

COOPER-STANDARD HOLDINGS INC.

FORM 10-Q (Quarterly Report)

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Address	39550 ORCHARD HILL PLACE DRIVE NOVI, MI 48375
Telephone	248-596-5900
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Industry	Auto, Truck & Motorcycle Parts
Sector	Consumer Cyclical
Fiscal Year	12/31

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2017

or

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

For the transition period from _____ to _____.

Commission File Number: 001-36127

COOPER-STANDARD HOLDINGS INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

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

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

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

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

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

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

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

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

As of July 28, 2017 there were 17,734,153 shares of the registrant's common stock, \$0.001 par value, outstanding.

COOPER-STANDARD HOLDINGS INC.

Form 10-Q

For the period ended June 30, 2017

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Item 1. Financial Statements

PART I — FINANCIAL INFORMATION

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

(Dollar amounts in thousands except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Sales	\$ 909,145	\$ 879,304	\$ 1,811,196	\$ 1,741,801
Cost of products sold	736,905	707,343	1,468,871	1,410,016
Gross profit	172,240	171,961	342,325	331,785
Selling, administration & engineering expenses	86,104	92,672	173,738	176,130
Amortization of intangibles	3,536	3,239	7,131	6,517
Impairment charges	—	—	4,270	—
Restructuring charges	8,323	12,206	18,311	23,038
Other operating loss	—	—	—	155
Operating profit	74,277	63,844	138,875	125,945
Interest expense, net of interest income	(10,293)	(9,995)	(21,532)	(19,747)
Equity in earnings of affiliates	1,400	2,667	3,075	4,437
Loss on refinancing and extinguishment of debt	(1,020)	—	(1,020)	—
Other expense, net	(2,184)	(255)	(2,824)	(8,071)
Income before income taxes	62,180	56,261	116,574	102,564
Income tax expense	20,530	16,021	32,420	30,787
Net income	41,650	40,240	84,154	71,777
Net income attributable to noncontrolling interests	(1,194)	(51)	(1,992)	(265)
Net income attributable to Cooper-Standard Holdings Inc.	\$ 40,456	\$ 40,189	\$ 82,162	\$ 71,512
Earnings per share:				
Basic	\$ 2.26	\$ 2.33	\$ 4.61	\$ 4.12
Diluted	\$ 2.14	\$ 2.16	\$ 4.34	\$ 3.83

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

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Net income	\$ 41,650	\$ 40,240	\$ 84,154	\$ 71,777
Other comprehensive income (loss):				
Currency translation adjustment	14,378	(8,661)	24,669	9,666
Benefit plan liabilities adjustment, net of tax	(2,535)	1,253	(2,728)	(471)
Fair value change of derivatives, net of tax	490	(410)	1,583	(2,485)
Other comprehensive income (loss), net of tax	12,333	(7,818)	23,524	6,710
Comprehensive income	53,983	32,422	107,678	78,487
Comprehensive (income) loss attributable to noncontrolling interests	(1,604)	224	(2,585)	(51)
Comprehensive income attributable to Cooper-Standard Holdings Inc.	\$ 52,379	\$ 32,646	\$ 105,093	\$ 78,436

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

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

	<u>June 30, 2017</u>	<u>December 31, 2016</u>
	<u>(unaudited)</u>	
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 400,186	\$ 480,092
Accounts receivable, net	546,522	460,503
Tooling receivable	108,155	90,974
Inventories	168,397	146,449
Prepaid expenses	39,392	37,142
Other current assets	89,895	81,021
Total current assets	<u>1,352,547</u>	<u>1,296,181</u>
Property, plant and equipment, net	886,975	832,269
Goodwill	169,304	167,441
Intangible assets, net	75,132	81,363
Other assets	103,579	114,448
Total assets	<u>\$ 2,587,537</u>	<u>\$ 2,491,702</u>
<u>Liabilities and Equity</u>		
Current liabilities:		
Debt payable within one year	\$ 29,817	\$ 33,439
Accounts payable	496,162	475,426
Payroll liabilities	130,501	144,812
Accrued liabilities	108,927	105,665
Total current liabilities	<u>765,407</u>	<u>759,342</u>
Long-term debt	722,988	729,480
Pension benefits	179,922	172,950
Postretirement benefits other than pensions	55,300	54,225
Other liabilities	46,174	53,914
Total liabilities	<u>1,769,791</u>	<u>1,769,911</u>
7% Cumulative participating convertible preferred stock, \$0.001 par value, 10,000,000 shares authorized; no shares issued and outstanding	—	—
Equity:		
Common stock, \$0.001 par value, 190,000,000 shares authorized; 19,870,559 shares issued and 17,781,844 shares outstanding as of June 30, 2017, and 19,686,917 shares issued and 17,690,611 outstanding as of December 31, 2016	18	17
Additional paid-in capital	515,154	513,934
Retained earnings	495,190	425,972
Accumulated other comprehensive loss	(219,632)	(242,563)
Total Cooper-Standard Holdings Inc. equity	<u>790,730</u>	<u>697,360</u>
Noncontrolling interests	27,016	24,431
Total equity	<u>817,746</u>	<u>721,791</u>
Total liabilities and equity	<u>\$ 2,587,537</u>	<u>\$ 2,491,702</u>

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

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

	Total Equity								
	Common Shares	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Cooper-Standard Holdings Inc. Equity	Noncontrolling Interests	Total Equity	
Balance as of December 31, 2016	17,690,611	\$ 17	\$ 513,934	\$ 425,972	\$ (242,563)	\$ 697,360	\$ 24,431	\$ 721,791	
Repurchase of common stock	(92,409)	—	(2,236)	(7,083)	—	(9,319)	—	(9,319)	
Warrant exercises	25,949	—	707	—	—	707	—	707	
Share-based compensation, net	157,693	1	2,749	(5,861)	—	(3,111)	—	(3,111)	
Net income	—	—	—	82,162	—	82,162	1,992	84,154	
Other comprehensive income	—	—	—	—	22,931	22,931	593	23,524	
Balance as of June 30, 2017	17,781,844	\$ 18	\$ 515,154	\$ 495,190	\$ (219,632)	\$ 790,730	\$ 27,016	\$ 817,746	

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

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

	Six Months Ended June 30,	
	2017	2016
Operating Activities:		
Net income	\$ 84,154	\$ 71,777
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	57,914	53,856
Amortization of intangibles	7,131	6,517
Impairment charges	4,270	—
Share-based compensation expense	11,694	10,909
Equity in earnings of affiliates, net of dividends related to earnings	2,307	(1,415)
Loss on refinancing and extinguishment of debt	1,020	—
Other	9,829	947
Changes in operating assets and liabilities	(114,141)	(27,350)
Net cash provided by operating activities	64,178	115,241
Investing activities:		
Capital expenditures	(98,149)	(81,429)
Loan to affiliate	—	(4,906)
Acquisition of businesses, net of cash acquired	—	(3,020)
Proceeds from sale of fixed assets and other	348	73
Net cash used in investing activities	(97,801)	(89,282)
Financing activities:		
Principal payments on long-term debt	(11,297)	(4,886)
Increase in short-term debt, net	541	1,331
Restricted cash deposit for overdraft facility	—	(25,000)
Repurchase of common stock	(7,514)	(23,800)
Proceeds from exercise of warrants	707	413
Taxes withheld and paid on employees' share based payment awards	(11,671)	(4,896)
Other	(792)	43
Net cash used in financing activities	(30,026)	(56,795)
Effects of exchange rate changes on cash and cash equivalents	(16,257)	(7,861)
Changes in cash and cash equivalents	(79,906)	(38,697)
Cash and cash equivalents at beginning of period	480,092	378,243
Cash and cash equivalents at end of period	\$ 400,186	\$ 339,546

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

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

1. Overview

Basis of Presentation

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

The accompanying unaudited condensed consolidated financial statements have been prepared pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (the “SEC”) for interim financial information and should be read in conjunction with the consolidated financial statements and notes thereto included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2016 (the “2016 Annual Report”), as filed with the SEC. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States (“U.S. GAAP”) for complete financial statements. These financial statements include all adjustments (consisting of normal, recurring adjustments) considered necessary for a fair presentation of the financial position and results of operations of the Company. The operating results for the interim period ended June 30, 2017 are not necessarily indicative of results for the full year. In preparing these financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through the date the financial statements were issued.

The Company’s financial statements for the three months ended June 30, 2016 have been recast to reflect the effects of the Company’s adoption of Accounting Standards Update (“ASU”) 2016-09, *Compensation-Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting*, which was adopted in the second quarter of 2016. The financial statement line items affected were selling, administration & engineering expenses, income tax expense, net income and basic and diluted earnings per share.

Recently Adopted Accounting Pronouncements

In the first quarter of 2017, the Company adopted ASU 2015-11, *Inventory (Topic 330): Simplifying the Measurement of Inventory*. This ASU amended the guidelines for the measurement of inventory from lower of cost or market to the lower of cost and net realizable value. This new guidance has been adopted prospectively and had an immaterial impact on the Company’s consolidated financial statements.

Recently Issued Accounting Pronouncements

In May 2017, the Financial Accounting Standards Board (“FASB”) issued ASU No. 2017-09, *Compensation - Stock Compensation (Topic 718): Scope Modification Accounting*. This guidance clarifies that modification accounting is required only if the fair value, vesting conditions, or classification (as equity or liability) of share-based payment award changes due to changes in the terms or conditions. This guidance is effective for annual and interim reporting periods beginning after December 15, 2017. Early adoption is permitted. The adoption of this ASU is not expected to have a material impact on the Company’s consolidated financial statements.

In March 2017, the FASB issued ASU 2017-07, *Compensation-Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost*. This guidance requires the service cost component of net periodic benefit cost to be recorded in the same income statement line item as other employee compensation costs arising from services rendered during the period. Other components of the net periodic benefit cost must be presented separately outside of operating income. This guidance is effective for annual and interim reporting periods beginning after December 15, 2017. Early adoption is permitted. The adoption of this ASU is not expected to have a material impact on the Company’s consolidated financial statements.

In January 2017, the FASB issued ASU 2017-04, *Intangibles-Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment*. This guidance eliminates the requirement to calculate the implied fair value of goodwill to measure a goodwill impairment charge. Instead, entities will record an impairment charge based on the excess of a reporting unit’s carrying amount over its fair value. This guidance is effective for annual and interim reporting periods beginning after December 15, 2019. Early adoption is permitted. The adoption of this ASU is not expected to have a material impact on the Company’s consolidated financial statements.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. This guidance requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as

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

restricted cash and restricted cash equivalents should now be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. This guidance is effective for annual and interim reporting periods beginning after December 15, 2017. Early adoption is permitted. The adoption of this ASU is not expected to have a material impact on the Company's consolidated statement of cash flows.

In October 2016, the FASB issued ASU 2016-16, *Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory*. This guidance will require companies to recognize the income tax effects of intercompany sales and transfers of assets other than inventory in the period in which the transfer occurs. This guidance is effective for annual and interim reporting periods beginning after December 15, 2017, and should be applied on a modified retrospective approach with a cumulative catch-up adjustment to opening retained earnings in the period of adoption. Early adoption is permitted at the beginning of an annual period. The Company is currently evaluating the impact of adopting this guidance on its consolidated financial statements.

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*. The amendments provide guidance on eight specific cash flow issues, thereby reducing diversity in practice. The amendments are effective for annual and interim reporting periods beginning after December 15, 2017. Early adoption is permitted. An entity that elects early adoption must adopt all of the amendments in the same period. The guidance requires companies to use a retrospective transition method upon adoption. The Company's current accounting practices are consistent with the issues addressed by this guidance. Therefore, this guidance is not expected to have a material impact on the Company's consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance revises existing U.S. GAAP by requiring lessees to recognize right-of-use assets and lease liabilities for all leases (with the exception of short-term leases). The standard also requires additional disclosures to help financial statement users better understand the amount, timing and uncertainty of cash flows arising from lease transactions. This guidance is effective for annual and interim reporting periods beginning after December 15, 2018. A modified retrospective transition approach is required with certain practical expedients available. The Company continues to perform a comprehensive evaluation on the impacts of adopting this standard and plans on adopting this ASU effective January 1, 2019. The Company believes this standard will primarily result in an increase in the assets and liabilities on its consolidated balance sheet and will not have a material impact on its consolidated income statement.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The guidance prescribes a single, common revenue standard that replaces most existing revenue recognition guidance in U.S. GAAP. The standard outlines a five-step model whereby revenue is recognized as performance obligations within a contract are satisfied. The standard also requires new, expanded revenue disclosures.

