

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

FORM 10-K

(Mark one)

- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2019
OR
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____
Commission file number 001-36127

COOPER-STANDARD HOLDINGS INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

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

39550 Orchard Hill Place Drive
Novi, Michigan 48375

(Address of principal executive offices) (Zip Code)

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

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

Title of Each Class	Trading Symbol(s)	Name of Exchange on Which Registered
Common Stock, par value \$0.001 per share	CPS	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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 an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company
Emerging growth company

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

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

The aggregate market value of voting and non-voting common stock held by non-affiliates as of June 28, 2019 was \$570,726,818.

The number of the registrant's shares of common stock, \$0.001 par value per share, outstanding as of February 7, 2020 was 16,842,757 shares.

Documents Incorporated by Reference

Certain portions, as expressly described in this report, of the Registrant's Proxy Statement for the 2020 Annual Meeting of Stockholders are incorporated by reference into Part III of this Annual Report on Form 10-K.

TABLE OF CONTENTS

Page

PART I

Item 1.	Business	3
Item 1A.	Risk Factors	11
Item 1B.	Unresolved Staff Comments	18
Item 2.	Properties	19
Item 3.	Legal Proceedings	19
Item 4.	Mine Safety Disclosures	19

PART II

Item 5.	Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	20
Item 6.	Selected Financial Data	22
Item 7.	Management's Discussion and Analysis of Financial Condition and Results of Operations	23
Item 7A.	Quantitative and Qualitative Disclosures About Market Risk	39
Item 8.	Financial Statements and Supplementary Data	41
Item 9.	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	95
Item 9A.	Controls and Procedures	95
Item 9B.	Other Information	95

PART III

Item 10.	Directors, Executive Officers and Corporate Governance	96
Item 11.	Executive Compensation	96
Item 12.	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	96
Item 13.	Certain Relationships and Related Transactions, and Director Independence	96
Item 14.	Principal Accounting Fees and Services	96

PART IV

Item 15.	Exhibits and Financial Statement Schedules	97
Signatures		104

PART I

Item 1. Business

Cooper-Standard Holdings Inc. (together with its consolidated subsidiaries, the “Company,” “Cooper Standard,” “we,” “our” or “us”) is a leading manufacturer of sealing, fuel and brake delivery, and fluid transfer systems. During the first quarter of 2019 and in prior periods, the Company also operated an anti-vibration systems business (“AVS”). On April 1, 2019, we completed the divestiture of the anti-vibration systems business. Our products are primarily for use in passenger vehicles and light trucks that are manufactured by global automotive original equipment manufacturers (“OEMs”) and replacement markets. We conduct substantially all of our activities through our subsidiaries.

Cooper Standard is listed on the New York Stock Exchange (“NYSE”) under the ticker symbol “CPS.” The Company has approximately 28,000 employees, including 3,200 contingent workers, with 174 facilities in 21 countries. We believe we are the largest global producer of sealing systems, the second largest global producer of the types of fuel and brake delivery products that we manufacture and the third largest global producer of fluid transfer systems. We design and manufacture our products in each major region of the world through a disciplined and sustained approach to engineering and operational excellence. We operate in 103 manufacturing locations and 71 design, engineering, administrative and logistics locations.

The Company has four operating segments: North America, Europe, Asia Pacific and South America. This operating structure allows us to offer our full portfolio of products and support our global and regional customers with complete engineering and manufacturing expertise in all major regions of the world. We have ongoing restructuring, expansion and cost reduction initiatives to improve competitiveness.

Approximately 83% of our sales in 2019 were to OEMs, including Ford Motor Company (“Ford”), General Motors Company (“GM”), Fiat Chrysler Automobiles (“FCA”), PSA Peugeot Citroën, Volkswagen Group, Daimler, Renault-Nissan, BMW, Toyota, Volvo, Jaguar/Land Rover, Honda and various other OEMs based in China and India. The remaining 17% of our 2019 sales were primarily to Tier I and Tier II automotive suppliers, non-automotive customers, and replacement market distributors. The Company’s products can be found on over 518 nameplates globally.

Corporate History and Business Developments

Cooper-Standard Holdings Inc. was established in 2004 as a Delaware corporation and began operating on December 23, 2004 when it acquired the automotive segment of Cooper Tire & Rubber Company (the “2004 Acquisition”). Cooper-Standard Holdings Inc. operates the business primarily through its principal operating subsidiary, Cooper-Standard Automotive Inc. (“CSA U.S.”). Since the 2004 Acquisition, the Company has expanded and diversified its customer base through a combination of organic growth and strategic acquisitions. From 2006 to 2013, the Company accelerated its growth through a number of strategic acquisitions. In 2014 and 2015, the Company divested its thermal and emissions product line and hard coat plastic exterior trim business, respectively, to focus on the product lines where Cooper Standard holds leading market positions.

We continued strategic acquisitions and partnerships in 2014 and 2015 with the acquisition of Cikautxo Borja, S.L.U. in Spain; the purchase of an additional 47.5% of Huayu-Cooper Standard Sealing Systems Co. (“Shenya”), increasing our existing equity ownership to 95%; the formation of a joint venture with Polyrub Extrusions (India) Private Limited; and a joint venture with INOAC Corporation of Japan, which we later purchased the remaining 49% equity interest in 2018 and now own 100% of the equity interests of Cooper-Standard INOAC Pte. Ltd. In 2016, we acquired the North American fuel and brake business of AMI Industries. We also gained a controlling interest of our China-based joint venture, Shenya Sealing (Guangzhou) Company Limited.

In 2018, we finalized our purchase of 100% equity interest of the China fuel and brake business of AMI Industries; acquired 80.1% of LS Mtron Ltd.’s automotive parts business; and acquired Hutchings Automotive Products, LLC.

Also in 2018, the Company established its Advanced Technology Group, which incorporated our Industrial and Specialty Group, to accelerate and maximize the value stream of Cooper Standard’s materials science technology in industrial and specialty markets. The company furthered the expansion of our Industrial and Specialty Group through the acquisition of Lauren Manufacturing and Lauren Plastics and signed multiple joint development agreements for our Fortrex™ chemistry platform throughout 2018 and 2019.

In 2019, we finalized the divestiture of our AVS product line within our North America, Europe and Asia Pacific segments.

Business Strategy

We have set a clear vision for achieving profitable growth with a long-term mission to become a Top 30 automotive supplier in terms of sales and Top 5 in return on invested capital (“ROIC”). Our vision statement - Driving Value Through Culture, Innovation and Results - represents the evolution of the Company’s innovation culture providing the basis for delivering even greater value. Our strategic pillars are defined as:

Voice of the Customer:	We design and develop our products to meet the current and future needs of our customers. We listen intently and adjust to customer feedback to ensure we are consistently providing customer-focused products to meet their evolving needs. Customers support and trust us.
Superior Products:	With a focus on our core products, we provide customers with market-leading solutions with predictable quality that meet or exceed their expectations.
World-Class Operations:	We are committed to driving sustained excellence through the Cooper Standard Operating System (“CSOS”), our customized set of global best business practices. It’s how we will continue to optimize performance on a global scale to achieve our Top 30 / Top 5 mission.
Engaged Employees:	Our employees are the foundation of the Company and the key factor to our success. Committed to excellence and driven to succeed, our employees are focused on the Company’s overall vision and strategy.

Cooper Standard’s global alignment around these strategic pillars continues to drive further value in many areas of the business, including:

Operational and Strategic Initiatives

As part of Cooper Standard’s world-class operations, the Company implemented CSOS to fully position the Company for growth and ensure global consistency in engineering design, program management, manufacturing process, purchasing and IT systems. Standardization across all regions is especially critical in support of customers’ global platforms that require the same design, quality and delivery standards everywhere across the world. Cooper Standard operates Global Councils focused on technology, customer and manufacturing initiatives to better leverage the scale of the Company, identify best practices and transfer them around the world. As a result of these initiatives, the Company has leveraged CSOS to drive an average savings from improved operating efficiency of more than \$80 million each of the past 5 years.

Cooper Standard continues to progress its diversification strategy through its Advanced Technology Group which is charged with accelerating and maximizing expertise in the Company’s core process types for applications in the industrial and specialty markets. This business also drives growth through the Company’s applied materials science offerings, which include the Fortrex™ chemistry platform that provides performance advantages over many other materials.

The Company recently announced the CS Open Innovation initiative which aims to position Cooper Standard as the partner of choice for start-ups, universities and other suppliers through a proactive outreach program. The initiative is focused in the areas of materials science, manufacturing and process technology, digital/artificial intelligence and advanced product technology.

Leverage Technology and Materials Science for Innovative Solutions

We utilize our technical and materials science expertise to provide customers with innovative solutions. Our engineers combine product design with a broad understanding of materials science for enhanced vehicle performance. We believe our reputation for successful innovation in product design and materials is the reason our customers consult us early in their vehicle development and design process of their next generation vehicles.

Cooper Standard utilizes its i³ Innovation Process (Imagine, Initiate, Innovate) and CS Open Innovation as mechanisms to capture ideas while promoting a culture of innovation. Ideas are carefully evaluated by a global technology council, and those that are selected are put on an accelerated development cycle. We are developing innovative technologies based on materials expertise, process know-how, and application vision, which may drive future product direction. Fortrex™, the Company’s materials science platform, offers reduced weight while delivering superior material performance and aesthetics. Several other significant technologies, especially related to advanced materials, processing and weight reduction, have recently been realized.

These include: FlushSeal™, an advanced integrated solution for frame under glass static sealing systems offering better appearance, improved aerodynamics, quieter ride and reduced weight; MagAlloy™, a processing technology for brake lines that increases long term durability through superior corrosion resistance; and ArmorHose™, a breakthrough technology which results in significantly more durable coolant hoses and eliminates the need for separate abrasion sleeves on under-hood hose assemblies.

Among our newer technologies is Cooper Standard's artificial intelligence (A.I.)-enhanced development cycle for polymer compounds that has shortened material development times while realizing rapid discovery of new compounds that offer superior performance properties, which yield superior products. We have also developed proprietary technology for A.I.-enhanced continuous processes controls. This technology enables full automation of polymer extrusion and other complex continuous processes, reducing process variation (a top driver of scrap), increasing product quality, improving operational metrics and reducing our carbon footprint.

Our innovations are receiving industry recognition. Cooper Standard's artificial intelligence-enhanced development cycle for polymer compound development was named a finalist for the 2019 *Automotive News* PACE Awards. In addition, Fortrex™ was named a 2018 PACE Award winner and a 2018 and 2019 Society of Plastics Engineers Innovation Award finalist.

Pursue Acquisitions and Alliances to Enhance Capabilities and Accelerate Growth

Our strong balance sheet allows us to selectively pursue complementary acquisitions and joint ventures to enhance our customer base, geographic penetration, scale and technology. Consolidation is an industry trend which has been encouraged by the OEMs' desire for global automotive suppliers. We believe we have a strong platform for growth through acquisitions based on our past integration successes, experienced management team, global presence and operational excellence.

Industry

The automotive industry is one of the world's largest and most competitive. Consumer demand for new vehicles largely determines sales and production volumes of global OEMs. The business and commercial environment in each region also plays a role in vehicle demand as it relates to fleet vehicle sales and industrial use vehicles such as light and heavy trucks.

OEMs compete for market share in a variety of ways including pricing and incentives, the development of new, more attractive models, branding and advertising, and the ability to customize vehicle features and options to meet specific customer needs or demands. They rely heavily on thousands of specialized suppliers to provide the many distinct components and systems that comprise the modern vehicle. They also rely on these automotive suppliers to develop technological innovations that will help them meet consumer demands as well as regulatory requirements.

The supplier industry is a highly competitive industry generally characterized by high barriers to entry, significant start-up costs and long-standing customer relationships. The criteria by which OEMs judge automotive suppliers include quality, price, service, performance, design and engineering capabilities, innovation, timely delivery, financial stability and global footprint. Over the last decade, suppliers that have been able to achieve manufacturing scale globally, reduce structural costs, diversify their customer base and provide innovative, value-added technologies have been the most successful.

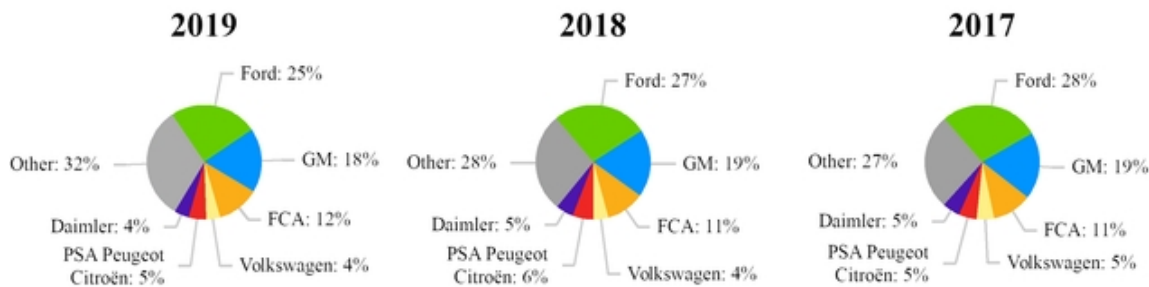
The technology of today's vehicles is evolving rapidly. This evolution is being driven by many factors including consumer preferences and social behaviors, a competitive drive for differentiation, regulatory requirements and safety. Cooper Standard supports these trends by providing innovations that reduce weight, increase life-cycle and durability, reduce interior noise, enhance exterior appearance and simplify the manufacturing and assembly process. These are innovations that can be applicable and valuable to virtually any vehicle or vehicle manufacturer and, in many cases, can also be transferred to non-automotive applications in adjacent markets.

Markets Served

Our automotive business is focused on the passenger car and light truck market, up to and including Class 3 full-size, full-frame trucks, better known as the global light vehicle market. This is our largest market and accounts for approximately 92% of our global sales.

Customers

We are a leading supplier to the following OEMs and are increasing our presence with major OEMs throughout the world. The following charts show the percentage of sales to our top customers for the years ended December 31, 2019, 2018 and 2017:

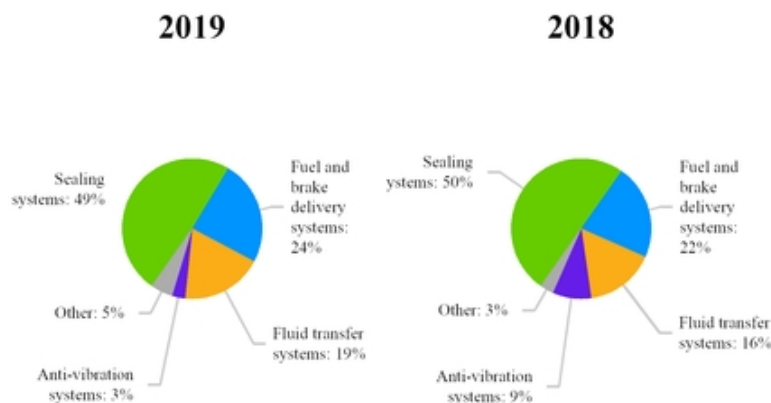


Our other customers include OEMs such as Renault-Nissan, BMW, Toyota, Volvo, Jaguar/Land Rover, Honda and various other OEMs based in China and India. Our business with any given customer is typically split among several contracts for different parts on a number of platforms.

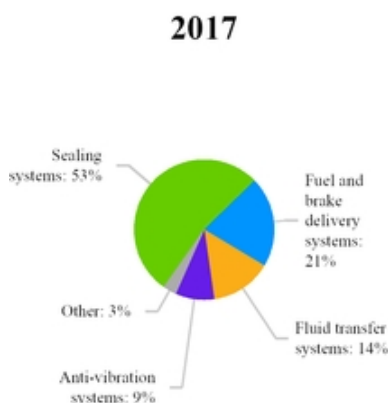
Products

We currently have three distinct product lines: sealing systems; fuel and brake delivery systems; and fluid transfer systems. These products are produced and supplied globally to a broad range of customers in multiple markets. On April 1, 2019, we completed the divestiture of the AVS product line within our North America, Europe and Asia Pacific segments. See Note 5. “Divestiture” to the consolidated financial statements included under Item 8. “Financial Statements and Supplementary Data” of this Annual Report on Form 10-K (the “Report”).

In addition to these product lines, we also have sales to other adjacent markets. The percentage of sales by product line and other markets for the years



ended December 31, 2019, 2018 and 2017 are as follows:



Product Lines		Market Position*
SEALING SYSTEMS	Protect vehicle interiors from weather, dust and noise intrusion for improved driving experience; provide aesthetic and functional class-A exterior surface treatment Products: – Fortrex™ – Dynamic seals – Static seals – Encapsulated glass – Stainless steel trim	Global leader – Obstacle detection sensor system – Flush glass systems – Variable extrusion – Specialty sealing products – Obstacle detection sensor system – Tex-A-Fib (Textured Surface with Cloth Appearance)
FUEL & BRAKE DELIVERY SYSTEMS	Sense, deliver and control fluids to fuel and brake systems Products: – Chassis and tank fuel lines and bundles (fuel lines, vapor lines and bundles) – Metallic brake lines and bundles – Quick connects – Brake jounce lines	Top 2 globally – Direct injection & port fuel rails (fuel rails and fuel charging assemblies) – MagAlloy™ tube coatings – Gen III Posi-Lock quick connects
FLUID TRANSFER SYSTEMS	Sense, deliver and control fluid and vapors for optimal powertrain & HVAC operation Products: – Heater/coolant hoses – Quick connects – DPF and SCR emission lines – Degas tanks – Air intake and charge – Transmission Oil Cooling Hoses	Top 3 globally – Turbo charger hoses – Charged air cooler ducts/assemblies – Secondary air hoses – Brake and clutch hoses – ArmorHose™ family of products – Easy-Lock quick connect

* Market position data from Boston Consulting Group (2018) and company estimates

Competition

We believe that the principal competitive factors in our industry are quality, price, service, performance, design and engineering capabilities, innovation, timely delivery, financial stability and global footprint. We believe that our capabilities in these core competencies are integral to our position as a market leader in each of our product lines. Our sealing systems products compete with Toyota Gosei, Hutchinson, Henniges and Standard Profil, among others. Our fuel and brake delivery products compete with TI Automotive, Sanoh, Martinrea and Maruyasu. Our fluid transfer products compete with Conti-Tech, Hutchinson, Teklas, Tristone and MGI Coutier (including Avon Automotive).

Joint Ventures and Strategic Alliances

Joint ventures represent an important part of our business, both operationally and strategically. We have utilized joint ventures to enter into and expand in geographic markets such as China, India and Thailand, to acquire new customers and to develop new technologies. When entering new geographic markets, teaming with a local partner can reduce capital investment by leveraging pre-existing infrastructure. In addition, local partners in these markets can provide knowledge and insight into local practices and access to local suppliers of raw materials and components.

The following table shows our significant unconsolidated joint ventures:

Country	Name	Product Line	Ownership Percentage
United States	Nishikawa Cooper LLC	Sealing systems	40%
India	Polyrub Cooper Standard FTS Private Limited	Fluid transfer systems	35%
Thailand	Nishikawa Tachaplalert Cooper Ltd.	Sealing systems	20%
China	Yantai Leading Solutions Auto Parts Co., Ltd.	Fuel and brake delivery systems	50%

On April 1, 2019, the Company sold its equity interest in Sujan Cooper Standard AVS Private Limited in connection with the divestiture of its AVS product line. See Note 5, “Divestiture” to the consolidated financial statements included in Item 8. “Financial Statements and Supplementary Data” of this Report for additional information.

Research and Development

We have a dedicated team of technical and engineering resources for each product line, some of which are located at our customers’ facilities. We utilize simulation, digital tools, best practices, standardization and track key process indicators to drive efficiency in execution with an emphasis on manufacturability and quality. Our development teams work closely with our customers to design and deliver innovative solutions, unique for their applications. Amounts spent on engineering, research and development, and program management were as follows:

Year	Amount	Percentage of Sales
(Dollar amounts in millions)		
2019	\$ 114.9	3.7%
2018	\$ 122.5	3.4%
2017	\$ 128.0	3.5%

Intellectual Property

We believe that one of our key competitive advantages is our ability to translate customer needs and our ideas into innovation through the development of intellectual property. We hold a significant number of patents and trademarks worldwide.

Our patents are grouped into two major categories: (1) specific product invention claims and (2) specific manufacturing processes that are used for producing products. The vast majority of our patents fall within the product invention category. We consider these patents to be of value and seek to protect our rights throughout the world against infringement. While in the aggregate these patents are important to our business, we do not believe that the loss or expiration of any one patent would materially affect our Company. We continue to seek patent protection for our new products and we develop significant technologies that we treat as trade secrets and choose not to disclose to the public through the patent process. These technologies nonetheless provide significant competitive advantages and contribute to our global leadership position in various markets. We believe that our trademarks, including ArmorHose™, FlushSeal™, Gen III Posi-Lock™, Easy-Lock™, MagAlloy™ and Fortrex™, help differentiate us and lead customers to seek our partnership.

We also have technology sharing and licensing agreements with various third parties, including Nishikawa Rubber Company, one of our joint venture partners in sealing products. We have mutual agreements with Nishikawa Rubber Company for sales, marketing and engineering services on certain sealing products. Under those agreements, each party pays for services provided by the other and royalties on certain products for which the other party provides design or development services.

As of December 2019, we have entered into two license agreements and six joint development agreements for commercial applications of our Fortrex™ chemistry platform in non-automotive industries. We expect to continue developing additional opportunities for Fortrex™ and other materials-related innovations beyond our core automotive product lines.

Supplies and Raw Materials

Cooper Standard is committed to building strong relationships with our supply partners. We recognize the importance of engaging with suppliers to create value for our customers.

The principal raw materials for our business include synthetic and natural rubber, components manufactured from carbon steel, plastic resins and components, carbon black, process oils, and components manufactured from aluminum. We manage the

procurement of our raw materials to assure supply and to obtain the most favorable total cost. Procurement arrangements include short-term and long-term supply agreements that may contain formula-based pricing, based on commodity indices. These arrangements provide quantities needed to satisfy normal manufacturing demands. We believe we have adequate sources for the supply of raw materials and components for our products with suppliers located around the world.

Raw material prices are susceptible to fluctuations 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. As such, we have implemented strategies with both our suppliers and our customers to help manage these fluctuations. These actions include material substitutions and leveraging global purchases. Our global supply chain optimization efforts include using benchmarks and selective sourcing from strategic suppliers. We have also made process improvements to ensure the efficient use of materials through scrap reduction, as well as standardization of material specifications to maximize leverage over higher volume purchases. With some customers, on certain raw materials, we have implemented indices that allow price changes as underlying material costs fluctuate.

Seasonality

Our principal operations are directly related to the automotive industry. Sales to OEMs are lowest during the months prior to model changeovers or during assembly plant shutdowns. Automotive production is traditionally reduced during July, August and year-end holidays, and our quarterly results may reflect these trends. However, economic conditions and consumer demand may change the traditional seasonality of the industry.

Backlog

Our OEM sales are generally based upon purchase orders issued by the OEMs, with updated releases for volume adjustments. As such, we typically do not have a backlog of orders at any point in time. Once selected to supply products for a particular platform, we typically supply those products for the platform life, which is normally three to five years, although there is no guarantee that this will occur. In addition, when we are the incumbent supplier to a given platform, we believe we have a competitive advantage in winning the redesign or replacement platform, although there is no guarantee that this will occur.

Employees

As of December 31, 2019, we had approximately 28,000 employees, including 3,200 contingent workers. We maintain good relations with both our union and non-union employees and, in the past ten years, have not experienced any major work stoppages. We renegotiated some of our domestic and non-domestic union agreements in 2019, and have several contracts set to expire in the next twelve months.

Community Involvement

Supported by the Cooper Standard Foundation, our employees are highly engaged in their local communities. The Foundation's mission is to strengthen the communities where Cooper Standard employees work and live through the passionate support of children's charities, education, health and wellness, and community revitalization. The Cooper Standard Foundation is a 501(c)(3) organization with oversight by our Philanthropic Committee and Board of Trustees. For more information on the Company's community involvement, please visit our Corporate Responsibility Report located on the Cooper Standard website.

Environmental

Cooper Standard considers itself a steward of the environment, and we monitor the environmental impact of our business and products. We prioritize our environmental management as a means of driving and sustaining excellence. We are subject to a broad range of federal, state, and local environmental and occupational safety and health laws and regulations in the United States and other countries, including regulations governing: emissions to air, discharges to water, noise and odor emissions; the generation, handling, storage, transportation, treatment, reclamation and disposal of chemicals and waste materials; the cleanup of contaminated properties; and human health and safety. We have made, and will continue to make, expenditures to comply with environmental requirements. While our costs to defend and settle known claims arising under environmental laws have not been material in the past and are not currently estimated to be material, such costs may be material in the future. Further details regarding our commitments and contingencies are provided in Note 23. "Contingent Liabilities" to the consolidated financial statements included in Item 8. "Financial Statements and Supplementary Data" of this Report.

Market Data

Some market data and other statistical information used throughout this Annual Report on Form 10-K is based on data from independent firms such as IHS Automotive and Boston Consulting Group. Other data is based on good faith estimates, which are derived from our review of internal analyses, as well as third party sources. Although we believe these third party sources are reliable, we have not independently verified the information and cannot guarantee its accuracy and completeness. To

the extent that we have been unable to obtain information from third party sources, we have expressed our belief on the basis of our own internal analyses of our products and capabilities in comparison to our competitors.

Available Information

We make available free of charge on our website (www.cooperstandard.com) our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, (the "Exchange Act"), as soon as reasonably practicable after we electronically file such material with, or furnish it to, the U.S. Securities and Exchange Commission ("SEC"). Our reports filed with the SEC also may be found on the SEC's website at www.sec.gov. Neither the information on our website nor the information on the SEC's website is incorporated by reference into this Report unless expressly noted.

Forward-Looking Statements

This Annual Report on Form 10-K 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: 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; our ability to obtain adequate financing sources in the future; operating and financial restrictions imposed on us under our debt instruments; the underfunding of our pension plans; significant changes in discount rates and the actual return on pension assets; effectiveness of continuous improvement programs and other cost savings plans; manufacturing facility closings or consolidation; our ability to execute new program launches; our ability to meet customers' needs for new and improved products; the possibility that our acquisitions and divestitures may not be successful; product liability, warranty and recall claims brought against us; laws and regulations, including environmental, health and safety laws and regulations; legal proceedings, claims or investigations against us; work stoppages or other labor disruptions; the ability of our intellectual property to withstand legal challenges; cyber-attacks, 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; 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 Annual Report on Form 10-K 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 Annual Report on Form 10-K 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 1A. Risk Factors

We have listed below (not necessarily in order of importance or probability of occurrence) the most significant risk factors that could cause our actual results to vary materially from recent or anticipated results and could materially and adversely affect our business, results of operations, financial condition and cash flows.

We are highly dependent on the automotive industry. A prolonged or material contraction in automotive sales and production volumes could adversely affect our business, results of operations and financial condition.

Automotive sales and production are cyclical and depend on, among other things, general economic conditions and consumer spending, vehicle demand and preferences (which can be affected by a number of factors, including fuel costs, employment levels and the availability of consumer financing). As the volume of automotive production and the mix of vehicles produced fluctuate, the demand for our products also fluctuates. Prolonged or material contraction in automotive sales and production volumes, or significant changes in the mix of vehicles produced, could cause our customers to reduce orders of our products, which could adversely affect our business, results of operations and financial condition.

We may not realize sales represented by awarded business, which could adversely affect our business, financial condition, results of operations and cash flows.

The realization of future sales from awarded business is subject to risks and uncertainties inherent in the cyclical nature of vehicle production. In addition, our customers generally have the right to resource awarded business without penalty. Therefore, the ultimate amount of our sales is not guaranteed. If actual production orders from our customers are not consistent with the projections we use in calculating the amount of awarded business, we could realize substantially less sales and profit over the life of these awards than currently projected.

Escalating pricing pressures may adversely affect our business.

Pricing pressure in the automotive supply industry has been substantial and is likely to continue. Nearly all vehicle manufacturers seek price reductions in both the initial bidding process and during the term of the contract. Price reductions have adversely impacted our sales and profit margins and are expected to do so in the future. If we are not able to offset continued price reductions through improved operating efficiencies and reduced expenditures, those price reductions may have a negative impact on our financial condition.

Our business could be adversely affected if we lose any of our largest customers or significant platforms.

While we provide parts to virtually every major global OEM for use on a wide range of different platforms, sales to our three largest customers, Ford, GM and FCA, on a worldwide basis represented approximately 55% of our sales for the year ended December 31, 2019. Our ability to reduce the risks inherent in certain concentrations of business will depend, in part, on our ability to continue to diversify our sales on a customer, product, platform and geographic basis. Although business with each customer is typically split among numerous contracts, the loss of a major customer, significant reduction in purchases of our products by such customer, or any discontinuance or resourcing of a significant platform could adversely affect our business, results of operations and financial condition.

We operate in a highly competitive industry and efforts by our competitors to gain market share could adversely affect our financial performance.

The automotive parts industry is highly competitive. We face numerous competitors in each of our product lines. In general, there are three or more significant competitors and numerous smaller competitors for most of the products we offer. We also face competition for certain of our products from suppliers producing in lower-cost regions such as Asia and Eastern Europe. Our competitors' efforts to grow market share could exert downward pressure on the pricing of our products and our margins.

Increases in the costs, or reduced availability, of raw materials and manufactured components may adversely affect our profitability.

Raw material costs can be volatile. The principal raw materials we purchase include synthetic rubber, components manufactured from carbon steel, plastic resins and components, carbon black, process oils, components manufactured from aluminum and natural rubber. Raw materials are the largest component of our costs, representing approximately 51% of our total cost of products sold in 2019. The costs and availability of raw materials and manufactured components can fluctuate due to factors beyond our control, including as a result of existing and potential changes to U.S. policies related to global trade and tariffs. A significant increase in the price of raw materials, or a restriction in their availability, could materially increase our operating costs and adversely affect our profitability because it is generally difficult to pass through these increased costs to our customers.

Disruptions in the supply chain could have an adverse effect on our business, financial condition, results of operations and cash flows.

We obtain components and other products and services from numerous suppliers and other vendors throughout the world. We are responsible for managing our supply chain, including suppliers that may be the sole sources of products that we require, that our customers direct us to use or that have unique capabilities that would make it difficult and/or expensive to re-source. In certain instances, entire industries may experience short-term capacity constraints. Any significant disruption in supply could adversely affect our financial performance. Furthermore, unfavorable economic or industry conditions could result in financial distress within our supply base, thereby increasing the risk of supply disruption. Although market conditions generally have improved in recent years, uncertainty remains, and an economic downturn or other unfavorable conditions in one or more of the regions in which we operate could cause a supply disruption and thereby adversely affect our financial condition, operating results and cash flows.

If a customer experiences a material supply shortage, either directly or as a result of a supply shortage at another supplier, that customer may halt or limit the purchase of our products, which could adversely affect our business, results of operations and financial condition.

Our diversification strategy through the Advanced Technology Group poses new competitive threats and commercial risks.

Our diversification strategy through the Advanced Technology Group is to leverage our core products in adjacent markets and license our innovation technology in non-automotive markets. We may be unsuccessful in leveraging our existing products and technology into new markets and thus in meeting the needs of these new customers and competing favorably in these new markets.

Our working capital requirements may negatively affect our liquidity and capital resources.

Our working capital requirements can vary significantly, depending in part on the level, variability and timing of our customers' worldwide vehicle production and the payment terms with our customers and suppliers. If our working capital needs exceed our cash provided by operating activities, we would look to our cash balances and availability under our borrowing arrangements to satisfy those needs, as well as potential sources of additional capital, which may not be available on satisfactory terms and in adequate amounts, if at all.

We are subject to other risks associated with our international operations.

We have significant manufacturing operations outside the United States, including joint ventures and other alliances. Our operations are located in 21 countries, and we export to several other countries. In 2019, approximately 77% of our sales were attributable to products manufactured outside the United States. Risks inherent in our international operations include:

- currency exchange rate fluctuations, currency controls and restrictions, and the ability to hedge currencies;
- changes in local economic conditions;
- repatriation restrictions or requirements, including tax increases on remittances and other payments by our foreign subsidiaries;
- global sovereign fiscal uncertainty and hyperinflation in certain foreign countries;
- changes in laws and regulations, including laws or policies governing the terms of foreign trade, and in particular increased trade restrictions, tariffs, or taxes or the imposition of embargoes on imports from countries where we manufacture products;
- operating in foreign jurisdictions where the ability to enforce rights over intellectual property is limited as a statutory or practical matter;
- political, economic and regulatory uncertainty as a result of the United Kingdom's withdrawal from the European Union ("Brexit") on January 31, 2020, including with respect to potential import/export restrictions that would affect products we ship to U.K. customers primarily from continental Europe;
- exposure to possible expropriation or other government actions;
- disease, pandemics or other severe public health events; and
- exposure to local political or social unrest including resultant acts of war, terrorism, or similar events.

The occurrence of any of these risks may adversely affect the results of operations and financial condition of our international operations and our business as a whole.

Expanding our sales and manufacturing operations in the Asia Pacific region, particularly in China, is an integral part of our strategy, and, as a result, our exposure to the risks described above is substantial. For example, if the current novel coronavirus outbreak continues and results in a prolonged period of travel, commercial and other similar restrictions, we could experience significant impacts to our operations there. This or any further political or governmental developments or health concerns in China or other countries in which we operate could result in social, economic and labor instability, which could have a material adverse effect on the continuity of our business and our results of operations and financial condition.

Foreign currency exchange rate fluctuations could materially impact our operating results.

Our sales and manufacturing operations outside the United States expose us to currency risks. For our consolidated financial statements, our sales and earnings denominated in foreign currencies are translated into U.S. dollars. This translation is calculated based on average exchange rates during the reporting period. Accordingly, our reported international sales and earnings could be adversely impacted in periods of a strengthening U.S. dollar.

Although we generally produce in the same geographic region as our products are sold, we also produce in countries that predominately sell in another currency. Further, some of our commodities are purchased in or tied to the U.S. dollar; therefore our earnings could be adversely impacted during the periods of a strengthening U.S. dollar relative to other foreign currencies. While we employ financial instruments to hedge certain portions of our foreign currency exposures, our efforts to manage these risks may not be successful and may not completely insulate us from the effects of currency fluctuation.

A portion of our operations are conducted by joint ventures which have unique risks.

Certain of our operations are carried out by joint ventures. In joint ventures, we share the management of the company with one or more partners who may not have the same goals, resources or priorities as we do. The operations of our joint ventures are subject to agreements with our partners, which typically include additional organizational formalities as well as requirements to share information and decision making and may also limit our ability to sell our interest. Additional risks include one or more partners failing to satisfy contractual obligations, a change in ownership of any of our partners and our limited ability to control our partners' compliance with applicable laws, including the Foreign Corrupt Practices Act. Any such occurrences could adversely affect our financial condition, operating results, cash flow or reputation.

We have a substantial amount of indebtedness, which could have a material adverse effect on our financial condition and our ability to obtain financing in the future and to react to changes in our business.

For discussion of our debt and financing arrangements, including our senior term loan facility ("Term Loan Facility"), 5.625% Senior Notes due 2026 ("Senior Notes"), our senior asset-based revolving credit facility ("ABL Facility") and debt of certain foreign subsidiaries, see "Liquidity and Capital Resources - Financing Arrangements" in Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Note 11. "Debt" to the consolidated financial statements included under Item 8. "Financial Statements and Supplementary Data" of this Report.

Our substantial amount of debt and our debt service obligations could limit our ability to satisfy our obligations, limit our ability to operate our business and impair our competitive position. For example, it could:

- increase our vulnerability to adverse economic and general industry conditions, including interest rate fluctuations, because a portion of our borrowings are at variable rates of interest;
- require us to dedicate a substantial portion of our cash flows from operations to payments on our debt, which would reduce the availability of cash to fund working capital, capital expenditures or other general corporate purposes;
- limit our flexibility in planning for, or reacting to, changes in our business and industry;
- place us at a disadvantage compared to competitors that may have proportionately less debt;
- limit our ability to obtain additional debt or equity financing due to applicable financial and restrictive covenants in our debt agreements; and
- increase our cost of borrowing.

Our ability to make scheduled payments on our debt or to refinance these obligations depends on our financial condition, operating performance and our ability to generate cash in the future. If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay investments and capital expenditures, sell material assets, seek additional capital or restructure or refinance our indebtedness, any of which could have a material adverse effect on our business, results of operations and financial condition. In addition, we may not be able to effect any of these actions, if necessary, on commercially reasonable terms or at all. Our ability to restructure or refinance our indebtedness will depend on the condition of the capital markets and our financial condition at such time. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. The terms of existing or future debt instruments, including the credit agreements governing the Term Loan Facility and the ABL Facility and the indenture governing the Senior Notes, may limit or prevent us from taking any of these actions. In addition, any failure to

make scheduled payments of interest and principal on our outstanding indebtedness would likely result in a reduction of our credit rating, which could harm our ability to incur additional indebtedness on commercially reasonable terms or at all. An inability to generate sufficient cash flow to satisfy our debt service obligations, or to refinance or restructure our obligations on commercially reasonable terms or at all, would have an adverse effect, which could be material, on our business, financial condition and results of operations, as well as on our ability to satisfy our obligations in respect of the Term Loan Facility, the Senior Notes or the ABL Facility.

Although the credit agreements governing the Term Loan Facility and the ABL Facility contain certain limitations on our ability to incur additional indebtedness, they do not prohibit us from incurring obligations that do not constitute indebtedness as defined therein. To the extent that we incur additional indebtedness or such other obligations, the risk associated with our substantial indebtedness described above, including our potential inability to service our debt, will increase.

Our debt instruments impose significant operating and financial restrictions on us and our subsidiaries.

The credit agreements governing the Term Loan Facility and the ABL Facility impose significant operating and financial restrictions and limit our ability, among other things, to:

- incur, assume or permit to exist additional indebtedness (including guarantees thereof);
- pay dividends or certain other distributions on our capital stock or repurchase our capital stock or prepay subordinated indebtedness;
- incur liens on assets;
- make certain investments or other restricted payments;
- allow to exist certain restrictions on the ability of our restricted subsidiaries to pay dividends or make other payments to us;
- engage in transactions with affiliates;
- alter the business that we conduct; and
- sell certain assets or merge or consolidate with or into other companies.

Moreover, our ABL Facility provides the agent considerable discretion to impose reserves, which could materially reduce the amount of borrowings that would otherwise be available to us.

The indenture governing the Senior Notes also imposes restrictions and limits our ability, among other things, to:

- incur liens on assets;
- make certain restricted payments;
- sell certain assets or merge or consolidate with or into other companies; and
- enter into certain sale-leaseback transactions.

As a result of these covenants and restrictions (including borrowing base availability), we are limited in how we conduct our business, and we may be unable to raise additional debt or equity financing to compete effectively or to take advantage of new business opportunities or acquisitions. The terms of any future indebtedness we may incur could include more restrictive covenants. We may not be able to maintain compliance with these covenants in the future and, if we fail to do so, that we will be able to obtain waivers from the lenders and/or amend the covenants in such agreements. Our failure to comply with the restrictive covenants described above as well as others contained in our future debt instruments from time to time could result in an event of default, which, if not cured or waived, could result in our being required to repay these borrowings before their due date. If we are forced to refinance these borrowings on less favorable terms, our financial condition, results of operations and cash flows could be adversely affected.

If there were an event of default under any of the agreements relating to our outstanding indebtedness, the holders of the defaulted debt could cause all amounts outstanding with respect to that debt to be due and payable immediately. Our assets or cash flow may not be sufficient to fully repay borrowings under our outstanding debt instruments if accelerated upon an event of default. Further, if we are unable to repay, refinance or restructure our indebtedness under our secured debt, the holders of such debt could proceed against the collateral securing that indebtedness. In addition, any event of default or declaration of acceleration under one debt instrument could also result in an event of default under one or more of our other debt instruments. As a result, any default by us on our indebtedness could have a material adverse effect on our business, financial condition and results of operation.

Our pension plans are currently underfunded, and we may have to make cash contributions to the plans, reducing the cash available for our business.

We sponsor various pension plans worldwide that are underfunded and will require cash contributions. Additionally, if the performance of the assets in our pension plans does not meet our expectations, or if other actuarial assumptions are modified, our required contributions may be higher than we expect. As of December 31, 2019, our pension plans were underfunded by

\$140.9 million. If our cash flow from operations is insufficient to fund our worldwide pension liabilities, it could have an adverse effect on our financial condition and results of operations.

Significant changes in discount rates, the actual return on pension assets and other factors could adversely affect our liquidity, results of operations and financial condition.

Our earnings may be positively or negatively impacted by the amount of income or expense recorded related to our pension plans. Generally accepted accounting principles in the United States (“U.S. GAAP”) require that income or expense related to the pension plans be calculated at the annual measurement date using actuarial calculations, which reflect certain assumptions. Because these assumptions have fluctuated and will continue to fluctuate in response to changing market conditions, the amount of gains or losses that will be recognized in subsequent periods, the impact on the funded status of the pension plans and the future minimum required contributions, if any, could adversely affect our liquidity, results of operations and financial condition.

The benefits of our continuous improvement program and other cost savings plans may not be fully realized.

Our operations strategy includes continuous improvement programs and implementation of lean manufacturing tools across all facilities to achieve cost savings and increased performance. Further, we have and may continue to initiate restructuring actions designed to improve future profitability and competitiveness. The cost savings that we anticipate from these initiatives may not be achieved on schedule or at the level we anticipate. If we are unable to realize these anticipated savings, our operating results and financial condition may be adversely affected.

We may continue to incur significant costs related to manufacturing facility closings or consolidation which could have an adverse effect on our financial condition.

If we must close or consolidate manufacturing locations, the exit costs associated with such closures or consolidation, including employee termination costs, may be significant. Such costs could negatively affect our cash flows, results of operations and financial condition.

Our inability to effectively manage the timing, quality and costs of new program launches could adversely affect our financial performance.

In connection with the award of new business, we may obligate ourselves to deliver new products that are subject to our customers’ timing, performance and quality standards. Given the number and complexity of new program launches, we may experience difficulties managing product quality, timeliness and associated costs. In addition, new program launches require a significant ramp up of costs. However, our sales related to these new programs generally are dependent upon the timing and success of our customers’ introduction of new vehicles. Our inability to effectively manage the timing, quality and costs of these new program launches could adversely affect our financial condition, operating results and cash flows.

Our success depends in part on our development of improved products, and our efforts may fail to meet the needs of customers on a timely or cost-effective basis.

Our continued success depends on our ability to maintain advanced technological capabilities and knowledge necessary to adapt to changing market demands, as well as to develop and commercialize innovative products. We may be unable to develop new products successfully or to keep pace with technological developments by our competitors and the industry in general. In addition, we may develop specific technologies and capabilities in anticipation of customers’ demands for new innovations and technologies. If such demand does not materialize, we may be unable to recover the costs incurred in the development of such technologies and capabilities. If we are unable to recover these costs or if any such programs do not progress as expected, our business, results of operations and financial condition could be adversely affected.

Any acquisitions or divestitures we make may be unsuccessful, may take longer than anticipated or may negatively impact our business, financial condition, results of operations and cash flows.

We may pursue acquisitions or divestitures in the future as part of our strategy. Acquisitions and divestitures involve numerous risks, including identifying attractive target acquisitions, undisclosed risks affecting the target, difficulties integrating acquired businesses, the assumption of unknown liabilities, potential adverse effects on existing customer or supplier relationships, and the diversion of management's attention from day-to-day business. We may not have, or be able to raise on acceptable terms, sufficient financial resources to make acquisitions. Our ability to make investments may also be limited by the terms of our existing or future financing arrangements. Any acquisitions or divestitures we pursue may not be successful or prove to be beneficial to our operations and cash flow.

We may incur material losses and costs as a result of product liability and warranty and recall claims that may be brought against us.

We may be exposed to product liability and warranty claims in the event that our products actually or allegedly fail to perform as expected or the use of our products results, or is alleged to result, in bodily injury and/or property damage. Accordingly, we could experience material warranty or product liability expenses in the future and incur significant costs to defend against these claims. In addition, if any of our products are, or are alleged to be, defective, we may be required to participate in a recall of that product if the defect or the alleged defect relates to automotive safety. Product recalls could cause us to incur material costs and could harm our reputation or cause us to lose customers, particularly if any such recall causes customers to question the safety or reliability of our products. Also, while we possess considerable historical warranty and recall data with respect to the products we currently produce, we do not have such data relating to new products, assembly programs or technologies, including any new fuel and emissions technology and systems being brought into production, to allow us to accurately estimate future warranty or recall costs.

In addition, the increased focus on systems integration platforms utilizing fuel and emissions technology with more sophisticated components from multiple sources could result in an increased risk of component warranty costs over which we have little or no control and for which we may be subject to an increasing share of liability to the extent any of the other component suppliers are in financial distress or are otherwise incapable of fulfilling their warranty or product recall obligations. Our costs associated with providing product warranties and responding to product recall claims could be material. Product liability, warranty and recall costs may adversely affect our business, results of operations and financial condition.

We may be adversely affected by laws and regulations, including environmental, health and safety laws and regulations.

