



AUDIT COMMITTEE CHARTER

I. ROLE:

The primary purpose of the Audit Committee is to assist the Board of Directors (the "Board") of Gentex Corporation (the "Company") in fulfilling its oversight responsibilities for: (a) management's conduct of the Company's accounting and financial reporting processes; (b) the audits of the Company's financial statements; and (c) the Company's system of disclosure controls and internal controls regarding finance, accounting, legal compliance and ethics.

II. MEMBERSHIP:

A. Independence/Composition. The Audit Committee shall be comprised of not less than three (3) members of the Board. Each member of the Audit Committee shall meet independence and experience requirements of the Nasdaq Global Select Market ("Nasdaq"), the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Securities and Exchange Commission (the "Commission"). Accordingly, the members of the Audit Committee will consist of directors:

- None of whom has any relationship to the Company that would interfere with the exercise of his or her independent judgment as a member of the Audit Committee; and
- All of whom, as determined by the Board in its business judgment, are financially literate and have a working familiarity with basic financial and accounting practices and at least one member of the Audit Committee shall (barring a vacancy) meet the Nasdaq standard for financial sophistication and one member shall (barring a vacancy) be an "audit committee financial expert" in compliance with the criteria established by the Commission.

B. Appointment. The members of the Audit Committee shall be nominated and appointed by the Board. The Board shall designate one member of the Audit Committee as Chair. Audit Committee members may be replaced by the Board. A member of the Audit Committee shall not simultaneously serve on the audit committees of more than two other public companies.

III. MEETINGS:

A. Schedule. The Audit Committee shall hold regular meetings at least quarterly each fiscal year. The meeting schedule shall include sessions with management and the independent auditor. Each regularly scheduled meeting of the Audit Committee shall provide an opportunity for an executive session of the Audit Committee absent the independent auditors but with management; absent members of management but with the independent auditors;

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and/or absent both members of management and the independent auditors, in each case on such terms and conditions as the Audit Committee may elect. Special meetings of the Audit Committee may be called pursuant to any procedures established by the Audit Committee. Pre-meeting materials are expected to be distributed to Audit Committee members in sufficient time prior to meetings to permit review by members before such meetings.

B. Minutes/Reports. The Audit Committee shall keep written minutes of its meetings, including a report of all actions taken by the Audit Committee. Such minutes shall be delivered to the Board and shall be maintained with the books and records of the Company.

IV. RESPONSIBILITIES:

The Company's management is responsible for preparing the Company's financial statements, and the independent auditor is responsible for auditing the Company's financial statements. Consequently, the Audit Committee's role is one of oversight and does not provide any expert assurance or certification as to the Company's financial statements or the work of the independent auditor. The independent auditor, however, is directly accountable to the Audit Committee as set forth below.

The following functions are the common recurring activities of the Audit Committee in carrying out its oversight function:

A. Document and Report Review

1. Review, assess the adequacy of, and update this Charter periodically or as conditions dictate (no less often than annually).
2. Review and discuss with management the Company's annual financial statements and any reports or other financial information submitted to the Commission or to the public, including any report issued by the independent auditor, and including matters required to be reviewed under applicable legal, regulatory, or Nasdaq requirements. In lieu of the entire Audit Committee undertaking such review and discussion, the Chair may review and discuss with management if the entire Audit Committee's involvement is not required by any applicable law, rule, or regulation.
3. Review any management letters or other reports from the independent auditor, management's responses thereto, other communications between management and the independent auditor, and any subsequent updates on actions taken, as appropriate.
4. Recommend to the Board whether the financial statements should be included in the Annual Report on Form 10-K. Review and discuss with management and the

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independent auditor the quarterly report on Form 10-Q prior to its filing, including matters required to be reviewed under applicable legal, regulatory, or Nasdaq requirements.

5. Discuss with management earnings press releases prior to dissemination, and financial information and earnings guidance provided to analysts and rating agencies. In lieu of the entire Audit Committee undertaking such discussions, the Chair may hold such discussions with management if the entire Audit Committee's involvement is not required by any applicable law, rule, or regulation.
6. Review management's assessment and report on the effectiveness of the Company's internal controls over financial reporting.