Several ASUs have been issued since the issuance of ASU 2014-09. These ASUs, which modify certain sections of ASU 2014-09, are intended to promote a more consistent interpretation and application of the principles outlined in the standard. The Company will adopt the guidance effective January 1, 2018, the standard's effective date, using the modified retrospective method. Under this method, the cumulative effect of adopting the standard is recognized in equity at the date of initial application.

To assess the impact of the new standard, the Company developed a comprehensive project plan. This project plan includes analyzing the standard's impact on customer contracts across the Company's business segments, comparing its historical accounting policies and practices to the requirements of the new standard, and identifying potential differences from applying the new standard's requirements. The Company has yet to determine the effect on its consolidated financial statements, but expects this determination will near completion by the third quarter of 2017.

The new standard could impact how the Company accounts for pre-production costs related to long-term supply arrangements, such as reimbursable tooling. Under current guidance, such reimbursements from customers are recorded as cost offsets. Under the new guidance, revenue could potentially be recognized for pre-production activities that are transferred to the customer. Since final clarification on the accounting treatment is still outstanding, the Company's evaluation of pre-production costs is ongoing.

In addition, the Company's internal control framework is not expected to significantly change. Instead, existing internal controls will be modified and augmented, as necessary. While implementing the new standard, the Company will continue to monitor FASB activities and interpretations of various non-authoritative industry groups for any possible impact on the Company's findings.

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

2. Acquisitions

AMI Acquisition

In 2016, the Company acquired the North American fuel and brake business of AMI Industries (the “AMI Business”) for cash consideration of \$32,000 (the “AMI Acquisition”). This acquisition directly aligns with the Company’s growth strategy by expanding the Company’s fuel and brake business. The results of operations of the AMI Business are included in the Company’s condensed consolidated financial statements from the date of acquisition, August 15, 2016, and reported within the North America segment. This acquisition was accounted for as a business combination, resulting in the recognition of intangible assets of \$19,410 and goodwill of \$7,175 in 2016. In the second quarter of 2017, the Company agreed to purchase the China fuel and brake business of AMI Industries, which is subject to regulatory approval and is expected to close in the second half of 2017.

Other Acquisitions

In 2016, the Company acquired a business in furtherance of the Company’s China operations. The total purchase price of the acquisition was \$5,478, of which \$3,020 was paid during the first quarter of 2016 and \$2,458 was paid in the third quarter of 2016. The Company recognized \$2,972 of goodwill in 2016 as a result of this acquisition.

Also in 2016, the Company obtained control of its 51% -owned joint venture, Shenya Sealing (Guangzhou) Company Limited (“Guangzhou”) through an amendment of the joint venture governing document. This joint venture was previously accounted for as an investment under the equity method. The results of operations of Guangzhou are included in the Company’s consolidated financial statements from the date of consolidation, August 4, 2016, and reported within the Asia Pacific segment. Business combination accounting was completed, resulting in the recognition of intangible assets of \$6,605 and goodwill of \$9,741 in 2016. There was no gain or loss recognized on the remeasurement of the Company’s equity method investment in Guangzhou.

3. Restructuring

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

In January 2015, the Company announced its intention to further restructure its European manufacturing footprint based on anticipated market demands. The total estimated cost of this initiative, which is expected to be substantially completed by the end of 2017, is approximately \$120,000 to \$125,000, of which approximately \$102,000 has been incurred to date. We expect to incur total employee separation costs of approximately \$64,000 to \$67,000, other related exit costs of approximately \$56,000 to \$58,000 and non-cash asset impairments related to restructuring activities of approximately \$500.

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

The following table summarizes the restructuring expense by segment for the three and six months ended June 30, 2017 and 2016:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
North America	\$ 817	\$ 395	\$ 817	\$ 1,355
Europe	6,816	11,658	16,105	20,493
Asia Pacific	690	153	1,389	1,190
Total	\$ 8,323	\$ 12,206	\$ 18,311	\$ 23,038

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

The following table summarizes the activity for restructuring initiatives for the six months ended June 30, 2017 :

	Employee Separation Costs	Other Exit Costs	Total
Balance as of December 31, 2016	\$ 21,927	\$ 2,311	\$ 24,238
Expense	10,861	7,450	18,311
Cash payments	(19,258)	(6,927)	(26,185)
Foreign exchange translation and other	1,529	68	1,597
Balance as of June 30, 2017	<u>\$ 15,059</u>	<u>\$ 2,902</u>	<u>\$ 17,961</u>

4. Inventories

Inventories were comprised of the following as of June 30, 2017 and December 31, 2016 :

	June 30, 2017	December 31, 2016
Finished goods	\$ 51,328	\$ 43,511
Work in process	37,244	32,839
Raw materials and supplies	79,825	70,099
	<u>\$ 168,397</u>	<u>\$ 146,449</u>

5. Property, Plant and Equipment

Property, plant and equipment was comprised of the following as of June 30, 2017 and December 31, 2016 :

	June 30, 2017	December 31, 2016
Land and improvements	\$ 70,889	\$ 71,002
Buildings and improvements	282,792	265,824
Machinery and equipment	950,951	864,337
Construction in progress	176,643	153,924
	<u>1,481,275</u>	<u>1,355,087</u>
Accumulated depreciation	(594,300)	(522,818)
Property, plant and equipment, net	<u>\$ 886,975</u>	<u>\$ 832,269</u>

Impairment of Long-Lived Assets

Due to the Company's decision to divest two of its inactive European sites, the Company recorded impairment charges of \$4,270 in the six months ended June 30, 2017 . Fair value was determined based on current real estate market conditions.

6. Goodwill and Intangible Assets

Goodwill

The changes in the carrying amount of goodwill by reportable operating segment for the six months ended June 30, 2017 are summarized as follows:

	North America	Europe	Asia Pacific	Total
Balance as of December 31, 2016	\$ 121,996	\$ 10,753	\$ 34,692	\$ 167,441
Foreign exchange translation	108	864	891	1,863
Balance as of June 30, 2017	<u>\$ 122,104</u>	<u>\$ 11,617</u>	<u>\$ 35,583</u>	<u>\$ 169,304</u>

Goodwill is tested for impairment by reporting unit annually or more frequently if events or circumstances indicate that an impairment may exist. There were no indicators of potential impairment during the six months ended June 30, 2017 .

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

Intangible Assets

The following table presents intangible assets and accumulated amortization balances of the Company as of June 30, 2017 and December 31, 2016 , respectively:

	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer relationships	\$ 135,387	\$ (79,731)	\$ 55,656
Developed technology	9,025	(8,899)	126
Other	21,639	(2,289)	19,350
Balance as of June 30, 2017	<u>\$ 166,051</u>	<u>\$ (90,919)</u>	<u>\$ 75,132</u>
Customer relationships	\$ 134,918	\$ (73,088)	\$ 61,830
Developed technology	8,762	(8,386)	376
Other	20,965	(1,808)	19,157
Balance as of December 31, 2016	<u>\$ 164,645</u>	<u>\$ (83,282)</u>	<u>\$ 81,363</u>

7. Debt

Outstanding debt consisted of the following as of June 30, 2017 and December 31, 2016 :

	June 30, 2017	December 31, 2016
Senior Notes	\$ 393,326	\$ 393,060
Term Loan	331,982	332,827
Other borrowings	27,497	37,032
Total debt	752,805	762,919
Less current portion	(29,817)	(33,439)
Total long-term debt	<u>\$ 722,988</u>	<u>\$ 729,480</u>

5.625% Senior Notes due 2026

In November 2016, the Company issued \$400,000 aggregate principal amount of its 5.625% Senior Notes due 2026 (the “Senior Notes”). The Senior Notes mature on November 15, 2026 . Interest on the Senior Notes is payable semi-annually in arrears in cash on May 15 and November 15 of each year, commencing on May 15, 2017.

Debt issuance costs related to the Senior Notes are amortized into interest expense over the term of the Senior Notes. As of June 30, 2017 and December 31, 2016 , the Company has \$6,674 and \$6,940 of unamortized debt issuance costs, respectively, related to the Senior Notes, which are presented as direct deductions from the principal balance in the condensed consolidated balance sheets.

Term Loan Facility

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

On May 2, 2017, the Company entered into Amendment No. 2 to the Term Loan Facility to modify the interest rate. 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 2.25% 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 1.25% per annum . As a result of the amendment, the Company recognized a loss on refinancing and extinguishment of

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debt of \$1,020 , which was due to the partial write off of new and unamortized debt issuance costs and unamortized original issue discount.

As of June 30, 2017 and December 31, 2016 , the Company had \$3,841 and \$4,352 of unamortized debt issuance costs, respectively, and \$2,477 and \$2,821 of unamortized original issue discount, respectively, related to the Term Loan Facility, which are presented as direct deductions from the principal balance in the condensed consolidated balance sheets. Both the debt issuance costs and the original issue discount are amortized into interest expense over the term of the Term Loan Facility.

ABL Facility

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

The ABL Facility provides for an aggregate revolving loan availability of up to \$210,000 , subject to borrowing base availability, including a \$100,000 letter of credit sub-facility and a \$25,000 swing line sub-facility. The ABL Facility also provides for an uncommitted \$100,000 incremental loan facility, for a potential total ABL Facility of \$310,000 , if requested by the Borrowers and the lenders agree to fund such increase. No consent of any lender is required to effect any such increase, except for those participating in the increase. As of June 30, 2017 , there were no borrowings under the ABL Facility, and subject to borrowing base availability, the Company had \$189,750 in availability, less outstanding letters of credit of \$9,815 .

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

As of June 30, 2017 and December 31, 2016 , the Company had \$1,529 and \$1,706 , respectively, of unamortized debt issuance costs related to the ABL Facility, which are presented in other assets in the condensed consolidated balance sheets.

Debt Covenants

The Company was in compliance with all covenants of the Senior Notes, Term Loan Facility and ABL Facility, as of June 30, 2017 .

Other

Other borrowings reflect borrowings under capital leases, local bank lines and accounts receivable factoring sold with recourse classified in debt payable within one year on the condensed consolidated balance sheets.

8. Fair Value Measurements and Financial Instruments

Fair Value Measurements

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

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

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Items Measured at Fair Value on a Recurring Basis

Estimates of the fair value of foreign currency and interest rate derivative instruments are determined using exchange traded prices and rates. The Company also considers the risk of non-performance in the estimation of fair value and includes an adjustment for non-performance risk in the measure of fair value of derivative instruments. In certain instances where market data is not available, the Company uses management judgment to develop assumptions that are used to determine fair value. Fair value measurements and the fair value hierarchy level for the Company's assets and liabilities measured or disclosed at fair value on a recurring basis as of June 30, 2017 and December 31, 2016, are shown below:

	June 30, 2017	December 31, 2016	Input
Forward foreign exchange contracts - other current assets	\$ 2,022	\$ 764	Level 2
Forward foreign exchange contracts - accrued liabilities	(594)	(535)	Level 2
Interest rate swaps - accrued liabilities	(1,452)	(2,458)	Level 2
Interest rate swaps - other liabilities	(231)	(661)	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. "Acquisitions," Note 3. "Restructuring" and Note 5. "Property, Plant and Equipment."

Items Not Carried At Fair Value

Fair values of the Company's debt instruments are shown below:

	June 30, 2017	December 31, 2016
Aggregate fair value	\$ 739,873	\$ 735,850
Aggregate carrying value ⁽¹⁾	738,300	740,000

⁽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. Certain foreign exchange contracts that do not qualify for hedge accounting are entered into hedge recognized foreign currency transactions. All gains or losses on derivative instruments which are not designated for hedge accounting treatment or do not qualify for hedge accounting, or result from hedge ineffectiveness, are reported in earnings.

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

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

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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 June 30, 2017 , the notional amount of these contracts was \$144,305 and consisted of hedges of transactions up to June 2018 .

Interest rate swaps - The Company uses interest rate swap transactions to manage cash flow variability associated with its variable rate Term Loan Facility. The interest rate swap contracts, which fix the interest payments of variable rate debt instruments, are used to manage exposure to fluctuations in interest rates. As of June 30, 2017 , the notional amount of these contracts was \$300,000 , with maturities through September 2018 . The fair market value of all outstanding interest rate swap contracts is subject to change due to fluctuations in interest rates.

