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 June 30, 2021

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	**20-1945088**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

40300 Traditions Drive
Northville, Michigan 48168
(Address of principal executive offices)
(Zip Code)
(248) 596-5900
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.001 per share	CPS	New York Stock Exchange

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 every Interactive Data File required to be submitted 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 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	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☒
		Emerging growth company	☐

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

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 July 30, 2021, there were 16,989,177 shares of the registrant's common stock, $0.001 par value, outstanding.

COOPER-STANDARD HOLDINGS INC.

Form 10-Q

For the period ended June 30, 2021

PART I — FINANCIAL INFORMATION

Item 1. Financial Statements

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

(Dollar amounts in thousands except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Sales	$ 533,185	$ 340,467	$ 1,202,152	$ 995,357
Cost of products sold	534,118	400,838	1,134,793	1,012,585
Gross (loss) profit	(933)	(60,371)	67,359	(17,228)
Selling, administration & engineering expenses	50,085	68,271	108,139	138,942
Gain on sale of business, net	195	—	(696)	—
Amortization of intangibles	1,933	3,513	3,705	7,963
Restructuring charges	11,631	9,774	32,678	17,050
Impairment charges	841	12,554	841	87,610
Operating loss	(65,618)	(154,483)	(77,308)	(268,793)
Interest expense, net of interest income	(18,125)	(12,771)	(35,909)	(23,008)
Equity in earnings (losses) of affiliates	393	(3,011)	1,179	(1,580)
Other income (expense), net	1,362	(4,701)	(3,727)	(8,141)
Loss before income taxes	(81,988)	(174,966)	(115,765)	(301,522)
Income tax benefit	(17,459)	(38,982)	(16,523)	(53,099)
Net loss	(64,529)	(135,984)	(99,242)	(248,423)
Net loss attributable to noncontrolling interests	918	1,765	1,767	3,616
Net loss attributable to Cooper-Standard Holdings Inc.	$ (63,611)	$ (134,219)	$ (97,475)	$ (244,807)
Loss per share:				
Basic	$ (3.73)	$ (7.93)	$ (5.74)	$ (14.49)
Diluted	$ (3.73)	$ (7.93)	$ (5.74)	$ (14.49)

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

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Net loss	$ (64,529)	$ (135,984)	$ (99,242)	$ (248,423)
Other comprehensive income (loss):				
Currency translation adjustment	8,713	6,789	2,141	(22,100)
Benefit plan liabilities adjustment, net of tax	611	(716)	3,350	1,966
Fair value change of derivatives, net of tax	751	6,238	180	(3,838)
Other comprehensive income (loss), net of tax	10,075	12,311	5,671	(23,972)
Comprehensive loss	(54,454)	(123,673)	(93,571)	(272,395)
Comprehensive loss attributable to noncontrolling interests	727	1,675	1,828	4,033
Comprehensive loss attributable to Cooper-Standard Holdings Inc.	$ (53,727)	$ (121,998)	$ (91,743)	$ (268,362)

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)

	June 30, 2021	December 31, 2020
	(unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	$ 335,494	$ 438,438
Accounts receivable, net	321,770	379,564
Tooling receivable, net	92,514	82,150
Inventories	186,422	143,742
Prepaid expenses	33,835	29,748
Income tax receivable and refundable credits	87,296	85,977
Other current assets	95,640	100,110
Total current assets	1,152,971	1,259,729
Property, plant and equipment, net	849,392	892,309
Operating lease right-of-use assets, net	103,228	109,795
Goodwill	142,769	142,250
Intangible assets, net	64,143	67,679
Other assets	164,794	140,182
Total assets	$ 2,477,297	$ 2,611,944
Liabilities and Equity		
Current liabilities:		
Debt payable within one year	$ 55,738	$ 40,731
Accounts payable	323,315	385,284
Payroll liabilities	109,326	112,727
Accrued liabilities	116,920	110,827
Current operating lease liabilities	23,514	21,711
Total current liabilities	628,813	671,280
Long-term debt	981,643	982,760
Pension benefits	147,870	152,230
Postretirement benefits other than pensions	50,539	49,613
Long-term operating lease liabilities	83,086	90,517
Other liabilities	52,177	41,433
Total liabilities	1,944,128	1,987,833
Equity:		
Common stock, $0.001 par value, 190,000,000 shares authorized; 19,054,323 shares issued and 16,988,514 shares outstanding as of June 30, 2021, and 18,962,894 shares issued and 16,897,085 outstanding as of December 31, 2020	17	17
Additional paid-in capital	501,348	498,719
Retained earnings	252,795	350,270
Accumulated other comprehensive loss	(236,164)	(241,896)
Total Cooper-Standard Holdings Inc. equity	517,996	607,110
Noncontrolling interests	15,173	17,001
Total equity	533,169	624,111
Total liabilities and equity	$ 2,477,297	$ 2,611,944

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

COOPER-STANDARD HOLDINGS INC.
CONDENSED CONSOLIDATED STATEMENTS 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, 2020	16,897,085	$ 17	$ 498,719	$ 350,270	$ (241,896)	$ 607,110	$ 17,001	$ 624,111
Share-based compensation, net	45,467	—	952	—	—	952	—	952
Net loss	—	—	—	(33,864)	—	(33,864)	(849)	(34,713)
Other comprehensive loss	—	—	—	—	(4,152)	(4,152)	(252)	(4,404)
Balance as of March 31, 2021	16,942,552	$ 17	$ 499,671	$ 316,406	$ (246,048)	$ 570,046	$ 15,900	$ 585,946
Share-based compensation, net	45,962	—	1,677	—	—	1,677	—	1,677
Net loss	—	—	—	(63,611)	—	(63,611)	(918)	(64,529)
Other comprehensive income	—	—	—	—	9,884	9,884	191	10,075
Balance as of June 30, 2021	16,988,514	$ 17	$ 501,348	$ 252,795	$ (236,164)	$ 517,996	$ 15,173	$ 533,169

	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, 2019	16,842,757	$ 17	$ 490,451	$ 619,448	$ (253,741)	$ 856,175	$ 19,807	$ 875,982
Cumulative effect of change in accounting principle	—	—	—	(1,573)	—	(1,573)	—	(1,573)
Share-based compensation, net	41,785	—	1,874	—	—	1,874	—	1,874
Net loss	—	—	—	(110,588)	—	(110,588)	(1,851)	(112,439)
Other comprehensive loss	—	—	—	—	(35,776)	(35,776)	(507)	(36,283)
Balance as of March 31, 2020	16,884,542	$ 17	$ 492,325	$ 507,287	$ (289,517)	$ 710,112	$ 17,449	$ 727,561
Share-based compensation, net	9,548	—	2,303	—	—	2,303	—	2,303
Net loss	—	—	—	(134,219)	—	(134,219)	(1,765)	(135,984)
Other comprehensive loss	—	—	—	—	12,221	12,221	90	12,311
Balance as of June 30, 2020	16,894,090	$ 17	$ 494,628	$ 373,068	$ (277,296)	$ 590,417	$ 15,774	$ 606,191

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)

	Six Months Ended June 30,	
	2021	**2020**
Operating Activities:		
Net loss	$ (99,242)	$ (248,423)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	65,267	72,260
Amortization of intangibles	3,705	7,963
Gain on sale of business, net	(696)	—
Impairment charges	841	87,610
Share-based compensation expense	3,002	4,935
Equity in earnings of affiliates, net of dividends related to earnings	1,032	6,825
Deferred income taxes	(21,709)	(29,052)
Other	1,192	2,053
Changes in operating assets and liabilities	(14,126)	(30,405)
Net cash used in operating activities	(60,734)	(126,234)
Investing activities:		
Capital expenditures	(55,599)	(62,874)
Proceeds from sale of fixed assets and other	3,035	817
Net cash used in investing activities	(52,564)	(62,057)
Financing activities:		
Proceeds from issuance of long-term debt, net of discount	—	245,000
Principal payments on long-term debt	(2,895)	(3,081)
Increase (decrease) in short-term debt, net	14,811	(3,042)
Debt issuance costs	—	(4,904)
Taxes withheld and paid on employees' share-based payment awards	(744)	(516)
Other	532	(807)
Net cash provided by financing activities	11,704	232,650
Effects of exchange rate changes on cash, cash equivalents and restricted cash	4,179	(4,036)
Changes in cash, cash equivalents and restricted cash	(97,415)	40,323
Cash, cash equivalents and restricted cash reclassified to assets held for sale	—	(11,278)
Cash, cash equivalents and restricted cash at beginning of period	443,578	361,742
Cash, cash equivalents and restricted cash at end of period	$ 346,163	$ 390,787

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

	Balance as of	
	June 30, 2021	**December 31, 2020**
Cash and cash equivalents	$ 335,494	$ 438,438
Restricted cash included in other current assets	8,506	4,089
Restricted cash included in other assets	2,163	1,051
Total cash, cash equivalents and restricted cash	$ 346,163	$ 443,578

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

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, and fluid transfer 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, 2020 (the "2020 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 June 30, 2021 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.

2. Divestiture

2020 Divestiture

In the fourth quarter of 2019, management approved a plan to sell its European rubber fluid transfer and specialty sealing businesses, as well as its Indian operations. The entities and the associated assets and liabilities met the criteria for presentation as held for sale as of March 31, 2020, and depreciation of long-lived assets ceased. The divestiture did not meet the criteria for presentation as a discontinued operation.

Upon meeting the criteria for held for sale classification and during the six months ended June 30, 2020, the Company recorded non-cash impairment charges of $86,470 to reduce the carrying value of the held for sale entities to fair value less costs to sell. Fair value, which is categorized within Level 3 of the fair value hierarchy, was determined using a market approach, estimated based on expected proceeds. The fair value less costs to sell were assessed each reporting period that the asset group remained classified as held for sale.

On July 1, 2020, the Company completed the divestiture of its European rubber fluid transfer and specialty sealing businesses, as well as its Indian operations, to Mutares SE & Co. KGaA ("Mutares"). The transaction included payment denominated in Euro of €9,000, which consisted of €6,500 in cash paid and €2,500 in deferred payment obligations, payable in December 2021.

During the six months ended June 30, 2021, the Company recorded subsequent adjustments resulting in a net gain of $696.

(Dollar amounts in thousands except per share and share amounts)

3. Revenue

Revenue is recognized for manufactured parts at a point in time, generally when products are shipped or delivered. The Company usually enters into 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. Customers typically pay for parts based on customary business practices with payment terms generally between 30 and 90 days.

Revenue by customer group for the three months ended June 30, 2021 was as follows:

	North America	Europe	Asia Pacific	South America	Corporate, Eliminations and Other	Consolidated
Passenger and Light Duty	$ 240,111	$ 126,972	$ 102,950	$ 14,145	$ —	$ 484,178
Commercial	3,405	5,471	965	8	1,445	11,294
Other	4,009	178	—	—	33,526	37,713
Revenue	$ 247,525	$ 132,621	$ 103,915	$ 14,153	$ 34,971	$ 533,185

Revenue by customer group for the six months ended June 30, 2021 was as follows:

	North America	Europe	Asia Pacific	South America	Corporate, Eliminations and Other	Consolidated
Passenger and Light Duty	$ 571,724	$ 286,753	$ 215,991	$ 29,624	$ —	$ 1,104,092
Commercial	7,686	11,352	2,147	15	2,696	23,896
Other	7,151	292	2	—	66,719	74,164
Revenue	$ 586,561	$ 298,397	$ 218,140	$ 29,639	$ 69,415	$ 1,202,152

Revenue by customer group for the three months ended June 30, 2020 was as follows:

	North America	Europe	Asia Pacific	South America	Corporate, Eliminations and Other	Consolidated
Passenger and Light Duty	$ 120,939	$ 70,753	$ 104,307	$ 3,881	$ —	$ 299,880
Commercial	1,971	3,223	1,413	—	823	7,430
Other	3,427	4,829	6	—	24,895	33,157
Revenue	$ 126,337	$ 78,805	$ 105,726	$ 3,881	$ 25,718	$ 340,467

Revenue by customer group for the six months ended June 30, 2020 was as follows:

	North America	Europe	Asia Pacific	South America	Corporate, Eliminations and Other	Consolidated
Passenger and Light Duty	$ 446,921	$ 241,534	$ 183,049	$ 24,320	$ —	$ 895,824
Commercial	5,149	8,780	1,959	10	1,957	17,855
Other	9,068	13,733	62	22	58,793	81,678
Revenue	$ 461,138	$ 264,047	$ 185,070	$ 24,352	$ 60,750	$ 995,357

The passenger and light duty 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 of the Company's revenues were generated from sealing, fuel and brake delivery and fluid transfer systems for use in passenger vehicles and light trucks manufactured by global OEMs.

(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 fluids and vapors for optimal powertrain & HVAC operation

Revenue by product line for the three months ended June 30, 2021 was as follows:

	North America	Europe	Asia Pacific	South America	Corporate, Eliminations and Other	Consolidated
Sealing systems	$ 90,174	$ 104,878	$ 62,328	$ 11,533	$ —	$ 268,913
Fuel and brake delivery systems	82,389	23,991	25,166	2,148	—	133,694
Fluid transfer systems	74,962	3,752	16,421	472	—	95,607
Other	—	—	—	—	34,971	34,971
Consolidated	$ 247,525	$ 132,621	$ 103,915	$ 14,153	$ 34,971	$ 533,185

Revenue by product line for the six months ended June 30, 2021 was as follows:

	North America	Europe	Asia Pacific	South America	Corporate, Eliminations and Other	Consolidated
Sealing systems	$ 211,349	$ 234,239	$ 132,001	$ 22,807	$ —	$ 600,396
Fuel and brake delivery systems	195,045	54,781	53,535	5,013	—	308,374
Fluid transfer systems	180,167	9,377	32,604	1,819	—	223,967
Other	—	—	—	—	69,415	69,415
Consolidated	$ 586,561	$ 298,397	$ 218,140	$ 29,639	$ 69,415	$ 1,202,152

Revenue by product line for the three months ended June 30, 2020 was as follows:

	North America	Europe	Asia Pacific	South America	Corporate, Eliminations and Other	Consolidated
Sealing systems	$ 48,952	$ 53,330	$ 69,517	$ 2,791	$ —	$ 174,590
Fuel and brake delivery systems	42,272	11,298	25,366	826	—	79,762
Fluid transfer systems	35,113	9,557	10,843	264	—	55,777
Other	—	4,620	—	—	25,718	30,338
Consolidated	$ 126,337	$ 78,805	$ 105,726	$ 3,881	$ 25,718	$ 340,467

Revenue by product line for the six months ended June 30, 2020 was as follows:

	North America	Europe	Asia Pacific	South America	Corporate, Eliminations and Other	Consolidated
Sealing systems	$ 173,508	$ 180,576	$ 118,541	$ 16,340	$ —	$ 488,965
Fuel and brake delivery systems	147,206	39,860	45,184	6,573	—	238,823
Fluid transfer systems	140,424	31,502	21,345	1,439	—	194,710
Other	—	12,109	—	—	60,750	72,859
Consolidated	$ 461,138	$ 264,047	$ 185,070	$ 24,352	$ 60,750	$ 995,357

(Dollar amounts in thousands except per share and share amounts)

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, which are infrequent, 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.

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, 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. Contract assets were not materially impacted by any other factors during the six months ended June 30, 2021.

The Company's contract liabilities consist of advance payments received and due from customers. Net contract assets (liabilities) consisted of the following:

	June 30, 2021	December 31, 2020	Change
Contract assets	$ 418	$ 777	$ (359)
Contract liabilities	(288)	(27)	(261)
Net contract assets	$ 130	$ 750	$ (620)

Other

The Company, at times, enters into agreements that provide for lump sum payments to customers. These payment agreements are recorded as a reduction of revenue during the period the commitment is made. Amounts related to commitments of future payments to customers on the condensed consolidated balance sheets as of June 30, 2021 and December 31, 2020 were current liabilities of $16,254 and $16,932, respectively, and long-term liabilities of $6,818 and $6,828, respectively.

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.

4. 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.

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. Employee separation costs are recorded based on existing union and employee contracts, statutory requirements, completed negotiations and Company policy.

(Dollar amounts in thousands except per share and share amounts)

Restructuring expense by segment for the three and six months ended June 30, 2021 and 2020 was as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
North America	$ 843	$ 3,044	$ 3,206	$ 6,747
Europe	9,774	3,106	26,171	5,299
Asia Pacific	614	2,579	983	2,712
South America	400	849	1,987	2,051
Total Automotive	11,631	9,578	32,347	16,809
Corporate and other	—	196	331	241
Total	$ 11,631	$ 9,774	$ 32,678	$ 17,050

Restructuring activity for the six months ended June 30, 2021 was as follows:

	Employee Separation Costs	Other Exit Costs	Total
Balance as of December 31, 2020	$ 15,029	$ 8,406	$ 23,435
Expense	27,746	4,932	32,678
Cash payments	(8,900)	(6,740)	(15,640)
Non-cash fixed asset impairments included in expense	—	(214)	(214)
Foreign exchange translation and other	(382)	699	317
Balance as of June 30, 2021	$ 33,493	$ 7,083	$ 40,576

5. Inventories

Inventories consist of the following:

	June 30, 2021	December 31, 2020
Finished goods	$ 52,914	$ 39,136
Work in process	45,193	35,477
Raw materials and supplies	88,315	69,129
	$ 186,422	$ 143,742

(Dollar amounts in thousands except per share and share amounts)

6. Leases

The Company primarily has operating and finance leases for certain manufacturing facilities, corporate offices and certain equipment. Operating leases are included in operating lease right-of-use assets, current operating lease liabilities and long-term operating lease liabilities on the Company's condensed consolidated balance sheets. Finance leases are included in property, plant and equipment, net, debt payable within one year, and long-term debt on the Company's condensed consolidated balance sheets.

