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

FORM 10-K

(Mark one)

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

For the fiscal year ended December 31, 2016
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 000-54305

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

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

39550 Orchard Hill Place Drive
Novi, Michigan 48375
(Address of principal executive offices) (Zip Code)
Registrant's telephone number, including area code: (248) 596-5900
Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Exchange on Which Registered
Common Stock, par value $0.001 per share	New York Stock Exchange

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

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No x
Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No x
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 x 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 x No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

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

Large accelerated filer	x	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐

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

The aggregate market value of voting and non-voting common stock held by non-affiliates as of June 30, 2016 was $1,069,326,019.
The number of the registrant's shares of common stock, $0.001 par value per share, outstanding as of February 10, 2017 was 17,700,542 shares.

Documents Incorporated by Reference

Certain portions, as expressly described in this report, of the Registrant's Proxy Statement for the 2017 Annual Meeting of Stockholders are incorporated by reference into Part III of this Annual Report on Form 10-K.

TABLE OF CONTENTS

PART I

Item 1. Business

Cooper-Standard Holdings Inc. (together with its consolidated subsidiaries, the "Company," "Cooper Standard," "we," "our" or "us") is a leading manufacturer of sealing, fuel and brake delivery, fluid transfer and anti-vibration systems. Our products are primarily for use in passenger vehicles and light trucks that are manufactured by global automotive original equipment manufacturers ("OEMs") and replacement markets. We conduct substantially all of our activities through our subsidiaries.

Cooper Standard is listed on the New York Stock Exchange ("NYSE") under the ticker symbol "CPS." The Company has approximately 30,000 employees with 123 facilities in 20 countries. The Company is dedicated to four product lines. Based on this focused approach, we believe we are the largest global producer of sealing systems, the second largest global producer of the types of fuel and brake delivery products that we manufacture, the third largest global producer of fluid transfer systems, and one of the largest North American producers of anti-vibration systems. We design and manufacture our products in each major region of the world through a disciplined and sustained approach to engineering and operational excellence. We operate in 90 manufacturing locations and 33 design, engineering, administrative and logistics locations.

The Company has four operating segments: North America, Europe, Asia Pacific and South America. This operating structure allows us to offer our full portfolio of products and support our regional and global customers with complete engineering and manufacturing expertise in all major regions of the world. We have ongoing operational restructuring and expansion initiatives to improve competitiveness, primarily related to footprint optimization in Europe and expansion in Asia and Mexico. See "Segment Results of Operations" under Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Note 19. "Business Segments" to our consolidated financial statements included under Item 8. "Financial Statements and Supplementary Data" of this Annual Report on Form 10-K (the "Report") for further information on our segments.

Approximately 84% of our sales in 2016 were to OEMs, including Ford Motor Company ("Ford"), General Motors Company ("GM"), Fiat Chrysler Automobiles ("FCA"), PSA Peugeot Citroën, Volkswagen Group, Daimler, Renault-Nissan, BMW, Toyota, Volvo, Jaguar/Land Rover, Honda and various other OEMs based in India and China. The remaining 16% of our 2016 sales were primarily to Tier I and Tier II automotive suppliers, non-automotive manufacturers, and replacement market distributors. The Company's products can be found on over 450 nameplates globally.

Corporate History and Business Developments

Cooper-Standard Holdings Inc. was established in 2004 as a Delaware corporation and began operating on December 23, 2004 when it acquired the automotive segment of Cooper Tire & Rubber Company (the "2004 Acquisition"). Cooper-Standard Holdings Inc. operates the business primarily through its principal operating subsidiary, Cooper-Standard Automotive Inc. ("CSA U.S."). Since the 2004 Acquisition, the Company has expanded and diversified its customer base through a combination of organic growth and strategic acquisitions.

