

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 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
(State or other jurisdiction of
incorporation or organization)

20-1945088
(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	<input type="checkbox"/> Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/> Smaller reporting company	<input checked="" type="checkbox"/>
	Emerging growth company	<input type="checkbox"/>

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

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

As of April 30, 2021, there were 16,942,878 shares of the registrant's common stock, \$0.001 par value, outstanding.

COOPER-STANDARD HOLDINGS INC.

Form 10-Q

For the period ended March 31, 2021

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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 March 31,	
	2021	2020
Sales	\$ 668,967	\$ 654,890
Cost of products sold	600,675	611,747
Gross profit	68,292	43,143
Selling, administration & engineering expenses	58,054	70,671
Gain on sale of business	(891)	—
Amortization of intangibles	1,772	4,450
Restructuring charges	21,047	7,276
Impairment of assets held for sale	—	74,079
Other impairment charges	—	977
Operating loss	(11,690)	(114,310)
Interest expense, net of interest income	(17,784)	(10,237)
Equity in earnings of affiliates	786	1,431
Other expense, net	(5,089)	(3,440)
Loss before income taxes	(33,777)	(126,556)
Income tax expense (benefit)	936	(14,117)
Net loss	(34,713)	(112,439)
Net loss attributable to noncontrolling interests	849	1,851
Net loss attributable to Cooper-Standard Holdings Inc.	\$ (33,864)	\$ (110,588)
Loss per share:		
Basic	\$ (2.00)	\$ (6.55)
Diluted	\$ (2.00)	\$ (6.55)

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 March 31,	
	2021	2020
Net loss	\$ (34,713)	\$ (112,439)
Other comprehensive loss:		
Currency translation adjustment	(6,572)	(28,889)
Benefit plan liabilities adjustment, net of tax	2,739	2,682
Fair value change of derivatives, net of tax	(571)	(10,076)
Other comprehensive loss, net of tax	(4,404)	(36,283)
Comprehensive loss	(39,117)	(148,722)
Comprehensive loss attributable to noncontrolling interests	1,101	2,358
Comprehensive loss attributable to Cooper-Standard Holdings Inc.	\$ (38,016)	\$ (146,364)

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

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

	<u>March 31, 2021</u>	<u>December 31, 2020</u>
	<u>(unaudited)</u>	
Assets		
Current assets:		
Cash and cash equivalents	\$ 398,847	\$ 438,438
Accounts receivable, net	383,692	379,564
Tooling receivable, net	77,728	82,150
Inventories	171,086	143,742
Prepaid expenses	30,639	29,748
Income tax receivable and refundable credits	83,761	85,977
Other current assets	100,208	100,110
Total current assets	1,245,961	1,259,729
Property, plant and equipment, net	857,609	892,309
Operating lease right-of-use assets, net	106,670	109,795
Goodwill	142,307	142,250
Intangible assets, net	65,863	67,679
Other assets	146,951	140,182
Total assets	\$ 2,565,361	\$ 2,611,944
Liabilities and Equity		
Current liabilities:		
Debt payable within one year	\$ 43,441	\$ 40,731
Accounts payable	364,168	385,284
Payroll liabilities	103,394	112,727
Accrued liabilities	124,469	110,827
Current operating lease liabilities	25,666	21,711
Total current liabilities	661,138	671,280
Long-term debt	981,486	982,760
Pension benefits	146,790	152,230
Postretirement benefits other than pensions	49,735	49,613
Long-term operating lease liabilities	86,113	90,517
Other liabilities	54,153	41,433
Total liabilities	1,979,415	1,987,833
Equity:		
Common stock, \$0.001 par value, 190,000,000 shares authorized; 19,008,361 shares issued and 16,942,552 shares outstanding as of March 31, 2021, and 18,962,894 shares issued and 16,897,085 outstanding as of December 31, 2020	17	17
Additional paid-in capital	499,671	498,719
Retained earnings	316,406	350,270
Accumulated other comprehensive loss	(246,048)	(241,896)
Total Cooper-Standard Holdings Inc. equity	570,046	607,110
Noncontrolling interests	15,900	17,001
Total equity	585,946	624,111
Total liabilities and equity	\$ 2,565,361	\$ 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	

	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	

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

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

	Three Months Ended March 31,	
	2021	2020
Operating Activities:		
Net loss	\$ (34,713)	\$ (112,439)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	31,756	33,313
Amortization of intangibles	1,772	4,450
Gain on sale of business	(891)	—
Impairment of assets held for sale	—	74,079
Other impairment charges	—	977
Share-based compensation expense	2,178	2,374
Equity in earnings of affiliates, net of dividends related to earnings	(786)	3,814
Deferred income taxes	(1,434)	(20,191)
Other	130	1,138
Changes in operating assets and liabilities	(5,096)	10,455
Net cash used in operating activities	(7,084)	(2,030)
Investing activities:		
Capital expenditures	(38,617)	(50,591)
Proceeds from sale of fixed assets and other	2,363	482
Net cash used in investing activities	(36,254)	(50,109)
Financing activities:		
Principal payments on long-term debt	(1,797)	(1,498)
Increase in short-term debt, net	3,429	3,021
Taxes withheld and paid on employees' share-based payment awards	(729)	(512)
Other	385	(625)
Net cash provided by financing activities	1,288	386
Effects of exchange rate changes on cash, cash equivalents and restricted cash	5,358	(6,200)
Changes in cash, cash equivalents and restricted cash	(36,692)	(57,953)
Cash, cash equivalents and restricted cash at beginning of period	443,578	361,742
Cash, cash equivalents and restricted cash at end of period	\$ 406,886	\$ 303,789
Reconciliation of cash, cash equivalents and restricted cash to the condensed consolidated balance sheet:		
	Balance as of	
	March 31, 2021	December 31, 2020
Cash and cash equivalents	\$ 398,847	\$ 438,438
Restricted cash included in other current assets	6,801	4,089
Restricted cash included in other assets	1,238	1,051
Total cash, cash equivalents and restricted cash	\$ 406,886	\$ 443,578

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

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

1. Overview

Basis of Presentation

Cooper-Standard Holdings Inc. (together with its consolidated subsidiaries, the “Company” or “Cooper Standard”), through its wholly-owned subsidiary, Cooper-Standard Automotive Inc. (“CSA U.S.”), is a leading manufacturer of sealing, fuel and brake delivery, 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 March 31, 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. New Accounting Pronouncements

Recently Adopted Accounting Pronouncements

The Company adopted the following Accounting Standard Updates (“ASU”) during the three months ended March 31, 2021, which did not have a material impact on its condensed consolidated financial statements.

Standard	Description	Effective Date
ASU 2019-12, <i>Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes</i>	Modifies ASC Topic 740 by removing certain exceptions and amending existing guidance in order to simplify the accounting for income taxes.	January 1, 2021
ASU 2021-01, <i>Reference Rate Reform (Topic 848): Scope</i>	Clarifies that certain optional expedients and exceptions in Topic 848 for contract modifications and hedge accounting apply to derivatives that are affected by the discounting transition and tailors the existing guidance to derivative instruments affected by the discounting transition.	January 1, 2021

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

3. 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 three months ended March 31, 2020, the Company recorded non-cash impairment charges of \$74,079 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 three months ended March 31, 2021, the Company recorded subsequent adjustments resulting in a gain of \$891.

4. 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 March 31, 2021 was as follows:

	North America	Europe	Asia Pacific	South America	Corporate, Eliminations and Other	Consolidated
Passenger and Light Duty	\$ 331,613	\$ 159,781	\$ 113,041	\$ 15,479	\$ —	\$ 619,914
Commercial	4,281	5,881	1,182	7	1,251	12,602
Other	3,142	114	2	—	33,193	36,451
Revenue	<u>\$ 339,036</u>	<u>\$ 165,776</u>	<u>\$ 114,225</u>	<u>\$ 15,486</u>	<u>\$ 34,444</u>	<u>\$ 668,967</u>

Revenue by customer group for the three months ended March 31, 2020 was as follows:

	North America	Europe	Asia Pacific	South America	Corporate, Eliminations and Other	Consolidated
Passenger and Light Duty	\$ 325,982	\$ 170,781	\$ 78,742	\$ 20,439	\$ —	\$ 595,944
Commercial	3,178	5,557	546	10	1,134	10,425
Other	5,641	8,904	56	22	33,898	48,521
Revenue	<u>\$ 334,801</u>	<u>\$ 185,242</u>	<u>\$ 79,344</u>	<u>\$ 20,471</u>	<u>\$ 35,032</u>	<u>\$ 654,890</u>

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.

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

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

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

Revenue by product line for the three months ended March 31, 2021 was as follows:

	North America	Europe	Asia Pacific	South America	Corporate, Eliminations and Other	Consolidated
Sealing systems	\$ 121,175	\$ 129,361	\$ 69,673	\$ 11,274	\$ —	\$ 331,483
Fuel and brake delivery systems	112,656	30,790	28,369	2,865	—	174,680
Fluid transfer systems	105,205	5,625	16,183	1,347	—	128,360
Other	—	—	—	—	34,444	34,444
Consolidated	<u>\$ 339,036</u>	<u>\$ 165,776</u>	<u>\$ 114,225</u>	<u>\$ 15,486</u>	<u>\$ 34,444</u>	<u>\$ 668,967</u>

Revenue by product line for the three months ended March 31, 2020 was as follows:

	North America	Europe	Asia Pacific	South America	Corporate, Eliminations and Other	Consolidated
Sealing systems	\$ 124,556	\$ 127,246	\$ 49,024	\$ 13,549	\$ —	\$ 314,375
Fuel and brake delivery systems	104,934	28,562	19,818	5,747	—	159,061
Fluid transfer systems	105,311	21,945	10,502	1,175	—	138,933
Other	—	7,489	—	—	35,032	42,521
Consolidated	<u>\$ 334,801</u>	<u>\$ 185,242</u>	<u>\$ 79,344</u>	<u>\$ 20,471</u>	<u>\$ 35,032</u>	<u>\$ 654,890</u>

Contract Estimates

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

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 three months ended March 31, 2021.