The components of lease expense were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Operating lease expense	$ 8,087	$ 7,814	$ 15,431	$ 16,419
Short-term lease expense	1,965	1,065	3,605	2,075
Variable lease expense	181	155	429	405
Finance lease expense:				
Amortization of right-of-use assets	521	671	1,067	1,352
Interest on lease liabilities	372	400	738	785
Total lease expense	$ 11,126	$ 10,105	$ 21,270	$ 21,036

Other information related to leases was as follows:

	Six Months Ended June 30,	
	2021	2020
Supplemental Cash Flows Information		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows for operating leases	$ 16,953	$ 15,794
Operating cash flows for finance leases	734	810
Financing cash flows for finance leases	1,195	1,095
Non-cash right-of-use assets obtained in exchange for lease obligations:		
Operating leases	7,355	38,652
Finance leases	572	61
Weighted Average Remaining Lease Term (in years)		
Operating leases	7.7	8.1
Finance leases	10.1	10.9
Weighted Average Discount Rate		
Operating leases	5.5 %	5.3 %
Finance leases	5.8 %	6.0 %

(Dollar amounts in thousands except per share and share amounts)

Future minimum lease payments under non-cancellable leases as of June 30, 2021 were as follows:

Year	Operating Leases	Finance Leases
Remainder of 2021	$ 14,610	$ 1,660
2022	23,174	3,326
2023	18,892	3,236
2024	14,192	3,513
2025	11,107	3,585
Thereafter	51,408	21,178
Total future minimum lease payments	133,383	36,498
Less imputed interest	(26,783)	(9,370)
Total	$ 106,600	$ 27,128

Amounts recognized on the condensed consolidated balance sheets as of June 30, 2021 and December 31, 2020 were as follows:

	June 30, 2021	December 31, 2020
Operating Leases		
Operating lease right-of-use assets, net	$ 103,228	$ 109,795
Current operating lease liabilities	23,514	21,711
Long-term operating lease liabilities	83,086	90,517
Finance Leases		
Debt payable within one year	2,222	2,300
Long-term debt	24,906	26,152

As of June 30, 2021 and December 31, 2020, assets recorded under finance leases, net of accumulated depreciation were $29,324 and $30,847, respectively. As of June 30, 2021, the Company had additional leases, primarily for real estate, that have not yet commenced with undiscounted lease payments of approximately $12,266. These leases will commence in 2021 with lease terms up to ten years.

7. Property, Plant and Equipment

Property, plant and equipment consists of the following:

	June 30, 2021	December 31, 2020
Land and improvements	$ 58,979	$ 61,226
Buildings and improvements	294,773	298,431
Machinery and equipment	1,315,550	1,277,624
Construction in progress	70,742	96,706
	1,740,044	1,733,987
Accumulated depreciation	(890,652)	(841,678)
Property, plant and equipment, net	$ 849,392	$ 892,309

During the three and six months ended June 30, 2021, the Company recorded impairment charges of $841 due to idle assets, primarily in a certain Europe location. The fair value was determined using salvage value.

Other than the impairment noted above, the Company determined there were no other indicators of impairment identified during the six months ended June 30, 2021.

During the six months ended June 30, 2020, the Company recorded impairment charges of $1,140. During the three months ended March 31, 2020, impairment charges of $977 were recorded due to the deterioration of financial results in a certain Asia Pacific location. The fair value was determined using estimated orderly liquidation value. The Company also recorded an impairment charge of $163 due to idle assets in various locations during the three months ended June 30, 2020. The fair value was determined using salvage value.

(Dollar amounts in thousands except per share and share amounts)

8. Goodwill and Intangible Assets

Goodwill

Changes in the carrying amount of goodwill by reporting unit for the six months ended June 30, 2021 were as follows:

	North America	Europe	Industrial Specialty Group	Total
Balance as of December 31, 2020	$ 128,214	$ —	$ 14,036	$ 142,250
Acquisition [1]	—	408	—	408
Foreign exchange translation	111	—	—	111
Balance as of June 30, 2021	$ 128,325	$ 408	$ 14,036	$ 142,769

[1] During the second quarter of 2021, the Company purchased a supplier in its Europe reporting unit for an immaterial purchase consideration, resulting in tax deductible goodwill.

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 six months ended June 30, 2021.

Intangible Assets

Intangible assets and accumulated amortization balances as of June 30, 2021 and December 31, 2020 were as follows:

	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer relationships	$ 154,680	$ (124,267)	$ 30,413
Other	45,014	(11,284)	33,730
Balance as of June 30, 2021	$ 199,694	$ (135,551)	$ 64,143
Customer relationships	$ 155,409	$ (122,657)	$ 32,752
Other	44,826	(9,899)	34,927
Balance as of December 31, 2020	$ 200,235	$ (132,556)	$ 67,679

(Dollar amounts in thousands except per share and share amounts)

9. Debt

A summary of outstanding debt as of June 30, 2021 and December 31, 2020 is as follows:

	June 30, 2021	December 31, 2020
Senior Notes	$ 396,186	$ 395,829
Senior Secured Notes	240,552	239,567
Term Loan	322,424	323,636
ABL Facility	—	—
Finance leases	27,128	28,452
Other borrowings	51,091	36,007
Total debt	1,037,381	1,023,491
Less current portion	(55,738)	(40,731)
Total long-term debt	$ 981,643	$ 982,760

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 June 30, 2021 and December 31, 2020, the Company had $3,814 and $4,171 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.

13.0% Senior Secured Notes due 2024

In May 2020, the Company issued $250,000 aggregate principal amount of its 13.0% Senior Secured Notes due 2024 (the “Senior Secured Notes”). The Senior Secured Notes mature on June 1, 2024. Interest on the Senior Secured Notes is payable semi-annually in arrears in cash on June 1 and December 1 of each year.

The Company paid approximately $6,431 of debt issuance costs in connection with the transaction. Additionally, the Senior Secured Notes were issued at a discount of $5,000. As of June 30, 2021 and December 31, 2020, the Company had $5,248 and $5,828 of unamortized debt issuance costs, respectively, and $4,200 and $4,605 of unamortized original issue discount, respectively, related to the Senior Secured Notes, 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 Senior Secured Notes.

Term Loan Facility

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. 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. The Term Loan Facility matures on November 2, 2023, unless earlier terminated.

As of June 30, 2021 and December 31, 2020, the Company had $1,384 and $1,680 of unamortized debt issuance costs, respectively, and $892 and $1,084 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 Third Amended and Restated Loan Agreement of its ABL Facility, which provided an aggregate revolving loan availability of up to $210,000, subject to borrowing base availability. In March 2020, the Company entered into the First Amendment of the Third Amended and Restated Loan Agreement (“the Amendment”). As a result of the Amendment, the senior asset-based revolving credit facility ("ABL Facility") maturity was extended to March 2025 and the aggregate revolving loan availability was reduced to $180,000. The aggregate revolving loan availability includes 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 $280,000, 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.

(Dollar amounts in thousands except per share and share amounts)

As of June 30, 2021, there were no loans outstanding under the ABL Facility. The Company's borrowing base was $137,354. Net of the greater of 10% of the borrowing base or $15,000 that cannot be borrowed without triggering the fixed charge coverage ratio maintenance covenant and $5,233 of outstanding letters of credit, the Company effectively had $117,121 available for borrowing under its ABL facility.

Any borrowings under the ABL Facility will mature, and the commitments of the lenders under the ABL Facility will terminate, on the earlier of March 24, 2025 or the date 91 days prior to the maturity date of the Term Loan Facility (or another fixed asset facility replacing the Term Loan Facility).

As a result of the Amendment in March 2020, the Company wrote off $177 in unamortized debt issuance costs, which are presented in interest expense, net of interest income in the condensed consolidated statements of operations. As of June 30, 2021 and December 31, 2020, the Company had $905 and $1,029, 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, Senior Secured Notes, Term Loan Facility and ABL Facility as of June 30, 2021.

Other

Other borrowings as of June 30, 2021 and December 31, 2020 reflect borrowings under local bank lines classified in debt payable within one year on the condensed consolidated balance sheet.

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.

Items Measured at Fair Value on a Recurring Basis

Estimates of the fair value of foreign currency 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 June 30, 2021 and December 31, 2020 were as follows:

	June 30, 2021	December 31, 2020	Input
Forward foreign exchange contracts - other current assets	$ 1,339	$ 1,826	Level 2
Forward foreign exchange contracts - accrued liabilities	(141)	(750)	Level 2

(Dollar amounts in thousands except per share and share amounts)

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 2. “Divestiture” and Note 7. “Property, Plant and Equipment.”

Items Not Carried at Fair Value

Fair values of the Company’s Senior Notes, Senior Secured Notes and Term Loan Facility were as follows:

	June 30, 2021	December 31, 2020
Aggregate fair value	$ 978,177	$ 965,052
Aggregate carrying value [(1)]	974,700	976,400

[(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.

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 condensed 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 condensed consolidated statements of operations.

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, and the Mexican Peso. As of June 30, 2021 and December 31, 2020, the notional amount of these contracts was $41,877 and $97,503, respectively, and consisted of hedges of transactions up to December 2022.

Pretax amounts related to the Company’s cash flow hedges that were recognized in other comprehensive income (loss) (“OCI”) were as follows:

	Gain (Loss) Recognized in OCI			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Forward foreign exchange contracts	$ 1,190	$ 3,372	$ 642	$ (9,499)

Pretax amounts related to the Company’s cash flow hedges that were reclassified from AOCI and recognized in cost of products sold were as follows:

	Gain (Loss) Reclassified from AOCI to Income			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Forward foreign exchange contracts	$ 349	$ (4,666)	$ 537	$ (4,551)

(Dollar amounts in thousands except per share and share amounts)

11. Accounts Receivable Factoring

As a part of its working capital management, the Company sells certain receivables through a single third-party financial institution (the "Factor") in a pan-European program. 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 indentures governing the Senior Notes and Senior Secured Notes. The European factoring facility, which was renewed in March 2020, allows the Company to factor up to €120 million of its Euro-denominated accounts receivable, accelerating access to cash and reducing credit risk. The factoring facility expires in December 2023.

Costs incurred on the sale of receivables are recorded in other expense, net in the condensed consolidated statements of operations. 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 condensed consolidated balance sheet. Amounts outstanding under receivable transfer agreements entered into by various locations as of the period end were as follows:

	June 30, 2021	December 31, 2020
Off-balance sheet arrangements	$ 66,367	$ 85,108

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

	Off-Balance Sheet Arrangements			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Accounts receivable factored	$ 100,046	$ 50,685	$ 217,317	$ 227,193
Costs	150	162	304	471

As of June 30, 2021 and December 31, 2020, cash collections on behalf of the Factor that have yet to be remitted were $7,636 and $1,786, respectively, and are reflected in other current assets as restricted cash in the condensed consolidated balance sheet.

(Dollar amounts in thousands except per share and share amounts)

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 June 30,			
	2021		2020	
	U.S.	Non-U.S.	U.S.	Non-U.S.
Service cost	$ 223	$ 913	$ 213	$ 965
Interest cost	1,629	660	2,033	759
Expected return on plan assets	(3,564)	(344)	(3,421)	(559)
Amortization of prior service cost and actuarial loss	418	933	485	790
Other	—	125	—	—
Net periodic benefit (income) cost	$ (1,294)	$ 2,287	$ (690)	$ 1,955

	Pension Benefits			
	Six Months Ended June 30,			
	2021		2020	
	U.S.	Non-U.S.	U.S.	Non-U.S.
Service cost	$ 446	$ 1,827	$ 426	$ 1,954
Interest cost	3,258	1,308	4,066	1,541
Expected return on plan assets	(7,128)	(678)	(6,842)	(1,136)
Amortization of prior service cost and actuarial loss	836	1,865	970	1,584
Other	—	125	—	—
Net periodic benefit (income) cost	$ (2,588)	$ 4,447	$ (1,380)	$ 3,943

	Other Postretirement Benefits			
	Three Months Ended June 30,			
	2021		2020	
	U.S.	Non-U.S.	U.S.	Non-U.S.
Service cost	$ 26	$ 93	$ 26	$ 93
Interest cost	133	183	170	168
Amortization of prior service credit and actuarial (gain) loss	(349)	196	(483)	104
Net periodic benefit (income) cost	$ (190)	$ 472	$ (287)	$ 365

	Other Postretirement Benefits			
	Six Months Ended June 30,			
	2021		2020	
	U.S.	Non-U.S.	U.S.	Non-U.S.
Service cost	$ 52	$ 183	$ 52	$ 189
Interest cost	266	360	340	341
Amortization of prior service credit and actuarial (gain) loss	(698)	386	(966)	211
Net periodic benefit (income) cost	$ (380)	$ 929	$ (574)	$ 741

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 operations. All other components of net periodic benefit (income) cost are included in other expense, net in the condensed consolidated statements of operations for all periods presented.

(Dollar amounts in thousands except per share and share amounts)

13. Other Income (Expense), Net

The components of other income (expense), net were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Foreign currency gains (losses)	$ 1,114	$ (3,791)	$ (4,150)	$ (7,023)
Components of net periodic benefit (cost) income other than service cost	(20)	(46)	100	(109)
Factoring costs	(150)	(162)	(304)	(471)
Miscellaneous income (expense)	418	(702)	627	(538)
Other income (expense), net	$ 1,362	$ (4,701)	$ (3,727)	$ (8,141)

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 benefit, loss before income taxes and the corresponding effective tax rate for the three and six months ended June 30, 2021 and 2020 were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Income tax benefit	$ (17,459)	$ (38,982)	$ (16,523)	$ (53,099)
Loss before income taxes	(81,988)	(174,966)	(115,765)	(301,522)
Effective tax rate	21 %	22 %	14 %	18 %

The effective tax rate for the three and six months ended June 30, 2021 varied compared to the effective tax rate for the three and six months ended June 30, 2020 primarily due to the geographic mix of pre-tax losses, the inability to record a tax benefit for pre-tax losses in certain foreign jurisdictions and U.S. states, and due to a benefit in the three and six months ended June 30, 2020 for net operating losses carried back up to five years at tax rates in effect during those periods under the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”), rather than carried forward at current federal tax rates of 21%. An incremental loss in the six months ended June 30, 2020 was recorded for impairment charges on held for sale entities for which no tax benefit was recognized. Additionally, a discrete expense of $12,871 for the initial recognition of valuation allowances against net deferred tax assets in certain foreign jurisdictions was recorded in the six months ended June 30, 2020.

The income tax rate for the three and six months ended June 30, 2021 and 2020 varied from the U.S. statutory rate primarily due to the inability to record a tax benefit for pre-tax losses in certain foreign jurisdictions and U.S. states, tax credits, the impact of income taxes on foreign earnings taxed at rates varying from the U.S. statutory rate, and other permanent items. Additionally, the income tax rate for the three months ended June 30, 2020 varied from the U.S. statutory rate as a result of benefits from net operating loss carry backs under the CARES Act. Further, the Company’s current and future provision for income taxes is impacted by the initial recognition of and changes in 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.

(Dollar amounts in thousands except per share and share amounts)

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

Basic net loss per share attributable to Cooper-Standard Holdings Inc. was computed by dividing net loss attributable to Cooper-Standard Holdings Inc. by the weighted average number of shares of common stock outstanding during the period. Diluted net loss per share attributable to Cooper-Standard Holdings Inc. was computed using the treasury stock method by dividing diluted net loss 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 loss per share attributable to Cooper-Standard Holdings Inc. was as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Net loss available to Cooper-Standard Holdings Inc. common stockholders	$ (63,611)	$ (134,219)	$ (97,475)	$ (244,807)
Basic weighted average shares of common stock outstanding	17,031,113	16,914,971	16,991,372	16,899,344
Dilutive effect of common stock equivalents	—	—	—	—
Diluted weighted average shares of common stock outstanding	17,031,113	16,914,971	16,991,372	16,899,344
Basic net loss per share attributable to Cooper-Standard Holdings Inc.	$ (3.73)	$ (7.93)	$ (5.74)	$ (14.49)
Diluted net loss per share attributable to Cooper-Standard Holdings Inc.	$ (3.73)	$ (7.93)	$ (5.74)	$ (14.49)

Securities excluded from the calculation of diluted loss per share were approximately 164,000 and 45,000 for the three months ended June 30, 2021 and 2020, respectively, and approximately 172,000 and 40,000 for the six months ended June 30, 2021 and 2020, respectively, because the inclusion of such securities in the calculation would have been anti-dilutive.

