

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported) – November 7, 2022

COOPER-STANDARD HOLDINGS INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-36127
(Commission
File Number)

20-1945088
(IRS Employer
Identification No.)

40300 Traditions Drive,
(Address of principal executive offices)

Northville Michigan

48168
(Zip code)

Registrant's telephone number, including area code (248) 596-5900

Check the appropriate box below in the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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 is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

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

Item 1.01 Entry into a Material Definitive Agreement.

On November 7, 2022, the Board of Directors (the “Board”) of Cooper-Standard Holdings Inc. (the “Company”) adopted a Section 382 rights plan and declared a dividend of one right (a “Right”) for each outstanding share of the Company’s common stock, par value \$0.001 per share (the “Common Stock”), to stockholders of record at the close of business on November 17, 2022. Each Right entitles its holder, under certain circumstances described below, to purchase from the Company one one-thousandth of a share of Series A Junior Participating Preferred Stock of the Company, par value \$0.001 per share (the “Series A Preferred Stock”), at an exercise price of \$50.00 per Right, subject to adjustment. The description and terms of the Rights are set forth in a Section 382 Rights Agreement, dated as of November 7, 2022, by and between the Company and Broadridge Corporate Issuer Solutions, Inc., as Rights Agent (the “Rights Agreement”).

The Board adopted the Rights Agreement in an effort to protect stockholder value by attempting to protect against a possible limitation on the Company’s ability to use its net operating losses, any loss or deduction attributable to a “net unrealized built-in loss” and other tax attributes (collectively, “Tax Benefits”). The Company views its Tax Benefits as highly valuable assets, which are likely to inure to the benefit of the Company and its stockholders. However, if the Company experiences an “ownership change,” as defined in Section 382 of the Internal Revenue Code, as amended (the “Code”), its ability to use the Tax Benefits could be substantially limited, and the timing of the usage of the Tax Benefits could be substantially delayed, which could significantly impair the value of the Tax Benefits. Generally, an “ownership change” occurs if the percentage of the Company’s stock owned by one or more “five percent stockholders” increases by more than fifty percentage points over the lowest percentage of stock owned by such stockholders at any time during the prior three-year period or, if sooner, since the last “ownership change” experienced by the Company. The Rights Agreement is intended to act as a deterrent to any person acquiring 4.9% or more of the outstanding shares (an “acquiring person”) of the Common Stock without the approval of the Board. This would protect the Tax Benefits because changes in ownership by a person owning less than 4.9% of the Common Stock are not included in the calculation of “ownership change” for purposes of Section 382 of the Code. Stockholders who beneficially own 4.9% or more of the Company’s outstanding Common Stock as of the date of the Rights Agreement will not be deemed to be an “acquiring person.”

The Rights. The Board authorized the issuance of one Right per each outstanding share of Common Stock on November 17, 2022. If the Rights become exercisable, each Right would allow its holder to purchase from the Company one one-hundredth of a share of the Series A Preferred Stock for a purchase price of \$50.00. Each fractional share of Series A Preferred Stock would give the stockholder approximately the same dividend, voting and liquidation rights as does one common share. Prior to exercise, however, a Right does not give its holder any dividend, voting or liquidation rights.

Exercisability. The Rights will not be exercisable until the earlier of:

- 10 days after the Company’s public announcement that a person or group has become an acquiring person; and
- 10 business days (or a later date determined by the Board) after a person or group begins a tender or exchange offer that, if completed, would result in that person or group becoming an acquiring person.

The date on which the Rights become exercisable is referred to as the “distribution date.” Until the distribution date, the certificates for the shares of Common Stock will also evidence the Rights and will contain a notation to that effect. Any transfer of shares of Common Stock prior to the distribution date will constitute a transfer of the associated Rights. After the distribution date, the Rights will separate from the shares of Common Stock and be evidenced by right certificates, which the Company will mail to all holders of Rights that have not become void.

Flip-in Event. After the distribution date, if a person or group already is or becomes an acquiring person, all holders of Rights, except the acquiring person, may exercise their Rights upon payment of the purchase price to purchase shares of Common Stock (or other securities or assets as determined by the Board) with a market value of two times the purchase price.