B. Independent Auditors

1. Select and appoint, determine the compensation of and funding for, evaluate, and provide oversight of the Company's independent auditor (engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services), including the removal of the Company's independent auditor, all within the Audit Committee's sole authority. The independent auditor shall report and be accountable directly to the Audit Committee, and the Audit Committee shall oversee the resolution of any disagreements between management and the independent auditor. The Audit Committee shall also recommend to the Board whether to submit the independent auditors to the shareholders for ratification at the annual meeting of shareholders.
2. On an annual basis, receive from the independent auditor a formal written statement delineating, and review and discuss with the independent auditor, all relationships the auditor has with the Company (consistent with applicable requirements) to determine the auditor's objectivity and independence, undertaking or recommending appropriate action to ensure and continue that independence.
3. Implement and administer the Company's Policy Regarding the Approval of Audit and Permissible Non-Audit Services Provided by the Independent Auditor.
4. Review the independent auditor's attestation and report on management's assessment and report on the effectiveness of the Company's internal controls over financial reporting, and hold timely discussions with the independent auditor regarding the content of that attestation and report.
5. At least annually, obtain and review a report by the independent auditor regarding:

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- (a) The firm's internal quality control procedures;
 - (b) Any material issues raised by the most recent internal quality-control review, peer review of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues;
 - (c) All relationships between the independent auditor and its related entities and the Company and its related entities (with a confirmation that in the professional judgment the auditor is independent of the Company under all applicable laws, rules, and regulations); and
 - (d) Any other communications required by law, rule, or regulation.
6. Review the experience and qualifications of the lead audit partner and determine all partner rotation requirements under applicable law, rules, and regulations.

C. Financial Reporting Processes

- 1. Review the integrity of the Company's financial reporting process, both internal and external, giving consideration to consultation with management and the independent auditors.
- 2. Review the Company's critical accounting policies and practices, and alternative treatments, as well as consider and approve, as appropriate, major changes to the Company's accounting policies and practices or internal controls over financial reporting as suggested by the independent auditor and/or management. Discuss with the independent auditor an analysis of the auditor's judgment as to the quality of the Company's accounting policies and practices.
- 3. Review and approve all related party transactions.
- 4. Establish and maintain procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls, or auditing matters, including procedures necessary to receive and respond to confidential and anonymous submissions by Company employees regarding questionable accounting or auditing matters.



D. Internal Audit

1. Discuss with management and the independent auditor the necessity of an internal audit function.
2. To the extent an internal audit function is considered necessary, to oversee the organization, objectivity, responsibilities, plans, budgets, and staffing of such a function.

E. Ethical and Legal Compliance

1. Review the Company's Code of Business Conduct and Ethics and Code of Ethics for Senior Officers to ensure that management has maintained a system to comply with expected ethical and legal requirements.
2. Review, with the Company's counsel, legal compliance matters including corporate securities trading policies.
3. Review, with the Company's counsel, any legal matter that could have a significant impact on the Company's financial statements.
4. Discuss the Company's risk assessment and risk management, any steps taken by management to control or mitigate risk exposure, as well as any audit problems or difficulties and management's response.

F. Other

1. Prepare the Audit Committee report, in accordance with all applicable rules and regulations, to be included in the Company's annual proxy statement to shareholders and review other disclosures as pertains to the Audit Committee in such proxy statement.
2. Perform an annual self-assessment relative to the Audit Committee's purpose, duties and responsibilities set forth in this Charter.
3. Obtain advice and assistance from outside legal, accounting or other advisors as deemed appropriate to perform the Audit Committee's duties and responsibilities. The Audit Committee has the sole authority to retain and determine the funding for such advisors and shall be given the necessary resources to retain such advisors and to otherwise fulfill its functions as set forth in this Charter, including investigation of any matters within the scope of responsibilities set forth in this Charter

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4. Perform any other activities consistent with this Charter, the Company's Bylaws and governing law, as the Audit Committee or the Board of Directors deems necessary or appropriate.
5. Review any shareholder proposals pertaining to accounting or auditing matters and recommend responses to such proposal by the Board.

V. LIMITATIONS:

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine if the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the independent auditor.