

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

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2018

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____.

Commission File Number: 001-36127

COOPER-STANDARD HOLDINGS INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

20-1945088
(I.R.S. Employer
Identification No.)

39550 Orchard Hill Place Drive
Novi, Michigan 48375
(Address of principal executive offices)
(Zip Code)
(248) 596-5900
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of April 27, 2018 there were 18,065,887 shares of the registrant's common stock, \$0.001 par value, outstanding.

COOPER-STANDARD HOLDINGS INC.

Form 10-Q

For the period ended March 31, 2018

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PART I — FINANCIAL INFORMATION

Item 1. Financial Statements

COOPER-STANDARD HOLDINGS INC.
CONDENSED CONSOLIDATED STATEMENTS OF NET INCOME
(Unaudited)

(Dollar amounts in thousands except per share amounts)

	Three Months Ended March 31,	
	2018	2017
Sales	\$ 967,391	\$ 902,051
Cost of products sold	796,511	732,049
Gross profit	170,880	170,002
Selling, administration & engineering expenses	80,440	87,054
Amortization of intangibles	3,406	3,595
Impairment charges	—	4,270
Restructuring charges	7,125	9,988
Operating profit	79,909	65,095
Interest expense, net of interest income	(9,800)	(11,239)
Equity in earnings of affiliates	1,687	1,675
Loss on refinancing and extinguishment of debt	(770)	—
Other expense, net	(1,719)	(1,137)
Income before income taxes	69,307	54,394
Income tax expense	11,891	11,890
Net income	57,416	42,504
Net income attributable to noncontrolling interests	(624)	(798)
Net income attributable to Cooper-Standard Holdings Inc.	\$ 56,792	\$ 41,706
Earnings per share:		
Basic	\$ 3.16	\$ 2.35
Diluted	\$ 3.07	\$ 2.20

The accompanying notes are an integral part of these financial statements.

COOPER-STANDARD HOLDINGS INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)
(Dollar amounts in thousands)

	Three Months Ended March 31,	
	2018	2017
Net income	\$ 57,416	\$ 42,504
Other comprehensive income (loss):		
Currency translation adjustment	12,692	10,291
Benefit plan liabilities adjustment, net of tax	1,307	(193)
Fair value change of derivatives, net of tax	3,612	1,093
Other comprehensive income, net of tax	17,611	11,191
Comprehensive income	75,027	53,695
Comprehensive income attributable to noncontrolling interests	(1,573)	(981)
Comprehensive income attributable to Cooper-Standard Holdings Inc.	\$ 73,454	\$ 52,714

The accompanying notes are an integral part of these financial statements.

COOPER-STANDARD HOLDINGS INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Dollar amounts in thousands except share amounts)

	<u>March 31, 2018</u>	<u>December 31, 2017</u>
	<u>(unaudited)</u>	
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 420,172	\$ 515,952
Accounts receivable, net	570,548	494,049
Tooling receivable	107,274	112,561
Inventories	185,960	170,196
Prepaid expenses	38,610	33,205
Other current assets	115,273	100,778
Total current assets	<u>1,437,837</u>	<u>1,426,741</u>
Property, plant and equipment, net	977,514	952,178
Goodwill	173,370	171,852
Intangible assets, net	65,904	69,091
Other assets	106,534	105,786
Total assets	<u>\$ 2,761,159</u>	<u>\$ 2,725,648</u>
<u>Liabilities and Equity</u>		
Current liabilities:		
Debt payable within one year	\$ 34,626	\$ 34,921
Accounts payable	523,962	523,296
Payroll liabilities	119,405	123,090
Accrued liabilities	115,595	145,650
Total current liabilities	<u>793,588</u>	<u>826,957</u>
Long-term debt	723,587	723,325
Pension benefits	181,059	180,173
Postretirement benefits other than pensions	61,643	61,921
Other liabilities	78,323	78,183
Total liabilities	<u>1,838,200</u>	<u>1,870,559</u>
7% Cumulative participating convertible preferred stock, \$0.001 par value, 10,000,000 shares authorized; no shares issued and outstanding	—	—
Equity:		
Common stock, \$0.001 par value, 190,000,000 shares authorized; 20,062,193 shares issued and 18,065,887 shares outstanding as of March 31, 2018, and 19,920,805 shares issued and 17,914,599 outstanding as of December 31, 2017	18	18
Additional paid-in capital	510,060	512,815
Retained earnings	572,084	511,367
Accumulated other comprehensive loss	<u>(189,608)</u>	<u>(197,631)</u>
Total Cooper-Standard Holdings Inc. equity	892,554	826,569
Noncontrolling interests	<u>30,405</u>	<u>28,520</u>
Total equity	<u>922,959</u>	<u>855,089</u>
Total liabilities and equity	<u>\$ 2,761,159</u>	<u>\$ 2,725,648</u>

The accompanying notes are an integral part of these financial statements.

COOPER-STANDARD HOLDINGS INC.
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(Unaudited)
(Dollar amounts in thousands except share amounts)

	Total Equity								
	Common Shares	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Cooper-Standard Holdings Inc. Equity	Noncontrolling Interests	Total Equity	
Balance as of December 31, 2017	17,914,599	\$ 18	\$ 512,815	\$ 511,367	\$ (197,631)	\$ 826,569	\$ 28,520	\$ 855,089	
Cumulative effect of change in accounting principle	—	—	—	8,639	(8,639)	—	—	—	
Share-based compensation, net	151,288	—	(73)	(4,714)	—	(4,787)	—	(4,787)	
Purchase of noncontrolling interest	—	—	(2,682)	—	—	(2,682)	312	(2,370)	
Net income	—	—	—	56,792	—	56,792	624	57,416	
Other comprehensive income	—	—	—	—	16,662	16,662	949	17,611	
Balance as of March 31, 2018	18,065,887	\$ 18	\$ 510,060	\$ 572,084	\$ (189,608)	\$ 892,554	\$ 30,405	\$ 922,959	

The accompanying notes are an integral part of these financial statements.

COOPER-STANDARD HOLDINGS INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(Dollar amounts in thousands)

	Three Months Ended March 31,	
	2018	2017
Operating Activities:		
Net income	\$ 57,416	\$ 42,504
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Depreciation	32,853	28,262
Amortization of intangibles	3,406	3,595
Impairment charges	—	4,270
Share-based compensation expense	3,875	6,804
Equity in earnings of affiliates, net of dividends related to earnings	2,821	965
Loss on refinancing and extinguishment of debt	770	—
Other	1,242	7,661
Changes in operating assets and liabilities	(112,939)	(90,372)
Net cash (used in) provided by operating activities	(10,556)	3,689
Investing activities:		
Capital expenditures	(67,858)	(58,270)
Acquisition of businesses, net of cash acquired	(3,223)	—
Proceeds from sale of fixed assets and other	889	33
Net cash used in investing activities	(70,192)	(58,237)
Financing activities:		
Principal payments on long-term debt	(887)	(1,836)
(Decrease) increase in short-term debt, net	(1,123)	142
Purchase of noncontrolling interests	(2,450)	—
Proceeds from exercise of warrants	—	580
Taxes withheld and paid on employees' share based payment awards	(9,621)	(10,740)
Other	(881)	(117)
Net cash used in financing activities	(14,962)	(11,971)
Effects of exchange rate changes on cash, cash equivalents and restricted cash	(69)	(6,510)
Changes in cash, cash equivalents and restricted cash	(95,779)	(73,029)
Cash, cash equivalents and restricted cash at beginning of period	518,461	482,979
Cash, cash equivalents and restricted cash at end of period	\$ 422,682	\$ 409,950

Reconciliation of cash, cash equivalents and restricted cash to the condensed consolidated balance sheet:

	Balance as of	
	March 31, 2018	December 31, 2017
Cash and cash equivalents	\$ 420,172	\$ 515,952
Restricted cash included in other current assets	45	88
Restricted cash included in other assets	2,465	2,421
Total cash, cash equivalents and restricted cash shown in the statement of cash flows	\$ 422,682	\$ 518,461

The accompanying notes are an integral part of these financial statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(Dollar amounts in thousands except per share and share amounts)

1. Overview

Basis of Presentation

Cooper-Standard Holdings Inc. (together with its consolidated subsidiaries, the “Company” or “Cooper Standard”), through its wholly-owned subsidiary, Cooper-Standard Automotive Inc. (“CSA U.S.”), is a leading manufacturer of sealing, fuel and brake delivery, fluid transfer, and anti-vibration systems. The Company’s products are primarily for use in passenger vehicles and light trucks that are manufactured by global automotive original equipment manufacturers (“OEMs”) and replacement markets. The Company conducts substantially all of its activities through its subsidiaries.

The accompanying unaudited condensed consolidated financial statements have been prepared pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (the “SEC”) for interim financial information and should be read in conjunction with the consolidated financial statements and notes thereto included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2017 (the “2017 Annual Report”), as filed with the SEC. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States (“U.S. GAAP”) for complete financial statements. These financial statements include all adjustments (consisting of normal, recurring adjustments) considered necessary for a fair presentation of the financial position and results of operations of the Company. The operating results for the interim period ended March 31, 2018 are not necessarily indicative of results for the full year. In preparing these financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through the date the financial statements were issued.

The Company’s financial statements for the three months ended March 31, 2017 have been recast to reflect the effects of the adoption of Accounting Standards Update (“ASU”) 2017-07, *Compensation-Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost*, and ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*, both of which were adopted in the first quarter of 2018. The financial statement line items affected due to the adoption of ASU 2017-07 were cost of products sold, selling, administration & engineering expenses and other expense, net. The financial statement line items affected due to the adoption of ASU 2016-18 were cash flows from operating activities and beginning and ending cash, cash equivalents and restricted cash. For additional information, see Note 2. “New Accounting Pronouncements.”

Summary of Significant Accounting Policies

Restricted Cash - Amounts included in restricted cash are maintained to meet local regulatory requirements in Europe and Korea in support of employee related programs.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)
(Unaudited)
(Dollar amounts in thousands except per share and share amounts)

2. New Accounting Pronouncements

Recently Adopted Accounting Pronouncements

The Company adopted the following ASUs during the three months ended March 31, 2018:

Standard	Description	Impact	Effective Date
ASU 2018-02, Income Statement-Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income	Permits entities to reclassify the tax effects stranded in accumulated other comprehensive income as a result of the 2017 Tax Cuts and Jobs Act to retained earnings.	Adoption resulted in the reclassification of \$8,639 from accumulated other comprehensive loss to retained earnings. There is no impact to total equity.	January 1, 2019 (early adopted as of January 1, 2018)
ASU 2017-09, Compensation - Stock Compensation (Topic 718): Scope of Modification Accounting	Clarifies that modification accounting is required only if there is a change in the fair value, vesting conditions, or classification (as equity or liability) of a share-based payment award due to changes in the terms or conditions.	No Impact	January 1, 2018
ASU 2017-07, Compensation-Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost	Requires the service cost component of net periodic benefit cost to be recorded in the same income statement line item as other employee compensation costs arising from services rendered during the period. Other components of the net periodic benefit cost must be presented separately outside of operating income.	Adoption resulted in the reclassification of \$497 from cost of products sold and selling, administrative and engineering expense to other expense, net for the three months ended March 31, 2017. There was no impact to net income attributable to Cooper Standard. See Note 12 and Note 13.	January 1, 2018
ASU 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash	Requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should now be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows.	See Condensed Consolidated Statement of Cash Flows	January 1, 2018
ASU 2016-16, Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory	Requires companies to recognize the income tax effects of intercompany sales and transfers of assets other than inventory in the period in which the transfer occurs.	No Impact	January 1, 2018
ASU 2016-15, Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments	Provide guidance on eight specific cash flow issues, thereby reducing diversity in practice.	No Impact	January 1, 2018

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)
(Unaudited)
(Dollar amounts in thousands except per share and share amounts)

ASU 2014-09, Revenue from Contracts with Customers (Topic 606)

On January 1, 2018, the Company adopted Accounting Standards Codification (“ASC”) 606, *Revenue from Contracts with Customers*, and all related amendments using the modified retrospective method applied to contracts that were not completed at the date of initial application. The new standard replaced existing revenue recognition guidance with a five-step model and additional financial statement disclosures. The core principle of the guidance is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services.

The Company did not recognize a cumulative effect adjustment to the opening balance of retained earnings because net income was not impacted upon adoption. However, the cumulative effect of the changes made to the Company’s consolidated January 1, 2018 balance sheet were as follows:

	Balance as of December 31, 2017	Adjustments due to adoption of ASC 606	Balance as of January 1, 2018
Assets			
Current assets:			
Accounts receivable, net	\$ 494,049	\$ (4,604)	\$ 489,445
Other current assets	100,778	4,604	\$ 105,382

The new standard primarily impacted how the Company accounts for unbilled receivables associated with variable pricing arrangements, now recognized as contract assets. Before adoption, the Company recognized such amounts in accounts receivable. In accordance with the modified retrospective adoption method, comparative information has not been restated and continues to be reported under the accounting standards in effect for those periods. The following table summarizes the impact of adopting the new standard on the Company’s consolidated balance sheet for the period ended March 31, 2018.

	As Reported	Balances Without Adoption of ASC 606	Effect of Change Higher / (Lower)
Assets			
Current assets:			
Accounts receivable, net	\$ 570,548	\$ 586,588	\$ (16,040)
Other current assets	115,273	99,233	16,040

Recently Issued Accounting Pronouncements

The Company considered the recently issued accounting pronouncements summarized as follows, which could have a material impact on its consolidated financial statements or disclosures:

Standard	Description	Impact	Effective Date
ASU 2016-02, <i>Leases (Topic 842)</i>	Requires lessees to recognize right-of-use assets and lease liabilities for all leases (except for short-term leases). The standard also requires additional disclosures to help financial statement users better understand the amount, timing and uncertainty of cash flows arising from lease transactions. A modified retrospective transition approach is required with certain practical expedients available.	The Company continues to perform a comprehensive evaluation on the impacts of adopting this standard and believes this standard will primarily result in a material increase in assets and liabilities on its consolidated balance sheet and will not have a material impact on its consolidated income statement or statement of cash flows. The Company is in the process of implementing lease administration software and assessing the impact to our systems, processes and internal controls.	January 1, 2019

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)
(Unaudited)
(Dollar amounts in thousands except per share and share amounts)

The Company considered the recently issued accounting pronouncements summarized as follows, none of which are expected to have a material impact on its consolidated financial statements:

Standard	Description	Effective Date
ASU 2017-12, Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities	Eliminates the requirement to separately measure and report hedge ineffectiveness and generally requires the entire change in the fair value of a hedging instrument to be presented in the same income statement line as the hedged item.	January 1, 2019
ASU 2017-04, Intangibles-Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment	Eliminates the requirement to calculate the implied fair value of goodwill to measure a goodwill impairment charge. Instead, entities will record an impairment charge based on the excess of a reporting unit's carrying amount over its fair value.	January 1, 2020

3. Acquisitions

AMI Acquisition

In the first quarter of 2018, the Company finalized its purchase of 100% equity interest of the China fuel and brake business of AMI Industries ("AMI China") for cash consideration of \$4,124. This acquisition directly aligns with the Company's growth strategy by expanding the Company's fuel and brake business. The results of operations of AMI China are included in the Company's condensed consolidated financial statements from the date of acquisition, February 1, 2018, and reported within the Asia Pacific segment. The pro forma effect of this acquisition would not materially impact the Company's reported results for any periods presented, and as a result no pro forma information has been presented. This acquisition was accounted for as a business combination, with the total purchase price allocated on a preliminary basis using information available. The fair value of identifiable assets acquired and liabilities assumed exceeded the fair value of the consideration transferred by an immaterial amount.

INOAC Acquisition

Also in the first quarter of 2018, the Company purchased the remaining 49% equity interest of Cooper-Standard INOAC Pte. Ltd., a fluid transfer systems joint venture, at a purchase price of \$2,450. This acquisition was accounted for as an equity transaction. Subsequent to the transaction, the Company owns 100% of the equity interests of Cooper-Standard INOAC Pte. Ltd.

4. Revenue

The Company recognizes revenue in accordance with ASC 606, *Revenue from Contracts with Customers*, which it adopted on January 1, 2018 using the modified retrospective method. The Company expects the effect of adopting the new standard to be immaterial to its net income on an ongoing basis.

The disaggregation of revenue by customer group for the three months ended March 31, 2018 was as follows:

	North America	Europe	Asia Pacific	South America	Consolidated
Automotive	\$ 488,737	\$ 260,656	\$ 149,169	\$ 26,450	\$ 925,012
Commercial	5,353	9,580	6	145	15,084
Other	5,088	22,165	—	42	27,295
Revenue	<u>\$ 499,178</u>	<u>\$ 292,401</u>	<u>\$ 149,175</u>	<u>\$ 26,637</u>	<u>\$ 967,391</u>

The automotive group consists of sales to automotive OEMs and automotive suppliers, while the commercial group represents sales to OEMs of on- and off-highway commercial equipment and vehicles. The other customer group includes sales related to specialty and adjacent markets.