We are subject to various U.S. federal, state and local, and non-U.S. laws and regulations, including those related to environmental, health and safety, financial, tax, customs and other matters. We cannot predict the substance or impact of pending or future legislation or regulations, or the application thereof. The introduction of new laws or regulations or changes in existing laws or regulations, or the interpretations thereof, could increase the costs of doing business for us or our customers or suppliers or restrict our actions and adversely affect our financial condition, results of operations and cash flows.

In particular, we are subject to a broad range of laws and regulations governing emissions to air; discharges to water; noise and odor emissions; the generation, handling, storage, transportation, treatment, reclamation and disposal of chemicals and waste materials; the cleanup of contaminated properties; and health and safety. We may incur substantial costs in complying with these laws and regulations. Many of our current and former facilities have been subject to certain environmental investigations and remediation activities, and we maintain environmental reserves for certain of these sites. Through various acquisitions, we have acquired a number of manufacturing facilities, and we cannot assure that we will not incur material costs or liabilities relating to activities that predate our ownership. Material future expenditures may be necessary if compliance standards change or material unknown conditions that require remediation are discovered. Environmental laws could also restrict our ability to expand our facilities or could require us to acquire costly equipment or to incur other significant expenses. If we fail to comply with present and future environmental laws and regulations, we could be subject to future liabilities, which could adversely affect our financial condition, operating results and cash flows.

We are involved from time to time in legal proceedings, claims or investigations which could have an adverse impact on our results of operations and financial condition.

We are involved in legal proceedings, claims or investigations that, from time to time, may be significant. These matters typically arise in the normal course of business including, without limitation, commercial or contractual disputes, including warranty claims and other disputes with customers and suppliers; intellectual property matters; personal injury claims; environmental issues; tax matters; employment matters; or allegations relating to legal compliance by us or our employees.

For further information regarding our legal matters, see Item 3. "Legal Proceedings." The industries in which we operate are also periodically reviewed or investigated by regulators, which could lead to enforcement actions, fines and penalties or the

assertion of private litigation claims. It is not possible to predict with certainty the outcome of claims, investigations and lawsuits, and we could in the future incur judgments, fines or penalties or enter into settlements of lawsuits and claims that could have an adverse effect on our business, results of operations and financial condition in any particular period.

Work stoppages or similar difficulties could disrupt our operations and negatively affect our operations and financial performance.

We may be subject to work stoppages and may be affected by other labor disputes. A number of our collective bargaining agreements expire in any given year. There is no certainty that we will be successful in negotiating new agreements with these unions that extend beyond the current expiration dates or that these new agreements will be on terms as favorable to us as past labor agreements. Failure to renew these agreements when they expire or to establish new collective bargaining agreements on terms acceptable to us and the unions could result in work stoppages or other labor disruptions which may have an adverse effect on our operations, customer relationships and financial results. Additionally, a work stoppage at one or more of our suppliers or our customers' suppliers could adversely affect our operations if an alternative source of supply were not readily available. Work stoppages by our customers' employees could result in reduced demand for our products and could have an adverse effect on our business. In addition, it is possible that our workforce will become more unionized in the future. Unionization activities could increase our costs, which could negatively affect our results of operations.

If we are unable to protect our intellectual property or if a third party challenges our intellectual property rights, our business could be adversely affected.

We own or have rights to proprietary technology that is important to our business. We rely on intellectual property laws, patents, trademarks and trade secrets to protect such technology. Such protections, however, vary among the countries in which we market and sell our products, and as a result, we may be unable to prevent third parties from using our intellectual property without authorization. Any infringement or misappropriation of our technology could have an adverse effect on our business and results of operations. We also face exposure to claims by others for infringement of intellectual property rights and could incur significant costs or losses related to such claims. In addition, many of our supply agreements require us to indemnify our customers from third-party infringement claims. These claims, regardless of their merit or resolution, are frequently costly to prosecute, defend or settle and divert the efforts and attention of our management and employees. If any such claim were to result in an adverse outcome, we could be required to take actions which may include: ceasing the manufacture, use or sale of the infringing products; paying substantial damages to third parties, including to customers to compensate them for the discontinued use of a product or to replace infringing technology with non-infringing technology; or expending significant resources to develop or license non-infringing products, any of which could adversely affect our operations, business and financial condition.

A disruption in, or the inability to successfully implement upgrades to, our information technology systems, including disruptions relating to cybersecurity as well as data privacy concerns, could adversely affect our business and financial performance.

We rely upon information technology networks, systems and processes, including the information technology networks of third parties such as suppliers and joint venture partners, to manage and support our business. We have implemented a number of procedures and practices designed to protect against breaches or failures of our systems. Despite the security measures that we have implemented, including those measures to prevent cyber-attacks, our systems could be breached or damaged by computer viruses or unauthorized physical or electronic access. A breach of our information technology systems, or those of the third parties on whom we rely, could result in theft of our intellectual property, disruption to business or unauthorized access to customer or personal information. Such a breach could adversely impact our operations and/or our reputation and may cause us to incur significant time and expense to cure or remediate the breach.

Further, we continually update and expand our information technology systems to enable us to more efficiently run our business. If these systems are not implemented successfully, our operations and business could be disrupted and our ability to report accurate and timely financial results could be adversely affected.

Our expected annual effective tax rate could be volatile and could materially change as a result of changes in many items including mix of earnings, debt and capital structure and other factors.

Many items could impact our effective tax rate including changes in our debt and capital structure, mix of earnings and many other factors. Our overall effective tax rate is based upon the consolidated tax expense as a percentage of consolidated earnings before tax. However, tax expenses and benefits are not recognized on a consolidated or global basis, but rather on a jurisdictional, legal entity basis. Further, certain jurisdictions in which we operate generate losses where no current financial statement tax benefit is realized. In addition, certain jurisdictions have statutory rates greater than or less than the United States statutory rate. As such, changes in the mix and source of earnings between jurisdictions could have a significant impact on our overall effective tax rate in future years. Changes in rules related to accounting for income taxes, changes in tax laws and rates or adverse outcomes from tax audits that occur regularly in any of our jurisdictions could also have a significant impact on our overall effective tax rate in future periods.

Failure to maintain effective controls and procedures could adversely impact our business, financial condition and results of operations.

Regulatory provisions governing the financial reporting of U.S. public companies require that we establish and maintain disclosure controls and internal controls over financial reporting across our operations in 21 countries. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives; as such, they can be susceptible to human error, circumvention or override, and fraud. Failure to maintain adequate, effective controls and procedures could result in potential financial misstatements or other forms of noncompliance that could have an adverse impact on our business, results of operations, financial condition or organizational reputation.

Impairment charges relating to our goodwill, long-lived assets or intangible assets could adversely affect our results of operations.

We regularly monitor our goodwill, long-lived assets and intangible assets for impairment indicators. In conducting our goodwill impairment testing, we compare the fair value of our North America reporting unit to its related net book value. In conducting our impairment analysis of long-lived and intangible assets, we compare the undiscounted cash flows expected to be generated from the long-lived or intangible assets to the related net book values. Changes in economic or operating conditions impacting our estimates and assumptions could result in the impairment of our goodwill, long-lived assets or intangible assets. In the event that we determine that our goodwill, long-lived assets or intangible assets are impaired, we may be required to record a significant charge to earnings, which could adversely affect our results of operations.

We operate as a holding company and depend on our subsidiaries for cash to satisfy the obligations of the holding company.

Cooper-Standard Holdings Inc. is a holding company. Our subsidiaries conduct all of our operations and own substantially all of our assets. Our cash flow and our ability to meet our obligations depend on the cash flow of our subsidiaries. In addition, the payment of funds in the form of dividends, intercompany payments, tax sharing payments and otherwise may be subject to restrictions under the laws of the countries of incorporation of our subsidiaries or their governing documents.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

As of December 31, 2019, our operations were conducted through 174 wholly-owned, leased and joint venture facilities in 21 countries (*North and Central America*: Canada, Costa Rica, Mexico, United States; *Asia Pacific*: China, India, Japan, South Korea, Thailand; *Europe*: Czech Republic, France, Germany, Italy, Netherlands, Poland, Romania, Serbia, Spain, Sweden, United Kingdom; *South America*: Brazil), of which 103 are predominantly manufacturing facilities and 71 have design, engineering, administrative or logistics designations. Our corporate headquarters are located in Novi, Michigan. Our manufacturing facilities are located in North America, Central America, Europe, Asia and South America. We believe that substantially all of our properties are in generally good condition and there is sufficient capacity to meet current and projected manufacturing, product development and logistics requirements. The following table summarizes our key property holdings:

Segment	Type	Total Facilities*	Owned Facilities
North America	Manufacturing ^(a)	36	18
	Other ^(b)	28	1
Asia Pacific	Manufacturing ^(a)	32	9
	Other ^(b)	12	—
Europe	Manufacturing ^(a)	29	10
	Other ^(b)	29	—
South America	Manufacturing ^(a)	6	1
	Other ^(b)	2	—

(a) Includes multi-activity sites which are predominantly manufacturing.

(b) Includes design, engineering, administrative and logistics locations.

(* Excludes 5 unutilized facilities: 3 Europe; 2 North America

(* Includes 14 R&D facilities worldwide.

Item 3. Legal Proceedings

The litigation process is subject to many uncertainties, and the outcome of individual matters is not predictable with assurance. See Note 23. “Contingent Liabilities” to the consolidated financial statements included in Item 8. “Financial Statements and Supplementary Data” of this Report for discussion of loss contingencies.

In 2016, a putative class action complaint alleging conspiracy to fix the price of body sealing products used in automobiles and other light-duty vehicles was filed in Ontario, Canada, followed by similar complaints filed in British Columbia and Quebec in 2018 and 2019, respectively, against numerous automotive suppliers, including Cooper Standard Holdings Inc. and certain of its subsidiaries (together the “CS Defendants”) and its joint venture, Nishikawa Cooper LLC (“NISCO”). The Company believes the claims asserted against it and NISCO were without merit and intended to vigorously defend against the claims; however, Nishikawa Rubber Company, the indirect holder of the 60% equity interest of NISCO, entered into settlement agreements, releasing NISCO and the CS Defendants from the relevant cases. During 2019, each of the courts in Ontario, Quebec, and British Columbia approved the settlement agreement in those cases and dismissed the cases against NISCO and the CS Defendants.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

Our common stock has been traded on the NYSE since October 17, 2013 under the symbol "CPS."

Holders of Common Stock

As of February 7, 2020, there were approximately 7 holders of record of our common stock. This stockholder figure does not include a substantially greater number of holders whose shares are held of record by banks, brokers and other financial institutions.

Dividends

Cooper-Standard Holdings Inc. has never paid or declared a dividend on its common stock. The declaration of any prospective dividends is at the discretion of the Board of Directors and would be dependent upon sufficient earnings, capital requirements, financial position, general economic conditions, state law requirements and other relevant factors. Additionally, our credit agreements governing our ABL Facility, Term Loan Facility and Senior Notes contain covenants that, among other things, restrict our ability to pay certain dividends and distributions subject to certain qualifications and limitations. See "Liquidity and Capital Resources" under Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Report. We do not anticipate paying any dividends on our common stock in the foreseeable future.

Securities Repurchase Program

In June 2018, our Board of Directors approved a 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 our management 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. We are 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 was effective beginning November 2018.

As of December 31, 2019, we had approximately \$98.7 million of repurchase authorization remaining.

A summary of shares of our common stock repurchased during the three months ended December 31, 2019 is shown below:

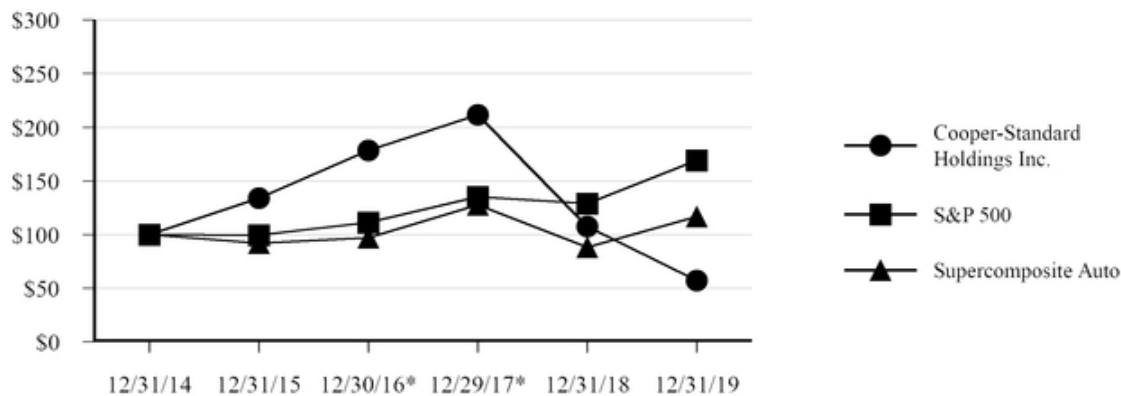
Period	Total Number of Shares Purchased ⁽¹⁾	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet be Purchased Under the Program (in millions)
October 1, 2019 through October 31, 2019	249	\$ 31.86	—	\$ 98.7
November 1, 2019 through November 30, 2019	645	\$ 33.70	—	\$ 98.7
December 1, 2019 through December 31, 2019	612	\$ 33.16	—	\$ 98.7
Total	<u>1,506</u>		<u>—</u>	<u>\$ 98.7</u>

⁽¹⁾ Includes 1,506 shares repurchased by the Company to satisfy employee tax withholding requirements due upon the vesting of restricted stock awards.

Performance Graph

The following graph compares the cumulative total stockholder return for Cooper-Standard Holdings Inc. to the Standard & Poor's 500 Index and the Standard & Poor's Supercomposite Auto Parts & Equipment Index based on currently available data. The graph assumes an initial investment of \$100 on December 31, 2014 and reflects the cumulative total return on that investment, including the reinvestment of all dividends where applicable, through December 31, 2019.

Comparison of Cumulative Return



	Ticker	12/31/2014	12/31/2015	12/30/2016*	12/29/2017*	12/31/2018	12/31/2019
Cooper-Standard Holdings Inc.	CPS	\$ 100.00	\$ 134.05	\$ 178.61	\$ 211.64	\$ 107.33	\$ 57.29
S&P 500	SPX	\$ 100.00	\$ 99.33	\$ 111.16	\$ 135.07	\$ 129.08	\$ 169.31
S&P Supercomposite Auto Parts & Equipment Index	S15AUTP	\$ 100.00	\$ 91.95	\$ 97.09	\$ 127.50	\$ 87.98	\$ 116.81

* Represents last trading day of the year

Item 6. Selected Financial Data

The selected financial data for the years ended December 31, 2019, 2018, 2017, 2016 and 2015 have been derived from our consolidated financial statements. The following data should be read in conjunction with Item 7. “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and the notes thereto included in Item 8. “Financial Statements and Supplementary Data” of this Report.

	Year Ended December 31,				
	2019	2018	2017	2016	2015
	(Dollar amounts in millions except per share amounts)				
Statement of operations data:					
Sales	\$ 3,108.4	\$ 3,624.0 ⁽⁵⁾	\$ 3,617.8 ⁽⁵⁾	\$ 3,466.6 ⁽⁵⁾	\$ 3,342.8
Net income	62.2 ⁽¹⁾	99.1 ⁽²⁾⁽⁵⁾	141.2 ⁽⁵⁾	135.1 ⁽⁵⁾	111.8
Net income attributable to Cooper-Standard Holdings Inc.	67.5 ⁽¹⁾	103.6 ⁽²⁾⁽⁵⁾	138.0 ⁽⁵⁾	133.7 ⁽⁵⁾	111.9
Earnings per share:					
Basic	\$ 3.94	\$ 5.79 ⁽⁵⁾	\$ 7.76 ⁽⁵⁾	\$ 7.66 ⁽⁵⁾	\$ 6.50
Diluted	\$ 3.92	\$ 5.66 ⁽⁵⁾	\$ 7.35 ⁽⁵⁾	\$ 7.14 ⁽⁵⁾	\$ 6.08
	As of December 31,				
	2019	2018	2017	2016	2015
	(Dollar amounts in millions)				
Balance sheet data (at end of period):					
Cash and cash equivalents	\$ 359.5	\$ 265.0	\$ 516.0	\$ 480.1	\$ 378.2
Net working capital ⁽³⁾	184.3	232.9 ⁽⁵⁾	119.5 ⁽⁵⁾	89.5 ⁽⁵⁾	175.3
Total assets	2,635.6	2,624.1	2,726.5 ⁽⁵⁾	2,491.7	2,304.3
Total non-current liabilities	1,039.7	952.3 ⁽⁵⁾	1,047.3 ⁽⁵⁾	1,015.2 ⁽⁵⁾	1,008.1
Total debt ⁽⁴⁾	807.6	831.1	758.2	762.9	777.9
Total equity	876.0	851.5 ⁽⁵⁾	852.1 ⁽⁵⁾	716.5 ⁽⁵⁾	614.8
Statement of cash flows data:					
Net cash provided by (used in):					
Operating activities	\$ 97.7	\$ 149.4	\$ 313.1	\$ 365.5	\$ 270.4
Investing activities	84.0	(383.0)	(200.6)	(198.3)	(166.4)
Financing activities	(84.0)	(14.4)	(75.5)	(62.9)	(11.6)
Other financial data:					
Capital expenditures, including other intangible assets	\$ 164.5	\$ 218.1	\$ 186.8	\$ 164.4	\$ 166.3

⁽¹⁾ 2019 net income amount includes gain on sale of our AVS business, impairment charges related to fixed assets and non-cash pension settlement charges.

⁽²⁾ 2018 net income amount includes impairment charges related to goodwill, intangible assets and fixed assets and the release of a valuation allowance against net deferred tax assets recorded in France and capital loss carryforwards in the U.S.

⁽³⁾ Net working capital is defined as current assets (excluding cash and cash equivalents and assets held for sale) less current liabilities (excluding debt payable within one year and liabilities held for sale).

⁽⁴⁾ Includes \$395.1 of our Senior Notes, \$326.1 of Term Loan, \$29.8 in finance leases and \$56.7 of other third-party debt as of December 31, 2019.

⁽⁵⁾ Reflects an adjusted amount for the impact of correcting certain immaterial errors as described in Note 2. “Basis of Presentation and Summary of Significant Accounting Policies” to the consolidated financial statements included in Item 8. “Financial Statements and Supplementary Data” of this Report. Refer to Note 2 to the consolidated financial statements for the corrections to the consolidated statements of net income for the years ending December 31, 2018 and 2017 and the consolidated balance sheet as of December 31, 2018.

Additionally, the impact of this revision on our statement of operations data for the year ended December 31, 2016 decreased sales by \$6.3, net income by \$5.3 and diluted EPS by \$0.28. As of December 31, 2017, the impact of this revision on the balance sheet data increased net working capital by \$0.7, increased total assets by \$0.9, increased total non-current liabilities by \$3.7, and decreased total equity by \$3.0. As of December 31, 2016, the impact of this revision on the balance sheet decreased net working capital by \$0.7, increased total non-current liabilities by \$4.6, and decreased total equity by \$5.3.

Item 7. 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 Item 1. “Business—Forward-Looking Statements” 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 Item 1A. “Risk Factors.” Management’s discussion and analysis of financial condition and results of operations should be read in conjunction with Item 6. “Selected Financial Data” and our consolidated financial statements and the notes to those statements included in Item 8. “Financial Statements and Supplementary Data” of this Report.

Executive Overview

Our Business

We design, manufacture and sell sealing, fuel and brake delivery, and fluid transfer systems for use in passenger vehicles and light trucks manufactured by global OEMs. During the first quarter of 2019 and in prior periods, the Company also operated an AVS business. On April 1, 2019, we completed the divestiture of the anti-vibration systems business. In 2019, approximately 83% of our sales consisted of original equipment sold directly to OEMs for installation on new vehicles. The remaining 17% of our sales were primarily to Tier I and Tier II suppliers and non-automotive manufacturers. Accordingly, sales of our products are directly affected by the annual vehicle production of OEMs and, in particular, the production levels of the vehicles for which we provide specific parts. Most of our products are custom designed and engineered for a specific vehicle platform. Our sales and product development personnel frequently work directly with the OEMs’ engineering departments in the design and development of our various products.

Although each OEM may emphasize different requirements as the primary criteria for judging its suppliers, we believe success as an automotive supplier generally requires outstanding performance with respect to quality, price, service, performance, design and engineering capabilities, innovation, timely delivery, financial stability and an extensive global footprint. Also, we believe our continued commitment to invest in global common processes is an important factor in servicing global customers with the same quality and consistency of product wherever we produce in the world. This is especially important when supplying products for global platforms.

In addition, to remain competitive and offset continued customer pricing pressure, we must also consistently achieve and sustain cost savings. In an ongoing effort to reduce our cost structure, we run a global continuous improvement program which includes training for our employees, as well as implementation of lean tools, structured problem solving, best business practices, standardized processes and change management. We also evaluate opportunities to consolidate facilities and to relocate certain operations to lower cost countries. We believe we will continue to be successful in our efforts to improve our design and engineering capability and manufacturing processes while achieving cost savings, including through our continuous improvement initiatives.

Our OEM sales are generally based upon purchase orders issued by the OEMs, with updated releases for volume adjustments. As such, we typically do not have a backlog of orders at any point in time. Once selected to supply products for a particular platform, we typically supply those products for the platform life, which is normally three to five years, although there is no guarantee that this will occur. In addition, when we are the incumbent supplier to a given platform, we believe we have a competitive advantage in winning the redesign or replacement platform.

In 2019, approximately 53% of our sales were generated in North America. Because of our significant international operations, we are subject to the risks associated with doing business in other countries, such as currency volatility, high interest and inflation rates, and the general political and economic risk that are associated with some of these markets.

Recent Trends and Conditions

General Economic Conditions and Outlook

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

In North America, economic growth is expected to continue at a modest rate of approximately 1.5% to 2.0% in 2020. The recently signed trade deal is expected to reduce uncertainty in the region. In the United States, stable interest rates and continued progress regarding global trade relationships, among other factors, could provide additional economic momentum while uncertainty related to election year politics may suppress near-term commercial and industrial investment. In Canada, improving consumer confidence and a rebound in the housing market will likely provide support to the economy, while in Mexico, support will more likely come from a rebound in public spending. The mix of vehicles produced and sold in the North America continues to shift away from passenger cars in favor of crossover utility vehicles and light trucks.

In Europe, geopolitical concerns, the implementation of new environmental regulations in the automotive industry and lower export demand continue to weigh on economic growth. Looking ahead, we expect financial pressures in Italy, continued weak manufacturing output in Germany and continued uncertainties related to the United Kingdom's separation from the European Union ("Brexit"), which will challenge the regional economic outlook in 2020.

In China the government continues to manage the nation's economy with a goal of sustaining growth. The growth target for 2020 is approximately 6.0%. While the recently signed Phase I trade agreement with the United States may add a degree of stability in the near term, sustained tariffs will likely pressure export demand and overall economic growth. Fiscal tools such as increased investment in infrastructure may be used to in order to meet government growth targets. Incentives to boost demand specifically in the automotive industry have been implemented in past years, but are not expected in 2020.

The Brazilian economy experienced solid positive momentum in the second half of 2019. Building on that momentum, stronger economic growth is forecasted in 2020. The economy is expected to benefit from improving consumer confidence, rising credit growth and a market-friendly government agenda, partially offset by weak export demand. Based on this, our near-term outlook for South America is positive. We remain cautious for the mid to long-term outlook, however, given the long history of political instability and economic volatility in the region.

The current domestic and international political environment, including existing and potential changes to U.S. policies related to global trade and tariffs, have resulted in uncertainty surrounding the future state of the global economy. We continue to monitor the potential impacts of previously-announced tariffs; however we anticipate these and other tariffs will continue to negatively impact material costs.

Production Levels

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

According to the forecasting firm IHS Automotive, global light vehicle production was approximately 88.7 million units in 2019. This reflects a decline of approximately 5.8% globally.

Light vehicle production in certain regions for 2019 and 2018, as well as projections for 2020, are provided in the following table:

(In millions of units)	2020 ⁽¹⁾	2019 ⁽¹⁾	2018 ⁽¹⁾	Projected % Change 2019-2020	% Change 2018-2019
North America	16.5	16.3	17.0	1.3 %	(3.9)%
Europe	20.7	21.1	22.0	(1.9)%	(4.2)%
Asia Pacific	44.7	46.1	49.2	(3.1)%	(6.4)%
Greater China	23.6	24.6	26.9	(4.0)%	(8.4)%
South America	3.4	3.3	3.4	4.2 %	(4.4)%

⁽¹⁾ Production data based on IHS Automotive, February 2020.

We anticipate that light vehicle production in North America will remain relatively stable over the next few years. In Europe and Asia Pacific, light vehicle production declined overall during 2019. These changes reflect consumer demand and geopolitical instability. Accordingly, there is uncertainty related to economic growth in 2020. In South America, we anticipate light vehicle production to be relatively strong in the near-term, but we remain cautious due to potential geo-political instability in the region.

Industry Overview

Competition in the automotive supplier industry is intense and has increased in recent years as OEMs have demonstrated a preference for stronger relationships with fewer suppliers. Because of a growing emphasis on global vehicle platforms, automotive suppliers with a global manufacturing footprint capable of fully servicing customers around the world will typically have a competitive advantage over smaller, regional competitors. This dynamic is likely to result in further consolidation of competing suppliers within our industry over time.

OEMs have shifted some research and development, design and testing responsibility to suppliers, while at the same time shortening new product cycle times. To remain competitive, suppliers must have state-of-the-art engineering and design capabilities and must be able to continuously improve their engineering, design and manufacturing processes to effectively service the customer. Suppliers are increasingly expected to collaborate on, or assume the product design and development of, key automotive components and to provide innovative solutions to meet evolving technologies aimed at improved emissions and fuel economy.

Increased competitiveness in the industry, as well as customer focus on costs, has resulted in continued pressure on suppliers for price reductions, reducing the overall profitability of the industry. Consolidations and market share shifts among vehicle manufacturers continue to put additional pressures on the supply chain. These pricing and market pressures will continue to drive our focus on reducing our overall cost structure through continuous improvement initiatives, capital redeployment, restructuring and other cost management processes.

In addition to the above, other factors will present opportunities for automotive suppliers who are positioned for the changing environment, including autonomous and connected vehicles, evolving government regulation, and consumer preference for environmentally friendly products and technology, including hybrid and electric vehicle architectures.

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 a continual 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. The current domestic and international political environment, including existing and potential changes to U.S. and China policies related to global trade and tariffs, have resulted in uncertainty surrounding the future state of the global economy. While we continue to monitor the potential impacts of previously-announced tariffs, we anticipate these and other tariffs will negatively impact material costs.

Critical Accounting Policies and Estimates

Our significant accounting policies are more fully described in Note 2. “Basis of Presentation and Summary of Significant Accounting Policies” to the consolidated financial statements included in Item 8. “Financial Statements and Supplementary Data” of this Report. Certain of our accounting policies require the application of significant judgment by management in selecting the appropriate assumptions for calculating financial estimates. These policies require the most difficult, subjective or complex judgments that management makes in the preparation of the financial statements and accompanying notes. We consider an accounting estimate to be critical if (i) it requires us to make assumptions about matters that were uncertain at the time we were making the estimate, and (ii) changes in the estimate or different estimates that we could have selected could have had a material impact on our financial condition or results of operations. Such critical accounting estimates are discussed below. For these, materially different amounts could be reported under varied conditions and assumptions. Other items in our consolidated financial statements require estimation, however, in our judgment, they are not as critical as those discussed below.

Goodwill. Our goodwill is tested for impairment as of October 1 of each year for our North America reporting unit, and more frequently if events occur or circumstances change that would warrant such a review. For our goodwill analysis, fair value is based on the cash flows projected in the reporting unit’s strategic plans and long-range planning forecasts, discounted at a risk-adjusted rate of return. Our long-range planning forecasts are based on our assessment of revenue growth rates generally based on industry specific data, external vehicle build assumptions published by widely used external sources, and customer market share data based on known and targeted awards over a five-year period. The projected profit margin assumptions included in the plans are based on the current cost structure and adjustments for anticipated cost reductions or increases. If different assumptions were used in these plans, the related cash flows used in measuring fair value could be different and impairment of goodwill might be recorded. We assess the reasonableness of the estimated fair value using market based multiples of comparable companies. The annual goodwill impairment analysis for 2019 resulted in no impairment. See Note 10. “Goodwill and Intangible

Assets” to the consolidated financial statements included in Item 8. “Financial Statements and Supplementary Data” of this Report for additional information.

Long-Lived Assets. We monitor our long-lived assets for impairment indicators on an ongoing basis. If impairment indicators exist, we analyze the undiscounted cash flows expected to be generated from the long-lived assets compared to the related net book values. If the net book value exceeds the undiscounted cash flows, an impairment loss is measured and recognized. An impairment loss is measured as the difference between the net book value and the fair value of the long-lived assets. Fair value is based upon either estimated salvage value or estimated orderly liquidation value. Cash flows are estimated using internal budgets based on recent sales data, independent automotive production volume estimates and customer commitments, as well as assumptions related to discount rates. Changes in economic or operating conditions impacting these estimates and assumptions could result in the impairment of long-lived assets. In 2019, we recorded impairment charges related to machinery and equipment in our North America, Europe and Asia Pacific segments. In 2018, our impairment analysis resulted in impairment at various locations in our Europe and Asia Pacific segments. See Note 9. “Property, Plant and Equipment” to the consolidated financial statements included in Item 8. “Financial Statements and Supplementary Data” of this Report for additional information.

Restructuring. Specific accruals have been recorded in connection with restructuring initiatives. These accruals include estimates principally related to employee separation costs, the closure and/or consolidation of facilities and contractual obligations. Actual amounts recognized could differ from the original estimates. Restructuring-related reserves are reviewed on a quarterly basis, and changes to plans are appropriately recognized when identified. Changes to plans associated with the restructuring of existing businesses are generally recognized as employee separation and plant closure costs in the period the change occurs. See Note 7. “Restructuring” to the consolidated financial statements included in Item 8. “Financial Statements and Supplementary Data” of this Report for additional information.

Revenue Recognition and Sales Commitments. We generally enter into agreements with customers to produce products at the beginning of a vehicle’s life. Although such contracts do not usually include minimum quantities, fulfillment of customers’ purchasing requirements can be our obligation for the entire production life of the vehicle. These agreements generally may be terminated by our customer at any time, but such cancellations have historically been minimal. In limited cases, we may be committed to supply products at selling prices that do not cover our costs. In such situations, we recognize losses as they are incurred.

We receive blanket purchase orders from many customers annually. Generally, such purchase orders and related documents establish the annual terms, including pricing, related to a vehicle model. However, purchase orders generally do not specify quantities. We recognize revenue based on a point in time, generally when products are shipped or delivered to customers. As part of certain agreements, customers ask for price reductions. We accrue for such concessions by reducing revenue as products are shipped. We also generally have ongoing adjustments to customer pricing arrangements based on the content and cost of our products. Such pricing accruals are adjusted as they are settled with customers.

Income Taxes. In determining the provision for income taxes for financial statement purposes, we make estimates and judgments which affect our evaluation of the carrying value of our deferred tax assets as well as our calculation of certain tax liabilities. We evaluate the carrying value of our deferred tax assets on a quarterly basis. In completing this evaluation, we consider all available positive and negative evidence. Such evidence includes historical operating results, the existence of cumulative earnings and losses in the most recent fiscal years, expectations for future pretax operating income, the time period over which our temporary differences will reverse, and the implementation of feasible and prudent tax planning strategies. Deferred tax assets are reduced by a valuation allowance if, based on the weight of this evidence, it is more likely than not that all or a portion of the recorded deferred tax assets will not be realized in future periods.

Concluding that a valuation allowance is not required is difficult when there is significant negative evidence which is objective and verifiable, such as cumulative losses in recent years. We utilize three years’ cumulative pre-tax book results adjusted for significant permanent book to tax differences as a measure of cumulative results in recent years. In certain foreign jurisdictions, our analysis indicates that we have cumulative three-year historical losses on this basis. This is considered significant negative evidence which is difficult to overcome. However, the three-year loss position is not solely determinative, and, accordingly, management considers all other available positive and negative evidence in its analysis. Based upon this analysis, we concluded that it is more likely than not that the net deferred tax assets in certain foreign jurisdictions may not be realized in the future. Accordingly, we continue to maintain a valuation allowance related to those net deferred tax assets. However, since future financial results may differ from previous estimates, periodic adjustments to our valuation allowances may be necessary.

In addition, the calculation of our tax benefits and liabilities includes uncertainties in the application of complex tax regulations in a multitude of jurisdictions across our global operations. We recognize tax benefits and liabilities based on our estimate of whether, and the extent to which, additional taxes will be due. We adjust these liabilities based on changing facts and circumstances;

however, due to the complexity of some of these uncertainties and the impact of any tax audits, the ultimate resolutions may be materially different from our estimated liabilities. See Note 17. "Income Taxes" to the consolidated financial statements included in Item 8. "Financial Statements and Supplementary Data" of this Report for additional information.

Pensions and Postretirement Benefits Other Than Pensions. Included in our results of operations are significant pension and postretirement benefit costs, which are measured using actuarial valuations. Inherent in these valuations are key assumptions, including discount rates, mortality rates, expected returns on plan assets and health care cost trend rates. These assumptions are determined as of the current year measurement date. We consider current market conditions, including changes in interest rates, in making these assumptions. Changes in pension and postretirement benefit costs may occur in the future due to changes in these assumptions. Our net pension and postretirement benefit costs, which included non-cash settlement charges of \$15.8 million, were approximately \$23.0 million and \$0.1 million, respectively, for the year ended December 31, 2019.

To develop the discount rate for each pension plan, the expected cash flows underlying the plan's benefit obligations were discounted using a December 31, 2019 pension index to determine a single equivalent rate. To develop our expected return on plan assets, we considered historical long-term asset return experience, the expected investment portfolio mix of plan assets and an estimate of long-term investment returns. To develop our portfolio of plan assets, we considered the duration of the plan liabilities and gave more weight to equity positions, including both public and private equity investments, than to fixed-income securities.

Weighted average assumptions used to determine pension benefit obligations as of December 31, 2019 were as follows:

	U.S.	Non-U.S.
Discount rate	3.28%	1.79%
Rate of compensation increase	N/A (*)	1.33%

Weighted average assumptions used to determine net periodic benefit costs for the year ended December 31, 2019 were as follows:

	U.S.	Non-U.S.
Discount rate	4.25%	2.40%
Expected return on plan assets	6.50%	4.63%
Rate of compensation increase	N/A (*)	3.31%

*As the U.S. plans are frozen, the rate of compensation increase was not applicable.

The sensitivity of our pension cost and obligations to changes in key assumptions, holding all other assumptions constant, is as follows:

Change in assumption	Impact on 2020 net periodic benefit cost	Impact on PBO as of December 31, 2019
1% increase in discount rate	-\$1.4 million	-\$50.6 million
1% decrease in discount rate	+\$1.4 million	+\$62.4 million
1% increase in expected return on plan assets	-\$2.9 million	—
1% decrease in expected return on plan assets	+\$2.9 million	—

Aggregate pension net periodic benefit cost is forecasted to be approximately \$5.4 million in 2020.

Health care cost trend rates are assumed to reflect market trend, actual experience and future expectations. Health care cost trend rate assumptions used to determine the postretirement benefit obligation as of December 31, 2019 were as follows:

	U.S.	Non-U.S.
Health care cost trend rate	5.50%	5.00%
Ultimate health care cost trend rate	4.50%	5.00%
Year that the rate reaches the ultimate trend rate	2027	N/A

The sensitivity of our postretirement benefit cost and obligations to changes in the health care cost trend rate is as follows:

	Impact on service cost and interest cost	Impact on PBO as of December 31, 2019
1% increase in health care cost trend rate	+\$0.2 million	+\$4.3 million
1% decrease in health care cost trend rate	-\$0.2 million	-\$3.4 million

Aggregate other postretirement net periodic benefit is forecasted to be approximately \$0.4 million in 2020.

The Company's policy is to fund pension plans such that sufficient assets will be available to meet future benefit requirements and contribute amounts deductible for United States federal income tax purposes or amounts required by local statute. During 2018, the Company made a discretionary contribution of \$15.0 million to its U.S. pension plan. The Company estimates it will make funding cash contributions to its U.S. and non-U.S. pension plans of approximately \$3.6 million and \$4.9 million, respectively in 2020.

The Company does not prefund its postretirement benefit obligations. Rather, payments are made as costs are incurred by covered retirees. We expect net other postretirement benefit payments to be approximately \$2.6 million in 2020.

Results of Operations

	Year Ended December 31,			Change	
	2019	2018	2017	2019 vs. 2018	2018 vs. 2017
(Dollar amounts in thousands)					
Sales	\$ 3,108,400	\$ 3,624,042	\$ 3,617,773	\$ (515,642)	\$ 6,269
Cost of products sold	2,749,278	3,075,737	2,946,687	(326,459)	129,050
Gross profit	359,122	548,305	671,086	(189,183)	(122,781)
Selling, administration & engineering expenses	302,496	314,805	340,963	(12,309)	(26,158)
Gain on sale of business	(191,571)	—	—	(191,571)	—
Gain on sale of land	—	(10,377)	—	10,377	(10,377)
Amortization of intangibles	17,966	14,844	14,056	3,122	788
Goodwill impairment charges	—	45,281	—	(45,281)	45,281
Other impairment charges	23,139	43,706	14,763	(20,567)	28,943
Restructuring charges	51,102	29,722	35,137	21,380	(5,415)
Operating profit	155,990	110,324	266,167	45,666	(155,843)
Interest expense, net of interest income	(44,113)	(41,004)	(42,112)	(3,109)	1,108
Equity in earnings of affiliates	6,504	6,718	5,519	(214)	1,199
Loss on refinancing and extinguishment of debt	—	(770)	(1,020)	770	250
Pension settlement charges	(15,819)	(775)	(6,427)	(15,044)	5,652
Other expense, net	(4,260)	(4,838)	(9,380)	578	4,542
Income before income taxes	98,302	69,655	212,747	28,647	(143,092)
Income tax expense (benefit)	36,089	(29,400)	71,506	65,489	(100,906)
Net income	62,213	99,055	141,241	(36,842)	(42,186)
Net loss (income) attributable to noncontrolling interests	5,316	4,546	(3,270)	770	7,816
Net income attributable to Cooper-Standard Holdings Inc.	\$ 67,529	\$ 103,601	\$ 137,971	\$ (36,072)	\$ (34,370)

Year Ended December 31, 2019 Compared to Year Ended December 31, 2018.

Sales

Sales for the year ended December 31, 2019 decreased 14.2%, compared to the year ended December 31, 2018.

	Year Ended December 31,			Variance Due To:		
	2019	2018	Change	Volume / Mix*	Foreign Exchange	Acquisitions / Divestiture, Net
	(Dollar amounts in thousands)					
Total sales	\$ 3,108,400	\$ 3,624,042	\$ (515,642)	\$ (310,381)	\$ (86,774)	\$ (118,487)

* Net of customer price reductions

Gross Profit

	Year Ended December 31,			Variance Due To:		
	2019	2018	Change	Volume / Mix*	Foreign Exchange	Cost Increases / (Decreases)
	(Dollar amounts in thousands)					
Cost of products sold	\$ 2,749,278	\$ 3,075,737	\$ (326,459)	\$ (129,471)	\$ (70,899)	\$ (126,089)
Gross profit	359,122	548,305	(189,183)	(180,910)	(15,875)	7,602
Gross profit percentage of sales	11.6%	15.1%				

* Net of customer price reductions

Cost of products sold is primarily comprised of material, labor, manufacturing overhead, freight, depreciation, warranty costs and other direct operating expenses. Cost of products sold for the year ended December 31, 2019 decreased \$326.5 million, or 10.6%, compared to the year ended December 31, 2018. Materials comprise the largest component of our cost of products sold and represented approximately 51% of total cost of products sold for the years ended December 31, 2019 and 2018. The change in the cost of products sold was driven lower sales volumes, continuous improvement and lean manufacturing, the sale of AVS product line, restructuring savings and material cost reductions. These items were partially offset by vehicle production mix including the delayed ramp up of certain customers key vehicle platforms and the United Automobile Workers (“UAW”) work stoppage against General Motors, commodity price fluctuations, foreign exchange, tariffs and wage inflation.

Gross profit for the year ended December 31, 2019 decreased \$189.2 million compared to the year ended December 31, 2018. As a percentage of sales, gross profit was 11.6% and 15.1% for the years ended December 31, 2019 and 2018, respectively. The decrease in rate and amount was driven by vehicle production volume and mix, including the delayed ramp up of certain customers key vehicle platforms, the UAW work stoppage against General Motors, commercial settlements in China, commodity price inflation and foreign exchange pressures, tariffs and wage inflation. These items were partially offset by net favorable operational performance and acquisitions.

Selling, Administration and Engineering. Selling, administration and engineering expense for the year ended December 31, 2019 was \$302.5 million, or 9.7% of sales, compared to \$314.8 million, or 8.7% of sales, for the year ended December 31, 2018. The decrease in expense was primarily due to savings generated from salaried employee initiatives and the sale of our anti-vibration (“AVS”) product line, partially offset by additional costs for newly acquired businesses and general inflation.

Gain on Sale of Business. Gain on sale of business of \$191.6 million for the year ended December 31, 2019 related to the sale of our AVS product line within our North America, Europe and Asia Pacific segments. We completed the sale to Continental AG on April 1, 2019. We did not record a gain on sale of business for the year ended December 31, 2018.

Impairment Charges. Non-cash asset impairment charges of \$23.1 million for the year ended December 31, 2019 consisted of property, plant and equipment impairment charges. Non-cash asset impairment charges of \$89.0 million for the year ended December 31, 2018 consisted of \$45.3 million of goodwill impairment charges, \$42.9 million of property, plant and equipment impairment charges and \$0.8 million of intangible impairment charges.

Restructuring. Restructuring charges for the year ended December 31, 2019 increased \$21.4 million compared to the year ended December 31, 2018. Our restructuring actions include plant closures and workforce reductions and are initiated to maintain our competitive footprint or in response to changes in global and regional automotive markets. During 2019, the increases attributable to North America were primarily due to salaried employee initiatives and footprint rationalization. The increases attributable to Europe and Asia Pacific were primarily due to footprint rationalization.

Interest Expense, net. Net interest expense for the year ended December 31, 2019 increased \$3.1 million compared to the year ended December 31, 2018, primarily due to higher outstanding debt balances in the first quarter of 2019.

Pension Settlement Charges. Non-cash pension settlement charges of \$15.8 million for the year ended December 31, 2019 primarily related to the purchase of a bulk annuity policy to de-risk a portion of our pension obligations in the U.S. Settlement charges of \$0.8 million for the year ended December 31, 2018 related to non-U.S. pension plans.

Other Expense, net. Other expense for the year ended December 31, 2019 decreased \$0.6 million compared to the year ended December 31, 2018. The decrease was primarily due to higher miscellaneous income in the year ended December 31, 2019.

Income Tax Expense (Benefit). Income tax expense for the year ended December 31, 2019 was \$36.1 million on earnings before taxes of \$98.3 million. This compares to income tax benefit of \$29.4 million on earnings before taxes of \$69.7 million for the year ended December 31, 2018. The tax expense in 2019 differed from the statutory rate due to incremental valuation allowance recorded on tax losses generated in certain foreign jurisdictions, permanent impacts from the sale of the AVS product line, the mix of income between the U.S. and foreign sources, tax incentives, other tax credits, and other nonrecurring discrete items. Tax expense in 2018 differed from the statutory rate as a result of the reversal of valuation allowances recorded against net operating loss carryforwards and other timing items in France, in addition to a capital loss carryforward in the U.S. Additional items impacting income taxes were a discrete benefit resulting from the finalization of U.S. tax reform calculations, the mix of income between the U.S. and foreign sources, tax incentives, incremental valuation allowance recorded on tax losses generated in certain foreign jurisdictions, other tax credits, and other nonrecurring discrete items.

Year Ended December 31, 2018 Compared to Year Ended December 31, 2017.

Sales

Sales for the year ended December 31, 2018 increased 0.2% compared to the year ended December 31, 2017.

	Year Ended December 31,			Variance Due To:		
	2018	2017	Change	Volume / Mix*	Foreign Exchange	Acquisitions/Divestiture, Net
	(Dollar amounts in thousands)					
Total sales	\$ 3,624,042	\$ 3,617,773	\$ 6,269	\$ (82,548)	\$ 41,588	\$ 47,229

* Net of customer price reductions

Gross Profit

	Year Ended December 31,			Variance Due To:		
	2018	2017	Change	Volume / Mix*	Foreign Exchange	Cost Increases / (Decreases)
	(Dollar amounts in thousands)					
Cost of products sold	\$ 3,075,737	\$ 2,946,687	\$ 129,050	\$ 48,428	\$ 29,668	\$ 50,954
Gross profit	548,305	671,086	(122,781)	(130,976)	11,920	(3,725)
Gross profit percentage of sales	15.1%	18.5%				

* Net of customer price reductions

Cost of products sold is primarily comprised of material, labor, manufacturing overhead, freight, depreciation, warranty costs and other direct operating expenses. Cost of products sold for the year ended December 31, 2018, increased \$129.1 million or 4.4% compared to the year ended December 31, 2017. Materials comprise the largest component of our cost of products sold and represented approximately 51% of total cost of products sold for the years ended December 31, 2018 and 2017. Cost of products sold was impacted by vehicle production mix, commodity price and foreign exchange pressures, as well as acquisitions. These items were partially offset by continuous improvement, restructuring savings and material cost reductions.