Pretax amounts related to the Company’s cash flow hedges that were recognized in AOCI are shown below:

	Gain (loss) recognized in AOCI			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Foreign currency derivatives	\$ 1,682	\$ (2,006)	\$ 2,623	\$ (4,238)
Interest rate swaps	(175)	(596)	(49)	(2,254)
Total	\$ 1,507	\$ (2,602)	\$ 2,574	\$ (6,492)

Pretax amounts related to the Company’s cash flow hedges that were reclassified from AOCI are shown below:

	Location	Gain (loss) reclassified from AOCI to income (effective portion)		Gain (loss) reclassified from AOCI to income (ineffective portion)	
		Three Months Ended June 30,		Three Months Ended June 30,	
		2017	2016	2017	2016
Foreign currency derivatives	Cost of products sold	\$ 1,335	\$ (1,402)	\$ —	\$ —
Interest rate swaps	Interest expense, net of interest income	(684)	(795)	92	—
Total		\$ 651	\$ (2,197)	\$ 92	\$ —

	Location	Gain (loss) reclassified from AOCI to income (effective portion)		Gain (loss) reclassified from AOCI to income (ineffective portion)	
		Six Months Ended June 30,		Six Months Ended June 30,	
		2017	2016	2017	2016
Foreign currency derivatives	Cost of products sold	\$ 1,456	\$ (1,611)	\$ —	\$ —
Interest rate swaps	Interest expense, net of interest income	(1,478)	(1,590)	177	—
Total		\$ (22)	\$ (3,201)	\$ 177	\$ —

The amount of losses to be reclassified from AOCI into income in the next twelve months related to the interest rate swap is expected to be approximately \$1,451 .

9. Accounts Receivable Factoring

As a part of its working capital management, the Company sells certain receivables through third party financial institutions with and without recourse. The amount sold varies each month based on the amount of underlying receivables and cash flow needs of the Company. The Company continues to service the receivables. These are permitted transactions under the Company’s credit agreement governing the ABL Facility, the Term Loan Facility and the Senior Notes. Costs incurred on the sale of receivables are recorded in other expense, net and interest expense, net of interest income in the condensed consolidated statements of net income. Receivables sold with recourse are accounted for as secured borrowings and are recorded in debt

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payable within one year, and receivables are pledged equal to the balance of the borrowings. Receivables sold without recourse are accounted for as true sales and are excluded from accounts receivable in the condensed consolidated balance sheet.

The amounts outstanding under receivable transfer agreements entered into by various locations are shown below:

	June 30, 2017	December 31, 2016
Without recourse	\$ 79,837	\$ 56,936
With recourse	4,893	5,258

The total amounts of accounts receivable factored and the costs incurred on the sale of receivables are as follows:

	Without Recourse				With Recourse			
	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016	2017	2016	2017	2016
Accounts receivable factored	\$ 143,186	\$ 135,653	\$ 292,110	\$ 260,970	\$ 6,455	\$ 4,572	\$ 14,106	\$ 10,528
Costs	610	511	1,065	990	19	14	45	35

10. Pension and Postretirement Benefits Other Than Pensions

The following tables disclose the components of net periodic benefit (income) cost for the three and six months ended June 30, 2017 and 2016 for the Company's defined benefit plans and other postretirement benefit plans:

	Pension Benefits			
	Three Months Ended June 30,			
	2017		2016	
	U.S.	Non-U.S.	U.S.	Non-U.S.
Service cost	\$ 204	\$ 969	\$ 202	\$ 867
Interest cost	2,925	1,072	3,145	1,291
Expected return on plan assets	(4,003)	(650)	(3,959)	(810)
Amortization of prior service cost and actuarial loss	468	715	429	562
Net periodic benefit (income) cost	\$ (406)	\$ 2,106	\$ (183)	\$ 1,910

	Pension Benefits			
	Six Months Ended June 30,			
	2017		2016	
	U.S.	Non-U.S.	U.S.	Non-U.S.
Service cost	\$ 408	\$ 1,908	\$ 404	\$ 1,714
Interest cost	5,850	2,128	6,290	2,538
Expected return on plan assets	(8,006)	(1,307)	(7,918)	(1,579)
Amortization of prior service cost and actuarial loss	936	1,411	858	1,109
Net periodic benefit (income) cost	\$ (812)	\$ 4,140	\$ (366)	\$ 3,782

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	Other Postretirement Benefits			
	Three Months Ended June 30,			
	2017		2016	
	U.S.	Non-U.S.	U.S.	Non-U.S.
Service cost	\$ 79	\$ 102	\$ 90	\$ 96
Interest cost	324	167	346	174
Amortization of prior service credit and actuarial gain	(479)	(4)	(507)	(16)
Other	1	—	1	—
Net periodic benefit (income) cost	<u>\$ (75)</u>	<u>\$ 265</u>	<u>\$ (70)</u>	<u>\$ 254</u>

	Other Postretirement Benefits			
	Six Months Ended June 30,			
	2017		2016	
	U.S.	Non-U.S.	U.S.	Non-U.S.
Service cost	\$ 158	\$ 206	\$ 180	\$ 186
Interest cost	648	337	692	338
Amortization of prior service credit and actuarial gain	(958)	(8)	(1,014)	(31)
Other	2	—	2	—
Net periodic benefit (income) cost	<u>\$ (150)</u>	<u>\$ 535</u>	<u>\$ (140)</u>	<u>\$ 493</u>

11. Other Expense, Net

The components of other expense, net are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
	Foreign currency losses	\$ (1,906)	\$ (15)	\$ (2,578)
Secondary offering underwriting fees	—	—	—	(5,900)
Losses on sales of receivables	(342)	(240)	(560)	(467)
Miscellaneous income	64	—	314	—
Other expense, net	<u>\$ (2,184)</u>	<u>\$ (255)</u>	<u>\$ (2,824)</u>	<u>\$ (8,071)</u>

12. Income Taxes

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

A summary of income tax expense, income before income taxes and the corresponding effective tax rate for the three and six months ended June 30, 2017 and 2016, is shown below:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
	Income tax expense	\$ 20,530	\$ 16,021 ⁽¹⁾	\$ 32,420
Income before income taxes	62,180	56,261 ⁽¹⁾	116,574	102,564
Effective tax rate	33%	28% ⁽¹⁾	28%	30%

⁽¹⁾ Amounts were recast to reflect the adoption of ASU 2016-09 in the second quarter of 2016. See Note 16.

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The effective tax rate for the three months ended June 30, 2017 compared to the three months ended June 30, 2016 was higher primarily due to discrete tax adjustments for excess tax benefits on share-based compensation recorded in the three months ended June 30, 2016. The effective tax rate for the six months ended June 30, 2017 compared to the six months ended June 30, 2016 was lower primarily due to earnings mix between tax benefited and non-tax benefited jurisdictions. The income tax rate for the three and six months ended June 30, 2017 varies from statutory rates primarily due to the impact of income taxes on foreign earnings taxed at rates lower than the U.S. statutory rate, the inability to record a tax benefit for pre-tax losses in certain foreign jurisdictions to the extent not offset by other categories of income, tax credits, income tax incentives, excess tax benefits related to share-based compensation and other permanent items. Further, the Company's current and future provision for income taxes may be impacted by the recognition of valuation allowances in certain countries. The Company intends to maintain these valuation allowances until it is more likely than not that the deferred tax assets will be realized.

13. 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.

A summary of information used to compute basic and diluted net income per share attributable to Cooper-Standard Holdings Inc. is shown below:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Net income attributable to Cooper-Standard Holdings Inc.	\$ 40,456	\$ 40,189 ⁽¹⁾	\$ 82,162	\$ 71,512
(Decrease) increase in fair value of share-based awards	(24)	12	(6)	12
Diluted net income available to Cooper-Standard Holdings Inc. common stockholders	\$ 40,432	\$ 40,201 ⁽¹⁾	\$ 82,156	\$ 71,524
Basic weighted average shares of common stock outstanding	17,863,203	17,242,277	17,803,430	17,342,321
Dilutive effect of common stock equivalents	1,002,764	1,349,370	1,116,161	1,326,802
Diluted weighted average shares of common stock outstanding	18,865,967	18,591,647	18,919,591	18,669,123
Basic net income per share attributable to Cooper-Standard Holdings Inc.	\$ 2.26	\$ 2.33 ⁽¹⁾	\$ 4.61	\$ 4.12
Diluted net income per share attributable to Cooper-Standard Holdings Inc.	\$ 2.14	\$ 2.16 ⁽¹⁾	\$ 4.34	\$ 3.83

⁽¹⁾ Amounts were recast to reflect the adoption of ASU 2016-09 in the second quarter of 2016. See Note 16.

For the three and six months ended June 30, 2017, approximately 109,000 securities were excluded from the calculation of diluted earnings per share because the inclusion of such securities in the calculation would have been anti-dilutive.

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14. Accumulated Other Comprehensive Income (Loss)

The changes in accumulated other comprehensive income (loss) by component for the three and six months ended June 30, 2017 and 2016, net of related tax, are as follows:

	Three Months Ended June 30, 2017			
	Cumulative currency translation adjustment	Benefit plan liabilities	Fair value change of derivatives	Total
Balance as of March 31, 2017	\$ (133,373)	\$ (97,805)	\$ (377)	\$ (231,555)
Other comprehensive income (loss) before reclassifications	13,968 ⁽¹⁾	(3,057) ⁽²⁾	1,135 ⁽³⁾	12,046
Amounts reclassified from accumulated other comprehensive income (loss)	—	522 ⁽⁴⁾	(645) ⁽⁵⁾	(123)
Balance as of June 30, 2017	<u>\$ (119,405)</u>	<u>\$ (100,340)</u>	<u>\$ 113</u>	<u>\$ (219,632)</u>

(1) Includes \$1,928 of other comprehensive income related to intra-entity foreign currency balances that are of a long-term investment nature.

(2) Net of tax benefit of \$30.

(3) Net of tax expense of \$372. See Note 8.

(4) Includes actuarial losses of \$810, offset by prior service credits of \$80, net of tax of \$208. See Note 10.

(5) Net of tax expense of \$98. See Note 8.

	Three Months Ended June 30, 2016			
	Cumulative currency translation adjustment	Benefit plan liabilities	Fair value change of derivatives	Total
Balance as of March 31, 2016	\$ (112,395)	\$ (85,848)	\$ (4,355)	\$ (202,598)
Other comprehensive income (loss) before reclassifications	(8,385) ⁽¹⁾	928 ⁽²⁾	(1,883) ⁽³⁾	(9,340)
Amounts reclassified from accumulated other comprehensive income (loss)	—	325 ⁽⁴⁾	1,472 ⁽⁵⁾	1,797
Balance as of June 30, 2016	<u>\$ (120,780)</u>	<u>\$ (84,595)</u>	<u>\$ (4,766)</u>	<u>\$ (210,141)</u>

(1) Includes \$169 of other comprehensive income related to intra-entity foreign currency balances that are of a long-term investment nature.

(2) Net of tax expense of \$47.

(3) Net of tax benefit of \$719. See Note 8.

(4) Includes actuarial losses of \$528, offset by prior service credits of \$85, net of tax of \$118. See Note 10.

(5) Net of tax benefit of \$725. See Note 8.

	Six Months Ended June 30, 2017			
	Cumulative currency translation adjustment	Benefit plan liabilities	Fair value change of derivatives	Total
Balance as of December 31, 2016	\$ (143,481)	\$ (97,612)	\$ (1,470)	\$ (242,563)
Other comprehensive income (loss) before reclassifications	24,076 ⁽¹⁾	(3,714) ⁽²⁾	1,861 ⁽³⁾	22,223
Amounts reclassified from accumulated other comprehensive income (loss)	—	986 ⁽⁴⁾	(278) ⁽⁵⁾	708
Balance as of June 30, 2017	<u>\$ (119,405)</u>	<u>\$ (100,340)</u>	<u>\$ 113</u>	<u>\$ (219,632)</u>

(1) Includes \$6,170 of other comprehensive income related to intra-entity foreign currency balances that are of a long-term investment nature.

(2) Net of tax benefit of \$59.

(3) Net of tax expense of \$713. See Note 8.

(4) Includes actuarial losses of \$1,542, offset by prior service credits of \$164, net of tax of \$392. See Note 10.