Flip-over Event. After the distribution date, if a flip-in event has already occurred and we are acquired in a merger or similar transaction, all holders of Rights except the acquiring person may exercise their Rights, upon payment of the purchase price, to purchase shares of the acquiring corporation with a market value of two times the purchase price of the Rights.

Expiration. The Rights will expire, unless earlier terminated, on the earliest to occur of: (i) the close of business on November 6, 2025; (ii) the time at which the Rights are redeemed; (iii) the time at which all exercisable Rights are exchanged; (iv) the close of business on November 6, 2023, if the approval of the Company’s stockholders of the Rights Agreement has not been obtained by that date; (v) the repeal of Section 382 of the Code if the Board determines that the Rights Agreement is no longer necessary or desirable for the preservation of the Tax Benefits; or (vi) the time at which the Board determines that the Tax Benefits are fully utilized or no longer available under Section 382 of the Code or that an ownership change under Section 382 of the Code would not adversely impact in any material respect the time period in which the Company could use the Tax Benefits, or materially impair the amount of the Tax Benefits that could be used by the Company in any particular time period, for applicable tax purposes.

Redemption. The Board may redeem all (but not less than all) of the Rights for a redemption price of \$0.001 per Right at any time before the later of the distribution date and the date of the Company's first public announcement or disclosure that a person or group has become an acquiring person. Once the Rights are redeemed, the Right to exercise the Rights will terminate, and the only right of the holders of Rights will be to receive the redemption price. The Board may adjust the redemption price if the Company declare a stock split or issues a stock dividend on our common stock.

Exchange. After the later of the distribution date and the date of the Company's first public announcement that a person or group has become an acquiring person, but before any person beneficially owns 50% or more of the Company's outstanding shares of Common Stock, the Board may exchange each Right (other than Rights that have become void) for one share of Common Stock or an equivalent security.

Anti-Dilution Provisions. The Board may adjust the purchase price of the shares of Series A Preferred Stock, the number of shares of Series A Preferred Stock issuable and the number of outstanding Rights to prevent dilution that may occur as a result of certain events, including among others, a stock dividend, a stock split or a reclassification of the Series A Preferred Shares or the shares of Common Shares. No adjustments to the purchase price of less than 1% will be made.

Amendments. Before the time that the Rights cease to be redeemable, the Board may amend or supplement the Rights Agreement without the consent of the holders of the Rights, except that no amendment may decrease the redemption price below \$0.001 per Right. At any time thereafter, the Board may amend or supplement the Rights Agreement only to cure an ambiguity, to alter time period provisions, to correct inconsistent provisions or to make any additional changes to the Rights Agreement, but only to the extent that those changes do not impair or adversely affect any Rights holder and do not result in the Rights again becoming redeemable. The limitations on the ability of the Board to amend the Rights Agreement does not affect the power or ability of the Board to take any other action that is consistent with its fiduciary duties, including, without limitation, accelerating or extending the expiration date of the Rights, making any amendment to the Rights Agreement that is permitted by the Rights Agreement or adopting a new rights agreement with such terms as the Board determines in its sole discretion to be appropriate.

No Rights as Stockholder. Until a Right is exercised, the holder thereof, as such, will have no rights as a stockholder of the Company beyond those as an existing stockholder, including, without limitation, the right to vote or to receive dividends.

Miscellaneous. The issuance of the Rights should not be taxable to the Company or to stockholders under presently existing federal income tax law. However, if the Rights become exercisable or are redeemed, stockholders may recognize taxable income, depending on the circumstances then existing.

The foregoing summary of the Rights Agreement does not purport to be complete and is qualified in its entirety by reference to the complete text of the Rights Agreement, a copy of which have been filed as Exhibits 4.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 3.03 Material Modification to Rights of Security Holders.

The information set forth in Item 1.01 of this Current Report on Form 8-K is incorporated by reference into this Item 3.03.

Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

Certificate of Elimination

On November 7, 2022, the Company filed a Certificate of Elimination to its Third Amended and Restated Certificate of Incorporation (the "Certificate of Incorporation") with the Secretary of State of the State of Delaware eliminating from the Certificate of Incorporation all matters set forth in the Certificate of Designation with respect to the Company's 7% cumulative participating convertible preferred stock, par value \$0.001 per share (the "7% Preferred Stock"). No shares of the 7% Preferred Stock are outstanding and none will be issued subject to the Certificate of Designation for the 7% Preferred Stock. All shares that were designated as 7% Preferred Stock have been returned to the status of authorized but unissued shares of preferred stock of the Company, without designation as to series. A copy of the Certificate of Elimination is filed as Exhibit 3.1 hereto and is incorporated herein by reference.

Certificate of Designation

In connection with the adoption of the Rights Agreement, the Board approved a Certificate of Designation of Series A Junior Participating Preferred Stock of Cooper-Standard Holdings Inc. (the "Certificate of Designation"). The Certificate of Designation was filed with the Secretary of the State of Delaware on November 7, 2022. The information set forth in Item 1.01 of this Current Report on Form 8-K is incorporated by reference into this Item 5.03. A copy of the Certificate of Designation is filed as Exhibit 3.2 hereto and is incorporated herein by reference.

Item 8.01. Other Events

On November 7, 2022, the Company issued a press release announcing the adoption of the Rights Agreement. A copy of the press release is filed as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

The following exhibits are furnished pursuant to Item 9.01 of Form 8-K:

Exhibit No.	Description
3.1	<u>Certificate of Elimination of 7% Cumulative Participating Convertible Preferred Stock of Cooper-Standard Holdings Inc., filed with the Secretary of State of the State of Delaware on November 7, 2022.</u>
3.2	<u>Certificate of Designation of Series A Junior Participating Preferred Stock of Cooper-Standard Holdings Inc. filed with the Secretary of State of the State of Delaware on November 7, 2022 (incorporated herein by reference to Exhibit 3.1 to the Registrant's Registration Statement on Form 8-A filed on November 7, 2022).</u>
4.1	<u>Section 382 Rights Agreement, dated as of November 7, 2022, by and between Cooper-Standard Holdings Inc. and Broadridge Corporate Issuer Solutions, Inc., which includes the Form of Certificate of Designation as Exhibit A, Form of Rights Certificate as Exhibit B, and the Form of Summary of Rights as Exhibit C (incorporated herein by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form 8-A filed on November 7, 2022).</u>
99.1	<u>Press Release issued on November 7, 2022.</u>
104	The cover page of this Current Report on Form 8-K, formatted in Inline XBRL.

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 hereunto duly authorized.

Cooper-Standard Holdings Inc.

/s/ Joanna M. Totsky
Name: Joanna M. Totsky
Title: Senior Vice
President, Chief
Legal Officer
and Secretary

Date: November 7, 2022

**CERTIFICATE OF ELIMINATION
OF
7% CUMULATIVE PARTICIPATING CONVERTIBLE
PREFERRED STOCK
OF
COOPER-STANDARD HOLDINGS INC.**

Pursuant to Section 151(g) of the General Corporation Law of the State of Delaware

COOPER-STANDARD HOLDINGS INC., a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), in accordance with the provisions of Section 151(g) of the General Corporation Law of the State of Delaware (the "DGCL"), hereby certifies as follows:

FIRST: Pursuant to the authority granted to the Board of Directors of the Corporation (the "Board") pursuant to the Corporation's Third Amended and Restated Certificate of Incorporation (the "Certificate of Incorporation") and Section 151(g) of the DGCL, the Board previously authorized the issuance of, and established, the designations, powers, preferences and relative and other special rights and the qualifications, limitations and restrictions of 2,000,000 shares of 7% cumulative participating convertible preferred stock, par value \$0.001 per share (the "7% Cumulative Participating Convertible Preferred Stock"), as evidenced by the Certificate of Designation with respect to such 7% Cumulative Participating Convertible Preferred Stock filed with the Secretary of State of the State of Delaware on May 27, 2010 (the "Certificate of Designation").

SECOND: None of the authorized shares of 7% Cumulative Participating Convertible Preferred Stock are outstanding and none will be issued pursuant to the Certificate of Designation governing such 7% Cumulative Participating Convertible Preferred Stock.