Gross profit for the year ended December 31, 2018 decreased \$122.8 million compared to the year ended December 31, 2017. As a percentage of sales, gross profit was 15.1% and 18.5% of sales for each of the years ended December 31, 2018 and 2017, respectively. The decrease in margin was driven by unfavorable vehicle production mix, customer price reductions, commodity price pressures and foreign exchange, partially offset by net favorable operational performance and acquisitions.

Selling, Administration and Engineering. Selling, administration and engineering expense for the year ended December 31, 2018 was \$314.8 million, or 8.7% of sales, compared to \$341.0 million, or 9.4%, of sales for the year ended December 31, 2017. The decrease in expense was primarily due to lower compensation-related costs and efficiencies related to cost improvement initiatives, partially offset by wage inflation.

Impairment Charges. Non-cash asset impairment charges of \$89.0 million for the year ended December 31, 2018 consisted of \$45.3 million of goodwill impairment charges, \$42.9 million of property, plant and equipment impairment charges and \$0.8 million of intangible impairment charges. Non-cash asset impairment charges of \$14.8 million for the year ended December 31, 2017 consisted of \$4.3 million related to our decision to divest two of our inactive European sites, and \$10.5 million related to the deterioration of financial results at one of our Asia Pacific facilities, two of our European locations and one of our North American locations.

Restructuring. Restructuring charges for the year ended December 31, 2018 decreased \$5.4 million compared to the year ended December 31, 2017. The decrease was primarily driven by lower expenses of \$8.1 million related to the substantial completion of initiatives in Europe, partially offset by higher restructuring charges in the Asia Pacific segment.

Interest Expense, net. Net interest expense for the year ended December 31, 2018 decreased \$1.1 million compared to the year ended December 31, 2017, primarily due to the amendment of the Term Loan Facility in March 2018.

Loss on Refinancing and Extinguishment of Debt. Loss on refinancing and extinguishment of debt for the year ended December 31, 2018 was \$0.8 million, which resulted from the partial write off of new and unamortized debt issuance costs and unamortized original issue discount related to the amendment of the Term Loan Facility in March 2018.

Pension Settlement Charges. Settlement charges of \$0.8 million for the year ended December 31, 2018 related to non-U.S. pension plans. Settlement charges of \$6.4 million for the year ended December 31, 2017 related primarily to de-risking pension obligations in the U.K.

Other Expense, net. Other expense for the year ended December 31, 2018 decreased \$4.5 million compared to the year ended December 31, 2017. The decrease was primarily due to lower foreign currency losses and benefit related costs in the year ended December 31, 2018, partially offset by lower miscellaneous income.

Income Tax Expense (Benefit). Income tax benefit for the year ended December 31, 2018 was \$29.4 million on earnings before taxes of \$69.7 million. This compares to income tax expense of \$71.5 million on earnings before taxes of \$212.7 million for the year ended December 31, 2017. The tax benefit in 2018 differed from the statutory rate due to the reversal of valuation allowances recorded against net operating loss carryforwards and other timing items in France, in addition to a capital loss carryforward in the U.S. Additional items impacting income taxes were a discrete benefit resulting from the finalization of U.S. tax reform calculations, the mix of income between the U.S. and foreign sources, tax incentives, incremental valuation allowance recorded on tax losses generated in certain foreign jurisdictions, other tax credits, and other nonrecurring discrete items. Tax expense in 2017 differed from the statutory rate as a result of the Tax Cuts and Jobs Act enacted in 2017, the mix of income between the U.S. and foreign sources, tax incentives, incremental valuation allowance recorded on tax losses generated in certain foreign jurisdictions, other tax credits, and other nonrecurring discrete items.

Segment Results of Operations

The Company operates in four reportable segments: North America, Europe, Asia Pacific and South America. Consistent with how management assesses performance of the segments, effective January 1, 2019, we changed the measurement of our segments to adjusted EBITDA. We have defined adjusted EBITDA as net income before interest, taxes, depreciation, amortization, restructuring expense, and special items. The results of each segment include certain allocations for general, administrative, interest, and other shared costs. The accounting policies of the Company's segments are consistent with those described in Note 2. "Basis of Presentation and Summary of Significant Accounting Policies" to the consolidated financial statements included in Item 8. "Financial Statements and Supplementary Data" of this Report.

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

Year Ended December 31, 2019 Compared with Year Ended December 31, 2018

Sales

	Year Ended December 31,			Variance Due To:		
	2019	2018	Change	Volume / Mix*	Foreign Exchange	Acquisitions / Divestiture, Net
(Dollar amounts in thousands)						
Sales to external customers						
North America	\$ 1,641,724	\$ 1,924,717	\$ (282,993)	\$ (175,275)	\$ (5,433)	\$ (102,285)
Europe	868,188	1,030,102	(161,914)	(57,722)	(50,797)	(53,395)
Asia Pacific	503,953	571,160	(67,207)	(81,777)	(22,623)	37,193
South America	94,535	98,063	(3,528)	4,393	(7,921)	—
Consolidated	\$ 3,108,400	\$ 3,624,042	\$ (515,642)	\$ (310,381)	\$ (86,774)	\$ (118,487)

* Net of customer price reductions

- The impact of foreign currency exchange was primarily related to the Euro, Chinese Renminbi and the Brazilian Real.

Segment adjusted EBITDA

	Year Ended December 31,			Variance Due To:			
	2019	2018	Change	Volume / Mix*	Foreign Exchange	Cost (Increases) / Decreases	Acquisitions / Divestiture, Net
(Dollar amounts in thousands)							
Segment adjusted EBITDA							
North America	\$ 212,530	\$ 320,955	\$ (108,425)	\$ (103,375)	\$ (5,389)	\$ 4,704	\$ (4,365)
Europe	22,702	45,105	(22,403)	(27,764)	(3,508)	13,534	(4,665)
Asia Pacific	(29,496)	13,849	(43,345)	(52,034)	(1,080)	9,914	(145)
South America	(4,128)	(7,251)	3,123	2,263	(673)	1,533	—
Consolidated adjusted EBITDA	\$ 201,608	\$ 372,658	\$ (171,050)	\$ (180,910)	\$ (10,650)	\$ 29,685	\$ (9,175)

* Net of customer price reductions

- The unfavorable impact of foreign currency exchange was primarily driven by the Canadian Dollar, the Euro, the Chinese Renminbi, the Polish Zloty, the Czech Koruna and the Brazilian Real.
- The Cost (Increases) / Decreases category above includes:
 - The increase in commodity, general inflation, and tariffs;
 - Tax settlements in South America and the one-time impact of commercial settlements in Asia Pacific;
 - Net operational efficiencies of \$80.9 million primarily driven by our North America, Europe, and Asia Pacific segments; and

- The decrease in selling, administrative and engineering expense due to efficiencies related to cost improvement initiatives.

Year Ended December 31, 2018 Compared with Year Ended December 31, 2017

Sales

	Year Ended December 31,			Variance Due To:		
	2018	2017	Change	Volume / Mix*	Foreign Exchange	Acquisitions / Divestiture, Net
(Dollar amounts in thousands)						
Sales to external customers						
North America	\$ 1,924,717	\$ 1,882,670	\$ 42,047	\$ 709	\$ (780)	\$ 42,118
Europe	1,030,102	1,043,738	(13,636)	(40,747)	48,937	(21,826)
Asia Pacific	571,160	584,808	(13,648)	(47,857)	7,272	26,937
South America	98,063	106,557	(8,494)	5,347	(13,841)	—
Consolidated	\$ 3,624,042	\$ 3,617,773	\$ 6,269	\$ (82,548)	\$ 41,588	\$ 47,229

* Net of customer price reductions

- The impact of foreign currency exchange primarily related to the Euro, the Brazilian Real and the Chinese Renminbi.

Segment adjusted EBITDA

	Year Ended December 31,			Variance Due To:			
	2018	2017	Change	Volume / Mix*	Foreign Exchange	Cost (Increases) / Decreases	Acquisitions / Divestiture, Net
(Dollar amounts in thousands)							
Segment adjusted EBITDA							
North America	\$ 320,955	\$ 326,584	\$ (5,629)	\$ (42,048)	\$ (319)	\$ 30,494	\$ 6,244
Europe	45,105	74,598	(29,493)	(49,826)	4,157	18,782	(2,606)
Asia Pacific	13,849	54,356	(40,507)	(41,890)	3,119	(3,668)	1,932
South America	(7,251)	(3,891)	(3,360)	2,788	(3,240)	(2,908)	—
Consolidated adjusted EBITDA	\$ 372,658	\$ 451,647	\$ (78,989)	\$ (130,976)	\$ 3,717	\$ 42,700	\$ 5,570

* Net of customer price reductions

- The favorable impact of foreign currency exchange impact was primarily driven by the Euro and Chinese Renminbi, partially offset by the Brazilian Real.
- The Cost (Increases) / Decreases category above includes:
 - Net operational efficiencies of \$80.2 million primarily driven by our North America and Europe segments;
 - The decrease in selling, administrative and engineering expense due to lower compensation-related costs and efficiencies related to cost improvement initiatives; and
 - The increase in wage inflation and the increase in material cost pressure.

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 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 11. "Debt" to the consolidated financial statements in Item 8. "Financial Statements and Supplementary Data" of this Report for a detailed discussion of terms and conditions related to our debt.

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

Cash Flows

Operating Activities. Net cash provided by operating activities was \$97.7 million for the year ended December 31, 2019, compared to \$149.4 million for the year ended December 31, 2018. The lower inflow was primarily due to decreased cash earnings, and timing of customer payments, partially offset by payments to suppliers and changes in accrued liabilities.

Net cash provided by operating activities was \$149.4 million for the year ended December 31, 2018, compared to \$313.1 million for the year ended December 31, 2017. The lower inflow was primarily driven by changes in the utilization of the accounts receivable factoring program, lower cash earnings, changes in compensation-related accruals, and our discretionary pension contribution.

Investing Activities. Net cash provided by investing activities was \$84.0 million for the year ended December 31, 2019, compared to net cash used in investing activities of \$383.0 million for the year ended December 31, 2018. Cash provided by investing activities consisted primarily of gross proceeds of \$243.4 million from the sale of our AVS product line, partially offset by capital spending of \$164.5 million for the year ended December 31, 2019. We anticipate that we will spend approximately \$140 million to \$150 million on capital expenditures in 2020.

Net cash used in investing activities was \$383.0 million for the year ended December 31, 2018, compared to \$200.6 million for the year ended December 31, 2017. The increase was primarily due to higher capital spending on programs related to sales growth and innovation, and cash paid for the acquisition of businesses, partially offset by land sale proceeds.

Financing Activities. Net cash used in financing activities totaled \$84.0 million for the year ended December 31, 2019, compared to \$14.4 million for the year ended December 31, 2018. The change was primarily due to repayment of our revolving credit facility and local borrowing lines. Cash used for share repurchases was \$36.6 million and \$60.0 million for the years ended December 31, 2019 and 2018, respectively.

Net cash used in financing activities totaled \$14.4 million for the year ended December 31, 2018, compared to \$75.5 million for the year ended December 31, 2017. The decrease was primarily due to higher borrowings of short-term debt and lower principal payments on long-term debt, partially offset by repurchase activity under our share repurchase program.

Senior Notes

On November 2, 2016, the Company's wholly-owned subsidiary, CSA U.S. (the "Issuer") completed a private offering of debt securities consisting of the issuance of \$400.0 million aggregate principal amount of its 5.625% notes due 2026 (the "Senior Notes"). The proceeds from the sale of the Senior Notes were used to repay the non-extended term loans outstanding under the Term Loan Facility and to pay fees and expenses related to the refinancing. The Senior Notes are guaranteed by us, as well as each of CSA U.S.'s wholly-owned existing or subsequently organized U.S. subsidiaries, subject to certain exceptions, to the extent such subsidiary guarantees the ABL Facility and the Term Loan Facility. The Issuer may redeem all or part of the Senior Notes at various points in time prior to maturity, as described in the indenture. The Senior Notes will 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.

If a Change of Control (as defined in the indenture) occurs, we will be required to make an offer to repurchase all of the Senior Notes at a price equal to 101% of the principal amount, plus accrued and unpaid interest, if any, to, but excluding, the repurchase date.

ABL Facility

On November 2, 2016, CS Intermediate Holdco 1 LLC ("Parent"), CSA U.S. (the "U.S. Borrower"), Cooper-Standard Automotive Canada Limited (the "Canadian Borrower"), Cooper-Standard Automotive International Holdings B.V. (the "Dutch Borrower", and, together with the U.S. Borrower and the Canadian Borrower, the "Borrowers") and certain subsidiaries of the U.S. Borrower, entered into a third amendment of our ABL Facility. Pursuant to the ABL Facility agreement, as amended, we have an aggregate revolving loan availability of up to \$210.0 million, subject to borrowing base availability. In addition, our ABL Facility provides for an uncommitted \$100.0 million incremental loan facility, for a potential total ABL Facility of \$310.0

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

The ABL Facility includes affirmative and negative covenants that impose substantial restrictions on our financial and business operations. The ABL Facility also contains various events of default that are customary for comparable facilities.

Loan and letter of credit availability under the agreement is subject to a borrowing base, which at any time is limited to the lesser of: (A) the maximum facility amount (subject to certain adjustments) and (B) (i) up to 85% of eligible accounts receivable; plus (ii) the lesser of 70% of eligible inventory or 85% of the appraised net orderly liquidation value of eligible inventory; plus (iii) up to the lesser of \$30.0 million and 75% of eligible tooling accounts receivable; minus reserves established by the agent. The obligations under the ABL Facility and the related guarantees are secured by various assets, as detailed in Note 11. "Debt" to the consolidated financial statements in Item 8. "Financial Statements and Supplementary Data" of this Report.

Borrowings under the ABL Facility bear interest at a rate equal to, at the Borrowers' option:

- in the case of borrowings by U.S. Borrower, London Inter-Bank Offered Rate ("LIBOR") or the base rate plus, in each case, an applicable margin; or
- in the case of borrowings by the Canadian Borrower, bankers' acceptance ("BA") rate, Canadian prime rate or Canadian base rate plus, in each case, an applicable margin; or
- in the case of borrowings by the Dutch Borrower, LIBOR plus an applicable margin.

The applicable margin may vary between 1.25% and 1.75% with respect to the LIBOR or Canadian BA rate-based borrowings and between 0.25% and 0.75% with respect to U.S. base rate, Canadian prime rate and Canadian base rate borrowings. The applicable margin is subject, in each case, to quarterly pricing adjustments (based on average facility availability).

As of December 31, 2019, the Company had \$178.3 million in availability, less outstanding letters of credit of \$5.3 million. As of December 31, 2019 and 2018, the Company had \$0.7 million and \$1.0 million, respectively, in unamortized debt issuance costs.

Term Loan Facility – Amendments

On November 2, 2016, CSA U.S., as borrower, entered into the first amendment of our Term Loan Facility. The Term Loan Facility provides for loans in an aggregate principal amount of \$340.0 million. Subject to certain conditions, the Term Loan Facility, without the consent of the then existing lenders (but subject to the receipt of commitments), may be expanded (or a new term loan or revolving facility added) by an amount that will not cause the consolidated secured net debt ratio to exceed 2.25 to 1.00, plus \$400.0 million, plus any voluntary prepayments (including revolving facility and ABL Facility to the extent commitments are reduced) not funded from proceeds of long-term indebtedness. The Term Loan Facility matures on November 2, 2023, unless earlier terminated.

The Term Loan Facility contains incurrence-based negative covenants customary for high yield senior secured debt securities. These negative covenants are subject to exceptions, qualifications and certain carveouts.

On May 2, 2017, CSA U.S. entered into Amendment No. 2 to the Term Loan Facility to modify the interest rate. Subsequently, on March 6, 2018, the Company entered into Amendment No. 3 to the Term Loan Facility to further modify the interest rate. In accordance with this amendment, borrowings under the Term Loan Facility bear interest, at the Company's option, at either (1) with respect to Eurodollar rate loans, the greater of the applicable Eurodollar rate and 0.75% plus 2.0% per annum, or (2) with respect to base rate loans, the base rate, (which is the highest of the then current federal funds rate plus 0.5%, the prime rate most recently announced by the administrative agent under the term loan, and the one-month Eurodollar rate plus 1.0%) plus 1.0% per annum. As a result of the Amendment No. 3, the Company recognized a loss on refinancing and extinguishment of debt of \$0.8 million in the first quarter of 2018, which was due to the partial write off of new and unamortized debt issuance costs and unamortized original issue discount.

All obligations of the borrower under the Term Loan Facility are guaranteed jointly and severally on a senior secured basis by us and the wholly-owned U.S. restricted subsidiaries of CSA U.S.

As of December 31, 2019, the principal amount of \$329.8 million was outstanding, and the Company had \$2.3 million unamortized debt issuance costs and \$1.5 million of unamortized original issue discount.

Off-Balance Sheet Arrangements

As a part of our working capital management, we sell certain European customers accounts receivable through a third party financial institution in off-balance sheet arrangements. The amount sold varies each month based on the amount of

underlying receivables and cash flow needs. As of December 31, 2019 and 2018, we had \$103.8 million and \$100.4 million, respectively, of receivables outstanding under receivable transfer agreements entered into by various locations. For the years ended December 31, 2019 and 2018, total accounts receivable factored were \$556.1 million and \$626.6 million, respectively. Costs incurred on the sale of receivables were \$1.0 million, \$1.2 million and \$1.9 million for the years ended December 31, 2019, 2018 and 2017, respectively. These amounts are recorded in other expense, net and interest expense, net of interest income in the consolidated statements of net income. These are permitted transactions under the credit agreements governing our ABL Facility and Term Loan Facility and the indenture governing the Senior Notes.

As of December 31, 2019, we had no other off-balance sheet arrangements.

Other Capital Transactions Impacting Liquidity

Share Repurchase Program

In June 2018, our Board of Directors approved a 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 our management and in accordance with prevailing market conditions and federal securities laws and regulations. The 2018 Program was effective in November 2018. The common stock repurchase program approved in March 2016 was fully utilized as of December 31, 2018.

2019 Repurchases

In May 2019, we entered into an accelerated share repurchase (“ASR”) agreement with a third-party financial institution to repurchase our common stock pursuant to the 2018 Program. Under the ASR agreement, we made an up-front payment of \$30.0 million and received an initial delivery of 626,305 shares of our common stock in the second quarter of 2019. The repurchase was completed in the third quarter of 2019 when we received final delivery of an additional 72,875 shares. A total of 699,180 shares were repurchased under the ASR agreement at a weighted average purchase price of \$42.91 per share.

In addition to the repurchase under the ASR agreement, during the year ended December 31, 2019, we utilized \$5.9 million of cash on hand to repurchase 85,000 shares of common stock at an average purchase price of \$69.85 per share.

As of December 31, 2019, we had approximately \$98.7 million of repurchase authorization remaining.

2018 Repurchases

In June 2018, we entered into an ASR agreement with a third-party financial institution to repurchase our common stock. Under the ASR agreement, we made an up-front payment of \$35.0 million. The repurchase was completed in the third quarter of 2018, and a total of 258,285 shares were repurchased at a weighted average purchase price of \$135.51 per share. In addition to the repurchase under the ASR agreement, during the year ended December 31, 2018, we repurchased 324,508 shares of our common stock at an average purchase price of \$78.78 per share, excluding commissions, for a total cost of \$25.6 million.

We expect to fund any future repurchases from cash on hand and future cash flows from operations. The specific timing and amount of repurchase will vary based on market and business conditions and other factors, including alternative uses of capital. We are not obligated to repurchase any number of shares or dollar amount, and the 2018 Program may be discontinued at any time at our discretion.

See Item 5. “Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity” and Note 20. “Equity” to the consolidated financial statements included in Item 8. “Financial Statements and Supplementary Data” of this Report for additional information.

Contractual Obligations

Our contractual obligations consist of legal commitments requiring us to make fixed or determinable cash payments, regardless of the contractual requirements of the vendor to provide future goods or services. Except as otherwise disclosed, this table does not include information on our recurring purchase of materials for use in production because our raw materials purchase contracts typically do not require fixed or minimum quantities.

The following table summarizes the total amounts due as of December 31, 2019 under all debt agreements at nominal value, undiscounted finance lease commitments and other contractual obligations.

	Payment due by period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
	(Dollar amounts in millions)				
Debt obligations	\$ 786.5	\$ 60.1	\$ 6.8	\$ 319.6	\$ 400.0
Interest on debt obligations	202.5	34.8	67.9	54.8	45.0
Operating lease obligations	96.4	27.2	33.0	19.9	16.3
Finance lease obligations	41.5	3.8	6.9	6.2	24.6
Total	\$ 1,126.9	\$ 125.9	\$ 114.6	\$ 400.5	\$ 485.9

In addition to our contractual obligations and commitments set forth in the table above, we have employment arrangements with certain key executives that provide for continuity of management. These arrangements include payments of multiples of annual salary, certain incentives and continuation of benefits upon the occurrence of specified events in a manner believed to be consistent with comparable companies. As of December 31, 2019, the Company had additional operating leases, primarily for real estate, that have not yet commenced with undiscounted lease payments of approximately \$58.7 million.

We also have funding requirements with respect to our pension obligations. We expect to make cash contributions to our U.S. and foreign pension plans of approximately \$3.6 million and \$4.9 million, respectively, in 2020. Our minimum funding requirements after 2020 will depend on several factors, including the investment performance of our retirement plans and prevailing interest rates. Our funding obligations may also be affected by changes in applicable legal requirements. We also have payments due with respect to our postretirement benefit obligations. We do not prefund our postretirement benefit obligations. Rather, payments are made as costs are incurred by covered retirees. We expect net other postretirement benefit payments to be approximately \$2.6 million in 2020.

We may be required to make significant cash outlays due to our unrecognized tax benefits. However, due to the uncertainty of the timing of future cash flows associated with our unrecognized tax benefits, we are unable to make reasonably reliable estimates of the period of cash settlement, if any, with the respective taxing authorities. Accordingly, unrecognized tax benefits of \$10.1 million as of December 31, 2019 have been excluded from the contractual obligations table above. See Note 17. "Income Taxes" to the consolidated financial statements included in Item 8. "Financial Statements and Supplementary Data" of this Report for additional information.

Excluded from the contractual obligations table above are open purchase orders as of December 31, 2019 for raw materials, supplies and capital expenditures in the normal course of business, supply contracts with customers, distribution agreements, joint venture agreements and other contracts without express funding requirements.

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 the following:

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

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

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

	Year Ended December 31,		
	2019	2018	2017
	(Dollar amounts in thousands)		
Net income attributable to Cooper-Standard Holdings Inc.	\$ 67,529	\$ 103,601	\$ 137,971
Income tax expense (benefit)	36,089	(29,400)	71,506
Interest expense, net of interest income	44,113	41,004	42,112
Depreciation and amortization	151,953	146,698	138,088
EBITDA	\$ 299,684	\$ 261,903	\$ 389,677
Gain on sale of business ⁽¹⁾	(191,571)	—	—
Restructuring charges ⁽²⁾	51,102	29,722	35,137
Other impairment charges ⁽³⁾	23,139	43,706	14,763
Pension settlement charges ⁽⁴⁾	15,997	775	6,427
Project costs ⁽⁵⁾	2,090	4,881	—
Lease termination costs ⁽⁶⁾	1,167	—	—
Goodwill impairment charges ⁽⁷⁾	—	39,818	—
Gain on sale of land ⁽⁸⁾	—	(10,377)	—
Amortization of inventory write-up ⁽⁹⁾	—	1,460	—
Loss on refinancing and extinguishment of debt ⁽¹⁰⁾	—	770	1,020
Foreign tax amnesty program ⁽¹¹⁾	—	—	4,623
Adjusted EBITDA	\$ 201,608	\$ 372,658	\$ 451,647

- (1) Gain on sale of AVS product line. See Note 5. “Divestiture” to the consolidated financial statements included in Item 8. “Financial Statements and Supplementary Data” of this Report for additional information.
- (2) Includes non-cash impairment charges related to restructuring.
- (3) Other non-cash impairment charges in 2019 and 2017 related to fixed assets of \$23,139 and \$14,763, respectively. Impairment charges in 2018 related to intangible assets of \$791 and fixed assets of \$42,915.
- (4) Non-cash pension settlement charges and administrative fees incurred related to certain of our U.S. and non-U.S. pension plans.
- (5) Project costs recorded in selling, administration and engineering expense related to acquisitions and divestiture.
- (6) Lease termination costs no longer recorded as Restructuring charges in accordance with ASC 842. See Note 3. “New Accounting Pronouncements” to the consolidated financial statements included in Item 8. “Financial Statements and Supplementary Data” of this Report for additional information.
- (7) Non-cash goodwill impairment charges in 2018 related to impairments at our Europe and Asia Pacific reporting units, net of approximately \$5,463 attributable to our noncontrolling interests.
- (8) Gain on sale of land in Europe that was contemplated in conjunction with our restructuring plan. See Note 9. “Property, Plant and Equipment” to the consolidated financial statements included in Item 8. “Financial Statements and Supplementary Data” of this Report for additional information.
- (9) Amortization of write-up of inventory to fair value for the 2018 acquisitions.
- (10) Loss on refinancing and extinguishment of debt relating to the March 2018 amendment and May 2017 amendment of the Term Loan Facility.
- (11) Relates to indirect taxes recorded in cost of products sold.

Recent Accounting Pronouncements

See Note 3. “New Accounting Pronouncements” to the consolidated financial statements included in Item 8. “Financial Statements and Supplementary Data” of this Report for additional information.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to fluctuations in interest rates, currency exchange rates and commodity prices. We actively manage our exposure to risk from changes in foreign currency exchange rates and interest rates through the use of derivative financial

instruments in accordance with management’s guidelines. We do not enter into derivative instruments for trading or speculative purposes. See Item 8. “Financial Statements and Supplementary Data,” specifically Note 12. “Fair Value Measurements and Financial Instruments” to the consolidated financial statements.

Foreign Currency Exchange Rate Risk. We use forward foreign exchange contracts to reduce the effect of fluctuations in foreign exchange rates on a portion of forecasted sales, material purchases and operating expenses. As of December 31, 2019, the notional amount of these contracts was \$92.2 million. As of December 31, 2019, the fair value of the Company’s forward foreign exchange contracts was an asset of \$0.4 million. The potential pre-tax loss or gain in fair value from a hypothetical 10% adverse or favorable movement in the foreign currency exchange rates in relation to the U.S. Dollar is as follows:

	December 31, 2019	December 31, 2018
10% strengthening of U.S. Dollar	(\$7.8) million	+ \$0.9 million
10% weakening of U.S. Dollar	+ \$10.5 million	+ \$2.1 million

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

In addition to transactional exposures, our operating results are impacted by the translation of our foreign operating income into U.S. dollars. In 2019, net sales outside of the United States accounted for 77% of our consolidated net sales, although certain non-U.S. sales are U.S. dollar denominated. We do not enter into foreign exchange contracts to mitigate this exposure.

Interest Rates. The Company has historically used interest rate swap contracts to manage cash flow variability associated with its variable rate Term Loan Facility. Such interest rate swap contracts fixed the interest payments of variable rate debt instruments in order to manage exposure to fluctuations in interest rates. As of December 31, 2019, there were no interest rate swap contracts outstanding. As of December 31, 2019 and 2018, approximately 50.9% and 52.5%, respectively, of our total debt was at variable interest rates. The pre-tax earnings and cash flow impact of a 100 basis points increase or decrease in the interest rates on our variable rate debt outstanding at December 31, 2019 would be a \$3.9 million increase or decrease, respectively, on an annualized basis.

Commodity Prices. We have commodity price risk with respect to purchases of certain raw materials, including natural gas and carbon black. Raw material, energy and commodity costs have been extremely volatile over the past several years. Historically, we have used derivative instruments to reduce our exposure to fluctuations in certain commodity prices. We did not enter into any commodity derivative instruments in 2019. We will continue to evaluate, and may use, derivative financial instruments to manage our exposure to raw material, energy and commodity price fluctuations in the future.

Item 8. Financial Statements and Supplementary Data

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Annual Financial Statements

	<u>Page</u>
Report of Ernst & Young LLP, Independent Registered Public Accounting Firm	42
Report of Ernst & Young LLP, Independent Registered Public Accounting Firm, Internal Control over Financial Reporting	44
Consolidated statements of net income for the years ended December 31, 2019, 2018 and 2017	45
Consolidated statements of comprehensive income (loss) for the years ended December 31, 2019, 2018 and 2017	46
Consolidated balance sheets as of December 31, 2019 and December 31, 2018	47
Consolidated statements of changes in equity for the years ended December 31, 2019, 2018 and 2017	48
Consolidated statements of cash flows for the years ended December 31, 2019, 2018 and 2017	49
Notes to consolidated financial statements	50
Schedule II—Valuation and Qualifying Accounts	94

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Cooper-Standard Holdings Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Cooper-Standard Holdings Inc. (the Company) as of December 31, 2019 and 2018, the related consolidated statements of net income, comprehensive income (loss), changes in equity and cash flows for each of the three years in the period ended December 31, 2019, and the related notes and financial statement schedule listed in the Index at Item 15(a)2 (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2019 and 2018, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2019, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company’s internal control over financial reporting as of December 31, 2018, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 26, 2020 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Impairment of property, plant and equipment

Description of the Matter As of December 31, 2019, the Company's property, plant and equipment balance was \$988 million. As discussed in Note 9 to the consolidated financial statements, during 2019 the Company recorded property, plant and equipment impairment charges at certain locations within its Europe and Asia Pacific segments due to the deterioration of their financial results. The Company evaluated its property, plant and equipment in these locations for recoverability and concluded that certain assets were impaired. The Company recognized a \$22 million impairment charge, which is the amount by which the carrying value exceeded the estimated fair value of these assets.

Auditing the Company's impairment measurement involved a high degree of judgment as estimates underlying the determination of fair value of the long-lived assets were based on assumptions affected by current market and economic conditions. The Company determined fair value using estimated salvage value or estimated orderly liquidation value, which was deemed the highest and best use of the assets.

How We Addressed the Matter in Our Audit We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's process to measure impairments of property, plant and equipment. Our audit procedures included among others, testing controls over the Company's review of the significant assumptions and methodologies used in the calculation of the fair value of the related assets.

Our testing of the Company's impairment of property, plant and equipment included, among other procedures, evaluating the assumptions used to estimate the fair value of the property, plant and equipment. We reviewed the valuation methodology to assess whether the methodology is widely recognized and appropriate for use in the valuation of the property, plant and equipment, tested significant assumptions and the data used in the valuation, and recalculated the valuation estimate based on the applicable inputs. We also involved our valuation specialists to assist in our assessment of the valuation approach and assumptions used to estimate the fair value.

Revenue recognition - accounting for payments to customers

Description of the Matter As described in Note 6 to the financial statements, the Company at times enters into agreements that provide for lump sum payments to customers. Payments to customers are recorded as a reduction of revenue during the period the commitment is made and a liability is recorded for any commitments of future payments to customers. As of December 31, 2019, the Company has accrued \$22 million related to commitments of future payments to customers.

Auditing the accounting for and completeness of agreements to make payments to customers, including the appropriate timing and presentation of adjustments to revenue and the related liability is challenging due to the unique facts and circumstances involved in each customer agreement, as well as on-going commercial negotiations with customers.

How We Addressed the Matter in Our Audit We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's identification and evaluation of agreements that include commitments to make payments to customers, including controls over management's review of the completeness and timing of the recording of adjustments to revenue and the related liabilities.

Our audit procedures to test the completeness of the Company's identification of such commitments included, among others, interviewing sales representatives who are responsible for negotiations with customers, reviewing customer negotiation documentation, and obtaining and reviewing a sample of customer agreements to review for new or contrary evidence. To test the timing of adjustments to revenue and related liabilities for commitments to make payments to customers, we selected a sample of customer agreements and evaluated the terms of the agreements to determine the appropriateness of the accounting treatment and also tested payments to customers.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2005.

Detroit, Michigan

February 26, 2020

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Cooper-Standard Holdings Inc.

Opinion on Internal Control over Financial Reporting

We have audited Cooper-Standard Holdings Inc.'s internal control over financial reporting as of December 31, 2019, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Cooper-Standard Holdings Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2019, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2019 and 2018, the related consolidated statements of net income, comprehensive income (loss), changes in equity and cash flows for each of the three years in the period ended December 31, 2019, and the related notes and financial statement schedule listed in the Index at Item 15(a)2 and our report dated February 26, 2020 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Detroit, Michigan
February 26, 2020

COOPER-STANDARD HOLDINGS INC.
CONSOLIDATED STATEMENTS OF NET INCOME
(Dollar amounts in thousands except per share amounts)

	Year Ended December 31,		
	2019	2018	2017
Sales	\$ 3,108,400	\$ 3,624,042	\$ 3,617,773
Cost of products sold	2,749,278	3,075,737	2,946,687
Gross profit	359,122	548,305	671,086
Selling, administration & engineering expenses	302,496	314,805	340,963
Gain on sale of business	(191,571)	—	—
Gain on sale of land	—	(10,377)	—
Amortization of intangibles	17,966	14,844	14,056
Goodwill impairment charges	—	45,281	—
Other impairment charges	23,139	43,706	14,763
Restructuring charges	51,102	29,722	35,137
Operating profit	155,990	110,324	266,167
Interest expense, net of interest income	(44,113)	(41,004)	(42,112)
Equity in earnings of affiliates	6,504	6,718	5,519
Loss on refinancing and extinguishment of debt	—	(770)	(1,020)
Pension settlement charges	(15,819)	(775)	(6,427)
Other expense, net	(4,260)	(4,838)	(9,380)
Income before income taxes	98,302	69,655	212,747
Income tax expense (benefit)	36,089	(29,400)	71,506
Net income	62,213	99,055	141,241
Net loss (income) attributable to noncontrolling interests	5,316	4,546	(3,270)
Net income attributable to Cooper-Standard Holdings Inc.	\$ 67,529	\$ 103,601	\$ 137,971
Earnings per share:			
Basic	\$ 3.94	\$ 5.79	\$ 7.76
Diluted	\$ 3.92	\$ 5.66	\$ 7.35

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

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

	Year Ended December 31,		
	2019	2018	2017
Net income	\$ 62,213	\$ 99,055	\$ 141,241
Other comprehensive income (loss):			
Currency translation adjustment	(13,308)	(46,902)	49,242
Benefit plan liabilities adjustment, net of tax	4,215	4,943	(3,137)
Fair value change of derivatives, net of tax	810	1,009	73
Other comprehensive (loss) income, net of tax	(8,283)	(40,950)	46,178
Comprehensive income	53,930	58,105	187,419
Comprehensive loss (income) attributable to noncontrolling interests	5,795	6,172	(4,874)
Comprehensive income attributable to Cooper-Standard Holdings Inc.	\$ 59,725	\$ 64,277	\$ 182,545

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

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

	December 31,	
	2019	2018
Assets		
Current assets:		
Cash and cash equivalents	\$ 359,536	\$ 264,980
Accounts receivable, net	423,155	418,607
Tooling receivable	148,175	141,106
Inventories	143,439	175,572
Prepaid expenses	34,452	36,878
Other current assets	93,513	108,683
Assets held for sale	—	103,898
Total current assets	1,202,270	1,249,724
Property, plant and equipment, net	988,277	984,241
Operating lease right-of-use assets, net	83,376	—
Goodwill	142,187	143,681
Intangible assets, net	84,369	99,602
Deferred tax assets	56,662	71,049
Other assets	78,441	75,848
Total assets	\$ 2,635,582	\$ 2,624,145
Liabilities and Equity		
Current liabilities:		
Debt payable within one year	\$ 61,449	\$ 101,323
Accounts payable	426,055	452,320
Payroll liabilities	88,486	92,604
Accrued liabilities	119,841	102,976
Current operating lease liabilities	24,094	—
Liabilities held for sale	—	71,195
Total current liabilities	719,925	820,418
Long-term debt	746,179	729,805
Pension benefits	140,010	138,771
Postretirement benefits other than pensions	48,313	40,901
Long-term operating lease liabilities	60,234	—
Deferred tax liabilities	10,785	5,566
Other liabilities	34,154	37,209
Total liabilities	1,759,600	1,772,670
7% Cumulative participating convertible preferred stock, \$0.001 par value, 10,000,000 shares authorized; no shares issued and outstanding	—	—
Equity:		
Common stock, \$0.001 par value, 190,000,000 shares authorized; 18,908,566 shares issued and 16,842,757 outstanding as of December 31, 2019 and 19,620,546 shares issued and 17,554,737 outstanding as of December 31, 2018	17	17
Additional paid-in capital	490,451	501,511
Retained earnings	619,448	569,215
Accumulated other comprehensive loss	(253,741)	(245,937)
Total Cooper-Standard Holdings Inc. equity	856,175	824,806
Noncontrolling interests	19,807	26,669
Total equity	875,982	851,475
Total liabilities and equity	\$ 2,635,582	\$ 2,624,145

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

COOPER-STANDARD HOLDINGS INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(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 Interest	Total Equity	
Balance as of December 31, 2016	17,690,611	\$ 17	\$ 513,934	\$ 420,659	\$ (242,548)	\$ 692,062	\$ 24,431	\$ 716,493	
Repurchase of common stock	(513,801)	(1)	(12,434)	(43,512)	—	(55,947)	—	(55,947)	
Warrant exercise	568,702	1	2,372	—	—	2,373	—	2,373	
Share-based compensation, net	169,087	1	8,943	(6,396)	—	2,548	—	2,548	
Dividends declared to noncontrolling interests	—	—	—	—	—	—	(785)	(785)	
Net income for 2017	—	—	—	137,971	—	137,971	3,270	141,241	
Other comprehensive income	—	—	—	—	44,574	44,574	1,604	46,178	
Balance as of December 31, 2017	17,914,599	18	512,815	508,722	(197,974)	823,581	28,520	852,101	
Cumulative effect of change in accounting principle	—	—	—	8,639	(8,639)	—	—	—	
Repurchase of common stock	(549,019)	(1)	(14,259)	(46,306)	—	(60,566)	—	(60,566)	
Share-based compensation, net	189,157	—	5,637	(5,441)	—	196	—	196	
Purchase of noncontrolling interest	—	—	(2,682)	—	—	(2,682)	312	(2,370)	
Contribution from noncontrolling interests	—	—	—	—	—	—	1,377	1,377	
Acquisition	—	—	—	—	—	—	6,246	6,246	
Dividends declared to noncontrolling interests	—	—	—	—	—	—	(3,614)	(3,614)	
Net income (loss) for 2018	—	—	—	103,601	—	103,601	(4,546)	99,055	
Other comprehensive loss	—	—	—	—	(39,324)	(39,324)	(1,626)	(40,950)	
Balance as of December 31, 2018	17,554,737	17	501,511	569,215	(245,937)	824,806	26,669	851,475	
Cumulative effect of change in accounting principle	—	—	—	(2,607)	—	(2,607)	—	(2,607)	
Repurchase of common stock	(817,954)	—	(21,459)	(14,478)	—	(35,937)	—	(35,937)	
Share-based compensation, net	105,974	—	9,101	(211)	—	8,890	—	8,890	
Purchase of noncontrolling interest	—	—	1,298	—	—	1,298	(6,057)	(4,759)	
Contribution from noncontrolling interests	—	—	—	—	—	—	6,048	6,048	
Dividends declared to noncontrolling interests	—	—	—	—	—	—	(1,058)	(1,058)	
Net income (loss) for 2019	—	—	—	67,529	—	67,529	(5,316)	62,213	
Other comprehensive loss	—	—	—	—	(7,804)	(7,804)	(479)	(8,283)	
Balance as of December 31, 2019	16,842,757	\$ 17	\$ 490,451	\$ 619,448	\$ (253,741)	\$ 856,175	\$ 19,807	\$ 875,982	

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

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

	Year Ended December 31,		
	2019	2018	2017
Operating Activities:			
Net income	\$ 62,213	\$ 99,055	\$ 141,241
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	133,987	131,854	124,032
Amortization of intangibles	17,966	14,844	14,056
Gain on sale of business	(191,571)	—	—
Gain on sale of land	—	(10,377)	—
Impairment charges	23,139	88,987	14,763
Pension settlement charges	15,819	775	6,427
Share-based compensation expense	11,865	8,520	24,963
Equity in earnings, net of dividends related to earnings	(1,587)	(1,856)	(137)
Loss on refinancing and extinguishment of debt	—	770	1,020
Deferred income taxes	15,874	(38,931)	7,975
Other	5,230	2,652	1,286
Changes in operating assets and liabilities:			
Accounts and tooling receivable	(26,534)	17,916	(26,428)
Inventories	29,430	1,410	(13,929)
Prepaid expenses	(150)	(4,647)	5,981
Accounts payable	(14,643)	(32,502)	11,415
Payroll and accrued liabilities	(1,258)	(61,800)	8,378
Other	17,917	(67,282)	(7,937)
Net cash provided by operating activities	97,697	149,388	313,106
Investing activities:			
Capital expenditures	(164,466)	(218,071)	(186,795)
Acquisition of businesses, net of cash acquired	(452)	(171,653)	(478)
Proceeds from sale of business	243,362	—	—
Proceeds from sale of fixed assets and other	5,586	6,733	(13,349)
Net cash provided by (used for) investing activities	84,030	(382,991)	(200,622)
Financing activities:			
Principal payments on long-term debt	(4,494)	(3,437)	(19,866)
Purchase of noncontrolling interest	(4,797)	(2,450)	—
Repurchase of common stock	(36,550)	(59,955)	(55,123)
Proceeds from exercise of warrants	—	—	2,373
(Decrease) increase in short term debt, net	(40,406)	65,198	10,683
Taxes withheld and paid on employees' share-based payment awards	(2,787)	(11,618)	(13,297)
Contribution from noncontrolling interests and other	5,042	(2,178)	(297)
Net cash used for financing activities	(83,992)	(14,440)	(75,527)
Effects of exchange rate changes on cash, cash equivalents and restricted cash	(3,392)	(3,019)	(1,475)
Changes in cash, cash equivalents and restricted cash	94,343	(251,062)	35,482
Cash, cash equivalents and restricted cash at beginning of period	267,399	518,461	482,979
Cash, cash equivalents and restricted cash at end of period	<u>\$ 361,742</u>	<u>\$ 267,399</u>	<u>\$ 518,461</u>
Reconciliation of cash, cash equivalents and restricted cash to the consolidated balance sheet:			
Cash and cash equivalents	\$ 359,536	\$ 264,980	\$ 515,952
Restricted cash included in other current assets	12	18	88
Restricted cash included in other assets	2,194	2,401	2,421
Total cash, cash equivalents and restricted cash shown in the statement of cash flows	<u>\$ 361,742</u>	<u>\$ 267,399</u>	<u>\$ 518,461</u>
Supplemental Disclosure:			
Cash paid for interest	\$ 47,580	\$ 44,877	\$ 47,424
Cash paid for income taxes, net of refunds	23,599	32,299	36,883

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

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

1. Description of Business

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.

During the first quarter of 2019 and in prior periods, the Company also operated an anti-vibration systems product line. On April 1, 2019, the Company completed the divestiture of its anti-vibration systems product line. See Note 5. “Divestiture” for additional information

The Company believes it is the largest global producer of sealing systems, the second largest global producer of the types of fuel and brake delivery products that it manufactures and the third largest global producer of fluid transfer systems. The Company designs and manufactures its products in each major region of the world through a disciplined and sustained approach to engineering and operational excellence. The Company operates in 103 manufacturing locations and 71 design, engineering, administrative and logistics locations in 21 countries around the world.

2. Basis of Presentation and Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States (“U.S. GAAP”). Certain balances in prior periods have been conformed to the current presentation.

Immaterial Correction of Errors

During the year ended December 31, 2019, the Company identified errors related to the timing of recording pricing concessions with customers in the Asia Pacific region. These errors primarily related to periods prior to fiscal year 2019. An out-of-period adjustment was recorded during the third quarter of 2019 related to the Asia Pacific pricing matters, which has been corrected in these consolidated financial statements, including corrections to all prior periods presented as reconciled in the tables below. Additionally, the Company corrected certain other errors previously identified as immaterial to the financial statements. Reconciliations for revised interim periods will be presented in future filings that include results of the affected periods. The impact of these corrections on sales, net income (loss) and EPS by quarter for 2019 and 2018 is reflected in “Note 26. Selected Quarterly Information.”

Management evaluated the effect of the adjustments on the Company’s financial statements under the provision of Accounting Standards Codification (“ASC”) 250: *Accounting Changes and Error Corrections*, Staff Accounting Bulletin No. 99: *Materiality* and Staff Accounting Bulletin No. 108: *Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements*. The Company concluded these errors were not material individually or in the aggregate to any of the previously reported periods and, therefore, amendments of previously filed reports were not required. However, the effect of correcting all the accumulated errors in the 2019 financial statements would materially misstate those financial statements. As such, the corrections were made to the applicable prior periods reflected in the financial information herein and will be reflected in future filings containing such financial information.