(Dollar amounts in thousands except per share and share amounts)

16. Accumulated Other Comprehensive Loss

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Foreign currency translation adjustment				
Balance at beginning of period	$ (142,899)	$ (182,315)	$ (136,579)	$ (153,933)
Other comprehensive income (loss) before reclassifications	8,522 (1)	6,699 (1)	2,202 (1)	(21,683) (1)
Balance at end of period	$ (134,377)	$ (175,616)	$ (134,377)	$ (175,616)
Benefit plan liabilities				
Balance at beginning of period	$ (103,340)	$ (97,478)	$ (106,079)	$ (100,160)
Other comprehensive (loss) income before reclassifications	(602) (2)	(1,405) (2)	1,041 (2)	619 (2)
Amounts reclassified from accumulated other comprehensive loss	1,213 (3)	689 (4)	2,309 (5)	1,347 (6)
Balance at end of period	$ (102,729)	$ (98,194)	$ (102,729)	$ (98,194)
Fair value change of derivatives				
Balance at beginning of period	$ 191	$ (9,724)	$ 762	$ 352
Other comprehensive income (loss) before reclassifications	1,008 (7)	2,828 (7)	576 (7)	(7,156) (7)
Amounts reclassified from accumulated other comprehensive loss	(257) (8)	3,410 (8)	(396) (8)	3,318 (8)
Balance at end of period	$ 942	$ (3,486)	$ 942	$ (3,486)
Accumulated other comprehensive loss, ending balance	$ (236,164)	$ (277,296)	$ (236,164)	$ (277,296)

(1) Includes other comprehensive income (loss) related to intra-entity foreign currency balances that are of a long-term investment nature of $7,668 and $3,485 for the three months ended June 30, 2021 and 2020, respectively, and $3,279 and $(19,218) for the six months ended June 30, 2021 and 2020, respectively.
(2) Net of tax (benefit) expense of $(32) and $(47) for the three months ended June 30, 2021 and 2020, respectively, and $(277) and $290 for the six months ended June 30, 2021 and 2020, respectively.
(3) Includes the effect of the amortization of actuarial losses of $1,128, amortization of prior service cost of $63, and impact of curtailment of $117, net of tax of $95.
(4) Includes the effect of the amortization of actuarial losses of $915 and amortization of prior service cost of $21, net of tax of $247.
(5) Includes the effect of the amortization of actuarial losses of $2,252, amortization of prior service cost of $128, and impact of curtailment of $117, net of tax of $188
(6) Includes the effect of the amortization of actuarial losses of $1,787 and amortization of prior service cost of $42, net of tax of $482.
(7) Net of tax expense (benefit) of $182 and $544 for the three months ended June 30, 2021 and 2020, respectively, and $66 and $(2,343) for the six months ended June 30, 2021 and 2020, respectively.
(8) Net of tax expense (benefit) of $92 and $(1,256) for the three months ended June 30, 2021 and 2020, respectively, and $141 and $(1,233) for the six months ended June 30, 2021 and 2020, respectively.

17. Common Stock

Share Repurchase Program

In June 2018, the Company's Board of Directors approved a common stock repurchase program (the "2018 Program") authorizing the Company to repurchase, in the aggregate, up to $150,000 of its outstanding common stock. Under the 2018 Program, repurchases may be made on the open market, through private transactions, accelerated share repurchases, round lot or block transactions on the New York Stock Exchange or otherwise, as determined by management and in accordance with prevailing market conditions and federal securities laws and regulations. The Company expects to fund any future repurchases from cash on hand and future cash flows from operations. The Company is not obligated to acquire a particular amount of securities, and the 2018 Program may be discontinued at any time at the Company's discretion. The 2018 Program became effective in November 2018. As of June 30, 2021, the Company had approximately $98,720 of repurchase authorization remaining under the 2018 Program.

The Company did not make any repurchases under the 2018 Program during the six months ended June 30, 2021 or 2020.

(Dollar amounts in thousands except per share and share amounts)

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 2021, the Company granted Restricted Stock Units ("RSUs"), Performance Units ("PUs") and stock options. The RSUs cliff vest after three years, the PUs vest ratably over three years after the initial two-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 goals related to the Company's return on invested capital ("ROIC") and total shareholder return, which may range from 0% to 200% of the target award amount.

Share-based compensation expense was as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
PUs	$ (645)	$ 145	$ (306)	$ 219
RSUs	885	1,767	2,131	3,410
Stock options	584	649	1,177	1,306
Total	$ 824	$ 2,561	$ 3,002	$ 4,935

19. 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 June 30, 2021, 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 June 30, 2021 and December 31, 2020, the Company had approximately $11,444 and $13,302, respectively, reserved in accrued liabilities and other liabilities on the condensed consolidated balance sheets on an undiscounted basis. While the Company's costs to defend and settle known claims arising under environmental laws have not been material in the past and are not currently estimated to have a material adverse effect on the Company's financial condition, such costs may be material to the Company's financial statements in the future.

20. Segment Reporting

The Company's business is organized in the following reportable segments: North America, Europe, Asia Pacific and South America. All other business activities are reported in Corporate, eliminations and other. The Company's principal products within each of the reportable segments are sealing, fuel and brake delivery, and fluid transfer systems.

The Company uses Segment adjusted EBITDA as the measure of earnings to assess the performance of each segment and determine the resources to be allocated to the segments. The results of each segment include certain allocations for general, administrative and other shared costs. Segment adjusted EBITDA may not be comparable to similarly titled measures reported by other companies.

(Dollar amounts in thousands except per share and share amounts)

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

	Three Months Ended June 30,					
	2021			2020		
	External Sales	Intersegment Sales	Adjusted EBITDA	External Sales	Intersegment Sales	Adjusted EBITDA
North America	$ 247,525	$ 2,140	$ 756	$ 126,337	$ 2,128	$ (42,874)
Europe	132,621	2,836	(14,391)	78,805	1,224	(41,403)
Asia Pacific	103,915	858	(2,302)	105,726	213	(2,172)
South America	14,153	3	(726)	3,881	—	(4,351)
Total Automotive	498,214	5,837	(16,663)	314,749	3,565	(90,800)
Corporate, eliminations and other	34,971	(5,837)	1,937	25,718	(3,565)	(2,952)
Consolidated	$ 533,185	$ —	$ (14,726)	$ 340,467	$ —	$ (93,752)

	Six Months Ended June 30,					
	2021			2020		
	External Sales	Intersegment Sales	Adjusted EBITDA	External Sales	Intersegment Sales	Adjusted EBITDA
North America	$ 586,561	$ 4,773	$ 41,989	$ 461,138	$ 6,596	$ (5,855)
Europe	298,397	5,815	(15,880)	264,047	4,315	(46,026)
Asia Pacific	218,140	1,488	1,250	185,070	670	(19,229)
South America	29,639	15	(3,334)	24,352	68	(8,928)
Total Automotive	1,132,737	12,091	24,025	934,607	11,649	(80,038)
Corporate, eliminations and other	69,415	(12,091)	(211)	60,750	(11,649)	(5,435)
Consolidated	$ 1,202,152	$ —	$ 23,814	$ 995,357	$ —	$ (85,473)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Adjusted EBITDA	$ (14,726)	$ (93,752)	$ 23,814	$ (85,473)
Restructuring charges	(11,631)	(9,774)	(32,678)	(17,050)
Impairment charges	(841)	(12,554)	(841)	(87,317)
Gain on sale of business, net	(195)	—	696	—
Lease termination costs	(108)	(81)	(108)	(601)
Project costs	—	(1,809)	—	(4,234)
EBITDA	$ (27,501)	$ (117,970)	$ (9,117)	$ (194,675)
Income tax benefit	17,459	38,982	16,523	53,099
Interest expense, net of interest income	(18,125)	(12,771)	(35,909)	(23,008)
Depreciation and amortization	(35,444)	(42,460)	(68,972)	(80,223)
Net loss attributable to Cooper-Standard Holdings Inc.	$ (63,611)	$ (134,219)	$ (97,475)	$ (244,807)

(Dollar amounts in thousands except per share and share amounts)

	June 30, 2021	December 31, 2020
Segment assets:		
North America	$ 885,744	$ 907,652
Europe	442,122	465,031
Asia Pacific	525,560	587,610
South America	62,386	64,800
Total Automotive	1,915,812	2,025,093
Corporate, eliminations and other	561,485	586,851
Consolidated	$ 2,477,297	$ 2,611,944

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, 2020 filed with the U.S. Securities and Exchange Commission ("2020 Annual Report"), including Item 1A. "Risk Factors." The following should be read in conjunction with our 2020 Annual Report and the other information included herein. Our discussion of trends and conditions supplements and updates such discussion included in our 2020 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, and fluid transfer systems for use primarily in passenger vehicles and light trucks manufactured by global automotive original equipment manufacturers ("OEMs"). We are primarily a "Tier 1" supplier, with approximately 83% of our sales in 2020 made directly to major OEMs. We operate our business along the following reportable segments: North America, Europe, Asia Pacific and South America. All other business activities are reported in Corporate, eliminations and other.

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 and production. Business conditions may vary significantly from period to period or region to region. The global COVID-19 pandemic created an unusually high degree of economic disruption and uncertainty during 2020, which has continued into 2021. Although optimism for a global economic recovery has increased in the first half of 2021, a considerable amount of uncertainty remains, including with respect to variant strains of the virus. The rate of recovery has varied across regions, and, in some cases, rapid growth and spikes in consumer and industrial demand have outpaced production and supply chain capacity. These supply/demand imbalances have added another layer of uncertainty for the broader economic outlook and for the automotive industry around the world. Despite these uncertainties, economists at the World Bank remain positive in their outlook and have recently increased their forecasts for global economic growth. They are now expecting the global economy to grow by approximately 5.6% in 2021.

In North America, the United States government has injected historic levels of fiscal stimulus into its economy to sustain businesses, create jobs and drive consumer confidence and spending. In addition, rapid distribution and administration of COVID-19 vaccines have enabled large segments of the economy to return to near normal levels of activity, spurring growth. Unemployment levels remained stable during the second quarter of 2021 at approximately 6.0% even though businesses have broadly reported shortages of labor in many markets. Inflation is also recently a factor that may weigh on future economic activity and growth. Despite these possible adverse impacts, World Bank economists currently expect economic growth of approximately 6.0% for the North America region in 2021.

In Europe, certain areas continue to experience recurring outbreaks of COVID-19 and some localized increases in pandemic related restrictions. However, vaccinations are increasing throughout the region, and this is expected to drive additional economic activity in the second half of the year. Unemployment in the region has been trending lower since the end of 2020 but at 7.3%, it remains significantly higher than pre-pandemic levels. Based on the improving health and employment outlooks, the World Bank is projecting economic growth in the region of approximately 4.2% for 2021.

In the Asia Pacific region, China's central government has pledged to maintain continuity of macroeconomic policies during 2021 to support investment and growth in the post-pandemic period. Unemployment in the region's largest economy has declined to approximately 5.0%, similar to pre-pandemic levels. By the end of the second quarter, the Chinese central government was beginning to moderate credit support to business and infrastructure spending, a likely indication that the government believes the post pandemic recovery in the country is largely complete. Economists at the World Bank currently expect China's economy to grow by 8.5% in 2021, fueled by pent-up domestic demand, as well as increasing export volumes.

In South America, the Brazilian economy continues to face significant challenges from high COVID-19 infection rates, with the peak occurring during the second quarter of 2021. Unemployment in the country also rose to a record 14.7% in the quarter. Inflation rates increased to 8.6% in June 2021, the highest level since 2016. Despite these negative factors, the Brazilian economy is showing signs of growth as vaccinations against COVID-19 are now increasing and sections of the economy are beginning to re-open. Economists at the World Bank estimate that the Brazilian economy will grow by approximately 4.5% in 2021. Given the long history of political instability and economic volatility, we remain cautious for the mid to long-term economic outlook in the region.

Raw Materials

Our business is susceptible to inflationary pressures with respect to raw materials which may place operational and profitability burdens on the entire supply chain. Costs related to raw materials, such as steel, aluminum, and oil and oil-derived commodities, continue to be volatile. In addition, due to increases in commodity costs in the first half of 2021, we expect these increases to have an impact on results in the second half of 2021. As such, on an ongoing basis, we work with our customers and suppliers to mitigate both inflationary pressures and our material-related cost exposures.

Production Levels

Our business is directly affected by the automotive vehicle production rates in North America, Europe, Asia Pacific and South America. Beginning in the first quarter of 2020, as a result of COVID-19, we experienced the shutdown of effectively all of our facilities coinciding with the shutdown of our customer facilities in all regions. Production subsequently resumed in all regions, at steadily increasing rates throughout the year. We collaborate closely with our customers as production volumes continue to increase and approach pre-COVID-19 levels, while also adhering to enhanced safety standards and measures to protect our employees.

In the first quarter of 2021 and continuing into the second quarter, OEM production volumes were disrupted by the global shortage of semiconductors. The shortage has resulted in slowdowns and occasional stoppages in the final production of vehicles. While the supply issues are expected to improve in the second half of 2021, particularly in the fourth quarter of 2021, we are collaborating closely with our customers to minimize production inefficiencies while supporting their needs.

Light vehicle production in certain regions for the three and six months ended June 30, 2021 and 2020 was as follows:

	Three Months Ended June 30,			**Six Months Ended June 30,**		
(In millions of units)	**2021[1]**	**2020[1]**	**% Change**	**2021[1]**	**2020[1]**	**% Change**
North America	3.2	1.4	132.2%	6.8	5.2	32.0%
Europe	4.2	2.3	86.4%	8.9	7.0	28.4%
Asia Pacific	10.3	8.5	20.0%	21.3	16.8	27.2%
Greater China	5.9	6.1	(3.6)%	11.7	9.3	25.4%
South America	0.6	0.2	300.5%	1.3	0.8	61.5%

(1) Production data based on IHS Automotive, July 2021.

In North America and Europe, vehicle production increased significantly compared to the prior year period for both the second quarter and the first half of 2021, despite the impact of semiconductor supply issues in the current year. The semiconductor supply issues in 2021 resulted in shutdowns at certain facilities, particularly in North America, for brief periods of time, as compared to the widespread and lengthy facility shutdowns in 2020 due to the initial impacts of COVID-19. In Asia Pacific, vehicle production increased in the first half of 2021 compared to the prior year periods primarily due to the impact of COVID-19 plant shutdowns in the prior year, which affected the region primarily in the first quarter of 2020. Decreased vehicle production in China in the second quarter of 2021 was the result of higher than normal vehicle production in the prior year period as production facilities re-opened after COVID-19 closures and met pent-up demand. In South America, vehicle production significantly increased, as the region is approaching more normalized volume after industry wide shutdowns in the prior year.

Results of Operations

	Three Months Ended June 30,			Six Months Ended June 30,		
	2021	2020	Change	2021	2020	Change
	(dollar amounts in thousands)					
Sales	$ 533,185	$ 340,467	$ 192,718	$ 1,202,152	$ 995,357	$ 206,795
Cost of products sold	534,118	400,838	133,280	1,134,793	1,012,585	122,208
Gross (loss) profit	(933)	(60,371)	59,438	67,359	(17,228)	84,587
Selling, administration & engineering expenses	50,085	68,271	(18,186)	108,139	138,942	(30,803)
Gain on sale of business, net	195	—	195	(696)	—	(696)
Amortization of intangibles	1,933	3,513	(1,580)	3,705	7,963	(4,258)
Restructuring charges	11,631	9,774	1,857	32,678	17,050	15,628
Impairment charges	841	12,554	(11,713)	841	87,610	(86,769)
Operating loss	(65,618)	(154,483)	88,865	(77,308)	(268,793)	191,485
Interest expense, net of interest income	(18,125)	(12,771)	(5,354)	(35,909)	(23,008)	(12,901)
Equity in earnings (losses) of affiliates	393	(3,011)	3,404	1,179	(1,580)	2,759
Other income (expense), net	1,362	(4,701)	6,063	(3,727)	(8,141)	4,414
Loss before income taxes	(81,988)	(174,966)	92,978	(115,765)	(301,522)	185,757
Income tax benefit	(17,459)	(38,982)	21,523	(16,523)	(53,099)	36,576
Net loss	(64,529)	(135,984)	71,455	(99,242)	(248,423)	149,181
Net loss attributable to noncontrolling interests	918	1,765	(847)	1,767	3,616	(1,849)
Net loss attributable to Cooper-Standard Holdings Inc.	$ (63,611)	$ (134,219)	$ 70,608	$ (97,475)	$ (244,807)	$ 147,332

Three Months Ended June 30, 2021 Compared with Three Months Ended June 30, 2020

Sales

Sales for the three months ended June 30, 2021 increased 56.6%, compared to the three months ended June 30, 2020. The increase in sales was driven by vehicle production volume increases due to non-recurrence of lengthy shutdowns in the prior year from COVID-19, offset in part by the impact of semiconductor supply issues in the current year. Foreign exchange also contributed to the increase in sales, partially offset by the prior year divestiture of our European rubber fluid transfer and specialty sealing businesses and Indian operations.