Substantially all the Company's revenues are generated from sealing, fuel and brake delivery, fluid transfer and anti-vibration systems for use in passenger vehicles and light trucks manufactured by global OEMs.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)
(Unaudited)
(Dollar amounts in thousands except per share and share amounts)

A summary of the Company's products is as follows:

Product Line	Description
Sealing Systems	Protect vehicle interiors from weather, dust and noise intrusion for improved driving experience; provide aesthetic and functional class-A exterior surface treatment
Fuel & Brake Delivery Systems	Sense, deliver and control fluids to fuel and brake systems
Fluid Transfer Systems	Sense, deliver and control fluid and vapors for optimal powertrain & HVAC operation
Anti-Vibration Systems	Control and isolate vibration and noise in the vehicle to improve ride and handling

The disaggregation of revenue by product line for the three months ended March 31, 2018 was as follows:

	North America	Europe	Asia Pacific	South America	Consolidated
Sealing systems	\$ 172,811	\$ 184,452	\$ 117,890	\$ 19,909	\$ 495,062
Fuel and brake delivery systems	138,801	38,953	22,095	6,603	206,452
Fluid transfer systems	119,673	23,009	6,614	125	149,421
Anti-vibration systems	67,521	21,182	2,576	—	91,279
Other	372	24,805	—	—	25,177
Consolidated	<u>\$ 499,178</u>	<u>\$ 292,401</u>	<u>\$ 149,175</u>	<u>\$ 26,637</u>	<u>\$ 967,391</u>

Performance Obligations

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer, and is the unit of account in ASC 606. The Company has one major performance obligation category: manufactured parts.

A contract's transaction price is allocated to each distinct performance obligation and recognized when the performance obligation is satisfied. It is not unusual for the Company's contracts to include multiple performance obligations. For such contracts, the Company generally allocates the contract's transaction price to each performance obligation based on the purchase order or other arranged pricing.

The Company recognizes revenue at a point in time, generally when products are shipped or delivered. The point at which revenue is recognized often depends on the shipping terms.

The Company usually enters agreements with customers to produce products at the beginning of a vehicle's life. Blanket purchase orders received from customers and related documents generally establish the annual terms, including pricing, related to a vehicle model. Although purchase orders do not usually specify quantities, fulfillment of customers' purchasing requirements can be the Company's obligation for the entire production life of the vehicle. These agreements generally may be terminated by the Company's customer at any time, but such cancellations have historically been minimal. Customers typically pay for parts based on customary business practices with payment terms generally between 30 and 90 days. The Company has no significant financing arrangements with customers.

The Company applies the optional exemption to forgo disclosing information about its remaining performance obligations because its contracts usually have an original expected duration of one year or less. It also applies an accounting policy to treat shipping and handling costs that are incurred after revenue is recognizable as a fulfillment activity by expensing such costs as incurred, instead of as a separate performance obligation. This is consistent with the Company's historical accounting practices. The Company has chosen to present revenue net of sales and other similar taxes, which is also consistent with its historical accounting practices.

Contract Estimates

The amount of revenue recognized is usually based on the purchase order price and adjusted for variable consideration, including pricing concessions. The Company accrues for pricing concessions by reducing revenue as products are shipped or delivered. The accruals are based on historical experience, anticipated performance and management's best judgment. The Company also generally has ongoing adjustments to customer pricing arrangements based on the content and cost of its products. Such pricing accruals are adjusted as they are settled with customers. Customer returns are usually related to quality or shipment issues and are recorded as a reduction of revenue. The Company generally does not recognize significant return obligations due to their infrequent nature.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)
(Unaudited)
(Dollar amounts in thousands except per share and share amounts)

Contract Balances

The Company's contract assets consist of unbilled amounts associated with variable pricing arrangements in its Asia Pacific region. Once pricing is finalized and invoices are issued, contract assets are transferred to accounts receivable. As a result, the timing of revenue recognition and billings, as well as changes in foreign exchange rates, will impact contract assets on an ongoing basis. Changes during the three-month period ended March 31, 2018 were not materially impacted by any other factors. Net contract assets (liabilities) consisted of the following:

	March 31, 2018	January 1, 2018	Change
Contract assets	\$ 16,040	\$ 4,604	\$ 11,436
Contract liabilities	—	—	—
Net contract assets (liabilities)	<u>\$ 16,040</u>	<u>\$ 4,604</u>	<u>\$ 11,436</u>

Other

The Company provides assurance-type warranties to its customers. Such warranties provide customers with assurance that the related product will function as intended and complies with any agreed-upon specifications, and are recognized in costs of products sold.

5. Restructuring

On an ongoing basis, the Company evaluates its business and objectives to ensure that it is properly configured and sized based on changing market conditions. Accordingly, the Company has implemented several restructuring initiatives, including closure or consolidation of facilities throughout the world and the reorganization of its operating structure.

In January 2015, the Company announced its intention to further restructure its European manufacturing footprint based on anticipated market demands. This initiative is expected to be substantially complete by December 31, 2018. The estimated cost of this initiative is \$119,000 to \$124,000, of which approximately \$110,000 has been incurred to date. The Company expects to incur total employee separation costs of approximately \$61,000 to \$64,000, other related exit costs of approximately \$57,000 to \$59,000 and non-cash asset impairments related to restructuring activities of approximately \$500.

The Company's restructuring charges consist of severance, retention and outplacement services, and severance-related postemployment benefits (collectively, "employee separation costs"), other related exit costs and asset impairments related to restructuring activities.

Restructuring expense by segment for the three months ended March 31, 2018 and 2017 was as follows:

	Three Months Ended March 31,	
	2018	2017
North America	\$ 1,104	\$ —
Europe	5,529	9,289
Asia Pacific	438	699
South America	54	—
Total	<u>\$ 7,125</u>	<u>\$ 9,988</u>

Restructuring activity for the three months ended March 31, 2018 was as follows:

	Employee Separation Costs	Other Exit Costs	Total
Balance as of December 31, 2017	\$ 15,091	\$ 7,244	\$ 22,335
Expense	5,077	2,048	7,125
Cash payments	(5,789)	(4,058)	(9,847)
Foreign exchange translation and other	160	259	419
Balance as of March 31, 2018	<u>\$ 14,539</u>	<u>\$ 5,493</u>	<u>\$ 20,032</u>

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)
(Unaudited)
(Dollar amounts in thousands except per share and share amounts)

6. Inventories

Inventories consist of the following:

	March 31, 2018	December 31, 2017
Finished goods	\$ 48,452	\$ 47,613
Work in process	40,548	35,455
Raw materials and supplies	96,960	87,128
	<u>\$ 185,960</u>	<u>\$ 170,196</u>

7. Property, Plant and Equipment

Property, plant and equipment consists of the following:

	March 31, 2018	December 31, 2017
Land and improvements	\$ 75,299	\$ 73,419
Buildings and improvements	314,563	305,231
Machinery and equipment	1,071,933	1,022,279
Construction in progress	197,946	198,358
	<u>1,659,741</u>	<u>1,599,287</u>
Accumulated depreciation	(682,227)	(647,109)
Property, plant and equipment, net	<u>\$ 977,514</u>	<u>\$ 952,178</u>

Impairment of Long-Lived Assets

Due to the Company's decision to divest two of its inactive European sites, the Company recorded impairment charges of \$4,270 in the three months ended March 31, 2017. Fair value was determined based on current real estate market conditions.

8. Goodwill and Intangible Assets

Goodwill

Changes in the carrying amount of goodwill by reportable operating segment for the three months ended March 31, 2018 were as follows:

	North America	Europe	Asia Pacific	Total
Balance as of December 31, 2017	\$ 122,395	\$ 12,454	\$ 37,003	\$ 171,852
Foreign exchange translation	(90)	308	1,300	1,518
Balance as of March 31, 2018	<u>\$ 122,305</u>	<u>\$ 12,762</u>	<u>\$ 38,303</u>	<u>\$ 173,370</u>

Goodwill is tested for impairment by reporting unit annually or more frequently if events or circumstances indicate that an impairment may exist. There were no indicators of potential impairment during the three months ended March 31, 2018.

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Intangible Assets

Intangible assets and accumulated amortization balances as of March 31, 2018 and December 31, 2017 were as follows:

	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer relationships	\$ 136,357	\$ (89,733)	\$ 46,624
Developed technology	2,800	(2,800)	—
Other	22,295	(3,015)	19,280
Balance as of March 31, 2018	<u>\$ 161,452</u>	<u>\$ (95,548)</u>	<u>\$ 65,904</u>
Customer relationships	\$ 135,927	\$ (86,342)	\$ 49,585
Developed technology	2,893	(2,893)	—
Other	22,298	(2,792)	19,506
Balance as of December 31, 2017	<u>\$ 161,118</u>	<u>\$ (92,027)</u>	<u>\$ 69,091</u>

9. Debt

A summary of outstanding debt as of March 31, 2018 and December 31, 2017 was as follows:

	March 31, 2018	December 31, 2017
Senior Notes	\$ 393,862	\$ 393,684
Term Loan	330,304	330,781
Other borrowings	34,047	33,781
Total debt	758,213	758,246
Less current portion	(34,626)	(34,921)
Total long-term debt	<u>\$ 723,587</u>	<u>\$ 723,325</u>

5.625% Senior Notes due 2026

In November 2016, the Company issued \$400,000 aggregate principal amount of its 5.625% Senior Notes due 2026 (the “Senior Notes”). The Senior Notes mature on November 15, 2026. Interest on the Senior Notes is payable semi-annually in arrears in cash on May 15 and November 15 of each year.

Debt issuance costs related to the Senior Notes are amortized into interest expense over the term of the Senior Notes. As of March 31, 2018 and December 31, 2017, the Company has \$6,138 and \$6,316 of unamortized debt issuance costs, respectively, related to the Senior Notes, which are presented as direct deductions from the principal balance in the condensed consolidated balance sheets.

Term Loan Facility

Also in November 2016, the Company entered into Amendment No. 1 to its senior term loan facility (“Term Loan Facility”), which provides for loans in an aggregate principal amount of \$340,000. Subject to certain conditions, the Term Loan Facility, without the consent of the then-existing lenders (but subject to the receipt of commitments), may be expanded (or a new term loan or revolving facility added) by an amount that will not cause the consolidated secured net debt ratio to exceed 2.25 to 1.00 plus \$400,000 plus any voluntary prepayments, including the senior asset-based revolving credit facility (“ABL Facility”) to the extent commitments are reduced, not funded from proceeds of long-term indebtedness. The Term Loan Facility matures on November 2, 2023, unless earlier terminated.

On May 2, 2017, the Company entered into Amendment No. 2 to the Term Loan Facility to modify the interest rate. Subsequently, on March 6, 2018, the Company entered into Amendment No. 3 to the Term Loan Facility to further modify the interest rate. In accordance with this amendment, borrowings under the Term Loan Facility bear interest, at the Company’s option, at either, (1) with respect to Eurodollar rate loans, the greater of the applicable Eurodollar rate and 0.75% plus 2.0% per annum, or (2) with respect to base rate loans, the base rate, (which is the highest of the then current federal funds rate plus 0.5%, the prime rate most recently announced by the administrative agent under the term loan, and the one-month Eurodollar rate plus 1.0%) plus 1.0% per annum. As a result of the Amendment No. 3, the Company recognized a loss on refinancing and

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extinguishment of debt of \$770 in the three months ended March 31, 2018, which was due to the partial write off of new and unamortized debt issuance costs and unamortized original issue discount.

As of March 31, 2018 and December 31, 2017, the Company had \$3,311 and \$3,537 of unamortized debt issuance costs, respectively, and \$2,135 and \$2,281 of unamortized original issue discount, respectively, related to the Term Loan Facility, which are presented as direct deductions from the principal balance in the condensed consolidated balance sheets. Both the debt issuance costs and the original issue discount are amortized into interest expense over the term of the Term Loan Facility.

ABL Facility

In November 2016, the Company entered into a \$210,000 Third Amended and Restated Loan Agreement of its senior asset-based revolving credit facility ("ABL Facility").

The ABL Facility provides for an aggregate revolving loan availability of up to \$210,000, subject to borrowing base availability, including a \$100,000 letter of credit sub-facility and a \$25,000 swing line sub-facility. The ABL Facility also provides for an uncommitted \$100,000 incremental loan facility, for a potential total ABL Facility of \$310,000, if requested by the borrowers under the ABL Facility and the lenders agree to fund such increase. No consent of any lender is required to effect any such increase, except for those participating in the increase. As of March 31, 2018, there were no borrowings under the ABL Facility, and subject to borrowing base availability, the Company had \$207,721 in availability, less outstanding letters of credit of \$7,672.

Any borrowings under our ABL Facility will mature, and the commitments of the lenders under our ABL Facility will terminate, on November 2, 2021.

As of March 31, 2018 and December 31, 2017, the Company had \$1,283 and \$1,373, respectively, of unamortized debt issuance costs related to the ABL Facility, which are presented in other assets in the condensed consolidated balance sheets.

Debt Covenants

The Company was in compliance with all covenants of the Senior Notes, Term Loan Facility and ABL Facility, as of March 31, 2018.

Other

Other borrowings reflect borrowings under capital leases and local bank lines.

10. Fair Value Measurements and Financial Instruments

Fair Value Measurements

Fair value is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based upon assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, a three-tier fair value hierarchy is utilized, which prioritizes the inputs used in measuring fair value as follows:

- Level 1:* Observable inputs such as quoted prices in active markets;
- Level 2:* Inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3:* Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

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Items Measured at Fair Value on a Recurring Basis

Estimates of the fair value of foreign currency and interest rate derivative instruments are determined using exchange traded prices and rates. The Company also considers the risk of non-performance in the estimation of fair value, and includes an adjustment for non-performance risk in the measure of fair value of derivative instruments. In certain instances where market data is not available, the Company uses management judgment to develop assumptions that are used to determine fair value. Fair value measurements and the fair value hierarchy level for the Company's assets and liabilities measured or disclosed at fair value on a recurring basis as of March 31, 2018 and December 31, 2017 was as follows:

	March 31, 2018	December 31, 2017	Input
Forward foreign exchange contracts - other current assets	\$ 3,076	\$ 761	Level 2
Forward foreign exchange contracts - accrued liabilities	(234)	(2,363)	Level 2
Interest rate swaps - other current assets	33	—	Level 2
Interest rate swaps - accrued liabilities	—	(515)	Level 2

Items Measured at Fair Value on a Nonrecurring Basis

In addition to items that are measured at fair value on a recurring basis, the Company measures certain assets and liabilities at fair value on a nonrecurring basis, which are not included in the table above. As these nonrecurring fair value measurements are generally determined using unobservable inputs, these fair value measurements are classified within Level 3 of the fair value hierarchy. For further information on assets and liabilities measured at fair value on a nonrecurring basis see Note 3. "Acquisitions" and Note 7. "Property, Plant and Equipment."

Items Not Carried At Fair Value

Fair values of the Company's debt instruments were as follows:

	March 31, 2018	December 31, 2017
Aggregate fair value	\$ 736,457	\$ 749,463
Aggregate carrying value ⁽¹⁾	735,750	736,600

⁽¹⁾ Excludes unamortized debt issuance costs and unamortized original issue discount.

Fair values were based on quoted market prices and are classified within Level 1 of the fair value hierarchy.

Derivative Instruments and Hedging Activities

The Company is exposed to fluctuations in foreign currency exchange rates, interest rates and commodity prices. The Company enters into derivative instruments primarily to hedge portions of its forecasted foreign currency denominated cash flows and designates these derivative instruments as cash flow hedges in order to qualify for hedge accounting. Gains or losses on derivative instruments resulting from hedge ineffectiveness are reported in earnings.

The Company formally documents its hedge relationships, including the identification of the hedging instruments and the hedged items, as well as its risk management objectives and strategies for undertaking the cash flow hedges. The Company also formally assesses whether a cash flow hedge is highly effective in offsetting changes in the cash flows of the hedged item. Derivatives are recorded at fair value in other current assets, other assets, accrued liabilities and other long-term liabilities. For a cash flow hedge, the effective portion of the change in fair value of the derivative is recorded in accumulated other comprehensive income (loss) ("AOCI") in the consolidated balance sheet and reclassified into earnings when the underlying hedged transaction is realized. The realized gains and losses are recorded on the same line as the hedged transaction in the consolidated statements of net income.

The Company is exposed to credit risk in the event of nonperformance by its counterparties on its derivative financial instruments. The Company mitigates this credit risk exposure by entering into agreements directly with major financial institutions with high credit standards that are expected to fully satisfy their obligations under the contracts.

Cash Flow Hedges

Forward Foreign Exchange Contracts - The Company uses forward contracts to mitigate the potential volatility to earnings and cash flow arising from changes in currency exchange rates that impact the Company's foreign currency transactions. The principal currencies hedged by the Company include various European currencies, the Canadian Dollar, the Mexican Peso, and

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the Brazilian Real. As of March 31, 2018, the notional amount of these contracts was \$125,712 and consisted of hedges of transactions up to December 2018.

Interest rate swaps - The Company uses interest rate swap transactions to manage cash flow variability associated with its variable rate Term Loan Facility. The interest rate swap contracts, which fix the interest payments of variable rate debt instruments, are used to manage exposure to fluctuations in interest rates. As of March 31, 2018, the notional amount of these contracts was \$150,000 with maturities through September 2018. The fair market value of all outstanding interest rate swap and other derivative contracts is subject to changes in value due to changes in interest rates.

Pretax amounts related to the Company's cash flow hedges that were recognized in other comprehensive income ("OCI") were as follows:

	Gain (Loss) Recognized in OCI	
	Three Months Ended March 31,	
	2018	2017
Forward foreign exchange contracts	\$ 4,925	\$ 941
Interest rate swaps	338	126
Total	\$ 5,263	\$ 1,067

Pretax amounts related to the Company's cash flow hedges that were reclassified from AOCI were as follows:

	Classification	Gain (Loss) Reclassified from AOCI to Income (Effective Portion)		Gain (Loss) Reclassified from AOCI to Income (Ineffective Portion)	
		Three Months Ended March 31,			
		2018	2017	2018	2017
Forward foreign exchange contracts	Cost of products sold	\$ 485	\$ 121	\$ —	\$ —
Interest rate swaps	Interest expense, net of interest income	(211)	(794)	209	85
Total		\$ 274	\$ (673)	\$ 209	\$ 85

The amount of losses to be reclassified from AOCI into income in the next twelve months related to the interest rate swap is expected to be approximately \$33.