In August 2009, following the onset of the financial crisis and economic downturn that severely impacted the global automotive industry, Cooper-Standard Holdings Inc. and its wholly-owned subsidiaries in the United States and Canada commenced reorganization proceedings in the United States (the "Chapter 11 proceedings") and Canada. In May 2010, the Company consummated its reorganization pursuant to a court-confirmed plan of reorganization and emerged from the Chapter 11 proceedings and the Canadian proceedings.

From 2006 to 2013, the Company accelerated its growth through a number of strategic acquisitions including the Fluid Handling Systems Operations in North America, Europe and China (collectively, "FHS") from ITT Industries, Inc.; Metzeler Automotive Profile Systems; a hose manufacturing operation in Mexico from the Gates Corporation; USi, Inc.; the sealing business of Sigit S.p.A.; a joint venture with Fonds de Modernisation des Equipementiers Automobiles ("FMEA"); and Jyco Sealing Technology.

In October 2013, Cooper Standard's common stock was listed on the NYSE and began trading under the ticker symbol "CPS." Prior to the NYSE listing, the Company's common stock was traded on the Over-the-Counter ("OTC") Bulletin Board under the symbol "COSH."

We continued strategic acquisitions and partnerships in 2014 and 2015 with the acquisition of Cikautxo Borja, S.L.U. in Spain, a manufacturer of heating and cooling hoses; the purchase of an additional 47.5% of Huayu-Cooper Standard Sealing Systems Co. ("Shenya"), increasing our equity ownership to 95% and positioning the Company as a leader in sealing systems in the Chinese automotive market; the formation of a joint venture with Polyrub Extrusions (India) Private Limited to grow the

Company’s fluid transfer systems business in Asia; and a joint venture with INOAC Corporation of Japan accelerating our fluid transfer systems strategy in Asia. In 2016, we acquired the North American fuel and brake business of AMI Industries to expand the Company’s fuel and brake business. We also gained control of our China-based joint venture, Shenya Sealing (Guangzhou) Company Limited.

In 2014 and 2015, the Company divested its thermal and emissions product line and hard coat plastic exterior trim business, respectively, to focus on the product lines where Cooper Standard holds leading market positions.

Business Strategy

In 2013, we set a clear vision for achieving profitable growth with a mission to become a Top 30 automotive supplier in terms of sales and top 5 in ROIC (return on invested capital).

In 2016, the leadership team refined this vision: Driving Value Through Culture, Innovation and Results to more closely represent the evolution of the Company’s culture and to provide the basis for delivering even greater value. The global leadership team also reshaped the supporting pillars in 2016 to align with the progress of the Company. These pillars are:

Voice of the Customer:	We design and develop our products to meet the current and future needs of our customers. We listen intently and adjust to customer feedback to ensure we are consistently providing customer-focused products while meeting their evolving needs. Cooper Standard is dedicated to serving its global customers and the automotive industry as a whole.
Superior Products:	With a focus on core products, we provide customers with market-leading solutions with predicable quality that meet or exceed expectations in sealing, fuel and brake delivery, fluid transfer and anti-vibration systems.
World-Class Operations:	We are committed to sustained excellence through the Cooper Standard Operating System (“CSOS”), the Company’s playbook of global best practice tools designed for optimization that are driving Cooper Standard’s global success.
Engaged Employees:	Our employees are the foundation of the Company and the key driver of our success. Committed to excellence and driven to succeed, our employees never lose sight of the Company’s overall vision and strategy.

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

Operational and Strategic Initiatives

As part of the Cooper Standard’s world-class operations, the Company implemented the CSOS to fully position the Company for growth and ensure global consistency in engineering design, program management, manufacturing process, purchasing and IT systems. Standardization across all regions is especially critical in support of customers’ global platforms that require the same design, quality and delivery standards everywhere across the world.