THIRD: The Board has duly adopted the following resolutions approving the elimination of the 7% Cumulative Participating Convertible Preferred Stock, which resolutions remain in full force and effect as of the date hereof:

RESOLVED, that none of the authorized shares of the 7% Cumulative Participating Convertible Preferred Stock are outstanding and none will be issued subject to the Certificate of Designation previously filed with the Secretary of State of the State of Delaware on May 27, 2010, with respect to such 7% Cumulative Participating Convertible Preferred Stock;

FURTHER RESOLVED, that any executive officer of the Corporation (the "Authorized Officers") be, and each of them hereby is, empowered, authorized and directed, in the name and on behalf of the Corporation, to execute and file a Certificate of Elimination with the Secretary of State of the State of Delaware pursuant to Section 151(g) of the DGCL, substantially in the form provided to the Board, setting forth a copy of these resolutions (the "Certificate of Elimination");

FURTHER RESOLVED, that when the Certificate of Elimination setting forth these resolutions becomes effective, it shall have the effect of eliminating from the Certificate of Incorporation all matters set forth in the Certificate of Designation with respect to the 7% Cumulative Participating Convertible Preferred Stock and all of the shares that were designated as 7% Cumulative Participating Convertible Preferred Stock shall be returned to the status of

authorized but unissued shares of preferred stock of the Corporation, without designation as to series; and

FURTHER RESOLVED, that the Authorized Officers be, and each of them individually hereby is, authorized, empowered and directed, in the name and on behalf of the Corporation, to take all other actions and to execute and deliver such other documents, in addition to those set forth in the foregoing resolutions, as they may deem necessary or advisable in order to effect the purposes of the foregoing resolutions, and that all such actions heretofore so taken be, and they hereby are, in all respects ratified, confirmed and approved.

FOURTH: Pursuant to the provisions of Section 151(g) of the DGCL, all matters set forth in the Certificate of Designation with respect to the 7% Cumulative Participating Convertible Preferred Stock are hereby eliminated from the Certificate of Incorporation, and the shares that were designated as 7% Cumulative Participating Convertible Preferred Stock are hereby returned to the status of authorized but unissued shares of preferred stock of the Corporation, without designation as to series.

[signature page follows]

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Elimination to be signed by its duly authorized officer on this 7th day of November, 2022.

COOPER-STANDARD HOLDINGS INC.

By: /s/ Joanna M. Totsky _____
Name: Joanna M. Totsky
Title: Senior Vice President, Chief Legal Officer and Secretary

Cooper Standard Adopts Tax Benefits Preservation Plan to Protect its Tax Benefits and Shareholder Value

NORTHVILLE, Mich., November 7, 2022 – Cooper-Standard Holdings Inc. (“Cooper Standard” or the “Company”) (NYSE: CPS) today announced that its Board of Directors (the “Board”) adopted a tax benefits preservation plan (the “Rights Agreement”) in an effort to protect stockholder value by attempting to protect against a possible limitation on the Company’s ability to use its net operating losses, any loss or deduction attributable to a “net unrealized built-in loss” and other tax attributes (collectively, “Tax Benefits”) under the Internal Revenue Code (the “Code”).

As of September 30, 2022, Cooper Standard’s estimated U.S. Tax Benefits are approximately \$130 million, which may be available to offset its future taxable income. The Company views its Tax Benefits as highly valuable assets, which are likely to inure to the benefit of the Company and its stockholders. However, if the Company experiences an “ownership change,” as defined in Section 382 of the Code, its ability to use the Tax Benefits could be substantially limited, and the timing of the usage of the Tax Benefits could be substantially delayed, which could significantly impair the value of the Tax Benefits. Generally, an “ownership change” occurs if the percentage of the Company’s stock owned by one or more “five percent stockholders” increases by more than fifty percentage points over the lowest percentage of stock owned by such stockholders at any time during the prior three-year period or, if sooner, since the last “ownership change” experienced by the Company.

The Rights Agreement is intended to act as a deterrent to any person acquiring 4.9% or more of the outstanding shares (an “acquiring person”) of the Company’s common stock without the approval of the Board. This would protect the Tax Benefits because changes in ownership by a person owning less than 4.9% of the common stock are not included in the calculation of “ownership change” for purposes of Section 382 of the Code.