11. Accounts Receivable Factoring

As a part of its working capital management, the Company previously sold certain receivables through third party financial institutions in on- and off-balance sheet arrangements. In December 2017, the Company completed the transition from multiple factoring providers to a pan-European program under a single third party financial institution (the "Factor"). The amount sold varies each month based on the amount of underlying receivables and cash flow needs of the Company. These are permitted transactions under the Company's credit agreements governing the ABL Facility and Term Loan Facility and the indenture governing the Senior Notes. Costs incurred on the sale of receivables are recorded in other expense, net and interest expense, net of interest income in the condensed consolidated statements of net income. The sale of receivables under this contract is considered an off-balance sheet arrangement to the Company and is accounted for as a true sale and is excluded from accounts receivable in the consolidated balance sheet.

Amounts outstanding under receivable transfer agreements entered into by various locations as of the period end were as follows:

	March 31, 2018	December 31, 2017
Off-balance sheet arrangements	\$ 93,153	\$ 96,588

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Accounts receivable factored and related costs throughout the period were as follows:

	Off-Balance Sheet Arrangements		On-Balance Sheet Arrangements	
	Three Months Ended March 31,		Three Months Ended March 31,	
	2018	2017	2018	2017
Accounts receivable factored	\$ 216,571	\$ 148,924	\$ —	\$ 7,651
Costs	400	455	—	26

The Company continues to service sold receivables and acts as collection agent for the Factor. As of March 31, 2018 and December 31, 2017, cash collections on behalf of the Factor that have yet to be remitted were \$18,462 and \$36,248, respectively, and are reflected in cash and cash equivalents in the condensed consolidated balance sheet.

12. Pension and Postretirement Benefits Other Than Pensions

The components of net periodic benefit (income) cost for the Company's defined benefit plans and other postretirement benefit plans were as follows:

	Pension Benefits			
	Three Months Ended March 31,			
	2018		2017	
	U.S.	Non-U.S.	U.S.	Non-U.S.
Service cost	\$ 213	\$ 1,096	\$ 204	\$ 939
Interest cost	2,706	1,070	2,925	1,056
Expected return on plan assets	(4,354)	(632)	(4,003)	(657)
Amortization of prior service cost and actuarial loss	601	688	468	696
Net periodic benefit (income) cost	<u>\$ (834)</u>	<u>\$ 2,222</u>	<u>\$ (406)</u>	<u>\$ 2,034</u>
	Other Postretirement Benefits			
	Three Months Ended March 31,			
	2018		2017	
	U.S.	Non-U.S.	U.S.	Non-U.S.
Service cost	\$ 77	\$ 126	\$ 79	\$ 104
Interest cost	300	198	324	170
Amortization of prior service credit and actuarial gain	(418)	77	(479)	(4)
Other	1	—	1	—
Net periodic benefit (income) cost	<u>\$ (40)</u>	<u>\$ 401</u>	<u>\$ (75)</u>	<u>\$ 270</u>

The Company adopted ASU 2017-07 during the first quarter of 2018. As a result, the service cost component of net periodic benefit (income) cost is included in cost of products sold and selling, administrative and engineering expenses in the condensed consolidated statements of net income. All other components of net periodic benefit (income) cost are included in other expense, net in the condensed consolidated statements of net income for all periods presented.

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13. Other Expense, Net

The components of other expense, net were as follows:

	Three Months Ended March 31,	
	2018	2017
Foreign currency losses	\$ (1,588)	\$ (672)
Components of net periodic benefit cost other than service cost	(237)	(497)
Losses on sales of receivables	(325)	(218)
Miscellaneous income	431	250
Other expense, net	<u>\$ (1,719)</u>	<u>\$ (1,137)</u>

14. Income Taxes

The Company determines its effective tax rate each quarter based upon its estimated annual effective tax rate. The Company records the tax impact of certain unusual or infrequently occurring items, including changes in judgment about valuation allowances and effects of changes in tax laws or rates, in the interim period in which they occur. In addition, jurisdictions with a projected loss for the year where no tax benefit can be recognized are excluded from the estimated annual effective tax rate.

Income tax expense, income before income taxes and the corresponding effective tax rate for the three months ended March 31, 2018 and 2017, was as follows:

	Three Months Ended March 31,	
	2018	2017
Income tax expense	\$ 11,891	\$ 11,890
Income before income taxes	69,307	54,394
Effective tax rate	17%	22%

The effective tax rate for the three months ended March 31, 2018 compared to the three months ended March 31, 2017 was lower primarily due to the lower U.S. statutory rate in the three months ended March 31, 2018. The income tax rate for the three months ended March 31, 2018 and 2017 varies from statutory rates primarily due to tax credits, the impact of income taxes on foreign earnings taxed at rates varying from the U.S. statutory rate, the inability to record a tax benefit for pre-tax losses in certain foreign jurisdictions to the extent not offset by other categories of income, income tax incentives, excess tax benefits related to share-based compensation and other permanent items. Further, the Company's current and future provision for income taxes may be impacted by the recognition of valuation allowances in certain countries. The Company intends to maintain these valuation allowances until it is more likely than not that the deferred tax assets will be realized.

On December 22, 2017, the U.S. Tax Cuts and Jobs Act (the "Act") was enacted into law. The Act reduces the U.S. federal corporate tax rate from 35% to 21% and requires companies to pay a one-time transition tax on earnings of certain foreign subsidiaries that were previously deferred. Additional changes potentially impacting the Company include limitations on the deductibility of executive compensation and new taxes on certain foreign sourced earnings. Staff Accounting Bulletin 118 allows the Company to record provisional amounts and reflect changes to such amounts through income tax expense during the one-year measurement period following enactment. All amounts recorded by the Company for the impact of the Act have been recorded provisionally beginning in the period ended December 31, 2017. No changes have been recorded in the period ended March 31, 2018 related to the provisional amounts recorded for the transition tax on foreign earnings, the remeasurement of deferred tax assets and liabilities for the reduced federal tax rate, and the changes to the deductibility of executive compensation.

As of March 31, 2018, the Company made its best estimate of the annual effective tax rate ("EAETR") for the full year of 2018. The Company continues to examine the potential impact of certain provisions of the Act that could affect its 2018 EAETR, including the provisions related to global intangible low-taxed income ("GILTI"), foreign derived intangible income ("FDII") and the base erosion and anti-abuse tax ("BEAT"). Accordingly, the Company's 2018 EAETR may change in subsequent interim periods as additional analysis is completed. The Company has elected to recognize the resulting tax on GILTI as a period expense in the period the tax is incurred and expects to incur tax for the year ended December 31, 2018.

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15. Net Income Per Share Attributable to Cooper-Standard Holdings Inc.

Basic net income per share attributable to Cooper-Standard Holdings Inc. was computed by dividing net income attributable to Cooper-Standard Holdings Inc. by the weighted average number of shares of common stock outstanding during the period. Diluted net income per share attributable to Cooper-Standard Holdings Inc. was computed using the treasury stock method by dividing diluted net income available to Cooper-Standard Holdings Inc. by the weighted average number of shares of common stock outstanding, including the dilutive effect of common stock equivalents, using the average share price during the period.

Information used to compute basic and diluted net income per share attributable to Cooper-Standard Holdings Inc. was as follows:

	Three Months Ended March 31,	
	2018	2017
Net income attributable to Cooper-Standard Holdings Inc.	\$ 56,792	\$ 41,706
Increase in fair value of share-based awards	1	18
Diluted net income available to Cooper-Standard Holdings Inc. common stockholders	<u>\$ 56,793</u>	<u>\$ 41,724</u>
Basic weighted average shares of common stock outstanding	17,991,488	17,742,994
Dilutive effect of common stock equivalents	519,625	1,229,556
Diluted weighted average shares of common stock outstanding	<u>18,511,113</u>	<u>18,972,550</u>
Basic net income per share attributable to Cooper-Standard Holdings Inc.	<u>\$ 3.16</u>	<u>\$ 2.35</u>
Diluted net income per share attributable to Cooper-Standard Holdings Inc.	<u>\$ 3.07</u>	<u>\$ 2.20</u>

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16. Accumulated Other Comprehensive Income (Loss)

Changes in accumulated other comprehensive income (loss) by component, net of related tax, were as follows:

	Three Months Ended March 31, 2018			
	Cumulative currency translation adjustment	Benefit plan liabilities	Fair value change of derivatives	Total
Balance as of December 31, 2017	\$ (95,485)	\$ (100,749)	\$ (1,397)	\$ (197,631)
Other comprehensive income (loss) before reclassifications	11,743 ⁽¹⁾	(575) ⁽²⁾	3,982 ⁽³⁾	15,150
Amounts reclassified from accumulated other comprehensive income (loss)	—	(6,687) ⁽⁴⁾	(440) ⁽⁵⁾	(7,127)
Balance as of March 31, 2018	<u>\$ (83,742)</u>	<u>\$ (108,011)</u>	<u>\$ 2,145</u>	<u>\$ (189,608)</u>

(1) Includes \$2,287 of other comprehensive loss related to intra-entity foreign currency balances that are of a long-term investment nature.

(2) Net of tax benefit of \$286.

(3) Net of tax expense of \$1,281. See Note 10.

(4) Includes the effect of the adoption of ASU 2018-02 of \$8,569 and the amortization of prior service credits of \$78, offset by curtailment loss of \$1,188 and the amortization of actuarial losses of \$1,025, net of tax of \$253. See Note 12.

(5) Includes the effect of the adoption of ASU 2018-02 of \$70 and is net of tax expense of \$113. See Note 10.

	Three Months Ended March 31, 2017			
	Cumulative currency translation adjustment	Benefit plan liabilities	Fair value change of derivatives	Total
Balance as of December 31, 2016	\$ (143,481)	\$ (97,612)	\$ (1,470)	\$ (242,563)
Other comprehensive income (loss) before reclassifications	10,108 ⁽¹⁾	(657) ⁽²⁾	726 ⁽³⁾	10,177
Amounts reclassified from accumulated other comprehensive income (loss)	—	464 ⁽⁴⁾	367 ⁽⁵⁾	831
Balance as of March 31, 2017	<u>\$ (133,373)</u>	<u>\$ (97,805)</u>	<u>\$ (377)</u>	<u>\$ (231,555)</u>

(1) Includes \$4,242 of other comprehensive income related to intra-entity foreign currency balances that are of a long-term investment nature.

(2) Net of tax benefit of \$29.

(3) Net of tax expense of \$341. See Note 10.

(4) Includes the amortization of actuarial losses of \$732 offset by the amortization of prior service credits of \$84, net of tax of \$184. See Note 12.

(5) Net of tax benefit of \$221. See Note 10.

17. Common Stock

Share Repurchase Program

In March 2016, the Company's Board of Directors approved a securities repurchase program (the "Program") authorizing the Company to repurchase, in the aggregate, up to \$125,000 of its outstanding common stock or warrants to purchase common stock. Under the Program, repurchases may be made on the open market or through private transactions, as determined by the Company's management and in accordance with prevailing market conditions and federal securities laws and regulations. As of March 31, 2018, the Company had approximately \$45,300 of repurchase authorization remaining under the Program.

18. Share-Based Compensation

The Company's long-term incentive plans allow for the grant of various types of share-based awards to key employees and directors of the Company and its affiliates. The Company generally awards grants on an annual basis.

In February 2018, the Company granted Restricted Stock Units ("RSUs"), Performance Units ("PUs") and stock options. The RSUs cliff vest after three years, the PUs cliff vest at the end of their three-year performance period, and the stock options vest ratably over three years. The number of PUs that will vest depends on the Company's achievement of target performance

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goals related to the Company's return on invested capital ("ROIC"), which may range from 0% to 200% of the target award amount. The grant-date fair value of the RSUs and PUs was determined using the closing price of the Company's common stock on the date of grant. The grant-date fair value of the stock options was determined using the Black-Scholes option pricing model.

During the three months ended March 31, 2018 and 2017, the Company paid \$13,279 and \$4,296 of cash to settle PUs that vested in February 2018 and February 2017, respectively.

Share-based compensation expense was as follows:

	Three Months Ended March 31,	
	2018	2017
PUs	\$ 295	\$ 2,365
RSUs	2,741	3,400
Stock options	839	1,039
Total	\$ 3,875	\$ 6,804

19. Related Party Transactions

A summary of the material related party transactions with affiliates accounted for under the equity method was as follows:

	Three Months Ended March 31,	
	2018	2017
Sales ⁽¹⁾	\$ 8,073	\$ 9,312
Purchases ⁽¹⁾	174	190
Dividends received ⁽²⁾	4,508	2,640

⁽¹⁾ Relates to transactions with Nishikawa Cooper LLC ("NISCO")

⁽²⁾ From NISCO and Nishikawa Tachaplalert Cooper Ltd.

Amounts receivable from NISCO and Sujun Cooper Standard AVS Private Limited as of March 31, 2018 and December 31, 2017 were \$3,592 and \$3,109, respectively.

20. Commitments and Contingencies

The Company is periodically involved in claims, litigation and various legal matters that arise in the ordinary course of business. The Company accrues for litigation exposure when it is probable that future costs will be incurred and such costs can be reasonably estimated. Any resulting adjustments, which could be material, are recorded in the period the adjustments are identified. As of March 31, 2018, the Company does not believe that there is a reasonable possibility that any material loss exceeding the amounts already recognized for claims, litigation and various legal matters, if any, has been incurred. However, the ultimate resolutions of these proceedings and matters are inherently unpredictable. As such, the Company's financial condition, results of operations or cash flows could be adversely affected in any particular period by the unfavorable resolution of one or more of these proceedings or matters.

In addition, the Company conducts and monitors environmental investigations and remedial actions at certain locations. As of March 31, 2018 and December 31, 2017, the undiscounted reserve for environmental investigation and remediation was approximately \$7,156 and \$7,363, respectively. The Company does not believe that the environmental liabilities associated with its current and former properties will have a material adverse impact on its financial condition, results of operations or cash flows; however, no assurances can be given in this regard.

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21. Segment Reporting

The Company has determined that it operates in four reportable segments: North America, Europe, Asia Pacific and South America. The Company's principal products within each of these segments are sealing, fuel and brake delivery, fluid transfer, and anti-vibration systems. The Company evaluates segment performance based on segment profit before tax. The results of each segment include certain allocations for general, administrative, interest, and other shared costs.

Certain financial information on the Company's reportable segments was as follows:

	Three Months Ended March 31,	
	2018	2017
Sales to external customers		
North America	\$ 499,178	\$ 484,238
Europe	292,401	261,506
Asia Pacific	149,175	132,591
South America	26,637	23,716
Consolidated	<u>\$ 967,391</u>	<u>\$ 902,051</u>
Intersegment sales		
North America	\$ 3,626	\$ 3,598
Europe	3,707	3,581
Asia Pacific	1,719	831
South America	14	2
Eliminations	(9,066)	(8,012)
Consolidated	<u>\$ —</u>	<u>\$ —</u>
Income before income taxes		
North America	\$ 64,685	\$ 62,281
Europe	2,569	(8,559)
Asia Pacific	3,581	3,477
South America	(1,528)	(2,805)
Consolidated income before income taxes	<u>\$ 69,307</u>	<u>\$ 54,394</u>
	March 31,	December 31,
	2018	2017
Segment assets		
North America	\$ 1,102,382	\$ 1,049,218
Europe	667,567	644,586
Asia Pacific	668,477	686,329
South America	53,930	54,846
Eliminations and other	268,803	290,669
Consolidated	<u>\$ 2,761,159</u>	<u>\$ 2,725,648</u>

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This management's discussion and analysis of financial condition and results of operations is intended to assist in understanding and assessing the trends and significant changes in our results of operations and financial condition. Our historical results may not indicate, and should not be relied upon as an indication of, our future performance. Our forward-looking statements reflect our current views about future events, are based on assumptions and are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those contemplated by these statements. See "Forward-Looking Statements" below for a discussion of risks associated with reliance on forward-looking statements. Factors that may cause differences between actual results and those contemplated by forward-looking statements include, but are not limited to, those discussed below and in our Annual Report on Form 10-K for the fiscal year ended December 31, 2017 filed with the U.S. Securities and Exchange Commission ("2017 Annual Report") see Item 1A. "Risk Factors." The following should be read in conjunction with our 2017 Annual Report and the other information included herein. Our discussion of trends and conditions supplements and updates such discussion included in our 2017 Annual Report. References in this quarterly report on Form 10-Q (the "Report") to "we," "our," or the "Company" refer to Cooper-Standard Holdings Inc., together with its consolidated subsidiaries.

Executive Overview

Our Business

We design, manufacture and sell sealing, fuel and brake delivery, fluid transfer, and anti-vibration systems for use in passenger vehicles and light trucks manufactured by global automotive original equipment manufacturers ("OEMs") and replacement markets. We operate our business along four segments: North America, Europe, Asia Pacific and South America. We are primarily a "Tier 1" supplier, with approximately 85% of our sales in 2017 made directly to major OEMs.

Recent Trends and Conditions

General Economic Conditions and Outlook

The global automotive industry is susceptible to uncertain economic conditions that could adversely impact new vehicle demand. Business conditions may vary significantly from period to period or region to region.

In North America, the U.S. economy has gained modest momentum as a result of recent tax changes and decreased regulation on business and industry. Geo-political and economic uncertainty has increased, however, due to ongoing discussions related to trade between the U.S. and certain key trading partners. Rising interest rates may temper consumer demand for new vehicles for certain segments of the population over the next several quarters. The mix of vehicles produced continues to shift away from passenger cars into sport utility vehicles, crossover utility vehicles and light trucks.