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

The following table presents the impact of these corrections on the Company's consolidated statements of net income:

	Year ended December 31, 2018			Year ended December 31, 2017		
	As Previously Reported	Adjustment	As Corrected	As Previously Reported	Adjustment	As Corrected
Sales	\$ 3,629,293	\$ (5,251)	\$ 3,624,042	\$ 3,618,126	\$ (353)	\$ 3,617,773
Gross profit	553,556	(5,251)	548,305	671,439	(353)	671,086
Income tax expense (benefit)	(29,683)	283	(29,400)	74,527	(3,021)	71,506
Net income	104,589	(5,534)	99,055	138,573	2,668	141,241
Net loss (income) attributable to noncontrolling interests	3,177	1,369	4,546	(3,270)	—	(3,270)
Net income attributable to Cooper-Standard Holdings Inc.	107,766	(4,165)	103,601	135,303	2,668	137,971
Earnings per share:						
Basic	\$ 6.02	\$ (0.23)	\$ 5.79	\$ 7.61	\$ 0.15	\$ 7.76
Diluted	\$ 5.89	\$ (0.23)	\$ 5.66	\$ 7.21	\$ 0.14	\$ 7.35

The following table presents the impact of these corrections on the Company's consolidated statements of comprehensive income (loss):

	Year ended December 31, 2018			Year ended December 31, 2017		
	As Previously Reported	Adjustment	As Corrected	As Previously Reported	Adjustment	As Corrected
Currency translation adjustment	\$ (47,397)	\$ 495	\$ (46,902)	\$ 49,600	\$ (358)	\$ 49,242
Comprehensive loss (income) attributable to noncontrolling interests	4,804	1,368	6,172	(4,874)	—	(4,874)
Comprehensive income attributable to Cooper-Standard Holdings Inc.	67,948	(3,671)	64,277	180,235	2,310	182,545

The following table presents the impact of these corrections on the Company's consolidated balance sheets:

	December 31, 2018		
	As Previously Reported	Adjustment	As Corrected
Deferred tax assets	\$ 70,007	\$ 1,042	\$ 71,049
Accrued liabilities	98,907	4,069	102,976
Deferred tax liabilities	8,233	(2,667)	5,566
Other liabilities	29,542	7,667	37,209
Total liabilities	1,763,601	9,069	1,772,670
Retained earnings	576,025	(6,810)	569,215
Accumulated other comprehensive loss	(246,088)	151	(245,937)
Total Cooper-Standard Holdings Inc. equity	831,465	(6,659)	824,806
Noncontrolling interests	28,037	(1,368)	26,669
Total equity	859,502	(8,027)	851,475

The following table presents the impact of these corrections on the balance as of December 31, 2017 and December 31, 2016 in the Company's consolidated statements of changes in equity:

	Balance as of December 31, 2017			Balance as of December 31, 2016		
	As Previously Reported	Adjustment	As Corrected	As Previously Reported	Adjustment	As Corrected
Retained earnings	\$ 511,367	\$ (2,645)	\$ 508,722	\$ 425,972	\$ (5,313)	\$ 420,659
Accumulated other comprehensive loss	(197,631)	(343)	(197,974)	(242,563)	15	(242,548)
Total equity	855,089	(2,988)	852,101	721,791	(5,298)	716,493

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

For the year ended December 31, 2018, the impact of these corrections on the consolidated statement of cash flow included a \$5,534 decrease in net income offset by an increase of \$1,790 in deferred income taxes, an increase of \$3,846 in change in payroll and accrued liabilities, and a decrease of \$102 in changes in other operating assets and liabilities, resulting in no impact to net cash provided by operating activities.

For the year ended December 31, 2017, the impact of these corrections on the consolidated statement of cash flow included a \$2,668 increase in net income offset by a decrease of \$3,101 in deferred income taxes, a decrease of \$501 in payroll and accrued liabilities, and an increase of \$934 in changes in other operating assets and liabilities, resulting in no impact to net cash provided by operating activities.

Summary of Significant Accounting Policies

Principles of Consolidation – The consolidated financial statements include the accounts of the Company and the wholly-owned and less than wholly-owned subsidiaries controlled by the Company. All material intercompany accounts and transactions have been eliminated. Acquired businesses are included in the consolidated financial statements from the dates of acquisition or when the Company gained control.

The equity method of accounting is followed for investments in which the Company does not have control, but does have the ability to exercise significant influence over operating and financial policies. Generally, this occurs when ownership is between 20% to 50%.

Foreign Currency – The financial statements of foreign subsidiaries are translated to U.S. dollars at the end-of-period exchange rates for assets and liabilities and at a weighted average exchange rate for each period for revenues and expenses. Translation adjustments for those subsidiaries whose local currency is their functional currency are recorded as a component of accumulated other comprehensive income (loss) in stockholders' equity ("AOCI"). Transaction related gains and losses arising from fluctuations in currency exchange rates on transactions denominated in currencies other than the functional currency are recognized in earnings as incurred, except for those intercompany balances which are designated as long-term.

Cash and Cash Equivalents – The Company considers highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents as of December 31, 2019 includes \$21,485 of cash collected on behalf of a factoring provider in connection with receivables sold under the Company's accounts receivable factoring program. See Note 13. "Accounts Receivable Factoring" for additional information.

Accounts Receivable – The Company records trade accounts receivable when revenue is recorded in accordance with its revenue recognition policy and relieves accounts receivable when payments are received from customers. Accounts receivable are written off when it is apparent such amounts are not collectible. Generally, the Company does not require collateral for its accounts receivable, nor is interest charged on accounts receivable balances.

Allowance for Doubtful Accounts – An allowance for doubtful accounts is established through charges to the provision for bad debts when it is probable that the outstanding receivable will not be collected. The Company evaluates the adequacy of the allowance for doubtful accounts on a periodic basis, including historical trends in collections and write-offs, management's judgment of the probability of collecting accounts and management's evaluation of business risk. This evaluation is inherently subjective, as it requires estimates that are susceptible to revision as more information becomes available. The allowance for doubtful accounts was \$9,149 and \$5,551 as of December 31, 2019 and 2018, respectively.

Advertising Expense – Expenses incurred for advertising are generally expensed when incurred. Advertising expense was \$711, \$1,493 and \$3,769 for the years ended December 31, 2019, 2018 and 2017, respectively.

Inventories – Inventories are valued at lower of cost or net realizable value. Cost is determined using the first-in, first-out method. Finished goods and work-in-process inventories include material, labor and manufacturing overhead costs. The Company records inventory reserves for inventory in excess of production and/or forecasted requirements and for obsolete inventory.

	December 31,	
	2019	2018
Finished goods	\$ 57,070	\$ 50,999
Work in process	33,753	37,815
Raw materials and supplies	52,616	86,758
	\$ 143,439	\$ 175,572

Derivative Financial Instruments – Derivative financial instruments are utilized by the Company to reduce foreign currency exchange and interest rate risks. The Company has established policies and procedures for risk assessment and the approval, reporting and monitoring of derivative financial instrument activities. On the date the derivative is established, the

Company designates the derivative as either a fair value hedge, a cash flow hedge or a net investment hedge in accordance with its established policy. The Company does not enter into derivative financial instruments for trading or speculative purposes.

Income Taxes – Deferred tax assets or liabilities are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using enacted tax laws and rates. A valuation allowance is provided on deferred tax assets if the Company determines that it is more likely than not that the asset will not be realized.

Long-lived Assets – Property, plant and equipment are recorded at cost and depreciated using primarily the straight-line method over estimated useful lives. Leasehold improvements are amortized over the expected life of the asset or term of the lease, whichever is shorter. Intangibles with finite lives, which include technology and customer relationships, are amortized over estimated useful lives. The Company evaluates the recoverability of long-lived assets when events and circumstances indicate that the assets may be impaired and the undiscounted net cash flows estimated to be generated by those assets are less than their carrying value. If the net carrying value exceeds the fair value, an impairment loss exists and is calculated based on either estimated salvage value or estimated orderly liquidation value.

Pre-production Costs Related to Long Term Supply Arrangements – Costs for molds, dies and other tools owned by the Company to produce products under long-term supply arrangements are recorded at cost in property, plant and equipment and amortized over the lesser of three years or the term of the related supply agreement. The amounts capitalized were \$3,994 and \$4,735 as of December 31, 2019 and 2018, respectively. The Company expenses all pre-production tooling costs related to customer-owned tools for which reimbursement is not contractually guaranteed by the customer. Reimbursable tooling costs are recorded in tooling receivable in the accompanying consolidated balance sheets if considered to be receivable in the next twelve months, and in other assets if considered to be receivable beyond twelve months. Tooling receivable for customer-owned tooling as of December 31, 2019 and 2018 was \$148,175 and \$141,106, respectively. Reimbursable tooling costs included in other assets in the accompanying consolidated balance sheets were \$19,185 and \$27,037 as of December 31, 2019 and 2018, respectively.

Goodwill – The Company tests goodwill for impairment on an annual basis in the fourth quarter, or more frequently if an event occurs or circumstances indicate the carrying amount may be impaired. Goodwill impairment testing is performed at the reporting unit level. The impairment test involves first qualitatively assessing goodwill for impairment. If the qualitative assessment is not met, a quantitative assessment is performed by comparing the estimated fair value of each reporting unit to its carrying value. If the carrying value exceeds the fair value, an impairment charge is recorded based on that difference.

In the fourth quarter of 2019, the Company completed a quantitative goodwill impairment assessment for the North America reporting unit, and after evaluating the results, events and circumstances, the Company concluded that sufficient evidence existed to assert quantitatively that the estimated fair value of the North America reporting unit remained in excess of its carrying value. In the fourth quarter of 2018, the Company completed a qualitative goodwill impairment assessment for each of its reporting units, and after evaluating the results, events and circumstances, the Company determined a quantitative test was necessary. As a result of the quantitative test, an impairment charge was recorded in our Europe and Asia Pacific reporting units. No goodwill impairments were recorded in 2017. See Note 10. “Goodwill and Intangible Assets.”

Business Combinations – The purchase price of an acquired business is allocated to its identifiable assets and liabilities based on estimated fair values. The excess of the purchase price over the amount allocated to the assets and liabilities, if any, is recorded as goodwill. Determining the fair values of assets acquired and liabilities assumed requires management’s judgment, the utilization of independent appraisal firms and often involves the use of significant estimates and assumptions with respect to the timing and amount of future cash flows, market rate assumptions, actuarial assumptions, and appropriate discount rates, among other items.

Revenue Recognition and Sales Commitments – In accordance with ASC 606, *Revenue from Contracts with Customers*, revenue is recognized when the performance obligations are satisfied. A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account in ASC 606. The Company has one major performance obligation category: manufactured parts.

A contract’s transaction price is allocated to each distinct performance obligation and recognized when the performance obligation is satisfied. The Company’s contracts may include multiple performance obligations. For such contracts, the Company generally allocates the contract’s transaction price to each performance obligation based on the purchase order or other arranged pricing.

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

The Company usually enters 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. Although purchase orders do not usually specify quantities, fulfillment of customers’ purchasing requirements can be the Company’s obligation for the entire production life of the vehicle. These agreements generally may be

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

terminated by the Company's customer at any time, but such cancellations have historically been minimal. Customers typically pay for parts based on customary business practices with payment terms generally between 30 and 90 days. The Company has no significant financing arrangements with customers.

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

Shipping and Handling – Amounts billed to customers related to shipping and handling are included in sales in the Company's consolidated statements of net income. Shipping and handling costs are included in cost of products sold in the Company's consolidated statements of net income.

Research and Development – Costs are charged to selling, administration and engineering expenses as incurred and totaled \$114,854, \$122,529 and \$127,974 for the years ended December 31, 2019, 2018 and 2017, respectively.

Share-based Compensation – The Company measures share-based compensation expense at fair value and generally recognizes such expenses on a straight-line basis over the vesting period of the share-based employee awards. See Note 21. "Share-Based Compensation" for additional information.

Use of Estimates – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and judgments that affect amounts reflected in the consolidated financial statements, as well as disclosure of contingent assets and liabilities. Considerable judgment is often involved in making such estimates, and the use of different assumptions could result in different conclusions. Management believes its assumptions and estimates are reasonable and appropriate. However, actual results could differ from those estimates.

3. New Accounting Pronouncements

Recently Adopted Accounting Pronouncements

The Company adopted the following Accounting Standards Updates (“ASU”) in 2019, which had a material impact on its consolidated financial statements:

ASU 2016-02, Leases (Topic 842)

On January 1, 2019, the Company adopted ASC 842, *Leases*, and all related amendments using the modified retrospective method whereby the cumulative effect of adopting the standard was recognized in equity at the date of initial application. Comparative information has not been restated and continues to be reported under the accounting standards in effect for those periods. The most prominent among the changes in the standard is the recognition of right-of-use assets and lease liabilities for all leases (except for short-term leases). The Company made a policy election for all asset classes to exclude the balance sheet recognition of leases with a lease term, at lease commencement, of 12 months or less and no purchase option reasonably certain to be exercised. The standard also requires additional disclosures to help financial statement users better understand the amount, timing and uncertainty of cash flows arising from lease transactions. The new standard resulted in a material increase in right-of-use assets and lease liabilities on the Company’s consolidated balance sheet beginning in 2019 and had no impact on our consolidated statement of net income or to cash provided by (used in) operating, financing or investing activities on our consolidated cash flow statements.

The difference between the lease assets and lease liabilities was recorded as an adjustment to the opening balance of retained earnings. The cumulative effects of the changes made to the Company’s consolidated balance sheet as of January 1, 2019 were as follows:

	Balance as of December 31, 2018	Adjustments due to adoption of ASC 842	Balance as of January 1, 2019
Prepaid expenses	\$ 36,878	\$ (2,704)	\$ 34,174
Assets held for sale	103,898	9,559	113,457
Operating lease right-of-use assets, net	—	102,268	102,268
Accrued liabilities	102,976	(336)	102,640
Current operating lease liabilities	—	27,229	27,229
Liabilities held for sale	71,195	9,561	80,756
Long-term operating lease liabilities	—	75,276	75,276
Retained earnings	569,215	(2,607)	566,608

The Company elected the package of practical expedients on existing leases as of the effective date which permits the Company to carry forward lease classification and not reassess existing contracts in order to determine if the contracts contain a lease. The Company did not elect the hindsight practical expedient. Additionally, the Company elected the practical expedient to not reassess whether any expired or existing land easements contain leases.

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

The Company adopted the following ASUs in 2019, which did not have a material impact on its consolidated financial statements:

Standard	Description	Effective Date
ASU 2018-16, Derivatives and Hedging (Topic 815): Inclusion of the Secured Overnight Financing Rate (SOFR) Overnight Index Swap (OIS) Rate as a Benchmark Interest Rate for Hedge Accounting	Adds the OIS rate based on SOFR as a U.S. benchmark interest rate to facilitate the LIBOR to SOFR transition and provide sufficient lead time for entities to prepare for changes to interest rate risk hedging strategies for both risk management and hedge accounting purposes.	January 1, 2019
ASU 2017-12, Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities	Eliminates the requirement to separately measure and report hedge ineffectiveness and generally requires the entire change in the fair value of a hedging instrument to be presented in the same income statement line as the hedged item. Adoption resulted in the removal of the disclosure of the ineffective portion of the gain (loss) reclassified from Accumulated Other Comprehensive Income ("AOCI") to income.	January 1, 2019

Recently Issued Accounting Pronouncements

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

Standard	Description	Impact	Effective Date
ASU 2019-12, Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes	Modifies ASC Topic 740 by removing certain exceptions and amending existing guidance in order to simplify the accounting for income taxes.	The Company is currently evaluating the impact of this guidance on its accounting policies and its consolidated financial statements.	January 1, 2021

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

The Company considered the recently issued accounting pronouncement summarized as follows, which will not have a material impact on its consolidated financial statements:

Standard	Description	Effective Date
ASU 2016-13, Financial Instruments — Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments	This standard amends guidance on the measurement of all expected credit losses for financial instruments, including trade receivables, based on historical experience, current conditions and reasonable and supportable forecasts. The Company will adopt the guidance effective January 1, 2020 using the modified retrospective method whereby the cumulative effect of adopting the standard will be recognized in equity at the date of initial application and comparative periods will not be adjusted. The Company believes the equity impact of adopting the standard will be \$1,700. This standard will not have a material impact on the Company’s consolidated income statement or statement of cash flows. Additionally, the impact to the Company’s processes, accounting policies and controls is not significant.	January 1, 2020
ASU 2018-14, Compensation— Retirement Benefits—Defined Benefit Plans—General (Subtopic 715-20): Disclosure Framework—Changes to the Disclosure Requirements for Defined Benefit Plans	This standard modifies the disclosure requirements for ASC Topic 715 by removing and modifying existing disclosure requirements as well as adding new disclosures. The Company expects this standard will primarily result in additional pension disclosures while also removing certain disclosures. Specifically, the weighted-average interest crediting rate for the cash balance plan and, if needed, an explanation for significant gains and losses related to changes in the benefit obligation for the period will be added while accumulated other comprehensive income expected to be recognized as components of net periodic benefit cost over the next fiscal year and the effects of a one-percentage-point change in the assumed health care cost trend rate will be removed.	January 1, 2021
ASU 2018-15, Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Customer’s Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement that is a Service Contract	Aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software.	January 1, 2020

4. Acquisitions

AMI Acquisition

In the first quarter of 2018, the Company finalized its purchase of 100% equity interest of the China fuel and brake business of AMI Industries (“AMI China”) for cash consideration of \$3,900. This acquisition directly aligns with the Company’s growth strategy by expanding the Company’s fuel and brake business. The results of operations of AMI China are included in the Company’s consolidated financial statements from the date of acquisition and reported within the Asia Pacific segment. The pro forma effect of this acquisition would not have materially impacted the Company’s reported results for any periods presented, and as a result no pro forma information has been presented. This acquisition was accounted for as a business combination, with the total purchase price allocated using information available. The fair value of identifiable assets acquired and liabilities assumed exceeded the fair value of the consideration transferred by an immaterial amount.

INOAC Acquisition

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

Lauren Acquisition

In the third quarter of 2018, the Company acquired the assets and liabilities of Lauren Manufacturing and Lauren Plastics (together “Lauren”), extruders and molders of organic, silicone, thermoplastic and engineered polymer products with expertise in sealing solutions, to further expand the Company’s Industrial and Specialty Group and non-automotive and adjacent markets. The base purchase price of the acquisition was \$92,700. The results of operations of Lauren are included in the Company’s consolidated financial statements from the date of acquisition and reported within the North America segment. The pro forma effect of this acquisition would not have materially impacted the Company’s reported results for any periods presented, and as a

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

result no pro forma information has been presented. This acquisition was accounted for as a business combination, resulting in the recognition of intangible assets of \$34,810 and tax deductible goodwill of \$26,080.

The following table summarizes the estimated fair value of Lauren assets acquired and liabilities assumed at the date of acquisition, which includes insignificant measurement period adjustments:

	August 1, 2018
Accounts receivable	\$ 11,092
Inventories	7,566
Prepaid expenses and other	365
Property, plant, and equipment	22,847
Goodwill	26,080
Intangible assets	34,810
Other assets	1,488
Total assets acquired	104,248
Accounts payable	4,565
Other current liabilities	2,286
Other liabilities	4,673
Total liabilities assumed	11,524
Net assets acquired	\$ 92,724

LS Mtron Automotive Parts Acquisition

In the fourth quarter of 2018, the Company acquired 80.1% of LS Mtron Ltd.'s automotive parts business, now named Cooper Standard Automotive and Industrial, Inc. The acquisition added jounce brake lines and charge air cooling technology to the Company's automotive fluid transfer and fuel and brake delivery systems product lines and further expands core product offerings. The base purchase price was \$25,750. The noncontrolling interest was determined to have a fair value of \$6,400. The results of operations of Cooper Standard Automotive and Industrial, Inc., are included in the Company's consolidated financial statements from the date of acquisition and reported within the Asia Pacific segment. The pro forma effect of this acquisition would not have materially impacted the Company's reported results for any periods presented, and as a result no pro forma information has been presented. This acquisition was accounted for as a business combination, and the fair value of identifiable assets acquired and liabilities assumed approximated the fair value of the consideration transferred. In 2019, the Company recorded insignificant measurement period adjustments primarily due to working capital adjustments, which resulted in an increase to the base purchase price.

Hutchings Automotive Products Acquisition

In the fourth quarter of 2018, the Company acquired the assets and liabilities of Hutchings Automotive Products, LLC ("Hutchings"), a North American supplier of high quality fluid carrying products for automotive powertrain and coolant systems applications. The base purchase price was \$42,100. The results of operations of Hutchings are included in the Company's consolidated financial statements from the date of acquisition and reported within the North America segment. The pro forma effect of this acquisition would not have materially impacted the Company's reported results for any periods presented, and as a result no pro forma information has been presented. This acquisition was accounted for as a business combination, resulting in the recognition of intangible assets of \$11,100 and tax deductible goodwill of \$5,200.

5. Divestiture

In the third quarter of 2018, management approved a plan to sell the anti-vibration systems ("AVS") product line within its North America, Europe and Asia Pacific segments. The business and its associated assets and liabilities met the criteria for presentation as held for sale as of September 1, 2018, and depreciation of long-lived assets ceased. The divestiture did not meet the criteria for presentation as a discontinued operation.

On November 2, 2018, the Company entered into a definitive agreement with an unaffiliated company to divest the AVS product line. On April 1, 2019, the Company completed its sale of the AVS product line to Continental AG. The total sale price of the transaction was \$265,000, subject to certain adjustments. Cash proceeds received in the second quarter were \$243,362 after adjusting for certain liabilities assumed by the purchaser. The net cash proceeds after taxes, post-closing adjustments and transaction-related expenses and fees are expected to be approximately \$215,000 to \$220,000. The Company recognized a gain

on the divestiture of \$191,571, subject to post-closing adjustments. In addition, at closing, the Company and Continental AG entered into certain ancillary agreements providing for the transition of the AVS product line.

The major classes of assets and liabilities held for sale were as follows:

	December 31, 2018
Accounts receivable, net	\$ 35,498
Tooling receivable	3,797
Inventories	13,774
Prepaid expenses	1,759
Other current assets	1,197
Property, plant and equipment, net	31,148
Goodwill	13,500
Other assets	3,225
Total assets held for sale	\$ 103,898
Accounts payable	\$ 38,065
Payroll liabilities	6,826
Accrued liabilities	1,000
Pension benefits	15,894
Postretirement benefits other than pensions	9,281
Other liabilities	129
Total liabilities related to assets held for sale	\$ 71,195

6. Revenue

The Company recognizes revenue in accordance with ASC 606, *Revenue from Contracts with Customers*, which was adopted on January 1, 2018 using the modified retrospective method.

Revenue by customer group for the year ended December 31, 2019 was as follows:

	North America	Europe	Asia Pacific	South America	Consolidated
Automotive	\$ 1,504,136	\$ 765,771	\$ 503,676	\$ 94,310	\$ 2,867,893
Commercial	18,997	28,068	73	114	47,252
Other	118,591	74,349	204	111	193,255
Revenue	\$ 1,641,724	\$ 868,188	\$ 503,953	\$ 94,535	\$ 3,108,400

Revenue by customer group for the year ended December 31, 2018 was as follows:

	North America	Europe	Asia Pacific	South America	Consolidated
Automotive	\$ 1,834,780	\$ 917,892	\$ 571,137	\$ 97,484	\$ 3,421,293
Commercial	23,034	34,336	19	439	57,828
Other	66,903	77,874	4	140	144,921
Revenue	\$ 1,924,717	\$ 1,030,102	\$ 571,160	\$ 98,063	\$ 3,624,042

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

Substantially all the Company's revenues are generated from sealing, fuel and brake delivery, fluid transfer and anti-vibration systems for use in passenger vehicles and light trucks manufactured by global OEMs. On April 1, 2019, the Company completed the divestiture of its AVS product line. See Note 5. "Divestiture" for additional information.

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
Anti-Vibration Systems (Divested on April 1, 2019)	Control and isolate vibration and noise in the vehicle to improve ride and handling

Revenue by product line for the year ended December 31, 2019 was as follows:

	North America	Europe	Asia Pacific	South America	Consolidated
Sealing systems	\$ 567,588	\$ 563,701	\$ 334,056	\$ 69,111	\$ 1,534,456
Fuel and brake delivery systems	479,962	124,803	112,253	23,871	740,889
Fluid transfer systems	453,064	87,375	56,180	1,553	598,172
Anti-vibration systems	56,457	20,807	1,464	—	78,728
Other	84,653	71,502	—	—	156,155
Consolidated	<u>\$ 1,641,724</u>	<u>\$ 868,188</u>	<u>\$ 503,953</u>	<u>\$ 94,535</u>	<u>\$ 3,108,400</u>

Revenue by product line for the year ended December 31, 2018 was as follows:

	North America	Europe	Asia Pacific	South America	Consolidated
Sealing systems	\$ 635,702	\$ 646,213	\$ 442,774	\$ 73,256	\$ 1,797,945
Fuel and brake delivery systems	545,907	138,557	87,131	24,440	796,035
Fluid transfer systems	442,392	87,593	32,990	367	563,342
Anti-vibration systems	256,846	74,792	8,265	—	339,903
Other	43,870	82,947	—	—	126,817
Consolidated	<u>\$ 1,924,717</u>	<u>\$ 1,030,102</u>	<u>\$ 571,160</u>	<u>\$ 98,063</u>	<u>\$ 3,624,042</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. Changes during the year ended December 31, 2019 were not materially impacted by any other factors.

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

	December 31, 2019	December 31, 2018	Change
Contract assets	\$ 1,100	\$ 14,757	\$ (13,657)
Contract liabilities	(61)	(143)	82
Net contract assets	\$ 1,039	\$ 14,614	\$ (13,575)

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. As of December 31, 2019, the Company had current liabilities of \$12,916 and long-term liabilities of \$9,502 related to commitments of future payments to customers on the consolidated balance sheet.

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.

7. 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 years ended December 31, 2019, 2018 and 2017 was as follows:

	Year Ended December 31,		
	2019	2018	2017
North America	\$ 20,759	\$ 5,413	\$ 5,963
Europe	23,525	17,765	25,862
Asia Pacific	6,781	6,290	2,324
South America	37	254	988
Total	\$ 51,102	\$ 29,722	\$ 35,137

The North America segment also includes Corporate employee separation costs resulting from our functional reorganization and headcount reduction initiatives.

The Company expects to incur approximately \$15,000 to \$20,000 of additional restructuring costs related to facility closures that were approved as of December 31, 2019, and expects that the components of such costs will be consistent with its historical experience. Any future restructuring actions will depend upon market conditions, customer actions and other factors.

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

Restructuring activity for all restructuring initiatives for the years ended December 31, 2019 and 2018 was as follows:

	Employee Separation Costs	Other Exit Costs	Total
Balance as of December 31, 2017	\$ 15,091	\$ 7,244	\$ 22,335
Expense	19,009	10,713	29,722
Cash payments	(24,107)	(13,983)	(38,090)
Foreign exchange translation and other	(595)	(145)	(740)
Balance as of December 31, 2018	\$ 9,398	\$ 3,829	\$ 13,227
Expense	34,354	16,748	51,102
Cash payments	(20,661)	(13,285)	(33,946)
Foreign exchange translation and other	(101)	(3,287)	(3,388)
Balance as of December 31, 2019	<u>\$ 22,990</u>	<u>\$ 4,005</u>	<u>\$ 26,995</u>

Other exit costs for the year ended December 31, 2019 include non-cash curtailment charges, fixed asset impairment charges related to a closed facility and gain on sale of fixed assets related to a closed facility in North America.

8. Leases

On January 1, 2019, the Company adopted ASC 842, *Leases*, and all related amendments using the modified retrospective method. The Company determines if an arrangement is a lease at inception. 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 consolidated balance sheet as of December 31, 2019. Finance leases are included in property, plant and equipment, net, debt payable within one year, and long-term debt on the Company's consolidated balance sheets.

Lease right-of-use assets are recognized at commencement date based upon the present value of the remaining future minimum lease payments over the lease term. The Company's lease terms include options to renew or terminate the lease when it is reasonably certain that it will exercise the option. As most of the Company's leases do not provide an implicit rate, the Company uses its incremental borrowing rate based upon information available at the commencement date to determine the present value of future lease payments. The Company applies the portfolio approach for the incremental borrowing rate on its leases based upon similar lease terms and payments. The lease right-of-use asset also includes lease payments made in advance of lease commencement and excludes lease incentives. Operating lease expense for minimum lease payments is recognized on a straight-line basis over the lease term.

The Company has lease agreements with lease and non-lease components. For real estate leases, these components are accounted for separately, while for equipment leases commencing on or after January 1, 2019, the Company accounts for the lease and non-lease components as a single lease component.

Variable lease expense includes payments based upon changes in a rate or index, such as consumer price indexes, as well as usage of the leased asset. Short-term lease expense includes leases with terms, at lease commencement, of 12 months or less and no purchase option reasonably certain to be exercised. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The Company primarily has operating and finance leases for certain manufacturing facilities, corporate offices and certain equipment. The Company's leases have remaining lease terms of less than one year to 15 years, some of which may include one or more options to extend the leases for up to five years for each renewal.

The components of lease expense were as follows:

	Year Ended December 31, 2019
Operating lease expense	\$ 33,360
Short-term lease expense	3,557
Variable lease expense	1,619
Finance lease expense:	
Amortization of right-of-use assets	2,550
Interest on lease liabilities	1,438
Total lease expense	<u>\$ 42,524</u>

Additionally, the Company recorded sublease income of \$431 for the year ended December 31, 2019.

Other information related to leases was as follows:

	Year Ended December 31, 2019
Supplemental Cash Flows Information	
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows for operating leases	\$ 34,235
Operating cash flows for finance leases	1,438
Financing cash flows for finance leases	1,284
Non-cash right-of-use assets obtained in exchange for lease obligations:	
Operating leases	11,143
Finance leases	22,671
Weighted Average Remaining Lease Term (in years)	
Operating leases	5.2
Finance leases	11.3
Weighted Average Discount Rate	
Operating leases	4.7%
Finance leases	6.1%

Future minimum lease payments under non-cancellable leases as of December 31, 2019 were as follows:

Year	Operating Leases	Finance Leases
2020	\$ 27,205	\$ 3,780
2021	19,116	3,559
2022	13,824	3,320
2023	11,248	3,059
2024	8,646	3,237
Thereafter	16,316	24,591
Total future minimum lease payments	96,355	41,546
Less imputed interest	(12,027)	(11,773)
Total	\$ 84,328	\$ 29,773

Amounts recognized in the consolidated balance sheet as of December 31, 2019

Operating lease right-of-use assets, net	\$ 83,376	\$ —
Debt payable within one year	—	2,343
Current operating lease liabilities	24,094	—
Long-term debt	—	27,430
Long-term operating lease liabilities	60,234	—

As of December 31, 2019, assets recorded under finance leases, net of accumulated depreciation were \$32,571. As of December 31, 2019, the Company had additional operating leases, primarily for real estate, that have not yet commenced with undiscounted lease payments of approximately \$58,656. These operating leases will commence in 2020 with lease terms up to 15 years.

9. Property, Plant and Equipment

Property, plant and equipment consists of the following:

	December 31,		Estimated Useful Lives
	2019	2018	
Land and improvements	\$ 66,670	\$ 72,931	10 to 25 years
Buildings and improvements	310,797	313,722	10 to 40 years
Machinery and equipment	1,204,457	1,076,369	5 to 10 years
Construction in progress	161,951	192,533	
	\$ 1,743,875	\$ 1,655,555	
Accumulated depreciation	(755,598)	(671,314)	
Property, plant and equipment, net	\$ 988,277	\$ 984,241	

Due to the deterioration of financial results at certain locations in Europe and Asia Pacific and the termination of certain customer programs in the Asia Pacific region, the Company impaired property, plant and equipment of \$21,968 for the year ended December 31, 2019. The Company also impaired \$1,171 of equipment no longer being utilized at certain locations in Europe and North America for the year ended December 31, 2019.

Due to the deterioration of financial results and equipment no longer being utilized at certain locations, the Company impaired property, plant and equipment of \$42,915 and \$10,493, for the years ended December 31, 2018 and 2017, respectively. Fair value of buildings was determined using market value. Fair value of machinery and equipment was determined using estimated salvage value or estimated orderly liquidation value, which was deemed the highest and best use of the assets. Further, due to the Company's decision to divest two of its inactive European sites, the Company recorded impairment charges of \$4,270 for the year ended December 31, 2017. Fair value was determined based on real estate market conditions.

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

A summary of these asset impairment charges is as follows:

	Year Ended December 31,		
	2019	2018	2017
North America	\$ 50	\$ —	\$ 1,895
Europe	9,943	30,978	6,327
Asia Pacific	13,146	11,937	6,541
South America	—	—	—
Total	\$ 23,139	\$ 42,915	\$ 14,763

During the year ended December 31, 2018, the Company realized a gain on sale of land of \$10,377 in its Europe segment. The net book value of the land was \$5,446.

10. Goodwill and Intangible Assets

Goodwill

Changes in the carrying amount of goodwill by operating segment for the years ended December 31, 2019 and 2018 were as follows:

	North America	Europe	Asia Pacific	Total
Balance as of December 31, 2017	\$ 122,395	\$ 12,454	\$ 37,003	\$ 171,852
Acquisitions	33,604	—	—	33,604
Reclassified as held for sale	(12,015)	—	(1,485)	(13,500)
Foreign exchange translation	(303)	(647)	(2,044)	(2,994)
Impairment charges	—	(11,807)	(33,474)	(45,281)
Balance as of December 31, 2018	\$ 143,681	\$ —	\$ —	\$ 143,681
Adjustments related to recent acquisitions	(1,689)	—	—	(1,689)
Foreign exchange translation	195	—	—	195
Balance as of December 31, 2019	\$ 142,187	\$ —	\$ —	\$ 142,187

The Company performed its annual impairment analysis of goodwill during the fourth quarter of 2019. Goodwill impairment testing is performed at the reporting unit level. The identified reporting units are the same as the operating segments in which goodwill is recorded. The fair value of each reporting unit is determined and compared to the carrying value. If the carrying value exceeds the fair value, an impairment charge is recorded based on that difference. The Company's annual goodwill impairment analysis resulted in no impairment for 2019 or 2017.

During the fourth quarter of 2018, the Company noted potential adverse changes in operating conditions. The Company tested goodwill for impairment and recorded a goodwill impairment charge of \$45,281 after determining the carrying value of the Europe and Asia Pacific reporting units exceeded their fair value.

Intangible Assets

Intangible assets and accumulated amortization balances as of December 31, 2019 and 2018 were as follows:

	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer relationships	\$ 156,557	\$ (113,871)	\$ 42,686
Other	49,556	(7,873)	41,683
Balance as of December 31, 2019	\$ 206,113	\$ (121,744)	\$ 84,369
Customer relationships	\$ 157,286	\$ (98,937)	\$ 58,349
Other	45,401	(4,148)	41,253
Balance as of December 31, 2018	\$ 202,687	\$ (103,085)	\$ 99,602

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

During the fourth quarter of 2018, the Company recorded an impairment loss of \$791 for customer relationships in its Europe operating segment.

In the third quarter of 2018, the Company acquired intangible assets of \$34,810 with a weighted average useful life of 14.3 years as a result of the Lauren acquisition. This consisted of \$24,000 of supply agreements, \$850 of license agreements and \$9,960 of customer relationships. In the fourth quarter of 2018, the Company acquired intangible assets of \$11,100 related to customer relationships with a useful life of 7 years as a result of the Hutchings acquisition.

Estimated amortization expense for the next five years is shown in the table below:

Year	Expense
2020	\$ 11,906
2021	7,642
2022	7,642
2023	7,496
2024	7,206

11. Debt

A summary of outstanding debt as of December 31, 2019 and 2018 was as follows:

	December 31,	
	2019	2018
Senior Notes	\$ 395,114	\$ 394,399
Term Loan	326,061	328,485
ABL Facility	—	50,000
Finance Leases	29,773	10,297
Other borrowings	56,680	47,947
Total debt	807,628	831,128
Less current portion	(61,449)	(101,323)
Total long-term debt	\$ 746,179	\$ 729,805

The principal maturities of debt, at nominal value, as of December 31, 2019 are as follows:

Year	Debt and Finance Lease Obligations
2020	\$ 62,423
2021	6,200
2022	5,962
2023	321,949
2024	2,406
Thereafter	417,313
Total	\$ 816,253

The weighted average interest rate of our short-term debt was 4.6% as of December 31, 2019 and 4.7% as of December 31, 2018.

5.625% Senior Notes due 2026

On November 2, 2016, the Company's wholly-owned subsidiary, CSA U.S. (the "Issuer"), issued \$400,000 aggregate principal amount of its 5.625% Senior Notes due 2026 (the "Senior Notes"), pursuant to the Indenture, dated November 2, 2016 (the "Indenture"), by and among the Issuer, the Company and the other guarantors party thereto (collectively, the "Guarantors") and U.S. Bank National Association, as trustee, in a transaction exempt from registration under Rule 144A and Regulation S of the Securities Act of 1933 ("the Securities Act"). The net proceeds from the Senior Notes were used to repay the non-extended term loan outstanding under the Term Loan Facility, defined below, and to pay fees and expenses related to the refinancing.

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

The Senior Notes are guaranteed by the Company, CS Intermediate HoldCo 1 LLC, as well as each of the Issuer's wholly-owned existing or subsequently organized U.S. subsidiaries, subject to certain exceptions, to the extent such subsidiary guarantees the senior asset-based revolving credit facility ("ABL Facility") and the senior term loan facility ("Term Loan Facility").

The Issuer may redeem all or part of the Senior Notes at various points in time prior to maturity, as described in the Indenture. 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.

Upon the occurrence of certain events constituting a Change of Control (as defined in the Indenture), the Issuer will be required to make an offer to repurchase all of the Senior Notes at a price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any.

The Indenture contains certain covenants that limit the Issuer's and its subsidiaries' ability to, among other things, make restricted payments; sell assets; create or incur liens; enter into sale and lease-back transactions; and merge or consolidate with other entities. These covenants are subject to a number of important limitations and exceptions. The Indenture also provides for events of default, which, if any occur, would permit or require the principal, premium, if any, interest and any other monetary obligations on all the then-outstanding Senior Notes to be due and payable immediately.

The Company paid approximately \$7,055 of debt issuance costs in connection with the transaction. The debt issuance costs are being amortized into interest expense over the term of the Senior Notes. As of December 31, 2019 and 2018, the Company had \$4,886 and \$5,601, respectively, of unamortized debt issuance costs related to the Senior Notes, which is classified as a discount in the consolidated balance sheet.

ABL Facility

On November 2, 2016, CS Intermediate Holdco 1 LLC ("Parent"), CSA U.S. (the "U.S. Borrower"), Cooper-Standard Automotive Canada Limited (the "Canadian Borrower"), Cooper-Standard Automotive International Holdings B.V. (the "Dutch Borrower", and, together with the U.S. Borrower and the Canadian Borrower, the "Borrowers") and certain subsidiaries of the U.S. Borrower, entered into a \$210,000 Third Amended and Restated Loan Agreement with certain lenders, which amended and restated the previous \$180,000 senior secured asset-based revolving credit facility, dated as of April 4, 2014, among the Company, the U.S. Borrower, the Canadian Borrower, the lenders and other parties thereto.

The ABL Facility provides for an aggregate revolving loan availability of up to \$210,000, subject to borrowing base availability, including a \$100,000 letter of credit sub-facility and a \$25,000 swing line sub-facility. The ABL Facility also provides for an uncommitted \$100,000 incremental loan facility, for a potential total ABL Facility of \$310,000 (if requested by the Borrowers and the lenders agree to fund such increase). No consent of any lender (other than those participating in the increase) is required to effect any such increase. As of December 31, 2019, there were no obligations outstanding drawn under the ABL Facility. Subject to borrowing base availability, the Company had \$178,297 in availability, less outstanding letters of credit of \$5,287.

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

Borrowing Base. Loan and letter of credit availability under the ABL Facility is subject to a borrowing base, which at any time is limited to the lesser of: (A) the maximum facility amount (subject to certain adjustments) and (B) (i) up to 85% of eligible accounts receivable; plus (ii) the lesser of 70% of eligible inventory or 85% of the appraised net orderly liquidation value of eligible inventory; plus (iii) up to the lesser of \$30.0 million and 75% of eligible tooling accounts receivable; minus reserves established by the Agent. The accounts receivable portion of the borrowing base is subject to certain formulaic limitations (including concentration limits). The inventory portion of the borrowing base is limited to eligible inventory, as determined by the Agent. The borrowing base is also subject to certain reserves, which are established by the Agent (which may include changes to the advance rates indicated above). Loan availability under the ABL Facility is apportioned as follows: \$170,000 to the U.S. Borrower, which includes a \$60,000 sublimit to the Dutch Borrower and \$40,000 to the Canadian Borrower.

Guarantees; Security. The obligations of the U.S. Borrower, the Canadian Borrower and the Dutch Borrower under the ABL Facility, as well as certain cash management arrangements and interest rate, foreign currency or commodity swaps entered into by the such Borrowers and their subsidiaries, and certain credit lines entered into by non-U.S. subsidiaries, in each case with the lenders and their affiliates (collectively, "Additional ABL Secured Obligations") are guaranteed on a senior secured basis by the Company and its U.S. subsidiaries (with certain exceptions), and the obligations of the Canadian Borrower under the ABL Facility and Additional ABL Secured Obligations of the Canadian Borrower and its Canadian subsidiaries are, in addition, guaranteed on a senior secured basis by the Canadian subsidiaries of the Canadian Borrower. The obligations under the ABL

Facility and related guarantees are secured by (1) a first priority lien on all of each Borrower's and each guarantor's existing and future personal property consisting of accounts receivable, payment intangibles, inventory, documents, instruments, chattel paper and investment property, certain money, deposit accounts and securities accounts and certain related assets and proceeds of the foregoing, with various enumerated exceptions, including that: (i) the collateral owned by Canadian Borrower or any of its Canadian subsidiaries that are Guarantors only secure the obligations of Canadian Borrower and such subsidiaries arising under the ABL Facility and Additional ABL Secured Obligations and (ii) no liens have been granted on any assets or properties of the Dutch Borrower or any other non-U.S. subsidiaries of the Company (other than the Canadian Borrower and Canadian Guarantors, as otherwise specified above) in connection with the ABL Facility and (2) a second priority lien on all the capital stock in restricted subsidiaries directly held by the U.S. Borrower and each of the U.S. Guarantors, and equipment of the U.S. Borrower and the U.S.-domiciled guarantors and all other material personal property of the U.S. Borrower and the U.S.-domiciled guarantors.

Interest. Borrowings under the ABL Facility bear interest at a rate equal to, at the Borrowers' option:

- in the case of borrowings by the U.S. Borrower, LIBOR or the base rate plus, in each case, an applicable margin; or
- in the case of borrowings by the Canadian Borrower, bankers' acceptance ("BA") rate, Canadian prime rate or Canadian base rate plus, in each case, an applicable margin; or
- in the case of borrowings by the Dutch Borrower, LIBOR plus an applicable margin.

The initial applicable margin was 1.50% with respect to the LIBOR or Canadian BA rate-based borrowings and 0.50% with respect to U.S. base rate, Canadian prime rate and Canadian base rate borrowings, until April 1, 2017. The applicable margin may vary between 1.25% and 1.75% with respect to the LIBOR or Canadian BA rate-based borrowings and between 0.25% and 0.75% with respect to U.S. base rate, Canadian prime rate and Canadian base rate borrowings. The applicable margin is subject, in each case, to quarterly pricing adjustments (based on average facility availability).

Fees. The Borrowers are required to pay a fee in respect of committed but unutilized commitments. The ABL Facility also requires the payment of customary agency and administrative fees.

Voluntary Prepayments. The Borrowers are able to voluntarily reduce the unutilized portion of the commitment amount and repay outstanding loans, in each case, in whole or in part, at any time without premium or penalty (other than customary breakage and related reemployment costs with respect to repayments of LIBOR-based borrowings).

Covenants; Events of Default. The ABL Facility includes affirmative and negative covenants that will impose substantial restrictions on the Company's financial and business operations, including its ability to incur and secure debt, make investments, sell assets, pay dividends or make acquisitions. The ABL Facility also includes a requirement to maintain a monthly fixed charge coverage ratio of no less than 1.0 to 1.0 when availability under the ABL Facility is less than specified levels. The ABL Facility also contains various events of default that are customary for comparable facilities.

Debt Issuance Costs. As of December 31, 2019 and 2018, the Company had \$657 and \$1,015, respectively, of unamortized debt issuance costs related to the ABL Facility.