The record date for the distribution of the rights is November 17, 2022. Under the Rights Agreement, the rights will initially trade with the Company’s common stock and will generally become exercisable only if a person (or any persons acting as a group) acquires 4.9% or more of the Company’s outstanding common stock. If the rights become exercisable, all holders of rights (other than any triggering person) will be entitled to acquire shares of common stock at a 50% discount. Under the Rights Agreement, any person who currently owns 4.9% or more of the Company’s common stock may continue to own its shares of common stock but may not acquire any additional shares without triggering the Rights Agreement. Under the Rights Agreement, the Board has the discretion to exempt any transaction and to exempt any person (or group of persons) from the provisions of the Rights Agreement.

The rights expire, unless earlier terminated, on the earliest to occur of: (i) November 6, 2025; (ii) the time at which the rights are redeemed; (iii) the time at which all exercisable rights are exchanged; (iv) November 6, 2023, if the approval of the Company’s stockholders of the Rights Agreement has not been obtained by that date; (v) the repeal of Section 382 of the Code if the Board determines that the Rights Agreement is no longer necessary or desirable for the preservation of the Tax Benefits; or (vii) the time at which the Board determines that the Tax Benefits are fully utilized or no longer available under Section 382 of the Code.

Additional information about the Rights Agreement is available on a Form 8-K filed by Cooper Standard with the U.S. Securities and Exchange Commission.

About Cooper Standard

Cooper Standard, headquartered in Northville, Mich., with locations in 21 countries, is a leading global supplier of sealing and fluid handling systems and components. Utilizing our materials science and manufacturing expertise, we create innovative and sustainable engineered solutions for diverse transportation and industrial markets. Cooper Standard’s approximately 23,000 employees are at the

heart of our success, continuously improving our business and surrounding communities. Learn more at www.cooperstandard.com or follow us on Twitter @CooperStandard.

Forward-Looking Statements

This press release 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: Volatility or decline of the Company’s stock price, or absence of stock price appreciation; impacts, including commodity cost increases and disruptions related to the war in Ukraine and the current COVID-related lockdowns in China; our ability to offset the adverse impact of higher commodity and other costs through negotiations with our customers; the impact, and expected continued impact, of the COVID-19 outbreak on our financial condition and results of operations; significant risks to our liquidity presented by the COVID-19 pandemic risk; prolonged or material contractions in automotive sales and production volumes; our inability to realize sales represented by awarded business; escalating pricing pressures; loss of large customers or significant platforms; our ability to successfully compete in the automotive parts industry; availability and increasing volatility in costs of manufactured components and raw materials; disruption in our supply base; competitive threats and commercial risks associated with our diversification strategy through our Advanced Technology Group; possible variability of our working capital requirements; risks associated with our international operations, including changes in laws, regulations, and policies governing the terms of foreign trade such as increased trade restrictions and tariffs; foreign currency exchange rate fluctuations; our ability to control the operations of our joint ventures for our sole benefit; our substantial amount of indebtedness and variable rates of interest; our ability to obtain adequate financing sources in the future; operating and financial restrictions imposed on us under our debt instruments; the underfunding of our pension plans; significant changes in discount rates and the actual return on pension assets; effectiveness of continuous improvement programs and other cost savings plans; manufacturing facility closings or consolidation; our ability to execute new program launches; our ability to meet customers’ needs for new and improved products; the possibility that our acquisitions and divestitures may not be successful; product liability, warranty and recall claims brought against us; laws and regulations, including environmental, health and safety laws and regulations; legal and regulatory proceedings, claims or investigations against us; work stoppages or other labor disruptions; the ability of our intellectual property to withstand legal challenges; cyber-attacks, data privacy concerns, other disruptions in, or the inability to implement upgrades to, our information technology systems; the possible volatility of our annual effective tax rate; the possibility of a failure to maintain effective controls and procedures; the possibility of future impairment charges to our goodwill and long-lived assets; our ability to identify, attract, develop and retain a skilled, engaged and diverse workforce; our ability to procure insurance at reasonable rates; and our dependence on our subsidiaries for cash to satisfy our obligations; and other risks and uncertainties, including those detailed from time to time in the Company’s periodic reports filed with the Securities and Exchange Commission.

You should not place undue reliance on these forward-looking statements. Our forward-looking statements speak only as of the date of this press release 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 press release also contains references to estimates and other information that are 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.

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