(5) Net of tax benefit of \$123. See Note 8.

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Six Months Ended June 30, 2016

	Cumulative currency translation adjustment	Benefit plan liabilities	Fair value change of derivatives	Total
Balance as of December 31, 2015	\$ (130,660)	\$ (84,124)	\$ (2,281)	\$ (217,065)
Other comprehensive income (loss) before reclassifications	9,880 ⁽¹⁾	(1,142) ⁽²⁾	(4,630) ⁽³⁾	4,108
Amounts reclassified from accumulated other comprehensive income (loss)	—	671 ⁽⁴⁾	2,145 ⁽⁵⁾	2,816
Balance as of June 30, 2016	<u>\$ (120,780)</u>	<u>\$ (84,595)</u>	<u>\$ (4,766)</u>	<u>\$ (210,141)</u>

(1) Includes \$9,187 of other comprehensive income related to intra-entity foreign currency balances that are of a long-term investment nature.

(2) Net of tax benefit of \$168 .

(3) Net of tax benefit of \$1,862 . See Note 8.

(4) Includes actuarial losses of \$1,082 offset by prior service credits of \$167 , net of tax of \$244 . See Note 10.

(5) Net of tax benefit of \$1,056 . See Note 8.

15. Common Stock

Share Repurchase Program and Secondary Offering

In March 2016, the Company's Board of Directors approved a securities repurchase program (the "Program") authorizing the Company to repurchase, in the aggregate, up to \$125,000 of its outstanding common stock or warrants to purchase common stock. Under the Program, repurchases may be made on the open market or through private transactions, as determined by the Company's management and in accordance with prevailing market conditions and federal securities laws and regulations. During the six months ended June 30, 2017 , the Company repurchased 92,409 shares at an average purchase price of \$100.85 per share, excluding commissions, for a total cost of \$9,319 , of which \$7,514 was settled in cash during the quarter.

In March 2016, certain selling stockholders affiliated with Silver Point Capital, L.P., Oak Hill Advisors, L.P. and Capital World Investors (the "Selling Stockholders") sold 2,278,031 shares, including overallocments, of the Company's common stock at a public offering price of \$68.00 per share, in a secondary public offering. Of the 2,278,031 shares sold in the offering, 350,000 shares were purchased by the Company for \$23,800 . The Company paid the underwriting discounts and commissions payable on the shares sold by the Selling Stockholders, excluding the shares the Company repurchased, resulting in \$5,900 of fees incurred for the six months ended June 30, 2016 , which is included in other expense, net in the condensed consolidated statement of net income. The Company also incurred approximately \$600 of other expenses related to legal and audit services for the six months ended June 30, 2016 , which is included in selling, administration & engineering expenses in the condensed consolidated statement of net income. The Company did not sell or receive any proceeds from the sales of shares by the Selling Stockholders.

As of June 30, 2017 , the Company had approximately \$91,900 of repurchase authorization remaining under the Program.

16. Share-Based Compensation

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

In February 2017, the Company granted Restricted Stock Units ("RSUs"), Performance Units ("PUs") and stock options. The RSUs cliff vest after three years, the PUs cliff vest at the end of their three-year performance period, and the stock options vest ratably over three years. The number of PUs that will vest depends on the Company's achievement of target performance goals related to the Company's return on invested capital ("ROIC"), which may range from 0% to 200% of the target award amount. The grant-date fair value of the RSUs and PUs was determined using the closing price of the Company's common stock on the date of grant. The grant-date fair value of the stock options was determined using the Black-Scholes option pricing model.

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A summary of the Company's share-based compensation expense is shown below:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
RSUs	\$ 2,479	\$ 2,186	\$ 4,844	\$ 3,753
PU's	1,444	3,459	4,844	5,334
Stock options	967	830	2,006	1,822
Total	\$ 4,890	\$ 6,475	\$ 11,694	\$ 10,909

In the second quarter of 2016, the Company early adopted ASU 2016-09, *Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting*. The provisions related to forfeitures were adopted on the modified retrospective basis to record actual forfeitures as they occur in the consolidated financial statements, and the impact from adoption resulted in a cumulative effect adjustment of \$473 to retained earnings as of January 1, 2016. Provisions related to income taxes and forfeitures were adopted prospectively from January 1, 2016, and resulted in a tax benefit of \$2,425 and \$3,212 and additional share-based compensation expense of \$162 and \$225 for the three and six months ended June 30, 2016, respectively. Provisions related to the statement of cash flows have been adopted prospectively and resulted in the recognition of excess tax benefits in cash provided by operating activities instead of financing activities.

17. Related Party Transactions

The following table summarizes the material related party transactions with affiliates accounted for under the equity method:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Sales ⁽¹⁾	\$ 8,524	\$ 8,434	\$ 17,836	\$ 16,998
Purchases ⁽¹⁾	204	119	394	195
Dividends received ⁽²⁾	2,742	—	5,382	3,022

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

⁽²⁾ From NISCO and Nishikawa Tachaplalert Cooper Ltd.

Amounts receivable from NISCO and Sujun Cooper Standard AVS Private Limited as of June 30, 2017 and December 31, 2016 were \$3,791 and \$4,078, respectively.

In March 2016, as part of the secondary offering, the Company paid \$5,900 of fees incurred on behalf of the Selling Stockholders as defined in Note 15. "Common Stock."

18. Commitments and Contingencies

The Company is periodically involved in claims, litigation and various legal matters that arise in the ordinary course of business. The Company accrues for litigation exposure when it is probable that future costs will be incurred and such costs can be reasonably estimated. Any resulting adjustments, which could be material, are recorded in the period the adjustments are identified. As of June 30, 2017, the Company does not believe that there is a reasonable possibility that any material loss exceeding the amounts already recognized for claims, litigation and various legal matters, if any, has been incurred. However, the ultimate resolutions of these proceedings and matters are inherently unpredictable. As such, the Company's financial condition, results of operations or cash flows could be adversely affected in any particular period by the unfavorable resolution of one or more of these proceedings or matters.

In addition, the Company conducts and monitors environmental investigations and remedial actions at certain locations. As of June 30, 2017 and December 31, 2016, the undiscounted reserve for environmental investigation and remediation was approximately \$5,288 and \$5,490, respectively. The Company does not believe that the environmental liabilities associated with its current and former properties will have a material adverse impact on its financial condition, results of operations or cash flows; however, no assurances can be given in this regard.

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

19. Segment Reporting

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

The following tables detail information on the Company's reportable segments:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Sales to external customers				
North America	\$ 481,626	\$ 460,687	\$ 965,864	\$ 910,388
Europe	260,441	282,312	521,947	551,638
Asia Pacific	140,842	116,230	273,433	243,309
South America	26,236	20,075	49,952	36,466
Consolidated	\$ 909,145	\$ 879,304	\$ 1,811,196	\$ 1,741,801
Intersegment sales				
North America	\$ 3,225	\$ 2,850	\$ 6,823	\$ 6,499
Europe	3,746	3,130	7,327	6,481
Asia Pacific	1,479	1,180	2,310	2,499
South America	7	2	9	4
Eliminations	(8,457)	(7,162)	(16,469)	(15,483)
Consolidated	\$ —	\$ —	\$ —	\$ —
Segment profit (loss)				
North America	\$ 64,476	\$ 60,593 ⁽¹⁾	\$ 126,757	\$ 114,826
Europe	(3,050)	730 ⁽¹⁾	(11,609)	(1,878)
Asia Pacific	4,509	536 ⁽¹⁾	7,986	3,036
South America	(3,755)	(5,598) ⁽¹⁾	(6,560)	(13,420)
Consolidated income before income taxes	\$ 62,180	\$ 56,261 ⁽¹⁾	\$ 116,574	\$ 102,564

⁽¹⁾ Amounts were recast to reflect the adoption of ASU 2016-09 in the second quarter of 2016. See Note 16.

	June 30, 2017	December 31, 2016
Segment assets		
North America	\$ 1,038,979	\$ 985,809
Europe	562,756	582,385
Asia Pacific	594,592	611,849
South America	48,978	46,125
Eliminations and other	342,232	265,534
Consolidated	\$ 2,587,537	\$ 2,491,702

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

This management’s discussion and analysis of financial condition and results of operations is intended to assist in understanding and assessing the trends and significant changes in our results of operations and financial condition. Our historical results may not indicate, and should not be relied upon as an indication of, our future performance. Our forward-looking statements reflect our current views about future events, are based on assumptions and are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those contemplated by these statements. See “Forward-Looking Statements” below for a discussion of risks associated with reliance on forward-looking statements. Factors that may cause differences between actual results and those contemplated by forward-looking statements include, but are not limited to, those discussed below and in our Annual Report on Form 10-K for the fiscal year ended December 31, 2016 filed with the U.S. Securities and Exchange Commission (“2016 Annual Report”) see Item 1A. “Risk Factors.” The following should be read in conjunction with our 2016 Annual Report and the other information included herein. Our discussion of trends and conditions supplements and updates such discussion included in our 2016 Annual Report. References in this quarterly report on Form 10-Q (the “Report”) to “we,” “our,” or the “Company” refer to Cooper-Standard Holdings Inc., together with its subsidiaries.

Executive Overview

Our Business

We design, manufacture and sell sealing, fuel and brake delivery, fluid transfer, and anti-vibration systems for use in passenger vehicles and light trucks manufactured by global automotive original equipment manufacturers (“OEMs”) and replacement markets. We operate our business along four segments: North America, Europe, Asia Pacific and South America. We are primarily a “Tier 1” supplier, with approximately 84% of our sales in 2016 made directly to major OEMs.

Recent Trends and Conditions

General Economic Conditions and Outlook

The global automotive industry is susceptible to uncertain economic conditions that could adversely impact new vehicle demand.

While the U.S. economy has been relatively stable, indicators in the market show signs consumer demand may be softening going into the second half of 2017. In North America, the mix of vehicles produced continues to shift away from passenger cars into crossover utility vehicles and light trucks. For the remainder of 2017, we anticipate production levels to be slightly lower than the second half of 2016 as inventory levels become better aligned with consumer demand.

Although the economic recovery in Europe is gaining momentum, the current geopolitical climate creates uncertainty in the region. We expect this will result in tempered growth in vehicle demand and production in 2017.

We expect moderated growth in light vehicle production will continue in the Asia Pacific region, driven mainly by China. Overall economic growth and an expanding middle class in China continue to drive crossover utility vehicle demand higher, while demand for passenger cars is expected to decline slightly year over year.

Finally, due to continued volatility in the Brazilian government, we remain cautious about consumer confidence and vehicle demand in this region.

Production Levels

Our business is directly affected by the automotive vehicle production rates in North America, Europe, the Asia Pacific Region 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.

Light vehicle production in certain regions for the three and six months ended June 30, 2017 and 2016 was:

(In millions of units)	Three Months Ended June 30,			Six Months Ended June 30,		
	2017 ⁽¹⁾	2016 ⁽¹⁾	% Change	2017 ⁽¹⁾	2016 ⁽¹⁾	% Change
North America	4.5	4.6	(3.0)%	9.0	9.1	(0.7)%
Europe	5.7	5.9	(3.0)%	11.6	11.4	1.3%
Asia Pacific ⁽²⁾	11.4	11.3	1.4%	24.0	23.2	3.6%
South America	0.8	0.7	15.9%	1.5	1.3	16.8%

(1) Production data based on IHS Automotive, July 2017 .

(2) Includes Greater China units of 6.1 for both the three months ended June 30, 2017 and 2016 , and 13.0 and 12.6 for the six months ended June 30, 2017 and 2016 , respectively.

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.

Pricing pressure has continued as competition for market share has reduced the overall profitability of the industry and resulted in continued pressure on suppliers for price reductions. 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.