Term Loan Facility

On November 2, 2016, CSA U.S., as borrower, entered into Amendment No. 1 to the Term Loan Facility, which provides for loans in an aggregate principal amount of \$340,000. Subject to certain conditions, the Term Loan Facility, without the consent of the then-existing lenders (but subject to the receipt of commitments), may be expanded (or a new term loan or revolving facility added) by an amount that will not cause the consolidated secured net debt ratio to exceed 2.25 to 1.00 plus \$400,000 plus any voluntary prepayments (including revolving facility and ABL Facility to the extent commitments are reduced) not funded from proceeds of long-term indebtedness.

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 2.00% 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 0.50%, the prime rate most recently announced by the administrative agent under the term loan, and the one-month Eurodollar rate plus 1.0%) plus 1.0% per annum. As a result of Amendment No. 3, the Company recognized a loss on refinancing and extinguishment of debt of \$770 in the twelve months ended December 31, 2018, which was due to the partial write off of new and unamortized debt issuance costs and unamortized original issue discount

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

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

Guarantees. All obligations of the borrower under the Term Loan Facility are guaranteed jointly and severally on a senior secured basis by the direct parent company of the borrower and each existing and subsequently acquired or organized direct or indirect wholly owned U.S. restricted subsidiary of the borrower.

Security. The obligations under the Term Loan Facility are secured by (a) a first priority security interest (subject to permitted liens and other customary exceptions) on (i) all the capital stock in restricted subsidiaries directly held by the borrower and each of the guarantors, (ii) substantially all plant, material owned real property located in the U.S. and equipment of the borrower and the guarantors and (iii) all other personal property of the borrower and the guarantors, including, without limitation, accounts and investment property, contracts, patents, copyrights, trademarks, other general intangibles, intercompany notes and proceeds of the foregoing, and (b) a second priority security interest (subject to permitted liens and other customary exceptions) in accounts receivable of the borrowers and the guarantors arising from the sale of goods and services, inventory, tax refunds, cash, deposit accounts and books and records related to the foregoing and, in each case, proceeds thereof, in each case, excluding certain collateral and subject to certain limitations.

Interest. 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 2.00% 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 0.50%, 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.

Voluntary Prepayments. The borrower may voluntarily prepay loans in whole or in part, with prior notice and without premium or penalty, subject to the actual LIBOR breakage costs, payment of accrued and unpaid interest, and customary limitations as to minimum amounts of prepayments.

Covenants. The Term Loan Facility contains incurrence-based negative covenants customary for high yield senior secured debt securities, including, but not limited to, restrictions on the ability of the borrower and its restricted subsidiaries to merge and consolidate with other companies, incur indebtedness, grant liens or security interests on assets, pay dividends or make other restricted payments, sell or otherwise transfer assets, or enter into transactions with affiliates. These negative covenants are subject to exceptions, qualifications and certain carveouts.

Events of Default. The Term Loan Facility provides that, upon the occurrence of certain events of default, obligations thereunder may be accelerated. Such events of default include payment defaults to the lenders, material inaccuracies of representations and warranties, covenant defaults, cross-defaults to other material indebtedness, voluntary and involuntary bankruptcy proceedings, material money judgments, material pension-plan events, certain change of control events and other customary events of default.

Debt Issuance Costs. As of December 31, 2019 and 2018, the Company had \$2,273 and \$2,866, respectively, of unamortized debt issuance costs and \$1,466 and \$1,849, respectively, of unamortized original issue discount related to the Term Loan Facility. Both the debt issuance costs and the original issue discount are amortized into interest expense over the term of the Term Loan Facility.

Debt Covenants

The Company was in compliance with all covenants of the ABL Facility, Term Loan Facility and Senior Notes, as of December 31, 2019.

Other

Other borrowings as of December 31, 2019 and 2018 reflect borrowings under local bank lines classified in debt payable within one year on the consolidated balance sheet.

12. 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 and interest rate derivative instruments are determined using exchange traded prices and rates. The Company also considers the risk of non-performance in the estimation of fair value and includes an adjustment for non-performance risk in the measure of fair value of derivative instruments. In certain instances where market data is not available, the Company uses management judgment to develop assumptions that are used to determine fair value. Fair value measurements and the fair value hierarchy level for the Company's liabilities measured or disclosed at fair value on a recurring basis as of December 31, 2019 and 2018, was as follows:

	December 31, 2019	December 31, 2018	Input
Forward foreign exchange contracts - other current assets	\$ 467	\$ 277	Level 2
Forward foreign exchange contracts - accrued liabilities	\$ (42)	\$ (925)	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 2. "Basis of Presentation and Summary of Significant Accounting Policies," Note 4. "Acquisitions" and Note 9. "Property, Plant and Equipment."

Items Not Carried at Fair Value

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

	December 31, 2019	December 31, 2018
Aggregate fair value	\$ 693,600	\$ 684,687
Aggregate carrying value ⁽¹⁾	\$ 729,800	\$ 733,200

⁽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

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

comprehensive income (loss) (“AOCI”) in the consolidated balance sheet and reclassified into earnings when the underlying hedged transaction is realized. The realized gains and losses are recorded on the same line as the hedged transaction in the consolidated statements of net income.

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

Cash Flow Hedges

Forward Foreign Exchange Contracts – The Company uses forward contracts to mitigate the potential volatility to earnings and cash flow arising from changes in currency exchange rates that impact the Company’s foreign currency transactions. The principal currencies hedged by the Company include various European currencies, the Canadian Dollar, the Mexican Peso, and the Brazilian Real. As of December 31, 2019 and 2018, the notional amount of these contracts was \$92,150 and \$154,237, respectively, and consisted of hedges of transactions up to December 2020.

Interest Rate Swaps – The Company has historically used interest rate swap contracts to manage cash flow variability associated with its variable rate Term Loan Facility. Such interest rate swap contracts fixed the interest payments of variable rate debt instruments in order to manage exposure to fluctuations in interest rates. As of December 31, 2019, there were no interest rate swap contracts outstanding.

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	
	Year Ended December 31,	
	2019	2018
Forward foreign exchange contracts	\$ 3,812	\$ 2,149
Interest rate swaps	—	443
Total	\$ 3,812	\$ 2,592

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

	Classification	Gain (Loss) Reclassified from AOCI to Income	
		Year Ended December 31,	
		2019	2018
Forward foreign exchange contracts	Cost of products sold	\$ 2,773	\$ 1,113
Interest rate swaps	Interest expense, net of interest income	—	(162)
Total		\$ 2,773	\$ 951

13. Accounts Receivable Factoring

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

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

	December 31, 2019	December 31, 2018
Off-balance sheet arrangements	\$ 103,818	\$ 100,409

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

	Off-Balance Sheet Arrangements	
	Year Ended December 31,	
	2019	2018
Accounts receivable factored	\$ 556,102	\$ 626,618

	Off-Balance Sheet Arrangements			On-Balance Sheet Arrangements		
	Year Ended December 31,			Year Ended December 31,		
	2019	2018	2017	2019	2018	2017
Costs	\$ 1,007	\$ 1,248	\$ 1,904	\$ —	\$ —	\$ 99

The Company continues to service sold receivables and acts as collection agent for the Factor. As of December 31, 2019 and 2018, cash collections on behalf of the Factor that had yet to be remitted were \$21,485 and \$14,542, respectively, and are reflected in cash and cash equivalents in the consolidated balance sheet.

14. Pension

The Company maintains defined benefit pension plans covering employees located in the United States as well as certain international locations. The majority of these plans are frozen, and all are closed to new employees. Benefits generally are based on compensation, length of service and age for salaried employees and on length of service for hourly employees. The Company's policy is to fund pension plans such that sufficient assets will be available to meet future benefit requirements and contribute amounts deductible for United States federal income tax purposes or amounts required by local statute.

The Company also sponsors voluntary defined contribution plans for certain salaried and hourly U.S. employees of the Company. The Company matches contributions of participants, up to various limits in all plans. The Company also sponsors retirement plans that include Company non-elective contributions. Non-elective and matching contributions under these plans totaled \$14,514, \$16,076 and \$16,747 for the years ended December 31, 2019, 2018 and 2017, respectively.

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

Information related to the Company's defined benefit pension plans was as follows:

	Year Ended December 31,			
	2019		2018	
	U.S.	Non-U.S.	U.S.	Non-U.S.
Change in projected benefit obligations:				
Projected benefit obligations at beginning of period	\$ 288,223	\$ 183,850	\$ 315,698	\$ 197,169
Service cost	809	3,893	852	4,383
Interest cost	10,955	4,037	10,824	4,207
Actuarial (gain) loss	28,771	17,756	(21,684)	(3,001)
Benefits paid	(14,625)	(6,038)	(17,467)	(7,125)
Foreign exchange translation	—	11	—	(10,697)
Settlements	(58,198)	(2,263)	—	(4,974)
Acquisitions/Divestiture	—	(16,953)	—	2,778
Other	—	71	—	1,110
Projected benefit obligations at end of period	<u>\$ 255,935</u>	<u>\$ 184,364</u>	<u>\$ 288,223</u>	<u>\$ 183,850</u>
Change in plan assets:				
Fair value of plan assets at beginning of period	\$ 265,019	\$ 47,692	\$ 275,767	\$ 52,026
Actual return on plan assets	50,488	6,948	(16,631)	(746)
Employer contributions	1,929	6,646	23,350	9,136
Benefits paid	(14,625)	(6,038)	(17,467)	(7,125)
Foreign exchange translation	—	2,399	—	(4,014)
Settlements	(58,198)	(2,841)	—	(3,730)
Acquisitions/Divestiture	—	—	—	2,145
Fair value of plan assets at end of period	<u>\$ 244,613</u>	<u>\$ 54,806</u>	<u>\$ 265,019</u>	<u>\$ 47,692</u>
Funded status of the plans	<u>\$ (11,322)</u>	<u>\$ (129,558)</u>	<u>\$ (23,204)</u>	<u>\$ (136,158)</u>

	December 31, 2019		December 31, 2018	
	U.S.	Non-U.S.	U.S.	Non-U.S.
	Amounts recognized in the consolidated balance sheet:			
Other assets	\$ 2,677	\$ 1,887	\$ 524	\$ 433
Accrued liabilities	\$ (1,021)	\$ (4,413)	\$ (1,011)	\$ (4,643)
Pension benefits (long term)	\$ (12,978)	\$ (127,032)	\$ (22,717)	\$ (131,948)

Pre-tax amounts included in accumulated other comprehensive loss that have not yet been recognized in net periodic benefit (income) cost as of December 31, 2019 and 2018 were as follows:

	December 31, 2019		December 31, 2018	
	U.S.	Non-U.S.	U.S.	Non-U.S.
	Prior service costs	\$ (96)	\$ (351)	\$ (116)
Actuarial losses	\$ (61,184)	\$ (49,682)	\$ (84,857)	\$ (41,844)

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

Pre-tax amounts included in accumulated other comprehensive loss that are expected to be recognized in net periodic benefit cost during the year ended December 31, 2020 are as follows:

	U.S.		Non-U.S.	
Prior service costs	\$	(20)	\$	(206)
Actuarial losses	\$	(1,920)	\$	(3,029)

The Company uses the corridor approach when amortizing actuarial gains or losses. Under the corridor approach, net unrecognized actuarial losses in excess of 10% of the greater of i) the projected benefit obligation or ii) the fair value of plan assets are amortized over future periods.

The accumulated benefit obligation for all domestic and international defined benefit pension plans was \$255,935 and \$174,273 as of December 31, 2019 and \$288,223 and \$171,384 as of December 31, 2018, respectively. As of December 31, 2019, the fair value of plan assets for three of the Company's defined benefit plans exceeded the projected benefit obligations of \$269,392 by \$4,564.

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

	Year Ended December 31,					
	2019		2018		2017	
	U.S.	Non-U.S.	U.S.	Non-U.S.	U.S.	Non-U.S.
Service cost	\$ 809	\$ 3,893	\$ 852	\$ 4,383	\$ 814	\$ 4,025
Interest cost	10,955	4,037	10,824	4,207	11,700	4,341
Expected return on plan assets	(16,353)	(2,400)	(17,414)	(2,178)	(16,012)	(2,617)
Amortization of prior service cost and actuarial loss	2,914	2,373	2,403	2,646	1,871	2,898
Settlements	15,247	572	—	775	—	6,427
Other	—	956	—	—	—	—
Net periodic benefit (income) cost	\$ 13,572	\$ 9,431	\$ (3,335)	\$ 9,833	\$ (1,627)	\$ 15,074

Pension Settlements

During the year ended December 31, 2019, the Company undertook an initiative to de-risk pension obligations in the U.S. by purchasing a bulk annuity policy utilizing plan assets, which was designed to match the liabilities of the plan. The resulting non-cash settlement charge of \$15,247 was recorded in pension settlement charges, and administrative expenses of \$178 were recorded in selling, administration & engineering expenses in the consolidated statements of net income. As a result of the settlement, the Company's overall projected benefit obligation as of December 31, 2019 was reduced by \$58,198.

In addition to the settlements shown in the table above, the Company recognized \$2,730 of Non-U.S. pension settlement charges due to the divestiture of the Company's AVS product line during the year ended December 31, 2019. See Note 5. "Divestiture." The charges are recorded as a reduction to gain on sale of business in the consolidated statements of net income.

During 2016, the Company undertook an initiative to de-risk pension obligations in the U.K. by purchasing a bulk annuity policy designed to match the liabilities of the plan, and subsequently entered into a wind-up process. During the year ended December 31, 2017, the Company completed the wind-up process, resulting in a non-cash settlement charge of \$5,717 and administrative expenses of \$185, recorded in pension settlement charges and selling, administration & engineering expenses, respectively, in the consolidated statements of net income. As a result of the settlement, the Company's overall projected benefit obligation as of December 31, 2016 was reduced by \$17,100.

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

Plan Assumptions

Weighted average assumptions used to determine benefit obligations as of December 31, 2019 and 2018 were as follows:

	2019		2018	
	U.S.	Non-U.S.	U.S.	Non-U.S.
Discount rate	3.28%	1.79%	4.25%	2.34%
Rate of compensation increase	N/A	1.33%	N/A	2.99%

Weighted average assumptions used to determine net periodic benefit costs for the years ended December 31, 2019, 2018 and 2017 were as follows:

	2019		2018		2017	
	U.S.	Non-U.S.	U.S.	Non-U.S.	U.S.	Non-U.S.
Discount rate	4.25%	2.40%	3.55%	2.17%	3.99%	2.23%
Expected return on plan assets	6.50%	4.63%	6.50%	5.82%	6.60%	5.94%
Rate of compensation increase	N/A	3.31%	N/A	3.17%	N/A	3.15%

To develop the expected return on plan assets assumption, the Company considered the historical returns and the future expected returns for each asset class, as well as the target asset allocation of the pension portfolio. As the U.S. plans are frozen, the rate of compensation increase was not applicable in determining net periodic benefit cost.

Plan Assets

The goals and investment objectives of the asset strategy are to ensure that there is an adequate level of assets to meet benefit obligations to participants and retirees over the life of the participants and maintain liquidity in the plan assets sufficient to cover monthly benefit obligations. Risk is managed by investing in a broad range of investment vehicles, e.g., equity mutual funds, bond mutual funds, real estate mutual funds, hedge funds, etc. There are no equity securities of the Company in the equity asset category.

Investments in equity securities and debt securities are valued at fair value using a market approach and observable inputs, such as quoted market prices in active markets (Level 1). Investments in balanced funds are valued at fair value using a market approach and inputs that are primarily directly or indirectly observable (Level 2). Investments in equity securities and balanced funds in which the Company holds participation units in a fund, the net asset value of which is based on the underlying assets and liabilities of the respective fund, are considered an unobservable input (Level 3). Investments in real estate funds are primarily valued at net asset value depending on the investment.

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

The fair value of the Company's pension plan assets by category using the three-level hierarchy (see Note 12. "Fair Value Measurements and Financial Instruments") as of December 31, 2019 and 2018 was as follows:

	Level 1	Level 2	Assets measured at NAV ⁽¹⁾	Total
2019				
Equity funds	\$ 16,613	\$ 20,126	\$ —	\$ 36,739
Equity funds measured at net asset value	—	—	101,053	101,053
Bond funds	—	34,680	—	34,680
Bond funds measured at net asset value	—	—	98,967	98,967
Real estate measured at net asset value	—	—	25,425	25,425
Cash and cash equivalents	2,555	—	—	2,555
Total	\$ 19,168	\$ 54,806	\$ 225,445	\$ 299,419
2018				
Equity funds	\$ 15,991	\$ 20,026	\$ —	\$ 36,017
Equity funds measured at net asset value	—	—	103,105	103,105
Bond funds	3,104	27,666	—	30,770
Bond funds measured at net asset value	—	—	109,372	109,372
Real estate measured at net asset value	—	—	30,520	30,520
Cash and cash equivalents	2,927	—	—	2,927
Total	\$ 22,022	\$ 47,692	\$ 242,997	\$ 312,711

⁽¹⁾ Certain assets that are measured at fair value using the NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. These assets are included in this table to present total pension plan assets at fair value.

There were no transfers of Level 3 assets and no Level 3 assets in the ending balance for the year ended December 31, 2019. The reconciliation for Level 3 investment transfers for the year ended December 31, 2018 is as follows:

Beginning balance of assets classified as Level 3 as of January 1, 2018	\$ 110
Transfers into (out of) Level 3	(110)
Ending balance of assets classified as Level 3 as of December 31, 2018	—

Expected Future Benefit Payments

The Company estimates its benefit payments for domestic and foreign pension plans during the next ten years to be as follows:

Years Ending December 31,	U.S.	Non-U.S.	Total
2020	\$ 16,721	\$ 6,504	\$ 23,225
2021	14,756	6,208	20,964
2022	15,475	29,264	44,739
2023	14,761	7,035	21,796
2024	15,477	7,717	23,194
2025 - 2029	75,448	41,698	117,146

Contributions

The Company made a discretionary contribution of \$15,000 in the third quarter of 2018. The Company estimates it will make minimum funding cash contributions of approximately \$3,600 to its U.S. pension plans and minimum funding cash contributions of approximately \$4,900 to its non-U.S. pension plans in 2020.

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

15. Postretirement Benefits Other Than Pensions

The Company provides certain retiree health care and life insurance benefits covering certain U.S. salaried and hourly employees and employees in Canada. Employees are generally eligible for benefits upon retirement and completion of a specified number of years of creditable service. The Company's policy is to fund the cost of these postretirement benefits as these benefits become payable.

Information related to the Company's postretirement benefit plans was as follows:

	Year Ended December 31,			
	2019		2018	
	U.S.	Non-U.S.	U.S.	Non-U.S.
Change in benefit obligation:				
Benefit obligations at beginning of year	\$ 25,633	\$ 21,981	\$ 34,824	\$ 24,242
Service cost	118	397	308	495
Interest cost	864	752	1,198	789
Actuarial (gain) loss	1,697	1,705	(9,227)	(1,130)
Benefits paid	(1,491)	(570)	(1,475)	(495)
Divestiture	(4,405)	(1,513)	—	—
Other	20	61	5	—
Foreign currency exchange rate effect	—	1,136	—	(1,920)
Benefit obligation at end of year	<u>\$ 22,436</u>	<u>\$ 23,949</u>	<u>\$ 25,633</u>	<u>\$ 21,981</u>
Funded status of the plan				
	\$ (22,436)	\$ (23,949)	\$ (25,633)	\$ (21,981)
Net amount recognized as of December 31	<u>\$ (22,436)</u>	<u>\$ (23,949)</u>	<u>\$ (25,633)</u>	<u>\$ (21,981)</u>

	December 31, 2019		December 31, 2018	
	U.S.	Non-U.S.	U.S.	Non-U.S.
Amounts recognized in the consolidated balance sheet:				
Accrued liabilities	\$ (1,686)	\$ (840)	\$ (1,830)	\$ (648)
Postretirement benefits other than pension (long term)	\$ (20,750)	\$ (23,109)	\$ (23,803)	\$ (21,333)

Pre-tax amounts included in accumulated other comprehensive loss that have not yet been recognized in net periodic benefit (income) cost as of December 31, 2019 and 2018 were as follows:

	December 31, 2019		December 31, 2018	
	U.S.	Non-U.S.	U.S.	Non-U.S.
Prior service credits	\$ 55	\$ 93	\$ 382	\$ 388
Actuarial gains (losses)	\$ 14,496	\$ (7,753)	\$ 21,779	\$ (6,765)

Pre-tax amounts included in accumulated other comprehensive loss that are expected to be recognized in net periodic benefit cost during the year ended December 31, 2020 are as follows:

	U.S.	Non-U.S.
Prior service credits	\$ 55	\$ 93
Actuarial gains (losses)	\$ 1,875	\$ (536)

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

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

	Year Ended December 31,					
	2019		2018		2017	
	U.S.	Non-U.S.	U.S.	Non-U.S.	U.S.	Non-U.S.
Service cost	\$ 118	\$ 397	\$ 308	\$ 495	\$ 314	\$ 423
Interest cost	864	752	1,198	789	1,297	693
Amortization of prior service credit and recognized actuarial gain (loss)	(2,441)	320	(1,672)	308	(1,915)	(15)
Other	—	48	5	—	5	—
Net periodic benefit (income) cost	\$ (1,459)	\$ 1,517	\$ (161)	\$ 1,592	\$ (299)	\$ 1,101

During the year ended December 31, 2019, the Company recognized a gain of \$3,452 for the U.S. plan and net charge of \$453 for the Non-U.S. plan, related to settlements and curtailments due to the divestiture of the Company's AVS product line. See Note 5. "Divestiture." The amounts are recorded in gain on sale of business in the consolidated statements of net income.

Plan Assumptions

Weighted average assumptions used to determine benefit obligations as of December 31, 2019 and 2018 were as follows:

	2019		2018	
	U.S.	Non-U.S.	U.S.	Non-U.S.
Discount rate	3.15%	3.05%	4.20%	3.65%

Weighted average assumptions used to determine net periodic benefit costs for the years ended December 31, 2019, 2018 and 2017 were as follows:

	2019		2018		2017	
	U.S.	Non-U.S.	U.S.	Non-U.S.	U.S.	Non-U.S.
Discount rate	4.20%	3.65%	3.55%	3.40%	3.95%	3.70%

The assumed health care cost trend rates used to measure the postretirement benefit obligation as of December 31, 2019 were as follows:

	U.S.	Non-U.S.
Health care cost trend rate	5.50%	5.00%
Ultimate health care cost trend rate	4.50%	5.00%
Year that the rate reaches the ultimate trend rate	2027	N/A

The sensitivity to changes in the assumed health care cost trend rates are as follows:

	Impact on service cost and interest cost	Impact on PBO as of December 31, 2019
1% increase in health care cost trend rate	\$ 245	\$ 4,279
1% decrease in health care cost trend rate	\$ (191)	\$ (3,354)

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

Expected Future Postretirement Benefit Payments

The Company estimates its benefit payments for its postretirement benefit plans during the next ten years to be as follows:

	U.S.	Non-U.S.	Total
2020	\$ 1,712	\$ 853	\$ 2,565
2021	1,690	966	2,656
2022	1,679	960	2,639
2023	1,648	963	2,611
2024	1,607	995	2,602
2025 - 2029	7,319	5,094	12,413

Other

Other postretirement benefits recorded in the Company's consolidated balance sheets include \$4,454 and \$5,046 as of December 31, 2019 and 2018, respectively, for termination indemnity plans for two of the Company's European locations.

16. Other Expense, net

The components of other expense, net were as follows:

	Year Ended December 31,		
	2019	2018	2017
Foreign currency losses	\$ (3,022)	\$ (3,170)	\$ (7,913)
Components of net periodic benefit cost other than service cost	(1,069)	(1,116)	(2,246)
Losses on sales of receivables	(1,007)	(1,248)	(931)
Miscellaneous income	838	696	1,710
Other expense, net	\$ (4,260)	\$ (4,838)	\$ (9,380)

17. Income Taxes

As described in Note 2. "Basis of Presentation and Summary of Significant Accounting Policies", the following data contains certain corrections of immaterial errors identified in previously reported amounts.

Components of the Company's income before income taxes and adjustment for noncontrolling interests were as follows:

	Year Ended December 31,		
	2019	2018	2017
Domestic	\$ 53,425	\$ 103,228	\$ 138,477
Foreign	44,877	(33,573)	74,270
	\$ 98,302	\$ 69,655	\$ 212,747

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

The Company's income tax (benefit) expense consists of the following:

	Year Ended December 31,		
	2019	2018	2017
Current			
Federal	\$ (227)	\$ (11,153)	\$ 40,687
State	(171)	(33)	500
Foreign	20,613	20,717	22,344
Deferred			
Federal	4,405	(4,532)	14,513
State	(767)	2,074	419
Foreign	12,236	(36,473)	(6,957)
	<u>\$ 36,089</u>	<u>\$ (29,400)</u>	<u>\$ 71,506</u>

A reconciliation of the U.S. statutory federal rate to the income tax provision was as follows:

	Year Ended December 31,		
	2019	2018	2017
Tax at U.S. statutory rate	\$ 20,643	\$ 14,627	\$ 74,461
State and local taxes	209	1,273	1,177
Tax credits and incentives	(8,034)	(11,702)	(11,436)
Changes in tax law, other	2,909	(3,008)	7,279
U.S. tax reform/Global Intangible Low-Taxed Income ("GILTI")/foreign derived intangible income	1,102	(6,860)	30,412
Effect of foreign tax rates	(1,656)	(10,388)	(23,103)
Nonrecurring permanent items	(5,250)	—	(13,947)
Goodwill impairment	—	6,887	—
Capital loss	—	—	(19,931)
Foreign branch	(2,258)	(3,753)	9,562
Stock compensation (ASU 2016-09)	1,596	(2,097)	(3,563)
Non deductible expenses	2,820	2,451	—
Tax reserves/audit settlements	(206)	(3,760)	1,701
Valuation allowance	24,625	(7,844)	25,809
Other, net	(411)	(5,226)	(6,915)
Income tax provision	<u>\$ 36,089</u>	<u>\$ (29,400)</u>	<u>\$ 71,506</u>
Effective income tax rate	<u>36.7%</u>	<u>(42.2)%</u>	<u>33.6%</u>

On December 22, 2017, the U.S. Tax Cuts and Jobs Act (the "Act") was enacted into law. The Act reduced the U.S. federal corporate tax rate from 35% to 21% effective January 1, 2018. The Act required companies to pay a one-time transition tax on earnings of certain foreign subsidiaries that were previously deferred. In 2018 and 2017, the Company recorded tax expense related to the enactment-date effects of the Act that included recording the one-time transition tax liability related to undistributed earnings of certain foreign subsidiaries that were not previously taxed and adjusting deferred tax assets and liabilities. Our accounting for the income tax effects of the Act was complete as of December 31, 2018.

Nonrecurring permanent items in 2019 are a result of the sale of the AVS product line recorded during the year and in 2017 relate to a worthless security deduction.

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

Deferred tax assets and liabilities reflect the estimated tax effect of accumulated temporary differences between the basis of assets and liabilities for tax and financial reporting purposes, as well as net operating losses, tax credit and other carryforwards. Significant components of the Company's deferred tax assets and liabilities as of December 31, 2019 and 2018 were as follows:

	2019	2018
Deferred tax assets:		
Pension, postretirement and other benefits	\$ 48,589	\$ 51,736
Capitalized expenditures	2,908	3,186
Capital loss carryforward	—	13,780
Net operating loss and tax credit carryforwards	167,719	157,319
Operating lease	20,599	—
Intangibles	4,220	2,122
All other items	49,394	44,999
Total deferred tax assets	293,429	273,142
Deferred tax liabilities:		
Property, plant and equipment	(19,479)	(23,312)
Operating lease right-of-use	(20,599)	—
All other items	(12,680)	(13,221)
Total deferred tax liabilities	(52,758)	(36,533)
Valuation allowances	(194,794)	(171,126)
Net deferred tax assets	\$ 45,877	\$ 65,483

As of December 31, 2019, the Company's foreign subsidiaries, primarily in France, Brazil, Italy and Germany, have operating loss carryforwards aggregating \$329,000, with indefinite expiration periods. Other foreign subsidiaries in China, Mexico, Netherlands, Spain, India and Korea have operating losses aggregating \$277,000, with expiration dates beginning in 2020. The Company and its domestic subsidiaries have anticipated tax benefits of state net operating losses and credit carryforwards of \$9,000 with expiration dates beginning in 2020.

The Company continues to maintain a valuation allowance related to its net deferred tax assets in several foreign jurisdictions. As of December 31, 2019, the Company had valuation allowances of \$194,794 related to tax losses, credit carryforwards, and other deferred tax assets in the U.S. and several foreign jurisdictions. The Company's valuation allowance increased in 2019 as a result of current year losses generated in certain foreign jurisdictions. The Company's current and future provision for income taxes is significantly impacted by the initial recognition of and changes in valuation allowances in certain countries. The Company intends to maintain these allowances until it is more likely than not that the deferred tax assets will be realized. The Company's future provision for income taxes will include no tax benefit with respect to losses incurred and no tax expense with respect to income generated in these countries until the respective valuation allowance is eliminated.

As of December 31, 2019, no material deferred income taxes have been recorded on the undistributed earnings of foreign subsidiaries, since a majority of these earnings will not be taxable upon repatriation to the United States. These earnings will be primarily treated as previously taxed income from either the one time transition tax or GILTI, or they will be offset with a 100% dividends received deduction. The Company has not recorded a deferred tax liability for foreign withholding taxes or state income taxes that may be incurred upon repatriation in the future as such undistributed foreign earnings are considered permanently reinvested.

As of December 31, 2019, the Company had \$10,123 (\$11,175 including interest and penalties) of total unrecognized tax benefits, all of which represented the amount of unrecognized tax benefits that, if recognized, would affect the effective income tax rate.

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

A reconciliation of the beginning and ending amount of unrecognized tax benefits was as follows:

	2019	2018
Balance at beginning of period	\$ 9,631	\$ 9,000
Tax positions related to the current period		
Gross additions	895	612
Gross reductions	—	—
Tax positions related to prior years		
Gross additions	—	2,551
Gross reductions	(52)	(1,736)
Settlements	—	—
Lapses on statutes of limitations	(351)	(796)
Balance at end of period	<u>\$ 10,123</u>	<u>\$ 9,631</u>

The Company, or one of its subsidiaries, files income tax returns in the United States and other foreign jurisdictions. The Internal Revenue Service completed an examination of the Company's U.S. income tax returns through 2011. The statute of limitations for U.S. state and local jurisdictions is closed for taxable years ending prior to 2014. The Company's major foreign jurisdictions are Brazil, Canada, China, France, Germany, Italy, Mexico, and Poland. The Company is no longer subject to income tax examinations in major foreign jurisdictions for years prior to 2015.

During the next twelve months, it is reasonably possible that, as a result of audit settlements and the conclusion of current examinations, the Company may decrease the amount of its gross unrecognized tax benefits by approximately \$6,510, all of which, if recognized, would impact the effective tax rate.

The Company classifies all income tax related interest and penalties as income tax expense. The Company has recorded in liabilities \$1,052 and \$842 as of December 31, 2019 and 2018, respectively, for tax related interest and penalties on its consolidated balance sheet.

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

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

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

	Year Ended December 31,		
	2019	2018	2017
Net income available to Cooper-Standard Holdings Inc. common stockholders	<u>\$ 67,529</u>	<u>\$ 103,601</u>	<u>\$ 137,971</u>
Basic weighted average shares of common stock outstanding	17,146,124	17,894,718	17,781,272
Dilutive effect of common stock equivalents	62,644	395,484	995,381
Diluted weighted average shares of common stock outstanding	<u>17,208,768</u>	<u>18,290,202</u>	<u>18,776,653</u>
Basic net income per share attributable to Cooper-Standard Holdings Inc.	<u>\$ 3.94</u>	<u>\$ 5.79</u>	<u>\$ 7.76</u>
Diluted net income per share attributable to Cooper-Standard Holdings Inc.	<u>\$ 3.92</u>	<u>\$ 5.66</u>	<u>\$ 7.35</u>

Approximately 1,000 and 2,000 securities were excluded from the calculation of diluted earnings per share for the years ended December 31, 2018 and 2017, because the inclusion of such securities in the calculation would have been anti-dilutive. There were no anti-dilutive securities during the year ended December 31, 2019.

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

19. Accumulated Other Comprehensive Income (Loss)

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

	Cumulative currency translation adjustment	Benefit plan liabilities	Fair value change of derivatives	Total
Balance as of December 31, 2017	\$ (95,828)	\$ (100,749)	\$ (1,397)	\$ (197,974)
Other comprehensive income (loss) before reclassifications	(45,276) ⁽¹⁾	317 ⁽²⁾	1,839 ⁽³⁾	(43,120)
Amounts reclassified from accumulated other comprehensive income (loss)	—	(3,943) ⁽⁴⁾	(900) ⁽⁵⁾	(4,843)
Balance as of December 31, 2018	(141,104)	(104,375)	(458)	(245,937)
Other comprehensive income (loss) before reclassifications	(16,653) ⁽¹⁾	(10,536) ⁽⁶⁾	2,858 ⁽⁷⁾	(24,331)
Amounts reclassified from accumulated other comprehensive income (loss)	3,824	14,751 ⁽⁸⁾	(2,048) ⁽⁹⁾	16,527
Balance as of December 31, 2019	\$ (153,933)	\$ (100,160)	\$ 352	\$ (253,741)

- (1) Includes \$823 and \$13,776 of other comprehensive loss for the years ended December 31, 2019 and 2018, respectively, that are related to intra-entity foreign currency balances that are of a long-term investment nature.
- (2) Net of tax expense of \$8,489.
- (3) Net of tax expense of \$753. See Note 12. "Fair Value Measurements and Financial Instruments."
- (4) Includes the effect of the adoption of ASU 2018-02 of \$8,569 and the amortization of prior service credits of \$313, offset by curtailment loss of \$1,105, settlement losses of \$737, and the amortization of actuarial losses of \$3,905, net of tax of \$808. See Note 14. "Pension" and Note 15. "Postretirement Benefits Other Than Pensions."
- (5) Net of tax expense of \$329. Includes the effect of the adoption of ASU 2018-02 of \$70 for the year ended December 31, 2018. See Note 12. "Fair Value Measurements and Financial Instruments."
- (6) Net of tax benefit of \$457.
- (7) Net of tax expense of \$954. See Note 12. "Fair Value Measurements and Financial Instruments."
- (8) Includes the effect of the U.S. pension settlement loss of \$15,247, other settlement losses of \$572, curtailment losses of \$539, and the amortization of actuarial losses of \$3,383, offset by \$269 net gains related to the AVS divestiture, and the amortization of prior service credits of \$185, net of tax of \$4,536. See Note 14. "Pension" and Note 15. "Postretirement Benefits Other Than Pensions."
- (9) Net of tax expense of \$725. See Note 12. "Fair Value Measurements and Financial Instruments."

20. Equity

Common Stock

The Company is authorized to issue up to 190,000,000 shares of common stock, par value \$0.001 per share. As of December 31, 2019, an aggregate of 18,908,566 shares of its common stock were issued, and 16,842,757 shares were outstanding.

Holders of shares of common stock are entitled to one vote for each share on each matter on which holders of common stock are entitled to vote. Holders of common stock are entitled to ratably receive dividends and other distributions when, as and if declared by the Company's board of directors out of assets or funds legally available therefore. The ABL Facility, the Term Loan Facility and the Senior Notes each contain covenants that restrict the Company's ability to pay dividends or make distributions on the common stock, subject to certain exceptions.

In the event of the liquidation, dissolution or winding up of the Company, holders of common stock are entitled to share ratably in the Company assets, if any, remaining after the payment of all the Company's debts and liabilities.

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 \$150.0 million 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 was effective beginning November 2018.

In March 2016, the Company's Board of Directors approved a securities repurchase program (the "2016 Program") authorizing the Company to repurchase, in the aggregate, up to \$125.0 million of its outstanding common stock or warrants to purchase common stock. Under the 2016 Program, repurchases were authorized to be made on the open market or through private transactions, as determined by the Company's management and in accordance with prevailing market conditions and federal securities laws and regulations. The 2016 Program was fully utilized as of December 31, 2018.

2019 Repurchases

In May 2019, the Company entered into an accelerated share repurchase ("ASR") agreement with a third-party financial institution to repurchase the Company's common stock pursuant to the 2018 Program. Under the ASR agreement, the Company made an up-front payment of \$30,000 and received an initial delivery of 626,305 shares of its common stock in the second quarter of 2019. The repurchase was completed in the third quarter of 2019 when the Company received an additional 72,875 shares. A total of 699,180 shares were repurchased at a weighted average purchase price of \$42.91 per share.

In addition to the repurchase under the ASR agreement, during the year ended December 31, 2019, the Company repurchased 85,000 shares at an average purchase price of \$69.85 per share, excluding commissions, for a total cost of \$5,937.

As of December 31, 2019, we had approximately \$98,720 of repurchase authorization remaining.

2018 Repurchases

In June 2018, the Company entered into an ASR agreement with a third-party financial institution to repurchase its common stock. Under the ASR agreement, the Company made an up-front payment of \$35,000. The repurchase was completed in the third quarter, and a total of 258,285 shares were repurchased at a weighted average purchase price of \$135.51 per share.

In addition to the repurchase under the ASR agreement, during the year ended December 31, 2018, the Company repurchased 324,508 shares of its common stock at an average purchase price of \$78.78 per share, excluding commissions, for a total cost of \$25,565.

21. 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. There are 2,300,000 shares of common stock authorized for awards granted under the current plan. Under previous plans, a total of 5,873,103 shares were authorized for awards. The plans provide for the grant of stock options, stock appreciation rights, shares of common stock, restricted stock, restricted stock units ("RSUs"), performance-vested restricted stock units ("PUs"), incentive awards and certain other types of awards to key employees and directors of the Company and its affiliates.

The Company measures share-based compensation expense at fair value and recognizes such expense on a straight-line basis over the vesting period of the share-based employee awards. The compensation expense related to stock options, restricted stock and performance units granted to key employees and directors of the Company, which is quantified below, does not represent payments actually made to these employees. Rather, the amounts represent the non-cash compensation expense recognized by the Company in connection with these awards for financial reporting purposes. The actual value of these awards to the recipients will depend on the trading price of the Company's stock when the awards vest. In accordance with the Company's long-term incentive plans, share-based compensation awards that settle in shares of Company stock may be delivered on a gross settlement basis or a net settlement basis, as determined by the recipient.

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

Share-based compensation expense (income) was as follows:

	Year Ended December 31,		
	2019	2018	2017
PU's	\$ 277	\$ (3,925)	\$ 12,145
RSUs	8,432	9,241	9,183
Stock options	3,156	3,204	3,635
Total	<u>\$ 11,865</u>	<u>\$ 8,520</u>	<u>\$ 24,963</u>

Stock Options

Stock option awards are granted at the fair market value of the Company's stock price at the date of the grant and have a 10 year term. The stock option grants vest over three years from the date of grant.

Stock option transactions and related information for the year ended December 31, 2019 was as follows:

	Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value
Outstanding as of January 1, 2019	473,245	\$ 79.35		
Granted	174,874	\$ 72.27		
Exercised	(17,175)	\$ 29.83		
Forfeited	(42,843)	\$ 92.07		
Expired	(39,331)	\$ 78.81		
Outstanding as of December 31, 2019	<u>548,770</u>	\$ 77.68	6.7	\$ 74
Exercisable as of December 31, 2019	322,018	\$ 72.72	5.3	\$ 74

The weighted-average grant date fair value of stock options granted during the years ended December 31, 2019, 2018 and 2017 was \$24.22, \$36.22 and \$33.33, respectively. The total intrinsic value of stock options exercised during the year ended December 31, 2019, 2018 and 2017 was \$243, \$12,422 and \$21,194, respectively.

As of December 31, 2019, unrecognized compensation expense for stock options amounted to \$3,549. Such cost is expected to be recognized over a weighted average period of approximately 1.9 years.

The fair value of the options was estimated at the date of the grant using the Black-Scholes option pricing model. Expected volatility was based on the historical volatility of the Company's common stock. The expected option life was calculated using the simplified method. The risk-free rate is based on the U.S. Treasury zero-coupon issues with a term equal to the expected option life on the date the stock options were granted. The fair value of each option was estimated using the following assumptions:

	2019	2018	2017
Expected volatility	29.48% - 31.10%	27.17% - 27.19%	27.38% - 27.47%
Dividend yield	0.00%	0.00%	0.00%
Expected option life - years	6.0	6.0	6.0
Risk-free rate	1.8% - 2.5%	2.6%	1.9% - 2.1%

Restricted Stock and Restricted Stock Units

The fair value of the restricted stock and restricted stock units is determined based on the closing price of the common stock on the date of grant. The restricted stock and restricted stock units vest over one or three years.

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

Restricted stock and restricted stock units transactions and related information for the year ended December 31, 2019 was as follows:

	Restricted Stock and Restricted Units	Weighted Average Grant Date Fair Value
Non-vested as of January 1, 2019	313,345	\$ 94.75
Granted	207,538	\$ 66.12
Vested	(129,342)	\$ 83.87
Forfeited	(58,560)	\$ 91.48
Non-vested as of December 31, 2019	332,981	\$ 83.60

The weighted-average grant date fair value of restricted stock and restricted stock units granted during the years ended December 31, 2019, 2018 and 2017 was \$66.12, \$110.34 and \$107.57, respectively. The total fair value of restricted stock and restricted stock units vested during the years ended December 31, 2019, 2018 and 2017 was \$9,859, \$7,418 and \$7,112, respectively.

As of December 31, 2019, unrecognized compensation expense for restricted stock and restricted stock units amounted to \$12,184. Such cost is expected to be recognized over a weighted-average period of approximately 1.8 years.

Performance-Vested Restricted Stock Units

The actual number of performance units that will vest depends on the Company's achievement of target performance goals related to the Company's ROIC and total shareholder return over a three-year period, which may range from 0% to 200% of the target award amount. PUs that are expected to be settled in shares of the Company's common stock are accounted for as equity awards, and the fair value is determined based on the closing price of the common stock on the date of grant. PUs that are expected to be settled in cash are accounted for as liability awards.

A summary of activity for performance-vested restricted stock units transactions and related information for the year ended December 31, 2019 was as follows:

	Performance Units	Weighted Average Grant Date Fair Value
Non-vested as of January 1, 2019	191,854	\$ 91.46
Granted	110,823	\$ 78.41
Vested	(75,382)	\$ 72.30
Forfeited	(33,242)	\$ 91.02
Non-vested as of December 31, 2019	194,053	\$ 93.86

The weighted-average grant date fair value of performance units granted during the years ended December 31, 2019, 2018 and 2017 was \$78.41, \$110.40 and \$107.49, respectively. The total fair value of PUs vested during the years ended December 31, 2019, 2018 and 2017 was \$5,450, \$8,256, and \$5,641, respectively. Cash paid to settle PUs during the years ended December 31, 2019, 2018 and 2017 was \$3,345, \$13,302 and \$4,296, respectively.

As of December 31, 2019, there was no unrecognized compensation expense.

TSR Awards

In 2016, the Company granted performance awards to certain of the Company's executive officers. These grants were to be settled in shares of the Company's stock and vested over a three-year performance period. The payout of these awards was based on the Company's relative total shareholder return ("TSR") compared to a pre-established comparator group during the performance period. These awards expired in 2019 with no payout, and there were no outstanding TSR-based performance awards as of December 31, 2019.

22. Related Party Transactions

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

	December 31, 2019	December 31, 2018	December 31, 2017
Sales ⁽¹⁾	\$ 28,925	\$ 30,826	\$ 33,949
Purchases ⁽²⁾	\$ 880	\$ 687	\$ 953
Dividends received ⁽³⁾	\$ 4,917	\$ 4,862	\$ 5,382

⁽¹⁾ Relates to transactions with Nishikawa Cooper LLC (“NISCO”)

⁽²⁾ Relates to transactions with NISCO and Polyrub Cooper Standard FTS Private Limited

⁽³⁾ From NISCO and Nishikawa Tachaplalert Cooper Ltd.

Amounts receivable from NISCO as of December 31, 2019 were \$4,297. Amounts receivable from NISCO and Sujun Cooper Standard AVS Private Limited as of December 31, 2018 were \$6,066. On April 1, 2019, the Company sold its equity interest in Sujun Cooper Standard AVS Private Limited in connection with the divestiture of its AVS product line. See Note 5. “Divestiture.”

23. Contingent Liabilities

Litigation and Claims

Various legal actions, proceedings, and claims (generally, “matters”) are pending or may be instituted or asserted against the Company. The Company accrues for matters when losses are deemed probable and reasonably estimable. Any resulting adjustments, which could be material, are recorded in the period the adjustments are identified. As of December 31, 2019, the Company does not believe that there is a reasonable possibility that any material loss exceeding the amounts already accrued for matters, if any, has been incurred. However, the ultimate resolutions of these matters are inherently unpredictable and could require payment substantially in excess of the amounts that have been accrued or disclosed.