CSOS consists of the following areas, with a strategic focus that aligns with the Company’s growth strategy:

CSOS Function	Strategic Focus
World-Class Safety	Implement globally consistent measurement system with zero incidents goal.
World-Class Operations	Optimize global performance by implementing best business practices across the organization.
Continuous Improvement	Implement lean manufacturing tools across all facilities to achieve cost savings and increased performance.
Global Purchasing	Develop an advantaged supply base to effectively leverage scale and optimize supplier quality.
Innovation Management	Focused innovation processes to create breakthrough technologies for market differentiation.
Global Program Management	Ensure consistent and flawless product launch process across all regions.
IT Systems	Implement common systems to effectively communicate information throughout the business.

Leverage Technology for Innovative Solutions

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

In 2016, Cooper Standard was recognized by Society of Plastics Engineers (SPE®) with the Automotive Innovation Award for the co-development of Cooper Standard's High Performance Vacuum Brake Tube design with Royal DSM. This technology was created to replace traditional clamped rubber hoses, to simplify engine and undercarriage routing. The design offers significant space and weight savings while allowing for rapid assembly and ease of maintenance through the use of quick connectors.

Cooper Standard has evolved and further energized its approach to innovation with its i^3 Innovation Process (Imagine, Initiate, Innovate). This approach is used as a mechanism to capture ideas from across our Company and supply partners while promoting a culture of innovation.

Ideas are carefully evaluated by a global technology council and those that are selected are put on an accelerated development cycle with a dedicated innovation team focused on breakthrough ideas. This team is developing game-changing technologies based on materials expertise, process know-how, and application vision, which may drive future product direction. Among recently announced technologies is ArmorHose™, a breakthrough technology which results in significantly more durable coolant hoses and eliminates the need for separate abrasion sleeves on under-hood hose assemblies. Several other significant technologies, especially related to advanced materials, processing and weight reduction, have recently been realized. These include: Fortrex™, a revolutionary material that provides higher performance and lower weight to weather seals; and MagAlloy™, a new processing technology for brake lines that increases long term durability through superior corrosion resistance.

Continued Emphasis on Global Platforms

We believe global platforms, which require the same design, quality and delivery standards globally, will drive increased growth for capable global suppliers. It is predicted that the top ten global platforms produced by automakers will account for about 30% of the world's light vehicle volume by 2022, highlighting the importance of being well-positioned to participate in these high-volume, global programs. Based on our 2016 revenue, six of the top ten vehicle platforms on which we provide content are global platforms, which demonstrates that customers already look to us to support global platforms. Our global presence and technological capabilities ideally position us to continue to win business on global platforms.

Pursue Acquisitions and Alliances to Enhance Capabilities and Accelerate Growth

We intend to continue to selectively pursue complementary acquisitions and joint ventures to enhance our customer base, geographic penetration, scale and technology. Consolidation is an industry trend and is encouraged by the OEM's desire for global automotive suppliers. We believe we have a strong platform for growth through acquisitions based on our past integration successes, experienced management team, global presence and operational excellence. Further, our operations currently include several successful joint ventures.

Industry

The automotive industry is one of the world's largest and most competitive. Consumer demand for new vehicles largely determines sales and production volumes of global OEMs. Automotive suppliers gain market share by winning new platforms and by increasing their content per vehicle within these platforms.

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

Markets Served

Our focus is on the passenger car and light truck market, up to and including Class 3 Full Size Frame trucks, better known as the light vehicle market. This is our largest market and accounts for approximately 96% of our global sales.

In addition to the global light vehicle market, we also have dedicated sales and engineering teams in North America and Europe to leverage core product technology into adjacent markets to profitably grow Cooper Standard. The adjacent markets include: commercial vehicle (on-highway and off-highway), specialty markets and technical rubber.

Customers

We are a leading supplier to the following OEMs and are increasing our presence with major OEMs throughout the world. The following table shows the approximate percentage of sales to our top customers for the years ended December 31, 2016, 2015 and 2014:

Customer	2016	2015	2014
Ford	27%	26%	24%
GM	17%	16%	16%
FCA	12%	12%	13%
PSA Peugeot Citroën	6%	5%	6%
Volkswagen Group	5%	5%	5%

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

Segment Information

See Note 19. “Business Segments” to the consolidated financial statements for segment information.