In Europe, the economic environment remains generally favorable. Labor markets are tightening and capital investment is increasing, and as a result, demand for light vehicles is increasing modestly. Similar to North America, however, potential economic uncertainty related to trade could impact consumer confidence and economic growth going forward.

The Chinese economy has started the year strong with robust infrastructure investment and strong retail growth, suggesting healthy private consumption. Consumer preferences and an expanding middle class in China continue to drive crossover utility vehicle demand higher, while demand for passenger cars is expected to decline slightly year over year.

In Brazil, positive economic momentum from the fourth quarter of 2017 appears to have continued into the first quarter of 2018. Manageable inflation and an improving labor market is expected to support consumer demand for the rest of the year. Longer term, however, due to a long history of economic and political volatility, we remain cautious about consumer confidence and vehicle demand in this region.

Production Levels

Our business is directly affected by the automotive vehicle production rates in North America, Europe, Asia Pacific and South America. New vehicle demand is driven by macroeconomic and other factors, such as interest rates, manufacturer and dealer sales incentives, fuel prices, consumer confidence, employment levels, income growth trends and government and tax incentives. The industry could face uncertainties that may adversely impact consumer demand for vehicles as well as the future production environment.

In North America, first quarter total light vehicle production declined modestly compared to the same period a year ago. Continuing recent trends in consumer demand and increases in business spending, production of passenger cars declined while production of light trucks, sport utility vehicles and crossover vehicles increased. We expect similar patterns to continue in the region throughout 2018. European light vehicle production experienced modest year-over-year growth through the first quarter of 2018, in line with our full-year expectations. In the Asia Pacific region, light vehicle production declined modestly in the first

quarter compared to the same period last year, driven largely by declines in greater China. We expect production in greater China to increase through the remainder of the year, however, driving slight year-over-year growth for the Asia Pacific region overall.

Light vehicle production in certain regions for the three months ended March 31, 2018 and 2017 was:

(In millions of units)	Three Months Ended March 31,		
	2018 ⁽¹⁾	2017 ⁽¹⁾	% Change
North America	4.4	4.5	(2.7)%
Europe	5.9	5.9	(0.1)%
Asia Pacific ⁽²⁾	12.4	12.6	(1.2)%
South America	0.8	0.7	11.8%

(1) Production data based on IHS Automotive, April 2018.

(2) Includes Greater China units of 6.7 and 6.9 for the three months ended March 31, 2018 and 2017, respectively.

Results of Operations

	Three Months Ended March 31,		
	2018	2017	Change
	(dollar amounts in thousands)		
Sales	\$ 967,391	\$ 902,051	\$ 65,340
Cost of products sold	796,511	732,049	64,462
Gross profit	170,880	170,002	878
Selling, administration & engineering expenses	80,440	87,054	(6,614)
Amortization of intangibles	3,406	3,595	(189)
Impairment charges	—	4,270	(4,270)
Restructuring charges	7,125	9,988	(2,863)
Operating profit	79,909	65,095	14,814
Interest expense, net of interest income	(9,800)	(11,239)	1,439
Equity in earnings of affiliates	1,687	1,675	12
Loss on refinancing and extinguishment of debt	(770)	—	(770)
Other expense, net	(1,719)	(1,137)	(582)
Income before income taxes	69,307	54,394	14,913
Income tax expense	11,891	11,890	1
Net income	57,416	42,504	14,912
Net income attributable to noncontrolling interests	(624)	(798)	174
Net income attributable to Cooper-Standard Holdings Inc.	\$ 56,792	\$ 41,706	\$ 15,086

Three Months Ended March 31, 2018 Compared with Three Months Ended March 31, 2017

Sales

Sales for the three months ended March 31, 2018 increased 7.2%, compared to the three months ended March 31, 2017.

	Three Months Ended March 31,			Variance Due To:		
	2018	2017	Change	Volume / Mix*	Foreign Exchange	Other
	(dollar amounts in thousands)					
Total sales	\$ 967,391	\$ 902,051	\$ 65,340	\$ 18,668	\$ 52,969	\$ (6,297)

* Net of customer price reductions

We experienced volume growth of 1.7% for the period, primarily as a result of increased sales in all regions, and favorable foreign exchange impacts, primarily related to the Euro and the Renminbi. Other includes the net impact of acquisitions and divestitures.

Gross Profit

	Three Months Ended March 31,			Variance Due To:		
	2018	2017	Change	Volume / Mix*	Foreign Exchange	Cost Increases / (Decreases)
	(dollar amounts in thousands)					
Cost of products sold	796,511	732,049	64,462	41,005	46,071	(22,614)
Gross profit	170,880	170,002	878	(22,337)	6,898	16,317
Gross profit percentage of sales	17.7%	18.8%				

* Net of customer price reductions

Cost of products sold is primarily comprised of material, labor, manufacturing overhead, freight, depreciation, warranty costs and other direct operating expenses. The Company's material cost of products sold was approximately 51% of net sales for the three months ended March 31, 2018 and 2017, respectively. The most significant driver of the cost decrease for cost of products sold was net operating efficiencies of \$25.0 million, primarily driven by lean manufacturing.

Selling, Administration and Engineering Expense. Selling, administration and engineering expense includes administrative expenses as well as product engineering and design and development costs. As a percent of sales, expense for the three months ended March 31, 2018 was 8.3% compared to 9.7% for the three months ended March 31, 2017. This decrease is due to lower compensation related costs and efficiencies related to cost improvement initiatives.

Restructuring. Restructuring charges for the three months ended March 31, 2018 decreased \$2.9 million compared to the three months ended March 31, 2017. The decrease was primarily driven by lower restructuring expenses related to our European and Asia Pacific initiatives of \$4.0 million, partially offset by higher restructuring charges attributed to North America and South America.

Interest Expense, Net. Net interest expense for the three months ended March 31, 2018 decreased \$1.4 million compared to the three months ended March 31, 2017, primarily due to the refinancing of the Term Loan Facility.

Loss on Refinancing and Extinguishment of Debt. Loss on refinancing and extinguishment of debt for the three months ended March 31, 2018 was \$0.8 million which resulted primarily from expensing debt issuance costs associated with our amended Term Loan Facility.

Other Expense, Net. Other expense for the three months ended March 31, 2018 increased \$0.6 million compared to the three months ended March 31, 2017 primarily due to increased foreign currency losses.

Income Tax Expense. Income tax expense for the three months ended March 31, 2018 was \$11.9 million on earnings before income taxes of \$69.3 million. This compares to income tax expense of \$11.9 million on earnings before income taxes of \$54.4 million for the same period of 2017. The effective tax rate for the three months ended March 31, 2018 compared to the three months ended March 31, 2017 was lower primarily due to the lower U.S. statutory rate in the three months ended March 31, 2018. The income tax rate for the three months ended March 31, 2018 varied from statutory rates primarily due to tax credits, the impact of income taxes on foreign earnings taxed at rates varying from the U.S. statutory rate, the inability to record a tax benefit for pre-tax losses in certain foreign jurisdictions to the extent not offset by other categories of income, income tax incentives, excess tax benefits related to share-based compensation and other permanent items.

Segment Results of Operations

Three Months Ended March 31, 2018 Compared with Three Months Ended March 31, 2017

Sales

	Three Months Ended March 31,			Variance Due To:		
	2018	2017	Change	Volume / Mix*	Foreign Exchange	Other
(dollar amounts in thousands)						
Sales to external customers						
North America	\$ 499,178	\$ 484,238	\$ 14,940	\$ 14,770	\$ 3,353	\$ (3,183)
Europe	292,401	261,506	30,895	(3,209)	39,884	(5,780)
Asia Pacific	149,175	132,591	16,584	3,331	10,587	2,666
South America	26,637	23,716	2,921	3,776	(855)	—
Consolidated	\$ 967,391	\$ 902,051	\$ 65,340	\$ 18,668	\$ 52,969	\$ (6,297)

* Net of customer price reductions

- The impact of foreign currency exchange primarily relates to the Euro and the Renminbi
- Other includes the net impact of acquisitions and divestitures

Segment profit (loss)

	Three Months Ended March 31,			Variance Due To:			
	2018	2017	Change	Volume / Mix*	Foreign Exchange	Cost (Increases) / Decreases	Other
(dollar amounts in thousands)							
Income before income taxes							
North America	\$ 64,685	\$ 62,281	\$ 2,404	\$ (10,303)	\$ (837)	\$ 14,602	\$ (1,058)
Europe	2,569	(8,559)	11,128	(9,764)	3,889	8,464	8,539
Asia Pacific	3,581	3,477	104	(3,274)	103	2,974	301
South America	(1,528)	(2,805)	1,277	1,004	(306)	562	17
Consolidated income before income taxes	\$ 69,307	\$ 54,394	\$ 14,913	\$ (22,337)	\$ 2,849	\$ 26,602	\$ 7,799

* Net of customer price reductions

- The favorable impact of foreign currency exchange impact is primarily driven by the Euro, partially offset by the Polish Zloty and the Czech Koruna
- The Cost (Increases) / Decreases category above includes:
 - Net operational efficiencies of \$25.0 million primarily driven by North America and Europe, partially offset by inflation
 - The decrease in selling, administrative and engineering expense of \$10.0 million, net of wage inflation
 - Commodity price pressure, offset by purchasing performance
- The Other category above includes changes in the net impact of interest income and expense, the net impact of acquisitions and divestitures, one-time items, and restructuring expense, including:
 - The non-recurrence of the prior period impairment of \$4.3 million in our Europe segment
 - The \$2.9 million decrease in restructuring expenses related to Europe and Asia Pacific, partially offset by higher restructuring charges in North America and South America

Liquidity and Capital Resources

Short and Long-Term Liquidity Considerations and Risks

We intend to fund our ongoing working capital, capital expenditures, debt service and other funding requirements through a combination of cash flows from operations, cash on hand, borrowings under our senior asset-based revolving credit facility (“ABL Facility”) and receivables factoring. The Company utilizes intercompany loans and equity contributions to fund its worldwide operations. There may be country-specific regulations which may restrict or result in increased costs in the repatriation of these funds. See Note 9. “Debt” to the unaudited condensed consolidated financial statements included in Part 1, Item 1 of this Report for additional information.

Based on our current and anticipated levels of operations and the condition in our markets and industry, we believe that our cash flows from operations, cash on hand, borrowings under our ABL Facility and receivables factoring will enable us to meet our ongoing working capital, capital expenditures, debt service and other funding requirements for the next twelve months. However, our ability to fund our working capital needs, debt payments and other obligations, and to comply with the financial covenants, including borrowing base limitations, under our ABL Facility, depend on our future operating performance and cash flow and many factors outside of our control, including the costs of raw materials, the state of the overall automotive industry and financial and economic conditions and other factors.

Cash Flows

Operating Activities. Net cash used in operations was \$10.6 million for the three months ended March 31, 2018, compared to net cash provided by operations of \$3.7 million for the three months ended March 31, 2017. The outflow was primarily due to the timing of customer payments and lower utilization of the accounts receivable factoring program, partially offset by the timing of accounts payable and increased earnings.

Investing Activities. Net cash used in investing activities was \$70.2 million for the three months ended March 31, 2018, compared to \$58.2 million for the three months ended March 31, 2017. Cash used in investing activities consisted primarily of capital spending of \$67.9 million and \$58.3 million for the three months ended March 31, 2018 and 2017, respectively, as well as cash paid for the acquisition of businesses, which consisted primarily of \$4.1 million for the AMI China acquisition. We anticipate that we will spend approximately \$195 million to \$215 million on capital expenditures in 2018.

Financing Activities. Net cash used in financing activities totaled \$15.0 million for the three months ended March 31, 2018, compared to \$12.0 million for the three months ended March 31, 2017. The increase was primarily due to the purchase of a noncontrolling interest and debt issuance costs paid related to the term loan refinancing.

Share Repurchase Program

In March 2016, our Board of Directors approved a securities repurchase program (the “Program”) authorizing us to repurchase, in the aggregate, up to \$125 million of our outstanding common stock or warrants to purchase common stock. Under the Program, repurchases may be made on the open market or through private transactions, as determined by our management and in accordance with prevailing market conditions and federal securities laws and regulations.

In 2017, we repurchased \$55.9 million of our common stock (513,801 shares at an average purchase price of \$108.87 per share, excluding commissions) in the open market, of which \$55.1 million was settled in cash during the year ended December 31, 2017. We did not make any share repurchases related to the Program during the three months ended March 31, 2018. We expect to fund any future repurchases from cash on hand and future cash flows from operations. We are not obligated to acquire a particular amount of securities, and the Program may be discontinued at any time at our discretion. As of March 31, 2018, we have approximately \$45.3 million of repurchase authorization remaining under the Program.

Non-GAAP Financial Measures

In evaluating our business, management considers EBITDA and Adjusted EBITDA to be key indicators of our operating performance. Our management also uses EBITDA and Adjusted EBITDA:

- because similar measures are utilized in the calculation of the financial covenants and ratios contained in our financing arrangements;
- in developing our internal budgets and forecasts;
- as a significant factor in evaluating our management for compensation purposes;
- in evaluating potential acquisitions;
- in comparing our current operating results with corresponding historical periods and with the operational performance of other companies in our industry; and

- in presentations to the members of our board of directors to enable our board of directors to have the same measurement basis of operating performance as is used by management in their assessments of performance and in forecasting and budgeting for our company.

In addition, we believe EBITDA and Adjusted EBITDA and similar measures are widely used by investors, securities analysts and other interested parties in evaluating our performance. We define Adjusted EBITDA as net income (loss) plus income tax expense (benefit), interest expense, net of interest income, depreciation and amortization or EBITDA, as adjusted for items that management does not consider to be reflective of our core operating performance. These adjustments include, but are not limited to, restructuring costs, impairment charges, non-cash fair value adjustments and acquisition-related costs.

EBITDA and Adjusted EBITDA are not financial measurements recognized under U.S. GAAP, and when analyzing our operating performance, investors should use EBITDA and Adjusted EBITDA as a supplement to, and not as alternatives for, net income (loss), operating income, or any other performance measure derived in accordance with U.S. GAAP, nor as an alternative to cash flow from operating activities as a measure of our liquidity. EBITDA and Adjusted EBITDA have limitations as analytical tools, and they should not be considered in isolation or as substitutes for analysis of our results of operations as reported under U.S. GAAP. These limitations include:

- they do not reflect our cash expenditures or future requirements for capital expenditure or contractual commitments;
- they do not reflect changes in, or cash requirements for, our working capital needs;
- they do not reflect interest expense or cash requirements necessary to service interest or principal payments under our ABL Facility, Term Loan Facility and Senior Notes;
- they do not reflect certain tax payments that may represent a reduction in cash available to us;
- although depreciation and amortization are non-cash charges, the assets being depreciated or amortized may have to be replaced in the future, and EBITDA and Adjusted EBITDA do not reflect cash requirements for such replacements; and
- other companies, including companies in our industry, may calculate these measures differently and, as the number of differences in the way companies calculate these measures increases, the degree of their usefulness as a comparative measure correspondingly decreases.

In addition, in evaluating Adjusted EBITDA, it should be noted that in the future, we may incur expenses similar to the adjustments in the below presentation. Our presentation of Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by special items.

The following table provides a reconciliation of EBITDA and Adjusted EBITDA from net income, which is the most comparable financial measure in accordance with U.S. GAAP:

	Three Months Ended March 31,	
	2018	2017
	(dollar amounts in thousands)	
Net income attributable to Cooper-Standard Holdings Inc.	\$ 56,792	\$ 41,706
Income tax expense	11,891	11,890
Interest expense, net of interest income	9,800	11,239
Depreciation and amortization	36,259	31,857
EBITDA	\$ 114,742	\$ 96,692
Restructuring charges	7,125	9,988
Loss on refinancing and extinguishment of debt ⁽¹⁾	770	—
Impairment charges ⁽²⁾	—	4,270
Adjusted EBITDA	\$ 122,637	\$ 110,950

(1) Loss on refinancing and extinguishment of debt related to the amendment of the Term Loan Facility.

(2) Non-cash impairment charges related to fixed assets.

Contingencies and Environmental Matters

The information concerning contingencies, including environmental contingencies and the amount currently held in reserve for environmental matters, contained in Note 20. "Commitments and Contingencies" to the unaudited condensed consolidated financial statements included in Part I, Item 1 of this Report, is incorporated herein by references.

Recently Issued Accounting Pronouncements

See Note 1. "Overview" to the unaudited condensed consolidated financial statements included in Part I, Item 1 of this Report.

Critical Accounting Estimates

There have been no significant changes in our critical accounting estimates during the three months ended March 31, 2018.