Results of Operations

	Three Months Ended June 30,			Six Months Ended June 30,		
	2017	2016	Change	2017	2016	Change
(dollar amounts in thousands)						
Sales	\$ 909,145	\$ 879,304	\$ 29,841	\$ 1,811,196	\$ 1,741,801	\$ 69,395
Cost of products sold	736,905	707,343	29,562	1,468,871	1,410,016	58,855
Gross profit	172,240	171,961	279	342,325	331,785	10,540
Selling, administration & engineering expenses	86,104	92,672	(6,568)	173,738	176,130	(2,392)
Amortization of intangibles	3,536	3,239	297	7,131	6,517	614
Impairment charges	—	—	—	4,270	—	4,270
Restructuring charges	8,323	12,206	(3,883)	18,311	23,038	(4,727)
Other operating loss	—	—	—	—	155	(155)
Operating profit	74,277	63,844	10,433	138,875	125,945	12,930
Interest expense, net of interest income	(10,293)	(9,995)	(298)	(21,532)	(19,747)	(1,785)
Equity in earnings of affiliates	1,400	2,667	(1,267)	3,075	4,437	(1,362)
Loss on refinancing and extinguishment of debt	(1,020)	—	(1,020)	(1,020)	—	(1,020)
Other expense, net	(2,184)	(255)	(1,929)	(2,824)	(8,071)	5,247
Income before income taxes	62,180	56,261	5,919	116,574	102,564	14,010
Income tax expense	20,530	16,021	4,509	32,420	30,787	1,633
Net income	41,650	40,240	1,410	84,154	71,777	12,377
Net income attributable to noncontrolling interests	(1,194)	(51)	(1,143)	(1,992)	(265)	(1,727)
Net income attributable to Cooper-Standard Holdings Inc.	\$ 40,456	\$ 40,189	\$ 267	\$ 82,162	\$ 71,512	\$ 10,650

Three Months Ended June 30, 2017 Compared with Three Months Ended June 30, 2016

Sales. Sales for the three months ended June 30, 2017 increased \$29.8 million , or 3.4% , compared to the three months ended June 30, 2016 , primarily due to improved volume and mix driven by North America and Asia Pacific, the acquisition of AMI Industries' fuel and brake business and consolidation of a previously unconsolidated joint venture, partially offset by customer price reductions and unfavorable foreign exchange.

Cost of Products Sold. Cost of products sold is primarily comprised of material, labor, manufacturing overhead, depreciation and amortization and other direct operating expenses. Cost of products sold for the three months ended June 30, 2017 increased \$29.6 million , or 4.2% , compared to the three months ended June 30, 2016 . Materials comprise the largest component of our cost of products sold and represented approximately 51% and 50% of the total cost of products sold for the three months ended June 30, 2017 and 2016 , respectively. Cost of products sold increased due to commodity pricing pressures, inflation, higher production volumes and acquisitions. These items were partially offset by continuous improvement and material cost savings.

Gross Profit. Gross profit for the three months ended June 30, 2017 increased \$0.3 million , or 0.2% , compared to the three months ended June 30, 2016 . The increase in gross profit was driven primarily by continuous improvement, material cost savings and the net impact of acquisitions and divestitures. These items were partially offset by customer price reductions, commodity pricing pressures, unfavorable vehicle production mix and the impact of foreign exchange. As a percentage of sales, gross profit was 18.9% and 19.6% for the three months ended June 30, 2017 and 2016 , respectively.

Selling, Administration and Engineering. Selling, administration and engineering expense for the three months ended June 30, 2017 was \$86.1 million , or 9.5% of sales, compared to \$92.7 million , or 10.5% of sales, for the three months ended June 30, 2016 . Selling, administration and engineering expense for the three months ended June 30, 2017 was favorable as a result of lower compensation related costs, partially offset by investment for growth and innovation.

Restructuring. Restructuring charges for the three months ended June 30, 2017 decreased \$3.9 million compared to the three months ended June 30, 2016 . The decrease was primarily driven by lower expenses related to our European initiative of

\$4.9 million, partially offset by higher restructuring charges attributed to North America and Asia Pacific initiatives of \$1.0 million.

Interest Expense, Net. Net interest expense for the three months ended June 30, 2017 increased \$0.3 million compared to the three months ended June 30, 2016, which resulted primarily from higher interest rates related to the new Senior Notes.

Loss on Refinancing and Extinguishment of Debt. Loss on refinancing and extinguishment of debt of \$1.0 million for the three months ended June 30, 2017 resulted from the partial write off of new and unamortized debt issuance costs and unamortized original discount related to the amendment of the Term Loan Facility.

Other Expense, Net. Other expense for the three months ended June 30, 2017 increased \$1.9 million compared to the three months ended June 30, 2016, primarily due to higher foreign currency losses for the three months ended June 30, 2017 as compared to the three months ended June 30, 2016.

Income Tax Expense. Income tax expense for the three months ended June 30, 2017 was \$20.5 million on earnings before income taxes of \$62.2 million. This compares to income tax expense of \$16.0 million on earnings before income taxes of \$56.3 million for the same period of 2016. The effective tax rate for the three months ended June 30, 2017 compared to the three months ended June 30, 2016 was higher primarily due to discrete tax adjustments for excess tax benefits on share-based compensation recorded in the three month period ended June 30, 2016. The income tax rate for the three months ended June 30, 2017 varied from statutory rates due primarily to the impact of income taxes on foreign earnings taxed at rates lower than the U.S. statutory rate, the inability to record a tax benefit for pre-tax losses in certain foreign jurisdictions to the extent not offset by other categories of income, tax credits, income tax incentives, excess tax benefits related to share-based compensation and other permanent items. Further, the Company's current and future provision for income taxes may be impacted by the recognition of valuation allowances in certain countries. The Company intends to maintain these allowances until it is more likely than not that the deferred tax assets will be realized.

Six Months Ended June 30, 2017 Compared with Six Months Ended June 30, 2016

Sales. Sales for the six months ended June 30, 2017 increased \$69.4 million, or 4.0%, compared to the six months ended June 30, 2016, primarily due to improved volume and mix in all regions, the acquisition of AMI Industries' fuel and brake business and consolidation of a previously unconsolidated joint venture, partially offset by customer price reductions and unfavorable foreign exchange.

Cost of Products Sold. Cost of products sold is primarily comprised of material, labor, manufacturing overhead, depreciation and amortization and other direct operating expenses. Cost of products sold for the six months ended June 30, 2017 increased \$58.9 million or 4.2%, compared to the six months ended June 30, 2016. Materials comprise the largest component of our cost of products sold and represented approximately 51% and 50% of the total cost of products sold for the six months ended June 30, 2017 and 2016, respectively. Cost of products sold increased due to commodity pricing pressures, inflation, higher production volumes and acquisitions. These items were partially offset by continuous improvement and material cost savings.

Gross Profit. Gross profit for the six months ended June 30, 2017 increased \$10.5 million, or 3.2%, compared to the six months ended June 30, 2016. The increase in gross profit was driven primarily by continuous improvement, material cost savings and the net impact of acquisitions and divestitures. These items were partially offset by customer price reductions, commodity pricing pressures and unfavorable vehicle production mix. As a percentage of sales, gross profit was 18.9% and 19.0% for the six months ended June 30, 2017 and 2016, respectively.

Selling, Administration and Engineering. Selling, administration and engineering expense for the six months ended June 30, 2017 was \$173.7 million or 9.6% of sales, compared to \$176.1 million, or 10.1% of sales, for the six months ended June 30, 2016. Selling, administration and engineering expense for the six months ended June 30, 2017 was favorable as a result of lower compensation related costs, partially offset by investment for growth and innovation.

Impairment charges. Impairment charges of \$4.3 million for the six months ended June 30, 2017 resulted from our decision to divest two of our inactive European sites based on current real estate market conditions.

Restructuring. Restructuring charges for the six months ended June 30, 2017 decreased \$4.7 million compared to the six months ended June 30, 2016. The decrease was primarily driven by lower expenses related to our European initiative of \$4.4 million and lower restructuring charges attributable to North America of \$0.5 million, partially offset by higher restructuring charges attributed to Asia Pacific initiatives of \$0.2 million.

Interest Expense, Net. Net interest expense for the six months ended June 30, 2017 increased \$1.8 million compared to the six months ended June 30, 2016, which resulted primarily from higher interest rates related to the new Senior Notes.

Loss on Refinancing and Extinguishment of Debt. Loss on refinancing and extinguishment of debt of \$1.0 million for the six months ended June 30, 2017 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.

Other Expense, Net. Other expense for the six months ended June 30, 2017 decreased \$5.2 million compared to the six months ended June 30, 2016 . The decrease was primarily due to the nonrecurrence of underwriting fees related to the secondary offering of \$5.9 million recorded in the six months ended June 30, 2016 , partially offset by higher foreign currency losses for the six months ended June 30, 2017 as compared to the six months ended June 30, 2016 .

Income Tax Expense . Income tax expense for the six months ended June 30, 2017 was \$32.4 million on earnings before income taxes of \$116.6 million . This compares to income tax expense of \$30.8 million on earnings before income taxes of \$102.6 million for the same period of 2016 . The effective tax rate for the six months ended June 30, 2017 compared to the six months ended June 30, 2016 was lower primarily due to earnings mix between tax benefited and non-tax benefited jurisdictions. The income tax rate for the six months ended June 30, 2017 varied from statutory rates due primarily to the impact of income taxes on foreign earnings taxed at rates lower than the U.S. statutory rate, the inability to record a tax benefit for pre-tax losses in certain foreign jurisdictions to the extent not offset by other categories of income, tax credits, income tax incentives, excess tax benefits related to share-based compensation and other permanent items. Further, the Company's current and future provision for income taxes may be impacted by the recognition of valuation allowances in certain countries. The Company intends to maintain these allowances until it is more likely than not that the deferred tax assets will be realized.

Segment Results of Operations

The following table presents sales and segment profit (loss) for each of the reportable segments for the three and six months ended June 30, 2017 and 2016 :

	Three Months Ended June 30,			Six Months Ended June 30,		
	2017	2016	Change	2017	2016	Change
	(dollar amounts in thousands)					
Sales to external customers						
North America	\$ 481,626	\$ 460,687	\$ 20,939	\$ 965,864	\$ 910,388	\$ 55,476
Europe	260,441	282,312	(21,871)	521,947	551,638	(29,691)
Asia Pacific	140,842	116,230	24,612	273,433	243,309	30,124
South America	26,236	20,075	6,161	49,952	36,466	13,486
Consolidated	<u>\$ 909,145</u>	<u>\$ 879,304</u>	<u>\$ 29,841</u>	<u>\$ 1,811,196</u>	<u>\$ 1,741,801</u>	<u>\$ 69,395</u>
Segment profit (loss)						
North America	\$ 64,476	\$ 60,593	\$ 3,883	\$ 126,757	\$ 114,826	\$ 11,931
Europe	(3,050)	730	(3,780)	(11,609)	(1,878)	(9,731)
Asia Pacific	4,509	536	3,973	7,986	3,036	4,950
South America	(3,755)	(5,598)	1,843	(6,560)	(13,420)	6,860
Consolidated income before income taxes	<u>\$ 62,180</u>	<u>\$ 56,261</u>	<u>\$ 5,919</u>	<u>\$ 116,574</u>	<u>\$ 102,564</u>	<u>\$ 14,010</u>

Three Months Ended June 30, 2017 Compared with Three Months Ended June 30, 2016

North America. Sales for the three months ended June 30, 2017 increased \$20.9 million , or 4.5% , compared to the three months ended June 30, 2016 , primarily due to improved volume and mix and the acquisition of AMI Industries' fuel and brake business, partially offset by customer price reductions and foreign exchange. Segment profit for the three months ended June 30, 2017 increased by \$3.9 million , primarily due to continuous improvement, material cost savings and favorable foreign exchange, partially offset by customer price reductions, commodity pricing pressure, the impact of vehicle production mix and continued investments to support innovation.

Europe. Sales for the three months ended June 30, 2017 decreased \$21.9 million , or 7.7% , compared to the three months ended June 30, 2016 , primarily due to unfavorable volume and mix due to the timing of customer vehicle programs, foreign exchange of \$6.6 million and customer price reductions. Segment loss for the three months ended June 30, 2017 increased by \$3.8 million , primarily due to unfavorable volume and mix, customer price reductions, commodity pricing pressure, and unfavorable foreign exchange, partially offset by continuous improvement, restructuring savings and material cost savings.

Asia Pacific. Sales for the three months ended June 30, 2017 increased \$24.6 million , or 21.2% , compared to the three months ended June 30, 2016 , primarily due to improved volume and mix, the consolidation of a previously unconsolidated joint venture, partially offset by unfavorable foreign exchange of \$4.5 million. Segment profit for the three months ended June 30, 2017 increased by \$4.0 million primarily driven by continuous improvement and material cost savings, partially offset by customer price reductions, commodity pricing pressure, wage inflation, and higher engineering costs to support growth in the region.