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

	March 31, 2021	December 31, 2020	Change
Contract assets	\$ 5,274	\$ 777	\$ 4,497
Contract liabilities	(21)	(27)	6
Net contract assets	<u>\$ 5,253</u>	<u>\$ 750</u>	<u>\$ 4,503</u>

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

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 March 31, 2021 and December 31, 2020 were current liabilities of \$15,882 and \$16,932, respectively, and long-term liabilities of \$6,427 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.

5. Restructuring

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

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.

Restructuring expense by segment for the three months ended March 31, 2021 and 2020 was as follows:

	Three Months Ended March 31,	
	2021	2020
North America	\$ 2,363	\$ 3,703
Europe	16,397	2,193
Asia Pacific	369	133
South America	1,587	1,202
Total Automotive	20,716	7,231
Corporate and other	331	45
Total	\$ 21,047	\$ 7,276

Restructuring activity for the three months ended March 31, 2021 was as follows:

	Employee Separation Costs	Other Exit Costs	Total
Balance as of December 31, 2020	\$ 15,029	\$ 8,406	\$ 23,435
Expense	18,152	2,895	21,047
Cash payments	(4,416)	(5,646)	(10,062)
Non-cash fixed asset impairments included in expense	—	(182)	(182)
Foreign exchange translation and other	(603)	1,928	1,325
Balance as of March 31, 2021	\$ 28,162	\$ 7,401	\$ 35,563

6. Inventories

Inventories consist of the following:

	March 31, 2021	December 31, 2020
Finished goods	\$ 46,675	\$ 39,136
Work in process	41,153	35,477
Raw materials and supplies	83,258	69,129
	\$ 171,086	\$ 143,742

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

7. 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 March 31,	
	2021	2020
Operating lease expense	\$ 7,344	\$ 8,605
Short-term lease expense	1,640	1,010
Variable lease expense	248	250
Finance lease expense:		
Amortization of right-of-use assets	546	681
Interest on lease liabilities	366	385
Total lease expense	\$ 10,144	\$ 10,931

Other information related to leases was as follows:

	Three Months Ended March 31,	
	2021	2020
Supplemental Cash Flows Information		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows for operating leases	\$ 7,346	\$ 7,933
Operating cash flows for finance leases	362	410
Financing cash flows for finance leases	652	648
Non-cash right-of-use assets obtained in exchange for lease obligations:		
Operating leases	2,932	37,205
Finance leases	—	61
Weighted Average Remaining Lease Term (in years)		
Operating leases	7.6	8.2
Finance leases	10.4	11.1
Weighted Average Discount Rate		
Operating leases	5.4 %	5.3 %
Finance leases	5.7 %	6.1 %

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

Future minimum lease payments under non-cancellable leases as of March 31, 2021 were as follows:

Year	Operating Leases	Finance Leases
Remainder of 2021	\$ 24,400	\$ 2,442
2022	22,224	3,181
2023	17,837	3,092
2024	13,616	3,370
2025	10,416	3,442
Thereafter	50,890	21,120
Total future minimum lease payments	139,383	36,647
Less imputed interest	(27,604)	(9,624)
Total	<u>\$ 111,779</u>	<u>\$ 27,023</u>

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

	March 31, 2021	December 31, 2020
Operating Leases		
Operating lease right-of-use assets, net	106,670	109,795
Current operating lease liabilities	25,666	21,711
Long-term operating lease liabilities	86,113	90,517
Finance Leases		
Debt payable within one year	2,193	2,300
Long-term debt	24,830	26,152

As of March 31, 2021 and December 31, 2020, assets recorded under finance leases, net of accumulated depreciation were \$29,837 and \$30,847, respectively. As of March 31, 2021, the Company had additional operating and finance leases, primarily for real estate, that have not yet commenced with undiscounted lease payments of approximately \$5,563. These leases will commence in 2021 with lease terms up to five years.

8. Property, Plant and Equipment

Property, plant and equipment consists of the following:

	March 31, 2021	December 31, 2020
Land and improvements	\$ 58,334	\$ 61,226
Buildings and improvements	291,272	298,431
Machinery and equipment	1,283,381	1,277,624
Construction in progress	78,362	96,706
	1,711,349	1,733,987
Accumulated depreciation	(853,740)	(841,678)
Property, plant and equipment, net	<u>\$ 857,609</u>	<u>\$ 892,309</u>

Based on the Company's interim impairment assessment, the Company determined there were no indicators of impairment identified during the three months ended March 31, 2021.

During the three months ended March 31, 2020, the Company recorded an impairment charge related to machinery and equipment of \$977 due to the deterioration of financial results in a certain Asia Pacific location. The fair value of machinery and equipment was determined using estimated orderly liquidation value, which was deemed the highest and best use of the assets.

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

9. Goodwill and Intangible Assets

Goodwill

Changes in the carrying amount of goodwill by reporting unit for the three months ended March 31, 2021 were as follows:

	North America	Industrial Specialty Group	Total
Balance as of December 31, 2020	\$ 128,214	\$ 14,036	\$ 142,250
Foreign exchange translation	57	—	57
Balance as of March 31, 2021	<u>\$ 128,271</u>	<u>\$ 14,036</u>	<u>\$ 142,307</u>

Goodwill is tested for impairment by reporting unit annually or more frequently if events or circumstances indicate that an impairment may exist. There were no indicators of potential impairment during the three months ended March 31, 2021.

Intangible Assets

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

	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer relationships	\$ 154,510	\$ (122,837)	\$ 31,673
Other	44,725	(10,535)	34,190
Balance as of March 31, 2021	<u>\$ 199,235</u>	<u>\$ (133,372)</u>	<u>\$ 65,863</u>
Customer relationships	\$ 155,409	\$ (122,657)	\$ 32,752
Other	44,826	(9,899)	34,927
Balance as of December 31, 2020	<u>\$ 200,235</u>	<u>\$ (132,556)</u>	<u>\$ 67,679</u>

10. Debt

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

	March 31, 2021	December 31, 2020
Senior Notes	\$ 396,008	\$ 395,829
Senior Secured Notes	240,043	239,567
Term Loan	323,030	323,636
ABL Facility	—	—
Finance leases	27,023	28,452
Other borrowings	38,823	36,007
Total debt	<u>1,024,927</u>	<u>1,023,491</u>
Less current portion	(43,441)	(40,731)
Total long-term debt	<u>\$ 981,486</u>	<u>\$ 982,760</u>

5.625% Senior Notes due 2026

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

Debt issuance costs related to the Senior Notes are amortized into interest expense over the term of the Senior Notes. As of March 31, 2021 and December 31, 2020, the Company had \$3,992 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.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)
(Unaudited)
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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 March 31, 2021 and December 31, 2020, the Company had \$5,547 and \$5,828 of unamortized debt issuance costs, respectively, and \$4,410 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 March 31, 2021 and December 31, 2020, the Company had \$1,532 and \$1,680 of unamortized debt issuance costs, respectively, and \$998 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.

As of March 31, 2021, there were no loans outstanding under the ABL Facility. The Company's borrowing base was \$163,208. 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 \$5,530 of outstanding letters of credit, the Company effectively had \$141,357 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 March 31, 2021 and December 31, 2020, the Company had \$967 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 March 31, 2021.

Other

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

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

11. 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 March 31, 2021 and December 31, 2020 were as follows:

	March 31, 2021	December 31, 2020	Input
Forward foreign exchange contracts - other current assets	\$ 1,129	\$ 1,826	Level 2
Forward foreign exchange contracts - accrued liabilities	(788)	(750)	Level 2

Items Measured at Fair Value on a Nonrecurring Basis

In addition to items that are measured at fair value on a recurring basis, the Company measures certain assets and liabilities at fair value on a nonrecurring basis, which are not included in the table above. As these nonrecurring fair value measurements are generally determined using unobservable inputs, these fair value measurements are classified within Level 3 of the fair value hierarchy. For further information on assets and liabilities measured at fair value on a nonrecurring basis see Note 3. "Divestiture" and Note 8. "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:

	March 31, 2021	December 31, 2020
Aggregate fair value	\$ 942,438	\$ 965,052
Aggregate carrying value ⁽¹⁾	975,550	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

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)
(Unaudited)
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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 March 31, 2021 and December 31, 2020, the notional amount of these contracts was \$66,133 and \$97,503, respectively, and consisted of hedges of transactions up to December 2021.