Forward-Looking Statements

This quarterly report on Form 10-Q includes "forward-looking statements" within the meaning of U.S. federal securities laws, and we intend that such forward-looking statements be subject to the safe harbor created thereby. Our use of words "estimate," "expect," "anticipate," "project," "plan," "intend," "believe," "forecast," or future or conditional verbs, such as "will," "should," "could," "would," or "may," and variations of such words or similar expressions are intended to identify forward-looking statements. All forward-looking statements are based upon our current expectations and various assumptions. Our expectations, beliefs, and projections are expressed in good faith and we believe there is a reasonable basis for them. However, we cannot assure you that these expectations, beliefs, and projections will be achieved. Forward-looking statements are not guarantees of future performance and are subject to significant risks and uncertainties that may cause actual results or achievements to be materially different from the future results or achievements expressed or implied by the forward-looking statements. Among other items, such factors may include: prolonged or material contractions in automotive sales and production volumes; our inability to realize sales represented by awarded business; escalating pricing pressures; loss of large customers or significant platforms; our ability to successfully compete in the automotive parts industry; availability and increasing volatility in costs of manufactured components and raw materials; disruption in our supply base; entering new markets; possible variability of our working capital requirements; risks associated with our international operations; foreign currency exchange rate fluctuations; our ability to control the operations of our joint ventures for our sole benefit; our substantial amount of indebtedness; our ability to obtain adequate financing sources in the future; operating and financial restrictions imposed on us under our debt instruments; the underfunding of our pension plans; significant changes in discount rates and the actual return on pension assets; effectiveness of continuous improvement programs and other cost savings plans; manufacturing facility closings or consolidation; our ability to execute new program launches; our ability to meet customers' needs for new and improved products; the possibility that our acquisitions and divestitures may not be successful; product liability, warranty and recall claims brought against us; laws and regulations, including environmental, health and safety laws and regulations; legal proceedings, claims or investigations against us; work stoppages or other labor disruptions; the ability of our intellectual property to withstand legal challenges; cyber-attacks or other disruptions in our information technology systems; the possible volatility of our annual effective tax rate; changes in our assumptions used for evaluation of deemed repatriation tax and the remeasurement of our deferred tax assets and liabilities, including as a result of IRS issuing guidance on Tax Cuts and Jobs Act that may change our assumptions; the possibility of future impairment charges to our goodwill and long-lived assets; and our dependence on our subsidiaries for cash to satisfy our obligations.

You should not place undue reliance on these forward-looking statements. We undertake no obligation to publicly update or otherwise revise any forward-looking statement, whether as a result of new information, future events or otherwise, except where we are expressly required to do so by law.

This quarterly report on Form 10-Q also contains estimates and other information that is based on industry publications, surveys, and forecasts. This information involves a number of assumptions and limitations, and we have not independently verified the accuracy or completeness of the information.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to fluctuations in interest rates, currency exchange rates and commodity prices. We actively manage our exposure to risk from changes in foreign currency exchange rates and interest rates through the use of derivative financial instruments in accordance with management's guidelines. We do not enter into derivative instruments for trading or speculative purposes.

Foreign Currency Exchange Rate Risk. We use forward foreign exchange contracts to reduce the effect of fluctuations in foreign exchange rates on a portion of forecasted sales, material purchases and operating expenses. As of March 31, 2018, the notional amount of these contracts was \$125.7 million. As of March 31, 2017, the fair value of the Company's forward foreign exchange contracts was an asset of \$2.8 million. The potential pre-tax loss or gain in fair value from a hypothetical 10% adverse or favorable movement in the foreign currency exchange rates in relation to the U.S. Dollar is as follows:

	March 31, 2018	December 31, 2017
10% strengthening of U.S. Dollar	- \$9.8 million	- \$10.0 million
10% weakening of U.S. Dollar	+ \$11.9 million	+ \$12.9 million

These estimates assume a parallel shift in all currency exchange rates and, as a result, may overstate the potential impact to earnings because currency exchange rates do not typically move all in the same direction.

In addition to transactional exposures, our operating results are impacted by the translation of our foreign operating income into U.S. dollars. In 2017, net sales outside of the United States accounted for 76% of our consolidated net sales, although certain non-U.S. sales are U.S. dollar denominated. We do not enter into foreign exchange contracts to mitigate this exposure.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Company has evaluated, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) as of the end of the period covered by this Report. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. Based on that evaluation, the Company's Chief Executive Officer along with the Chief Financial Officer have concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this Report.

Changes in Internal Control over Financial Reporting

There have been no changes in the Company's internal control over financial reporting during the quarter ended March 31, 2018 that have materially affected, or are reasonably likely to affect, the Company's internal control over financial reporting.

PART II — OTHER INFORMATION

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(c) Purchases of Equity Securities By the Issuer and Affiliated Purchasers

As discussed in Part I, Item 2, “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources - Share Repurchase Program,” and Note 17. “Common Stock” to the unaudited condensed consolidated financial statements included in Part 1, Item 1 of this Report, we have approximately \$45.3 million of repurchase authorization remaining under our ongoing common stock share repurchase program.

A summary of our shares of common stock repurchased during the three months ended March 31, 2018 is shown below:

Period	Total Number of Shares Purchased ⁽¹⁾	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet be Purchased Under the Program (in millions)
January 1, 2018 through January 31, 2018	—	\$ —	—	\$ 45.3
February 1, 2018 through February 28, 2018	56,002	\$ 118.25	—	\$ 45.3
March 1, 2018 through March 31, 2018	287	\$ 115.98	—	\$ 45.3
Total	<u>56,289</u>	\$ 118.24	<u>—</u>	\$ 45.3

(1) All shares were repurchased by the Company to satisfy employee tax withholding requirements due upon the vesting of restricted stock awards.

Item 6. Exhibits

Exhibit No.	Description of Exhibit
10.1*	<u>Amendment No. 3, dated as of March 6, 2018 to the Term Loan Credit Agreement, among Cooper-Standard Automotive Inc., as the borrower, CS Intermediate Holdco 1 LLC, as Holdings, Deutsche Bank AG New York Branch, as Administrative Agent and Collateral Agent and the lenders from time to time party thereto as Lenders and other parties thereto.</u>
10.2*	<u>Form of Cooper-Standard Holdings Inc. 2017 Omnibus Incentive Plan Nonqualified Stock Option Agreement.</u>
10.3*	<u>Form of 2018 Cooper-Standard Holdings Inc. 2017 Omnibus Incentive Plan Performance Unit Award Agreement (cash-settled award).</u>
10.4*	<u>Form of 2018 Cooper-Standard Holdings Inc. 2017 Omnibus Incentive Plan Performance Unit Award Agreement (stock-settled award).</u>
10.5*	<u>Form of Cooper-Standard Holdings Inc. 2017 Omnibus Incentive Plan Restricted Stock Unit Award Agreement (cash-settled award).</u>
31.1*	<u>Certification of Principal Executive Officer Pursuant to Exchange Act Rule 13a-14(a)/15d-14(a) (Section 302 of the Sarbanes-Oxley Act of 2002).</u>
31.2*	<u>Certification of Principal Financial Officer Pursuant to Exchange Act Rule 13a-14(a)/15d-14(a) (Section 302 of the Sarbanes-Oxley Act of 2002).</u>
32**	<u>Certification Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
101.INS***	XBRL Instance Document
101.SCH***	XBRL Taxonomy Extension Schema Document
101.CAL***	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF***	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB***	XBRL Taxonomy Label Linkbase Document
101.PRE***	XBRL Taxonomy Extension Presentation Linkbase Document
*	Filed with this Report.
**	Furnished with this Report.
***	Submitted electronically with this Report in accordance with the provisions of Regulation S-T.

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 thereunto duly authorized.

COOPER-STANDARD HOLDINGS INC.

May 2, 2018

/S/ JONATHAN P. BANAS

Date

Jonathan P. Banas
Chief Financial Officer
(Principal Financial Officer)

AMENDMENT No. 3, dated as of March 6, 2018 (this "**Amendment**"), to the Credit Agreement, dated as of April 4, 2014 (as amended and restated by Amendment No. 1, dated as of November 2, 2016, as amended by Amendment No. 2, dated as of May 2, 2017, and as further amended, restated, amended and restated, extended, supplemented or otherwise modified in writing from time to time prior to the date hereof, the "**Credit Agreement**," and the Credit Agreement, as amended by this Amendment, the "**Amended Credit Agreement**"), by and among COOPER-STANDARD AUTOMOTIVE INC., an Ohio corporation (the "**Borrower**"), CS INTERMEDIATE HOLDCO 1 LLC, a Delaware limited liability company ("**Holdings**"), DEUTSCHE BANK AG NEW YORK BRANCH ("**DBNY**"), as Administrative Agent and Collateral Agent (in such capacities, the "**Agent**"), the lenders from time to time party thereto (the "**Lenders**") and the other parties thereto; capitalized terms used and not otherwise defined herein shall have the meanings assigned to such terms in the Amended Credit Agreement.

WHEREAS, the Borrower desires to amend the Credit Agreement on the terms set forth herein;

WHEREAS, Section 3.07 and Section 10.01 of the Credit Agreement provide that the Borrower, the Administrative Agent and the Lenders party hereto may amend the Credit Agreement as set forth herein;

WHEREAS, (i) each Lender that has submitted a signature page hereto (each a "**Consenting Lender**") has agreed, on the terms and conditions set forth herein, to consent to the amendments to the Credit Agreement set forth herein, including, without limitation, the reduction of the Applicable Rate with respect to its outstanding Term B-1 Loans; (ii) each Lender that does not submit a signature page hereto (each a "**Non-Consenting Lender**") shall be required to assign its Term B-1 Loans to Deutsche Bank AG New York Branch (in such capacity, the "**New Lender**") in accordance with Section 3.07 and Section 10.07 of the Credit Agreement and such New Lender shall become a Lender under the Amended Credit Agreement with respect to the Term B-1 Loans so assigned, (iii) on the Amendment No. 3 Effective Date, the Borrower shall have paid to the Administrative Agent, for the ratable benefit of the existing Lenders, all accrued and unpaid interest to, but not including, the Amendment No. 3 Effective Date with respect to the Term B-1 Loans outstanding under the Credit Agreement immediately before giving effect to this Amendment (the "**Existing Loans**") and (iv) the consent of the Required Lenders to this Amendment is required pursuant to Section 3.07 of the Credit Agreement to effectuate the assignments contemplated by clause (ii) above; and

WHEREAS, Deutsche Bank Securities Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Barclays Bank PLC, Goldman Sachs Bank USA and JPMorgan Chase Bank, N.A. (collectively, the "**Arrangers**") are the joint lead arrangers and joint bookrunners for this Amendment.

NOW, THEREFORE, in consideration of the premises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

Section 1.

Amendments to the Credit Agreement.

(a) Section 1.1 of the Credit Agreement is hereby amended by inserting the following definitions therein in proper alphabetical order:

“**Amendment No. 3**” means Amendment No. 3 to the Credit Agreement, dated as of March 6, 2018, among the Borrower, the Administrative Agent and the Lenders party thereto.

“**Amendment No. 3 Effective Date**” has the meaning specified in Amendment No. 3.

(b) Section 1.1 of the Credit Agreement is hereby amended by deleting the definition of “Applicable Rate” contained therein in its entirety and replacing it with the following:

“**Applicable Rate**” means a percentage *per annum* equal to 2.00% *per annum* for Eurodollar Rate Loans and 1.00% *per annum* for Base Rate Loans.

(c) Section 1.1 of the Credit Agreement is hereby amended by deleting the definition of “Arrangers” contained therein in its entirety and replacing it with the following:

“**Arrangers**” means Deutsche Bank Securities Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated (or any other registered broker-dealer wholly-owned by Bank of America Corporation to which all or substantially all of Bank of America Corporation’s or any of its subsidiaries’ investment banking, commercial lending services or related businesses may be transferred following the date of this Agreement), JPMorgan Chase Bank, N.A., Goldman Sachs Bank USA and Barclays Bank PLC, in their respective capacities as joint lead arrangers and joint bookrunners, and Deutsche Bank Securities Inc., in its capacity as sole lead arranger and sole lead bookrunner in respect of Amendment No. 2., and Deutsche Bank Securities Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated (or any other registered broker-dealer wholly-owned by Bank of America Corporation to which all or substantially all of Bank of America Corporation’s or any of its subsidiaries’ investment banking, commercial lending services or related businesses may be transferred following the date of this Agreement), Barclays Bank PLC, Goldman Sachs Bank USA and JPMorgan Chase Bank, N.A, in their respective capacities as joint lead arrangers and joint bookrunners in respect of Amendment No. 3.

(d) Section 1.1 of the Credit Agreement is hereby amended by deleting the definition of “Loan Documents” contained therein in its entirety and replacing it with the following:

“*Loan Documents*” means, collectively, (i) this Agreement, (ii) Amendment No. 1, (iii) Amendment No. 2, (iv) Amendment No. 3, (v) the Notes, (vi) the Guaranty, (vii) the Intercreditor Agreement and (viii) the Collateral Documents.

(e) Section 2.05(a)(iv) of the Credit Agreement is hereby amended by deleting the phrase “Amendment No. 2 Repricing Date” and replacing it with the phrase “Amendment No. 3 Effective Date”.

(f) Section 2.08(a) of the Credit Agreement is hereby amended by inserting “, Amendment No. 3” in such Section 2.08(a) immediately before the language “and Section 2.08(b)” therein:

(g) Section 2.17(d)(vii) of the Credit Agreement is hereby amended by deleting the phrase “Amendment No. 2 Repricing Date” and replacing it with the phrase “Amendment No. 3 Effective Date”.

(h) Article III of the Credit Agreement is hereby amended by inserting the following language as a new Section 3.09 at the end thereof:

“3.09 Alternate Rate of Interest. (a) Notwithstanding any provision of this Agreement to the contrary, if prior to the commencement of any Interest Period for a Eurodollar Rate Borrowing:

(i) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the Eurodollar Rate or the Eurodollar Base Rate, as applicable, for such Interest Period; or

(ii) the Administrative Agent is advised by the Required Lenders that the Eurodollar Rate or the Eurodollar Base Rate, as applicable, for such Interest Period will not adequately and fairly reflect the cost to such Lenders of making or maintaining their Loans included in such Borrowing for such Interest Period;

then the Administrative Agent shall give notice thereof to the Borrower and the Lenders by telephone or electronic means as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist (which notice shall be promptly given by the Administrative Agent when such circumstances no longer exist), (i) any Committed Loan Notice that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Eurodollar Rate Borrowing shall be ineffective, and (ii) if any Committed Loan Notice requests a Eurodollar Rate Borrowing, such Borrowing shall be made as a Base Rate Borrowing; provided that if the circumstances giving rise to such notice affect only one Type of Borrowings, then the other Type of Borrowings shall be permitted.

(b) If at any time the Administrative Agent determines (which determination

shall be conclusive absent manifest error) that (i) the circumstances set forth in clause (a)(i) have arisen and such circumstances are unlikely to be temporary or (ii) the circumstances set forth in clause (a)(i) have not arisen but the supervisor for the administrator of ICE LIBOR or a Governmental Authority having jurisdiction over the Administrative Agent has made a public statement identifying a specific date after which ICE LIBOR shall no longer be used for determining interest rates for loans, then the Administrative Agent and the Borrower shall endeavor to establish an alternate rate of interest to the Eurodollar Rate that gives due consideration to the then prevailing market convention for determining a rate of interest for syndicated loans in the United States at such time, and shall enter into an amendment to this Agreement to reflect such alternate rate of interest and such other related changes to this Agreement as may be applicable (but for the avoidance of doubt, such related changes shall not include a reduction of the Applicable Rate). Notwithstanding anything to the contrary in Section 10.01, such amendment shall become effective without any further action or consent of any other party to this Agreement so long as the Administrative Agent shall not have received, within five Business Days of the date notice of such alternate rate of interest is provided to the Lenders, a written notice from the Required Lenders stating that such Required Lenders object to such amendment.”

(i) Section 5.17 of the Credit Agreement is hereby amended by inserting the following language as a new clause (e) at the end thereof:

“(e) The Borrower is not and will not be (1) an employee benefit plan subject to Title I of the ERISA, (2) a plan or account subject to Section 4975 of the Code, (3) an entity deemed to hold “plan assets” of any such plans or accounts for purposes of ERISA or the Code, or (4) a “governmental plan” within the meaning of ERISA.”

(j) Article X of the Credit Agreement is hereby amended by inserting the following language as a new Section 10.25 at the end thereof:

“10.25 Lender ERISA Representation. (a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of the Administrative Agent, the Arrangers and the respective Affiliates of the foregoing, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that at least one of the following is and will be true:

(i) such Lender is not using “plan assets” (within the meaning of 29 CFR § 2510.3-101, as modified by Section 3(42) of ERISA) of one or more Benefit Plans in connection with the Loans or the Commitments,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement,

(iii) (A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement satisfies the requirements of subsections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, (I) unless sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or (II) if such sub-clause (i) is not true with respect to a Lender and such Lender has not provided another representation, warranty and covenant as provided in sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent, the Arrangers and the respective Affiliates of the foregoing, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that:

(i) none of the Administrative Agent, the Arrangers or any of their respective Affiliates is a fiduciary with respect to the assets of such Lender (including in connection with the reservation or exercise of

any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related hereto or thereto),

(ii) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement is independent (within the meaning of 29 CFR § 2510.3-21) and is a bank, an insurance carrier, an investment adviser, a broker-dealer or other person that holds, or has under management or control, total assets of at least \$50 million, in each case as described in 29 CFR § 2510.3-21(c)(1)(i)(A)-(E),

(iii) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement is capable of evaluating investment risks independently, both in general and with regard to particular transactions and investment strategies (including in respect of the Obligations),

(iv) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement is a fiduciary under ERISA or the Code, or both, with respect to the Loans, the Commitments and this Agreement and is responsible for exercising independent judgment in evaluating the transactions hereunder, and

(v) no fee or other compensation is being paid directly to the Administrative or any Arranger or any of their respective Affiliates for investment advice (as opposed to other services) in connection with the Loans, the Commitments or this Agreement.

(c) The Administrative Agent and each Arranger hereby informs the Lenders that each such Person is not undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, in connection with the transactions contemplated hereby, and that such Person has a financial interest in the transactions contemplated hereby in that such Person or an Affiliate thereof (i) may receive interest or other payments with respect to the Loans, the Commitments and this Agreement, (ii) may recognize a gain if it extended the Loans or the Commitments for an amount less than the amount being paid for an interest in the Loans or the Commitments by such Lender or (iii) may receive fees or other payments in connection with the transactions contemplated hereby, the Loan Documents or otherwise, including structuring fees, commitment fees, arrangement fees, facility fees, upfront fees, underwriting fees, ticking fees, agency fees, administrative agent or collateral agent fees, utilization fees,

minimum usage fees, letter of credit fees, fronting fees, deal-away or alternate transaction fees, amendment fees, processing fees, term out premiums, banker's acceptance fees, breakage or other early termination fees or fees similar to the foregoing.