South America. Sales for the three months ended June 30, 2017 increased \$6.2 million , or 30.7% , compared to the three months ended June 30, 2016 , primarily due to improved volume and mix and favorable foreign exchange of \$2.2 million. Segment loss for the three months ended June 30, 2017 improved by \$1.8 million primarily due to continuous improvement savings, improved volume and mix and favorable foreign exchange.

Six Months Ended June 30, 2017 Compared with Six Months Ended June 30, 2016

North America. Sales for the six months ended June 30, 2017 increased \$55.5 million or 6.1% , compared to the six months ended June 30, 2016 , primarily due to improved volume and mix and the acquisition of AMI Industries' fuel and brake business, partially offset by customer price reductions and unfavorable foreign exchange. Segment profit for the six months ended June 30, 2017 increased by \$11.9 million , primarily due to continuous improvement, material cost savings, favorable foreign exchange and acquisitions, partially offset by customer price reductions, commodity pricing pressure, the impact of vehicle production mix and continued investments to support innovation.

Europe. Sales for the six months ended June 30, 2017 decreased \$29.7 million , or 5.4% , compared to the six months ended June 30, 2016 , primarily due to unfavorable foreign exchange of \$16.3 million and customer price reductions, partially offset by improvement in volume and mix. Segment loss for the six months ended June 30, 2017 increased by \$9.7 million , primarily due to customer price reductions, commodity pricing pressure, product mix, foreign exchange, and impairment charges recorded in the first quarter of 2017, partially offset by restructuring and continuous improvement savings.

Asia Pacific . Sales for the six months ended June 30, 2017 increased \$30.1 million or 12.4% compared to the six months ended June 30, 2016 , primarily due to the consolidation of a previously unconsolidated joint venture and improved volume and mix, partially offset by unfavorable foreign exchange of \$9.4 million and customer price reductions. Segment profit for the six months ended June 30, 2017 increased by \$5.0 million primarily driven by continuous improvement and material cost savings, partially offset by customer price reductions, commodity pricing pressure, higher engineering costs to support growth in the region and wage inflation.

South America. Sales for the six months ended June 30, 2017 increased \$13.5 million , or 37.0% , compared to the six months ended June 30, 2016 , primarily due to favorable foreign exchange of \$6.7 million and improved volume and mix. Segment loss for the six months ended June 30, 2017 improved by \$6.9 million primarily due to continuous improvement and material cost savings and improved volume and mix, partially offset by commodity pricing 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 senior asset-based revolving credit facility ("ABL Facility") and receivables factoring. The Company utilizes intercompany loans and equity contributions to fund its worldwide operations. There may be country specific regulations which may restrict or result in increased costs in the repatriation of these funds. See Note 7. "Debt" to the unaudited condensed consolidated financial statements included in Part 1, Item 1 of this Report for additional information.

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

Cash Flows

Operating Activities. Net cash provided by operations was \$64.2 million for the six months ended June 30, 2017 , compared to \$115.2 million for the six months ended June 30, 2016 . The change was primarily driven by an increase in receivables due to timing, higher outflows of cash related to increased inventory and higher payments related to incentive

compensation and restructuring, partially offset by increased earnings, timing of accounts payable and reduced cash paid for taxes.

Investing Activities. Net cash used in investing activities was \$97.8 million for the six months ended June 30, 2017, compared to \$89.3 million for the six months ended June 30, 2016. Cash used in investing activities consisted primarily of capital spending of \$98.1 million and \$81.4 million for the six months ended June 30, 2017 and 2016, respectively. We anticipate that we will spend approximately \$165 million to \$175 million on capital expenditures in 2017.

Financing Activities. Net cash used in financing activities totaled \$30.0 million for the six months ended June 30, 2017, compared to \$56.8 million for the six months ended June 30, 2016. The decrease was primarily due to fewer shares repurchased under our share repurchase program and the nonrecurrence of the restricted cash deposit for an overdraft facility, partially offset by higher taxes withheld and paid on employees' share-based awards and increased principal payments on long-term debt.

Share Repurchase Program

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

In March 2016, we purchased \$23.8 million of our common stock (350,000 shares at \$68.00 per share) from the Selling Stockholders (as described in Note 15. "Common Stock" to the unaudited condensed consolidated financial statements included in Part I, Item 1 of this Report). In June 2017, we repurchased \$9.3 million of our common stock (92,409 shares at an average purchase price of \$100.85 per share, excluding commissions) in the open market, of which \$7.5 million was settled in cash during the quarter. We expect to fund any future repurchases from cash on hand and future cash flows from operations. We are not obligated to acquire a particular amount of securities, and the Program may be discontinued at any time at our discretion. As of June 30, 2017, we have approximately \$91.9 million of repurchase authorization remaining under the Program.

Non-GAAP Financial Measures

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

- because similar measures are utilized in the calculation of the financial covenants and ratios contained in our financing arrangements;
- in developing our internal budgets and forecasts;
- as a significant factor in evaluating our management for compensation purposes;
- in evaluating potential acquisitions;
- in comparing our current operating results with corresponding historical periods and with the operational performance of other companies in our industry; and
- in presentations to the members of our board of directors to enable our board of directors to have the same measurement basis of operating performance as is used by management in their assessments of performance and in forecasting and budgeting for our company.

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

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

- they do not reflect our cash expenditures or future requirements for capital expenditure or contractual commitments;
- they do not reflect changes in, or cash requirements for, our working capital needs;
- they do not reflect interest expense or cash requirements necessary to service interest or principal payments under our ABL Facility, Term Loan Facility and Senior Notes;
- they do not reflect certain tax payments that may represent a reduction in cash available to us;

- although depreciation and amortization are non-cash charges, the assets being depreciated or amortized may have to be replaced in the future, and EBITDA and Adjusted EBITDA do not reflect cash requirements for such replacements; and
- other companies, including companies in our industry, may calculate these measures differently and, as the number of differences in the way companies calculate these measures increases, the degree of their usefulness as a comparative measure correspondingly decreases.

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

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
	(dollar amounts in thousands)			
Net income attributable to Cooper-Standard Holdings Inc.	\$ 40,456	\$ 40,189	\$ 82,162	\$ 71,512
Income tax expense	20,530	16,021	32,420	30,787
Interest expense, net of interest income	10,293	9,995	21,532	19,747
Depreciation and amortization	33,188	30,169	65,045	60,374
EBITDA	\$ 104,467	\$ 96,374	\$ 201,159	\$ 182,420
Restructuring charges	8,323	12,206	18,311	23,038
Impairment charges ⁽¹⁾	—	—	4,270	—
Loss on refinancing and extinguishment of debt ⁽²⁾	1,020	—	1,020	—
Secondary offering underwriting fees and other expenses ⁽³⁾	—	—	—	6,500
Other	—	—	—	155
Adjusted EBITDA	\$ 113,810	\$ 108,580	\$ 224,760	\$ 212,113

(1) Impairment charges related to fixed assets.

(2) Loss on refinancing and extinguishment of debt related to the May 2017 amendment of the Term Loan Facility.

(3) Fees and other expenses associated with the March 2016 secondary offering.

Contingencies and Environmental Matters

The information concerning contingencies, including environmental contingencies and the amount currently held in reserve for environmental matters, contained in Note 18. "Commitments and Contingencies" to the unaudited condensed consolidated financial statements included in Part I, Item 1 of this Report, is incorporated herein by references.

Recently Issued Accounting Pronouncements

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

Critical Accounting Estimates

There have been no significant changes in our critical accounting estimates during the six months ended June 30, 2017.

Forward Looking Statements

This quarterly report on Form 10-Q includes "forward-looking statements" within the meaning of U.S. federal securities laws, and we intend that such forward-looking statements be subject to the safe harbor created thereby. Our use of words "estimate," "expect," "anticipate," "project," "plan," "intend," "believe," "forecast," or future or conditional verbs, such as "will," "should," "could," "would," or "may," and variations of such words or similar expressions are intended to identify forward-looking statements. All forward-looking statements are based upon our current expectations and various assumptions. Our expectations, beliefs, and projections are expressed in good faith and we believe there is a reasonable basis for them.

However, we cannot assure you that these expectations, beliefs, and projections will be achieved. Forward-looking statements are not guarantees of future performance and are subject to significant risks and uncertainties and other factors 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; possible variability of our working capital requirements; risks associated with our international operations; foreign currency exchange rate fluctuations; our ability to control the operations of our joint ventures for our sole benefit; our substantial amount of indebtedness; our ability to obtain adequate financing sources in the future; operating and financial restrictions imposed on us under our debt instruments; the underfunding of our pension plans; significant changes in discount rates and the actual return on pension assets; effectiveness of continuous improvement programs and other cost savings plans; manufacturing facility closings or consolidation; our ability to execute new program launches; our ability to meet customers' needs for new and improved products; the possibility that our acquisitions and divestitures may not be successful; product liability, warranty and recall claims brought against us; laws and regulations, including environmental, health and safety laws and regulations; legal proceedings, claims or investigations against us; work stoppages or other labor disruptions; the ability of our intellectual property to withstand legal challenges; cyber-attacks or other disruptions in our information technology systems; the possible volatility of our annual effective tax rate; the possibility of future impairment charges to our goodwill and long-lived assets; and our dependence on our subsidiaries for cash to satisfy our obligations.

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

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

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes to the quantitative and qualitative information about the Company's market risk from those previously disclosed in the Company's 2016 Annual Report.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

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

Changes in Internal Control over Financial Reporting

There have been no changes in the Company's internal control over financial reporting during the quarter ended June 30, 2017 that have materially affected, or are reasonably likely to affect, the Company's internal control over financial reporting.

PART II — OTHER INFORMATION

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

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

As discussed in Part I, Item 2, “Management’s Discuss and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources - Share Repurchase Program,” and Note 15. “Common Stock” to the unaudited condensed consolidated financial statements included in Part 1, Item 1 of this Report, we have approximately \$91.9 million of repurchase authorization remaining under our ongoing common stock share repurchase program.

A summary of our shares of common stock repurchased during the three months ended June 30, 2017 is shown below :

Period	Total Number of Shares Purchased ⁽¹⁾	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet be Purchased Under the Program (in millions)
April 1, 2017 through April 30, 2017	—	\$ —	—	\$ 101.2
May 1, 2017 through May 31, 2017	—	\$ —	—	\$ 101.2
June 1, 2017 through June 30, 2017	92,412	\$ 100.85	92,409	\$ 91.9
Total	92,412	\$ 100.85	92,409	\$ 91.9

(1) Includes 3 shares repurchased by the Company to satisfy employee tax withholding requirements due upon the vesting of restricted stock awards.

Item 6. Exhibits

Exhibit No.	Description of Exhibit
10.1*	Amended and Restated Cooper-Standard Holdings Inc. 2011 Omnibus Incentive Plan
10.2 *	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.
10.3 *	Transitional Services Agreement between Matthew W. Hardt and Cooper-Standard Holdings Inc. dated June 5, 2017.
10.4 *	Form of Cooper-Standard Holdings Inc. 2017 Omnibus Incentive Plan Restricted Stock Unit Award Agreement.
10.5 *	Form of Cooper-Standard Holdings Inc. 2017 Omnibus Incentive Plan Nonqualified Stock Option Agreement.
10.6 *	Form of 2017 Cooper-Standard Holdings Inc. 2017 Omnibus Incentive Plan Performance Unit Award Agreement (stock-settled award).
31.1*	Certification of Principal Executive Officer Pursuant to Exchange Act Rule 13a-14(a)/15d-14(a) (Section 302 of the Sarbanes-Oxley Act of 2002).
31.2*	Certification of Principal Financial Officer Pursuant to Exchange Act Rule 13a-14(a)/15d-14(a) (Section 302 of the Sarbanes-Oxley Act of 2002).
32**	Certification Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS***	XBRL Instance Document
101.SCH***	XBRL Taxonomy Extension Schema Document
101.CAL***	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF***	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB***	XBRL Taxonomy Label Linkbase Document
101.PRE***	XBRL Taxonomy Extension Presentation Linkbase Document

* Filed with this Report.

** Furnished with this Report.

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

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

COOPER-STANDARD HOLDINGS INC.