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 March 31,	
	2021	2020
Forward foreign exchange contracts	\$ (548)	\$ (12,871)

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 March 31,	
	2021	2020
Forward foreign exchange contracts	\$ 188	\$ 115

12. Accounts Receivable Factoring

As a part of its working capital management, the Company sells certain receivables through a single third-party financial institution in a pan-European program (the “Factor”). The amount sold varies each month based on the amount of underlying receivables and cash flow needs of the Company. These are permitted transactions under the Company’s credit agreements governing the ABL Facility and Term Loan Facility and the 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.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)
(Unaudited)
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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:

	March 31, 2021	December 31, 2020
Off-balance sheet arrangements	\$ 80,461	\$ 85,108

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

	Off-Balance Sheet Arrangements	
	Three Months Ended March 31,	
	2021	2020
Accounts receivable factored	\$ 117,271	\$ 176,508
Costs	154	309

As of March 31, 2021 and December 31, 2020, cash collections on behalf of the Factor that have yet to be remitted were \$6,174 and \$1,786, respectively, and are reflected in other current assets as restricted cash in the condensed consolidated balance sheet.

13. Pension and Postretirement Benefits Other Than Pensions

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

	Pension Benefits			
	Three Months Ended March 31,			
	2021		2020	
	U.S.	Non-U.S.	U.S.	Non-U.S.
Service cost	\$ 223	\$ 914	\$ 213	\$ 989
Interest cost	1,629	648	2,033	782
Expected return on plan assets	(3,564)	(334)	(3,421)	(577)
Amortization of prior service cost and actuarial loss	418	932	485	794
Net periodic benefit (income) cost	<u>\$ (1,294)</u>	<u>\$ 2,160</u>	<u>\$ (690)</u>	<u>\$ 1,988</u>

	Other Postretirement Benefits			
	Three Months Ended March 31,			
	2021		2020	
	U.S.	Non-U.S.	U.S.	Non-U.S.
Service cost	\$ 26	\$ 90	\$ 26	\$ 96
Interest cost	133	177	170	173
Amortization of prior service credit and actuarial (gain) loss	(349)	190	(483)	107
Net periodic benefit (income) cost	<u>\$ (190)</u>	<u>\$ 457</u>	<u>\$ (287)</u>	<u>\$ 376</u>

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.

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

14. Other Expense, Net

The components of other expense, net were as follows:

	Three Months Ended March 31,	
	2021	2020
Foreign currency losses	\$ (5,264)	\$ (3,232)
Components of net periodic benefit income (cost) other than service cost	120	(63)
Factoring costs	(154)	(309)
Miscellaneous income	209	164
Other expense, net	<u>\$ (5,089)</u>	<u>\$ (3,440)</u>

15. Income Taxes

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

Income tax expense (benefit), loss before income taxes and the corresponding effective tax rate for the three months ended March 31, 2021 and 2020 were as follows:

	Three Months Ended March 31,	
	2021	2020
Income tax expense (benefit)	\$ 936	\$ (14,117)
Loss before income taxes	(33,777)	(126,556)
Effective tax rate	(3)%	11 %

The effective tax rate for the three months ended March 31, 2021 compared to the three months ended March 31, 2020 varied from prior periods 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 months ended March 31, 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%. The incremental loss in the three months ended March 31, 2020 was driven by impairment charges on held for sale entities for which no tax benefit was recognized. Additionally, a discrete expense of \$13,309 for the initial recognition of valuation allowances against net deferred tax assets in certain foreign jurisdictions was recorded in the three months ended March 31, 2020.

The income tax rate for the three months ended March 31, 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 March 31, 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.

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

16. 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 March 31,	
	2021	2020
Net loss available to Cooper-Standard Holdings Inc. common stockholders	\$ (33,864)	\$ (110,588)
Basic weighted average shares of common stock outstanding	16,951,190	16,883,717
Dilutive effect of common stock equivalents	—	—
Diluted weighted average shares of common stock outstanding	<u>16,951,190</u>	<u>16,883,717</u>
Basic net loss per share attributable to Cooper-Standard Holdings Inc.	<u>\$ (2.00)</u>	<u>\$ (6.55)</u>
Diluted net loss per share attributable to Cooper-Standard Holdings Inc.	<u>\$ (2.00)</u>	<u>\$ (6.55)</u>

Approximately 189,000 and 13,000 securities were excluded from the calculation of diluted loss per share for the three months ended March 31, 2021 and 2020, respectively, because the inclusion of such securities in the calculation would have been anti-dilutive.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)
(Unaudited)
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17. Accumulated Other Comprehensive Loss

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

	Three Months Ended March 31,	
	2021	2020
Foreign currency translation adjustment		
Balance at beginning of period	\$ (136,579)	\$ (153,933)
Other comprehensive loss before reclassifications	(6,320) ⁽¹⁾	(28,382) ⁽¹⁾
Balance at end of period	<u>\$ (142,899)</u>	<u>\$ (182,315)</u>
Benefit plan liabilities		
Balance at beginning of period	\$ (106,079)	\$ (100,160)
Other comprehensive income before reclassifications	1,643 ⁽²⁾	2,024 ⁽²⁾
Amounts reclassified from accumulated other comprehensive loss	1,096 ⁽³⁾	658 ⁽⁴⁾
Balance at end of period	<u>\$ (103,340)</u>	<u>\$ (97,478)</u>
Fair value change of derivatives		
Balance at beginning of period	\$ 762	\$ 352
Other comprehensive loss before reclassifications	(432) ⁽⁵⁾	(9,984) ⁽⁵⁾
Amounts reclassified from accumulated other comprehensive loss	(139) ⁽⁶⁾	(92) ⁽⁶⁾
Balance at end of period	<u>\$ 191</u>	<u>\$ (9,724)</u>
Accumulated other comprehensive loss, ending balance	<u><u>\$ (246,048)</u></u>	<u><u>\$ (289,517)</u></u>

- (1) Includes other comprehensive loss related to intra-entity foreign currency balances that are of a long-term investment nature of \$4,389 and \$22,703 for the three months ended March 31, 2021 and 2020, respectively.
- (2) Net of tax (benefit) expense of \$(245) and \$337 for the three months ended March 31, 2021 and 2020, respectively.
- (3) Includes the effect of the amortization of actuarial losses of \$1,124 and amortization of prior service cost of \$65, net of tax of \$93.
- (4) Includes the effect of the amortization of actuarial losses of \$872 and amortization of prior service cost of \$21, net of tax of \$235.
- (5) Net of tax benefit of \$116 and \$2,887 for the three months ended March 31, 2021 and 2020, respectively.
- (6) Net of tax expense of \$49 and \$23 for the three months ended March 31, 2021 and 2020, respectively.

18. 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 March 31, 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 three months ended March 31, 2021 or during the three months ended March 31, 2020.

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

19. 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 March 31,	
	2021	2020
PUs	\$ 339	\$ 74
RSUs	1,246	1,643
Stock options	593	657
Total	\$ 2,178	\$ 2,374

20. Commitments and Contingencies

The Company is periodically involved in claims, litigation and various legal matters that arise in the ordinary course of business. The Company accrues for litigation exposure when it is probable that future costs will be incurred and such costs can be reasonably estimated. Any resulting adjustments, which could be material, are recorded in the period the adjustments are identified. As of March 31, 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 March 31, 2021 and December 31, 2020, the Company had approximately \$12,012 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.

21. 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.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS-(Continued)
(Unaudited)
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Certain financial information on the Company's reportable segments was as follows:

	Three Months Ended March 31,					
	2021			2020		
	External Sales	Intersegment Sales	Adjusted EBITDA	External Sales	Intersegment Sales	Adjusted EBITDA
North America	\$ 339,036	\$ 2,633	\$ 41,233	\$ 334,801	\$ 4,468	\$ 37,019
Europe	165,776	2,979	(1,489)	185,242	3,091	(4,623)
Asia Pacific	114,225	630	3,552	79,344	457	(17,057)
South America	15,486	12	(2,608)	20,471	68	(4,577)
Total Automotive	634,523	6,254	40,688	619,858	8,084	10,762
Corporate, eliminations and other	34,444	(6,254)	(2,148)	35,032	(8,084)	(2,483)
Consolidated	<u>\$ 668,967</u>	<u>\$ —</u>	<u>\$ 38,540</u>	<u>\$ 654,890</u>	<u>\$ —</u>	<u>\$ 8,279</u>

	Three Months Ended March 31,	
	2021	2020
Adjusted EBITDA	\$ 38,540	\$ 8,279
Restructuring charges	(21,047)	(7,276)
Gain on sale of business	891	—
Impairment of assets held for sale	—	(74,079)
Project costs	—	(2,425)
Other impairment charges	—	(684)
Lease termination costs	—	(520)
EBITDA	\$ 18,384	\$ (76,705)
Income tax (expense) benefit	(936)	14,117
Interest expense, net of interest income	(17,784)	(10,237)
Depreciation and amortization	(33,528)	(37,763)
Net loss attributable to Cooper-Standard Holdings Inc.	<u>\$ (33,864)</u>	<u>\$ (110,588)</u>

	March 31, 2021	December 31, 2020
Segment assets:		
North America	\$ 941,996	\$ 907,652
Europe	447,340	465,031
Asia Pacific	543,970	587,610
South America	61,714	64,800
Total Automotive	1,995,020	2,025,093
Corporate, eliminations and other	570,341	586,851
Consolidated	<u>\$ 2,565,361</u>	<u>\$ 2,611,944</u>

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

This management's discussion and analysis of financial condition and results of operations is intended to assist in understanding and assessing the trends and significant changes in our results of operations and financial condition. Our historical results may not indicate, and should not be relied upon as an indication of, our future performance. Our forward-looking statements reflect our current views about future events, are based on assumptions and are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those contemplated by these statements. See "Forward-Looking Statements" below for a discussion of risks associated with reliance on forward-looking statements. Factors that may cause differences between actual results and those contemplated by forward-looking statements include, but are not limited to, those discussed below and in our Annual Report on Form 10-K for the fiscal year ended December 31, 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 an economic recovery has increased in the first quarter of 2021, a considerable amount of uncertainty remains. 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 International Monetary Fund (IMF) 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 6.0% 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 activity, spurring growth. IMF economists now expect economic growth of approximately 6.0% for the North America region in 2021. Further, the IMF expects unemployment to decline to approximately 6.0% in 2021, compared to more than 8.0% in 2020.