	Three Months Ended June 30,			Variance Due To:		
	2021	2020	Change	Volume / Mix*	Foreign Exchange	Divestitures
	(dollar amounts in thousands)					
Total sales	$ 533,185	$ 340,467	$ 192,718	$ 186,279	$ 24,002	$ (17,563)

* Net of customer price reductions

Gross Profit

	Three Months Ended June 30,			Variance Due To:		
	2021	2020	Change	Volume / Mix*	Foreign Exchange	Cost Increases / (Decreases)**
			(dollar amounts in thousands)			
Cost of products sold	$ 534,118	$ 400,838	$ 133,280	$ 121,303	$ 23,800	$ (11,823)
Gross loss	(933)	(60,371)	59,438	64,976	202	(5,740)
Gross profit percentage of sales	(0.2)%	(17.7)%				

* Net of customer price reductions

** Includes the net impact of divestitures

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 45% and 39% of total cost of products sold for the three months ended June 30, 2021 and 2020, respectively. The change in the cost of products sold was impacted by vehicle volume and mix, the prior year divestiture of our European rubber fluid transfer and specialty sealing businesses and Indian operations, continuous improvement and lean manufacturing, net commodity price fluctuations, foreign exchange and wage inflation.

Gross loss for the three months ended June 30, 2021 decreased $59.4 million or 98.5% compared to the three months ended June 30, 2020. The change was driven by volume and mix, net favorable operational performance, lower variable employee compensation expenses, purchasing lean savings, restructuring savings, the prior year divestiture of our European rubber fluid transfer and specialty sealing businesses and Indian operations. These items were partially offset by commodity and wage inflation and the non-recurrence of prior year COVID-19 government incentives.

Selling, Administration and Engineering Expense. Selling, administration and engineering expense includes administrative expenses as well as product engineering and design and development costs. Selling, administration and engineering expense for the three months ended June 30, 2021 was 9.4% of sales compared to 20.1% for the three months ended June 30, 2020. The decrease was primarily due to lower variable employee compensation expenses, salaried headcount initiative savings, and divestitures, partially offset by foreign exchange and general inflation.

Gain on Sale of Business, Net. The adjustment to the gain on sale of business of $0.2 million for the three months ended June 30, 2021 related to deconsolidation adjustments for the sale of our European fluid transfer and specialty sealing businesses and Indian operations. We completed the sale on July 1, 2020.

Amortization of Intangibles. Intangible amortization for the three months ended June 30, 2021 decreased $1.6 million compared to the three months ended June 30, 2020. The decrease was driven by a customer relationship intangible asset in the North America region that was fully amortized during the second quarter of 2020.

Restructuring. Restructuring charges for the three months ended June 30, 2021 increased $1.9 million compared to the three months ended June 30, 2020. The increase was driven by higher restructuring charges in Europe, primarily related to headcount initiatives and footprint rationalization.

Impairment Charges. Impairment charges of $0.8 million during the three months ended June 30, 2021 related to idle assets, primarily in a certain Europe location. Impairment charges of $12.6 million during the three months ended June 30, 2020 primarily related to reducing the carrying value of our held for sale facilities to fair value less costs to sell.

Interest Expense, Net. Net interest expense for the three months ended June 30, 2021 increased $5.4 million compared to the three months ended June 30, 2020, primarily due to a full quarter of interest expense for our Senior Secured Notes, which were issued in May 2020.

Other Income (Expense), Net. Other income for the three months ended June 30, 2021 increased $6.1 million compared to the three months ended June 30, 2020, primarily due to foreign currency gains.

Income Tax Benefit. Income tax benefit for the three months ended June 30, 2021 was $17.5 million on losses before income taxes of $82.0 million compared to an income tax benefit of $39.0 million on losses before income taxes of $175.0 million for the three months ended June 30, 2020. The effective tax rate for the three months ended June 30, 2021 differed primarily from the effective tax rate for the three months ended June 30, 2020 due to the geographic mix of pre-tax losses, the inability to record a tax benefit for pre-tax losses in certain foreign jurisdictions and U.S. states, as well as due to benefits recorded in the three month period ended June 30, 2020 as a result of the Coronavirus Aid, Relief, and Economic Security Act

("CARES Act") net operating loss ("NOL") carry back provision that allows NOLs generated to be carried back up to five years at the tax rates in effect during those periods, rather than carried forward at current federal tax rates of 21%.

Six Months Ended June 30, 2021 Compared with Six Months Ended June 30, 2020

Sales

Sales for the six months ended June 30, 2021 increased 20.8%, compared to the six months ended June 30, 2020. The increase was driven by vehicle production volume increases due to non-recurrence of lengthy shutdowns in the prior year from COVID-19, offset in part by the impact of semiconductor supply issues in the current year. Foreign exchange also contributed to the increase in sales, which was partially offset by the prior year divestiture of our European rubber fluid transfer and specialty sealing businesses and Indian operations.

	Six Months Ended June 30,			Variance Due To:		
	2021	2020	Change	Volume / Mix*	Foreign Exchange	Divestitures
	(dollar amounts in thousands)					
Total sales	$ 1,202,152	$ 995,357	$ 206,795	$ 227,220	$ 44,083	$ (64,508)

* Net of customer price reductions

Gross Profit

	Six Months Ended June 30,			Variance Due To:		
	2021	2020	Change	Volume / Mix*	Foreign Exchange	Cost Increases / (Decreases)**
	(dollar amounts in thousands)					
Cost of products sold	$ 1,134,793	$ 1,012,585	$ 122,208	$ 156,089	$ 42,455	$ (76,336)
Gross profit (loss)	67,359	(17,228)	84,587	71,131	1,628	11,828
Gross profit percentage of sales	5.6 %	(1.7)%				

* Net of customer price reductions

** Includes the net impact of divestitures

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 47% and 44% of total cost of products sold for the six months ended June 30, 2021 and 2020, respectively. The change in the cost of products sold was impacted by vehicle volume and mix, the prior year divestiture of our European rubber fluid transfer and specialty sealing businesses and Indian operations, continuous improvement and lean manufacturing, net commodity price fluctuations, foreign exchange and wage inflation.

Gross profit (loss) for the six months ended June 30, 2021 improved 491.0% compared to the six months ended June 30, 2020. The change was driven by volume and mix, net favorable operational performance, lower variable employee compensation expenses, purchasing lean savings, restructuring savings, the prior year divestiture of our European rubber fluid transfer and specialty sealing businesses and Indian operations. These items were partially offset by commodity and wage inflation and the non-recurrence of prior year COVID-19 government incentives.

Selling, Administration and Engineering Expense. Selling, administration and engineering expense includes administrative expenses as well as product engineering and design and development costs. Sales, administration and engineering expense for the six months ended June 30, 2021 was 9.0% of sales compared to 14.0% for the six months ended June 30, 2020. The decrease was primarily due to salaried headcount initiative savings, lower variable employee compensation expenses, lower professional fees, and divestitures, partially offset by foreign exchange.

Gain on Sale of Business, Net. The gain on sale of business of $0.7 million for the six months ended June 30, 2021 related to deconsolidation adjustments for the sale of our European fluid transfer and specialty sealing businesses and Indian operations. We completed the sale on July 1, 2020.

Amortization of Intangibles. Intangible amortization for the six months ended June 30, 2021 decreased $4.3 million compared to the six months ended June 30, 2020. The decrease was driven by a customer relationship intangible asset in the North America region that was fully amortized during the second quarter of 2020.

Restructuring. Restructuring charges for the six months ended June 30, 2021 increased $15.6 million compared to the six months ended June 30, 2020. The increase was driven by higher restructuring charges in Europe, primarily related to headcount initiatives and footprint rationalization.

Impairment Charges. Impairment charges of $0.8 million during the six months ended June 30, 2021 related to idle assets, primarily in a certain Europe location. Impairment charges of $87.6 million during the six months ended June 30, 2020 primarily related to reducing the carrying value of our held for sale facilities to fair value less costs to sell.

Interest Expense, Net. Net interest expense for the six months ended June 30, 2021 increased $12.9 million compared to the six months ended June 30, 2020, primarily due to a full six months of interest expense for our Senior Secured Notes, which were issued in May 2020.

Other Income (Expense), Net. Other expense for the six months ended June 30, 2021 decreased $4.4 million compared to the six months ended June 30, 2020, primarily due to lower foreign currency losses.

Income Tax Benefit. Income tax benefit for the six months ended June 30, 2021 was $16.5 million on losses before income taxes of $115.8 million compared to income tax benefit of $53.1 million on losses before income taxes of $301.5 million for the six months ended June 30, 2020. The effective tax rate for the six months ended June 30, 2021 differed primarily from the effective tax rate for the six months ended June 30, 2020 due to the geographic mix of pre-tax losses, the inability to record a tax benefit for pre-tax losses in certain foreign jurisdictions and U.S. states, as well as benefits recorded in the six month period ended June 30, 2020 as a result of the CARES Act net operating loss carry back provision. Additionally, a discrete expense of $12.9 million for the initial recognition of valuation allowances against net deferred tax assets in certain foreign jurisdictions was recorded in the six months ended June 30, 2020.

Segment Results of Operations

Our business is organized into the following reportable segments: North America, Europe, Asia Pacific and South America. All other business activities are reported in Corporate, eliminations and other. The Company uses Segment adjusted EBITDA as the measure of earnings to assess the performance of each segment and determine the resources to be allocated to the segments. We have defined adjusted EBITDA as net income before interest, taxes, depreciation, amortization, restructuring expense, and special items.

The following tables present sales and segment adjusted EBITDA for each of the reportable segments.

Three Months Ended June 30, 2021 Compared with Three Months Ended June 30, 2020

Sales

	Three Months Ended June 30,			Variance Due To:		
	2021	2020	Change	Volume/ Mix*	Foreign Exchange	Divestitures
	(dollar amounts in thousands)					
Sales to external customers						
North America	$ 247,525	$ 126,337	$ 121,188	$ 118,962	$ 2,226	$ —
Europe	132,621	78,805	53,816	57,827	11,384	(15,395)
Asia Pacific	103,915	105,726	(1,811)	(8,707)	9,064	(2,168)
South America	14,153	3,881	10,272	10,018	254	—
Total Automotive	498,214	314,749	183,465	178,100	22,928	(17,563)
Corporate, eliminations and other	34,971	25,718	9,253	8,179	1,074	—
Consolidated	$ 533,185	$ 340,467	$ 192,718	$ 186,279	$ 24,002	$ (17,563)

* Net of customer price reductions

- Volume and mix, net of customer price reductions, was driven by vehicle production volume increases in all regions, except Asia Pacific, due to non-recurrence of lengthy shutdowns in the prior year from COVID-19, offset in part by the impact of semiconductor supply issues in the current year.
- The impact of foreign currency exchange primarily related to the Euro, Chinese Renminbi, and Canadian Dollar.

Segment adjusted EBITDA

	Three Months Ended June 30,			Variance Due To:			
	2021	2020	Change	Volume/ Mix*	Foreign Exchange	Cost (Increases)/ Decreases	Divestitures
	(dollar amounts in thousands)						
Segment adjusted EBITDA							
North America	$ 756	$ (42,874)	$ 43,630	$ 47,507	$ 1,487	$ (4,865)	$ (499)
Europe	(14,391)	(41,403)	27,012	16,775	(348)	8,407	2,178
Asia Pacific	(2,302)	(2,172)	(130)	(4,423)	881	(776)	4,188
South America	(726)	(4,351)	3,625	3,152	3,246	(2,773)	—
Total Automotive	(16,663)	(90,800)	74,137	63,011	5,266	(7)	5,867
Corporate, eliminations and other	1,937	(2,952)	4,889	1,965	120	2,804	—
Consolidated adjusted EBITDA	$ (14,726)	$ (93,752)	$ 79,026	$ 64,976	$ 5,386	$ 2,797	$ 5,867

* Net of customer price reductions

- Volume and mix, net of customer price reductions, was driven by vehicle production volume increases due to non-recurrence of lengthy shutdowns in the prior year from COVID-19, offset in part by the impact of semiconductor supply issues in the current year.
- The impact of foreign currency exchange was driven by the Brazilian Real, Mexican Peso, Canadian Dollar, Euro, Polish Zloty, Czech Koruna, and Chinese Renminbi.
- The Cost (Increases) / Decreases category above includes:
  - Reduction in compensation-related expenses due to salaried headcount initiatives, lower variable employee compensation expenses, purchasing savings through lean initiatives, and restructuring savings;
  - Commodity cost, wage inflation increases and the non-recurrence of prior year government incentives; and
  - Manufacturing efficiencies of $12 million, primarily driven by our Europe and North America segments.

Six Months Ended June 30, 2021 Compared with Six Months Ended June 30, 2020

Sales

	Six Months Ended June 30,			Variance Due To:		
	2021	2020	Change	Volume/ Mix*	Foreign Exchange	Divestitures
	(dollar amounts in thousands)					
Sales to external customers						
North America	$ 586,561	$ 461,138	$ 125,423	$ 122,459	$ 2,964	$ —
Europe	298,397	264,047	34,350	58,106	25,461	(49,217)
Asia Pacific	218,140	185,070	33,070	31,380	16,981	(15,291)
South America	29,639	24,352	5,287	8,641	(3,354)	—
Total Automotive	1,132,737	934,607	198,130	220,586	42,052	(64,508)
Corporate, eliminations and other	69,415	60,750	8,665	6,634	2,031	—
Consolidated	$ 1,202,152	$ 995,357	$ 206,795	$ 227,220	$ 44,083	$ (64,508)

* Net of customer price reductions

- Volume and mix, net of customer price reductions, was driven by vehicle production volume increases due to non-recurrence of lengthy shutdowns in the prior year from COVID-19, offset in part by the impact of semiconductor supply issues in the current year.
- The impact of foreign currency exchange primarily relates to the Euro, Chinese Renminbi, Canadian Dollar and Brazilian Real.

Segment adjusted EBITDA

	Six Months Ended June 30,			Variance Due To:			
	2021	2020	Change	Volume/ Mix*	Foreign Exchange	Cost (Increases)/ Decreases	Divestitures
			(dollar amounts in thousands)				
Segment adjusted EBITDA							
North America	$ 41,989	$ (5,855)	$ 47,844	$ 45,145	$ (3,232)	$ 6,430	$ (499)
Europe	(15,880)	(46,026)	30,146	17,689	(1,208)	11,315	2,350
Asia Pacific	1,250	(19,229)	20,479	2,571	2,512	8,357	7,039
South America	(3,334)	(8,928)	5,594	4,582	4,128	(3,116)	—
Total Automotive	24,025	(80,038)	104,063	69,987	2,200	22,986	8,890
Corporate, eliminations and other	(211)	(5,435)	5,224	1,144	548	3,532	—
Consolidated adjusted EBITDA	$ 23,814	$ (85,473)	$ 109,287	$ 71,131	$ 2,748	$ 26,518	$ 8,890

* Net of customer price reductions

- Volume and mix, net of customer price reductions, was driven by vehicle production volume increases due to non-recurrence of lengthy shutdowns in the prior year from COVID-19, offset in part by the impact of semiconductor supply issues in the current year.
- The impact of foreign currency exchange is driven by the Brazilian Real, Chinese Renminbi, Euro, Polish Zloty, and Czech Koruna, Canadian Dollar and Mexican Peso.
- The Cost (Increases) / Decreases category above includes:
    - Reduction in compensation-related expenses, due to salaried headcount initiatives, purchasing savings through lean initiatives, lower variable employee compensation expenses and restructuring savings;
    - Commodity cost, wage inflation increases and the non-recurrence of prior year government incentives;
    - Net manufacturing efficiencies of $30 million, primarily driven by our North America, Europe and Asia Pacific segments.

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 I, Item 1 of this Report for additional information.

We continue to actively preserve cash and enhance liquidity, including decreasing our capital expenditures. Based on those actions and current projections of OEM customer production, 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, despite the challenges presented by the COVID-19 pandemic and supply chain issues facing the industry. We continuously monitor and forecast our liquidity situation, take the necessary actions to preserve our liquidity and evaluate other financial alternatives that may be available to us should the need arise. 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 flows 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, including the impact of COVID-19, and other factors.

Cash Flows

Operating Activities. Net cash used in operations was $60.7 million for the six months ended June 30, 2021, compared to net cash used in operations of $126.2 million for the six months ended June 30, 2020. The net change was primarily due to working capital improvements and higher cash earnings.

Investing Activities. Net cash used in investing activities was $52.6 million for the six months ended June 30, 2021, compared to net cash used in investing activities of $62.1 million for the six months ended June 30, 2020. The reduction was primarily due to lower capital expenditures. In response to the COVID-19 pandemic, significant decreases in capital expenditures occurred throughout 2020 and in the first and second quarters of 2021. We expect lower expenditures will continue in 2021, primarily as part of initiatives to consistently reduce overall capital spending. We anticipate that we will spend approximately $100 million to $115 million on capital expenditures in 2021.

Financing Activities. Net cash provided by financing activities totaled $11.7 million for the six months ended June 30, 2021, compared to net cash provided by financing activities of $232.7 million for the six months ended June 30, 2020. The inflow in 2021 related to increases in short-term debt, while the inflow in 2020 was primarily due to proceeds from issuance of our Senior Secured Notes.