Products

We have four distinct product lines. These products are produced and supplied globally to a broad range of customers in multiple markets. The percentage of sales by product line for the years ended December 31, 2016, 2015 and 2014 are as follows:

	Percentage of Sales		
Product Lines	**2016**	**2015**	**2014**
Sealing systems	52%	53%	52%
Fuel and brake delivery systems	21%	20%	20%
Fluid transfer systems	14%	14%	14%
Anti-vibration systems	9%	8%	8%

In addition to these product lines, we also have sales to other adjacent markets.

Product Lines		Market Position
SEALING SYSTEMS	Protect vehicle interiors from weather, dust and noise intrusion for improved driving experience; provide aesthetic and functional class-A exterior surface treatment Products: – Fortrex™ – Dynamic seals – Static seals – Encapsulated glass – Stainless steel trim – Flush glass systems – Variable extrusion – Specialty sealing products	Global leader
FUEL & BRAKE DELIVERY SYSTEMS	Sense, deliver and control fluids to fuel and brake systems Products: – Chassis and tank fuel lines and bundles (fuel lines, vapor lines and bundles) – Metallic brake lines and bundles – Quick connects – Direct injection & port fuel rails (fuel rails and fuel charging assemblies) – Gen III Posi-Lock Quick Connect	Top 2 globally

Product Lines		Market Position
FLUID TRANSFER SYSTEMS	Sense, deliver and control fluid and vapors for optimal powertrain & HVAC operation Products: – Heater/coolant hoses – Quick connects – DPF and SCR emission lines – Degas tanks – Air intake and charge – Transmission Oil Cooling Hoses – Turbo charger hoses – Secondary air hoses – Brake and clutch hoses – ArmorHose™ – ArmorHose™ TPV	Top 3 globally
ANTI-VIBRATION SYSTEMS	Control and isolate vibration and noise in the vehicle to improve ride and handling Products: – Powertrain Mount Systems: Multi-state Vacuum Switchable Hydraulic Engine Mounts, Bi-state Electric Switchable Hydraulic Engine Mounts, Conventional Hydraulic Mounts, Elastomeric Mount – Suspension Mounts: Conventional & Hydraulic Bushings, Strut Mounts, Spring Seats & Bumpers, Mass Dampers, Dual Durometer (Bi-compound) Bushings	North America Leader

Competition

We believe that the principal competitive factors in our industry are quality, price, service, performance, design and engineering capabilities, innovation, timely delivery, financial stability and global footprint. We believe that our capabilities in these core competencies are integral to our position as a market leader in each of our product lines. Our sealing systems products compete with Toyoda Gosei, Hutchinson, Henniges and Standard Profil, among others. Our fuel and brake delivery products compete with TI Automotive, Sanoh, Martinrea, Maruyasu and Usui. Our fluid transfer products compete with Conti-Tech, Hutchinson, Teklas, Tristone and Hwaseung R&A. Our anti-vibration systems compete with Trelleborg/Vibracoustic, Hutchinson, Tokai Rubber, Bridgestone and ContiTech.

Joint Ventures and Strategic Alliances

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

The following table shows our significant unconsolidated joint ventures:

Country	Name	Ownership Percentage
India	Sujan Cooper Standard AVS Private Limited	50%
United States	Nishikawa Cooper LLC	40%
India	Polyrub Cooper Standard FTS Private Limited	35%
Thailand	Nishikawa Tachaplalert Cooper Ltd.	20%

Research and Development

We have a dedicated team of technical and engineering resources in each region, some of which are located at our customers' facilities. We utilize Design for Six Sigma and other methodologies that emphasize manufacturability and quality. Our development teams work closely with our customers to design and deliver innovative solutions. We continue to add technical resources throughout the world as required to support our customers, including a technical center in Shanghai, China and, with the Sujan Cooper Standard joint venture, in Maharashtra, India. We spent $117.8 million, $108.8 million, and $102.0 million in 2016, 2015 and 2014, respectively, on engineering, research and development.