In Europe, the IMF is projecting economic growth of approximately 4.4% for 2021. The region continues 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. Despite the improving health outlook, the IMF expects unemployment in the region to increase to 8.0% in 2021, keeping consumer confidence and economic growth rates below those of other developed regions.

In Asia Pacific, the IMF expects China's economy to grow by 8.4% in 2021. Unemployment is expected to decline slightly to 3.6%. China's central government has pledged to maintain continuity of macroeconomic policies during 2021. In addition, it has extended certain loan repayment deferral policies for small and medium businesses, an indication that it does not yet believe its post pandemic economic recovery is complete.

In South America, the IMF estimates that the Brazilian economy will grow by approximately 3.7% in 2021. Unemployment is expected to decline slightly to 10.6% from 11.4% in 2020. Despite the high unemployment rate and continuing regional outbreaks of COVID-19, Brazil is beginning to experience upward price pressures. With inflation now expected to exceed 4.5%, the country's central bank has recently raised its benchmark interest rate to 2.75% from 2.00%.

suggesting that aggressive monetary incentives are no longer necessary to support economic activity. 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, we continue to expect commodity cost volatility to have an impact on future earnings and operating cash flows. 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, OEM production volumes were disrupted by the global shortage of semiconductors, as well as weather-induced shutdowns in North America and the resulting chemical shortages. The shortage of semiconductors and chemicals 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, we are collaborating closely with our customers to minimize production inefficiencies while supporting their needs.

Light vehicle production in certain regions for the three months ended March 31, 2021 and 2020 was as follows:

(In millions of units)	Three Months Ended March 31,		
	2021 ⁽¹⁾	2020 ⁽¹⁾	% Change
North America	3.6	3.8	(4.5)%
Europe	4.7	4.7	(0.9)%
Asia Pacific	10.9	8.2	32.6%
Greater China	5.8	3.3	77.1%
South America	0.7	0.7	3.9%

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

In North America and Europe, first quarter vehicle production declined in 2021 compared to the prior year period, primarily due to the impact of semiconductor supply issues. In Asia Pacific, first quarter vehicle production increased significantly in 2021 compared to the prior year period primarily due to the impact of COVID-19 plant shutdowns in the prior year, which affected the region for much of the first quarter of 2020. The largest increases in production have been in China, which has had strong production volumes since industry wide shutdowns in the prior year. In South America, vehicle production slightly increased, as the region continues steady volume increases after industry wide shutdowns in the prior year.

Results of Operations

	Three Months Ended March 31,		
	2021	2020	Change
	(dollar amounts in thousands)		
Sales	\$ 668,967	\$ 654,890	\$ 14,077
Cost of products sold	600,675	611,747	(11,072)
Gross profit	68,292	43,143	25,149
Selling, administration & engineering expenses	58,054	70,671	(12,617)
Gain on sale of business	(891)	—	(891)
Amortization of intangibles	1,772	4,450	(2,678)
Restructuring charges	21,047	7,276	13,771
Impairment of assets held for sale	—	74,079	(74,079)
Other impairment charges	—	977	(977)
Operating loss	(11,690)	(114,310)	102,620
Interest expense, net of interest income	(17,784)	(10,237)	(7,547)
Equity in earnings of affiliates	786	1,431	(645)
Other expense, net	(5,089)	(3,440)	(1,649)
Loss before income taxes	(33,777)	(126,556)	92,779
Income tax expense (benefit)	936	(14,117)	15,053
Net loss	(34,713)	(112,439)	77,726
Net loss attributable to noncontrolling interests	849	1,851	(1,002)
Net loss attributable to Cooper-Standard Holdings Inc.	\$ (33,864)	\$ (110,588)	\$ 76,724

Three Months Ended March 31, 2021 Compared with Three Months Ended March 31, 2020

Sales

Sales for the three months ended March 31, 2021 increased 2.1%, compared to the three months ended March 31, 2020. Vehicle production volume increases in China, due to the impact of COVID-19 plant shutdowns in 2020, and foreign exchange drove the increase in sales, which were partially offset by customer shutdowns in North America and Europe primarily due to semiconductor supply shortages in 2021, and by the prior year divestiture of our European rubber fluid transfer and specialty sealing businesses and Indian operations.

	Three Months Ended March 31,			Variance Due To:		
	2021	2020	Change	Volume / Mix*	Foreign Exchange	Divestitures
	(dollar amounts in thousands)					
Total sales	\$ 668,967	\$ 654,890	\$ 14,077	\$ 40,941	\$ 20,081	\$ (46,945)

* Net of customer price reductions

Gross Profit

	Three Months Ended March 31,			Variance Due To:		
	2021	2020	Change	Volume / Mix*	Foreign Exchange	Cost Increases / (Decreases)**
	(dollar amounts in thousands)					
Cost of products sold	\$ 600,675	\$ 611,747	\$ (11,072)	\$ 34,786	\$ 18,655	\$ (64,513)
Gross profit	68,292	43,143	25,149	6,155	1,426	17,568
Gross profit percentage of sales	10.2 %	6.6 %				

* 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 48% and 47% of total cost of products sold for the three months ended March 31, 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, material cost reductions, commodity price fluctuations, foreign exchange and wage inflation.

Gross profit for the three months ended March 31, 2021 increased \$25.1 million or 58.3% compared to the three months ended March 31, 2020. The increase was driven by net favorable operational performance, restructuring savings and material cost reductions, the prior year divestiture of our European rubber fluid transfer and specialty sealing businesses and Indian operations. These items were partially offset by wage inflation, employee incentives and foreign exchange.

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 March 31, 2021 was 8.7% of sales compared to 10.8% for the three months ended March 31, 2020. Selling, administration and engineering expenses were lower by \$12.6 million. The decrease was primarily due to savings generated from salaried headcount initiatives, net divestitures and lower travel expenses, partially offset by general inflation and higher variable employee compensation expenses.

Gain on Sale of Business. The gain on sale of business of \$0.9 million for the three months ended March 31, 2021 related primarily 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 March 31, 2021 decreased \$2.7 million compared to the three months ended March 31, 2020. The decrease was primarily 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 March 31, 2021 increased \$13.8 million compared to the three months ended March 31, 2020. The increase was driven by higher restructuring charges in Europe, primarily related to headcount initiatives and footprint rationalization.

Impairment Charges. There were no non-cash impairment charges for the three months ended March 31, 2021. Impairment charges during the three months ended March 31, 2020 primarily related to reducing the carrying value of our held for sale facilities to fair value less costs to sell. Other non-cash impairment charges also related to property, plant and equipment in the Asia Pacific region.

Interest Expense, Net. Net interest expense for the three months ended March 31, 2021 increased \$7.5 million compared to the three months ended March 31, 2020, primarily due to higher outstanding debt balances.

Other Expense, Net. Other expense for the three months ended March 31, 2021 increased \$1.6 million compared to the three months ended March 31, 2020, primarily due to higher foreign currency losses.

Income Tax Expense (Benefit). Income tax expense for the three months ended March 31, 2021 was \$0.9 million on losses before income taxes of \$33.8 million. This compares to an income tax benefit of \$14.1 million on losses before income taxes of \$126.6 million for the three months ended March 31, 2020. The effective tax rate for the three months ended March 31, 2021 compared to the three months ended March 31, 2020 differed 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, as well as due to benefits recorded in the three month period ended March 31, 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%.

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 March 31, 2021 Compared with Three Months Ended March 31, 2020

Sales

	Three Months Ended March 31,			Variance Due To:		
	2021	2020	Change	Volume/ Mix*	Foreign Exchange	Divestitures
	(dollar amounts in thousands)					
Sales to external customers						
North America	\$ 339,036	\$ 334,801	\$ 4,235	\$ 3,497	\$ 738	\$ —
Europe	165,776	185,242	(19,466)	279	14,077	(33,822)
Asia Pacific	114,225	79,344	34,881	40,087	7,917	(13,123)
South America	15,486	20,471	(4,985)	(1,377)	(3,608)	—
Total Automotive	634,523	619,858	14,665	42,486	19,124	(46,945)
Corporate, eliminations and other	34,444	35,032	(588)	(1,545)	957	—
Consolidated	\$ 668,967	\$ 654,890	\$ 14,077	\$ 40,941	\$ 20,081	\$ (46,945)

* Net of customer price reductions

- Volume and mix, net of customer price reductions, was driven by volume increases in China due to the impact of COVID-19 plant shutdowns in 2020, partially offset by the impact of customer shutdowns primarily due to semiconductor supply shortages in both North American and Europe in 2021.
- The impact of foreign currency exchange primarily related to the Euro, Renminbi, and Brazilian Real.