Share Repurchase Program

In June 2018, our Board of Directors approved a new common stock repurchase program (the "2018 Program") authorizing us to repurchase, in the aggregate, up to $150.0 million of our outstanding common stock. Under the 2018 Program, repurchases may be made on the open market, through private transactions, accelerated share repurchases, round lot or block transactions on the New York Stock Exchange or otherwise, as determined by us and in accordance with prevailing market conditions and federal securities laws and regulations. We expect to fund any future repurchases from cash on hand and future cash flows from operations. The specific timing and amount of any future repurchase will vary based on market and business conditions and other factors. We are not obligated to acquire a particular amount of securities, and the 2018 Program may be discontinued at any time at our discretion. As of June 30, 2021, we had approximately $98.7 million of repurchase authorization remaining under the 2018 Program.

We did not make any repurchases under the 2018 Program during the six months ended June 30, 2021 or 2020.

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, Senior Notes and Senior Secured 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 loss, which is the most comparable financial measure in accordance with U.S. GAAP:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	**2020**	**2021**	**2020**
	(dollar amounts in thousands)			
Net loss attributable to Cooper-Standard Holdings Inc.	$ (63,611)	$ (134,219)	$ (97,475)	$ (244,807)
Income tax benefit	(17,459)	(38,982)	(16,523)	(53,099)
Interest expense, net of interest income	18,125	12,771	35,909	23,008
Depreciation and amortization	35,444	42,460	68,972	80,223
EBITDA	$ (27,501)	$ (117,970)	$ (9,117)	$ (194,675)
Restructuring charges	11,631	9,774	32,678	17,050
Impairment charges (1)	841	12,554	841	87,317
Gain on sale of business, net (2)	195	—	(696)	—
Lease termination costs (3)	108	81	108	601
Project costs (4)	—	1,809	—	4,234
Adjusted EBITDA	$ (14,726)	$ (93,752)	$ 23,814	$ (85,473)

(1) Non-cash impairment charges in 2021 related to fixed assets. Non-cash impairment charges in 2020 included impairment of assets held for sale and other impairment charges, net of portion attributable to our noncontrolling interests.

(2) During 2021, we recorded subsequent adjustments to the net gain on sale of business, which related to the 2020 divestiture of our European rubber fluid transfer and specialty sealing businesses.

(3) Lease termination costs no longer recorded as restructuring charges in accordance with ASC 842.

(4) Project costs recorded in selling, administration and engineering expense related to divestitures in 2020.

Contingencies and Environmental Matters

The information concerning contingencies, including environmental contingencies and the amount currently held in reserve for environmental matters, contained in Note 19. “Commitments and Contingencies” to the unaudited condensed consolidated financial statements included in Part I, Item 1 of this Report, is incorporated herein by reference.

Critical Accounting Estimates

There have been no significant changes in our critical accounting estimates during the six months ended June 30, 2021.

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,” “outlook”, “guidance”, “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: the impact, and expected continued impact, of the COVID-19 outbreak on our financial condition and results of operations; significant risks to our liquidity presented by the COVID-19 pandemic risk; 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; competitive threats and commercial risks associated with our diversification strategy through our Advanced Technology Group; possible variability of our working capital requirements; risks associated with our international operations, including changes in laws, regulations, and policies governing the terms of foreign trade such as increased trade restrictions and tariffs; foreign currency exchange rate fluctuations; our ability to control the operations of our joint ventures for our sole benefit; our substantial amount of indebtedness and variable rates of interest; 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 and regulatory proceedings, claims or investigations against us; work stoppages or other labor disruptions; the ability of our intellectual property to withstand legal challenges; cyber-attacks, data privacy concerns, other disruptions in, or the inability to implement upgrades to, our information technology systems; the possible volatility of our annual effective tax rate; the possibility of a failure to maintain effective controls and procedures; the possibility of future impairment charges to our goodwill and long-lived assets; our ability to identify, attract, develop and retain a skilled, engaged and diverse workforce; our ability to procure insurance at reasonable rates; and our dependence on our subsidiaries for cash to satisfy our obligations.

You should not place undue reliance on these forward-looking statements. Our forward-looking statements speak only as of the date of this quarterly report on Form 10-Q, and 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

There have been no material changes to the quantitative and qualitative information about the Company’s market risk from those previously disclosed in the Company’s 2020 Annual Report.

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 at a reasonable assurance level 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 June 30, 2021 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

The Company is authorized to purchase, in the aggregate, up to $150 million of our outstanding common stock under our common stock repurchase program, which was effective in November 2018. As of June 30, 2021, we had approximately $98.7 million of repurchase authorization remaining under our common stock share repurchase program 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 I, Item 1 of this Report.

A summary of our shares of common stock repurchased during the three months ended June 30, 2021 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)
April 1, 2021 through April 30, 2021	230	$ 30.88	—	$ 98.7
May 1, 2021 through May 31, 2021	—	—	—	98.7
June 1, 2021 through June 30, 2021	108	28.83	—	98.7
Total	338		—	

(1) Represents shares repurchased by the Company to satisfy employee tax withholding requirements due upon the vesting of restricted stock awards and the exercise of stock option awards.

Item 6. Exhibits

Exhibit No.	Description of Exhibit
10.1†	Cooper-Standard Holdings Inc. 2021 Omnibus Incentive Plan (incorporated by reference to Exhibit 4.4 to Cooper-Standard Holdings Inc.'s Post-Effective Amendment No. 1 to Form S-8 filed on Form S-8POS on May 20, 2021).
10.2*†	Cooper-Standard Automotive Inc. Executive Severance Pay Plan, Amended and Restated as of June 9, 2021.
10.3*†	Cooper-Standard Automotive Inc. Annual Incentive Plan Amended and Restated effective as of January 1, 2021.
31.1*	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).
31.2*	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).
32**	Certification Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS***	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH***	Inline XBRL Taxonomy Extension Schema Document
101.CAL***	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF***	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB***	Inline XBRL Taxonomy Label Linkbase Document
101.PRE***	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104***	Cover Page Interactive Data File, formatted in Inline XBRL

* Filed with this Report.
** Furnished with this Report.
*** Submitted electronically with this Report in accordance with the provisions of Regulation S-T.
† Management contract or compensatory plan or arrangement.

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.

August 5, 2021	/S/ JONATHAN P. BANAS
Date	**Jonathan P. Banas** **Chief Financial Officer** **(Principal Financial Officer and Duly Authorized Officer)**

Exhibit 10.2

COOPER-STANDARD AUTOMOTIVE INC.
EXECUTIVE SEVERANCE PAY PLAN

Effective January 1, 2011
(amended and restated as of June 9, 2021)

COOPER-STANDARD AUTOMOTIVE INC.
EXECUTIVE SEVERANCE PAY PLAN

Table of Contents

COOPER-STANDARD AUTOMOTIVE INC.
EXECUTIVE SEVERANCE PAY PLAN

1. *General Statement of Purpose*

. The Board of Directors (the "**Board"**) of Cooper-Standard Automotive Inc. (the "**Company**") has considered the effect the departure of certain executives may have on the Company and such executives, including departures in connection with a change of control of the Company. The executives have made and are expected to continue to make major contributions to the short-term and long-term profitability, growth and financial strength of the Company. The Company, recognizing the importance of retaining key executives, desires to assure itself of both the present and future continuity of management, desires to establish certain minimum severance benefits for certain of its executives, and wishes to ensure that its executives are appropriately protected and are not practically disabled from discharging their duties at any time, including in connection with a potential change of control of the Company.

As a result, the Board believes that the Cooper-Standard Automotive Inc. Executive Severance Pay Plan (the "**Plan**") will assist the Company in attracting and retaining qualified executives.

2. *Effective Date*

. The "**Effective Date**" of the Plan is January 1, 2011. The Plan was most recently amended and restated on June 9, 2021.

3. *Definitions*

. Where the following words and phrases appear in the Plan, they shall have the respective meanings set forth below, unless their context clearly indicates otherwise:

(a) "**Affiliate**" shall mean, with respect to an entity, any entity directly or indirectly controlling, controlled by, or under common control with such first entity.

(b) "**Base Pay**" means, with respect to each Executive, the rate of annual base salary, as in effect from time to time. Notwithstanding the foregoing, if an Executive is terminating employment for Good Reason as a result of a material reduction in the Executive's Base Pay, then for purposes of Section 5, the term "Base Pay" shall mean such pay as determined prior to such reduction.

(c) "**Board**" means the Board of Directors of the Company.

(d) "**Cause**" means that, prior to any termination of employment pursuant to Section 4(b), that the Executive has:

(i) willfully failed to perform the Executive’s duties (other than any such failure resulting from incapacity due to physical or mental illness);

(ii) willfully failed to comply with any valid and legal directive of the Board or the person to whom the Participant reports, where such failure results in harm to the Company or any Affiliate;

(iii) engaged in dishonesty, illegal conduct or misconduct, or breach of fiduciary duty which, in each case, results in harm to the Company or any Affiliate;

(iv) engaged in embezzlement, misappropriation or fraud, whether or not related to the Executive’s employment with the Company or an Affiliate;

(v) been convicted of or pled guilty or *nolo contendere* to a crime that constitutes a felony (or state law equivalent) or a crime that constitutes a misdemeanor involving moral turpitude, if such felony or other crime is work-related, or materially impairs the Participant's ability to perform services for the Company or an Affiliate, or results in reputational or financial harm to the Company or its Affiliates;

(vi) violated the Company's or Affiliate’s written policies or codes of conduct which have been provided to (or made available to) the Executive prior to the date of the violation, including but not limited to written policies related to discrimination, harassment, performance of illegal or unethical activities, and ethical misconduct;

(vii) violated any restrictive covenant agreement in effect with the Company or an Affiliate which violation results in harm to the Company or any Affiliate; or

(viii) engaged in conduct that brings or is reasonably likely to bring (if it were publicly known) the Company or any Affiliate negative publicity or into public disgrace, embarrassment, or disrepute.

For purposes of this definition, (A) no act or failure to act on the part of the Executive shall be considered "willful" unless it is done, or omitted to be done, by the Executive in bad faith or without reasonable belief that the Executive's action or omission was in the best interests of the Company or any Affiliate; (B) “harm” shall mean more than *de minimis* harm; and (C) with respect to an act or omission subject to clauses (i) or (ii) above, if the underlying act or omission is curable, the Executive’s termination will not be considered to be for “Cause” unless the Board or the Executive’s direct supervisor has notified Executive of such act or omission (which notice must be provided in a manner that enables Executive to effectuate a cure), and the Executive has failed to correct such act or omission within thirty (30) days of such notification (other than by reason of the incapacity of the Executive due to physical or mental illness). If the Executive’s act or omission could be described in more than one of the clauses above, the Company shall have the discretion to determine which of such clauses (either singly or in combination) shall form the basis for Executive's termination for Cause.

(e) "**Change of Control**" shall have the meaning given in the Cooper-Standard Holdings Inc. 2021 Omnibus Incentive Plan, or any successor plan thereto. For clarity, (i) the most recent plan in effect as of the date of determination of whether a Change of Control has occurred shall be the plan whose definition of "Change of Control" governs, and (ii) if the governing plan uses a different term to define a change in the ownership or control of the Company, such term shall be deemed to mean a "Change of Control".

(f) "**Code**" means the Internal Revenue Code of 1986, as amended, or any successor thereto. Any reference to a specific provision of the Code shall be deemed to include any successor provision thereto.

(g) "**Committee**" means the Board or any committee to which the Board delegates duties and powers hereunder.

(h) "**CSH**" means Cooper-Standard Holdings Inc., or any successor thereto.

(i) "**Employee Benefits**" means the perquisites, benefits and service credit for benefits as provided under any and all employee retirement income and welfare benefit policies, plans, programs or arrangements in which an Executive is entitled to participate, including without limitation any savings, pension, supplemental executive retirement, or other retirement income or welfare benefit, stock option, performance share, performance unit, stock purchase, stock appreciation, deferred compensation, incentive compensation, group or other life, health, medical/hospital or other insurance (whether funded by actual insurance or self-insured by the Company or an Affiliate), disability, salary continuation, expense reimbursement and other employee benefit policies, plans, programs or arrangements that may now exist or any policies, plans, programs or arrangements that may be adopted hereafter by the Company or its Affiliate.

(j) "**Exchange Act**" means the Securities Exchange Act of 1934, as amended. Any reference to a specific provision of the Exchange Act shall be deemed to include any successor provision thereto.

(k) "**Executive**" means each Executive Officer and any other employee of the Company duly appointed by the Board as an authorized signatory of CSH and the Company for all purposes. For clarity, an employee of the Company is appointed by the Board as an authorized signatory of CHS and the Company for a limited purpose, or on a temporary basis, shall not be considered an Executive.

(l) "**Executive Officer**" means an employee of the Company who is an "officer" within the meaning of Rule 16a-1(f) promulgated under the Exchange Act or, if at any time the Company does not have a class of securities registered pursuant to Section 12 of the Exchange Act, an employee of the Company who would be deemed an "officer" within the meaning of Rule 16a-1(f) if the Company had a class of securities so registered, as determined by the Board in its discretion.

(m) "**Good Reason**" means the occurrence, without the Executive's advance written consent, of any of the following during the period of time commencing on the date of the first occurrence of a Change of Control and continuing until the earlier of (i) the second anniversary of the occurrence of such Change of Control or (ii) the Executive's death.:

(i)(A) a significant adverse change in the nature or scope of the authorities, powers, functions, responsibilities or duties attached to the position with the Company which the Executive held immediately prior to the Change of Control, or (B) a material reduction in the Executive's Base Pay or opportunities for short-term cash incentive compensation pursuant to any short-term cash incentive compensation plan or program established by the Company other than a reduction which is applied generally to other Executives in a similar manner, any of which is not remedied by the Company within thirty (30) calendar days after receipt by the Company of written notice from the Executive of such change or reduction; or

(ii)the Company requires the Executive to have Executive's principal location of work changed to any location that is in excess of 50 miles from the location thereof immediately prior to or after the Change of Control, which requirement is not rescinded by the Company within thirty (30) calendar days after receipt by the Company of written notice from the Executive. The Executive's refusal to relocate during the notice and cure period described herein shall not be considered "Cause" by the Company to terminate Executive's employment.

Any notification to be given by the Executive in accordance with clauses (i) or (ii) shall specifically identify the change, reduction or requirement to which the notification relates and must be given by the Executive within ninety (90) days of the initial existence of the conditions giving rise to such change, reduction or requirement. Failure of the Executive to timely provide notice to the Company shall be deemed to constitute the Executive's consent to such change, reduction or requirement and the Executive shall thereafter waive his right to terminate for Good Reason as a result of such specific change, reduction or requirement. For the Executive to be considered to have terminated for "Good Reason", the Executive must Separate from Service no later than sixty (60) days following the end of the Company's cure period.

(n) "**Separation Agreement**" means an agreement provided by the Company to the Executive in connection with the Executive's termination of employment which specifies the Severance Pay due hereunder.

(o) "**Separation from Service**" means the date an Executive separates from service from the Company and its Subsidiaries within the meaning of, and applying the default rules of, the regulations promulgated under Code Section 409A.

(p) “**Severance Pay**” means the amounts payable and benefits provided as set forth in Section 5(a) or 5(b).

(q) “**Subsidiary**” means any corporation or other entity in which the Company has a direct or indirect ownership interest of 50% or more of the total combined voting power of the then-outstanding securities or interests of such corporation or other entity entitled to vote generally in the election of directors (or members of any similar governing body) or in which the Company has the right to receive 50% or more of the distribution of profits or 50% of the assets or liquidation or dissolution.

4. *Eligibility; Termination of Employment*.

(a) Subject to the limitations described below, all Executives shall be eligible to participate in the Plan immediately upon being appointed an Executive and shall remain covered hereunder for so long as such individual remains in an Executive position; <u>provided</u>, <u>however</u>, that:

(i) If an Executive has an employment or similar agreement that specifically provides for severance benefits, such Executive shall be ineligible hereunder for so long as such agreement is in effect; and

(ii) In the event of a Change of Control arising from a sale of the Company’s assets, the Change of Control provisions of the Plan shall only apply to: (i) Executives who are employed immediately prior to the date that the Change of Control occurs with the group(s) whose assets being sold result in the Change of Control and (ii) Executives who are employed by the corporate headquarters of the Company immediately prior to the date that such Change of Control occurs and in each case (A) whose positions are transferred to the successor of the group whose assets are being sold, or (B) whose employment is terminated as a result of the Change of Control.

(b) If an Executive’s employment is terminated by the Company and such termination is without Cause, or if an Executive’s employment is terminated by the Executive for Good Reason, then the Executive will be entitled to the Severance Pay described in Section 5.

(c) A termination pursuant to Subsection (b) will not affect any rights that the Executive may have pursuant to any agreement, policy, plan, program or arrangement of the Company or any Affiliate providing Employee Benefits (other than as expressly provided in such agreement, policy, plan, program or arrangements), which rights shall be governed by the terms thereof.

(d) Notwithstanding the preceding provisions of this Section, an Executive will not be entitled to Severance Pay if his employment with the Company is terminated because:

(i) of the Executive’s death; or

(ii) the Executive becomes permanently disabled within the meaning of, and is eligible to receive disability benefits pursuant to, the long-term disability plan as then in effect.