For purposes of this Section 10.25, the following definitions apply to each of the capitalized terms below:

“Benefit Plan” means any of (a) an “employee benefit plan” (as defined in ERISA) that is subject to Title I of ERISA, (b) a “plan” as defined in Section 4975 of the Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such “employee benefit plan” or “plan”.

“PTE” means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.”

Section 2. **Limited Waiver.** Pursuant to Section 10.07(b)(iv)(y) of the Credit Agreement, the Administrative Agent, hereby waives the payment of the processing and recordation fee in connection with the assignment of Term B-1 Loans by each Non-Consenting Lender to the New Lender as contemplated by this Amendment, which such processing and recordation fee would otherwise be payable by the Borrower pursuant to Sections 3.07(a) and 10.07(b)(iv) of the Credit Agreement. The waiver contained in this Section 2 shall not apply to any fees payable in connection with any other assignment of Loans or Commitments under the Credit Agreement or the Amended Credit Agreement.

Section 3. **Representations and Warranties, No Default.** The Borrower hereby represents and warrants that as of the Amendment No. 3 Effective Date, after giving effect to this Amendment, (i) no Default exists and (ii) the representations and warranties of the Borrower and each other Loan Party contained in Article V of the Amended Credit Agreement or any other Loan Document are true and correct in all material respects (and in all respects if any such representation or warranty is already qualified by materiality) on and as of such date, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they were true and correct in all material respects (and in all respects if any such representation or warranty is already qualified by materiality) as of such earlier date.

Section 4. **Effectiveness.** This Amendment shall become effective on the date (such date, the “*Amendment No. 3 Effective Date*”) that that the following conditions have been satisfied:

(i) **Amendment.** The Administrative Agent shall have received executed signature pages hereto from the Borrower, Consenting Lenders constituting the Required Lenders, and the Administrative Agent;

(ii) **New Lender.** The Administrative Agent shall have received an executed signature page hereto from the New Lender and the assignment (or deemed assignment)

of the Term B-1 Loans held immediately before the Amendment No. 3 Effective Date by all Non-Consenting Lenders shall have been completed;

(i) Fees. The Agent and each Arranger shall have received the fees in the amounts previously agreed in writing with the Borrower by such Arranger to be received on the Amendment No. 3 Effective Date and all reasonable and documented out-of-pocket expenses required to be paid or reimbursed under Section 10.04 of the Credit Agreement for which invoices have been presented three Business Days prior to the Amendment No. 3 Effective Date; and

(ii) Interest. The Borrower shall have paid to the Administrative Agent, for the ratable benefit of the existing Lenders, all accrued and unpaid interest to, but not including, the Amendment No. 3 Effective Date with respect to the Existing Loans.

Section 5. New Lender. The New Lender hereby consents to this Amendment. Each of the New Lender, the Administrative Agent and the Borrower acknowledges and agrees that, upon the execution and delivery of an Assignment and Assumption signed by the New Lender, as assignee, and each Non-Consenting Lender, as assignor (or deemed to have been signed by such Non-Consenting Lender pursuant to Section 3.07(b) of the Amended Credit Agreement), the New Lender (i) shall become a "Lender" under, and for all purposes, and subject to and bound by the terms, of the Amended Credit Agreement and other Loan Documents with Term B-1 Loans in an amount equal to the aggregate principal amount of all Existing Loans of all Non-Consenting Lenders, (ii) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under the Amended Credit Agreement and the other Loan Documents as are delegated to the Administrative by the terms thereof, together with such powers as are reasonably incidental thereto and (iii) shall perform all the obligations of and shall have all rights of a Lender thereunder. Each Non-Consenting Lender that does not execute such Assignment and Assumption shall be deemed to have executed and delivered such Assignment and Assumption in accordance with Section 3.07(b) of the Amended Credit Agreement. After the assignment (or deemed assignment) of Term B-1 Loans by each Non-Consenting Lender to the New Lender as contemplated above, the New Lender and the Consenting Lenders shall together hold all of the Term B-1 Loans.

Section 6. Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which when so executed and delivered shall be deemed to be an original, but all of which when taken together shall constitute a single instrument. Delivery of an executed counterpart of a signature page of this Amendment by facsimile or any other electronic transmission shall be effective as delivery of a manually executed counterpart hereof.

Section 7. Governing Law. **THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.**

Section 8. **Headings.** The headings of this Amendment are for purposes of reference only and shall not limit or otherwise affect the meaning hereof.

Section 9. **Reaffirmation of Guaranty and Collateral Documents.** The Borrower confirms on behalf of the Guarantors that each Guarantor's obligations and liabilities under the Guaranty and each other Loan Document to which it is a party remain in full force and effect on a continuous basis after giving effect to this Amendment.

Section 10. **Effect of Amendment.** Except as expressly set forth herein, (i) this Amendment shall not by implication or otherwise limit, impair, constitute a waiver of or otherwise affect the rights and remedies of the Lenders, the Agent, in each case under the Credit Agreement or any other Loan Document, and (ii) shall not alter, modify, amend, waive or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or any other Loan Document. Each and every term, condition, obligation, covenant and agreement contained in the Credit Agreement or any other Loan Document is hereby ratified and re-affirmed in all respects and shall continue in full force and effect. This Amendment shall constitute a Loan Document for purposes of the Amended Credit Agreement and from and after the Amendment No. 3 Effective Date, all references to the Credit Agreement in any Loan Document and all references in the Amended Credit Agreement to "this Agreement," "hereunder," "hereof" or words of like import referring to the Credit Agreement, shall, unless expressly provided otherwise, refer to the Amended Credit Agreement. All parties agree that the amendments of the Credit Agreement set forth herein do not constitute a novation of the Credit Agreement, as written immediately prior to giving effect to this Amendment.

Section 11. **Tax Treatment.** For U.S. federal and applicable state and local income tax purposes, immediately before and after giving effect to this Amendment, all of the Term B-1 Loans shall be treated as one fungible tranche. Unless otherwise required by applicable law, none of the Loan Parties, the Administrative Agent or any Lender shall take any tax position inconsistent with the preceding sentence.

[signature pages follow]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective authorized officers as of the day and year first above written.

COOPER STANDARD AUTOMOTIVE INC., as the Borrower

By: /s/ Jonathan P. Banas

Name: Jonathan P. Banas

Title: Executive Vice President & Chief Financial Officer

[Signature Page to Amendment No. 3]

DEUTSCHE BANK AG NEW YORK BRANCH
as Administrative Agent and Collateral Agent

By: /s/ Alicia Schug
Name: Alicia Schug
Title: Vice President

By: /s/ Maria Guinchard
Name: Maria Guinchard
Title: Vice President

[Signature Page to Amendment No.3]

DEUTSCHE BANK AG NEW YORK BRANCH
as the New Lender

By: /s/ Alicia Schug
Name: Alicia Schug
Title: Vice President

By: /s/ Maria Guinchard
Name: Maria Guinchard
Title: Vice President

[Signature Page to Amendment No.3]

CONSENT (this "**Consent**") to AMENDMENT NO. 3 (the "**Amendment**") to the CREDIT AGREEMENT, dated as of April 4, 2014 (as amended and restated by Amendment No. 1, dated as of November 2, 2016, as amended by Amendment No. 2, dated as of May 2, 2017, and as further amended, restated, amended and restated, extended, supplemented or otherwise modified in writing from time to time prior to the date hereof, the "**Credit Agreement**,") by and among COOPER-STANDARD AUTOMOTIVE INC., an Ohio corporation (the "**Borrower**"), CS INTERMEDIATE HOLDCO 1 LLC, a Delaware limited liability company ("**Holdings**"), DEUTSCHE BANK AG NEW YORK BRANCH ("**DBNY**"), as Administrative Agent and Collateral Agent (in such capacities, the "**Agent**"), the lenders from time to time party thereto (the "**Lenders**") and the other parties thereto. Capitalized terms used in this Consent but not defined in this Consent have meanings assigned to such terms in the Amendment.

The undersigned Lender hereby consents to the Amendment and consents to reprice 100% of the outstanding principal amount of the Term B-1 Loans held by such Lender pursuant to the terms thereof.

IN WITNESS WHEREOF, the undersigned has caused this Consent to be executed and delivered by a duly authorized officer as of the date first written above.

(Name of Institution)

By: ____
Name:
Title:

If a second signature is necessary:

By: ____
Name:
Title:

COOPER-STANDARD HOLDINGS INC.
NONQUALIFIED STOCK OPTION AGREEMENT

THIS AGREEMENT (this “Agreement”), which relates to a grant of Options made on Grant Date (the “Grant Date”), is between Cooper-Standard Holdings Inc., a Delaware corporation (the “Company”), and the individual whose name is set forth on the signature page hereof (the “Participant”):

R E C I T A L S:

WHEREAS, the Company has adopted the Cooper-Standard Holdings Inc. 2017 Omnibus Incentive Plan (the “Plan”), which is incorporated herein by reference and made a part of this Agreement (capitalized terms not otherwise defined herein shall have the same meanings as in the Plan); and

WHEREAS, the Committee has determined that it would be in the best interests of the Company and its shareholders to grant the Options provided for herein to the Participant pursuant to the Plan and the terms set forth herein.

NOW THEREFORE, in consideration of the mutual covenants hereinafter set forth, the parties agree as follows:

1. Grant of the Options. The Company hereby grants to the Participant Options to purchase #Granted Shares on the terms and conditions set forth in this Agreement. The purchase price of the Shares subject to the Options shall be US \$Option Price per Share (the “Option Price”). The Options are not intended to be treated as incentive stock options that comply with Section 422 of the Code.
2. Vesting.
 - (a) Vesting While Employed.
 - (i) Subject to the Participant’s continued Employment with the Company or its Affiliate through the applicable vesting date, one third of the Options shall vest on each of the first three anniversaries of the Grant Date (each, a “Vesting Date”).
 - (ii) Notwithstanding the foregoing, in the event of a Change of Control while the Participant remains in Employment with the Company or its Affiliate, the following will apply:
 - (A) If the purchaser, successor or surviving entity (or parent thereof) in the Change of Control (the “Survivor”) so agrees, some or all of the Options shall be assumed, or replaced with the same type of award with similar terms and conditions, by the Survivor in the Change of Control transaction. If applicable, each Option that is assumed by the Survivor shall be appropriately adjusted, immediately after such Change of Control,

to apply to the number and class of securities which would have been issuable to the Participant upon the consummation of such Change of Control had the Options been exercised immediately prior to such Change of Control, and other appropriate adjustments in the terms and conditions of the Options shall be made. Upon termination of the Participant's Employment (1) by the Company and its Affiliates without Cause or (2) if the Participant is then or was at the time of the Change in Control a Section 16 Participant, by such Section 16 Participant for Good Reason, in each case within two years after a Change of Control, any unvested portion of the Option or replacement award shall, to the extent outstanding, immediately become fully vested and exercisable.

(B) To the extent the Survivor does not assume the Options or issue replacement awards as provided in clause (A), then, immediately prior to the date of the Change of Control, all Options shall become immediately and fully vested, and, unless otherwise determined by the Committee, all Options shall be cancelled on the date of the Change of Control in exchange for a cash payment equal to the excess (if any) of the Change of Control price of the Shares covered by the Options that are so cancelled over the exercise price of the Options or, to the extent the Change of Control price does not exceed the exercise price of the Options, shall be cancelled on the date of the Change of Control without payment.

(b) Termination of Employment. Subject to the provisos in Sections 2(a)(ii), if the Participant's Employment with the Company and its Affiliates terminates for any reason other than death, Disability or Retirement then the Options shall, to the extent not then vested, be canceled by the Company without consideration, and the vested portion of the Options shall remain exercisable for the period set forth in Section 3(a). Upon termination of the Participant's Employment due to the Participant's death or Disability, the Participant shall be deemed fully vested as of the date of such termination in all Options subject to this Agreement on the date of such termination. Upon termination of the Participant's Employment due to the Participant's Retirement between the Grant Date and a Vesting Date, or between Vesting Dates, a pro rata portion of the Options (in addition to any Options that have already vested due to continued Employment through one or more Vesting Dates) will be deemed vested as of the date of such termination. Such pro rata portion will be equal to the product of the total number of Options that are subject to immediate vesting on the following Vesting Date multiplied by a fraction equal to (i) the number of days of Employment that have elapsed since the most recent Vesting Date (or the Grant Date, if no Vesting Dates have passed) through the date of such termination divided by (ii) 365.

3. Exercise and Expiration of Option.

(a) Period of Exercise. Subject to the provisions of the Plan and this Agreement, the Participant may exercise all or any part of the vested portion of the Option at any time prior to, and the Option will expire upon, the earliest to occur of:

(i) the tenth anniversary of the Grant Date; provided, however, that (other than as would otherwise result in the violation of Section 409A of the Code), to the extent an Option would expire at a time when the holder of such Option is prohibited by applicable law or by the Company's insider trading policy from exercising the Option (the "Closed Window Period"), then such Option shall remain exercisable until the thirtieth (30th) day following the end of the Closed Window Period.

(ii) the first anniversary of the date of the Participant's termination of Employment (A) due to death or Disability, or (B) upon or following a Change of Control pursuant to which the provisions of Section 2(a)(ii)(A) apply;

(iii) the third anniversary of the date of the Participant's termination of Employment due to Retirement; and

(iv) 90 days following the date of the Participant's termination of Employment for any reason not described in clause (ii) or (iii) above;

(b) Method of Exercise.

(i) Subject to Section 3(a), the vested portion of an Option may be exercised in accordance with the exercise process established by the Company; provided that such portion may be exercised with respect to whole Shares only. At the time of exercise, the Participant must pay the Option Price and any applicable withholding taxes in full. The payment of the Option Price and any applicable withholding taxes may be made at the election of the Participant: (i) in cash or its equivalent (e.g., by check); (ii) in Shares having a Fair Market Value equal to the amount required to be paid, and satisfying such other requirements as may be imposed by the Committee, provided that, to the extent necessary to avoid adverse accounting treatment for the Company under generally accepted accounting principles, such Shares have been held by the Participant for no less than six months; (iii) partly in cash and partly in such Shares; (iv) by having the Company withhold a number of Shares otherwise deliverable upon exercise of the Option having a Fair Market Value equal to the aggregate Option Price for the Shares being purchased and any applicable withholding taxes; or (v) to the extent permitted by the Committee, through the delivery of irrevocable instructions to a broker to sell Shares obtained upon the exercise of an Option and to deliver promptly to the Company an amount out of the proceeds of such sale equal to the aggregate Option Price and applicable withholding taxes for the Shares being purchased. The Participant shall not have any rights to dividends or other rights of a stockholder with respect to Shares subject to an Option until the Participant has given written notice of exercise of the Option, paid the exercise price for such Shares and any applicable withholding taxes in full and, if applicable, has satisfied any other conditions imposed by the Committee pursuant to the Plan.

(ii) Notwithstanding any other provision of the Plan or this Agreement to the contrary, the Options may not be exercised prior to the completion of any registration or qualification of the Options or the Shares under applicable state

and federal securities or other laws, or under any ruling or regulation of any governmental body or national securities exchange that the Committee shall in its sole discretion determine to be necessary or advisable.

(iii) Upon the Company's determination that an Option has been validly exercised as to any of the Shares, the Company shall cause such Shares to be registered in Participant's name via a book-entry with the Company's transfer agent. The Company shall not be liable to the Participant for damages relating to any delays in making an appropriate book entry, or any mistakes or errors in the making of the book entry; provided that the Company shall correct any such errors caused by it. The book entry representing the Shares purchased by exercise of the Option, if applicable, shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the Plan or the rules, regulations, and other requirements of the Securities and Exchange Commission, any stock exchange upon which such Shares are listed, and any applicable Federal or state laws, and the Committee may direct that an appropriate notation on any such book entry be made to make appropriate reference to such restrictions.

(iv) In the event of the Participant's death, the vested portion of the Options shall remain exercisable by the Participant's executor or administrator, or the Person or Persons to whom the Participant's rights under this Agreement shall pass by will or by the laws of descent and distribution as the case may be, to the extent set forth in Section 3(a). Any heir or legatee of the Participant shall take rights herein granted subject to the terms and conditions hereof.

4. No Right to Continued Employment or Future Awards. The granting of the Options shall impose no obligation on the Company or any of its Affiliates to continue the Employment of the Participant and shall not lessen or affect the Company's or its Affiliate's right to terminate the Employment of the Participant. In addition, the granting of the Options shall impose no obligation on the Company or any of its Affiliates to make awards under the Plan to the Participant in the future.
5. Transferability. In accordance with the Plan, the Participant shall have the right to designate a beneficiary who will be entitled to exercise the Options, to the extent vested, following the Participant's death, all in the manner and to the extent set forth in this Agreement. The Participant may designate a beneficiary pursuant to procedures established by the Company (or the Plan's administrative service provider). The Participant may change the beneficiary designation at any time. The last designation on file with the Plan's administrative service provider as of the date of the Participant's death shall be effective. If no designation of beneficiary is made, then any vested Options shall be exercisable following the Participant's death by the Participant's legal representative pursuant to his or her will or the laws of descent and distribution, all in the manner and to the extent set forth in this Agreement. The Participant cannot otherwise sell, transfer, or dispose of or pledge or hypothecate or assign the unvested Options.