Segment adjusted EBITDA

	Three Months Ended March 31,			Variance Due To:			
	2021	2020	Change	Volume/ Mix*	Foreign Exchange	Cost (Increases)/ Decreases	Divestitures
	(dollar amounts in thousands)						
Segment adjusted EBITDA							
North America	\$ 41,233	\$ 37,019	\$ 4,214	\$ (2,362)	\$ (4,719)	\$ 11,295	\$ —
Europe	(1,489)	(4,623)	3,134	914	(860)	2,908	172
Asia Pacific	3,552	(17,057)	20,609	6,994	1,631	9,133	2,851
South America	(2,608)	(4,577)	1,969	1,430	882	(343)	—
Total Automotive	40,688	10,762	29,926	6,976	(3,066)	22,993	3,023
Corporate, eliminations and other	(2,148)	(2,483)	335	(821)	428	728	—
Consolidated adjusted EBITDA	\$ 38,540	\$ 8,279	\$ 30,261	\$ 6,155	\$ (2,638)	\$ 23,721	\$ 3,023

* Net of customer price reductions

- Volume and mix, net of customer price reductions, was driven by the regional mix of vehicle production in each of our segments and includes increases in China due to the impact of COVID-19 plant shutdowns in 2020, partially offset by the impact of customer shutdowns primarily due to the semiconductor supply shortages in both North America and Europe in 2021.
- The impact of foreign currency exchange was driven by the Mexican Peso, 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 travel expenses, purchasing savings through lean initiatives, and restructuring savings;
 - Commodity cost, wage and variable employee compensation increases;
 - Manufacturing efficiencies of \$18 million, primarily driven by our North America 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 10. “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 \$7.1 million for the three months ended March 31, 2021, compared to net cash used in operations of \$2.0 million for the three months ended March 31, 2020. The net outflow was primarily due to working capital outflows, partially offset by higher cash earnings.

Investing Activities. Net cash used in investing activities was \$36.3 million for the three months ended March 31, 2021, compared to net cash used in investing activities of \$50.1 million for the three months ended March 31, 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. 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 \$125 million on capital expenditures in 2021.

Financing Activities. Net cash provided by financing activities totaled \$1.3 million for the three months ended March 31, 2021, compared to net cash provided by financing activities of \$0.4 million for the three months ended March 31, 2020. The inflow was primarily due to increases in short-term debt during the three months ended March 31, 2021.

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 March 31, 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 three months ended March 31, 2021 or during the three months ended March 31, 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 March 31,	
	2021	2020
(dollar amounts in thousands)		
Net loss attributable to Cooper-Standard Holdings Inc.	\$ (33,864)	\$ (110,588)
Income tax expense (benefit)	936	(14,117)
Interest expense, net of interest income	17,784	10,237
Depreciation and amortization	33,528	37,763
EBITDA	\$ 18,384	\$ (76,705)
Restructuring charges	21,047	7,276
Gain on sale of business ⁽¹⁾	(891)	—
Impairment of assets held for sale ⁽²⁾	—	74,079
Project costs ⁽³⁾	—	2,425
Other impairment charges ⁽⁴⁾	—	684
Lease termination costs ⁽⁵⁾	—	520
Adjusted EBITDA	\$ 38,540	\$ 8,279

(1) Gain on sale of business related to divestitures in 2020.

(2) Non-cash impairment charges related to reducing the carrying value of the held for sale entities to fair value less costs to sell.

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

(4) Non-cash impairment charges of \$684 related to fixed assets, net of approximately \$293 attributable to our noncontrolling interests.

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

Contingencies and Environmental Matters

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

Recently Issued Accounting Pronouncements

See Note 2, "New Accounting Pronouncements" to the unaudited condensed consolidated financial statements included in Part I, Item 1 of this Report.

Critical Accounting Estimates

There have been no significant changes in our critical accounting estimates during the three months ended March 31, 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 recent 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 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 March 31, 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 March 31, 2021, we had approximately \$98.7 million of repurchase authorization remaining under our ongoing 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 18. “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 March 31, 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)
January 1, 2021 through January 31, 2021	—	\$ —	—	\$ 98.7
February 1, 2021 through February 28, 2021	17,138	37.19	—	98.7
March 1, 2021 through March 31, 2021	5,324	42.69	—	98.7
Total	<u>22,462</u>		<u>—</u>	

(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*	Form of 2021 Cooper-Standard Holdings Inc. 2017 Omnibus Incentive Plan Nonqualified Stock Option Agreement.
10.2*	Form of 2021 Cooper-Standard Holdings Inc. 2017 Omnibus Incentive Plan Performance Unit Award Agreement (cash-settled award).
10.3*	Form of 2021 Cooper-Standard Holdings Inc. 2017 Omnibus Incentive Plan Restricted Stock Unit Award Agreement (cash or stock-settled award)
10.4*	Separation Agreement between Jeffrey DeBest, Cooper-Standard Holdings Inc. and Cooper-Standard Automotive Inc. effective as of March 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.

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.

May 7, 2021

Date

COOPER-STANDARD HOLDINGS INC.

/S/ JONATHAN P. BANAS

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

COOPER-STANDARD HOLDINGS INC.
NONQUALIFIED STOCK OPTION AGREEMENT

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

R E C I T A L S:

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

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

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

1. Grant of the Options. The Company hereby grants to the Participant Options to purchase [#Granted Shares] on the terms and conditions set forth in this Agreement. The purchase price of the Shares subject to the Options shall be US [\$Option Price] per Share (the “Option Price”). The Options are not intended to be treated as incentive stock options that comply with Section 422 of the Code.

2. Vesting.

(a) Vesting While Employed.

(i) Subject to the Participant’s continued Employment with the Company or its Affiliate through the applicable vesting date, one third of the Options shall vest on each of the first three anniversaries of the Grant Date (each, a “Vesting Date”).

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

(A) If the purchaser, successor or surviving entity (or parent thereof) in the Change of Control (the “Survivor”) so agrees, some or all of the Options shall be assumed, or replaced with the same type of award with similar terms and conditions, by the Survivor in the Change of Control transaction. If applicable, each Option that is assumed by the Survivor shall be appropriately adjusted,

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

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

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

3. Exercise and Expiration of Option.

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

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

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

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

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

(b) Method of Exercise.

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

(ii) Notwithstanding any other provision of the Plan or this Agreement to the contrary, the Options may not be exercised prior to the completion of any registration or qualification of the Options or the Shares under applicable state and federal securities or other laws, or under any ruling or regulation of any governmental body

or national securities exchange that the Committee shall in its sole discretion determine to be necessary or advisable.

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

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

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

5. Transferability. In accordance with the Plan, the Participant shall have the right to designate a beneficiary who will be entitled to exercise the Options, to the extent vested, following the Participant's death, all in the manner and to the extent set forth in this Agreement. The Participant may designate a beneficiary pursuant to procedures established by the Company (or the Plan's administrative service provider). The Participant may change the beneficiary designation at any time. The last designation on file with the Plan's administrative service provider as of the date of the Participant's death shall be effective. If no designation of beneficiary is made, then any vested Options shall be exercisable following the Participant's death by the Participant's legal representative pursuant to his or her will or the laws of descent and distribution, all in the manner and to the extent set forth in this Agreement. The Participant cannot otherwise sell, transfer, or dispose of or pledge or hypothecate or assign the unvested Options.

6. Taxes. The Company and its Affiliates shall have the right and are hereby authorized to withhold, any applicable withholding taxes in respect of the Options, their exercise or any

payment or transfer under or with respect to the Options and to take such other action as may be necessary to satisfy all obligations for the payment of such withholding taxes, including by deducting cash (or requiring an Affiliate to deduct cash) from any payments of any kind otherwise due to the Participant, or, withholding Shares otherwise deliverable hereunder to satisfy such tax obligations.

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

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

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

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

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

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

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

14. Data Privacy Consent. The Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Participant's personal data as described in this Agreement and any other option grant materials ("Data") by and among, as applicable, the Company and its affiliates for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan. The Participant understands that the Company and the Company's affiliates may hold certain personal information about the Participant, including, but not limited to, the Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all options or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in the Participant's favor, for the exclusive purpose of implementing, administering and managing the Plan. The Participant understands that Data will be transferred to a designated third party external broker or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. The Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipient's country (e.g., the United States or otherwise) may have different data privacy laws and regulations and thus the level of data protection provided may not be equivalent to the one offered in Participant's country of residence.

Where Data are to be transferred to a Third Country, as defined in the EU General Data Protection Regulation (GDPR) no. 2016/679, or an international organization, the Company and its affiliates shall ensure that the level of data protection offered is equivalent to the one offered in the Participant's country of residence, especially if such country is part of the European Economic Area; such level shall be in particular guaranteed, by implementing adequate safeguards in the form of contractual arrangements between the Company and such third parties recipients; in particular by executing appropriate Standard Contractual Clauses (SCCs) as adopted and published by the European Commission for that purpose. The Participant understands that if the Participant resides outside the United States, the Participant may request at any given time a list with the names and addresses of any potential third-party recipients of the Data by contacting the Participant's local human resources representative.