5. *Severance Pay*.

(a) Subject to the provisions of this Plan, including but not limited to Section 5(b) and Section 6, if an Executive’s employment is terminated by the Company without Cause, then the Company will pay or provide to the Executive as Severance Pay the following:

(i) Cash installment payments, in accordance with the Company’s regular payroll schedule, equal to (x) with respect to the Executive who is the Chief Executive Officer of the Company, two (2) times the sum of such Executive’s: (A) Base Pay as in effect immediately prior to the Executive’s termination and (B) the target annual cash incentive payment amount under the Executive’s annual cash incentive compensation award for the year in which the Executive’s termination occurs (or, target annual cash incentive compensation for the year prior to the year of termination where the target annual incentive compensation for the current year has not yet been set), payable over two (2) years; (y) with respect to Executives who are Executive Officers, one and a half (1.5) times the sum of such Executive’s: (A) Base Pay as in effect immediately prior to the Executive’s termination and (B) the target annual cash incentive payment amount under the Executive’s annual cash incentive compensation award for the year in which the Executive’s termination occurs (or, target annual cash incentive compensation for the year prior to the year of termination where the target annual incentive compensation for the current year has not yet been set), payable over one and a half (1.5) years; and (z) with respect to all other Executives, one (1) times the sum of such Executive’s (A) Base Pay as in effect immediately prior to the Executive’s termination and (B) the target annual cash incentive payment amount under the Executive’s annual cash incentive compensation award for the year in which the Executive’s termination occurs (or, target annual cash incentive compensation for the year prior to the year of termination where the target annual incentive compensation for the current year has not yet been set), payable over one (1) year. Except as provided in Section 5(d), payments shall commence thirty (30) days after the date of the Executive’s Separation from Service (or such earlier date as is authorized by the Company to the extent permitted by Code Section 409A), with the initial payment to include any amounts that would have been payable within such period.

(ii) A single lump sum cash payment of the pro rata portion of the annual cash incentive compensation award, if any, granted to the Executive for the year in which such termination occurs, determined by multiplying (x) the payout amount due under the award based on actual performance results for the year, by

(y) the percentage of the fiscal year that shall have elapsed through the date of Executive's termination of employment. Payment of the prorated annual cash incentive will be made following the end of the performance period and when the payment would have otherwise been made had Executive's employment not terminated. An additional single lump cash payment of the annual cash incentive compensation award earned based on actual performance, if any, for the year prior to the year of termination of the Executive in the event such award was not paid to the Executive before the date of the termination. Except as provided in Section 5(d), payment of the additional annual cash incentive shall be made when the payment would have otherwise been made had Executive's employment not terminated.

(iii) For eighteen (18) months (for the Chief Executive Officer and any Executive Officer) and twelve (12) months (for all other Executives) following Executive's date of termination, provided the Executive timely makes an election to continue health plan coverage pursuant to COBRA, the Company shall charge the Executive only the premiums or contributions being paid during such period by similarly situated active employees for such coverage. Notwithstanding the foregoing, with respect to any fully-insured health plan, if the Company determines that the provision of such coverage would be considered discriminatory such that the Company would be subject to an excise tax for providing such coverage, then this provision shall cease to apply as of the date of such determination and the Executive shall be entitled to continue health plan coverage pursuant to the continuation provisions of COBRA.

(iv) Outplacement services by a firm selected by the Executive so long as such services are commenced within twelve (12) months following the Executive's Separation from Service and are completed prior to the end of the second calendar year following the year in which the Executive's Separation from Service occurs, at the expense of the Company in a reasonable amount not to exceed the lesser of 15% of the Executive's Base Pay or $50,000, payable within thirty (30) days after receipt of an invoice from the outplacement firm.

(b) Subject to the provisions of this Plan, including but not limited to Section 6, if during the period of time commencing on the date of the first occurrence of a Change of Control and continuing until the earlier of (A) the second anniversary of the occurrence of such Change of Control or (B) the Executive's death, the employment of an Executive is terminated by the Company without Cause or by the Executive for Good Reason, then, in lieu of the pay and benefits provided in subsection (a), the Company will pay or provide to the Executive as Severance Pay the following:

(i) A single lump sum cash payment equal to (x) with respect to Executives who are Executive Officers, and the Chief Executive Officer, two (2) times the sum of such Executive's: (A) Base Pay as in effect immediately prior to the Executive's termination, or if higher, as in effect immediately prior to the Change of Control; and (B) the higher of (i) the target annual cash incentive payment amount under the Executive’s annual cash incentive compensation award for the year in which the Executive’s termination occurs (or, target annual cash incentive compensation for the year prior to the year of termination where the target annual incentive compensation for the current year has not yet been set or where a reduction in the target annual incentive opportunity was the trigger for a Good Reason termination) or (ii) the target annual cash incentive payment amount under the Executive’s annual cash incentive compensation award for the year preceding the year in which the Change of Control occurs; and (y) with respect to all other Executives, one and a half (1.5) times the sum of such Executive’s (A) Base Pay as in effect immediately prior to Executive’s termination, or if higher, as in effect immediately prior to the Change of Control; and (B) the higher of (i) the target annual cash incentive payment amount under the Executive’s annual cash incentive compensation award for the year in which the Executive’s termination occurs (or, target annual incentive compensation for the year prior to the year of termination where the target annual incentive compensation for the current year has not yet been set or where a reduction in the target annual incentive opportunity was the trigger for a Good Reason termination) or (ii) the target annual cash incentive payment amount under the Executive’s annual cash incentive compensation award for the year preceding the year in which the Change of Control occurs. Except as provided in Section 5(d), payment of the lump sum shall be made thirty (30) days after the date of the Executive’s Separation from Service (or such earlier date as is authorized by the Company to the extent permitted by Code Section 409A).

(ii) A single lump sum cash payment of the pro rata portion of the annual cash incentive compensation award, if any, granted to the Executive for the year in which the Executive’s termination occurs, determined by multiplying (x) the target payout amount due under the award, by (y) the percentage of the fiscal year that shall have elapsed through the date of Executive’s termination of employment, provided that if the Executive’s termination occurs in the same year as the Change of Control, then the amount due under this clause (ii) shall be reduced by any portion of such award that was paid upon the Change of Control. Except as provided in Section 5(d), payment of the lump sum shall be made thirty (30) days after the date of the Executive’s Separation from Service (or such earlier date as is authorized by the Company to the extent permitted by Code Section 409A). An additional single lump cash payment of the annual cash incentive compensation award earned based on actual performance, if any, for the year prior to the year of termination of the Executive in the event such award was not paid to the Executive before the date of the termination. Except as provided in Section 5(d), payment of the additional annual cash incentive shall be made when the payment would have otherwise been made had Executive’s employment not terminated.

(iii) For eighteen (18) months following Executive's date of termination, provided the Executive timely makes an election to continue health plan coverage pursuant to COBRA, the Company shall charge the Executive only the premiums or contributions being paid during such period by similarly situated active employees for such coverage. Notwithstanding the foregoing, with respect to any fully-insured health plan, if the Company determines that the provision of such coverage would be considered discriminatory such that the Company would be subject to an excise tax for providing such coverage, then this provision shall cease to apply as of the date of such determination and the Executive shall be entitled to continue health plan coverage pursuant to the continuation provisions of COBRA.

(iv) Outplacement services by a firm selected by the Executive so long as such services are commenced within twelve (12) months following the Executive's Separation from Service and are completed prior to the end of the second calendar year following the year in which the Executive's Separation from Service occurs, at the expense of the Company in a reasonable amount not to exceed the lesser of 15% of the Executive's Base Pay or $50,000, payable within thirty (30) days after receipt of an invoice from the outplacement firm.

(c) The Company's obligation to provide, and the Executive's right to receive the Severance Pay under Sections 5(a) or 5(b) are conditioned on the execution by the Executive (and failure to revoke, if applicable) and delivery to the Company of the confidentiality, non-compete and non-disparagement agreement provided by the Company to the Executive, which shall be substantially in the form set forth in Exhibit A hereto, and the release provided by the Company to the Executive, which shall be substantially in the form set forth in Exhibit B hereto, and the Separation Agreement (if any) no later than thirty (30) days after the date of the Executive's termination of employment. Notwithstanding anything to the contrary herein, the Company may revise the form of agreements set forth in Exhibit A or Exhibit B at the time of an Executive's termination to reflect changes in the law or best practices related to such agreements. If the Executive fails to execute (or executes and then revokes, if applicable) any of the agreements described herein within such thirty (30) day period, then the Company shall have no obligation to provide the Severance Pay.

(d) Notwithstanding the timing of payments set forth in this Section 5, if the Company determines that the Executive is a "specified employee" within the meaning of Code Section 409A on the date of the Executive's Separation from Service, then the payments due under Sections 5(a)(i), and 5(b)(i) and (ii), and any other payment, in each case, that the Company determines is not exempt from Code Section 409A, to the extent due within the first six (6) months following the Executive's Separation from Service, will be delayed (without any reduction in such payments or benefits ultimately paid or provided to Executive and without earnings or interest) and will be paid (or commence, as applicable) one day and six (6) months following the date of the Executive's Separation from Service, with the initial payment to include any amounts that would have been payable within such period. For purposes of Code Section 409A, each installment payment provided under this Plan shall be treated as a separate payment. As a result, unless otherwise required by law, the six (6) month delay shall not apply to: (i) any lump sum payments that are paid by March 15 of the calendar year following the year in which the Executive's Separation from Service occurs, (ii) any installments payments that are paid by March 15 of the calendar year following the year in which the Executive's Separation from Service occurs, and (iii) any installment payments paid after such March 15th and prior to the six (6)-month anniversary of the Executive's Separation from Service that are less than the Exempt Amount. For purposes hereof, the "Exempt Amount" is two times the lesser of the Code Section 401(a)(17) limit in effect at the time of the Executive's Separation from Service or two times the Executive's annualized rate of pay for the year preceding the year of the Executive's Separation from Service.

(e) Notwithstanding any provision of the Plan to the contrary, the rights and obligations under this Section and under Sections 6 and 9 will survive any termination or expiration of the Plan or the termination of an Executive's employment for any reason whatsoever.

6. *Limitations on Severance Pay and Other Payments or Benefits*.

(a) Notwithstanding any other provision of this Plan, if any portion of the Severance Pay or any other payment under this Plan, or under any other agreement with the Executive or plan of the Company or its Affiliates (in the aggregate, "Total Payments"), would constitute an "excess parachute payment" and would, but for this Section 6(a), result in the imposition on the Executive of an excise tax under Section 4999 of the Code (the "Excise Tax"), then the Total Payments to be made to the Executive shall either be (i) delivered in full, or (ii) delivered in such amount so that no portion of such Total Payments would be subject to the Excise Tax, whichever of the foregoing results in the receipt by the Executive of the greatest benefit on an after-tax basis (taking into account the applicable federal, state and local income taxes and the Excise Tax).

(b) Within forty (40) days following a termination of employment or notice by one party to the other of its belief that there is a payment or benefit due the Executive that will result in an excess parachute payment, the Executive and the Company, at the Company's expense, shall obtain the opinion (which need not be unqualified) of nationally recognized tax counsel ("National Tax Counsel") selected by the Company's independent auditors and reasonably acceptable to the Executive (which may be regular outside counsel to the Company), which opinion sets forth (i) the amount of the Base Period Income (as defined below), (ii) the amount and present value of the Total Payments, (iii) the amount and present value of any excess parachute payments determined without regard to any reduction of Total Payments pursuant to Section 6(a)(ii) and (iv) the net after-tax proceeds to the Executive, taking into account the tax imposed under Code Section 4999 if (x) the Total Payments were reduced in accordance with Section 6(a)(ii) or (y) the Total Payments were not so reduced. The opinion of National

Tax Counsel shall be addressed to the Company and the Executive and shall be binding upon the Company and the Executive. If such National Tax Counsel opinion determines that Section 6(a)(ii) above applies, then the Severance Pay hereunder or any other payment or benefit determined by such counsel to be includable in Total Payments shall be reduced or eliminated so that under the bases of calculations set forth in such opinion there will be no excess parachute payment. In such event, payments or benefits included in the Total Payments shall be reduced or eliminated by applying the following principles, in order: (1) the payment or benefit with the higher ratio of the parachute payment value to present economic value (determined using reasonable actuarial assumptions) shall be reduced or eliminated before a payment or benefit with a lower ratio; (2) the payment or benefit with the later possible payment date shall be reduced or eliminated before a payment or benefit with an earlier payment date; and (3) cash payments shall be reduced prior to non-cash benefits; provided that if the foregoing order of reduction or elimination would violate Section 409A of the Code, then the reduction shall be made pro rata among the payments or benefits included in the Severance Pay (on the basis of the relative present value of the parachute payments).

(c) For purposes of this Plan: (i) the terms “excess parachute payment” and “parachute payments” shall have the meanings assigned to them in Section 280G of the Code and such “parachute payments” shall be valued as provided therein; (ii) present value shall be calculated in accordance with Section 280G(d)(4) of the Code; (iii) the term “Base Period Income” means an amount equal to the Executive’s “annualized includible compensation for the base period” as defined in Section 280G(d)(1); (iv) for purposes of the opinion of National Tax Counsel, the value of any noncash benefits or any deferred payment or benefit shall be determined by the Company’s independent auditors in accordance with the principles of Section 280G(d)(3) and (4) of the Code, which determination shall be evidenced in a certificate of such auditors addressed to the Company and the Executive; and (v) the Executive shall be deemed to pay federal income tax and local income taxes at the highest marginal rate of taxation in the state or locality of the Executive’s domicile (determined in both cases in the calendar year in which the termination of employment or notice described in Section 6(b) is given, whichever is earlier), net of the maximum reduction in federal income taxes that may be obtained from the deduction of such state and local taxes.

(d) If such National Tax Counsel so requests in connection with the opinion required by this Section 6, then the Executive and the Company shall obtain, at the Company’s expense, and the National Tax Counsel may rely on, the advice of a firm of recognized executive compensation consultants as to the reasonableness of any item of compensation to be received by the Executive solely with respect to its status under Section 280G of the Code.

(e) The Company agrees to bear all costs associated with, and to indemnify and hold harmless, the National Tax Counsel of and from any and all claims, damages, and expenses resulting from or relating to its determinations pursuant to this Section 6, except for claims, damages or expenses resulting from the gross negligence or willful misconduct of such firm.

(f) This Section 6 shall be amended to comply with any amendment or successor provision to Sections 280G or 4999 of the Code. If such provisions are repealed without successor, then this Section 6 shall be cancelled without further effect.

7. *No Mitigation Obligation*

. The Company hereby acknowledges that it will be difficult and may be impossible for an Executive to find reasonably comparable employment following Executive's termination of employment with the Company and that the non-competition agreement required by Section 5(c) will further limit the employment opportunities for Executive. Accordingly, the provision of Severance Pay by the Company to an Executive in accordance with the terms of the Plan is hereby acknowledged by the Company to be reasonable, and an Executive will not be required to mitigate the amount of any payment provided for in the Plan by seeking other employment or otherwise, nor will any profits, income, earnings or other benefits from any source whatsoever create any mitigation, offset, reduction or any other obligation on the part of an Executive hereunder or otherwise.

8. *Certain Payments not Considered for Other Benefits, etc*

. The legal fee and expense reimbursement provided under Section 9 and reimbursements for outplacement counseling provided under Section 5 will not be included as earnings for the purpose of calculating contributions or benefits under any employee benefit plan of the Company or an Affiliate.

9. *Legal Fees and Expenses*

. Following a Change of Control, it is the intent of the Company that each Executive not be required to incur legal fees and the related expenses associated with the interpretation, enforcement or defense of Executive's rights under the Plan by litigation or otherwise (including making a claim pursuant to the provisions of Section 17(d)) because the cost and expense thereof would substantially detract from the benefits intended to be extended to each Executive hereunder. Accordingly, if it should appear to an Executive that the Company has failed to comply with any of its obligations under the Plan following a Change of Control or in the event that the Company or any other person takes or threatens to take any action to declare the Plan void or unenforceable, or institutes any litigation or other action or proceeding designed to deny, or to recover from, the Executive the benefits provided or intended to be provided to the Executive hereunder, in each case, following a Change of Control, then the Company irrevocably authorizes the Executive from time to time to retain counsel of Executive's choice, at the expense of the Company as hereafter provided, to advise and represent the Executive in connection with any such interpretation, enforcement or defense. Notwithstanding any existing or prior attorney-client relationship between the Company and such counsel, the Company irrevocably consents to the Executive's entering into an attorney-client relationship with such counsel, and in that connection the Company and the Executive agree that a confidential relationship will exist between the Executive and such counsel. Without respect to whether the Executive prevails, in whole or in part, in connection with any of the foregoing, the Company will pay and be solely financially responsible for any and all attorneys' and related fees and expenses incurred by the Executive in connection with any of the foregoing; provided that, in regard to such matters, the Executive has not acted in bad faith or with no colorable claim of success. The Company shall promptly pay the fees incurred, upon receipt of proper documentation thereof, and in no event shall payment be made later than the end of the calendar year following the calendar year in which such fees were incurred.

