Company's policy that Covered Persons should not engage in any of the following activities with respect to securities of the Company:

1. Trading in securities on a short-term basis. A Covered Person's short-term trading of the Company's securities may unduly focus directors, consultants, officers or other

employees on the Company's short-term stock market performance instead of the Company's long term business objectives. For these reasons, ***any securities of the Company purchased by a Covered Person in the open market must be held for a minimum of six months*** and preferably longer. Note that the SEC's short-swing profit rule already prevents officers and directors from selling any Company securities within six months of a purchase. We are simply expanding this rule to all Covered Persons. However, the "short-term basis" prohibition does not apply to stock option exercises and immediate sales of the underlying securities to cover the payment of the exercise price and tax withholding, except to the extent that such transactions are prohibited by law.

2. **Short sales.** Short sales (i.e., a sale of securities which are not then owned) of the Company's securities evidence an expectation on the part of the seller that the securities will decline in value, and therefore signal to the market that the seller has no confidence in the Company or its short-term prospects. In addition, short sales may reduce the seller's incentive to improve the Company's performance. For these reasons, short sales of the Company's securities by Covered Persons are prohibited. In addition, Section 16(c) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") prohibits officers and directors from engaging in short sales.

3. **Publicly Traded Options.** A transaction in options (other than options granted under a Company equity plan) is, in effect, a bet on the short-term movement of the Company's stock and therefore creates the appearance that a Covered Person is trading based on inside information. Transactions in options also may focus the attention of directors, consultants, officers or other employees on short-term performance at the expense of the Company's long-term objectives. Accordingly, transactions by Covered Persons in puts, calls or other derivative securities, on an exchange or in any other organized market, are prohibited. (Option positions arising from certain types of hedging transactions are governed by the section below captioned "Hedging Transactions.")

4. **Hedging Transactions.** Certain forms of hedging or monetization transactions, such as zero-cost collars and forward sale contracts, allow a Covered Person to lock in much of the value of his or her stock holdings, often in exchange for all or part of the potential for upside appreciation in the stock. These transactions allow the Covered Person to continue to own the covered securities, but without the full risks and rewards of ownership. When that occurs, the Covered Person may no longer have the same objectives as the Company or its other shareholders. Accordingly, these types of transactions are prohibited by this Policy Statement.

5. **Standing Orders.** Standing orders (except under approved Rule 10b5-1 plans, see below) that extend beyond one or two days after the order is placed should not be used. The problem with purchases or sales resulting from standing instructions to a broker is that there is no control over the timing of the transaction. The broker could execute a transaction when a person is in possession of material non-public information.

6. **Margin Accounts and Pledges.** Securities held in a margin account may be sold by the broker without the customer's consent if the customer fails to meet a margin call.

Similarly, securities pledged (or hypothecated) as collateral for a loan may be sold in foreclosure if the borrower defaults on the loan. Because a margin sale or foreclosure sale may occur at a time when the pledgor is aware of material non-public information or otherwise is not permitted to trade in Company securities, Covered Persons are prohibited from holding Company securities in a margin account or pledging Company securities as collateral for a loan. An exception to this prohibition may be granted where a person wishes to pledge Company securities as collateral for a loan (not including margin debt) and clearly demonstrates the financial capacity to repay the loan without resort to the pledged securities. Any person who wishes to pledge Company securities as collateral for a loan must submit a request for approval to the Chief Financial Officer at least two weeks prior to the proposed execution of documents evidencing the proposed pledge.

7. Other. This Policy Statement prohibits the use of derivative securities to separate any financial interest in Company securities from the related voting rights. In addition, to prevent any appearance of improper conduct by any Covered Persons, this Policy Statement prohibits any transaction in Company securities where a reasonable investor would conclude that such transaction is for short-term gain or is speculative.

#### Pre-Clearance of All Trades by Restricted Persons

To provide assistance in preventing inadvertent violations and avoiding even the appearance of an improper transaction (which could result, for example, where an officer engages in a trade while unaware of a pending major development), the Company has implemented the following procedure:

All transactions in the Company's securities (acquisitions, dispositions, transfers, etc.) by Restricted Persons must be approved in advance by the Chief Financial Officer. Unless revoked, a grant of permission will remain valid until the close of trading five business days following the day on which such permission was granted. If the transaction does not occur during the five-business day period, pre-clearance of the transaction must be re-requested. The Chief Financial Officer may, if conditions warrant, rescind such permission at any time. In such case, the Chief Financial Officer will use good faith efforts to immediately notify the Restricted Person that permission has been revoked. Gifts are permitted to be made outside the window period, but only if such person obtains written confirmation that the recipient will not sell such securities prior to the next window period (in which case, such recipient may sell anytime thereafter) and such confirmation is provided to the Chief Financial Officer in advance of such gift.

Occasionally, the Company may determine that "window periods" are unavailable or will be delayed, and such determination may or may not be communicated to Restricted Persons. **Therefore, even if the "window period" is open, Restricted Persons must check with the Chief Financial Officer prior to any and all trading in Company securities subject to this policy.**



## Pre-Clearance of Stock Option Exercises by Covered Persons

All stock option exercises by Covered Persons must be approved in advance by the Chief Financial Officer. Unless revoked, a grant of permission will remain valid until the close of trading five business days following the day on which such permission was granted. If the transaction does not occur during the five-business day period, pre-clearance of the transaction must be re-requested. The Chief Financial Officer may, if conditions warrant, rescind such permission at any time. In such case, the Chief Financial Officer will use good faith efforts to immediately notify the Covered Person that permission has been revoked.