The Participant authorizes the Company, the Company's selected broker and any other third-party recipients which assist the Company with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purposes of implementing, administering and managing the Participant's participation in the Plan. A list of such third-party recipients is available upon request. The Company undertakes to provide prior notice to the Participant of any changes to the aforementioned list of third-party recipients; such changes to third-party recipients will be accepted by the Participant unless

reasonably objected to for just cause. The Participant understands that Data will be held only as long as is necessary to implement, administer and manage the Participant's participation in the Plan in accordance with applicable data protection laws and regulations, as well as the Company's policies on the retention and disposal of records in effect from time to time. The Participant understands that if the Participant resides outside the United States, the Participant may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost and without providing any reason for such a withdrawal, by contacting in writing the Participant's local human resources representative. Further, the Participant understands that the Participant is providing the consents herein on a free and purely voluntary basis. If the Participant does not consent, or if the Participant later seeks to revoke the Participant's consent, the Participant's employment status or service and career will not be adversely affected; the only adverse consequence of refusing or withdrawing the Participant's consent is that the Company would not be able to grant the Participant options or other equity awards or administer or maintain such awards. Therefore, the Participant understands that refusing or withdrawing the Participant's consent may affect the Participant's ability to participate in the Plan. For more information on the consequences of the Participant's refusal to consent or withdrawal of consent, the Participant understands that he or she may contact the Participant's local human resources representative. The Participant is also entitled to lodge a complaint with the competent Supervisory Authorities should he or she does not receive a reply or is not otherwise satisfied with a reply received by the Company concerning the exercise of his/her aforementioned rights.

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

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

COOPER-STANDARD HOLDINGS INC.

By: _____

Agreed and acknowledged as of the date first above written:

By: _____

Participant:

**COOPER-STANDARD HOLDINGS INC.
CASH SETTLED PERFORMANCE UNIT AWARD AGREEMENT**

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

R E C I T A L S:

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

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

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

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

2. **Performance Period and Goal.** The vesting of the PUs is subject to the achievement of the performance goal (the “Performance Goal”) indicated in Section 2(b) during the Performance Period (as defined below).

(a) **Performance Period.** The performance period (the “Performance Period”) for this Award is the two-year period commencing on January 1, 2021 and ending on December 31, 2022.

(b) **Performance Goal.** The Performance Goal is the Company’s return on invested capital (ROIC) (as defined in Exhibit A) for the two-year Performance Period. The Performance Goal will be met at “target” if the Company’s ROIC is _____%.

The Performance Goal will be met at “threshold” if 80% of target performance is met. The Performance Goal will be met at “maximum” if 120% of target performance is met. Performance between threshold and target, or between target and maximum, shall be interpolated. In the event of a material acquisition or divestiture during the Performance Period, the threshold, target and maximum Performance Goal will be adjusted based on the pro-forma impact of the transaction over the remainder of the Performance Period. A material acquisition or divestiture is a transaction that impacts the payout at the time of the transaction by more than 10% of the target as determined by the Committee.

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

4. Vesting; Determination of Actual Achieved PUs; Termination of Employment.

(a) Determination of Actual Achieved PUs. As soon as practical after the end of the Performance Period (and in all events during the calendar year immediately following the end of the Performance Period), the Committee will determine to what extent the Performance Goal has been achieved. Based on such determination, the number of Actual Achieved PUs will be determined as follows:

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

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

The potential number of PUs determined based on the achievement of the Performance Goal will be modified based on the Company's TSR relative to the Comparator Group (as defined in Exhibit A) during the Performance Period as follows:

Company's 2-Year Relative TSR as a Percentile of Median TSR of Comparator Group	Modification of Potential Number of PUs
25th Percentile or less	0.75x
26th Percentile to 74th Percentile	1.00x
75th Percentile or greater	1.25x*

*Relative TSR modifier will not increase the potential number of PUs Vesting over 200% of the Target PUs.

Exhibit A lists the companies in the Comparator Group and sets forth the methodology to be used in calculating TSR.

The Committee may then exercise its discretion to adjust the potential number of PUs either upwards or downwards. The total number of PUs, after adjustment (if any), so determined by the Committee shall be considered Actual Achieved PUs as of the date of such Committee determination (the "Determination Date").

(b) Vesting. Except as set forth in subsection (c) or (d), one-half of the Actual Achieved PUs (as determined pursuant to Section 4(a)) will vest only if the Participant continues in Employment with the Company or its Affiliate until December 31, 20221, and the other half of the Actual Achieved PUs will vest only if the Participant continues in Employment with the Company or its Affiliates until December 31, 20232.

(c) Termination of Employment. If the Participant's Employment with the Company and its Affiliates terminates for any reason prior to the vesting date(s) of the Actual Achieved PUs, the PUs shall be canceled by the Company without consideration; provided that:

(i) upon termination of the Participant's Employment due to the Participant's death or Disability prior to the end of the Performance Period, the Target PUs shall be considered Actual Achieved PUs and shall vest in full on the date of such Employment termination;

(ii) upon termination of the Participant's Employment due to the Participant's death or Disability after the end of the Performance Period, the Actual Achieved PUs shall vest in full on the date of such Employment termination (or if later, as of the Determination Date);

(iii) if the Participant's Employment terminates for Retirement prior to the end of the Performance Period, then the Actual Achieved PUs (determined following the end of the Performance Period) shall be subject to continued vesting as if the Participant had not experienced an Employment termination, but pro-rated based on the portion of the vesting period (which shall be 2 years for one-half of the Actual Achieved PUs and 3 years for the other half of the Actual Achieved PUs) the Participant was employed;

(iv) if the Participant's Employment terminates for Retirement after the end of the Performance Period, then one-half of the Actual Achieved PUs shall be considered vested in the normal course and the other one-half of the Actual Achieved PUs shall be subject to continued vesting as if the Participant had not experienced an Employment termination, but pro-rated based on the portion of the vesting period (which shall be 3 years) the Participant was employed; and

(v) in the case of any of the foregoing, any remaining unvested PUs shall be canceled by the Company without consideration.

(d) Change of Control. Notwithstanding the foregoing, in the event of a Change of Control:

(i) If the purchaser, successor or surviving entity (or parent thereof) in the Change of Control (the "Survivor") agrees to assume the PUs or replace the PUs with the same type of award with similar terms and conditions, then the following will apply:

(A) If the Change of Control occurs prior to the end of the Performance Period, the Performance Goal shall be deemed to have been satisfied at the target level, and no

modification based on Relative TSR shall be made, regardless of actual performance prior to or after such Change of Control, such that only the Target PUs remain available for vesting under this Award. If the Change of Control occurs after the end of the Performance Period, then the Actual Achieved PUs will remain available for vesting under this Award.

(B) Each PU determined under clause (A) above that is assumed by the Survivor shall be appropriately adjusted, immediately after such Change of Control, to apply to the number and class of securities which would have been issuable to the Participant upon the consummation of such Change of Control had the PUs been actual shares immediately prior to such Change of Control.

(C) Upon termination of the Participant's Employment following such Change in Control (1) by the Company and its Affiliates without Cause, or due to death or Disability, or (2) if the Participant is then or was at the time of a Change of Control a Section 16 Participant, by such Section 16 Participant for Good Reason, in each case within two years after a Change of Control, any unvested portion of this Award (or the replacement award) shall immediately become vested in full. Upon termination of the Participant's Employment following such a Change in Control due to Retirement, the provisions of Section 4(c) shall apply.

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

5. Settlement.

(a) General. Except as otherwise provided in Section 5(b) or (c), as soon as practicable after (i) the Determination Date, for one-half of the Actual Achieved PUs that are vested as of such date, and (ii) the first anniversary of the Determination Date, for the other half of the Actual Achieved PUs that are vested as of such date, the Company will settle the vested Actual Achieved PUs by delivering an amount of cash equal to the Fair Market Value, determined as of the Determination Date and as of the first anniversary of the Determination Date, as applicable, of a number of Shares equal to the number of Actual Achieved PUs that have vested.

(b) Payment Upon Termination. If the Participant's Employment with the Company terminates and such termination triggers the accelerated vesting of the PUs hereunder, then as soon as practicable after the PUs vest as a result of such termination (as determined under Section 4(c)(i) or (ii), or 4(d)(ii), as applicable), the Company will settle such vested PUs by delivering an amount of cash equal to the Fair Market Value, determined as of the date of termination of a number of Shares equal to the number of PUs that have vested. For purposes hereof, the PUs that vest upon a Participant's termination of Employment shall be settled only upon the Participant's separation from service within the meaning of Code Section 409A.

Notwithstanding any other provision in the Plan or this Agreement to the contrary, if the Participant is a "specified employee" within the meaning of Code Section 409A as of the date of

such separation from service (for reasons other than death), then settlement of such vested PUs shall occur on the date that is six months after the date of the Participant's separation from service to the extent necessary to comply with Code Section 409A.

(c) **Payment Upon Change in Control.** If payment is triggered pursuant to Section 4(d)(ii), then as soon as practicable after the Change in Control, the Company will settle the vested PUs by delivering an amount of cash equal to the Fair Market Value, determined as of the date of the Change in Control, of a number of Shares equal to the number of vested PUs.