In 2016, a putative class action complaint alleging conspiracy to fix the price of body sealing products used in automobiles and other light-duty vehicles was filed in Ontario, Canada followed by similar complaints filed in British Columbia and Quebec in 2018 and 2019, respectively, against numerous automotive suppliers, including Cooper Standard Holdings Inc. and certain of its subsidiaries (together the “CS Defendants”) and its joint venture, Nishikawa Cooper LLC (“NISCO”). The Company believes the claims asserted against it and NISCO were without merit and intended to vigorously defend against the claims; however, Nishikawa Rubber Company, the parent of the 60% equity interest of NISCO, entered into settlement agreements, releasing NISCO and the CS Defendants from the relevant cases. During 2019, each of the courts in Ontario, Quebec, and British Columbia approved the settlement agreement in those cases and dismissed the cases against NISCO and the CS Defendants.

Environmental

The Company is subject to a broad range of federal, state and local environmental and occupational safety and health laws and regulations in the United States and other countries, including those governing: emissions to air, discharges to water, noise and odor emissions; the generation, handling, storage, transportation, treatment, reclamation and disposal of chemicals and waste materials; the cleanup of contaminated properties; and human health and safety. The Company may incur substantial costs associated with hazardous substance contamination or exposure, including cleanup costs, fines, and civil or criminal sanctions, third party property or natural resource damage, personal injury claims or costs to upgrade or replace existing equipment as a result of violations of or liabilities under environmental laws or the failure to maintain or comply with environmental permits required at their locations. In addition, many of the Company's current and former facilities are located on properties with long histories of industrial or commercial operations, and some of these properties have been subject to certain environmental investigations and remediation activities. The Company maintains environmental reserves for certain of these sites. As of December 31, 2019 and 2018, the Company had \$6,104 and \$4,668, respectively, reserved in accrued liabilities and other liabilities on the consolidated balance sheet on an undiscounted basis, which it believes are adequate. Because some environmental laws (such as the Comprehensive Environmental Response, Compensation and Liability Act and analogous state laws) can impose liability retroactively and regardless of fault on potentially responsible parties for the entire cost of cleanup at currently or formerly owned or operated facilities, as well as sites at which such parties disposed or arranged for disposal of hazardous waste, the Company could become liable for investigating or remediating contamination at their current or former properties or other properties (including offsite waste disposal locations). The Company may not always be in complete compliance with all applicable requirements of environmental laws or regulation, and the Company may receive notices of violation or become subject to enforcement actions or incur material costs or liabilities in connection with such requirements. In addition, new environmental requirements or changes to interpretations of existing requirements, or in their enforcement, could have a material adverse effect on the Company's business, results of operations, and financial condition. The Company has made and will continue to make expenditures to comply with environmental requirements. 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 be material, such costs may be material in the future.

Employment Contracts

The Company has employment arrangements with certain key executives that provide for continuity of management. These arrangements include payments of multiples of annual salary, certain incentives, and continuation of benefits upon the occurrence of specified events in a manner that is believed to be consistent with comparable companies.

Brazil Indirect Tax Claim

In 2019, the Superior Judicial Court of Brazil rendered a favorable decision on a case challenging whether a certain state value-added tax should be included in the calculation of federal gross receipts taxes. The decision will allow the Company the right to recover, through offset of federal tax liabilities, amounts collected by the government. As a result of the favorable decision, the Company recorded pre-tax recoveries of \$8,000 in the South America segment and in cost of products sold for the year ended December 31, 2019. Timing on realization of these recoveries is dependent upon the timing of administrative approvals and generation of federal tax liabilities eligible for offset.

Other

The Company participated in a voluntary foreign tax amnesty program, which allows for the settlement of certain tax matters at reduced amounts. During the year ended December 31, 2017, the Company incurred charges of \$4,623, of which \$4,388 was a non-cash charge offset by the utilization of tax net operating loss carryforwards, resulting in a net \$235 expense impact to net income. The Company did not incur additional material losses under this program.

24. Business Segments

The Company has determined that it operates in four reportable segments: North America, Europe, Asia Pacific and South America. The Company's principal products within each of these segments are sealing, fuel and brake delivery, and fluid transfer systems. During the first quarter of 2019 and in prior periods, the Company also operated an anti-vibration systems product line. On April 1, 2019, the Company completed the divestiture of the AVS product line.

The accounting policies of the Company's segments are consistent with those described in Note 2. "Basis of Presentation and Summary of Significant Accounting Policies."

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

Effective January 1, 2019, the Company changed the measurement of its operating segments to segment adjusted EBITDA. 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.

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

	Year Ended December 31,		
	2019	2018	2017
Sales to external customers			
North America	\$ 1,641,724	\$ 1,924,717	\$ 1,882,670
Europe	868,188	1,030,102	1,043,738
Asia Pacific	503,953	571,160	584,808
South America	94,535	98,063	106,557
Consolidated	<u>\$ 3,108,400</u>	<u>\$ 3,624,042</u>	<u>\$ 3,617,773</u>
Intersegment sales			
North America	\$ 18,939	\$ 14,102	\$ 13,760
Europe	11,732	15,178	15,985
Asia Pacific	3,048	5,115	5,256
South America	193	103	49
Eliminations and other	(33,912)	(34,498)	(35,050)
Consolidated	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Adjusted EBITDA			
North America	\$ 212,530	\$ 320,955	\$ 326,584
Europe	22,702	45,105	74,598
Asia Pacific	(29,496)	13,849	54,356
South America	(4,128)	(7,251)	(3,891)
Consolidated	<u>\$ 201,608</u>	<u>\$ 372,658</u>	<u>\$ 451,647</u>
Net interest expense			
North America	\$ 13,033	\$ 16,585	\$ 16,824
Europe	6,898	10,894	12,287
Asia Pacific	22,785	12,646	11,884
South America	1,397	879	1,117
Consolidated	<u>\$ 44,113</u>	<u>\$ 41,004</u>	<u>\$ 42,112</u>
Depreciation and amortization expense			
North America	\$ 74,941	\$ 70,566	\$ 66,734
Europe	40,824	43,974	40,899
Asia Pacific	33,110	29,699	27,085
South America	3,078	2,459	3,370
Consolidated	<u>\$ 151,953</u>	<u>\$ 146,698</u>	<u>\$ 138,088</u>

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

	Year Ended December 31,		
	2019	2018	2017
Capital expenditures			
North America	\$ 65,357	\$ 72,467	\$ 67,333
Europe	35,671	53,542	45,881
Asia Pacific	40,219	70,672	51,182
South America	7,340	5,734	4,919
Corporate	15,879	15,656	17,480
Consolidated	\$ 164,466	\$ 218,071	\$ 186,795

	Year Ended December 31,		
	2019	2018	2017
Adjusted EBITDA	\$ 201,608	\$ 372,658	\$ 451,647
Gain on sale of business	191,571	—	—
Gain on sale of land	—	10,377	—
Restructuring charges	(51,102)	(29,722)	(35,137)
Goodwill impairment charges	—	(39,818)	—
Other impairment charges	(23,139)	(43,706)	(14,763)
Project costs	(2,090)	(4,881)	—
Amortization of inventory write-up	—	(1,460)	—
Lease termination costs	(1,167)	—	—
Pension settlement charges	(15,997)	(775)	(6,427)
Foreign tax amnesty program	—	—	(4,623)
Loss on refinancing and extinguishment of debt	—	(770)	(1,020)
EBITDA	\$ 299,684	\$ 261,903	\$ 389,677
Income tax (expense) benefit	(36,089)	29,400	(71,506)
Interest expense, net of interest income	(44,113)	(41,004)	(42,112)
Depreciation and amortization	(151,953)	(146,698)	(138,088)
Net income attributable to Cooper-Standard Holdings Inc.	\$ 67,529	\$ 103,601	\$ 137,971

	December 31,	
	2019	2018
Segment assets		
North America	\$ 1,127,621	\$ 1,174,604
Europe	567,641	541,495
Asia Pacific	614,952	616,093
South America	65,438	54,629
Eliminations and other	259,930	237,324
Consolidated	\$ 2,635,582	\$ 2,624,145

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

Product Line Information

Product line information for revenues was as follows:

	Year Ended December 31,		
	2019	2018	2017
Revenues			
Sealing systems	\$ 1,534,456	\$ 1,797,945	\$ 1,909,202
Fuel and brake delivery systems	740,889	796,035	756,495
Fluid transfer systems	598,172	563,342	521,553
Anti-vibration systems	78,728	339,903	326,684
Other	156,155	126,817	103,839
Consolidated	\$ 3,108,400	\$ 3,624,042	\$ 3,617,773

Geographic Information

Geographic information for revenues, based on country of origin, and property, plant and equipment, net, is as follows:

	Year Ended December 31,		
	2019	2018	2017
Revenues			
United States	\$ 729,866	\$ 883,273	\$ 872,025
Mexico	723,228	763,094	723,423
China	355,667	466,119	494,595
France	159,859	305,416	299,257
Canada	188,652	278,349	287,222
Poland	270,197	245,853	253,109
Germany	151,441	187,374	192,959
Other	529,490	494,564	495,183
Consolidated	\$ 3,108,400	\$ 3,624,042	\$ 3,617,773

	December 31,	
	2019	2018
Property, plant and equipment, net		
United States	\$ 218,640	\$ 216,036
Mexico	153,414	128,242
China	196,502	214,770
France	32,938	47,088
Canada	31,568	34,405
Poland	88,162	70,956
Germany	78,967	81,935
Other	188,086	190,809
Consolidated	\$ 988,277	\$ 984,241

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

Customer Concentration

Sales to customers of the Company which contributed 10% or more of its total consolidated sales and the related percentage of consolidated Company sales for 2019, 2018 and 2017 are as follows:

Customer	2019 Percentage of Net Sales	2018 Percentage of Net Sales	2017 Percentage of Net Sales
Ford	25%	27%	28%
General Motors	18%	19%	19%
Fiat Chrysler Automobiles	12%	11%	11%

25. Investments in Affiliates

The Company's beneficial ownership in affiliates accounted for under the equity method was as follows:

Name	December 31, 2019	December 31, 2018
Sujan Cooper Standard AVS Private Limited	—	50%
Nishikawa Cooper LLC	40%	40%
Polyrub Cooper Standard FTS Private Limited	35%	35%
Nishikawa Tachaplalart Cooper Ltd.	20%	20%
Yantai Leading Solutions Auto Parts Co., Ltd.	50%	50%

The Company's aggregate investment in unconsolidated affiliates was \$42,753 and \$44,297 as of December 31, 2019 and 2018, respectively. The Company received dividends from unconsolidated affiliates of \$4,917, \$4,862 and \$5,382 for the years ended December 31, 2019, 2018 and 2017, respectively. On April 1, 2019, the Company sold its equity interest in Sujan Cooper Standard AVS Private Limited in connection with the divestiture of its AVS product line. See Note 5. "Divestiture."

26. Selected Quarterly Information (Unaudited)

2019	First Quarter	⁽¹⁾	Second Quarter	⁽¹⁾	Third Quarter	⁽¹⁾	Fourth Quarter
Sales	\$ 877,995		\$ 764,698		\$ 739,518		\$ 726,189
Gross profit	115,505		97,870		80,205		65,542
Net income (loss)	(5,363)		144,660	⁽³⁾	(6,420)		(70,664)
Net income (loss) attributable to Cooper-Standard Holdings Inc.	(5,415)		145,205	⁽³⁾	(4,877)		(67,384)
Basic net income (loss) per share attributable to Cooper-Standard Holdings Inc. ⁽²⁾	\$ (0.31)		\$ 8.39		\$ (0.29)		\$ (4.00)
Diluted net income (loss) per share attributable to Cooper-Standard Holdings Inc. ⁽²⁾	\$ (0.31)		\$ 8.36		\$ (0.29)		\$ (4.00)
2018	First Quarter	⁽¹⁾	Second Quarter	⁽¹⁾	Third Quarter	⁽¹⁾	Fourth Quarter
Sales	\$ 965,686		\$ 927,555		\$ 860,141		\$ 870,660
Gross profit	169,175		150,658		118,143		110,329
Net income (loss)	55,759		42,516		31,266		(30,486)
Net income (loss) attributable to Cooper-Standard Holdings Inc.	55,135		41,191		31,482		(24,207)
Basic net income (loss) per share attributable to Cooper-Standard Holdings Inc. ⁽²⁾	\$ 3.06		\$ 2.29		\$ 1.77		\$ (1.36)
Diluted net income (loss) per share attributable to Cooper-Standard Holdings Inc. ⁽²⁾	\$ 2.98		\$ 2.24		\$ 1.73		\$ (1.36)

⁽¹⁾ Refer to Note 2. "Basis of Presentation and Summary of Significant Accounting Policies" for further detail related to adjustments made in the previously issued financial statements as a result of errors related to the timing of recording pricing concessions with customers in the Asia Pacific region and other immaterial errors. The out-of-period adjustment in the third quarter 2019 resulted in an increase in sales of \$10,497, increase in net income of \$9,178, and increase in diluted EPS of \$0.53 for the three months ended September 30, 2019.

⁽²⁾ Full year basic and diluted EPS will not necessarily agree to the sum of the four quarters because each quarter is a separate calculation.

⁽³⁾ The second quarter of 2019 net income amount includes gain on sale of the AVS business.

⁽⁴⁾ The fourth quarter of 2019 net income amount includes impairment charges related to fixed assets and non-cash pension settlement charges.

⁽⁵⁾ The fourth quarter of 2018 net income amount includes impairment charges related to goodwill, intangible assets and fixed assets and the release of a valuation allowance against net deferred tax assets recorded in France and capital loss carryforwards in the U.S.

SCHEDULE II

Valuation and Qualifying Accounts
(dollars in millions)

Description	Balance at beginning of period	Charged to Expenses	Charged (credited) to other accounts ⁽¹⁾	Deductions	Balance at end of period
Allowance for doubtful accounts deducted from accounts receivable					
Year ended December 31, 2019	\$ 5.6	5.5 ⁽²⁾	(0.1)	(1.9)	\$ 9.1
Year ended December 31, 2018	\$ 4.2	4.2	(0.1)	(2.7)	\$ 5.6
Year ended December 31, 2017	\$ 7.1	1.1	0.4	(4.4) ⁽³⁾	\$ 4.2

⁽¹⁾ Primarily foreign currency translation.

⁽²⁾ Increase in 2019 relates to commercial settlements in China.

⁽³⁾ Primarily related to uncollectible amounts written off.

Description	Balance at beginning of period	Additions		Deductions	Balance at end of period
		Charged to Income	Charged to Equity ⁽⁴⁾		
Tax valuation allowance					
Year ended December 31, 2019	\$ 171.2	24.6 ⁽⁵⁾	(1.0)	—	\$ 194.8
Year ended December 31, 2018	\$ 189.4	33.1 ⁽⁶⁾	(10.4)	(40.9) ⁽⁷⁾	\$ 171.2
Year ended December 31, 2017	\$ 149.8	25.8 ⁽⁸⁾	13.8	—	\$ 189.4

⁽⁴⁾ Includes foreign currency translation.

⁽⁵⁾ Primarily related to 2019 losses with no benefit in certain foreign jurisdictions.

⁽⁶⁾ Primarily related to 2018 losses with no benefit in certain foreign jurisdictions.

⁽⁷⁾ Primarily related to release of valuation allowance in the U.S. and France.

⁽⁸⁾ Primarily related to 2017 losses with no benefit in certain foreign jurisdictions and a capital loss in the U.S. during 2017.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Not applicable.

Item 9A. 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 Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of December 31, 2019. 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. However, 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 December 31, 2019.

Management's Report on Internal Control over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, the Company conducted an evaluation of the effectiveness of internal control over financial reporting based on the framework in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013. Based on the evaluation under the framework in Internal Control—Integrated Framework, management concluded that the Company's internal control over financial reporting was effective as of December 31, 2019.

The attestation report of the Company's independent registered public accounting firm regarding internal control over financial reporting is set forth in Item 8. "Financial Statements and Supplementary Data" of this Report under the caption "Report of Independent Registered Public Accounting Firm on Internal Control over Financial Reporting" and incorporated herein by reference.

Changes in Internal Control over Financial Reporting

There was no change in the Company's internal control over financial reporting that occurred during the fourth quarter ended December 31, 2019 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 9B. Other Information

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Directors and Executive Officers

The information required by Item 10 regarding the Company's directors is incorporated by reference from the information under the headings "Proposals - Proposal 1: Election of Directors" in the Company's definitive Proxy Statement for its 2020 Annual Meeting of Stockholders (the "2020 Proxy Statement"). The information required by Item 10 regarding the Company's executive officers is incorporated by reference from the information under the headings "Corporate Governance, Board and Committee Matters - Executive Officers" in the 2020 Proxy Statement.

Audit Committee

The information required by Item 10 regarding the Audit Committee, including the identification of the Audit Committee members and the "audit committee financial expert," is incorporated by reference from the information in the 2020 Proxy Statement under the heading "Corporate Governance, Board and Committee Matters - Board Committees and Their Functions - Audit Committee."

Compliance with Section 16(a) of The Exchange Act

The information required by Item 10 regarding compliance with Section 16(a) of the Exchange Act is incorporated by reference from the information in the 2020 Proxy Statement under the heading "Corporate Governance, Board and Committee Matters - Section 16(a) Beneficial Ownership Reporting Compliance."

Code of Conduct

The information required by Item 10 regarding our code of ethics is incorporated by reference from the information in the 2020 Proxy Statement under the heading "Corporate Governance." The Company's Code of Conduct applies to all of the Company's officers, directors and employees and is available on the Company's website at www.cooperstandard.com. To access the Code of Conduct, first click on "Investors" and then click on "Corporate Governance."

Item 11. Executive Compensation

The information required by Item 11 regarding executive and director compensation, Compensation Committee Interlocks and Insider Participation, and the Compensation Committee Report is incorporated by reference from the information in the 2020 Proxy Statement under the headings "Corporate Governance, Board and Committee Matters - Director Compensation," "Proposal 2: Advisory Vote on Named Executive Officer Compensation - Compensation Discussion and Analysis," "Proposal 2: Advisory Vote on Named Executive Officer Compensation - Compensation Committee Report" and "Proposal 2: Advisory Vote on Named Executive Officer Compensation - Executive Compensation."

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by Item 12 is incorporated by reference from the information in the 2020 Proxy Statement under the heading "Corporate Governance, Board and Committee Matters - Stock Ownership and Related Stockholder Matters."

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by Item 13 regarding transactions with related persons is incorporated by reference from the information in 2020 Proxy Statement under the heading "Transactions with Related Persons." The information required by Item 13 regarding the independence of the Company's directors is incorporated by reference from the information in the 2020 Proxy Statement under the heading "Corporate Governance - Board of Directors - Independence of Directors."

Item 14. Principal Accounting Fees and Services

The information required under Item 14 is incorporated by reference from the information in the 2020 Proxy Statement under the heading "Fees and Services of Independent Registered Public Accounting Firm."

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) Documents Filed as Part of this Annual Report on Form 10-K:

	<u>10-K Report page(s)</u>
1. Financial Statements	
Report of Ernst & Young LLP, Independent Registered Public Accounting Firm	42
Report of Ernst & Young LLP, Independent Registered Public Accounting Firm, Internal Control over Financial Reporting	44
Consolidated statements of net income for the years ended December 31, 2019, 2018 and 2017	45
Consolidated statements of comprehensive income (loss) for the years ended December 31, 2019, 2018 and 2017	46
Consolidated balance sheets as of December 31, 2019 and December 31, 2018	47
Consolidated statements of changes in equity for the years ended December 31, 2019, 2018 and 2017	48
Consolidated statements of cash flows for the years ended December 31, 2019, 2018 and 2017	49
Notes to consolidated financial statements	50
2. Financial Statement Schedules	
Schedule II—Valuation and Qualifying Accounts	94
All other financial statement schedules are not required under the related instructions or are inapplicable and therefore have been omitted.	
3. Exhibits listed on the “Index to Exhibits”	

Index to Exhibits

Unless otherwise provided, the SEC File Number under which each document incorporated by reference herein was filed is 001-36127.

Exhibit No.	Description of Exhibit
2.1*	Debtors' Second Amended Joint Chapter 11 Plan of Reorganization, dated March 26, 2010 (incorporated by reference to Exhibit 2.1 to Cooper-Standard Holdings Inc.'s Current Report on Form 8-K filed May 24, 2010 (File No. 333-123708)).
3.1*	Third Amended and Restated Certificate of Incorporation of Cooper-Standard Holdings Inc., dated May 27, 2010 (incorporated by reference to Exhibit 3.1 to Cooper-Standard Holdings Inc.'s Registration Statement on Form S-1 (File No. 333-168316)).
3.2*	Amended and Restated Bylaws of Cooper-Standard Holdings Inc. (incorporated by reference to Exhibit 3.2 to Cooper-Standard Holdings Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2016).
3.3*	Cooper-Standard Holdings Inc. Certificate of Designations 7% Cumulative Participating Convertible Preferred Stock (incorporated by reference to Exhibit 3.3 to Cooper-Standard Holdings Inc.'s Registration Statement on Form S-1 (File No. 333-168316)).
4.1*	Registration Rights Agreement, dated as of May 27, 2010, by and among Cooper-Standard Holdings Inc., the Backstop Purchasers and the other holders party thereto (incorporated by reference to Exhibit 4.3 to Cooper-Standard Holdings Inc.'s Current Report on Form 8-K filed June 3, 2010 (File No. 333-123708)).
4.2*	Indenture, dated as of November 2, 2016, by and among Cooper-Standard Automotive Inc., the guarantors party thereto and U.S. Bank National Association (incorporated by reference to Exhibit 4.1 to Cooper-Standard Holdings Inc.'s Current Report on Form 8-K filed November 7, 2016).
4.3**	Description of Securities
10.1*	Third Amended and Restated Loan Agreement, dated as of November 2, 2016, among Cooper-Standard Automotive Inc., Cooper-Standard Automotive Canada Limited, Cooper-Standard Automotive International Holdings B.V., and certain subsidiaries of Cooper-Standard Automotive Inc., as guarantors, CS Intermediate HoldCo 1 LLC, as Holdings, the lenders party thereto and Bank of America, N.A. as agent for such lenders (incorporated by reference to Exhibit 10.1 to Cooper-Standard Holdings Inc.'s Current Report on Form 8-K filed November 7, 2016).
10.2*	Credit Agreement, dated as of April 4, 2014, among CS Intermediate HoldCo 2 LLC, CS Intermediate HoldCo 1 LLC, Deutsche Bank AG New York Branch, as administrative agent and collateral agent, and the other lenders party thereto (incorporated by reference to Exhibit 10.1 to Cooper-Standard Holdings Inc.'s Current Report on Form 8-K filed April 8, 2014).
10.3*	Amendment No. 1, dated as of November 2, 2016, to the Term Loan Credit Agreement, among Cooper-Standard Automotive Inc., as the borrower, certain subsidiaries of Cooper-Standard Automotive Inc., as guarantors, CS Intermediate HoldCo 1 LLC, as Holdings, Deutsche Bank AG New York Branch, as Administrative Agent and Collateral Agent and other lenders party thereto (incorporated by reference to Exhibit 10.2 to Cooper-Standard Holdings Inc.'s Current Report on Form 8-K filed November 7, 2016).
10.4*	Amendment No. 2, dated as of May 2, 2017 to the Term Loan Credit Agreement, among Cooper-Standard Automotive Inc., as the borrower, certain subsidiaries of Cooper-Standard Automotive Inc., as guarantors, CS Intermediate HoldCo 1 LLC, as Holdings, Deutsche Bank AG New York Branch, as Administrative Agent and Collateral Agent and the other lenders party thereto (incorporated by reference to Exhibit 10.2 to Cooper-Standard Holdings Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2017).

Exhibit No.	Description of Exhibit
10.5*	<u>Amendment No. 3, dated as of March 6, 2018 to the Term Loan Credit Agreement, among Cooper-Standard Automotive Inc., as the borrower, certain subsidiaries of Cooper-Standard Automotive Inc., as guarantors, CS Intermediate Holdco 1 LL, as Holdings, Deutsche Bank AG New York Branch, as Administrative Agent and Collateral Agent and the other lenders party thereto (incorporated by reference to Exhibit 10.1 to Cooper-Standard Holdings Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2018).</u>
10.6*†	<u>Employment Agreement, dated as of January 1, 2009, by and among Cooper-Standard Automotive Inc. and Keith D. Stephenson (incorporated by reference to Exhibit 10.25 to Cooper-Standard Holdings Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2008).</u>
10.7*†	<u>Cooper-Standard Automotive Inc. Executive Severance Pay Plan effective January 1, 2011 (incorporated by reference to Exhibit 10.7 to Cooper-Standard Holdings Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2010).</u>
10.8*†	<u>Cooper-Standard Automotive Inc. Deferred Compensation Plan, effective January 1, 2005 with Amendments through December 31, 2008 (incorporated by reference to Exhibit 10.33 to Cooper-Standard Holdings Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2008).</u>
10.9*†	<u>Cooper-Standard Automotive Inc. Supplemental Executive Retirement Plan, effective January 1, 2011 (incorporated by reference to Exhibit 10.10 to Cooper-Standard Holdings Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2010).</u>
10.10*†	<u>Cooper-Standard Automotive Inc. Nonqualified Supplementary Benefit Plan, Amended and Restated as of January 1, 2011 (incorporated by reference to Exhibit 10.12 to Cooper-Standard Holdings Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2010).</u>
10.11*†	<u>Cooper-Standard Automotive Inc. Long-Term Incentive Plan (incorporated by reference to Exhibit 10.13 to Cooper-Standard Holdings Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2010).</u>
10.12*†	<u>Form of Amendment to Employment Agreement, effective January 1, 2011 (incorporated by reference to Exhibit 10.16 to Cooper-Standard Holdings Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2010).</u>
10.13*†	<u>2011 Cooper-Standard Holdings Inc. Omnibus Incentive Plan (incorporated by reference to Exhibit 10.22 to Cooper-Standard Holdings Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2010).</u>
10.14*†	<u>Amended and Restated 2011 Cooper-Standard Holdings Inc. Omnibus Incentive Plan (incorporated by reference to Exhibit 10.12 to Cooper-Standard Holdings Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2013).</u>
10.15*†	<u>Amended and Restated Cooper-Standard Holdings Inc. 2011 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.1 to Cooper-Standard Holdings Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2017).</u>
10.16*†	<u>Form of Cooper-Standard Holdings Inc. 2011 Omnibus Incentive Plan Nonqualified Stock Option Agreement for key employees (incorporated by reference to Exhibit 10.24 to Cooper-Standard Holdings Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2010).</u>
10.17*†	<u>2010 Cooper-Standard Holdings Inc. Management Incentive Plan (incorporated by reference to Exhibit 10.6 to Cooper-Standard Holdings Inc.'s Current Report on Form 8-K filed June 3, 2010).</u>

Exhibit No.	Description of Exhibit
10.18*†	<u>Form of 2010 Cooper-Standard Holdings Inc. Management Incentive Plan Nonqualified Stock Option Agreement for key employees (incorporated by reference to Exhibit 10.7 to Cooper-Standard Holdings Inc.'s Current Report on Form 8-K filed June 3, 2010).</u>
10.19*†	<u>Form of 2010 Cooper-Standard Holdings Inc. Management Incentive Plan Nonqualified Stock Option Agreement for directors (incorporated by reference to Exhibit 10.9 to Cooper-Standard Holdings Inc.'s Current Report on Form 8-K filed June 3, 2010).</u>
10.20*†	<u>Letter Agreement between Jeffrey S. Edwards, Cooper-Standard Holdings Inc., Cooper-Standard Automotive Inc. dated October 1, 2012 (incorporated by reference to Exhibit 10.2 to Cooper-Standard Holdings Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2012).</u>
10.21*†	<u>Letter Agreement between D. William Pumphrey, Jr., Cooper-Standard Holdings Inc. and Cooper-Standard Automotive Inc. dated August 16, 2011 (incorporated by reference to Exhibit 10.30 to Cooper-Standard Holdings Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2012).</u>
10.22*†	<u>Service Contract between CSA Germany Verwaltungs GmbH and Juan Fernando de Miguel Posada dated March 1, 2013 (incorporated by reference to Exhibit 10.26 to Cooper-Standard Holdings Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2013).</u>
10.23*†	<u>International Assignment Agreement between Song Min Lee and Cooper-Standard Automotive Inc. dated December 31, 2012 (incorporated by reference to Exhibit 10.27 to Cooper-Standard Holdings Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2013).</u>
10.24*†	<u>Extension Addendum dated October 28, 2016, to the International Assignment Agreement between Song Min Lee and Cooper-Standard Automotive Inc. dated December 31, 2012 (incorporated by reference to Exhibit 10.28 to Cooper-Standard Holdings Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2017).</u>
10.25*†	<u>Cooper-Standard Automotive Inc. Long-Term Incentive Plan, Amended and Restated effective as of January 1, 2014 (incorporated by reference to Exhibit 10.28 to Cooper-Standard Holdings Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2013).</u>
10.26*†	<u>Form of Cooper-Standard Holdings Inc. 2011 Omnibus Incentive Plan Nonqualified Stock Option Agreement (incorporated by reference to Exhibit 10.38 to Cooper-Standard Holdings Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2014).</u>
10.27*†	<u>Form of 2015 Cooper-Standard Holdings Inc. 2011 Omnibus Incentive Plan Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.40 to Cooper-Standard Holdings Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2014).</u>
10.28*†	<u>Offer Letter between Jonathan P. Banas and Cooper-Standard Automotive Inc. dated August 17, 2015 (incorporated by reference to Exhibit 10.1 to Cooper-Standard Holdings Inc.'s Current Report on Form 8-K filed on August 28, 2015).</u>
10.29*†	<u>Form of Cooper-Standard Holdings Inc. 2011 Omnibus Incentive Plan Restricted Stock Unit Award Agreement (Non-Employee Directors) (incorporated by reference to Exhibit 10.1 to Cooper-Standard Holdings Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2015).</u>

Exhibit No.	Description of Exhibit
10.30**†	Form of Cooper-Standard Holdings Inc. Amended and Restated Indemnification Agreement for officers and directors (incorporated by reference to Exhibit 10.36 to Cooper-Standard Holdings Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2018).
10.31**†	Form of Cooper-Standard Holdings Inc. 2011 Omnibus Incentive Plan Special Retention Award Agreement (stock-settled award) (incorporated by reference to Exhibit 10.1 to Cooper-Standard Holdings Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2016).
10.32**†	Form of Cooper-Standard Holdings Inc. 2011 Omnibus Incentive Plan 2016 Restricted Stock Unit Award Agreement (Performance Units, settled 50% cash / 50% stock) (incorporated by reference to Exhibit 10.40 to Cooper-Standard Holdings Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2016).
10.33**†	Form of Cooper-Standard Holdings Inc. 2011 Omnibus Incentive Plan 2016 Restrictive Stock Unit Award Agreement (Performance Units, settled 100% cash)(incorporated by reference to Exhibit 10.41 to Cooper-Standard Holdings Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2016).
10.34**†	Form of Cooper-Standard Holdings Inc. 2011 Omnibus Incentive Plan 2017 Performance Award Agreement (stock-settled award) (incorporated by reference to Exhibit 10.1 to Cooper-Standard Holdings Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2017).
10.35**†	Form of Cooper-Standard Holdings Inc. 2011 Omnibus Incentive Plan 2017 Performance Award Agreement (cash-settled award) (incorporated by reference to Exhibit 10.2 to Cooper-Standard Holdings Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2017).
10.36***†	Cooper-Standard Holdings Inc. 2017 Omnibus Incentive Plan.
10.37***†	Cooper-Standard Automotive Inc. Long-Term Incentive Plan Amended and Restated effective as of May 18, 2017.
10.38***†	Cooper-Standard Automotive Inc. Annual Incentive Plan Amended and Restated effective as of January 1, 2018.
10.39**†	Form of Cooper-Standard Holdings Inc. 2017 Omnibus Incentive Plan Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.4 to Cooper-Standard Holdings Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2017).
10.40**†	Form of Cooper-Standard Holdings Inc. 2017 Omnibus Incentive Plan Nonqualified Stock Option Award Agreement (incorporated by reference to Exhibit 10.5 to Cooper-Standard Holdings Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2017).
10.41**†	Form of Cooper-Standard Holdings Inc. 2017 Omnibus Incentive Plan 2017 Performance Unit Award Agreement (stock-settled award) (incorporated by reference to Exhibit 10.6 to Cooper-Standard Holdings Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2017).
10.42***†	Form of Cooper-Standard Holdings Inc. 2017 Omnibus Incentive Plan Restricted Stock Unit Award Agreement (Non-Employee Directors).

Exhibit No.	Description of Exhibit
10.43**†	Form of 2018 Cooper-Standard Holdings Inc. 2017 Omnibus Incentive Plan Nonqualified Stock Option Agreement (incorporated by reference to Exhibit 10.2 to Cooper-Standard Holdings Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2018).
10.44**†	Form of 2018 Cooper-Standard Holdings Inc. 2017 Omnibus Incentive Plan Performance Unit Award Agreement (cash-settled award) (incorporated by reference to Exhibit 10.3 to Cooper-Standard Holdings Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2018).
10.45**†	Form of 2018 Cooper-Standard Holdings Inc. 2017 Omnibus Incentive Plan Performance Unit Award Agreement (stock-settled award) (incorporated by reference to Exhibit 10.4 to Cooper-Standard Holdings Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2018).
10.46**†	Form of 2018 Cooper-Standard Holdings Inc. 2017 Omnibus Incentive Plan Restricted Stock Unit Award Agreement (cash-settled award) (incorporated by reference to Exhibit 10.5 to Cooper-Standard Holdings Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2018).
10.47***†	Offer Letter between Jeffrey A. DeBest, Cooper-Standard Holdings Inc. and Cooper-Standard Automotive Inc. dated January 24, 2018.
10.48*	Asset Purchase Agreement, dated November 1, 2018, between Cooper-Standard Automotive Inc., as the Seller, and ContiTech USA, Inc., as the Acquiror (incorporated by reference to Exhibit 10.50 to Cooper-Standard Holdings Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2018).
10.49**†	Form of 2019 Cooper-Standard Holdings Inc. 2017 Omnibus Incentive Plan Nonqualified Stock Option Agreement (incorporated by reference to Exhibit 10.1 to Cooper-Standard Holdings Inc. Annual Report on Form 10-Q for the fiscal quarter ended March 31, 2019).
10.50**†	Form of 2019 Cooper-Standard Holdings Inc. 2017 Omnibus Incentive Plan Performance Unit Award Agreement (cash-settled award) (incorporated by reference to Exhibit 10.2 to Cooper-Standard Holdings Inc. Annual Report on Form 10-Q for the fiscal quarter ended March 31, 2019).
10.51**†	Form of 2019 Cooper-Standard Holdings Inc. 2017 Omnibus Incentive Plan Performance Unit Award Agreement (stock-settled award) (incorporated by reference to Exhibit 10.3 to Cooper-Standard Holdings Inc. Annual Report on Form 10-Q for the fiscal quarter ended March 31, 2019).
10.52**†	Form of 2019 Cooper-Standard Holdings Inc. 2017 Omnibus Incentive Plan Restricted Stock Unit Award Agreement (cash or stock-settled award) (incorporated by reference to Exhibit 10.4 to Cooper-Standard Holdings Inc. Annual Report on Form 10-Q for the fiscal quarter ended March 31, 2019).
10.53**†	Form of 2019 Cooper-Standard Holdings Inc. 2017 Omnibus Incentive Plan Restricted Stock Unit Award Agreement (cash-settled award) (incorporated by reference to Exhibit 10.5 to Cooper-Standard Holdings Inc. Annual Report on Form 10-Q for the fiscal quarter ended March 31, 2019).
10.54***†	Separation Agreement between Song Min Lee, Cooper-Standard Holdings Inc. and Cooper-Standard Automotive Inc. dated as of December 31, 2019.
21.1**	List of Subsidiaries of Cooper-Standard Holdings Inc.
23.1**	Consent of Independent Registered Public Accounting Firm.

Exhibit No.	Description of Exhibit
31.1**	Certification of Principal Executive Officer Pursuant to Exchange Act Rule 13a-14(a)/15d-14(a) (Section 302 of the Sarbanes-Oxley Act of 2002).
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.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

* Incorporated by reference as an exhibit to this Report.

** Filed with this Report.

*** Furnished with this Report

**** Submitted electronically with this Report in accordance with the provisions of Regulation S-T.

† Management contract or compensatory plan or arrangement.

The agreements and other documents filed as exhibits to this report are not intended to provide factual information or other disclosure other than with respect to the terms of the agreements or other documents themselves, and you should not rely on them for that purpose. In particular, any representations and warranties made by us in these agreements or other documents were made solely within the specific context of the relevant agreement or document and may not describe the actual state of affairs as of the date they were made or at any other time.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

COOPER-STANDARD HOLDINGS INC.

Date: February 26, 2020

/s/ Jeffrey S. Edwards

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

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below on February 26, 2020 by the following persons on behalf of the Registrant in the capacities indicated.

Signature	Title
<hr/> <i>/s/ Jeffrey S. Edwards</i> Jeffrey S. Edwards	Chairman and Chief Executive Officer (Principal Executive Officer)
<hr/> <i>/s/ Jonathan P. Banas</i> Jonathan P. Banas	Chief Financial Officer (Principal Financial Officer)
<hr/> <i>/s/ Peter C. Brusate</i> Peter C. Brusate	Chief Accounting Officer (Principal Accounting Officer)
<hr/> <i>/s/ David J. Mastrocola</i> David J. Mastrocola	Director
<hr/> <i>/s/ Justin E. Mirro</i> Justin E. Mirro	Director
<hr/> <i>/s/ Robert J. Remenar</i> Robert J. Remenar	Director
<hr/> <i>/s/ Sonya F. Sepahban</i> Sonya F. Sepahban	Director
<hr/> <i>/s/ Thomas W. Sidlik</i> Thomas W. Sidlik	Director
<hr/> <i>/s/ Matthew J. Simoncini</i> Matthew J. Simoncini	Director
<hr/> <i>/s/ Stephen A. Van Oss</i> Stephen A. Van Oss	Director
<hr/> <i>/s/ Peifang Zhang</i> Peifang Zhang	Director

DESCRIPTION OF SECURITIES**Authorized Capital Stock**

We have the authority to issue a total of 200,000,000 shares of capital stock, consisting of 190,000,000 shares of common stock, par value \$0.001 per share and 10,000,000 shares of preferred stock, par value \$0.001 per share.

Common Stock

As of December 31, 2019, 16,840,950 shares of our common stock were issued and outstanding. The rights, preferences and privileges of holders of our common stock are subject to, and may be adversely affected by, the rights of holders of shares of any series of our preferred stock which we may designate and issue in the future.

Voting rights

Holders of shares of common stock are entitled to one vote for each share on each matter properly submitted to our stockholders on which holders of common stock are entitled to vote. The holders of common stock do not have cumulative voting rights.

Dividend rights

Subject to limitations under the Delaware General Corporation Law and to the rights of holders of any outstanding series of preferred stock, the holders of shares of common stock are entitled to receive ratably dividends and other distributions when, as and if declared by our board of directors out of assets or funds legally available therefor.

Liquidation rights

In the event of the liquidation, dissolution or winding-up of the Company, holders of common stock are entitled to share ratably in proportion to their shareholding in our assets, if any, remaining after the payment of all our debts and liabilities, subject to any liquidation preference of any outstanding series of preferred stock.

Other rights

Holders of common stock are not entitled to preemptive rights, and no redemption or sinking fund provisions are applicable to our common stock. Shares of our common stock are not convertible. All outstanding shares of common stock are fully paid and non-assessable.

Preferred Stock

Preferred stock may be issued from time to time in one or more series. The Board of Directors (the "Board") is hereby expressly authorized to provide for the issuance of shares of preferred stock in one or more series and to establish from time to time the number of shares to be included in each such series and to fix the voting powers, if any, designations, powers, preferences and relative, participating, optional and other special rights, if any, of each such series and the qualifications, limitations and restrictions thereof.

Exchange Listing

Our common stock is traded on the New York Stock Exchange under the symbol "CPS."

Transfer Agent

Our transfer agent is Computershare Trust Company, N.A.

Section 203 of the Delaware General Corporation Law Does Not Apply

We are not governed by Section 203 of the DGCL. Section 203 of the DGCL provides that an "interested stockholder" (a person who, together with affiliates and associates, owns, or within three years did own, 15% or more of the outstanding voting stock of a corporation) may not engage in business combinations (such as mergers, consolidations, asset sales and other transactions in which an interested stockholder receives or could receive a financial benefit on other than a pro rata basis with other stockholders) with the corporation for a period of three years after the date on which the person became an interested stockholder unless: (i) prior to such time, the corporation's board of directors approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder; (ii) upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the corporation's outstanding voting stock at the time the transaction commenced; or (iii) at or after the time a person became an interested stockholder, the business combination is approved by the corporation's board of directors and authorized at a meeting of stockholders by the affirmative vote of at least two-thirds of the outstanding voting stock which is not owned by the interested stockholder.

Anti-Takeover Effects of Certain Provisions of Our Certificate of Incorporation and Bylaws and Delaware Law

Certain provisions that are included in our certificate of incorporation and bylaws, which are summarized in the following paragraphs, and applicable provisions of the DGCL, may have the effect of discouraging transactions that involve an actual or threatened change of control of the Company or changing our board of directors and management. In addition, provisions of our certificate of incorporation and bylaws may be deemed to have anti-takeover effects and may delay, defer or prevent a tender offer or takeover attempt that a stockholder might consider in such stockholder's best interest, including those attempts that might result in a premium over the market price of the shares held by our stockholders.

Blank check preferred

Our board of directors is authorized to create and issue from time to time, without stockholder approval, up to an aggregate of 10,000,000 shares of preferred stock in one or more series and to establish the number of shares to be included in each series and to fix the voting powers, if any, designations, powers, preferences and relative, participating, optional and other special rights, if any, of each series and the qualifications, limitations and restrictions thereof. We may issue our preferred stock in ways that may delay, deter or prevent a change in control of the Company without further action by our stockholders and may affect the voting and other rights of the holders of our common stock. The issuance of our preferred stock with voting and conversion rights also may adversely affect the voting power of the holders of our common stock, including the loss of voting control to others. Our board of directors may issue, or reserve for issuance, any series of preferred stock to be used in connection with a "poison pill" or similar "shareholder rights plan" which, if implemented, may delay, deter or prevent a change in control of the Company.

Directors, not stockholders, fix the size of our board of directors

Our certificate of incorporation provides that the number of directors on our board of directors is initially seven and shall be fixed from time to time by our board of directors.

Remaining directors, not stockholders, fill board vacancies

Newly created directorships resulting from any increase in our authorized number of directors and vacancies in our board of directors resulting from death, resignation, retirement, disqualification or removal from office may be filled solely by a majority vote of the directors then in office, even if less than a quorum, or by a sole remaining director (and not by stockholders).

Calling of special meetings of stockholders

Our certificate of incorporation provides that special meetings of our stockholders: (i) may be called by the chairman of the board, the chief executive officer, or any member of the board of directors pursuant to a resolution adopted by a majority of our board of directors; and (ii) must be called by the secretary at the written request (a "special meeting request") of the holders of record of at least 20% of the voting power of the outstanding stock entitled to vote on the matter or matters to be brought before the proposed special meeting.

Stockholder action by written consent permitted in only limited circumstances

The DGCL permits stockholder action by written consent unless otherwise provided by a corporation's certificate of incorporation. Our certificate of incorporation provides that our stockholders may not act by written consent, unless the action by written consent of the stockholders is approved in advance by a resolution of our board of directors or except as expressly provided by the terms of any series of preferred stock.

Advance notice requirements for stockholder proposals

Our bylaws establish advance notice procedures with respect to stockholder proposals. Stockholders will only be able to consider proposals at an annual meeting that are specified in the notice of meeting or brought before the annual meeting by or at the direction of our board of directors or by a stockholder who was a stockholder of record on the record date for the meeting, who is entitled to vote at the meeting and who has given to our secretary timely written notice, in proper form, of the stockholder's intention to bring that business before the meeting. In order to bring business before an annual meeting, a stockholder's notice must be received by the secretary of the Company at our principal executive offices not later than 90 calendar days or earlier than 120 calendar days before the first anniversary of the previous year's annual meeting of stockholders, subject to certain exceptions contained in our bylaws. If the date of the applicable annual meeting is more than 30 days before or more than 60 days after such anniversary date, notice by a stockholder to be timely must be so received not earlier than 120 calendar days and not later than the later of 90 calendar days before the date of such annual meeting or the tenth day following the date on which public announcement of the date of the annual meeting is first made by the Company. The adjournment or postponement of an annual meeting or the public announcement thereof does not commence a new time period for the giving of a stockholder's notice as described above.

Under our bylaws, the business transacted at any special meeting is limited to those matters stated (i) in the notice of such special meeting and (ii) if applicable, in the special meeting request or as otherwise permitted under Sections 2.7 and 3.2 of our

bylaws. In the case of a special meeting called due to a special meeting request, a stockholder proper notice to our secretary must be received not later than 15 days prior to the meeting.