6. Taxes. The Company and its Affiliates shall have the right and are hereby authorized to withhold, any applicable withholding taxes in respect of the Options, their exercise or any payment or transfer under or with respect to the Options and to take such other action as may be necessary to satisfy all obligations for the payment of such withholding taxes, including by deducting cash (or requiring an Affiliate to deduct cash) from any payments of any kind otherwise due to the Participant, or, withholding Shares otherwise deliverable hereunder to satisfy such tax obligations.
7. Securities Laws. Upon the acquisition of any Shares pursuant to the exercise of the Options, the Participant will make or enter into such written representations, warranties and agreements as the Committee may reasonably request in order to comply with applicable securities laws or with this Agreement.
8. Notices. Any notice necessary under this Agreement shall be addressed to the Company in care of its Secretary at the principal executive office of the Company and to the Participant at the address appearing in the personnel records of the Company for the Participant or to either party at such other address as either party may designate in writing to the other. Any such notice shall be deemed effective upon receipt by the addressee.
9. Choice of Law. **THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE WITHOUT REGARD TO CONFLICTS OF LAWS.**
10. Options Subject to Plan. By entering into this Agreement, the Participant agrees and acknowledges that the Participant has received and read a copy of the Plan. The Options are subject to the Plan. The terms and provisions of the Plan as they may be amended from time to time are incorporated herein by reference. In the event of a conflict between any term or provision in this Agreement and a term or provision of the Plan, the applicable terms and provisions of the Plan will govern.
11. Recoupment. This Award, and any Shares issued or other compensation received by the Participant under this Award, shall be subject to the provisions of any recoupment or clawback policy that may be adopted by the Company from time to time and to any requirement of applicable law, regulation or listing standard that requires the Company to recoup or clawback compensation paid under this Award.
12. Amendments. The Company may amend this Award at any time, provided that the Participant's consent to any amendment is required to the extent the amendment materially diminishes the rights of the Participant or cancels the Award. Notwithstanding the foregoing, the Company need not obtain Participant (or other interested party) consent for: (a) the adjustment or cancellation of an Award pursuant to the adjustment provisions of the Plan; (b) the modification of the Award to the extent deemed necessary to comply with any applicable law, the listing requirements of any principal securities exchange or market on which the Shares are then traded; (c) the modification of the Award to preserve favorable accounting or tax treatment of the Award for the Company; or (d) the modification of the Award to the

extent the Committee determines that such action does not materially and adversely affect the value of an Award or that such action is in the best interest of the affected Participant or any other person(s) as may then have an interest in the Award.

13. Committee Interpretation. As a condition to the grant of this Award, the Participant agrees (with such agreement being binding upon the Participant's legal representatives, guardians, legatees or beneficiaries) that this Agreement will be interpreted by the Committee and that any interpretation by the Committee of the terms of this Agreement or the Plan, and any determination made by the Committee under this Agreement or the Plan, will be final, binding and conclusive.
14. Signature in Counterparts. This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures were upon the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

COOPER-STANDARD HOLDINGS INC.

By: _____
Larry E. Ott
Senior Vice President and
Chief Human Resources Officer

Agreed and acknowledged as of the date first above written:

Participant: Participant Name

COOPER-STANDARD HOLDINGS INC.
PERFORMANCE UNIT AWARD AGREEMENT

THIS AGREEMENT (this “Agreement”), which relates to a grant of performance-vested Restricted Stock Units (“PUs”) made on Grant Date (the “Date of Grant”), is between Cooper-Standard Holdings Inc., a Delaware corporation (the “Company”), and the individual whose name is set forth on the signature page hereof (the “Participant”):

R E C I T A L S:

WHEREAS, the Company has adopted the Cooper-Standard Holdings Inc. 2017 Omnibus Incentive Plan (the “Plan”) and the Cooper-Standard Automotive Inc. Long-Term Incentive Plan (the “LTIP”) which are incorporated herein by reference and made a part of this Agreement (capitalized terms not otherwise defined herein shall have the same meanings as in the Plan or the LTIP, as applicable); and

WHEREAS, the Committee has determined that it would be in the best interests of the Company and its shareholders to grant the PUs provided for herein to the Participant pursuant to the Plan and the LTIP, and the terms set forth herein.

NOW THEREFORE, in consideration of the mutual covenants hereinafter set forth, the parties agree as follows:

1. Grant. The Company hereby grants to the Participant #Granted PUs on the terms and conditions set forth in this Agreement. One hundred percent (100%) of such PUs are referred to as the “Target PUs.” The Participant’s rights with respect to the PUs will remain forfeitable at all times prior to the date such PUs vest as described in Section 4.

2. Performance Period and Goals. The vesting of the PUs is subject to the achievement of one or more Performance Goals during the Performance Period.

(a) Performance Period. The Performance Period for this Award is the three-year period commencing on January 1, 2018 and ending on December 31, 2020.

(b) Performance Goals. The Performance Goal is the Company’s return on invested capital (ROIC) for the three-year Performance Period. The Performance Goal will be met at “target” if **15.6% ROIC** is achieved. The Performance Goal will be met at “threshold” if 80% of target performance is met. The Performance Goal will be met at “maximum” if 120% of target performance is met. Performance between threshold and target, or between target and maximum, shall be interpolated.

3. Restrictions on Transfer. In accordance with the Plan, the Participant shall have the right to designate a beneficiary to receive the PUs that will vest upon, or be settled following, the Participant's death, all in the manner and to the extent set forth in this Agreement. The designation may be changed at any time. If no Designation of Beneficiary is made, then any PUs that will vest at the time of death of the Participant, and any previously vested PUs that have not yet been settled as of the date of death of the Participant, shall be paid to the Participant’s legal representative pursuant to his or her will or the laws of descent and distribution. The Participant

cannot otherwise sell, transfer, or dispose of or pledge or hypothecate or assign the unvested PUs or the Shares underlying the vested PUs prior to the date on which such vested PUs are settled pursuant to Section 4 (collectively, the "Transfer Restrictions").

4. Vesting; Termination of Employment.

(a) Vesting. Except as set forth in subsection (b) or (c), the PUs will be eligible to vest only if the Participant continues in Employment with the Company or its Affiliate until the end of the Performance Period. As soon as practical after the end of the Performance Period (and in all events during the calendar year immediately following the end of the Performance Period), the Committee will determine to what extent the Performance Goal has been achieved. Based on such determination, the potential number of PUs that will vest will be determined as follows:

If Performance Goal is Met at*:	Target PUs Potential Vesting is:
Threshold (80% of Target)	50%
Target	100%
Maximum (120% of Target)	200%

*If the Performance Goal is achieved between threshold and target, or between target and maximum, the percent of Target PUs that are considered potentially vested will be interpolated.

The Committee may then exercise its discretion, pursuant to Section 5.1 of the LTIP, to adjust the potential number of PUs that are vesting either upwards or downwards, provided that if the Participant is a Covered Employee, then the Committee may only approve a downward adjustment. The total number of PUs, after adjustment (if any), so determined by the Committee shall be considered vested as of the date of such Committee determination (the "Lapse Date").

(b) Termination of Employment. If the Participant's Employment with the Company and its Affiliates terminates for any reason prior to the end of the Performance Period, the PUs shall be canceled by the Company without consideration; provided that:

(i) upon termination of the Participant's Employment due to the Participant's death or Disability, the Target PUs shall vest in full on the date of such Employment termination;

(ii) if the Participant's Employment terminates for Retirement, then a number of PUs equal to (x) the total number of PUs determined pursuant to subsection (a) multiplied by (y) a fraction, the numerator of which is the number of the Participant's days of Employment during the Performance Period and the denominator of which is 1,095, shall vest and no longer be subject to forfeiture as of the Lapse Date; and

(iii) in the case of either (i) or (ii), any remaining unvested PUs shall be canceled by the Company without consideration.

(c) Change of Control. Notwithstanding the foregoing, in the event of a Change of Control while the Participant remains in Employment with the Company or its Affiliate, the Performance Goal shall be deemed to have been satisfied at the target level, regardless of actual performance prior to or after such Change of Control, such that only the Target PUs remain available for vesting under this Award, and the following will apply:

(i) If the purchaser, successor or surviving entity (or parent thereof) in the Change of Control (the “Survivor”) so agrees, then some or all of the Target PUs shall be assumed, or replaced with the same type of award with similar terms and conditions, by the Survivor in the Change of Control transaction. If applicable, each PU that is assumed by the Survivor shall be appropriately adjusted, immediately after such Change of Control, to apply to the number and class of securities which would have been issuable to the Participant upon the consummation of such Change of Control had the PUs been actual shares immediately prior to such Change of Control. Upon termination of the Participant’s Employment (A) by the Company and its Affiliates without Cause or (B) if the Participant is then or was at the time of a Change of Control a Section 16 Participant, by such Section 16 Participant for Good Reason, in each case within two years after a Change of Control, any unvested portion of this Award (or the replacement award) shall immediately become vested in full.

(ii) To the extent the Survivor does not assume the PUs or issue replacement awards as provided in clause (i), then, immediately prior to the date of the Change of Control, the Target PUs shall become immediately and fully vested.

5. Settlement.

(a) General. Except as otherwise provided in Section 5(b), as soon as practicable after the PUs vest (but in all events during the year immediately following the end of the Performance Period), the Company will settle such vested PUs by delivering an amount of cash equal to the Fair Market Value, determined as of the Lapse Date, of a number of Shares equal to the number of PUs that have vested. For purposes hereof, the PUs that vest upon a Participant’s termination of Employment shall be settled only upon the Participant’s separation from service within the meaning of Code Section 409A.

(b) Six-Month Delay for Specified Employees. Notwithstanding any other provision in the Plan or this Agreement to the contrary, if (i) the PUs become vested as a result of the Participant’s separation from service other than as a result of death, and (ii) the Participant is a “specified employee” within the meaning of Code Section 409A as of the date of such separation from service, then settlement of such vested PUs shall occur on the date that is six months after the date of the Participant’s separation from service to the extent necessary to comply with Code Section 409A.

6. No Voting Rights; Dividend Equivalents. The Participant shall not have voting rights with respect to the Shares underlying the PUs. The Participant shall be credited with an amount of cash equivalent to any dividends or other distributions paid with respect to the Shares underlying the PUs, so long as the applicable record date occurs on or after the Date of Grant and before such PUs are forfeited or settled; provided that such cash amounts shall be subject to the same risk of forfeiture and Performance Goals as the PUs to which such amounts relate. If, however, any dividends or other distributions with respect to the Shares underlying the PUs are paid in Shares rather than cash, then the Participant shall be credited with additional performance units equal to the number of Shares that the Participant would have received had the PUs been actual Shares, and such performance units shall be deemed PUs subject to the same risk of forfeiture and other terms of this Agreement and the Plan as apply to the PUs to which such dividends or other distributions relate. Any amounts due to the Participant under this provision

shall be paid to the Participant at the same time as payment is made in respect of the PUs to which such dividends or other distributions relate.

7. No Right to Continued Employment or Future Awards. The granting of the PUs shall impose no obligation on the Company or any of its Affiliates to continue the Employment of the Participant and shall not lessen or affect the Company's or its Affiliate's right to terminate the Employment of the Participant. In addition, the granting of the PUs shall impose no obligation on the Company or any of its Affiliates to make awards under the Plan or the LTIP to the Participant in the future.

8. Taxes. The Company and its Affiliates shall have the right and are hereby authorized to withhold from amounts otherwise payable hereunder any applicable withholding taxes in respect of the PUs and to take such other action as may be necessary to satisfy all obligations for the payment of such withholding taxes.

9. Notices. Any notice necessary under this Agreement shall be addressed to the Company in care of its Secretary at the principal executive office of the Company and to the Participant at the address appearing in the personnel records of the Company for the Participant or to either party at such other address as either party may designate in writing to the other. Any such notice shall be deemed effective upon receipt by the addressee.

10. Choice of Law. **THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE WITHOUT REGARD TO CONFLICTS OF LAWS.**

11. Performance Units Subject to Plan and LTIP. By entering into this Agreement, the Participant agrees and acknowledges that the Participant has received and read a copy of the Plan and the LTIP. The PUs are subject to the Plan and the LTIP. The terms and provisions of the Plan and the LTIP as they may be amended from time to time are incorporated herein by reference. In the event of a conflict between any term or provision in this Agreement and a term or provision of the Plan or LTIP, the applicable terms and provisions of the Plan or LTIP will govern.

12. Recoupment. This Award and the compensation received by the Participant under this Award shall be subject to the terms of any recoupment or clawback policy that may be adopted by the Company from time to time and to any requirement of applicable law, regulation or listing standard that requires the Company to recoup or clawback compensation paid under this Award.

13. Amendments. The Company may amend this Award at any time, provided that the Participant's consent to any amendment is required to the extent the amendment materially diminishes the rights of the Participant or results in cancellation of the Award. Notwithstanding the foregoing, the Company need not obtain Participant (or other interested party) consent for (a) the adjustment or cancellation of an Award pursuant to the adjustment provisions of the Plan; (b) the modification of the Award to the extent deemed necessary to comply with any applicable law, the listing requirements of any principal securities exchange or market on which the Shares are then traded; (c) the modification of the Award to preserve favorable accounting or tax treatment of the Award for the Company; or (d) the modification of the Award to the extent the Committee

determines that such action does not materially and adversely affect the value of an Award or that such action is in the best interest of the affected Participant or any other person(s) as may then have an interest in the Award.

14. Committee Interpretation. As a condition to the grant of this Award, the Participant agrees (with such agreement being binding upon the Participant's legal representatives, guardians, legatees or beneficiaries) that this Agreement will be interpreted by the Committee and that any interpretation by the Committee of the terms of this Agreement, the Plan or the LTIP, and any determination made by the Committee under this Agreement, the Plan or the LTIP, will be final, binding and conclusive.

15. Signature in Counterparts. This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures were upon the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

COOPER-STANDARD HOLDINGS INC.

By: _____

Larry E. Ott
Senior Vice President and
Chief Human Resources Officer

Agreed and acknowledged as of the date first above written:

Participant: Participant Name

COOPER-STANDARD HOLDINGS INC.
PERFORMANCE UNIT AWARD AGREEMENT

THIS AGREEMENT (this “Agreement”), which relates to a grant of performance-vested Restricted Stock Units (“PUs”) made on Grant Date (the “Date of Grant”), is between Cooper-Standard Holdings Inc., a Delaware corporation (the “Company”), and the individual whose name is set forth on the signature page hereof (the “Participant”):

R E C I T A L S:

WHEREAS, the Company has adopted the Cooper-Standard Holdings Inc. 2017 Omnibus Incentive Plan (the “Plan”) and the Cooper-Standard Automotive Inc. Long-Term Incentive Plan (the “LTIP”) which are incorporated herein by reference and made a part of this Agreement (capitalized terms not otherwise defined herein shall have the same meanings as in the Plan or the LTIP, as applicable); and

WHEREAS, the Committee has determined that it would be in the best interests of the Company and its shareholders to grant the PUs provided for herein to the Participant pursuant to the Plan and the LTIP, and the terms set forth herein.

NOW THEREFORE, in consideration of the mutual covenants hereinafter set forth, the parties agree as follows:

1. Grant. The Company hereby grants to the Participant #Granted PUs on the terms and conditions set forth in this Agreement. One hundred percent (100%) of such PUs are referred to as the “Target PUs.” The Participant’s rights with respect to the PUs will remain forfeitable at all times prior to the date such PUs vest as described in Section 4.

2. Performance Period and Goals. The vesting of the PUs is subject to the achievement of one or more Performance Goals during the Performance Period.

(a) Performance Period. The Performance Period for this Award is the three-year period commencing on January 1, 2018 and ending on December 31, 2020.

(b) Performance Goals. The Performance Goal is the Company’s return on invested capital (ROIC) for the three-year Performance Period. The Performance Goal will be met at “target” if **15.6% ROIC** is achieved. The Performance Goal will be met at “threshold” if 80% of target performance is met. The Performance Goal will be met at “maximum” if 120% of target performance is met. Performance between threshold and target, or between target and maximum, shall be interpolated.

3. Restrictions on Transfer. In accordance with the Plan, the Participant shall have the right to designate a beneficiary to receive the PUs that will vest upon, or be settled following, the Participant's death, all in the manner and to the extent set forth in this Agreement. The designation may be changed at any time. If no Designation of Beneficiary is made, then any PUs that will vest at the time of death of the Participant, and any previously vested PUs that have not yet been settled as of the date of death of the Participant, shall be paid to the Participant’s legal representative pursuant to his or her will or the laws of descent and distribution. The Participant

cannot otherwise sell, transfer, or dispose of or pledge or hypothecate or assign the unvested PUs or the Shares underlying the vested PUs prior to the date on which such vested PUs are settled pursuant to Section 4 (collectively, the "Transfer Restrictions").

4. Vesting; Termination of Employment.

(a) Vesting. Except as set forth in subsection (b) or (c), the PUs will be eligible to vest only if the Participant continues in Employment with the Company or its Affiliate until the end of the Performance Period. As soon as practical after the end of the Performance Period (and in all events during the calendar year immediately following the end of the Performance Period), the Committee will determine to what extent the Performance Goal has been achieved. Based on such determination, the potential number of PUs that will vest will be determined as follows:

If Performance Goal is Met at*:	Target PUs Potential Vesting is:
Threshold (80% of Target)	50%
Target	100%
Maximum (120% of Target)	200%

*If the Performance Goal is achieved between threshold and target, or between target and maximum, the percent of Target PUs that are considered potentially vested will be interpolated.

The Committee may then exercise its discretion, pursuant to Section 5.1 of the LTIP, to adjust the potential number of PUs that are vesting either upwards or downwards, provided that if the Participant is a Covered Employee, then the Committee may only approve a downward adjustment. The total number of PUs, after adjustment (if any), so determined by the Committee shall be considered vested as of the date of such Committee determination (the "Lapse Date").