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

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

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

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

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

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

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

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

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

15. Data Privacy Consent. The Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Participant's personal data as described in this Agreement and any other related materials ("Data") by and among, as applicable, the Company and its affiliates for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan. The Participant understands that the Company and the Company's affiliates may hold certain personal information about the Participant, including, but not limited to, the Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all equity-based awards and other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in the Participant's favor, for the exclusive purpose of implementing, administering and managing the Plan. The Participant understands that Data will be transferred to a designated third party external broker or such other stock plan service

provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. The Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipient's country (e.g., the United States or otherwise) may have different data privacy laws and regulations and thus the level of data protection provided may not be equivalent to the one offered in Participant's country of residence.

Where Data are to be transferred to a Third Country, as defined in the EU General Data Protection Regulation (GDPR) no. 2016/679, or an international organization, the Company and its affiliates shall ensure that the level of data protection offered is equivalent to the one offered in the Participant's country of residence, especially if such country is part of the European Economic Area; such level shall be in particular guaranteed, by implementing adequate safeguards in the form of contractual arrangements between the Company and such third parties recipients; in particular by executing appropriate Standard Contractual Clauses (SCCs) as adopted and published by the European Commission for that purpose. The Participant understands that if the Participant resides outside the United States, the Participant may request at any given time a list with the names and addresses of any potential third-party recipients of the Data by contacting the Participant's local human resources representative.

The Participant authorizes the Company, the Company's selected broker and any other third-party recipients which assist the Company with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purposes of implementing, administering and managing the Participant's participation in the Plan. A list of such third-party recipients is available upon request. The Company undertakes to provide prior notice to the Participant of any changes to the aforementioned list of third-party recipients; such changes to third-party recipients will be accepted by the Participant unless reasonably objected to for just cause. The Participant understands that Data will be held only as long as is necessary to implement, administer and manage the Participant's participation in the Plan in accordance with applicable data protection laws and regulations, as well as the Company's policies on the retention and disposal of records in effect from time to time. The Participant understands that if the Participant resides outside the United States, the Participant may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost and without providing any reason for such a withdrawal, by contacting in writing the Participant's local human resources representative. Further, the Participant understands that the Participant is providing the consents herein on a free and purely voluntary basis. If the Participant does not consent, or if the Participant later seeks to revoke the Participant's consent, the Participant's employment status or service and career will not be adversely affected; the only adverse consequence of refusing or withdrawing the Participant's consent is that the Company would not be able to grant the Participant equity-based awards or administer or maintain such awards. Therefore, the Participant understands that refusing or withdrawing the Participant's consent may affect the Participant's ability to participate in the Plan. For more information on the consequences of the Participant's refusal to consent or withdrawal of consent, the Participant understands that he or she may contact the Participant's local human resources representative. The Participant is also entitled to lodge a complaint with

the competent supervisory authorities should he or she not receive a reply or otherwise not be satisfied with a reply received by the Company concerning the exercise of his or her aforementioned rights.

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

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

COOPER-STANDARD HOLDINGS INC.

By: _____

Agreed and acknowledged as of the date first above written:

By: _____

Participant:

Exhibit A

- **ROIC Calculation Methodology:** As follows:
 - A numerator of:
 - i. Net operating profit after tax (NOPAT)
 - ii. PLUS joint venture earnings, including restructuring
 - Divided by a denominator of:
 - i. Net working capital, which is the sum of net receivables, net inventory, and minimum cash minus current liabilities
 - ii. PLUS net PPE, joint venture investments and goodwill and intangibles
- **TSR Calculation Methodology:** As follows:
 - **TSR Beginning Stock Price Calculation** – average closing stock price for the 20 trading days immediately prior to the beginning of the Performance Period (for the Company and the Comparator Group companies)
 - **TSR Ending Stock Price Calculation** – average closing stock price for the last 20 trading days of the Performance Period (for the Company and the Comparator Group companies)
 - **Treatment of Dividends in TSR Calculation** – TSR calculation will assume reinvestment of dividends on the ex-dividend date (for the Company and the Comparator Group companies, where applicable)
 - **Exchange Rate - TSR and dividends** (if applicable) of companies in the Comparator Group that are traded on international exchanges will be converted to USD using a published exchange rate on (1) each trading day prior to the beginning of the Performance Period to determine TSR Beginning Stock Price and (2) each trading day during the end of the Performance Period to determine TSR Ending Stock Price.
- **Comparator Group:** The Comparator Group comprises the following 20 companies:

Adient plc	American Axle & Manufacturing Holdings, Inc.	Aptiv PLC
Autoliv, Inc.	BorgWarner Inc.	Cooper Tire & Rubber Company
Dana Incorporated	Gentherm	Gentex Corporation
LCI Industries	Lear Corporation	Linamar Corporation
Magna International Inc.	Martinrea International Inc.	Standard Motor Products Inc.
Stoneridge, Inc.	TI Fluid Systems plc	The Goodyear Tire & Rubber Company
Tenneco Inc.	Veoneer, Inc.	Visteon Corporation

- **Changes in the Comparator Group During Performance Period:** The Comparator Group will be fixed based on the constituents at the beginning of the Performance Period; the following adjustments will apply to ensure a balanced/fair assessment of relative performance:
 - Comparator Group companies that are acquired/merged during the Performance Period will be removed when calculating the Company's relative TSR percentile rank
 - Comparator Group companies that file for bankruptcy during the Performance Period would be treated as the worst performers for purposes of determining the Company's relative TSR percentile rank

COOPER-STANDARD HOLDINGS INC.

RESTRICTED STOCK UNIT AWARD AGREEMENT

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

R E C I T A L S:

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

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

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

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

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

3. Vesting; Termination of Employment.

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

(b) Termination of Employment. If the Participant’s Employment with the Company and its Affiliates terminates for any reason other than the Participant’s death, Disability or Retirement, then the RSUs shall, to the extent that the Lapse Date has not occurred, be canceled by the Company without consideration. Upon termination of the Participant’s Employment due to the Participant’s death or Disability, the total number of RSUs shall vest in full on the date of such Employment termination. Upon the termination of the Participant’s Employment for Retirement, the number of RSUs equal to (i) the total number of RSUs multiplied by (ii) a fraction, the numerator of which is the number of the Participant’s days of Employment from the Date of Grant through the date of termination and the denominator of which is 1,095, shall vest and no longer be subject to forfeiture as of the date of such termination, and any remaining RSUs shall be canceled by the Company without consideration. For purposes hereof, the RSUs that vest upon a Participant’s termination of

Employment shall be paid only upon the Participant's separation from service within the meaning of Code Section 409A.

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

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

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

4. Settlement.

(a) General. Except as otherwise provided in Section 4(b), as soon as practicable after the RSUs vest (but no later than two-and-one-half months from the date on which vesting occurs), the Company, at its sole discretion, will settle such vested RSUs by electing either to (i) make an appropriate book entry in the Participant's name for a number of Shares equal to the number of RSUs that have vested or (ii) deliver an amount of cash equal to the Fair Market Value, determined as of the vesting date, of a number of Shares equal to the number of RSUs that have vested. The Transfer Restrictions applicable to any Shares issued in respect of the RSUs shall lapse upon such issuance.

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

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

5. No Voting Rights; Dividend Equivalents. The Participant shall not have voting rights with respect to the Shares underlying the RSUs unless and until such Shares are reflected as issued and outstanding shares on the Company's stock ledger. The Participant shall be credited with an amount of cash equivalent to any dividends or other distributions paid with respect to the Shares underlying the RSUs, so long as the applicable record date occurs on or after the Date of Grant and before such RSUs are forfeited or settled; provided that such cash amounts shall be subject to the same risk of forfeiture as the RSUs to which such

amounts relate. If, however, any dividends or other distributions with respect to the Shares underlying the RSUs are paid in Shares rather than cash, then the Participant shall be credited with additional restricted stock units equal to the number of Shares that the Participant would have received had the RSUs been actual Shares, and such restricted stock units shall be deemed RSUs subject to the same risk of forfeiture and other terms of this Agreement and the Plan as apply to the RSUs to which such dividends or other distributions relate. Any amounts due to the Participant under this provision shall be paid to the Participant or distributed, as applicable, at the same time as payment is made in respect of the RSUs to which such dividends or other distributions relate.

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

7. Taxes. The Company and its Affiliates shall have the right and are hereby authorized to withhold any applicable withholding taxes in respect of the RSUs or any transfer under or with respect to the RSUs and to take such other action as may be necessary to satisfy all obligations for the payment of such withholding taxes, including by deducting cash (or requiring an Affiliate to deduct cash) from any payments of any kind otherwise due to the Participant, or withholding Shares otherwise deliverable hereunder to satisfy such tax obligations.

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

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

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

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

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

13. Amendments. The Company may amend this Award at any time, provided that the Participant's consent to any amendment is required to the extent the amendment materially diminishes the rights of the Participant or that results in the cancellation of the Award. Notwithstanding the foregoing, the Company need not obtain Participant (or other interested party) consent for: (a) the adjustment or cancellation of an Award pursuant to the adjustment provisions of the Plan; (b) the modification of the Award to the extent

deemed necessary to comply with any applicable law, the listing requirements of any principal securities exchange or market on which the Shares are then traded; (c) the modification of the Award to preserve favorable accounting or tax treatment of the Award for the Company; or (d) the modification of the Award to the extent the Committee determines that such action does not materially and adversely affect the value of an Award or that such action is in the best interest of the affected Participant or any other person(s) as may then have an interest in the Award.

