



Compensation Committee Charter

Purpose

The Compensation Committee is appointed by the Board of Directors (the "Board") of Gentex Corporation (the "Company") to assist the Board in discharging its responsibilities relating to the compensation of the Company's executives.

Committee Membership

The Compensation Committee will be comprised of at least three directors, all of whom satisfy the definition of "independent" under the listing standards of the Nasdaq Global Select Market ("Nasdaq") as well as all other Nasdaq requirements with respect to serving on a compensation committee. All Compensation Committee members shall also be "non-employee directors" as defined by Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and as "outside directors" as defined by Section 162(m) of the Internal Revenue Code. The Compensation Committee members will be appointed by the Board and may be removed by the Board in its discretion.

Meetings

The Compensation Committee shall meet as often as the members deem necessary to perform the Compensation Committee's responsibilities.

Committee Authority and Responsibilities

The Compensation Committee will have the authority, in its sole discretion, to the extent it deems necessary or appropriate, to retain or obtain the advice of a compensation consultant, legal counsel, or another adviser (an "Adviser"). The Compensation Committee shall be directly responsible for the appointment, compensation, and oversight of the work of any Adviser retained by the Compensation Committee, including sole authority to approve reasonable compensation for any Adviser and other retention terms. Prior to retaining or obtaining advice from any Adviser, the Compensation Committee shall take into consideration certain factors.¹

- 1) The factors that are to be taken into account with respect to the selection of any Adviser are as follows:
 - a) the provision of other services to the Company by the person that employs the Adviser;
 - b) the amounts of fees received from the Company by the person that employs the Adviser as a percentage of the total revenue of the person that employs the Adviser;
 - c) the policies and procedures of the person that employs the Adviser that are designed to prevent conflicts of interest;
 - d) any business or personal relationship of the Adviser with a member of the

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- e) any stock of the Company owned by the Adviser; and
- f) any business or personal relationship of the Adviser or the person employing the Adviser with an executive officer of the Company.

The Compensation Committee will report to the Board any role that Advisers play in determining or recommending the amount or form of executive and director compensation and all of the fees paid to such Advisers. The Company shall provide appropriate funding, as determined by the Compensation Committee, for payments of reasonable compensation to any Advisers.

The Compensation Committee will make reports to the Board when and as requested by the Board and will propose any necessary action to the Board. The Compensation Committee will review and reassess the adequacy of its Charter annually and recommend any proposed changes to the Board for approval. The Compensation Committee will periodically evaluate the Compensation Committee's own performance. The Compensation Committee will:

- approve CEO compensation and/or recommend the same to the entire Board (and the CEO may not be present during voting or deliberations on his or her compensation).
- approve non-CEO executive officer compensation and/or recommend the same to the entire Board (provided, however, the Company's CEO may be present at the meeting deliberations on this subject, but is not entitled to vote).
- approve all stock-based compensation.
- recommend to the entire Board compensation of non-employee directors including the Chair of the Board, Chairs of committees of the Board, and committee members, consistent with applicable requirements.
- review any shareholder proposals pertaining to compensation matters and recommend responses to such proposals to the Board.

The Compensation Committee shall review and discuss with the Company's management the Company's Compensation Discussion and Analysis required by Securities and Exchange Commission Regulation S-K, Item 402(b). Based on such review and discussion, the Compensation Committee shall determine whether to recommend to the Board that the Compensation Discussion and Analysis be included in the Company's annual report and proxy statement for the annual meeting of shareholders, as appropriate. The Compensation Committee shall also provide, over the names of the members of the Compensation Committee, the required Compensation Committee report for the Company's annual report and proxy statement for the annual meeting of shareholders, as appropriate.

The Compensation Committee shall review and discuss whether the risks arising from the Company's compensation policies and practices for its employees are reasonably likely to have a material adverse effect on the Company. The Compensation Committee will then recommend to the Board



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