## Transactions Under Company Plans.

Stock Option Exercises. This Policy Statement does not apply to the exercise of an employee stock option pursuant to which you elect to have the Company withhold shares subject to an option solely to satisfy tax withholding or exercise price requirements. This Policy Statement does apply, however, to any sale of stock as part of a broker-assisted cashless exercise of an option, or any other market sale for the purpose of generating the cash needed to pay the exercise price of or tax withholding for an option.

401(k) Plan. This Policy Statement does not apply to any purchases of Company stock in the 401(k) plan resulting from your periodic contribution of money to the plan pursuant to your payroll deduction election previously made. The Policy Statement does apply, however, to certain elections you may make under the 401(k) plan, including (a) an election to increase or decrease the percentage of your periodic contributions that will be allocated to the Company stock fund, (b) an election to make an intra-plan transfer of an existing account balance into or out of the Company stock fund, (c) an election to borrow money against your 401(k) plan account if the loan may result in a liquidation of some or all of your Company stock fund balance and (d) your election to pre-pay a plan loan if the pre-payment will result in allocation of loan proceeds to the Company stock fund.

Employee Stock Purchase Plan. This Policy Statement does not apply to purchases of Company stock in an employee stock purchase plan resulting from your periodic contribution of money to the plan pursuant to the election you made at the time of your enrollment in the plan. This Policy Statement also does not apply to purchases of Company stock resulting from lump sum contributions to any such plan, provided that you elected to participate by lump-sum payment at the beginning of the applicable enrollment period. This Policy Statement does apply to your election to participate in any such plan for any enrollment period, to your sales of Company stock purchased pursuant to the plan and to any changes in your elections under the Plan.

Dividend Reinvestment Plan. This Policy Statement does not apply to purchases of Company stock under a Company dividend reinvestment plan resulting from your reinvestment of dividends paid on Company securities. This Policy Statement does apply, however, to voluntary purchases of Company stock resulting from additional contributions you choose to make to such a plan, and to your election to participate in such a plan or increase your level of

participation in such a plan. This Policy Statement also applies to your sale of any Company stock purchased pursuant to such a plan.

Transactions Under Rule 10b5-1(c)(1). Rule 10b5-1(c)(1) of the Exchange Act provides an affirmative defense from insider trading liability under Rule 10b5. If the plan meets the requirements of Rule 10b5-1(c)(1), Company securities may be purchased or sold without regard to certain insider trading restrictions. A Rule 10b5-1(c)(1) plan must be entered into during a period in which the applicable Covered Person was permitted to purchase or sell Company stock under the terms of this Policy Statement, in good faith and at a time when such person is not aware of any material non-public information. The plan must either specify the amount, pricing and/or timing of the transactions in advance or delegate discretion for one or more of such matters to a third party. Once the plan is adopted, the person must not exercise any influence over such trade instructions. Any Covered Person who enters into a Rule 10b5-1(c)(1) plan must have the plan approved in advance by the Company's Chief Financial Officer.

#### Section 16/Form 144 Rules Applicable to Directors and Certain Executive Officers.

Section 16. The Company's directors and certain of its executive officers are subject to the provisions of Section 16 of the Exchange Act with respect to Company securities (including derivatives related thereto), which among other things prohibits such persons from engaging in any non-exempt sale transaction within six months of any non-exempt purchase transaction. Penalties for violation include among other things the recovery by the Company of the "short-swing" profits.

Further, any change in such person's pecuniary interest, directly or indirectly (including one's spouse, children and relatives sharing one's household, as well as other entities such as trusts, corporations, and partnerships in which such person has an interest), in any Company securities (including derivatives related thereto) must be reported to the SEC on a Form 4 within two business days of the change. Even a change in the nature of one's ownership, e.g., from direct to indirect, must be reported, despite the fact that there is no net change. Although the Company's General Counsel and outside counsel will assist reporting persons in preparing and filing the required reports, the reporting persons retain responsibility for the reports.

Form 144. The Company's directors and its executive officers who are subject to the provisions of Section 16 of the Exchange Act are also required to file a Form 144 with the SEC before making certain open market sales of Company securities. Form 144 notifies the SEC of one's intent to sell such securities. This form is generally prepared and filed by one's broker and is in addition to the Section 16 reports filed on such person's behalf.

#### Certifications

All directors, officers and other employees will be required to certify their understanding of, and intent to comply with, this Policy Statement. Restricted Persons will be required to certify compliance on an annual basis.

### Company Assistance

Any person who has any questions about specific transactions may obtain additional guidance from the General Counsel. However, the ultimate responsibility for adhering to this Policy Statement and avoiding improper transactions rests with you. In this regard, it is imperative that you use good judgment with respect to all your transactions in the Company's securities.

### Term

This Policy Statement applies to Covered Persons during their work for or with the Company. In addition, If you are in possession of material non-public information when your service terminates, you may not trade in Company securities until that information has become public or is no longer material.

[End of Policy Statement]