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

15. Data Privacy Consent. The Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Participant's personal data as described in this Agreement and any other option grant materials ("Data") by and among, as applicable, the Company and its affiliates for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan. The Participant understands that the Company and the Company's affiliates may hold certain personal information about the Participant, including, but not limited to, the Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all options or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in the Participant's favor, for the exclusive purpose of implementing, administering and managing the Plan. The Participant understands that Data will be transferred to a designated third party external broker or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. The Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipient's country (e.g., the United States or otherwise) may have different data privacy laws and regulations and thus the level of data protection provided may not be equivalent to the one offered in Participant's country of residence.

Where Data are to be transferred to a Third Country, as defined in the EU General Data Protection Regulation (GDPR) no. 2016/679, or an international organization, the Company and its affiliates shall ensure that the level of data protection offered is equivalent to the one offered in the Participant's country of residence, especially if such country is part of the European Economic Area; such level shall be in particular guaranteed, by implementing adequate safeguards in the form of contractual arrangements between the Company and such third parties recipients; in particular by executing appropriate Standard Contractual Clauses (SCCs) as adopted and published by the European Commission for that purpose. The Participant understands that if the Participant resides outside the United States, the Participant may request at any given time a list with the names and addresses of any potential third-party recipients of the Data by contacting the Participant's local human resources representative.

The Participant authorizes the Company, the Company's selected broker and any other third-party recipients which assist the Company with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purposes of implementing, administering and managing the Participant's participation in the Plan. A list of such third-party recipients is available upon request. The Company undertakes to provide prior notice to the Participant of any changes to the aforementioned list of third-party recipients; such changes to third-party recipients will be accepted by the Participant unless reasonably objected to for just cause. The Participant understands that Data will be held only as long as is necessary to implement, administer and manage the Participant's participation in the Plan in accordance with applicable data protection laws and regulations, as well as the Company's policies on the retention and disposal of records in effect from time to time. The Participant understands that if the Participant

resides outside the United States, the Participant may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost and without providing any reason for such a withdrawal, by contacting in writing the Participant's local human resources representative. Further, the Participant understands that the Participant is providing the consents herein on a free and purely voluntary basis. If the Participant does not consent, or if the Participant later seeks to revoke the Participant's consent, the Participant's employment status or service and career will not be adversely affected; the only adverse consequence of refusing or withdrawing the Participant's consent is that the Company would not be able to grant the Participant options or other equity awards or administer or maintain such awards. Therefore, the Participant understands that refusing or withdrawing the Participant's consent may affect the Participant's ability to participate in the Plan. For more information on the consequences of the Participant's refusal to consent or withdrawal of consent, the Participant understands that he or she may contact the Participant's local human resources representative. The Participant is also entitled to lodge a complaint with the competent supervisory authorities should he or she does not receive a reply or is not otherwise satisfied with a reply received by the Company concerning the exercise of his/her aforementioned rights.

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

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

COOPER-STANDARD HOLDINGS INC.

By: _____

Agreed and acknowledged as of the date first above written:

Participant:

SEPARATION AGREEMENT

THIS SEPARATION AGREEMENT (this “Agreement”) is entered into as of March 1, 2021 by and among Cooper-Standard Holdings Inc., a Delaware corporation (“CS Holdings”), Cooper-Standard Automotive Inc., an Ohio corporation, (the “Company”), and Jeffrey A. DeBest (“Executive”).

A. The Company and Executive are parties to the Cooper-Standard Automotive, Inc. Executive Severance Pay Plan dated as of January 1, 2011, as amended and restated as of June 17, 2020 (the “Plan”). Except where the context otherwise requires, capitalized terms used in this Agreement shall have the meanings given them in the Plan.

B. Pursuant to Section 5(a) of the Plan, Executive’s employment with the Company will terminate, and the parties wish to set forth the terms and conditions pertaining to the termination of Executive’s employment.

THEREFORE, in consideration of the mutual promises and obligations set forth in this Agreement, the Company and Executive agree as follows:

a. Separation. Executive’s employment with the Company and its corporate parent, subsidiaries and affiliates will terminate effective March 1, 2021 (the “Separation Date”). The termination shall be deemed a termination by the Company without Cause. As of the Separation Date, Executive shall be deemed to have resigned from all positions that Executive holds as an officer or director or other agent of the Company, its corporate parent, subsidiaries and affiliates and Executive shall execute any documents requested by the Company in connection therewith.

b. Consideration Provided by the Company. The Company agrees, subject to Executive’s performance of Executive’s obligations hereunder:

i. to pay Executive’s salary in accordance with the Company’s usual payment practices and provide Executive such Employee Benefits as to which Executive may be entitled under the employee benefit plans of the Company through the Separation Date or under the terms of the benefit plans (including payments due under the Company’s Nonqualified Supplemental Executive Retirement Plan, which payment shall be made on September 2, 2021 or within 22 days thereafter);

ii. to reimburse Executive, within thirty (30) days of the Separation Date, for any unreimbursed business expenses properly incurred by Executive in accordance with Company policy through the Separation Date;

iii. to pay Executive the total gross amount of \$1,274,625.00, which the parties agree is, and shall be deemed to be, the total amount payable to Executive under Section 5(a)(i) of the Plan, over a period of 18 months following the Separation Date in accordance with the Company’s normal payroll practices; provided that any payments which would be due prior to

the date on which the Release (as defined in Section 4 below) becomes effective shall be delayed and paid with the first payment due after the Release becomes effective;

iv. to pay Executive in 2022 the pro rata portion of the annual cash incentive compensation award, if any is earned for 2021, at the time payment would have otherwise been made had Executive's employment not terminated, in accordance with the terms of Section 5(a)(ii) of the Plan;

v. to provide Executive for eighteen (18) months following the Separation Date with health insurance benefits in accordance with and subject to the terms of Section 5(a)(iii) of the Plan; and

vi. to pay for outplacement services for services that commence within twelve (12) months following the Executive's Separation Date and are completed prior to the end of the second calendar year following the Executive's Separation Date and subject to the terms of Section 5(a)(iv) of the Plan.

It is agreed that Executive may permanently retain the iPhone, iPad and computer issued to the Executive by the Company (with Company data removed by the Company) and may continue to use the leased vehicle issued to the Executive by the Company (if applicable) until no later than March 1, 2021, by which time it shall be returned to the Company. Executive shall promptly return all other property of the Company in the Executive's possession to the Company.

c. Equity Incentive Awards. Equity awards granted to Executive under CS Holdings' 2017 Omnibus Incentive Plan shall be governed by such plans and award agreements, as applicable.

d. Release of Further Obligations. Executive and the Company agree that, upon fulfillment of the obligations set forth in this Agreement, neither the Company, CSA Holdings or any of their affiliates, officers, directors or representatives shall have any further obligation of any kind to Executive. The Company's obligations hereunder shall be contingent upon Executive executing (and failing to revoke) and delivering to the Company within twenty-one days following the receipt of the Separation Agreement, Exhibit A and a release in the form of Exhibit B (the "Release"). If the Executive fails to execute (or executes and then revokes) the Separation Agreement, Exhibit A and/or the Release within the applicable period, then the Company shall have no obligation to make the payments or provide the benefits described in Section 2.c through 2.f of this Agreement.

e. Withholding. Notwithstanding any other provision of this Agreement, the Company may withhold from any amounts payable under this Agreement, or any other benefits received pursuant hereto, such minimum Federal, state and/or local taxes, FICA and such other deductions as may be required to be withheld under any applicable law or regulation.

f. Severability of Provisions. If any of the provisions, terms, or clauses of this Agreement are held invalid, illegal, unenforceable or ineffective, such provisions, terms and clauses shall be deemed severable such that all other provisions, terms and clauses of this Agreement shall remain valid and binding upon the parties.

g. Confidentiality, Non-Compete and Non-Disparagement Agreement. The Executive agrees to all terms listed in the Confidentiality; Non-Compete and Non-Disparagement Agreement in Exhibit A.

h. Entire Agreement. With the exception of Exhibit A, the Release, and section 13 of the Plan, which shall remain in effect, this Agreement contains the complete understanding and agreement of the parties with respect to the subject matter addressed herein, and supersedes and replaces all prior negotiations and agreements, whether written or oral. No provision of this Agreement may be amended or waived except by written agreement signed by the parties.

i. No Waiver of Breach. No waiver of any breach of any term or provision of this Agreement shall be construed to be, or shall be, a waiver of any other breach of this Agreement.

j. Binding Effect. The provisions of this Agreement shall be binding upon and shall inure to the benefit of the parties and their respective heirs, personal representatives, successors and assigns.

k. Governing Law. This Agreement, Exhibit A and the Release shall be governed by and interpreted in accordance with the laws of the State of Michigan.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

COOPER-STANDARD HOLDINGS INC.

By: /s/ Larry E. Ott Name: Larry E. Ott
Title: SVP and Chief Human Resources Officer

COOPER-STANDARD AUTOMOTIVE INC.

By: /s/ Larry E. Ott Name: Larry E. Ott
Title: SVP and Chief Human Resources Officer

EXECUTIVE:

/s/ Jeffrey A. DeBest
Name: Jeffrey A. DeBest

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

I, Jonathan P. Banas, certify that:

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

Date: May 7, 2021

By: /S/ JONATHAN P. BANAS

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

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

In connection with the filing of this quarterly report of Cooper-Standard Holdings Inc. (the "Company") on Form 10-Q for the period ended March 31, 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: May 7, 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)