10. *Employment Rights*

. Nothing expressed or implied in the Plan shall create any right or duty on the part of the Company or an Executive to have the Executive remain in the employment of the Company at any time prior to or following a Change of Control. Each Executive covered by this Plan expressly acknowledges that Executive is an employee at will.

11. *Withholding of Taxes*

. The Company or its Affiliate may withhold from any amounts payable under the Plan all federal, state, city or other taxes as shall be required pursuant to any law or government regulation or ruling.

12. *Successors and Binding Effect*.

(a) The Company will require any successor (including, without limitation, any persons acquiring directly or indirectly all or substantially all of the business and/or assets of the Company, whether by purchase, merger, consolidation, reorganization or otherwise, and such successor shall thereafter be deemed the Company for the purposes of the Plan), to expressly or by operation of law assume and agree to perform the obligations under the Plan in the same manner and to the same extent the Company would be required to perform if no such succession had taken place; provided that the assignment of this Plan shall not affect whether a Change of Control has occurred. The Plan shall be binding upon and inure to the benefit of the Company and any successor to the Company, but shall not otherwise be assignable, transferable or delegable by the Company.

(b) The rights under the Plan shall inure to the benefit of and be enforceable by each Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees and/or legatees.

(c) The rights under the Plan are personal in nature and neither the Company nor any Executive shall, without the consent of the other, assign, transfer or delegate the Plan or any rights or obligations hereunder except as expressly provided in this Section. Without limiting the generality of the foregoing, an Executive's right to receive payments hereunder shall not be assignable, transferable or delegable, whether by pledge, creation of a security interest or otherwise, other than by a transfer by Executive's will or by the laws of descent and distribution and, in the event of any attempted assignment or transfer contrary to this Section, the Company shall have no liability to pay any amount so attempted to be assigned, transferred or delegated. If Executive dies after accruing a right to Severance Pay (e.g., dies after a termination of employment for which Severance Pay is due) but before such Severance Pay is paid or provided in full, then the Severance Pay that has not yet been paid or provided as of the date of the Executive's death shall be paid to Executive's estate at the same time as such Severance Pay would have been provided had Executive survived to receive all amounts due hereunder.

(d) The obligation of the Company to make payments and/or provide benefits hereunder shall represent an unsecured obligation of the Company.

(e) The Company recognizes that each Executive will have no adequate remedy at law for breach by the Company of any of the agreements contained herein and, in the event of any such breach, the Company hereby agrees and consents that each Executive shall be entitled to a decree of specific performance, mandamus or other appropriate remedy to enforce performance of obligations of the Company under the Plan.

13. *Governing Law*

. All matters affecting this Plan, including the validity, interpretation, construction and performance of the Plan shall be governed by the laws of the State of Michigan, without giving effect to the principles of conflict of laws of such State.

14. *Validity*

. If any provisions of the Plan or the application of any provision hereof to any person or circumstance is held invalid, unenforceable or otherwise illegal, the remainder of the Plan and the application of such provision to any other person or circumstances shall not be affected, and the provision so held to be invalid, unenforceable or otherwise illegal shall be reformed to the extent (and only to the extent) necessary to make it enforceable, valid and legal.

15. *Headings*

. The headings in the Plan are for convenience of reference only and do not define, limit or describe the scope or intent of the Plan or any part hereof and shall not be considered in any construction hereof.

16. *Construction*

. The masculine gender, where appearing in the Plan, shall be deemed to include the feminine gender and the singular shall be deemed to include the plural, unless the context clearly indicates to the contrary.

17. *Administration of the Plan*.

(a) *In General*: The Plan shall be administered by the Company, which shall be the named fiduciary under the Plan.

(b) *Delegation of Duties*: The Company may delegate any of its administrative duties, including, without limitation, duties with respect to the processing, review, investigation, approval and payment of Severance Pay, to named administrator or administrators.

(c) *Regulations*: The Company shall promulgate any rules and regulations it deems necessary in order to carry out the purposes of the Plan or to interpret the terms and conditions of the Plan; provided, however, that no rule, regulation or interpretation shall be contrary to the provisions of the Plan.

(d) *Claims Procedure*: The Company shall determine the rights of any employee of the Company to any Severance Pay hereunder. Any employee or former employee of the Company who believes that benefits are due to such individual under the Plan which have not been paid, may file a claim in writing with the chief legal officer of the Company (or the Secretary, in the case the Executive is the chief legal officer) within 180 days of the date such payment hereunder would have been paid had it been due. The Company shall, no later than ninety (90) days after the receipt of a claim, either allow or deny the claim by written notice to the claimant. If a claimant does not receive written notice of the Company's decision on his claim within such ninety (90)-day period, the claim shall be deemed to have been denied in full.

A denial of a claim by the Company, wholly or partially, shall be written in a manner calculated to be understood by the claimant and shall include:

(i) the specific reason or reasons for the denial;

(ii) specific reference to pertinent Plan provisions on which the denial is based;

(iii) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; and

(iv) an explanation of the claim review procedure, including the claimant's right to bring a suit for benefits under ERISA section 502(a) following an adverse benefit determination upon review.

A claimant whose claim is denied (or such claimant's duly authorized representative) may, within thirty (30) days after receipt of denial of his claim, request a review of such denial by the Company by filing with the Secretary of the Company (or the chief legal officer, in the case the Executive is the Secretary) a written request for review of such claim. If the claimant does not file a request for review with the Company within such 30-day period, the claimant shall be deemed to have acquiesced in the original decision of the Company on the claim. If a written request for review is so filed within such 30-day period, the Company shall conduct a full and fair review of such claim.

During such full review, the claimant shall be given the opportunity to review documents that are pertinent to claimant's claim and to submit issues and comments in writing. The Company shall notify the claimant of its decision on review within sixty (60) days after receipt of a request for review. Notice of the decision on review shall be in writing. If the decision on review is not furnished to the claimant within such 60-day period, the claim shall be deemed to have been denied on review.

(e) *Requirement of Receipt*. Upon receipt of any Severance Pay hereunder, the Company reserves the right to require any Executive to execute a receipt evidencing the amount and payment of such Severance Pay.

18. *Amendment and Termination*

. Prior to a Change of Control, the Company reserves the right, except as hereinafter provided, at any time and from time to time, to amend, modify, or terminate the Plan, including any Exhibit thereto; provided, however, that any such amendment, modification, or termination that adversely affects the rights of any Executive under the Plan shall not be effective until the one-year anniversary of such amendment, modification or termination without the written consent of any such Executive. After a Change of Control, no amendment, modification or termination that adversely affects the rights of any Executive under the Plan in the event of a Change of Control may take effect prior to the second anniversary of the Change of Control without the written consent of any such Executive. Any amendment, modification or termination of the Plan shall not affect any obligation of the Company under the Plan, which has accrued and is unpaid as of the effective date of such amendment, modification or termination. Notwithstanding the foregoing, the Company may amend the Plan as necessary to comply with Section 409A of the Code without obtaining the consent of an Executive.

19. *Other Plans, etc*

. If the terms of this Plan are inconsistent with the provisions of any other plan, program, contract or arrangement of the Company, to the extent such plan, program, contract or arrangement may be amended by the Company, the terms of the Plan will be deemed to so amend such plan, program, contract or arrangement, and the terms of the Plan will govern.

IN WITNESS WHEREOF, Cooper-Standard Automotive Inc. has caused the Plan to be executed as of the 9th day of June, 2021.

COOPER-STANDARD AUTOMOTIVE INC.

By: /s/ Larry E. Ott

Its: Senior Vice President and Chief Human Resources Officer

EXHIBIT A

Form of Confidentiality, Non-Compete and Non-Disparagement Agreement

WHEREAS, the Executive's employment has been terminated in accordance with Section 4(b) of the Cooper-Standard Automotive Inc. Executive Severance Pay Plan (the "**Plan**") (capitalized terms used herein without definition have the meanings specified in the Plan); and

WHEREAS, the Executive is required to sign this Confidentiality, Non-Compete and Non-Disparagement Agreement ("**Agreement**") in order to receive the Severance Pay under the Plan and the Separation Agreement.

NOW THEREFORE, in consideration of the promises and agreements contained herein and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and intending to be legally bound, the Executive agrees as follows:

1. *Effective Date of Agreement*. This Agreement is effective on the date hereof and will continue in effect as provided herein.

2. *Confidentiality; Confidential Information; Assignment of Inventions*. In consideration of the payments to be made and the benefits to be received by the Executive pursuant to the Plan:

a. Executive acknowledges and agrees that in the performance of Executive's duties as an employee of the Company or its Affiliates, Executive was brought into frequent contact with, had access to, and became informed of confidential and proprietary information of the Company and its Affiliates and/or information which is a trade secret of the Company and/or its affiliates (collectively, "**Confidential Information**"), as more fully described in paragraph (b) of this Section. Executive acknowledges and agrees that the Confidential Information of the Company and its Affiliates gained by Executive during Executive's association with the Company and its Affiliates was, is and will be developed by and/or for the Company and its Affiliates through substantial expenditure of time, effort and money and constitutes valuable and unique property of the Company and its Affiliates.

b. Subject to subsections (d) and (e), the Executive will keep in strict confidence, and will not, directly or indirectly, at any time, disclose, furnish, disseminate, make available, use or suffer to be used in any manner any Confidential Information of the Company or its Affiliates without limitation as to when or how the Executive may have acquired such Confidential Information. The Executive specifically acknowledges that Confidential Information includes any and all information, whether reduced to writing (or in a form from which information can be obtained, translated, or derived into reasonably usable form), or maintained in the mind or memory of the Executive and whether compiled or created by the Company or its Affiliates, which derives independent economic value from not being readily known to or ascertainable by proper means by others who can obtain economic value from the disclosure or use of such information, that reasonable efforts have been put forth by the Company and its Affiliates to maintain the secrecy of Confidential Information, that such Confidential Information is and will remain the sole property of the Company and its Affiliates, and that any retention (in tangible form) or use by the Executive of Confidential Information after the termination of the Executive's employment with and services for the Company and its Affiliates shall constitute a misappropriation of the Company's Confidential Information, except as provided by subsection (e).

c. Except as otherwise provided in the Separation Agreement, the Executive further agrees that Executive shall return, within ten (10) days of the effective date of Executive's termination as an employee of the Company and its Affiliates, in good condition, all property of the Company and its Affiliates then in Executive's possession, including, without limitation, whether in hard copy or in any other media (i) property, documents and/or all other materials (including copies, reproductions, summaries and/or analyses) which constitute, refer or relate to Confidential Information of the Company or its Affiliates, (ii) keys to property of the Company or its Affiliates, (iii) files and (iv) blueprints or other drawings.

d. The Executive further acknowledges and agrees that Executive's obligation of confidentiality shall survive until and unless such Confidential Information of the Company or its Affiliates shall have become, through no fault of the Executive, generally known to the industry or the Executive is required by law (after providing the Company with notice and opportunity to contest such requirement) to make disclosure. The Executive's obligations under this Section are in addition to, and not in limitation or preemption of, all other obligations of confidentiality which the Executive may have to the Company and its Affiliates under general legal or equitable principles or statutes.

e. Nothing herein shall prohibit the Executive from reporting or otherwise disclosing possible violations of state, local or federal law or regulation to any governmental agency or entity, or making other disclosures that, in each case, are protected under whistleblower provisions of local, state or federal law or regulation. Nothing herein is intended to discourage or restrict the Executive from reporting any theft of trade secrets pursuant to the Defend Trade Secrets Act of 2016 or other applicable state or federal law.

f. The Executive agrees and hereby assign to the Company all of Executive's right, title and interest in any inventions, improvements, discoveries, operating techniques or "know-how," whether patentable or not ("**Inventions**") which relate to, or are useful in connection with, an aspect of the business as carried on or contemplated at the time the Invention was made, whether or not Executive's duties directly related thereto, and the Company shall be the sole and absolute owner of any of the Inventions so assigned. The Executive agrees to perform any further acts or execute any papers at the expense of the Company which it may consider necessary to secure for the Company or its successors or assigns any and all rights relating to the Inventions, including patents in the United States and foreign countries.

3. *Non-Disparagement.* The Executive agrees that Executive will not take any action to disparage or criticize the Company or its Affiliates or their respective employees, officers, directors, owners or customers or to engage in any other action that injures or hinders the business relationships of the Company or its Affiliates. Nothing contained in this Section 3 shall preclude the Executive from enforcing Executive's rights under the Plan or complying with applicable law.

4. *Non-Compete.* The Executive agrees that Executive will not, for a period of **[insert severance period, e.g. two (2) years if two (2) times Base Pay is being paid]** following Executive's termination with the Company and its Affiliates, engage in Competitive Activity. For purposes of this Agreement, "**Competitive Activity**" means the Executive's participation, without the written consent of the Chief Executive Officer (except where the Executive holds such position, in which case the Board shall be required to provide such written consent), if any, of the Company, in the management of any business enterprise if such enterprise engages in substantial and direct competition with the Company or any its Affiliates and such enterprise's sales of any product or service competitive with any product or service of the Company or its Affiliates amounted to 5% of such enterprise's net sales for its most recently completed fiscal year and if the Company's net sales of said product or service amounted to 5% of, as applicable, the Company's or its Affiliate's net sales for its most recently completed fiscal year. "Competitive Activity" will not include (i) the mere ownership of 5% or more of securities in any such enterprise and the exercise of rights appurtenant thereto or (ii) participation in the management of any such enterprise other than in connection with the competitive operations of such enterprise.

5. *Nonsolicitation*. The Executive further agrees that Executive will not, directly or indirectly, for a period of **[insert severance period, e.g. two (2) years if two (2) times Base Pay is being paid]** following Executive's termination with the Company and its Affiliates:

(a) induce or attempt to induce customers, business relations or accounts of the Company or any of its Affiliates to relinquish their contracts or relationships with the Company or any of its Affiliates; or

(b) solicit, entice, assist or induce other employees, agents or independent contractors to leave the employ of the Company or any of its Affiliates or to terminate their engagements with the Company and/or any of its Affiliates or assist any competitors of the Company or any of its Affiliates in securing the services of such employees, agents or independent contractors.

6. *Remedies; Tolling; Reasonableness.* The Executive agrees that the Company or its Affiliates would be irreparably harmed if Executive violated any provision of Sections 2 through 5 of this Agreement. Therefore, in addition to any other remedy which the Company may have, the Company shall be entitled to immediate injunctive relief, including the issuance of a temporary injunction to remedy or forestall any breach or threatened breach of Sections 2

through 5 of this Agreement. The restrictive period shall be tolled during any time that Executive is in breach of Executive's obligations under Sections 4 and 5 of this Agreement

Executive agrees that the covenants in Sections 2, 4 and 5 are reasonable with respect to their scope. It is the desire and intent of the parties that the provisions of Sections 2, 4 and 5 shall be enforced to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, if any particular portion of Sections 2, 4 or 5 shall be adjudicated to be invalid or unenforceable, then each of Sections 2, 4 and 5 shall be deemed amended to delete therefrom the portion thus adjudicated to be invalid or unenforceable, such deletion to apply only with respect to the operation of Sections 2, 4 and 5 in the particular jurisdiction in which adjudication is made. If the provisions of Sections 2, 4 or 5 should ever be deemed to exceed limitations permitted by the laws of a particular state with respect to the operation of the limitation in the particular jurisdiction in which the adjudication is made, each of Sections 2, 4 and 5 shall be deemed amended to reduce or delete the portion deemed to exceed such limitation.

7. *Cessation of Severance Payments*. Executive agrees that all severance payments and benefits under the Separation Agreement will immediately cease in the event that Executive violates any of the provisions of Sections 2, 4 and 5 of this Agreement as determined by the Company.

IN WITNESS WHEREOF, the Executive has executed and delivered this Agreement on the date set forth below.

Dated: ___________ ________

[ ]
Executive

EXHIBIT B

Form of Release

WHEREAS, the Executive's employment has been terminated in accordance with Section 4(b) of the Cooper-Standard Automotive Inc. Executive Severance Pay Plan (the "**Plan**") (capitalized terms used herein without definition have the meanings specified in the Plan); and

WHEREAS, the Executive is required to sign this Release in order to receive the Severance Pay under the Plan.