Advance notice requirements for director nominations

Our bylaws establish advance notice procedures with respect to stockholder nomination of candidates for election as directors (other than as may be provided by the terms of any series of preferred stock with respect to the rights of holders of such series of preferred stock to elect directors). Stockholders will only be able to consider nominations specified in the notice of meeting or brought before the meeting by or at the direction of our board of directors or by a stockholder who was a stockholder of record on the record date for the meeting, who is entitled to vote at the meeting and who has given to our secretary timely written notice, in proper form, of the stockholder's intention to bring that business before the meeting. In order to nominate directors to our board of directors at an annual meeting, a stockholder's notice must be received by the secretary of the Company at our principal executive offices not later than 90 calendar days or earlier than 120 calendar days before the first anniversary of the previous year's annual meeting of stockholders, subject to certain exceptions contained in our bylaws. If the date of the applicable annual meeting is more than 30 days before or more than 60 days after such anniversary date, notice by a stockholder to be timely must be so received not earlier than 120 calendar days and not later than the later of 90 calendar days before the date of such annual meeting or the tenth day following the date on which public announcement of the date of the annual meeting is first made by the Company. Notwithstanding the foregoing, if the number of directors to be elected to our board of directors at an annual meeting is greater than the number of nominees of the Company and there is no public announcement by us of a decrease in the size of the board of directors at the time notice of the meeting is given to stockholders, a stockholder's notice shall be timely (but only with respect to the directorships for which the Company has not provided nominees) if proper notice is received not later than 10 days following the date that the notice of the meeting was given by us.

In order to nominate directors at a special meeting of stockholders called for the purpose of electing directors, a stockholder's notice must be received by the secretary of the Company at our principal executive offices not earlier than 120 calendar days and not later than the later of 90 calendar days before the date of the special meeting or the tenth day following the date on which public announcement of the date of the special meeting is first made by the Company. In the case of a special meeting of stockholders called due to a special meeting request for the purpose of electing directors, proper notice must be received not later than 15 days prior to the meeting.

The adjournment or postponement of an annual meeting or special meeting or the public announcement thereof does not commence a new time period for the giving of a stockholder's notice as described above.

Amendments to certificate of incorporation

The DGCL provides generally that the affirmative vote of a majority of the outstanding shares entitled to vote is required to amend a corporation's certificate of incorporation, unless the certificate of incorporation requires a greater percentage. Our certificate of incorporation provides that the following provisions may be amended or repealed by our stockholders only by a vote of at least two-thirds of the voting power of all then outstanding shares of our stock entitled to vote generally in the election of directors, voting together as a single class:

- the number, election and terms of the directors;
- the ability of our board of directors to fill vacancies on the board;
- the removal of directors;
- the rights of the holders of preferred stock to elect directors;
- the power of our board of directors to adopt, amend, alter or repeal the bylaws;
- the limitation on stockholder action by written consent;
- the limitation and notice requirements for special meetings; and
- the amendment provision requiring that the above provisions be amended only with a two-thirds supermajority vote of our stockholders.

Limitations on directors' and officers' liability

Our certificate of incorporation contains a provision eliminating the personal liability of our directors to the Company or any of our stockholders for monetary damages for breach of fiduciary duty to the fullest extent permitted by the DGCL. Our certificate of incorporation and our bylaws also contain provisions generally providing for indemnification and prepayment of expenses to our directors and officers to the fullest extent permitted by applicable law.

**COOPER-STANDARD HOLDINGS INC.
2017 OMNIBUS INCENTIVE PLAN**

1. Purposes; History

- (a) The purpose of the Plan is to aid the Company and its Affiliates in recruiting and retaining key employees and non-employee directors of outstanding ability and to motivate such key employees and non-employee directors to exert their best efforts on behalf of the Company and its Affiliates by providing incentives through the granting of Awards. The Company expects that it will benefit from the added interest which such key employees and non-employee directors will have in the welfare of the Company as a result of their proprietary interest in the Company's success.
- (b) Prior to the Effective Date, the Company had in effect the Amended and Restated 2011 Cooper-Standard Holdings Inc. Omnibus Incentive Plan (the "2011 Plan"). Upon the Effective Date, no further awards will be granted under the 2011 Plan. Awards outstanding under any Prior Plan (as defined below) will continue to be outstanding and will remain subject to all the terms and conditions of such Prior Plan.

2. Definitions

The following capitalized terms used in the Plan have the respective meanings set forth in this Section:

Act: The Securities Exchange Act of 1934, as amended, or any successor thereto.

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

Agreement: The written or electronic agreement between the Company and a Participant evidencing the grant of an Award and setting forth the terms and conditions thereof.

Award: A grant of Options, Stock Appreciation Rights, Shares of Common Stock, Restricted Stock, Restricted Stock Units, an Incentive Award or any other type of award permitted under and granted pursuant to the Plan.

Board: The Board of Directors of the Company.

Cause: Except as otherwise provided for in an Agreement, Cause means (i) in the case of a Participant whose employment with the Company or an Affiliate is subject to the terms of an employment agreement between such Participant and the Company or such Affiliate which includes a definition of "Cause", shall have the meaning set forth in such employment agreement during the period that such employment agreement remains in effect; and (ii) in all other cases, shall mean (1) the Participant's willful failure to perform duties or directives which is not cured following written notice, (2) the Participant's commission of a (x) felony or (y) crime involving moral turpitude, (3) the Participant's willful malfeasance or misconduct which is demonstrably injurious to the Company or its Affiliates, or (4) material breach by the Participant of the restrictive covenants, including, without limitation, any non-compete, non-solicitation or confidentiality provisions to which the Participant is bound.

Change of Control: The occurrence of any of the following events after the Effective Date: (i) the sale or disposition, in one or a series of related transactions, of all or substantially all of the assets of the Company to any "person" or "group" (as such terms are defined in Sections 13(d)(3) and 14(d)(2) of the Act) other than Permitted Holders; (ii) any person or group (other than Permitted Holders) is or becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Act), directly or indirectly, of greater than or equal to 50% of the total voting power of the voting stock of the Company; (iii) individuals who, as of the Effective Date, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of such Board; provided that any individual who becomes a director of the Company subsequent to the date hereof whose election, or nomination for election by the Company's shareholders, was approved by the vote of at least a majority of the directors then comprising the Incumbent Board shall be deemed a member of the Incumbent Board; provided further, that any individual who was initially elected as a director of the Company as a result of an actual or threatened solicitation by a Person other than the Board for the purpose of opposing a solicitation by any other Person with respect to the election or removal of directors, or any other actual or threatened solicitation of proxies or consents by or on behalf of any Person other than the Board

shall not be deemed a member of the Incumbent Board; (iv) consummation of a reorganization, merger, statutory share exchange or consolidation or similar corporate transaction involving the Company (each, a “Business Combination”), unless, following such Business Combination, all or substantially all of the individuals and entities that were the beneficial owners of the Company’s outstanding Common Stock and of the combined voting power of the then-outstanding voting securities of the Company entitled to vote generally in the election of directors (the “Outstanding Company Voting Securities”) immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the then-outstanding common or ordinary shares and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation that, as a result of such transaction, owns the Company or all or substantially all of the Company’s assets either directly or through one or more Subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination, of the Company’s Common Stock and the Outstanding Company Voting Securities, as the case may be; or (v) the consummation of a plan of complete liquidation or dissolution of the Company.

Notwithstanding anything in the Plan or an applicable Agreement, if an Award is considered deferred compensation subject to the provisions of Code Section 409A, and if the payment of compensation under such Award would be triggered upon an event that otherwise would constitute a “Change of Control” but that would not constitute a change of control for purposes of Code Section 409A, then such event shall not constitute a “Change of Control” for purposes of the payment provisions of such Award.

Code: The Internal Revenue Code of 1986, as amended, and any successor thereto. Reference in the Plan to any section of the Code shall be deemed to include any regulations or other interpretive guidance under such section, and any amendments or successor provisions to such section, regulations or guidance.

Committee: The Board or any committee to which the Board delegates duties and powers hereunder; such committee shall be comprised solely of at least two Directors, each of whom must qualify as an “outside director” within the meaning of Code Section 162(m), and as a “non-employee” director within the meaning of Rule 16b-3 promulgated under the Act.

Common Stock: The shares of common stock, par value \$0.001 per share, of the Company.

Company: Cooper-Standard Holdings Inc., a Delaware corporation.

Director: A non-employee member of the Board.

Disability: Except as otherwise provided for in an Agreement, Disability means (i) in the case of a Participant whose employment with the Company or an Affiliate is subject to the terms of an employment agreement between such Participant and the Company or such Affiliate, which employment agreement includes a definition of “Disability”, the term “Disability” as used in this Plan or any Agreement shall have the meaning set forth in such employment agreement during the period that such employment agreement remains in effect; and (ii) in all other cases, the Participant becomes physically or mentally incapacitated and is therefore unable for a period of six (6) consecutive months or for an aggregate of nine (9) months in any twenty-four (24) consecutive month period to perform the Participant’s duties (such incapacity is hereinafter referred to as “Disability”). Any question as to the existence of the Disability of the Participant as to which the Participant and the Company cannot agree shall be determined in writing by a qualified independent physician mutually acceptable to the Participant and the Company. If the Participant and the Company cannot agree as to a qualified independent physician, each shall appoint such a physician and those two physicians shall select a third who shall make such determination in writing. The determination of Disability made in writing to the Company and the Participant shall be final and conclusive for all purposes of the Agreement.

Effective Date: The effective date of the Plan is May 18, 2017, contingent on stockholders’ approval of the Plan at the Company’s 2017 annual meeting of stockholders.

Employment: The term “Employment” as used herein shall be deemed to refer to a Participant’s employment if the Participant is an employee of the Company or any of its Affiliates or to a Participant’s services as a Director. For the avoidance of doubt, a Participant’s Employment shall be deemed to remain in effect so long as the Participant is either an employee of the Company or any of its Affiliates or a Director.

Fair Market Value: On a given date, (i) the closing price of a Share on the date in question (or, if there is no reported sale on such date, on the last preceding date on which any reported sale occurred) on the principal stock market or exchange on which the Shares are quoted or traded, (ii) if the Shares are traded in an over-the-counter market, the last sales price (or, if there is no last sales price reported, the average of the closing bid and asked prices) for the Shares on the particular date, or on the last preceding date on which there was a sale of Shares on that market, or (iii) if the Shares are not quoted or traded on a stock market, exchange, or over-the-counter market, the Fair Market Value of the Shares will be as determined in good faith by the Committee. Notwithstanding the foregoing, in the event of a sale of Shares on the market or exchange (as in, for example, a “same day sale” or “sell to cover” transaction), the Fair Market Value of a Share will be the price obtained in the sale transaction for such Share.

Good Reason: Good Reason, when used in an Agreement, either (i) shall have the same meaning as such term (or any similar term) is given in any employment agreement in effect between the Participant and the Company or any Affiliate, or in any severance policy or plan covering the Participant; or (ii) where either no such agreement, policy or plan is in effect or such agreement, policy or plan does not include a definition of Good Reason (or similar term), means any of the following: (1) a significant adverse change in the nature or scope of the authorities, powers, functions, responsibilities or duties of the Participant; (2) a reduction in the Participant’s base salary or opportunities for incentive compensation plan or program established by the Company other than a reduction which is applied generally to other similarly-situated employees in a similar manner; or (3) relocation of the Participant’s principal place of work in excess of fifty (50) miles from the Participant’s then principal place of work; provided that none of the events described in (1) through (3) is remedied by the Company within thirty (30) calendar days after the receipt by the Company of written notice from the Participant of such change or reduction. Participant must give the Company a written notice identifying the change, reduction or breach to which the notification relates within ninety (90) days of the initial existence of the conditions giving rise to such change, reduction or breach. Failure of the Participant to timely provide notice to the Company shall be deemed to constitute the Participant’s consent to such change, reduction or breach and the Participant shall thereafter waive his right to terminate for Good Reason as a result of such specific change, reduction or breach. Notwithstanding the foregoing, if an Agreement contains a specific definition of Good Reason that is different from the foregoing, then the definition in such Agreement shall apply in lieu of the provisions above.

Incentive Award: The right to receive a payment to the extent Performance Goals are achieved, including “Annual Incentive Awards” as described in Section 10 and “Long-Term Incentive Awards” as described in Section 11.

Option: A non-qualified stock option granted pursuant to Section 6.

Option Price: The purchase price per Share of an Option, as determined pursuant to Section 6(a).

Participant: A key employee or Director of the Company or its Affiliates who is selected by the Committee to participate in the Plan.

Performance Goals: Any goals the Committee establishes that relate to one or more of the following with respect to the Company or any one or more Affiliates or other business units: net income; adjusted EBITDA, operating income; income from continuing operations; net sales; cost of sales; revenue; gross income; earnings (including before taxes, and/or interest and/or depreciation and amortization); net earnings per share (including diluted earnings per share); price per share; cash flow; net cash provided by operating activities; net cash provided by operating activities less net cash used in investing activities; operating cash flow, free cash flow, net operating profit; pre-tax profit; ratio of debt to debt plus equity; return on stockholder equity; return on invested capital, total stockholder return; relative total stockholder return; return on capital; return on assets; return on equity; return on investment; return on revenues; operating working capital; working capital as a percentage of net sales; cost of capital; average accounts receivable; economic value added; performance value added; customer satisfaction; customer loyalty and/or retention; employee safety; employee engagement; market share; system reliability; cost structure reduction; regulatory outcomes; diversity; cost savings; operating goals; operating margin; profit margin; sales performance; and internal revenue growth. As to each Performance Goal, the Committee, in its discretion, may exclude or include the effects of the following: (i) charges for reorganizing and restructuring; (ii) discontinued operations; (iii) asset write-downs; (iv) gains or losses on the disposition of a business or asset; (v) changes in tax or accounting principles, regulations or laws; (vi) currency fluctuations; (vii) mergers, acquisitions or dispositions; (viii)

unusual, infrequently occurring and/or non-recurring items of gain or loss that the Company identifies in its audited financial statements, including notes to the financial statements, or Management's Discussion and Analysis section of the Company's annual report; and (ix) any other excluded item that the Committee designates either at the time an Award is made or thereafter to the extent permitted by Code Section 162(m). In addition, in the case of Awards that the Committee determines at the date of grant will not be considered "performance-based compensation" under Code Section 162(m), the Committee may establish other Performance Goals not listed in this Plan and may make any adjustments to such Performance Goals as the Committee determines. Where applicable, the Performance Goals may be expressed, without limitation, in terms of attaining a specified level of the particular criterion or the attainment of an increase or decrease (expressed as absolute numbers or a percentage) in the particular criterion or achievement in relation to a peer group or other index. The Performance Goals may include a threshold level of performance below which no payment will be made (or no vesting will occur), levels of performance at which specified payments will be paid (or specified vesting will occur), and a maximum level of performance above which no additional payment will be made (or at which full vesting will occur). Any Performance Goals that are financial metrics may be determined in accordance with United States Generally Accepted Accounting Principles ("U.S. GAAP") or may be adjusted when established (or to the extent permitted under Section 162(m) of the Code, at any time thereafter) to include or exclude any items otherwise includable or excludable under U.S. GAAP.

Permitted Holders: Any and all of (i) an employee benefit plan (or trust forming a part thereof) maintained by the Company or its Affiliate, or (ii) any corporation or other person of which a majority of its voting power of its voting securities or equity interest is owned, directly or indirectly, by the Company.

Person: A "person", as such term is used for purposes of Section 13(d) or 14(d) of the Act (or any successor section thereto).

Plan: The Cooper-Standard Holdings Inc. 2017 Omnibus Incentive Plan, as amended and restated from time to time.

Prior Plans: The Cooper-Standard Holdings Inc. 2010 Management Incentive Plan and the Cooper-Standard Holdings, Inc. 2011 Omnibus Incentive Plan, each as amended and restated from time to time.

Restricted Stock: The shares of Common Stock granted pursuant to the Restricted Stock Awards.

Restricted Stock Awards: Awards of Restricted Stock granted pursuant to Section 8.

Restricted Stock Unit: The right to receive cash and/or Shares of Common Stock the value of which is equal to the Fair Market Value of one Share of Common Stock, granted pursuant to Section 8.

Retirement: Except as otherwise provided for in an Agreement, termination of employment with the Company and its Affiliates (without Cause) on or after (1) attainment of age 65 or (2) attainment of age 60 with five (5) years of service. For purposes hereof, "years of service" means the employee's total years of employment with the Company and any Affiliate, including years of employment with an entity that is acquired by the Company prior to such acquisition.

Rule 16b-3: Rule 16b-3 as promulgated by the United States Securities and Exchange Commission under the Act.

Section 16 Participants: Participants who are subject to the provisions of Section 16 of the Act.

Share: A share of Common Stock.

Stock Appreciation Right or SAR: The right of a Participant to receive cash, and/or Shares with a Fair Market Value equal to the appreciation of the Fair Market Value of a Share during a specified period of time, granted pursuant to Section 7.

Subsidiary: Any corporation, limited liability company, partnership, joint venture or similar entity in which the Company owns, directly or indirectly, an equity interest possessing more than 50% of the combined voting power of the total outstanding equity interests of such entity.

Substitute Award: An Award granted under this Plan upon the assumption of, or in substitution for, outstanding equity awards previously granted by a company or other entity in connection with a corporate transaction, including a merger, combination, consolidation or acquisition of property or stock; provided, however, that in no event shall the term “Substitute Award” be construed to refer to an award made in connection with the cancellation and repricing of an option or SAR.

3. Shares Subject to the Plan

3.1 Number of Shares. (a) Subject to adjustment as provided in Section 12, a total of 2,300,000 Shares shall be authorized for Awards granted under the Plan as of the Effective Date, reduced by one (1) Share for every one (1) Share that was subject to an Option or Stock Appreciation Right granted under the 2011 Plan after March 31, 2017 and two and a half (2.5) Shares for every one (1) Share that was subject to an Award other than an Option or Stock Appreciation Right granted under the 2011 Plan after March 31, 2017.

(b) If after March 31, 2017, (i) any Shares subject to an Award are forfeited, an Award expires or an Award is settled for cash (in whole or in part) or (ii) any Shares subject to an award granted under the Prior Plans are forfeited, or an award granted under the Prior Plans expires or is settled for cash (in whole or in part), then in each such case the Shares subject to such Award or award granted under the Prior Plans shall, to the extent of such forfeiture, expiration or cash settlement, be added to the Shares available for Awards under the Plan, in accordance with Section 3.1(d) below. In the event that after March 31, 2017 withholding tax liabilities arising from an Award other than an Option or Stock Appreciation Right, or an award other than an option or stock appreciation right granted under a Prior Plan, are satisfied by the tendering of Shares (either actually or by attestation) or by the withholding of Shares by the Company, the Shares so tendered or withheld shall be added to the Shares available for Awards under the Plan in accordance with Section 3.1(d) below. Notwithstanding anything to the contrary contained herein, after March 31, 2017 the following Shares shall not be added to the Shares authorized for grant under paragraph (a) of this Section: (i) Shares tendered by the Participant or withheld by the Company in payment of an Option Price or the purchase price of an option granted under a Prior Plan, (ii) Shares tendered by the Participant or withheld by the Company to satisfy any tax withholding obligation with respect to Options or Stock Appreciation Rights or options or stock appreciation rights granted under a Prior Plan, (iii) Shares subject to a Stock Appreciation Right or a stock appreciation right granted under a Prior Plan that are not issued in connection with its stock settlement on exercise thereof, and (iv) Shares reacquired by the Company on the open market or otherwise using cash proceeds from the exercise of Options or option granted under a Prior Plan.

(c) The number of Shares available for awards under this Plan shall not be reduced by (i) the number of Shares subject to Substitute Awards or (ii) available shares under a shareholder approved plan of a company or other entity which was a party to a corporate transaction with the Company (as appropriately adjusted to reflect such corporate transaction) which become subject to awards granted under this Plan (subject to applicable stock exchange requirements).

(d) Any Shares that again become available for Awards under the Plan pursuant to this Section shall be added as (i) one (1) Share for every one (1) Share subject to Options or Stock Appreciation Rights granted under the Plan or options or stock appreciation rights granted under a Prior Plan, and (ii) as two and a half (2.5) Shares for every one (1) Share subject to Awards other than Options or Stock Appreciation Rights granted under the Plan or options or stock appreciation rights granted under a Prior Plan.

3.2 Limit on Awards for IRC Section 162(m) Purposes. Subject to adjustment as provided in Section 12, with respect to an Award that is intended to be “qualified performance-based compensation” under Section 162(m) of the Code, no Participant may be granted during any fiscal year of the Company:

- (a) Options for, and/or SARs with respect to, more than 400,000 Shares;
- (b) Awards of Restricted Stock and/or Restricted Stock Units relating to more than 200,000 Shares;
- (c) Annual Incentive Award(s) having a cash payment value of more than \$10,000,000 (which limit shall be proportionally reduced with respect to any performance period that is less than a whole year);
- (d) Long-Term Incentive Award(s) granted in respect of any period greater than one year, having a cash payment value of more than \$10,000,000.

In all cases, to the extent Code Section 162(m) is applicable, determinations under this Section 3 should be made in a manner that is consistent with the exemption for performance-based compensation that Code Section 162(m) provides.

Notwithstanding anything to the contrary, the aggregate grant date fair value of equity Awards that may be granted during any fiscal year of the Company to any Director, taken together with any cash fees paid during the fiscal year to the Director in respect of the Director’s service as a member of the Board (including service as a member or chair of any regular committees of

the Board), shall not exceed \$500,000. The Board may make exceptions to this limit for a non-executive chair of the Board or, in extraordinary circumstances, for other individual Directors, as the Board may determine in its discretion, provided that the Director receiving such additional compensation may not participate in the decision to award such compensation.

4. Administration

- (a) The Plan shall be administered by the Committee, which may delegate its duties and powers in whole or in part to any subcommittee thereof; provided, however, that, on and after the first day on which a registration statement registering the Common Stock under Section 12 of the Act becomes effective, no such delegation is permitted with respect to Awards made to Section 16 Participants at the time any such delegated authority or responsibility is exercised unless the delegation is to another committee of the Board consisting entirely of two or more “non-employee directors” within the meaning of Rule 16b-3 promulgated under the Exchange Act or does not relate to awards intended to qualify as performance-based compensation under Code Section 162(m). The Committee is authorized to interpret the Plan, to establish, amend and rescind any rules and regulations relating to the Plan, and to make any other determinations that it deems necessary or desirable for the administration of the Plan. The Committee may correct any defect or supply any omission or reconcile any inconsistency in the Plan in the manner and to the extent the Committee deems necessary or desirable. The Committee shall have the full power and authority to establish the terms and conditions of any Award consistent with the provisions of the Plan and to waive any such terms and conditions at any time (including, without limitation, accelerating or waiving any vesting conditions). Notwithstanding the foregoing, no outstanding Award may be amended pursuant to this Section 4 without compliance with Section 16(a).
- (b) The Committee shall require payment of any amount it may determine to be necessary to withhold for federal, state, local or other taxes as a result of the exercise, grant or vesting of an Award, and the Company shall have no obligation to deliver Shares under an Award unless and until such amount is so paid. Unless the Committee specifies in an Agreement or otherwise, the Participant may elect to satisfy a portion or all of the Company’s withholding tax obligations by (a) delivery of Shares or (b) having Shares withheld by the Company from any Shares that would have otherwise been received by the Participant under the Award, in each case having a Fair Market Value equal to such withholding tax amount, provided that the withholding tax amount may not exceed the total maximum statutory tax rates associated with the transaction.
- (c) Minimum Vesting Schedule. Notwithstanding any other provision of the Plan to the contrary and subject to the immediately following proviso, equity-based Awards granted under the Plan shall vest no earlier than the first anniversary of the date the Award is granted; provided, however, that the Committee may grant Awards without regard to the foregoing minimum vesting requirement with respect to a maximum of five percent (5%) of the available Shares (the “5% Exception Limit”) authorized for issuance under the Plan pursuant to Section 3.1 above (subject to adjustment under Section 12). For the avoidance of doubt, this Section 4(c) shall not be construed to limit the Committee’s discretion to provide for accelerated exercisability or vesting of an Award, including in cases of death, Disability or a Change in Control.

5. Limitations

No Award may be granted under the Plan after the tenth anniversary of the Effective Date, but Awards theretofore granted may extend beyond that date.

6. Terms and Conditions of Options

The Committee may grant Options to any Participant it selects. Options granted under the Plan shall be subject to the following terms and conditions and to such other terms and conditions, not inconsistent therewith, as the Committee shall determine and set forth in an Agreement between the Company and the Participant:

- (a) Option Price. The Option Price shall be determined by the Committee, but shall not be less than 100% of the Fair Market Value of a Share on the date the applicable Option is granted. The grant date of an Option may not be any day prior to the date the Committee approves the Option. Notwithstanding the foregoing, in the case of an Option that is a Substitute Award, the purchase price per share of the Shares subject to such option may be less than 100% of the Fair Market Value per share on the date of grant, provided, that the excess of: (a) the aggregate Fair Market Value (as of the date such Substitute Award is granted) of the shares subject to the Substitute Award, over (b) the aggregate purchase price thereof does not exceed the excess of: (x) the aggregate fair market value (as of the time immediately preceding the transaction giving rise to the Substitute Award, such fair market value to be determined by the Committee) of the shares of the predecessor company

or other entity that were subject to the grant assumed or substituted for by the Company, over (y) the aggregate purchase price of such shares.

Subject to Section 12, the Committee shall not without the approval of the shareholders of the Company, (i) reduce the Option Price of any previously granted Option, (ii) cancel any previously granted Option in exchange for another Option with a lower Option Price or (iii) cancel any previously granted Option in exchange for cash or another award if the Option Price of such Option exceeds the Fair Market Value of a share of Common Stock on the date of such cancellation, in each case other than in connection with a Change of Control.

- (b) Vesting. Subject to Section 12(b), each Option shall become vested at such times as may be designated by the Committee and set forth in the applicable Agreement.
- (c) Exercisability. Options shall be exercisable at such time and upon such terms and conditions as may be determined by the Committee and set forth in the applicable Agreement, but in no event shall an Option be exercisable more than ten years after the date it is granted; 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.
- (d) Exercise of Options. Except as otherwise provided in the Plan or in an Agreement, an Option may be exercised for all, or from time to time, any part, of the Shares for which it is then exercisable. For purposes of this Section 6, the exercise date of an Option shall be the later of the date a notice of exercise is received by the Company and, if applicable, the date payment is received by the Company pursuant to clauses (i), (ii), (iii), (iv) or (v) of the following sentence. Except as otherwise provided for in the Agreement, the Option Price for the Shares as to which an Option is exercised shall be paid to the Company in full at the time of exercise 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 aggregate Option Price for the Shares being purchased and satisfying such other requirements as may be imposed by the Committee; provided, that such Shares are not subject to a security interest or pledge, (iii) partly in cash and partly in such Shares, (iv) subject to such rules as the Committee prescribes, 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, or (v) if there is a public market for the Shares at such time and if the Committee has authorized or established any required plan or program, through the delivery of irrevocable instructions to a broker to sell Shares obtained upon the exercise of the Option and to deliver promptly to the Company an amount out of the proceeds of such sale equal to the aggregate Option Price for the Shares being purchased. No Participant shall have any rights to dividends or other rights of a shareholder as a result of the grant of an Option until after the Option is exercised and Shares subject to the Option are issued. No Option shall include dividend equivalent rights.
- (e) Attestation. Wherever in this Plan or any Agreement a Participant is permitted to pay the Option Price of an Option or taxes relating to the exercise of an Option by delivering Shares, the Participant may, subject to procedures satisfactory to the Committee, satisfy such delivery requirement by presenting proof of beneficial ownership of such Shares, in which case the Company shall treat the Option as exercised without further payment and shall withhold such number of Shares from the Shares acquired by the exercise of the Option.

7. Stock Appreciation Rights.

The Committee may grant SARs to any Participant it selects. Subject to the terms of this Plan, the Committee will determine all terms and conditions of each SAR, including but not limited to: (a) whether the SAR is granted independently of an Option or relates to an Option; (b) the grant date, which may not be any day prior to the date that the Committee approves the grant; (c) the number of Shares to which the SAR relates; (d) the grant price, which (i) for an SAR granted independently of an Option may never be less than the Fair Market Value of the Shares subject to the SAR as determined on the date of grant and (ii) for an SAR granted in relation to an Option shall be the Option Price of the related Option; (e) the terms and conditions of exercise or maturity, including vesting; (f) the term, provided that an SAR must terminate no later than ten (10) years after the date of grant; provided, however, that (other than as would otherwise result in violation of Section 409A of the Code), to the extent a SAR would expire during a Closed Window Period, then such SAR shall remain exercisable until the thirtieth (30th) day following the end of the Closed Window Period; and (g) whether the SAR will be settled in cash, Shares or a combination

thereof. No Participant shall have any rights to dividends, dividend equivalents, or other rights of a shareholder with respect to Shares to which the SAR relates. If an SAR is granted in relation to an Option, then unless otherwise determined by the Committee, the SAR shall be exercisable or shall mature at the same time or times, on the same conditions and to the extent and in the proportion, that the related Option is exercisable and may be exercised or mature for all or part of the Shares subject to the related Option. Upon exercise of any number of SARs, the number of Shares subject to the related Option shall be reduced accordingly and such Option may not be exercised with respect to that number of Shares. The exercise of any number of Options that relate to an SAR shall likewise result in an equivalent reduction in the number of Shares covered by the related SAR.

Notwithstanding the foregoing, in the case of an SAR that is a Substitute Award, the grant price per share of the shares subject to such SAR may be less than 100% of the Fair Market Value per share on the date of grant, provided, that the excess of: (a) the aggregate Fair Market Value (as of the date such Substitute Award is granted) of the shares subject to the Substitute Award, over (b) the aggregate grant price thereof does not exceed the excess of: (x) the aggregate fair market value (as of the time immediately preceding the transaction giving rise to the Substitute Award, such fair market value to be determined by the Committee) of the shares of the predecessor company or other entity that were subject to the grant assumed or substituted for by the Company, over (y) the aggregate grant price of such shares.

Subject to Section 12, the Committee shall not without the approval of the shareholders of the Company, (i) reduce the grant price of any previously granted SAR, (ii) cancel any previously granted SAR in exchange for another SAR with a lower grant price or (iii) cancel any previously granted SAR in exchange for cash or another award if the grant price of such SAR exceeds the Fair Market Value of a share of Common Stock on the date of such cancellation, in each case other than in connection with a Change of Control.

8. Restricted Stock Awards and Restricted Stock Units

- (a) **Grant.** The Committee shall grant Restricted Stock Awards and Restricted Stock Unit Awards to any Participant it selects, which shall be evidenced by an Agreement between the Company and the Participant. Each Agreement shall contain such restrictions, terms and conditions as the Committee may, in its discretion, determine (including, without limiting the generality of the foregoing, that such Agreement may require that an appropriate legend be placed on Share certificates), provided that all Restricted Stock Awards and Restricted Stock Unit Awards granted under the Plan must have a minimum vesting period of one (1) year from the date of grant (which minimum vesting period cannot be overridden in the terms of an individual Agreement). Awards of Restricted Stock and Restricted Stock Units shall be subject to the terms and provisions set forth below in this Section 8.
- (b) **Rights of Participant.** A stock certificate or certificates with respect to the Shares of Restricted Stock shall be issued in the name of the Participant as soon as reasonably practicable after the Award is granted provided that the Participant has executed an Agreement evidencing the Award, the appropriate blank stock powers and, in the discretion of the Committee, an escrow agreement and any other documents which the Committee may require as a condition to the issuance of such Shares; provided that the Committee may determine instead that such Shares shall be evidenced by book-entry registration. If a Restricted Stock Unit is settled in Shares, a stock certificate or certificates with respect to such Shares shall be issued in the name of the Participant as soon as reasonably practicable after, and to the extent of, such settlement. If a Participant shall fail to execute the Agreement evidencing a Restricted Stock Award or Restricted Stock Unit, or any documents which the Committee may require within the time period prescribed by the Committee at the time the Award is granted, the Award shall be null and void. At the discretion of the Committee, any certificates issued in connection with a Restricted Stock Award or settlement of a Restricted Stock Unit shall be deposited together with the stock powers with an escrow agent (which may be the Company) designated by the Committee. Unless the Committee determines otherwise and as set forth in the applicable Agreement, upon delivery of the certificates to the escrow agent or the book-entry registration, as applicable, the Participant shall have all of the rights of a shareholder with respect to such Shares, including the right to vote the Shares and subject to Section 8(e), to receive all dividends or other distributions paid or made with respect to such Shares.
- (c) **Non-transferability.** Until all restrictions upon the Shares of Restricted Stock or Restricted Stock Units awarded to a Participant shall have lapsed in the manner set forth in Section 8(d), such Shares or such Restricted Stock Unit, as applicable, shall not be sold, transferred or otherwise disposed of and shall not be pledged or otherwise hypothecated.

- (d) Lapse of Restrictions. Except as set forth in Section 12(b), restrictions upon Shares of Restricted Stock or upon Restricted Stock Units awarded hereunder shall lapse at such time or times and on such terms and conditions as the Committee may determine. The applicable Agreement shall set forth any such restrictions.
- (e) Treatment of Dividends and Dividend Equivalents. The payment to the Participant of any dividends, dividend equivalents or distributions declared or paid on such Shares of Restricted Stock or on Shares underlying a Restricted Stock Unit, awarded to the Participant shall be deferred until the lapsing of the restrictions imposed upon such Shares or the settlement of such Restricted Stock Unit, as applicable. The Committee shall determine if any such deferred dividends, dividend equivalents or distributions shall be reinvested in additional Shares or credited during the deferral period with interest at a rate per annum as the Committee, in its discretion, may determine. Payment of any such deferred dividends, dividend equivalents, or distributions, together with any interest accrued thereon, shall be made upon the lapsing of the restrictions imposed on such Shares or the settlement of such Restricted Stock Units and any such deferred dividends, dividend equivalents, or distributions (together with any interest accrued thereon) shall be forfeited upon the forfeiture of such Shares or such Restricted Stock Units.

9. Other Stock-Based Awards.

- (a) Grant. Subject to the terms of this Plan, the Committee may grant to Participants other types of Awards, which may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on, Shares, either alone or in addition to or in conjunction with other Awards, and payable in Shares or in cash. Without limitation, such Award may include the issuance of unrestricted Shares, which may be awarded in payment of director fees, in lieu of cash compensation, in exchange for cancellation of a compensation right, as a bonus, or upon the attainment of Performance Goals or otherwise, or rights to acquire Shares from the Company. The Committee shall determine all terms and conditions of the Award, including but not limited to, the time or times at which such Awards shall be made, and the number of Shares to be granted pursuant to such Awards or to which such Award shall relate; provided that any Award that provides for purchase rights shall be priced at no less than 100% of the Fair Market Value of the underlying Shares on the grant date of the Award and such purchase rights shall be subject to the terms and conditions of an Option under Section 6 above.
- (b) Treatment of Dividends and Dividend Equivalents. The payment to the Participant of any dividends, dividend equivalents or distributions declared or paid on Shares covered by an Award under this Section 9 shall be deferred until the lapsing of the restrictions imposed upon such Awards. The Committee shall determine if any such deferred dividends or distributions shall be reinvested in additional Shares or credited during the deferral period with interest at a rate per annum as the Committee, in its discretion, may determine. Payment of any such deferred dividends or distributions, together with any interest accrued thereon, shall be made upon the lapsing of the restrictions imposed on such Awards and any such deferred dividends, dividend equivalents or distributions (together with any interest accrued thereon) shall be forfeited upon the forfeiture of such Awards.

10. Annual Incentive Awards

Subject to the terms of this Plan, the Committee will determine all terms and conditions of an Annual Incentive Award, including but not limited to the Performance Goals, performance period, the potential amount payable, the type of payment, and the timing of payment, subject to the following: (a) the Committee must require that payment of all or any portion of the amount subject to the Annual Incentive Award is contingent on the achievement or partial achievement of one or more Performance Goals during the period the Committee specifies, provided that the Committee may specify that all or a portion of the Performance Goals subject to an Award are deemed achieved (i) upon a Participant's death, Disability or a Change of Control or (ii) for Awards that are not intended to be considered performance-based compensation under Code Section 162(m) upon such other circumstances as the Committee may specify (including Retirement); and (b) payment will be in cash except to the extent that the Committee determines that payment will be made in the form of a grant of Shares of Common Stock, Restricted Stock or Restricted Stock Units, either on a mandatory basis or at the election of the Participant, having a Fair Market Value at the time of grant equal to the amount payable with respect to the Annual Incentive Award; provided, that any such determination by the Committee or election by the Participant must be made in accordance with the requirements of Code Section 409A.

11. Long-Term Incentive Awards

- (a) Grant. Subject to the terms of this Plan, the Committee will determine all terms and conditions of a Long-Term Incentive Award, including but not limited to the Performance Goals, performance period, the potential amount payable, the type of payment, and the timing of payment, subject to the following: (a) the Committee must require that payment of all or any portion of the amount subject to the Long-Term Incentive Award is contingent on the achievement or partial achievement of one or more Performance Goals during the period the Committee specifies, provided that the Committee may specify that all or a portion of the Performance Goals subject to an Award are deemed achieved (i) upon a Participant's death, Disability or a Change of Control or (ii) in the case of Awards that are not intended to be considered performance-based compensation under Code Section 162(m), upon such other circumstances as the Committee may specify (including Retirement); (b) the performance period must relate to a period of more than one fiscal year of the Company except that, if the Award is made at the time of commencement of employment with the Company or on the occasion of a promotion, then the Award may relate to a shorter period; and (c) payment will be made as determined by the Committee in the form of a grant of Shares of Common Stock, Restricted Stock, Restricted Stock Units or cash, either on a mandatory basis or at the election of the Participant, having a Fair Market Value at the time of grant equal to the amount payable with respect to the Long-Term Incentive Award; provided, that any such determination by the Committee or election by the Participant must be made in accordance with the requirements of Code Section 409A.
- (b) Treatment of Dividends and Dividend Equivalents. The payment to the Participant of any dividends, dividend equivalents or distributions declared or paid on Shares covered by a Long-Term Incentive Award under this Section 11 shall be deferred until the lapsing of the restrictions imposed upon such Awards. The Committee shall determine if any such deferred dividends, dividend equivalents, or distributions shall be reinvested in additional Shares or credited during the deferral period with interest at a rate per annum as the Committee, in its discretion, may determine. Payment of any such deferred dividends, dividend equivalents or distributions, together with any interest accrued thereon, shall be made upon the lapsing of the restrictions imposed on such Awards and any such deferred dividends, dividend equivalents or distributions (together with any interest accrued thereon) shall be forfeited upon the forfeiture of such Awards.

12. Adjustments Upon Certain Events

Notwithstanding any other provisions in the Plan to the contrary, the following provisions shall apply to all Awards granted under the Plan:

- (a) Generally. In the event of any change in the outstanding Shares after the Effective Date by reason of any Share dividend or split, reorganization, recapitalization, merger, consolidation, spin-off, combination, combination or transaction or exchange of Shares or other corporate exchange, or any distribution to shareholders of Shares other than regular cash dividends, or any other transaction which in the judgment of the Board necessitates an adjustment to prevent dilution or enlargement of the benefits or potential benefits intended to be made under the Plan, the Committee shall make such substitution or adjustment, in such manner as it deems equitable, as to (i) the number or kind of Shares or other securities issued or reserved for issuance pursuant to the Plan or pursuant to outstanding Awards, (ii) the maximum number of Shares that may be subject to Awards as set forth in Sections 3.2 (a) and (b), (iii) the Option Price or grant price and/or (iv) any other affected terms of such Awards, including one or more Performance Goals. Unless the Committee determines otherwise, any such adjustment to an Award that is exempt from Code Section 409A shall be made in a manner that permits the Award to continue to be so exempt, and any adjustment to an Award that is subject to Code Section 409A shall be made in a manner that complies with the provisions thereof. Further, the number of Shares subject to any Award payable or denominated in Shares must always be a whole number.
- (b) Change of Control.

For all outstanding Awards, any acceleration of vesting or settlement of an Award in connection with a Change of Control shall be determined by the Committee and set forth in each Agreement. If and to the extent determined by the Committee in the applicable Agreement or otherwise, any Awards outstanding immediately prior to the Change of Control which are unexercisable or otherwise unvested or subject to lapse restrictions may be deemed exercisable or otherwise vested or no longer subject to lapse restrictions, as the

case may be, in whole or part as of immediately prior to a Change of Control and the Committee may, but shall not be obligated to, with respect to some or all of the outstanding Awards (i) cancel such Awards for fair value (as determined in the sole discretion of the Committee) which, in the case of Options, may equal the excess, if any, of the value of the consideration to be paid in the Change of Control transaction to holders of the same number of Shares subject to such Options (or, if no consideration is paid in any such transaction, the Fair Market Value of the Shares subject to such Options) over the aggregate exercise price of such Options or (ii) provide for the issuance of substitute Awards that will substantially preserve the otherwise applicable terms of any affected Awards previously granted hereunder as determined by the Committee in its sole discretion or (iii) provide that for a period of at least 15 days prior to the Change of Control, any such Options or SARs (that are settled in Shares) shall be exercisable as to all shares subject thereto and that upon the occurrence of the Change of Control, such Options and SARs shall terminate and be of no further force and effect.

13. **No Right to Employment or Awards**

The granting of an Award under the Plan shall impose no obligation on the Company or any Affiliate to continue the Employment of a Participant and shall not lessen or affect the Company's or Affiliate's right to terminate the Employment of such Participant. No Participant or other Person shall have any claim to be granted any Award, and there is no obligation for uniformity of treatment of Participants, or holders or beneficiaries of Awards. The terms and conditions of Awards and the Committee's determinations and interpretations with respect thereto need not be the same with respect to each Participant (whether or not such Participants are similarly situated).

14. **Successors and Assigns**

The Plan shall be binding on all successors and assigns of the Company and a Participant, including without limitation, the estate of such Participant and the executor, administrator, beneficiary or trustee of such estate, or any receiver or trustee in bankruptcy or representative of the Participant's creditors.

15. **Nontransferability of Awards**

No Award shall be transferable or assignable by the Participant other than by will, the laws of descent and distribution or pursuant to beneficiary designation procedures approved by the Company or, to the extent expressly permitted in the Agreement relating to such Award, to the holder's family members, a trust or entity established by the holder for estate planning purposes or a charitable organization designated by the holder, in each case, without consideration. An Award exercisable after the death of a Participant may be exercised by the legatees, personal representatives or distributees of the Participant in accordance with the terms of such Award.

16. **Amendments and Termination**

- (a) Authority to Amend or Terminate. The Board may amend, alter or discontinue the Plan, but no amendment, alteration or discontinuation shall be made, (i) without the approval of the shareholders of the Company, if such action would (except as is provided in Section 12 of the Plan), increase the total number of Shares reserved for the purposes of the Plan or (ii) without the consent of a Participant, if such action would diminish any of the rights of the Participant under any Award theretofore granted to such Participant under the Plan; provided, however, that the Board may amend the Plan in such manner as it deems necessary to permit the granting of Awards meeting the requirements of the Code or other applicable laws. Notwithstanding the foregoing, the Board may not amend the provisions of the last paragraph of Sections 6(a) and 7 that restrict the repricing of Options and SARs.
- (b) Survival of Authority and Awards. To the extent provided in the Plan, the authority of (i) the Committee to amend, alter, adjust, suspend, discontinue or terminate any Award, waive any conditions or restrictions with respect to any Award, and otherwise administer the Plan and any Award and (ii) the Board or Committee to amend the Plan, shall extend beyond the date of the Plan's termination. Termination of the Plan shall not affect the rights of Participants with respect to Awards previously granted to them, and all unexpired Awards shall continue in force and effect after termination of the Plan except as they may lapse or be terminated by their own terms and conditions.

17. **International Participants**

With respect to Participants who reside or work outside the United States of America, the Committee may, in its sole discretion, amend the terms of the Plan or Awards (including granting restricted stock units payable in cash or stock, in lieu of restricted stock) with respect to such Participants in order to conform such terms to the requirements of local law or to address local tax, securities or legal concerns.

18. Choice of Law; Severability

The Plan shall be governed by and construed in accordance with the laws of the State of Delaware without regard to conflicts of laws. If any provision of the Plan or any Agreement or any Award (a) is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction, or as to any Person or Award, or (b) would disqualify the Plan, any Agreement or any Award under any law deemed applicable by the Committee, then such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan, such Agreement or such Award, such provision shall be stricken as to such jurisdiction, Person or Award, and the remainder of the Plan, such Agreement and such Award shall remain in full force and effect.

19. No Guarantee of Tax Treatment

Notwithstanding any provisions of the Plan, the Company does not guarantee to any Participant or any other Person with an interest in an Award that (a) any Award intended to be exempt from Code Section 409A shall be so exempt, (b) any Award intended to comply with Code Section 409A shall so comply, (c) any Award shall otherwise receive a specific tax treatment under any other applicable tax law.

20. Recoupment of Awards

All Awards granted under this Plan, and any Stock issued or cash paid pursuant to such Awards, shall be subject to (a) any recoupment, clawback, equity holding, stock ownership or similar policies adopted by the Company from time to time and (b) any recoupment, clawback, equity holding, stock ownership or similar requirements made applicable by law, regulation or listing standards to the Company from time to time.

21. General Restrictions

Notwithstanding any other provision of the Plan, the granting of Awards under the Plan and the issuance of Shares in connection with such Awards, shall be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required, and the Company shall have no liability to deliver any Shares under the Plan or make any payment unless such delivery or payment would comply with all applicable laws and the applicable requirements of any securities exchange or similar entity.