(b) Termination of Employment. If the Participant's Employment with the Company and its Affiliates terminates for any reason prior to the end of the Performance Period, the PUs shall be canceled by the Company without consideration; provided that:

(i) upon termination of the Participant's Employment due to the Participant's death or Disability, the Target PUs shall vest in full on the date of such Employment termination;

(ii) if the Participant's Employment terminates for Retirement, then a number of PUs equal to (x) the total number of PUs determined pursuant to subsection (a) multiplied by (y) a fraction, the numerator of which is the number of the Participant's days of Employment during the Performance Period and the denominator of which is 1,095, shall vest and no longer be subject to forfeiture as of the Lapse Date; and

(iii) in the case of either (i) or (ii), any remaining unvested PUs shall be canceled by the Company without consideration.

(c) Change of Control. Notwithstanding the foregoing, in the event of a Change of Control while the Participant remains in Employment with the Company or its Affiliate, the Performance Goal shall be deemed to have been satisfied at the target level, regardless of actual

performance prior to or after such Change of Control, such that only the Target PUs remain available for vesting under this Award, and the following will apply:

(i) If the purchaser, successor or surviving entity (or parent thereof) in the Change of Control (the “Survivor”) so agrees, then some or all of the Target PUs shall be assumed, or replaced with the same type of award with similar terms and conditions, by the Survivor in the Change of Control transaction. If applicable, each PU that is assumed by the Survivor shall be appropriately adjusted, immediately after such Change of Control, to apply to the number and class of securities which would have been issuable to the Participant upon the consummation of such Change of Control had the PUs been actual shares immediately prior to such Change of Control. Upon termination of the Participant’s Employment (A) by the Company and its Affiliates without Cause or (B) if the Participant is then or was at the time of a Change of Control a Section 16 Participant, by such Section 16 Participant for Good Reason, in each case within two years after a Change of Control, any unvested portion of this Award (or the replacement award) shall immediately become vested in full.

(ii) To the extent the Survivor does not assume the PUs or issue replacement awards as provided in clause (i), then, immediately prior to the date of the Change of Control, the Target PUs shall become immediately and fully vested.

5. Settlement.

(a) General. Except as otherwise provided in Section 5(b), as soon as practicable after the PUs vest (but in all events during the year immediately following the end of the Performance Period), the Company will settle such vested PUs by making an appropriate book entry in the Participant’s name for a number of Shares equal to the number of PUs that have vested. The Transfer Restrictions applicable to any Shares issued in respect of the PUs shall lapse upon such issuance. For purposes hereof, the PUs that vest upon a Participant’s termination of Employment shall be settled only upon the Participant’s separation from service within the meaning of Code Section 409A.

(b) Six-Month Delay for Specified Employees. Notwithstanding any other provision in the Plan or this Agreement to the contrary, if (i) the PUs become vested as a result of the Participant’s separation from service other than as a result of death, and (ii) the Participant is a “specified employee” within the meaning of Code Section 409A as of the date of such separation from service, then settlement of such vested PUs shall occur on the date that is six months after the date of the Participant’s separation from service to the extent necessary to comply with Code Section 409A.

(c) Restrictions. The Company shall not be liable to the Participant for damages relating to any delays in making an appropriate book entry, or any mistakes or errors in the making of the book entry, provided that the Company shall correct any such errors caused by it. Any such book entry shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the Plan or the rules, regulations, and other requirements of the Securities and Exchange Commission, any stock exchange upon which such Shares are listed, and any applicable Federal or state laws, and the Company may make an appropriate book entry notation to make appropriate reference to such restrictions.

6. No Voting Rights; Dividend Equivalents. The Participant shall not have voting rights with respect to the Shares underlying the PUs. If any dividends or other distributions are paid with respect to the Shares underlying the PUs the Participant shall be credited with additional performance units equal to the number of Shares that the Participant would have received had the PUs been actual Shares, so long as the applicable record date occurs on or after the Date of Grant and before such PUs are forfeited or settled; and further provided that such performance units shall be deemed PUs subject to the same risk of forfeiture and other terms of this Agreement and the Plan as apply to the PUs to which such dividends or other distributions relate.

7. No Right to Continued Employment or Future Awards. The granting of the PUs shall impose no obligation on the Company or any of its Affiliates to continue the Employment of the Participant and shall not lessen or affect the Company's or its Affiliate's right to terminate the Employment of the Participant. In addition, the granting of the PUs shall impose no obligation on the Company or any of its Affiliates to make awards under the Plan or the LTIP to the Participant in the future.

8. Taxes. The Company and its Affiliates shall have the right and are hereby authorized to withhold any applicable withholding taxes in respect of the PUs and to take such other action as may be necessary to satisfy all obligations for the payment of such withholding taxes, including withholding Shares otherwise deliverable hereunder to satisfy such tax obligations.

9. Securities Laws. Upon the acquisition of any Shares pursuant to the RSUs, the Participant will make or enter into such written representations, warranties and agreements as the Committee may reasonably request in order to comply with applicable securities laws or with this Agreement.

10. Notices. Any notice necessary under this Agreement shall be addressed to the Company in care of its Secretary at the principal executive office of the Company and to the Participant at the address appearing in the personnel records of the Company for the Participant or to either party at such other address as either party may designate in writing to the other. Any such notice shall be deemed effective upon receipt by the addressee.

11. Choice of Law. **THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE WITHOUT REGARD TO CONFLICTS OF LAWS.**

12. Performance Units Subject to Plan and LTIP. By entering into this Agreement, the Participant agrees and acknowledges that the Participant has received and read a copy of the Plan and the LTIP. The PUs are subject to the Plan and the LTIP. The terms and provisions of the Plan and the LTIP as they may be amended from time to time are incorporated herein by reference. In the event of a conflict between any term or provision in this Agreement and a term or provision of the Plan or LTIP, the applicable terms and provisions of the Plan or LTIP will govern.

13. Recoupment. This Award and the compensation received by the Participant under this Award shall be subject to the terms of any recoupment or clawback policy that may be

adopted by the Company from time to time and to any requirement of applicable law, regulation or listing standard that requires the Company to recoup or clawback compensation paid under this Award.

14. Amendments. The Company may amend this Award at any time, provided that the Participant's consent to any amendment is required to the extent the amendment materially diminishes the rights of the Participant or results in cancellation of the Award. Notwithstanding the foregoing, the Company need not obtain Participant (or other interested party) consent for (a) the adjustment or cancellation of an Award pursuant to the adjustment provisions of the Plan; (b) the modification of the Award to the extent deemed necessary to comply with any applicable law, the listing requirements of any principal securities exchange or market on which the Shares are then traded; (c) the modification of the Award to preserve favorable accounting or tax treatment of the Award for the Company; or (d) the modification of the Award to the extent the Committee determines that such action does not materially and adversely affect the value of an Award or that such action is in the best interest of the affected Participant or any other person(s) as may then have an interest in the Award.

15. Committee Interpretation. As a condition to the grant of this Award, the Participant agrees (with such agreement being binding upon the Participant's legal representatives, guardians, legatees or beneficiaries) that this Agreement will be interpreted by the Committee and that any interpretation by the Committee of the terms of this Agreement, the Plan or the LTIP, and any determination made by the Committee under this Agreement, the Plan or the LTIP, will be final, binding and conclusive.

16. Signature in Counterparts. This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures were upon the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

COOPER-STANDARD HOLDINGS INC.

By: _____
Larry E. Ott
Senior Vice President and
Chief Human Resources Officer

Agreed and acknowledged as of the date first above
written:

Participant: Participant Name

COOPER-STANDARD HOLDINGS INC.

CASH SETTLED RESTRICTED STOCK UNIT AWARD AGREEMENT

THIS AGREEMENT (this “Agreement”), which relates to a grant of Restricted Stock Units (“RSUs”) made on Grant Date (the “Date of Grant”), is between Cooper-Standard Holdings Inc., a Delaware corporation (the “Company”), and the individual whose name is set forth on the signature page hereof (the “Participant”):

R E C I T A L S:

WHEREAS, the Company has adopted the Cooper-Standard Holdings Inc. 2017 Omnibus Incentive Plan (the “Plan”), which Plan is incorporated herein by reference and made a part of this Agreement (capitalized terms not otherwise defined herein shall have the same meanings as in the Plan); and

WHEREAS, the Committee has determined that it would be in the best interests of the Company and its shareholders to grant the RSUs provided for herein to the Participant pursuant to the Plan and the terms set forth herein.

NOW THEREFORE, in consideration of the mutual covenants hereinafter set forth, the parties agree as follows:

1. Grant. The Company hereby grants to the Participant #Granted RSUs on the terms and conditions set forth in this Agreement. The Participant’s rights with respect to the RSUs will remain forfeitable at all times prior to vesting as described in this Agreement.

2. Restrictions on Transfer. In accordance with the Plan, the Participant shall have the right to designate a beneficiary to receive the RSUs that will vest upon, or be settled following, the Participant's death, all in the manner and to the extent set forth in this Agreement. The designation may be changed at any time. If no Designation of Beneficiary is made, then any RSUs that will vest at the time of death of the Participant, and any previously vested RSUs that have not yet been settled as of the date of death of the Participant, shall be paid to the Participant’s legal representative pursuant to his or her will or the laws of descent and distribution. The Participant cannot otherwise sell, transfer, or dispose of or pledge or hypothecate or assign the unvested RSUs or the Shares underlying the vested RSUs prior to the date on which such vested RSUs are settled pursuant to Section 4.

3. Vesting; Termination of Employment.

(a) Vesting. One hundred percent (100%) of the RSUs shall vest and no longer be subject to forfeiture on the third anniversary of the Date of Grant (the “Lapse Date”), subject to the Participant’s continued Employment with the Company or its Affiliate until such date.

(b) Termination of Employment. If the Participant’s Employment with the Company and its Affiliates terminates for any reason other than the Participant’s death, Disability or Retirement, then the RSUs shall, to the extent that the Lapse Date has not occurred, be canceled by the Company without consideration. Upon termination of the Participant’s Employment due to the Participant’s death or Disability, the total number of RSUs shall vest in full on the date of

such Employment termination. Upon the termination of the Participant's Employment for Retirement, then a number of RSUs equal to (i) the total number of RSUs multiplied by (ii) a fraction, the numerator of which is the number of the Participant's days of Employment from the Date of Grant through the date of termination and the denominator of which is 1,095, shall vest and no longer be subject to forfeiture as of the date of such termination, and any remaining RSUs shall be canceled by the Company without consideration. For purposes hereof, the RSUs that vest upon a Participant's termination of Employment shall be paid only upon the Participant's separation from service within the meaning of Code Section 409A.

(c) Change of Control. Notwithstanding the foregoing, in the event of a Change of Control while the Participant remains in Employment with the Company or its Affiliate, the following will apply:

(i) If the purchaser, successor or surviving entity (or parent thereof) in the Change of Control (the "Survivor") so agrees, then some or all of the RSUs shall be assumed, or replaced with the same type of award with similar terms and conditions, by the Survivor in the Change of Control transaction. If applicable, each RSU that is assumed by the Survivor shall be appropriately adjusted, immediately after such Change of Control, to apply to the number and class of securities which would have been issuable to the Participant upon the consummation of such Change of Control had the RSU been actual shares immediately prior to such Change of Control. Upon termination of the Participant's Employment (A) by the Company and its Affiliates without Cause or (B) if the Participant is then or was at the time of the Change of Control a Section 16 Participant, by such Section 16 Participant for Good Reason, in each case within two years after a Change of Control, any unvested portion of this Award (or the replacement award) shall immediately become fully vested.

(ii) To the extent the Survivor does not assume the RSUs or issue replacement awards as provided in clause (i), then, immediately prior to the date of the Change of Control, all of the RSU shall become immediately and fully vested.

4. Settlement.

(a) General. Except as otherwise provided in Section 4(b), as soon as practicable after the RSUs vest (but no later than two-and-one-half months from the date on which vesting occurs), the Company will settle such vested RSUs by delivering an amount of cash equal to the Fair Market Value, determined as of the vesting date, of a number of Shares equal to the number of RSUs that have vested.

(b) Six-Month Delay for Specified Employees. Notwithstanding any other provision in the Plan or this Agreement to the contrary, if (i) the RSUs become vested as a result of the Participant's separation from service other than as a result of death, and (ii) the Participant is a "specified employee" within the meaning of Code Section 409A as of the date of such separation from service, then settlement of such vested RSUs shall occur on the date that is six months after the date of the Participant's separation from service to the extent necessary to comply with Code Section 409A.

5. No Voting Rights; Dividend Equivalents. The Participant shall not have voting rights with respect to the Shares underlying the RSUs. The Participant shall be credited with an

amount of cash equivalent to any dividends or other distributions paid with respect to the Shares underlying the RSUs, so long as the applicable record date occurs on or after the Date of Grant and before such RSUs are forfeited or settled; provided that such cash amounts shall be subject to the same risk of forfeiture as the RSUs to which such amounts relate. If, however, any dividends or other distributions with respect to the Shares underlying the RSUs are paid in Shares rather than cash, then the Participant shall be credited with additional restricted stock units equal to the number of Shares that the Participant would have received had the RSUs been actual Shares, and such restricted stock units shall be deemed RSUs subject to the same risk of forfeiture and other terms of this Agreement and the Plan as apply to the RSUs to which such dividends or other distributions relate. Any amounts due to the Participant under this provision shall be paid to the Participant at the same time as payment is made in respect of the RSUs to which such dividends or other distributions relate.

6. No Right to Continued Employment or Future Awards. The granting of the RSUs shall impose no obligation on the Company or any of its Affiliates to continue the Employment of the Participant and shall not lessen or affect the Company's or its Affiliate's right to terminate the Employment of the Participant. In addition, the granting of the RSUs shall impose no obligation on the Company or any of its Affiliates to make awards under the Plan to the Participant in the future.

7. Taxes. The Company and its Affiliates shall have the right and are hereby authorized to withhold from amounts otherwise payable hereunder any applicable withholding taxes in respect of the Restricted Stock Units and to take such other action as may be necessary to satisfy all obligations for the payment of such withholding taxes.

8. Notices. Any notice necessary under this Agreement shall be addressed to the Company in care of its Secretary at the principal executive office of the Company and to the Participant at the address appearing in the personnel records of the Company for the Participant or to either party at such other address as either party may designate in writing to the other. Any such notice shall be deemed effective upon receipt by the addressee.

9. Choice of Law. **THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE WITHOUT REGARD TO CONFLICTS OF LAWS.**

10. Restricted Stock Units Subject to Plan. By entering into this Agreement, the Participant agrees and acknowledges that the Participant has received and read a copy of the Plan. The RSUs are subject to the Plan. The terms and provisions of the Plan as they may be amended from time to time are incorporated herein by reference. In the event of a conflict between any term or provision in this Agreement and a term or provision of the Plan, the applicable terms and provisions of the Plan will govern.

11. Recoupment. This Award, and any compensation received by the Participant under this Award, shall be subject to the terms of any recoupment or clawback policy that may be adopted by the Company from time to time and to any requirement of applicable law, regulation or listing standard that requires the Company to recoup or clawback compensation paid under this Award.

12. Amendments. The Company may amend this Award at any time, provided that the Participant's consent to any amendments is required to the extent the amendment materially diminishes the rights of the Participant or that results in the cancellation of the Award. Notwithstanding the foregoing, the Company need not obtain Participant (or other interested party) consent for (a) the adjustment or cancellation of an Award pursuant to the adjustment provisions of the Plan; (b) the modification of the Award to the extent deemed necessary to comply with any applicable law, the listing requirements of any principal securities exchange or market on which the Shares are then traded; (c) the modification of the Award to preserve favorable accounting or tax treatment of the Award for the Company; or (d) the modification of the Award to the extent the Committee determines that such action does not materially and adversely affect the value of an Award or that such action is in the best interest of the affected Participant or any other person(s) as may then have an interest in the Award.

13. Committee Interpretation. As a condition to the grant of this Award, the Participant agrees (with such agreement being binding upon the Participant's legal representatives, guardians, legatees or beneficiaries) that this Agreement will be interpreted by the Committee and that any interpretation by the Committee of the terms of this Agreement or the Plan, and any determination made by the Committee under this Agreement or the Plan, will be final, binding and conclusive.

14. Signature in Counterparts. This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures were upon the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

COOPER-STANDARD HOLDINGS INC.

By: _____

Larry E. Ott
Senior Vice President and
Chief Human Resources Officer

Agreed and acknowledged as of the date first above written:

Participant: Participant Name

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER, PURSUANT TO EXCHANGE ACT RULE 13a-14(a)/15d-14(a)
(SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002)

I, Jeffrey S. Edwards, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Cooper-Standard Holdings Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2018

By: /S/ JEFFREY S. EDWARDS

Jeffrey S. Edwards
Chairman and Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER, PURSUANT TO EXCHANGE ACT RULE 13a-14(a)/15d-14(a)
(SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002)

I, Jonathan P. Banas, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Cooper-Standard Holdings Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2018

By: /S/ JONATHAN P. BANAS
Jonathan P. Banas
Chief Financial Officer
(Principal Financial Officer)

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the the filing of this quarterly report of Cooper-Standard Holdings Inc. (the "Company") on Form 10-Q for the period ended March 31, 2018, with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers certifies, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that, to such officer's knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 2, 2018

/S/ JEFFREY S. EDWARDS
By: _____

Jeffrey S. Edwards
Chief Executive Officer
(Principal Executive Officer)

/S/ JONATHAN P. BANAS

Jonathan P. Banas
Chief Financial Officer
(Principal Financial Officer)