August 4, 2017

/S/ JONATHAN P. BANAS

Date

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

INDEX TO EXHIBITS

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COOPER-STANDARD HOLDINGS INC.
2011 OMNIBUS INCENTIVE PLAN
(as amended and restated)

1. Purposes; History

(a) The purpose of the Plan is to aid the Company and its Affiliates in recruiting and retaining key employees and directors of outstanding ability and to motivate such key employees and 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 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 2010 Cooper-Standard Holdings Inc. Management Incentive Plan (the "Prior Plan"). Upon the Effective Date, this Plan amended, restated and replaced the Prior Plan in full. Awards outstanding under the Prior Plan continued to be outstanding but, upon the Effective Date, became subject to the terms and conditions of this 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); (ii) any person or group 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, including by way of merger, consolidation or otherwise; (iii) individuals who, as of the First Restatement 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; or (iv) the consummation of a plan of complete liquidation or dissolution of the Company; provided, however, clauses (iii) and (iv) of this definition shall only apply to Awards granted on or after the First Restatement Effective Date.

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 original effective date of the Plan was January 1, 2011. The “First Restatement Effective Date” of the first amendment and restatement means the date of the 2013 annual meeting of the stockholders of the Company. “Second Restatement Effective Date” of the second amendment and restatement means June 13, 2017.

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 non-employee director, if the Participant is a non-employee member of the Board. 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 non-employee member of the Board.

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 forgoing, 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 : Except as otherwise provided for in an Agreement, Good Reason 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 includes a definition of “Good Reason”, 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) a substantial diminution in the Participant’s position or duties; adverse change of reporting lines; or assignment of duties materially inconsistent with the Participant’s position; (2) any reduction in the Participant’s base salary or annual bonus opportunity other than a reduction which is applied generally to other similarly-situated employees in a similar manner; (3) any reduction in the Participant’s long-term cash incentive compensation opportunities, other than reductions generally affecting other employees participating in the applicable long-term incentive compensation programs or arrangements; (4) the failure of the Company or an Affiliate to pay the Participant any compensation or benefits when due under any employment agreement between the Participant and the Company or such Affiliate; (5) relocation of the Participant’s principal place of work in excess of fifty (50) miles from the Participant’s then principal place of work; or (6) any material breach by the Company or an Affiliate, as applicable, of the terms of any employment agreement between the Participant and the Company or such Affiliate; provided that none of the events described in (1) through (6), above, shall constitute Good Reason unless the Company or its Affiliate, as applicable, fails to cure such event within 10 calendar days after receipt from the Participant of written notice of the event which constitutes Good Reason.

Incentive Award : The right to receive a cash 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; 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; net operating profit; pre-tax profit; ratio of debt to debt plus equity; return on stockholder equity; 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) extraordinary, unusual 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).

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. 2011 Omnibus Incentive Plan.

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 3,450,000 Shares shall be authorized for Awards granted under the Plan as of the First Restatement 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 Plan after December 31, 2012 and two and one-quarter (2.25) Shares for every one (1) Share that was subject to an Award other than an Option or Stock Appreciation Right granted under the Plan after December 31, 2012.

(b) If after December 31, 2012, (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 Plan are forfeited, or an award granted under the Prior Plan 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 Plan 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 December 31, 2012 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 the 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 December 31, 2012 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 the 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 the Prior Plan, (iii) Shares subject to a Stock Appreciation Right or a stock appreciation right granted under the 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 the 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 the Prior Plan, and (ii) as two and one-quarter (2.25) 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 the Prior Plan.

3.2 Limit on Awards. Subject to adjustment as provided in Section 12, to the extent necessary for an award to be qualified performance-based compensation under Section 162(m) of the Code and the regulations thereunder, no Participant may be granted Awards that could result in such Participant:

- (a) receiving, during any fiscal year of the Company, Options for, and/or SARs with respect to, more than 400,000 Shares;
- (b) receiving, during any fiscal year of the Company, Awards of Restricted Stock and/or Restricted Stock Units relating to more than 200,000 Shares;
- (c) receiving, with respect to Annual Incentive Award(s) granted in respect of any single fiscal year of the Company, a cash payment (or a grant of Shares of Common Stock, Restricted Stock or Restricted Stock Units having a Fair Market Value at the time of grant) of more than \$10,000,000;
- (d) receiving, with respect to Long-Term Incentive Award(s) granted in respect of any period greater than one year, for each 12-month period during a performance period, a cash payment (or a grant of Shares of Common Stock, Restricted Stock or Restricted Stock Units having a Fair Market Value at the time of grant) 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. In addition, the aggregate grant date fair value of Common Stock that may be granted during any fiscal year of the Company to any Director shall not exceed \$300,000.

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 from and after the Second Restatement Effective Date, the withholding tax amount may not exceed the total maximum statutory tax rates associated with the transaction.

5. Limitations

No Award may be granted under the Plan after the tenth anniversary of the First Restatement 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. 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.

(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 with respect to Shares subject to an Option until the Participant has given written notice of exercise of the Option, paid in full for such Shares and, if applicable, has satisfied any other conditions imposed by the Committee pursuant to the Plan.

(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; and (g) whether the SAR will be settled in cash, Shares or a combination thereof. 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 and (without limiting the generality of the foregoing) such Agreement may require that an appropriate legend be placed on Share certificates. 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. The payment to the Participant of any dividends 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. Any such deferred dividends or distributions may be 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 Shares or the settlement of such Restricted Stock Units and any such deferred dividends 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.

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. Notwithstanding the provisions of this Section, dividends and dividend equivalents with respect to the Shares covered by an Award under this Section that vests based on achievement of performance goals shall be subject to restrictions and risk of forfeiture to the same extent as the Shares covered by the Award with respect to which such dividends and dividend equivalents were payable or credited.

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, although the Committee may specify that all or a portion of the Performance Goals subject to an Award are deemed achieved upon a Participant's death, Disability or a Change of Control or, in the case of Awards that at the date of grant the Committee determines will not be considered performance-based compensation under Code Section 162(m) or to which the Committee determines Code Section 162(m) is inapplicable, retirement (as defined by the Committee) or such other circumstances as the Committee may specify; 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

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, although the Committee may specify that all or a portion of the Performance Goals subject to an Award are deemed achieved upon a Participant's death, Disability or a Change of Control or, in the case of Awards that at the date of grant the Committee determines will not be considered performance-based compensation under Code Section 162(m) or to which the Committee determines Code Section 162(m) is inapplicable, retirement (as defined by the Committee) or such other circumstances as the Committee may specify; (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 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 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. Notwithstanding the provisions of this Section, dividend equivalents with respect to the Shares covered by a Long-Term Incentive Award under that vests based on achievement of Performance Goals shall be subject to restrictions and risk of forfeiture to the same extent as the Shares covered by the Long-Term Incentive Award with respect to which such dividend equivalents were credited.

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.

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. Notwithstanding the foregoing, in the case of a stock dividend (other than a stock dividend declared in lieu of an ordinary cash dividend) or subdivision or combination of the Shares (including a reverse stock split), if no action is taken by the Board or Committee, adjustments contemplated by this subsection that are proportionate shall nevertheless automatically be made as of the date of such stock dividend or subdivision or combination of the Shares.

(b)Change of Control.

(i) For all outstanding Awards, any acceleration 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 outstanding Awards then held by Participants 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, 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 (A) 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 (B) 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 (C) provide that for a period of at least 15 days prior to the Change of Control, any such Options shall be exercisable as to all shares subject thereto and that upon the occurrence of the Change of Control, such Options 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. 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.

21. Committee

No member of the Committee 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 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 in administering the Plan or in authorizing or denying authorization to any transaction hereunder.

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

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

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

WHEREAS, (i) each Lender that has submitted a signature page hereto (each a “**Consenting Lender**”) has agreed, on the terms and conditions set forth herein, to consent to the amendments to the Credit Agreement set forth herein, including, without limitation, the reduction of the Applicable Rate with respect to its outstanding Term B-1 Loans; (ii) each Lender that does not submit a signature page hereto (each a “**Non-Consenting Lender**”) shall be required to assign its Term B-1 Loans to Deutsche Bank AG New York Branch (in such capacity, the “**New Lender**”) in accordance with Section 3.07 (as amended hereby on the Amendment No. 2 Effective Date) and Section 10.07 of the Credit Agreement and such New Lender shall become a Lender under the Amended Credit Agreement with respect to the Term B-1 Loans so assigned, (iii) on the Amendment No. 2 Repricing Date (as defined below), the Borrower shall have paid to the Administrative Agent, for the ratable benefit of the existing Lenders, all accrued and unpaid interest to, but not including, the Amendment No. 2 Repricing Date with respect to the Term B-1 Loans outstanding under the Credit Agreement immediately before giving effect to Section 4(b) of this Amendment (the “**Existing Loans**”) and (iv) the consent of the Required Lenders to this Amendment is required pursuant to Section 3.07 of the Credit Agreement to effectuate the assignments contemplated by clause (ii) above; and

WHEREAS, Deutsche Bank Securities Inc. is the sole lead arranger and sole lead bookrunner (the “**Arranger**”) for this Amendment.

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

Section 1.

Amendments to the Credit Agreement

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

“ **Amendment No. 2** ” means Amendment No. 2 to the Credit Agreement, dated as of May 2, 2017, among the Borrower, the Administrative Agent and the Lenders party thereto.

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

“ **Amendment No. 2 Repricing Date** ” has the meaning specified in Amendment No. 2.

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

“ **Applicable Rate** ” means a percentage *per annum* equal to 2.25% *per annum* for Eurodollar Rate Loans and 1.25% *per annum* for Base Rate Loans.

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

“ **Arrangers** ” means DBSI, Merrill Lynch, Pierce, Fenner & Smith Incorporated, JPMorgan Chase Bank, N.A., Goldman Sachs Bank USA and Barclays Bank PLC, in their respective capacities as joint lead arrangers and joint bookrunners, and DBSI, in its capacity as sole lead arranger and sole lead bookrunner in respect of Amendment No. 2.

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

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

(f) Section 2.05(a)(iv) of the Credit Agreement is hereby amended by deleting the phrase “Amendment No. 1 Effective Date” and replacing it with the phrase “Amendment No. 2 Repricing Date”.

(g) Section 2.08(a) of the Credit Agreement is hereby amended by inserting “, Amendment No. 2” in such Section 2.08(a) immediately before the language “and Section 2.08(b)” therein:

(h) Section 2.17(d)(vii) of the Credit Agreement is hereby amended by deleting the phrase “Amendment No. 1 Effective Date” and replacing it with the phrase “Amendment No. 2 Repricing Date”.

(i) Section 2.16(a) of the Credit Agreement is hereby amended by deleting clause (iii)(x) in its entirety and replacing it with the phrase “Term Loans, New Term Loans and Incremental Equivalent Debt (solely to the extent secured on a pari passu basis with the Obligations securing the Loans) prior to such date (including pursuant to a Dutch Auction pursuant to Section 2.05(c)) and”.

(j) Section 3.07(b) of the Credit Agreement is hereby amended by deleting the phrase “within five (5) Business Days of” and replacing it with the word “on”.

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

Section 3. **Representations and Warranties, No Default**. The Borrower hereby represents and warrants that as of each of the Amendment No. 2 Effective Date and the Amendment No. 2 Repricing Date, after giving effect to the provisions of this Amendment that are effective on such date, as applicable, (i) no Default exists and (ii) the representations and warranties of the Borrower and each other Loan Party contained in Article V of the Credit Agreement or any other Loan Document are true and correct in all material respects (and in all respects if any such representation or warranty is already qualified by materiality) on and as of such date, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they were true and correct in all material respects (and in all respects if any such representation or warranty is already qualified by materiality) as of such earlier date.

Section 4. **Effectiveness**. (a) This Amendment (other than Sections 1(b), 1(c), 1(f), 1(g) and 1(h)) shall become effective on the date (such date, the “*Amendment No. 2 Effective Date*”) that the Administrative Agent shall have received executed signature pages hereto from the Borrower, Consenting Lenders constituting the Required Lenders, and the Administrative Agent.