22. Committee

No member of the Committee or the Board shall be liable for any action, failure to act, determination or interpretation made in good faith with respect to the Plan or any transaction hereunder. The Company hereby agrees to indemnify each member of the Committee and the Board, and each officer or member of any other committee to whom a delegation under Section 4 has been made, for all costs and expenses and, to the extent permitted by applicable law, any liability incurred in connection with defending against, responding to, negotiating for the settlement of or otherwise dealing with any claim, cause of action or dispute of any kind arising in connection with any actions, taken in good faith, in administering the Plan or in authorizing or denying authorization to any transaction hereunder.

23. Effectiveness of the Plan

The Plan shall be effective on the date of its approval by the stockholders of the Company at the 2017 annual meeting. This Plan shall be null and void and of no effect if the foregoing condition is not fulfilled and in such event the 2011 Plan shall continue in effect.

**COOPER-STANDARD AUTOMOTIVE INC.
LONG-TERM INCENTIVE PLAN**

(Amended and Restated Effective as of May 18, 2017)

ARTICLE 1.
PURPOSE AND DURATION

Section 1.1. Purpose. This Cooper-Standard Automotive Inc. Long-Term Incentive Plan is intended to motivate key employees of the Company and its Affiliates who have the prime responsibility for the operations of the Company and its Affiliates to achieve performance objectives, measured on a long-term basis, that are aligned with the Company's strategic goals and which are intended to result in increased value to the shareholders of the Company. Awards granted under Section 11 of the Cooper-Standard Holdings Inc. 2017 Omnibus Incentive Plan (the "Omnibus Incentive Plan"), and awards granted under Section 8 of the Omnibus Incentive Plan that are subject to performance criteria, will be subject to the terms of this Plan in addition to the terms of the Omnibus Incentive Plan, although in the event of any discrepancy between the terms of this Plan and the terms of the Omnibus Incentive Plan, the terms of the Omnibus Incentive Plan shall control. Capitalized terms not otherwise defined herein shall have the same meanings as in the Omnibus Incentive Plan.

Section 1.2. Duration The Plan is effective for performance periods beginning as of January 1, 2011, and will remain in effect until terminated pursuant to Article 9. This Plan is amended and restated effective January 1, 2014 and the amendments included herein apply to performance periods beginning on and after January 1, 2014. This Plan is amended and restated effective May 18, 2017 and the amendments included herein apply to performance periods beginning on and after May 18, 2017.

ARTICLE 2.
DEFINITIONS AND CONSTRUCTION

Section 2.1. Definitions. Wherever used in the Plan, the following terms shall have the meanings set forth below and, when the meaning is intended, the initial letter of the word is capitalized:

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

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

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

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

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

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

(g) “Covered Employee” has the meaning given in Code Section 162(m).

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

(i) “Executive” means an employee of the Company duly appointed by the Board as an authorized signatory of the Company for all purposes.

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

(k) “Inimical Conduct” means any act or omission that is inimical to the best interests of the Company or any Affiliate, as determined by the Administrator, including but not limited to: (1) violation of any employment, noncompete, confidentiality or other agreement in effect with the Company or any Affiliate, (2) taking any steps or doing anything which would damage or negatively reflect on the reputation of the Company or an Affiliate, or (3) failure to comply with applicable laws relating to trade secrets, confidential information or unfair competition.

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

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

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

(o) “Performance Goal” means the level(s) of performance for a Performance Measure that must be attained in order for a payment to be made under a Performance Award, and/or for the amount of payment to be determined based on the Performance Scale. With respect to Performance Awards granted pursuant to Section 8 or Section 11 of the Omnibus Incentive Plan, the Performance Goals must comply with the terms of the Omnibus Incentive Plan.

(p) “Performance Period” means a period of one or more fiscal years of the Company or an Affiliate, as selected by the Administrator.

(q) “Performance Scale” means, with respect to a Performance Measure, a scale from which the level of achievement may be calculated for any given level of actual performance for such Performance Measure. The Performance Scale may be a linear function, a step function, a combination of the two, or any other manner of measurement as determined by the Administrator.

(r) “Omnibus Incentive Plan” means the Cooper-Standard Holdings Inc. 2011 Omnibus Incentive Plan, as from time amended and in effect.

(s) “Plan” means the arrangement described herein, as from time amended and in effect.

(t) “Retirement” means termination of employment with the Company and its Affiliates (without Cause) on or after (1) attainment of age 65 or (2) attainment of age 60 with five (5) Years of Service.

(u) “Years of Service” means the employee’s total years of employment with the Company and any Affiliate, including years of employment with an entity that is acquired by the Company prior to such acquisition.

Section 2.2. Gender and Number. Except where otherwise indicated by the context, any masculine term used herein includes the feminine, the plural includes the singular, and the singular the plural.

ARTICLE 3. ELIGIBILITY

Section 3.1. Eligibility. All Executives shall be eligible to participate in the Plan upon being appointed an Executive and shall remain eligible hereunder for so long as such individual remains in an Executive position.

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

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

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

(c) If a Participant is transferred from employment by the Company to the employment of an Affiliate, or vice versa, the Administrator may revise the Participant's Performance Award to reflect the transfer, including but not limited to, changing the potential award amount, Performance Measures, Performance Goals and Performance Scale; provided that the discretion described in this subsection (c) shall not be exercisable with respect to any Participant who is a Covered Employee unless the exercise of such discretion results in a reduction in the amount that would have otherwise payable to such individual.

Section 3.3. Termination of Employment.

(a) Except as otherwise provided under the terms of an employment or severance agreement between a Participant and the Company, or under the Company's Change of Control and Severance Pay Plan or the Company's Executive Severance Pay Plan, no

Participant shall earn an incentive award for a Performance Period unless the Participant is employed by the Company or an Affiliate (or is on an approved leave of absence) on the last day of such Performance Period, unless employment was terminated during the period as a result of Retirement, Disability or death at a time when the Participant could not have been terminated for Cause, or unless payment is approved by the Administrator after considering the cause of termination.

(b) If a Participant's employment is terminated as a result of death, Disability or Retirement, at a time when the Participant could not have been terminated for Cause, then unless the Administrator decides to provide a greater amount, the Participant (or the Participant's estate in the event of his death) shall be entitled to receive an amount equal to the product of (x) the amount calculated under Section 5.1 by (y) a fraction, the numerator of which is the number of the Participant's days of employment during the Performance Period for such award and the denominator of which is the number of days in the Performance Period for such award. Payment shall be made within 2½ months following the end of the year in which such the Participant's termination of employment occurs.

ARTICLE 4. **CONTINGENT PERFORMANCE AWARDS**

At the time of grant of a Performance Award, the Administrator shall determine for each award the Performance Measure(s), the Performance Goal(s) for each Performance Measure, the Performance Scale (which may vary for different Performance Measures), and the amount payable to the Participant if and to the extent the Performance Goals are met (as measured from the Performance Scale). The amount payable to a Participant may be designated as a flat dollar amount or as a percentage of the Participant's Base Salary, or may be determined by any other means as the Administrator may specify, including but not limited to Restricted Stock Units, at the time the Performance Award is granted. The amount payable to any Participant to whom a Performance Award is granted under Section 8 or Section 11 of the Omnibus Incentive Plan shall be subject to the share or dollar limit, respectively, imposed under such plan.

ARTICLE 5. **PAYMENT**

Section 5.1. Evaluating Performance and Computing Awards.

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

(b) The Administrator may adjust each Participant's potential award amount under any Performance Award, based upon overall individual performance and attainment of goals up to a maximum of plus fifty percent (+50%) or down to a maximum of minus one hundred percent (-100%); provided that with respect to any Participant who is a Covered Employee, the Administrator shall only be allowed to approve a downward adjustment.

Section 5.2. Timing and Form of Payment. When the payment due to the Participant has been determined, payment shall be made in a cash lump sum or in Shares in the calendar year immediately following the close of the Performance Period, typically as soon as practicable after the Administrator has certified the extent to which the Performance Goals have been achieved.

Section 5.3. Inimical Conduct. Notwithstanding the foregoing, after the end of the Performance Period for which the payment has accrued, but before payment is made, if the Participant engages in Inimical Conduct, or if the Company determines after a Participant's termination of employment that the Participant could have been terminated for Cause, then the Performance Award shall be automatically cancelled and no payment or deferral shall be made. The Administrator may suspend payment (without liability for interest thereon) pending the Administrator's determination of whether the Participant was or should have been terminated for Cause or whether the Participant has engaged in Inimical Conduct.

ARTICLE 6. **ADJUSTMENTS**

In the event of any change in the outstanding shares of Company Common Stock by reason of any stock dividend or split, recapitalization, reclassification, merger, consolidation or exchange of shares or other similar corporate change, then if the Administrator shall determine that such change necessarily or equitably requires an adjustment in the Performance Goals established under a Performance Award, such adjustments shall be made by the Administrator and shall be conclusive and binding for all purposes of this Plan. No adjustment shall be made in connection with the issuance by the Company of any warrants, rights, or options to acquire additional shares of Common Stock or of securities convertible into Common Stock; and no such adjustment shall be permitted with respect to any Participant who is a Covered Employee to the extent such adjustment would cause the Participant's Performance Award to cease to be qualified performance-based compensation within the meaning of Code Section 162(m). In the case of a Performance Award that is denominated in Shares, any adjustments shall be made in accordance with Section 12 of the Omnibus Incentive Plan.

ARTICLE 7. **RIGHTS OF PARTICIPANTS**

Section 7.1. No Funding. No Participant shall have any interest in any fund or in any specific asset or assets of the Company or any Affiliate by reason of any Performance Award under the Plan. It is intended that the Company has merely a contractual obligation to make payments when due hereunder and it is not intended that the Company or any Affiliate hold any funds in reserve or trust to secure payments hereunder.

Section 7.2. No Transfer. No Participant may assign, pledge, or encumber his or her interest under the Plan, or any part thereof.

Section 7.3. No Implied Rights; Employment. Nothing contained in this Plan shall be construed to:

- (a) Give any employee or Participant any right to receive any award other than in the sole discretion of the Administrator;
- (b) Limit in any way the right of the Company or an Affiliate to terminate a Participant's employment at any time; or
- (c) Be evidence of any agreement or understanding, express or implied, that a Participant will be retained in any particular position or at any particular rate of remuneration.

ARTICLE 8. **ADMINISTRATION**

Section 8.1. General. The Plan shall be administered by the Administrator.

Section 8.2. Authority. In addition to the authority specifically provided herein, the Administrator shall have full power and discretionary authority to: (a) administer the Plan, including but not limited to the power and authority to construe and interpret the Plan; (b) correct errors, supply omissions or reconcile inconsistencies in the terms of the Plan or any Performance Award; (c) establish, amend or waive rules and regulations, and appoint such agents, as it deems appropriate for the Plan's administration; and (d) make any other determinations, including factual determinations, and take any other action as it determines is necessary or desirable for the Plan's administration.

Section 8.3. Decision Binding. The Administrator's determinations and decisions made pursuant to the provisions of the Plan and all related orders or resolutions of the Board shall be final, conclusive and binding on all persons who have an interest in the Plan or an award, and such determinations and decisions shall not be reviewable.

ARTICLE 9. **AMENDMENT AND TERMINATION**

Section 9.1. Amendment. The Committee may modify or amend, in whole or in part, any or all of the provisions of the Plan or any Performance Award, and may suspend the Plan at any time; provided, however, that no such modification, amendment, or suspension may, without the consent of the Participant or his legal representative in the case of his death, adversely affect the amount of any payment due under the Plan with respect to any Performance Award in effect prior to the date of such modification, amendment or suspension.

Section 9.2. Termination. The Committee may terminate the Plan at any time; provided, however, that no such termination may, without the consent of the Participant or his legal representative in the case of his death, adversely affect the amount of any payment due under the Plan with respect to any Performance Award in effect prior to the date of such termination.

ARTICLE 10. **TAX WITHHOLDING**

The Company shall have the right to deduct from all cash payments made hereunder (or from any other payments due a Participant) any foreign, federal, state, or local taxes required by law to be withheld with respect to such cash payments. With respect to any Performance Award payable in Shares, the Committee shall require payment of any amount it may determine to be necessary to withhold for federal, state, local or other taxes as a result of the issuance of such Shares, and the Company shall have no obligation to deliver Shares unless and until such amount is so paid. Unless the Committee specifies in an agreement evidencing the Performance Award or otherwise, the Participant may elect to pay a portion or all of the minimum statutory required withholding taxes by (a) delivering Shares or (b) having Shares withheld by the Company from any Shares that would have otherwise been issued to the Participant, in each case having a Fair Market Value equal to such withholding tax amount.

ARTICLE 11. **OFFSET**

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

ARTICLE 12. SUCCESSORS

All obligations of the Company under the Plan with respect to Performance Awards granted hereunder shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation

or otherwise, of all or substantially all of the business and/or assets of the Company. The Plan shall be binding upon and inure to the benefit of the Participants and their heirs, executors, administrators and legal representatives.

ARTICLE 13.

DISPUTE RESOLUTION

Unless prohibited by law, any legal action or proceeding with respect to this Plan or any Performance Award, or for recognition and enforcement of any judgment in respect to this Plan or any Performance Award, may only be heard in a “bench” trial, and any party to such action or proceeding shall agree to waive its right to a jury trial. Any legal action or proceeding with respect to this Plan or any Performance Award must be brought within one year (365 days) after the day the complaining party first knew or should have known of the events giving rise to the complaint.

**COOPER-STANDARD AUTOMOTIVE INC.
ANNUAL INCENTIVE PLAN**

(Amended and Restated Effective as of January 1, 2018)

ARTICLE 1.
PURPOSE AND DURATION

Section 1.1. Purpose. This Cooper-Standard Automotive Inc. Annual Incentive Plan (the “Plan”) is intended to motivate key employees of the Company and its Affiliates (collectively the “Company”) who have the prime responsibility for the operations of the Company to achieve annual performance objectives that are aligned with the Company’s strategic goals and which are intended to result in increased value to Company shareholders. Awards granted under Section 10 of the Cooper-Standard Holdings Inc. 2017 Omnibus Incentive Plan, as amended and restated (the “Omnibus Plan”), will be subject to the terms of this Plan and the Omnibus Plan, although in the event of any discrepancy between the terms of this Plan and the Omnibus Plan, the terms of the Omnibus Plan shall control. Capitalized terms not otherwise defined herein shall have the same meanings as in the Omnibus Plan.

Section 1.2. Duration. The Plan is effective for performance periods beginning as of January 1, 2011, and will remain in effect until terminated pursuant to Article 9. This Plan is amended and restated effective January 1, 2016 and the amendments included herein apply to performance periods beginning on and after January 1, 2016. This Plan is amended and restated effective January 1, 2018 and the amendments included herein apply to performance periods beginning on or after January 1, 2018.

ARTICLE 2.
DEFINITIONS AND CONSTRUCTION

Section 2.1. Definitions. Wherever used in the Plan, the following terms shall have the meanings set forth below and, when the meaning is intended, the initial letter of the word is capitalized:

- (a) “Affiliate” means, with respect to an entity, any entity directly or indirectly controlling, controlled by, or under common control with, such first entity.
- (b) “Administrator” means, with respect to Executive Officers, the Committee, and with respect to all other Executives, the Chief Executive Officer of the Company.
- (c) “Base Salary” of a Participant means the annual rate of base pay in effect for such Participant as of the last day of the Performance Period, or such other date as the Administrator specifies.
- (d) “Board” means the Board of Directors of the Company.

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

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

(g) “Covered Employee” has the meaning given in Code Section 162(m).

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

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

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

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

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

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

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

(o) “Performance Goal” means the level(s) of performance for a Performance Measure that must be attained in order for a payment to be made under a Performance Award, and/or for the amount of payment to be determined based on the Performance Scale. With respect to Performance

Awards granted pursuant to Section 10 of the Omnibus Plan, the Performance Goals must comply with the terms of the Omnibus Plan.

(p) “Performance Period” means a period of one fiscal year of the Company, as selected by the Administrator.

(q) “Performance Scale” means, with respect to a Performance Measure, a scale from which the level of achievement may be calculated for any given level of actual performance for such Performance Measure as determined by the Administrator.

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

(s) “Years of Service” means the employee’s total years of employment with the Company, including years of employment with an entity that is acquired by the Company prior to such acquisition.

ARTICLE 3. ELIGIBILITY

Section 3.1. Eligibility. All Executive Officers, and such Executives as designated by the Chief Executive Officer, shall be eligible to participate in the Plan.

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

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

(b) If a Participant is demoted during a Performance Period, the Administrator may decrease the potential award amount of any Performance Award, or revise the Performance

Goals, Performance Measures or Performance Scale, as determined by the Administrator to reflect the demotion.

(c) If a Participant is transferred from employment by the Company to the employment of an Affiliate, or vice versa, the Administrator may revise the Participant's Performance Award to reflect the transfer, including but not limited to, changing the potential award amount, Performance Measures, Performance Goals and Performance Scale; provided that the discretion described in this subsection (c) shall not be exercisable with respect to any Participant who is a Covered Employee unless the exercise of such discretion results in a reduction in the amount that would have otherwise payable to such individual.

Section 3.3. Termination of Employment.

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

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

ARTICLE 4. **CONTINGENT PERFORMANCE AWARDS**

At the time of grant of a Performance Award, the Administrator shall determine for each award the Performance Measure(s), the Performance Goal(s) for each Performance Measure, the Performance Scale (which may vary for different Performance Measures), and the amount payable to the Participant if and to the extent the Performance Goals are met (as measured from the Performance Scale). The amount payable to a Participant may be designated as a flat dollar amount or as a percentage of the Participant's Base Salary, or may be determined by any other means as the Administrator may specify at the time the Performance Award is granted. The amount payable to any Participant to whom a Performance Award is granted under Section 10 of the Omnibus Plan shall be subject to the dollar limit imposed under such plan.

ARTICLE 5. PAYMENT

Section 5.1. Evaluating Performance and Computing Awards.

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

(b) The Administrator may adjust each Participant's potential award amount under any Performance Award, based upon overall individual performance and attainment of goals up to a maximum of plus fifty percent (+50%) or down to a maximum of minus one hundred percent (-100%); provided that with respect to any Participant who is a Covered Employee, the Administrator shall only be allowed to approve a downward adjustment.

Section 5.2. Timing and Form of Payment. When the payment due to the Participant has been determined, payment shall be made in a cash lump sum in the calendar year immediately following the close of the Performance Period, typically as soon as practicable after the Administrator has determined the extent to which the Performance Goals have been achieved.

Section 5.3. Misconduct. Notwithstanding the foregoing, after the end of the Performance Period for which the payment has accrued, but before payment is made, if the Participant engages in Misconduct, or if the Company determines after a Participant's termination of employment that the Participant could have been terminated for Cause, the Performance Award shall be automatically cancelled and no payment or deferral shall be made. The Administrator may suspend payment (without liability for interest thereon) pending the Administrator's determination of whether the Participant was or should have been terminated for Cause or whether the Participant has engaged in Misconduct.

Section 5.4. Recoupment. Compensation received by the Participant under the Plan shall be subject to the terms of any recoupment or clawback policy that may be adopted by the Company from time to time and to any requirement of applicable law, regulation or listing standard that requires the Company to recoup or clawback compensation paid under this Plan.

ARTICLE 6. **ADJUSTMENTS**

In the event of any change in the outstanding shares of Company Common Stock by reason of any stock dividend or split, recapitalization, reclassification, merger, consolidation or exchange of shares or other similar corporate change, then if the Administrator shall determine that such change necessarily or equitably requires an adjustment in the Performance Goals established under a Performance Award, such adjustments shall be made by the Administrator and shall be conclusive and binding for all purposes of this Plan. No adjustment shall be made in connection with the issuance by the Company of any warrants, rights, or options to acquire additional shares of Common Stock or of securities convertible into Common Stock, and no such adjustment shall be permitted with respect to any Participant who is a Covered Employee to the extent such adjustment would cause the Participant's Performance Award to cease to be qualified performance-based compensation within the meaning of Code Section 162(m).

ARTICLE 7.
RIGHTS OF PARTICIPANTS

Section 7.1. No Funding. No Participant shall have any interest in any fund or in any specific asset or assets of the Company by reason of any Performance Award under the Plan. It is intended that the Company has merely a contractual obligation to make payments when due hereunder and it is not intended that the Company hold any funds in reserve or trust to secure payments hereunder.

Section 7.2. No Transfer. No Participant may assign, pledge, or encumber his or her interest under the Plan, or any part thereof.

Section 7.3. No Implied Rights; Employment. Nothing contained in this Plan shall be construed to:

- (a) Give any employee or Participant any right to receive any award other than in the sole discretion of the Administrator;
- (b) Limit in any way the right of the Company to terminate a Participant's employment at any time; or
- (c) Be evidence of any agreement or understanding, express or implied, that a Participant will be retained in any particular position or at any particular rate of remuneration.

ARTICLE 8.
ADMINISTRATION

Section 8.1. General. The Plan shall be administered by the Administrator.

Section 8.2. Authority. In addition to the authority specifically provided herein, the Administrator shall have full power and discretionary authority to: (a) administer the Plan, including but not limited to the power and authority to construe and interpret the Plan; (b) correct errors, supply omissions or reconcile inconsistencies in the terms of the Plan or any Performance Award; (c) establish, amend or waive rules and regulations, and appoint such agents, as it deems appropriate for the Plan's administration; and (d) make any other determinations, including factual determinations, and take any other action as it determines is necessary or desirable for the Plan's administration.

Section 8.3. Decision Binding. The Administrator's determinations and decisions made pursuant to the provisions of the Plan and all related orders or resolutions of the Board shall be final, conclusive and binding on all persons who have an interest in the Plan or an award, and such determinations and decisions shall not be reviewable.

ARTICLE 9.
AMENDMENT AND TERMINATION

Section 9.1. Amendment. The Committee may modify or amend, in whole or in part, any or all of the provisions of the Plan or any Performance Award, and may suspend the Plan, at any time;

provided, however, that no such modification, amendment, or suspension may, without the consent of the Participant or his legal representative in the case of his death, adversely affect the amount of any payment earned and due under the Plan with respect to any Performance Award in effect prior to the date of such modification, amendment or suspension.

Section 9.2. Termination. The Committee may terminate the Plan at any time; provided, however, that no such termination may, without the consent of the Participant or his legal representative in the case of his death, adversely affect the amount of any payment earned and due under the Plan with respect to any Performance Award in effect prior to the date of such termination.

ARTICLE 10.
TAX WITHHOLDING

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

ARTICLE 11.
OFFSET

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

ARTICLE 12.
SUCCESSORS

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

ARTICLE 13.
DISPUTE RESOLUTION

Unless prohibited by law, any legal action or proceeding with respect to this Plan or any Performance Award, or for recognition and enforcement of any judgment in respect to this Plan or any Performance Award, may only be heard in a "bench" trial, and any party to such action or proceeding shall agree to waive its right to a jury trial. Any legal action or proceeding with respect to this Plan or any Performance Award must be brought within one year (365 days) after the day the complaining party first knew or should have known of the events giving rise to the complaint.

COOPER-STANDARD HOLDINGS INC.
RESTRICTED STOCK UNIT AWARD AGREEMENT
(Non-Employee Directors)

THIS AGREEMENT (this “Agreement”), is made effective as of the Grant Date (the “Date of Grant”), between Cooper-Standard Holdings Inc., a Delaware corporation (the “Company”), and the non-employee director of the Company whose name is set forth on the signature page hereof (the “Participant”):

R E C I T A L S:

WHEREAS, the Company has adopted the Cooper-Standard Holdings Inc. 2017 Omnibus Incentive Plan (the “Plan”), which Plan is incorporated herein by reference and made a part of this Agreement; and

WHEREAS, the Committee has determined that it would be in the best interests of the Company and its shareholders to grant the Restricted Stock Units (“RSUs”) provided for herein to the Participant pursuant to the Plan and the terms set forth herein (capitalized terms not otherwise defined herein shall have the same meanings as in the Plan).

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 XXX 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 the date of vesting as described in Section 3.

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 earlier of (1) the first anniversary of the Date of Grant or (2) the date of the first annual shareholders meeting that occurs after the Date of Grant (the first such event, the “Lapse Date”), subject to the Participant’s continued Employment with the Company or its Affiliate until such date. As defined under the Plan, “Employment” includes Participant’s services as a non-employee director.

(b) **Termination of Employment.** Notwithstanding anything to the contrary contained in any agreement between the Participant and the Company, the treatment of the RSUs following Participant’s termination of Employment shall be governed exclusively by the Plan and this Agreement, except to the extent that capitalized terms used in the Plan or this Agreement are specifically defined by reference to

such other agreement. If the Participant's Employment with the Company and its Affiliates terminates for any reason, the RSUs shall, to the extent that the Lapse Date has not occurred, be canceled by the Company without consideration; provided, however, that upon removal of the Participant from the Board without Cause, or due to the Participant's death or Disability, then a number of RSUs equal to (x) the total number of RSUs multiplied by (y) 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 365, 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 end of the fiscal year in which vesting occurs), the Company will settle such vested RSUs by electing either to (a) 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 (b) 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 the Shares issued in respect of the RSUs shall lapse upon such issuance.

(b) Deferral. The RSUs are eligible to be deferred under the Cooper-Standard Holdings Inc. Deferred Compensation Plan for Non-Employee Directors (the "Deferred Compensation Plan"). Therefore, any RSUs deferred under the Deferred Compensation Plan shall be settled in accordance with the terms of the Deferred Compensation Plan.

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 of Common Stock 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. If, however, any dividends or distributions with respect to the Shares underlying the RSUs are paid in Shares rather than cash, then the Participant shall be credited with additional RSUs equal to the number of Shares that the Participant would have received had the RSUs

been actual Shares, and such RSUs shall be deemed RSUs subject to the same risk of forfeiture and other terms of this Agreement and the Plan as apply to the other RSUs granted under this Award. 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 granted under this Agreement.

6. Withholding. The Participant may be required to pay to the Company or any Affiliate, and the Company 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 in the opinion of the Committee to satisfy all obligations for the payment of such withholding taxes.

7. 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.

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 hereafter designate in writing to the other. Any such notice shall be deemed effective upon receipt thereof 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. 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 contained herein and a term or provision of the Plan, the applicable terms and provisions of the Plan will govern and prevail.

11. 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.

12. 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.

13. 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 thereto and hereto 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: Participant Name



World Headquarters

January 24, 2018

Jeffrey A. DeBest
1817 Prairie Dunes Court South
Ann Arbor, MI 48108

Dear Jeffrey:

On behalf of Cooper-Standard, I am pleased to confirm our offer of employment to you as Senior Vice President & President, Adjacent Markets of Cooper-Standard Holdings Inc. and its main operating subsidiary, Cooper-Standard Automotive Inc. (collectively, the "Company") commencing Thursday, March 1, 2018 located in our Livonia office and reporting to me. The following outlines the key terms of our offer.

Base Salary. Your base salary will be \$500,000 per year, paid bi-weekly, less deductions and withholdings required by law. The base salaries of executive officers of the Company are generally reviewed for possible adjustment in the first quarter of each year.

Annual Incentive Award. You will be eligible to participate in the company's Annual Incentive Plan ("AIP"). Your target AIP award will be 65% of your annual base salary, not subject to proration.

The annual incentive is based on the achievement of performance goals established each year by the Compensation Committee of the Board of Directors.

Executive Severance Pay Plan. As an executive officer of the Company, you will be eligible for severance benefits in the event of the termination of your employment with the Company under certain circumstances under the Company's Executive Severance Pay Plan in accordance with the terms of the plan as in effect at the time of termination.

Long Term Incentive Awards. You will also be eligible for long-term incentive awards under the Cooper-Standard Holdings Inc. 2017 Omnibus Incentive Plan (the "Omnibus Plan") and the Cooper-Standard Automotive Inc. Long-Term Incentive Plan (together, the "LTIP"). In the first quarter of 2018, you will receive LTIP awards designed to have an aggregate value, at the time of grant, targeting approximately \$675,000.



In recent years, LTIP awards have included both performance and time-vested equity components. As a reference, in 2017, the aggregate LTIP target award value granted to the company's senior management team was delivered in the following manner:

- (i) 50% as performance share units, with the actual level of payout dependent on achievement of financial objectives related to a full three year ROIC goal and vested after three years;
- (ii) 30% as stock options with an exercise price equal to the market price of the company's common stock on the date of grant and vested ratably over three years; and
- (iii) 20% as restricted stock units vested after three years.

Similar to its review of the Annual Incentive Plan, the Compensation Committee will be reviewing the basis upon which achievement and payout will be determined for the performance award component of the LTIP and also may consider allocating the aggregate LTIP award across performance share units, restricted stock units, and stock options in proportions different than the illustrative 2017 allocations outlined above.

Sign-On Bonus. You will be provided 5,000 Restricted Stock Units that will vest after 3 years from the date of the grant.

Benefits. Coverage under the company's Health & Well-Being benefit program will commence upon the first day of the month following your hire date.

Eligibility to participate in the company's 401(k) Enhanced Investment Savings Plan will commence upon your completion of 30 days of employment (immediately if you are a rehired employee who was previously participating in the plan). The plan provides a "base contribution" of 3% to 5% depending on your combined age plus years of service, regardless of whether or not you contribute your own money. In addition, the Plan provides a fixed Company match of 40 cents for each dollar you contribute up to 5% of your pay, for a total potential match equal to 2% of your pay. The Company may also make additional discretionary contributions depending on Company performance.

The Plan also has an automatic enrollment feature and automatic annual increases in savings rates to help make saving for your retirement easier. Further details regarding the 401(k) plan, including information on the automatic enrollment and automatic increase processes, will be provided at the time of hire.



World Headquarters

You will also be eligible to participate in the Company's Supplemental Executive Retirement Plan ("SERP"). The SERP provides for an enhanced level of retirement benefits and compensates for the loss of benefits under the 401(k) plan resulting from certain limitations imposed by the Internal Revenue Code.

In all cases, eligibility and benefits provided are governed by the terms of the applicable plan documents and may be modified from time to time at the company's discretion and in accordance with the law

Vacation. The Company's vacation eligibility runs on a calendar year and vacation days are accrued on a monthly basis. You will be eligible for 20 days of paid vacation annually.

Company Car. You will be eligible to participate in the company's vehicle program which will be comprised of a monthly allowance of **\$1000** and reimbursement of business mileage at a specified rate; current rate is 50% of the \$.54 IRS limit, \$.27 per mile.

Non-Competition, Nondisclosure and Patent Assignment Agreement. As a condition of your employment and prior to your commencement of work as an employee, you must sign the Company's Non-competition, Nondisclosure and Patent Assignment Agreement, a copy of which is being sent to you with this letter for your information and review.

39550 Orchard Hill Place Drive Novi, MI 48375 Phone: (248) 596-5900 Fax: (248) 596-6535



World Headquarters

You agree that, if you are employed by the Company, the employment relationship is “at-will” which means that either the Company or you may terminate the employment relationship at any time with or without cause or notice. The compensation and benefit plans and practices of the Company are subject to modification or termination at the discretion of the Company at any time in accordance with applicable law, and nothing herein constitutes an undertaking by the Company to continue any such plan or practice as it may apply to you.

The terms and conditions set forth in this letter shall be governed and construed in accordance with the laws of the State of Michigan.

Jeffrey, it is a pleasure to be able to extend this offer of employment to you. We are looking forward to your joining Cooper Standard.

Very truly yours,

Cooper-Standard Holdings Inc.
Cooper-Standard Automotive Inc.

/s/ Jeffrey S. Edwards
Jeffrey S. Edwards
Chairman and Chief Executive Officer

Enclosures via email

Accepted: /s/ Jeffrey A. DeBest
Jeffrey A. DeBest

Date: 1/24/2018

SEPARATION AGREEMENT

THIS SEPARATION AGREEMENT (this “Agreement”) is entered into as of December 31, 2019 by and among Cooper-Standard Holdings Inc., a Delaware corporation (“CS Holdings”), Cooper-Standard Automotive Inc., an Ohio corporation, (the “Company”), and Song Min Lee (“Executive”).

A. The Company and Executive are parties to the Executive Severance Pay Plan dated as of January 1, 2011, (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:

1. Separation. Executive’s employment with the Company and its corporate parent, subsidiaries and affiliates will terminate effective December 31, 2019 (the “Separation Date”). The termination shall be deemed a termination by the Company Without Cause. Executive shall execute those documents and complete those actions required to resign Executive’s position as an officer or director or other agent of the Company, its corporate parent, subsidiaries and affiliates all effective not later than the Separation Date.

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

a. 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;

b. 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;

c. to pay Executive the total gross amount of \$1,433,025.00 less withholding and applicable taxes, 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, which lump sum payment shall be made on the first regular payroll date following July 1, 2020.

d. to pay Executive the amount to which Executive is entitled under the Company’s Nonqualified Supplemental Executive Retirement Plan, which payment shall be made on the second regular payroll date following July 1, 2020;

e. 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

f. 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 and iPad 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 December 31, 2019, 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.

3. Cash and Equity Incentive Awards. Executive's pro-rata portion of the annual incentive award under the Company's annual incentive plan for the performance period ending December 31, 2019, if any, shall be payable to Executive under Section 5(a)(ii) of the Plan. Equity awards granted to Executive under CS Holdings' 2011 Omnibus Incentive Plan and 2017 Omnibus Incentive Plan shall be governed by such plans and award agreements, as applicable.

4. 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 forty-five 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 or the Release within the applicable period, then the Company shall have no obligation to make the payments or provide the benefits described in this Agreement.

5. 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.

6. 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.

7. 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.

8. 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.

9. 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.

10. 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.

11. 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/ Song Min Lee

Name: Song Min Lee

EXHIBIT A

Confidentiality, Non-Compete and Non-Disparagement Agreement

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

WHEREAS, the Executive is required to sign this Confidentiality, Non-Compete and Non-Disparagement Agreement ("**Agreement**") in order to receive the Severance Pay (as such term is defined in the Plan) as described in Section 5 of the Plan and the Separation Agreement.

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

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

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

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

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

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

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

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

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

4. *Non-Compete.* The Executive agrees that Executive will not, for a period of **18 months** following Executive's termination with the Company and its Affiliates, engage in Competitive Activity.

5. *Nonsolicitation.* The Executive further agrees that Executive will not, directly or indirectly, for a period of **18 months** following Executive's termination with the Company and its Affiliates:

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

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

6. *Definitions.* For purposes of this Agreement, "**Competitive Activity**" means the Executive's participation, without the written consent of the Chief Executive Officer (except where the Executive holds such position, in which case the Board shall be required to provide such written consent), if any, of the Company, in the management of any business enterprise if such enterprise engages in substantial and direct competition with the Company or any its Affiliates and such enterprise's sales of any product or service competitive with any product or service of the Company or its Affiliates amounted to 5% of such enterprise's net sales for its most recently completed fiscal year and if the Company's net sales of said product or service amounted to 5% of, as applicable, the Company's or its Affiliate's net sales for its most recently completed fiscal year. "Competitive Activity" will not include (i) the mere ownership of 5% or more of securities in any such enterprise and the exercise of rights appurtenant thereto or

(ii) participation in the management of any such enterprise other than in connection with the competitive operations of such enterprise.

7. *Remedies; Tolling; Reasonableness.* The Executive agrees that the Company would be irreparably harmed if Executive violated any provision of Sections 4 and 5 of this Agreement. Therefore, in addition to any other remedy which the Company may have, the Company shall be entitled to immediate injunctive relief, including the issuance of a temporary injunction to remedy or forestall any breach or threatened breach of Sections 4 and 5 of this Agreement. The restrictive period shall be tolled during any time that you are in breach of your obligations under Sections 4 and 5 of this Agreement

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

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

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

Dated: _____

Song Min Lee
Executive

EXHIBIT B

Release

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

WHEREAS, the Executive is required to sign this Release in order to receive the Severance Pay (as such term is defined in the Plan) of the Plan and the other benefits described in the Plan.

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

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

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

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

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

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

3. Executive understands and acknowledges that the Company does not admit any violation of law, liability or invasion of any of Executive's rights and that any such violation, liability or invasion is expressly denied. The consideration provided for this Release is made for the purpose of settling and extinguishing all claims and rights (and every other similar or dissimilar matter) that Executive ever had or now may have against the Company to the

extent provided in this Release. Executive further agrees and acknowledges that no representations, promises or inducements have been made by the Company other than as appear in the Plan.

4. Executive further agrees and acknowledges that:

(c) The release provided for herein releases claims to and including the date of this Release;

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

Executive has been given a period of 45 days to review and consider the terms of this Release prior to its execution and that Executive may use as much of the 45 day period as Executive desires. Executive further certifies that if Executive signs this Agreement prior to the expiration of 45 days following its receipt by Executive, Executive does so knowingly and voluntarily, waiving any right to consideration of the Agreement for the remaining portion of the 45 day period; and

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

Executive understands that Executive's employment was terminated as part of a group termination program. As a result, in accordance with legal requirements, the Company has provided the Executive with the attached Exhibit 1, Older Workers Benefit Protection Act Disclosure.

5. Executive agrees that Executive will never file a lawsuit or other complaint, except as stated below, asserting any claim that is released in this Release. Nothing in this Agreement, prevents Executive from filing a charge or complaint with the Equal Employment Opportunity Commission ("EEOC"), the Securities and Exchange Commission or any other administrative agency if applicable law requires Executive be permitted to do so. However, this Agreement does prevent Executive from obtaining any monetary or any other personal relief of any kind based on: (a) a charge filed with the EEOC or any state or local EEO agency; (b) any lawsuit arising from such charge with the EEOC or any state or local EEO agency; or (c) any actions by Executive in cooperating with or providing information to the EEOC or any state or local EEO agency.

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

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

Dated: _____

Song Min Lee

Executive

Subsidiaries of Cooper-Standard Holdings Inc. ⁽¹⁾

Subsidiary Name	Jurisdiction of Organization
Cooper-Standard Automotive (Australia) Pty. Ltd.	Australia
CSA (Barbados) Investment Co. Ltd.	Barbados
Cooper-Standard Automotive Brasil Sealing Ltda.	Brazil
Itatiaia Standard Industrial Ltda.	Brazil
Cooper-Standard Automotive Canada Limited	Canada
Cooper (Wuhu) Automotive Co., Ltd.	China
Cooper Standard (Shandong) Automotive Parts Co., Ltd.	China
Cooper Standard (Shanghai) Automotive Parts Co., Ltd.	China
Cooper Standard Automotive (Changchun) Co., Ltd.	China
Cooper Standard Automotive (Kunshan) Co., Ltd.	China
Cooper Standard Automotive (Suzhou) Co., Ltd.	China
Cooper Standard Chongqing Automotive Co., Ltd.	China
Cooper Standard Fluid Systems (Kunshan) Co. Ltd.	China
Cooper Standard INOAC Automotive (Huai'an) Co Ltd	China
Cooper Standard Sealing (Guangzou) Co. Ltd. (51%)	China
Cooper Standard Sealing (Huai'an) Co. Ltd. (70%)	China
Cooper Standard Sealing (Shanghai) Co., Ltd. (95%)	China
Cooper Standard Sealing (Shenyang) Co. Ltd.	China
Cooper-Standard Dongfeng Automotive Parts Co., Ltd. (70%)	China
Cooper-Standard FAWSN Automotive Systems (Changchun) Co., Ltd. (55%)	China
Cooper-Standard Investment Co., Ltd.	China
Shanghai Jyco Sealing Products Co., Ltd.	China
Shanghai Shumi Automotive Parts Co., Ltd.	China
Yantai Leading Solution Auto Parts Co., Ltd (50%)	China
CS Automotive Costa Rica S.A.	Costa Rica
Cooper-Standard Automotive Ceska Republika s.r.o.	Czech Republic
Cooper-Standard Automotive France S.A.S.	France
Cooper-Standard France SAS	France
Cooper Standard Europe GmbH	Germany
Cooper Standard GmbH	Germany
Cooper Standard Service GmbH	Germany
Cooper Standard Technical Rubber GmbH	Germany
Cooper-Standard Automotive (Deutschland) GmbH	Germany
Metzeler Kautschuk Unterstutzungskasse Gesellschaft mit beschränkter Haftung	Germany
Cooper-Standard Automotive India Private Limited	India
Cooper-Standard India Private Limited	India
Polyrub Cooper Standard FTS Private Ltd. (35%)	India
Cooper-Standard Automotive Italy S.p.A.	Italy
Cooper-Standard Automotive Italy Service SRL	Italy
Cooper Standard Automotive Japan Inc.	Japan
Cooper Standard Automotive Korea Inc.	Korea, Republic of
Cooper Standard Korea Inc.	Korea, Republic of
CooperStandard Automotive and Industrial Inc. (80.1%)	Korea, Republic of
Coopermex, S.A. de C.V.	Mexico
Cooper-Standard Automotive de Mexico S.A. de C.V.	Mexico

Subsidiary Name	Jurisdiction of Organization
Cooper-Standard Automotive FHS, S. de R.L. de C.V.	Mexico
Cooper-Standard Automotive Fluid Systems de Mexico, S. de R.L. de C.V.	Mexico
Cooper-Standard Automotive Sealing de Mexico, S.A. de C.V.	Mexico
Cooper-Standard Automotive Services, S. de R.L. de C.V.	Mexico
Cooper-Standard de México S de RL de CV	Mexico
Cooper-Standard Technical Services de Mexico, S. de R.L. de C.V.	Mexico
CS Mexico Holdings, S. de R.L. de C.V.	Mexico
Manufacturera El Jarudo, S. de R.L. de C.V.	Mexico
Cooper-Standard Automotive International Holdings B.V.	Netherlands
Cooper-Standard Latin America B.V.	Netherlands
Cooper Standard Polska Sp. z o.o.	Poland
Cooper-Standard Automotive Piotrkow SP Zoo	Poland
CSF Poland Sp. z o.o.	Poland
S.C. Cooper-Standard Romania SRL	Romania
Cooper Standard Srbija DOO Sremska Mitrovica	Serbia
Cooper-Standard Holdings Singapore Pte. Ltd.	Singapore
Cooper-Standard Pte. Ltd.	Singapore
Cooper-Standard Automotive España, S.L.	Spain
Cooper Standard Sweden filial of Cooper-Standard Automotive International Holdings B.V. ⁽²⁾	Sweden
Nishikawa Tachaplalert Cooper Ltd. (20%)	Thailand
Cooper-Standard Automotive UK Limited	United Kingdom
Cooper-Standard Automotive Fluid Systems Mexico Holding LLC	United States (Delaware)
Cooper-Standard Canada Holdings LLC	United States (Delaware)
Cooper-Standard FHS LLC	United States (Delaware)
CS Intermediate HoldCo 1 LLC	United States (Delaware)
NISCO Holding Company	United States (Delaware)
Nishikawa Cooper LLC (40%)	United States (Delaware)
Cooper-Standard Foundation Inc. ⁽³⁾	United States (Michigan)
Cooper-Standard Automotive NC L.L.C.	United States (North Carolina)
Cooper-Standard Automotive Inc.	United States (Ohio)
Cooper-Standard Automotive OH, LLC	United States (Ohio)
Cooper-Standard Industrial and Specialty Group, LLC	United States (Ohio)
CSA Services Inc.	United States (Ohio)

⁽¹⁾ Subsidiaries as of January 31, 2020; wholly-owned except as otherwise indicated

⁽²⁾ This is a branch office of Cooper-Standard Automotive International Holdings B.V.

⁽³⁾ This is a Michigan non-profit corporation

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

- (1) Registration Statement (Form S-3 File No. 333.175637) of Cooper-Standard Holdings Inc.,
- (2) Registration Statement (Form S-8 File No. 333-188516) pertaining to the Cooper-Standard Holdings Inc. 2011 Omnibus Incentive Plan,
- (3) Registration Statement (Form S-3 File No. 333-189981) of Cooper-Standard Holdings Inc., and
- (4) Registration Statement (Form S-8 File No. 333-218127) pertaining to the Cooper-Standard Holdings Inc. 2017 Omnibus Incentive Plan;

of our reports dated February 26, 2020, with respect to the consolidated financial statements and schedule of Cooper-Standard Holdings Inc. and the effectiveness of internal control over financial reporting of Cooper-Standard Holdings Inc. included in this Annual Report (Form 10-K) of Cooper-Standard Holdings Inc. for the year ended December 31, 2019.

/s/ Ernst & Young LLP

Detroit, Michigan
February 26, 2020

COOPER-STANDARD HOLDINGS INC.
Certification of the Principal Executive Officer
Pursuant to Exchange Act Rule 13a-14(a)/15d-14(a)
(Section 302 of the Sarbanes-Oxley Act of 2002)

I, Jeffrey S. Edwards, certify that:

1. I have reviewed this annual report on Form 10-K 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 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 like to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer 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 controls 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.

Dated: February 26, 2020

/s/ Jeffrey S. Edwards

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

COOPER-STANDARD HOLDINGS INC.
Certification of the 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 annual report on Form 10-K 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 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 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.

Dated: February 26, 2020

/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 annual report on Form 10-K of Cooper-Standard Holdings Inc. (the "Company") for the period ended December 31, 2019, 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.

Dated: February 26, 2020

/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)