NOW THEREFORE, in consideration of the promises and agreements contained herein and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and intending to be legally bound, the Executive agrees as follows:

1. This Release is effective on the date hereof and will continue in effect as provided herein.

2. In consideration of the payments to be made and the benefits to be received by the Executive pursuant to the Plan, which the Executive acknowledges are in addition to payments and benefits which the Executive would be entitled to receive absent the Plan, the Executive, for Executive and Executive's dependents, successors, assigns, heirs, executors and administrators (and Executive's and their legal representatives of every kind), hereby releases, dismisses, remises and forever discharges Cooper-Standard Automotive Inc. ("**Cooper**"), its predecessors, parents, subsidiaries, divisions, related or Affiliated companies (collectively, the "**Company**"), officers, directors, stockholders, members, employees, heirs, successors, assigns, representatives, agents and counsel (collectively with Cooper and the Company, the "**Company Released Parties**") from any and all arbitrations, claims, including claims for attorney's fees, demands, damages, suits, proceedings, actions and/or causes of action of any kind and every description, whether known or unknown, which Executive now has or may have had for, upon, or by reason of any cause whatsoever ("**claims**"), against the Company Released Parties, including but not limited to:

a. any and all claims arising out of or relating to Executive's employment by or service with the Company and Executive's termination from the Company;

b. any and all claims of discrimination, including but not limited to claims of discrimination on the basis of sex, race, age, national origin, marital status, religion or handicap, including, specifically, but without limiting the generality of the foregoing, any claims under the Age Discrimination in Employment Act, as amended, Title VII of the Civil Rights Act of 1964, as amended, the Americans with Disabilities Act, The Elliott-Larsen Civil Rights Act, the Michigan Handicappers' Civil Rights Act, the Michigan Wage Payment Act (MCLA Section 408.471), the Polygraph Protection Act of 1981, the Michigan Whistleblower's Protection Act (MCLA Section 15.361), the common law of the State of Michigan, and any other applicable state statutes and regulations; provided, however, that the foregoing shall not apply to claims to enforce rights that Executive may have as of the date hereof or in the future with respect to any Employee Benefits, under any indemnification agreement between the Executive and Cooper, under Cooper's indemnification by-laws, under the directors' and officers' liability coverage maintained by Cooper, under the applicable provisions of the Delaware General Corporation Law, or that Executive may have in the future under the Plan or under this Release; and

c. any and all claims of wrongful or unjust discharge or breach of any contract or promise, express or implied.

3. Executive understands and acknowledges that the Company does not admit any violation of law, liability or invasion of any of Executive's rights and that any such violation, liability or invasion is expressly denied. The consideration provided for this Release is made for the purpose of settling and extinguishing all claims and rights (and every other similar or dissimilar matter) that Executive ever had or now may have against the Company to the extent provided in this Release. Executive further agrees and acknowledges that no representations, promises or inducements have been made by the Company other than as appear in the Plan.

4. Executive further agrees and acknowledges that:

a. The release provided for herein releases claims to and including the date of this Release;

b. Executive has been advised by the Company to consult with legal counsel prior to executing this Release, has had an opportunity to consult with and to be advised by legal counsel of Executive's choice, fully understands the terms of this Release, and enters into this Release freely, voluntarily and intending to be bound;

c. Executive has been given a period of 21 days to review and consider the terms of this Release prior to its execution and that Executive may use as much of the 21 day period as Executive desires. Executive further certifies that if Executive signs this Agreement prior to the expiration of 21 days following its receipt by Executive, Executive does so knowingly and voluntarily, waiving any right to consideration of the Agreement for the remaining portion of the 21 day period; and

d. Executive may, within 7 days after execution, revoke this Release. Revocation shall be made by delivering a written notice of revocation to the Chief Legal Officer of the Company. For such revocation to be effective, written notice must be actually received by the Chief Legal Officer of the Company (or any successor thereto) no later than the close of business on the 7th day after Executive executes this Release. If Executive does exercise Executive's right to revoke this Release, all of the terms and conditions of the Release shall be of no force and effect and the Company shall not have any obligation to make payments or provide benefits to Executive as set forth in the Plan and Separation Agreement.

5. Executive agrees that Executive will never file a lawsuit or other complaint, except as stated below, asserting any claim that is released in this Release. Nothing in this

Agreement, prevents Executive from filing a charge or complaint with the Equal Employment Opportunity Commission (“EEOC”), the Securities and Exchange Commission or any other administrative agency if applicable law requires Executive be permitted to do so. However, this Agreement does prevent Executive from obtaining any monetary or any other personal relief of any kind based on: (a) a charge filed with the EEOC or any state or local EEO agency; (b) any lawsuit arising from such charge with the EEOC or any state or local EEO agency; or (c) any actions by Executive in cooperating with or providing information to the EEOC or any state or local EEO agency.

6. Executive waives and releases any claim that Executive has or may have to reemployment after the date of this Release.

IN WITNESS WHEREOF, the Executive has executed and delivered this Release on the date set forth below.

Dated: __________ __________

[ ]
Executive

COOPER-STANDARD AUTOMOTIVE INC.
ANNUAL INCENTIVE PLAN

(Effective as of January 1, 2021)

Article 1. PURPOSE AND DURATION

Section 1.1. Purpose

This Cooper-Standard Automotive Inc. Annual Incentive Plan (the "Plan") is intended to motivate key employees of the Company and its Affiliates (collectively the "Company") who have the prime responsibility for the operations of the Company to achieve annual performance objectives that are aligned with the Company's strategic goals and which are intended to result in increased value to Company shareholders. The Plan is pursuant to Section 10 of the Cooper-Standard Holdings Inc. 2021 Omnibus Incentive Plan (the "Omnibus Plan") and awards granted will be subject to the terms of this Plan and the Omnibus Plan, although in the event of any discrepancy between the terms of this Plan and the Omnibus Plan, the terms of the Omnibus Plan shall control.

Section 1.2. Duration

This Plan is effective as of January 1, 2021.

Article 2. DEFINITIONS AND CONSTRUCTION

Section 2.1. Definitions

Capitalized terms not otherwise defined in the Plan shall have the same meanings as in the Omnibus Plan.

Wherever used in the Plan, the following terms shall have the meanings set forth below and, when the meaning is intended, the initial letter of the word is capitalized:

a. "Affiliate" means, with respect to an entity, any entity directly or indirectly controlling, controlled by, or under common control with, such first entity.

b. "Administrator" means, with respect to Executive Officers, the Committee, and with respect to all other Executives, the Chief Executive Officer of the Company.

c. "Base Salary" of a Participant means the annual rate of base pay in effect for such Participant as of the last day of the Performance Period, or such other date as the Administrator specifies.

d. “Board” means the Board of Directors of the Company.

e. “Company” means Cooper-Standard Automotive Inc., and any successor thereto as provided in Article 12.

f. “Committee” means the Compensation Committee of the Board.

g. “Exchange Act” means the Securities Exchange Act of 1934, as amended. Any reference to a particular provision of the Exchange Act shall be deemed to include any successor provision thereto.

h. “Executive” means an employee of the Company designated by the Chief Executive Officer solely for purposes of participation in this Plan.

i. “Executive Officer” means an employee of the Company who is an “officer” within the meaning of Rule 16a-1(f) promulgated under the Exchange Act or, if at any time the Company does not have a class of securities registered pursuant to Section 12 of the Exchange Act, an employee of the Company who would be deemed an “officer” within the meaning of Rule 16a-1(f) if the Company had a class of securities so registered, as determined by the Board in its discretion.

j. “Misconduct” means any act or omission that is not in the best interests of the Company , as determined by the Administrator, including but not limited to: (1) violation of the Code of Conduct or any employment, noncompete, confidentiality or other agreement or policy in effect with the Company, (2) taking any action or making statements that would damage or negatively reflect on the reputation of the Company or its directors or employees, or (3) failure to comply with applicable laws relating to trade secrets, confidential information or unfair competition.

k. “Participant” means an Executive Officer or Executive who has been granted a Performance Award by the Administrator.

l. “Performance Award” means an opportunity granted to a Participant to receive a payment based in whole or part on the extent to which one or more Performance Goals [for one or more Performance Measures] are achieved for the Performance Period, subject to the conditions described in the Plan and that the Administrator otherwise imposes.

m. “Performance Measures” means the category or categories of performance that must be achieved as determined by the Administrator at the time of grant of a Performance Award. Performance Measures may be measured (1) for the Company on a consolidated basis, (2) for any one or more Affiliates or divisions of the Company and/or (3) for any other business unit or units of the Company as defined by the Administrator. In addition, the Administrator may exercise discretion in determining eligibility for a Performance Award based on the Participant’s individual performance evaluation as a condition to receiving all or any portion of an award payment.

n. "Performance Period" means a period of one fiscal year of the Company, as selected by the Administrator.

o. "Performance Scale" means, with respect to a [Performance Measure, a scale from which the level of achievement may be calculated for any given level of actual performance for such Performance Measure as determined by the Administrator.

p. "Retirement" means termination of employment with the Company (without Cause) on or after (1) attainment of age 65 or (2) attainment of age 60 with five (5) Years of Service.

q. "Years of Service" means the employee's total years of employment with the Company, including years of employment with an entity that is acquired by the Company prior to such acquisition.

Article 3. ELIGIBILITY

Section3.1. Eligibility

All Executive Officers, and such Executives as designated by the Chief Executive Officer, shall be eligible to participate in the Plan.

Section 3.2. New Hires; Transfers In, Out and Between Eligible Positions

a. Notwithstanding Section 3.1, for a key employee who is appointed or promoted into a position that is eligible for a Performance Award, the Administrator may (1) select such key employee as a Participant at any time during the course of a Performance Period, (2) take action as a result of which there is an additional Performance Award made to a key employee who, as to a Performance Period that is in progress, is already a Participant and as to whom a Performance Award is already in effect where the additional Performance Award relates to the same Performance Period, or (3) change the Performance Goals, Performance Measures, Performance Scale or potential award amount under a Performance Award that is already in effect. In such event, the Administrator may, but is not required to, prorate the amount that would otherwise be payable under such Performance Award if the Participant had been employed during the entire Performance Period to reflect the period of actual employment during the Performance Period.

b. If a Participant is demoted during a Performance Period, the Administrator may decrease the potential award amount of any Performance Award, or revise the Performance Goals, Performance Measures or Performance Scale, as determined by the Administrator to reflect the demotion.

c. If a Participant is transferred from employment by the Company to the employment of an Affiliate, or vice versa, the Administrator may revise the Participant's

Performance Award to reflect the transfer, including but not limited to, changing the potential award amount, Performance Measures, Performance Goals and Performance Scale.

Section 3.3. Termination of Employment

a. Except as otherwise provided under the terms of an employment or severance agreement between a Participant and the Company, or under the Company's Executive Severance Pay Plan, no Participant shall earn an incentive award for a Performance Period unless the Participant is employed by the Company (or is on an approved leave of absence) on the payment date (determined in accordance with Section 5.2), unless employment was terminated prior to such date as a result of Retirement, Disability or death, or unless payment is approved by the Administrator after considering the cause of termination.

b. If a Participant's employment is terminated as a result of death, Disability or Retirement, then unless the Administrator decides to provide a greater amount, the Participant (or the Participant's estate in the event of his death) shall be entitled to receive an amount equal to the product of (x) the amount calculated under Section 5.1 and (y) a fraction, the numerator of which is the number of the Participant's days of employment during the Performance Period for such award and the denominator of which is the number of days in the Performance Period for such award. Payment shall be made as provided in Section 5.2.

Article 4. CONTINGENT PERFORMANCE AWARDS

At the time of grant of a Performance Award, the Administrator shall determine for each award the Performance Measure(s), the Performance Goal(s) for each Performance Measure, the Performance Scale (which may vary for different Performance Measures), and the amount payable to the Participant if and to the extent the Performance Goals are met (as measured from the Performance Scale). The amount payable to a Participant may be designated as a flat dollar amount or as a percentage of the Participant's Base Salary, or may be determined by any other means as the Administrator may specify at the time the Performance Award is granted.

Article 5. PAYMENT

Section 5.1. Evaluating Performance and Computing Awards

a. As soon as practicable following the close of a Performance Period, the Administrator shall determine whether and to what extent the Performance Goals and other material terms of the Performance Award issued for such period were achieved, and shall determine whether any discretionary adjustments under Subsection (b) shall be made. The Administrator (or its delegate) shall then determine the award amount payable to a Participant under the Performance Award.

b. The Administrator may adjust (up or down) each Participant's potential award amount under any Performance Award, based upon overall individual performance and/or any other factors, in the Administrator's sole discretion; provided that, in no event shall the final award amount be greater than two hundred percent (200%) of the target award amount under such Performance Award.

ction 5.2. Timing and Form of Payment.

When the payment due to the Participant has been determined, payment shall be made in a cash lump sum in the calendar year immediately following the close of the Performance Period, typically as soon as practicable after the Administrator has determined the extent to which the Performance Goals have been achieved.

Section 5.3. Misconduct

Notwithstanding the foregoing, during the Performance Period or after the end of the Performance Period for which the payment has accrued, but before payment is made, if the Participant engages in Misconduct, or if the Company determines after a Participant's termination of employment that the Participant could have been terminated for Cause, the Performance Award shall be automatically cancelled and no payment or deferral shall be made. The Administrator may suspend payment (without liability for interest thereon) pending the Administrator's determination of whether the Participant was or should have been terminated for Cause or whether the Participant has engaged in Misconduct.

Section 5.4. Recoupment.

Compensation received by the Participant under the Plan 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 Plan.

Article 6. ADJUSTMENTS

In the event of any change in the outstanding shares of Company Common Stock by reason of any stock dividend or split, recapitalization, reclassification, merger, consolidation or exchange of shares or other similar corporate change, then if the Administrator shall determine that such change necessarily or equitably requires an adjustment in the Performance Goals established under a Performance Award, such adjustments shall be made by the Administrator and shall be conclusive and binding for all purposes of this Plan. No adjustment shall be made in connection with the issuance by the Company of any warrants, rights, or options to acquire additional shares of Common Stock or of securities convertible into Common Stock.

Article 7. RIGHTS OF PARTICIPANTS

Section 7.1. No Funding

. No Participant shall have any interest in any fund or in any specific asset or assets of the Company by reason of any Performance Award under the Plan. It is intended that the Company has merely a contractual obligation to make payments when due hereunder and it is not intended that the Company hold any funds in reserve or trust to secure payments hereunder.

Section 7.2. No Transfer

No Participant may assign, pledge, or encumber his or her interest under the Plan, or any part thereof.

Section 7.3. No Implied Rights; Employment

Nothing contained in this Plan shall be construed to:

a. Give any employee or Participant any right to receive any award other than in the sole discretion of the Administrator;

b. Limit in any way the right of the Company to terminate a Participant's employment at any time; or

c. Be evidence of any agreement or understanding, express or implied, that a Participant will be retained in any particular position or at any particular rate of remuneration.

Article 8. ADMINISTRATION

Section 8.1. General

The Plan shall be administered by the Administrator.

Section 8.2. Authority

In addition to the authority specifically provided herein, the Administrator shall have full power and discretionary authority to: (a) administer the Plan, including but not limited to the power and authority to construe and interpret the Plan; (b) correct errors, supply omissions or reconcile inconsistencies in the terms of the Plan or any Performance Award; (c) establish, amend or waive rules and regulations, and appoint such agents, as it deems appropriate for the Plan's administration; and (d) make any other determinations, including factual determinations, and take any other action as it determines is necessary or desirable for the Plan's administration.

Section 8.3. Decision Binding

The Administrator's determinations and decisions made pursuant to the provisions of the Plan and all related orders or resolutions of the Board shall be final, conclusive and binding on all persons who have an interest in the Plan or an award, and such determinations and decisions shall not be reviewable.

Article 9.
AMENDMENT AND TERMINATION

Section 9.1. Amendment.

The Committee may modify or amend, in whole or in part, any or all of the provisions of the Plan or any Performance Award, and may suspend the Plan, at any time; provided, however, that no such modification, amendment, or suspension may, without the consent of the Participant or his legal representative in the case of his death, adversely affect the amount of any payment earned and due under the Plan with respect to any Performance Award in effect prior to the date of such modification, amendment or suspension.

Section 9.2. Termination.

The Committee may terminate the Plan at any time; *provided*, *however*, that no such termination may, without the consent of the Participant or his legal representative in the case of his death, adversely affect the amount of any payment earned and due under the Plan with respect to any Performance Award in effect prior to the date of such termination.

Article 10. TAX WITHHOLDING

The Company shall have the right to deduct from all cash payments made hereunder (or from any other payments due a Participant) any foreign, federal, state, or local taxes required by law to be withheld with respect to such cash payments.

Article 11. OFFSET

The Company shall have the right to offset from any amount payable hereunder any amount that the Participant owes to the Company without the consent of the Participant (or his estate, in the event of the Participant's death).

Article 12. SUCCESSORS

All obligations of the Company under the Plan with respect to Performance Awards granted hereunder shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation or otherwise, of all or substantially all of the business and/or assets of the Company. The Plan shall be binding upon and inure to the benefit of the Participants and their heirs, executors, administrators and legal representatives.

Article 13. DISPUTE RESOLUTION

Unless prohibited by law, any legal action or proceeding with respect to this Plan or any Performance Award, or for recognition and enforcement of any judgment in respect to this Plan or any Performance Award, may only be heard in a "bench" trial, and any party to such action or proceeding shall agree to waive its right to a jury trial. Any legal action or proceeding with respect to this Plan or any Performance Award must be brought within one year (365 days) after the day the complaining party first knew or should have known of the events giving rise to the complaint. The Plan shall be governed by and construed in accordance with the laws of the State of Delaware without regard to conflicts of laws.

Exhibit 31.1

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: August 5, 2021

By: /S/ JEFFREY S. EDWARDS

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

Exhibit 31.2

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: August 5, 2021

By: /S/ JONATHAN P. BANAS

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

Exhibit 32

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 filing of this quarterly report of Cooper-Standard Holdings Inc. (the “Company”) on Form 10-Q for the period ended June 30, 2021, 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: August 5, 2021

By: /S/ JEFFREY S. EDWARDS

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

/S/ JONATHAN P. BANAS

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