(b) Sections 1(b), 1(c), 1(f), 1(g) and 1(h) of this Amendment shall become effective on the date (such date, the “*Amendment No. 2 Repricing Date*”) occurring on or after May 2, 2017, that the following conditions have been satisfied:

(i) Amendment No. 2 Effective Date. The Amendment No. 2 Effective Date shall have occurred;

(ii) New Lender. The Administrative Agent shall have received an executed signature page hereto from the New Lender and the assignment (or deemed assignment) of the Term B-1 Loans held immediately before the Amendment No. 2 Effective Date by all Non-Consenting Lenders shall have been completed;

(iii) Fees. The Agent and the Arranger shall have received the fees in the amounts previously agreed in writing with the Borrower by the Arranger to be received on the Amendment No. 2 Repricing Date pursuant to that certain Engagement Letter, dated as of April 19, 2017, and all reasonable and documented out-of-pocket expenses required to be paid or reimbursed under Section 10.04 of the Credit Agreement for which invoices have been presented three Business Days prior to the Amendment No. 2 Repricing Date; and

(iv) Interest. The Borrower shall have paid to the Administrative Agent, for the ratable benefit of the existing Lenders, all accrued and unpaid interest to, but not including, the Amendment No. 2 Repricing Date with respect to the Existing Loans.

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

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

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

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

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

Section 10. **Effect of Amendment**. Except as expressly set forth herein, (i) this Amendment shall not by implication or otherwise limit, impair, constitute a waiver of or otherwise affect the rights and remedies of the Lenders, the Agent, in each case under the Credit Agreement or any other Loan Document, and (ii) shall not alter, modify, amend, waive or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or any other Loan Document. Each and every term, condition, obligation, covenant and agreement contained in the Credit Agreement or any other Loan Document is hereby ratified and re-affirmed in all respects and shall continue in full force and effect. This Amendment shall constitute a Loan Document for purposes of the Amended Credit Agreement and from and after the Amendment No. 2 Effective Date, all references to the Credit Agreement in any Loan Document and all references in the Amended Credit Agreement to "this Agreement," "hereunder," "hereof" or words of like import referring to the Credit Agreement, shall, unless expressly provided otherwise, refer to the Amended Credit Agreement. All parties agree that the amendments of the Credit Agreement set forth herein do not constitute a novation of the Credit Agreement, as written immediately prior to giving effect to this Amendment.

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

[signature pages follow]

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

COOPER STANDARD AUTOMOTIVE INC., as
the Borrower

By: /S/ MATTHEW HARDT

Name: Matthew Hardt

Title: Executive Vice President and CFO

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

By: /S/ DUSAN LAZAROV

Name: Dusan Lazarov

Title: Director

By: /S/ PETER CUCCHIARA

Name: Peter Cucchiara

Title: Vice President

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

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

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

(Name of Institution)

By: _____
Name:
Title:

If a second signature is necessary:

By: _____
Name:
Title:

June 5, 2017

Mr. Matthew W. Hardt

Re: Transitional Services Agreement

Dear Matt:

This letter agreement (this "Agreement") is intended to set forth our mutual understanding regarding your transition from Executive Vice President and Chief Financial Officer of Cooper-Standard Holdings Inc. and Cooper Standard Automotive Inc. (collectively, the "Company" or "Cooper Standard") to a non-executive employee of the Company. Accordingly, we agree as follows:

1. Resignation. You hereby resign and the Company hereby accepts your resignation as (a) the Executive Vice President and Chief Financial Officer of the Company, and (b) a director, officer, corporate secretary, legal representative, shareholder representative, or any other position or title, as the case may be, of any and all subsidiaries or affiliates of Cooper Standard and any and all other entities in which Cooper Standard holds (directly or indirectly) any equity interest, in each case, as of June 7, 2017 (the "Effective Date"). You agree to serve as a non-executive employee of the Company and provide transitional services from the Effective Date through September 30, 2017, or the date on which your employment is terminated by the Company for Cause (the first to occur of such dates, the "End Date"). For purposes of this Agreement, the period between the Effective Date and the End Date shall be the "Transition Period" and "Cause" shall mean (i) your engagement in gross negligence or willful misconduct or omission in the performance of material duties or responsibilities; (ii) your breach of any of the provisions of this Agreement. Except as provided herein, following the Effective Date, the Company will have no further obligations to you, including under the provisions of the Offer Letter from the Company dated January 14, 2015, or any documents or plans referenced therein.

2. Transitional Services.

(a) During the Transition Period, you agree to provide transitional services to the Company. Such services will include assistance with respect to the transition of your existing employment responsibilities to your successor and such matters as may be assigned to you by the Chief Executive Officer. During the Transition Period, you agree to make yourself reasonably available to provide services reasonably requested by the Company, and you will not accept any other employment, consultancy or position that would interfere, in any way, with your duties and responsibilities hereunder. You will report to the Company's Chief Executive Officer during the Transition Period. During the Transition Period, you agree to comply with all Company policies and procedures applicable to all employees.

(b) During the Transition Period, you will continue to be eligible for the compensation and benefits at the level you are currently receiving them, less applicable withholdings; provided,

however, that you will not be eligible for annual bonus compensation under the Company's Annual Incentive Plan or Long-Term Incentive Plan. For the avoidance of doubt, your unvested, outstanding equity-based awards will continue to vest in accordance with their terms during the Transition Period, but the separation of your employment upon the End Date will not constitute a termination either by the Company without cause or by you for Good Reason that would entitle you to any rights under the Company's Executive Severance Pay Plan effective January 1, 2011 (" Severance Plan"), the Company's 2011 Omnibus Incentive Plan, the 2017 Omnibus Incentive Plan or any special awards or grants you may have received.

3. Noncompetition, Nondisclosure and Patent Assignment Agreement. Notwithstanding anything to the contrary in this Agreement, all provisions of the Noncompetition, Nondisclosure and Patent Assignment Agreement by and between the Company and you dated January 23, 2015 (" 2015 Agreement"), shall continue to apply during the Transition Period and thereafter, as stated in the 2015 Agreement to the extent as modified by your Separation Agreement and Release with the Company, as follows: For purposes of the 2015 Agreement, a "Competitor of the Company" shall be defined as only those companies set forth on Exhibit B attached to and made a part of your Separation Agreement and Release with the Company. For the avoidance of doubt, the date of "termination of Employee's employment with the Company" for purposes of the 2015 Agreement shall be the End Date.

4. Pending Litigation. You agree to cooperate fully in connection with any and all actions, proceedings or disputes as provided in Section 20 of the 2015 Agreement.

5. Indemnification. Nothing in this Agreement will affect your rights to indemnification from the Company pursuant to the Indemnification Agreement between you and the Company, dated as of February 24, 2016, the Company's Amended and Restated By-Laws or pursuant to law requiring such indemnification.

6. Separation Agreement and Release. To continue employment with the Company during the Transition Period and to receive the payments and benefits provided under this Agreement, you agree to (a) execute and deliver to the Company within 22 days of the date hereof the Separation Agreement and Release delivered to you herewith (the " Release"), (b) execute and deliver to the Company within 22 days of the End Date a release of claims substantially similar to the form of the Release (" End Date Release"), and (c) not revoke either the Release or the End Date Release. If you fail to execute the Release or the End Date Release or revoke either the Release or the End Date Release (in each case, as provided therein), you will be deemed to have terminated your employment without Good Reason as of the date of non-delivery or revocation and you will not be entitled to any further compensation from the Company and the Company will be entitled to a return of, and you will be obligated to repay to the Company, any and all compensation and benefits received by you from the Company during the Transition Period.

7. Miscellaneous. The modified provisions of the 2015 Agreement will be deemed to be incorporated into this Agreement.

If the foregoing accurately reflects our agreement, kindly sign and return to us the enclosed duplicate copy of this letter.

Very truly yours,

COOPER-STANDARD HOLDINGS INC.

By: /S/ LARRY E. OTT

Larry E. Ott

Senior Vice President, Chief Human Resources Officer

Accepted and Agreed to:

/S/ MATTHEW W. HARDT

Matthew W. Hardt

Date: June 5, 2017

COOPER-STANDARD HOLDINGS INC.

RESTRICTED STOCK UNIT AWARD AGREEMENT

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

RECITALS:

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

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

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

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

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

3. Vesting; Termination of Employment.

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

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

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

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

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

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

4. Settlement.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

COOPER-STANDARD HOLDINGS INC.

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

Agreed and acknowledged as of the date first above written:

Participant: _____

COOPER-STANDARD HOLDINGS INC.
NONQUALIFIED STOCK OPTION AGREEMENT

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

RECITALS:

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

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

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

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

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

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

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

3. Exercise and Expiration of Option.

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

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

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

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

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

(b) Method of Exercise.

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

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

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

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

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

4. No Right to Continued Employment or Future Awards. The granting of the Options shall impose no obligation on the Company or any of its Affiliates to continue the Employment of the Participant and shall not lessen or affect the Company's or its Affiliate's right to terminate the Employment of the Participant. In addition, the granting of the Options shall impose no obligation on the Company or any of its Affiliates to make awards under the Plan to the Participant in the future.
5. Transferability. The Options may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by the Participant otherwise than by will or by the laws of descent and distribution, and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company or any Affiliate; provided that the designation of a beneficiary shall not constitute an assignment, alienation, pledge, attachment, sale, transfer or encumbrance. No such permitted transfer of an Option to heirs or legatees of the Participant shall be effective to bind the Company unless the Committee shall have been furnished with written notice thereof and a copy of such evidence as the Committee may deem necessary to establish the validity of the transfer and the acceptance by the transferee or transferees of the terms and conditions hereof. During the Participant's lifetime, the Options are exercisable only by the Participant.
6. Taxes. The Company and its Affiliates shall have the right and are hereby authorized to withhold, any applicable withholding taxes in respect of the Options, their exercise or any

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

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

value of an Award or that such action is in the best interest of the affected Participant or any other person(s) as may then have an interest in the Award.

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

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

COOPER-STANDARD HOLDINGS INC.

By:

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

Agreed and acknowledged as of the date first above written:

Participant: _____

COOPER-STANDARD HOLDINGS INC.
PERFORMANCE UNIT AWARD AGREEMENT

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

RECITALS:

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

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

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

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

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

(a) Performance Period. The Performance Period for this Award is the three-year period commencing on January 1, 2017 and ending on December 31, 2019.

(b) Performance Goals. The Performance Goal is the Company’s return on invested capital (ROIC) for the three-year Performance Period. The Performance Goal will be met at “target” if **14.9% ROIC** is achieved. The Performance Goal will be met at “threshold” if 80% of target performance is met. The Performance Goal will be met at “maximum” if 120% of target performance is met. Performance between threshold and target, or between target and maximum, shall be interpolated.

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

yet been settled as of the date of death of the Participant, shall be paid to the Participant’s legal representative pursuant to his or her will or the laws of descent and distribution. The Participant cannot otherwise sell, transfer, or dispose of or pledge or hypothecate or assign the unvested PUs or the Shares underlying the vested PUs prior to the date on which such vested PUs are settled pursuant to Section 4 (collectively, the “Transfer Restrictions”).

4. Vesting; Termination of Employment.

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

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

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

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

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

- (i) upon termination of the Participant’s Employment due to the Participant’s death or Disability, the Target PUs shall vest in full on the date of such Employment termination;
- (ii) if the Participant’s Employment terminates for Retirement, then a number of PUs equal to (x) the total number of PUs determined pursuant to subsection (a) multiplied by (y) a fraction, the numerator of which is the number of the Participant’s days of Employment during the Performance Period and the denominator of which is 1,095, shall vest and no longer be subject to forfeiture as of the Lapse Date; and
- (iii) in the case of either (i) or (ii), any remaining unvested PUs shall be canceled by the Company without consideration.

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

Performance Goal shall be deemed to have been satisfied at the target level, regardless of actual performance prior to or after such Change of Control, such that only the Target PUs remain available for vesting under this Award, and the following will apply:

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

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

5. Settlement.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

COOPER-STANDARD HOLDINGS INC.

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

Agreed and acknowledged as of the date first above written:

Participant: _____

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

I, Jeffrey S. Edwards, certify that:

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

Date: August 4, 2017

By: /S/ JEFFREY S. EDWARDS

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

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

I, Jonathan P. Banas, certify that:

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

Date: August 4, 2017

By: /S/ JONATHAN P. BANAS

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

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

In connection with the the filing of this quarterly report of Cooper-Standard Holdings Inc. (the “Company”) on Form 10-Q for the period ended June 30, 2017 , with the Securities and Exchange Commission on the date hereof (the “Report”), each of the undersigned officers certifies, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that, to such officer's knowledge:

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

Date: August 4, 2017

By: /S/ JEFFREY S. EDWARDS

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

/S/ JONATHAN P. BANAS

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