Intellectual Property

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

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

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

Supplies and Raw Materials

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

The principal raw materials for our business include ethylene propylene diene monomer M-Class rubber (“EPDM”) and synthetic rubber, components manufactured from carbon steel, plastic resins and components, carbon black, process oils, components manufactured from aluminum and natural rubber. We manage the procurement of our raw materials to assure supply and to obtain the most favorable total cost of ownership. Procurement arrangements include short-term and long-term supply agreements that may contain formula-based pricing based on commodity indices. These arrangements provide quantities needed to satisfy normal manufacturing demands. We believe we have adequate sources for the supply of raw materials and components for our products with suppliers located around the world. We often use offshore suppliers for machined components, die castings and other labor-intensive, economically freighted products in our North American and European facilities.

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

Geographic Information

See Note 19. “Business Segments” to the consolidated financial statements for geographic information.

Seasonality

Historically, sales to OEMs are lowest during the months prior to model changeovers and during assembly plant shutdowns. However, economic conditions and consumer demand may change the traditional seasonality of the industry and lower production may result without the impact of seasonality. In the past, model changeover periods have typically resulted in lower sales volumes during July, August and December. During these periods of lower sales volumes, profits may decline but working capital often improves due to the continued collection of accounts receivable.

Backlog

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

Employees

As of December 31, 2016, we had approximately 30,000 full-time and temporary employees. We maintain good relations with both our union and non-union employees, and, in the past ten years, have not experienced any major work stoppages. We have renegotiated some of our domestic and non-domestic union agreements in 2016, and have several contracts set to expire in the next twelve months.

Environmental

We are subject to a broad range of federal, state, and local environmental and occupational safety and health laws and regulations in the United States and other countries, including regulations governing: emissions to air, discharges to water, noise and odor emissions; the generation, handling, storage, transportation, treatment, reclamation and disposal of chemicals and waste materials; the cleanup of contaminated properties; and human health and safety. We have made, and will continue to make, expenditures to comply with environmental requirements. While our costs to defend and settle known claims arising under environmental laws are not currently estimated to be material, such costs may be material in the future.

Market Data

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

Available Information

We make available free of charge on or through our website (www.cooperstandard.com) our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, (the “Exchange Act”), as soon as reasonably practicable after we electronically file such material with, or furnish it to, the U.S. Securities and Exchange Commission (“SEC”). The information on our website is not incorporated by reference into this Report.

Forward-Looking Statements

This Annual Report on Form 10-K includes “forward-looking statements” within the meaning of U.S. federal securities laws, and we intend that such forward-looking statements be subject to the safe harbor created thereby. We make forward-looking statements in this Annual Report on Form 10-K and may make such statements in future filings with the SEC. We may also make forward-looking statements in our press releases or other public or stockholder communications. These forward-looking statements include statements concerning our plans, objectives, goals, strategies, future events, future revenue or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, business trends, and other information that is not historical information and, in particular, appear under “Business,” “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” When used in this report, the words “estimates,” “expects,” “anticipates,” “projects,” “plans,” “intends,” “believes,” “forecasts,” 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, including, without limitation, management’s examination of historical operating trends and data are based upon our current expectations and various assumptions. Our expectations, beliefs, and projections are expressed in good faith and we believe there is a reasonable basis for them. However, we cannot assure you that these expectations, beliefs and projections will be achieved. Forward-looking statements are not guarantees of future performance and are subject to significant risks and uncertainties that may cause actual results or achievements to be materially different from the future results or achievements expressed or implied by the forward-looking statements.

There are a number of risks and uncertainties that could cause our actual results to differ materially from the forward-looking statements contained in this Annual Report on Form 10-K. Important factors that could cause our actual results to differ materially from the forward-looking statements we make in this report are set forth in this Annual Report on Form 10-K, including under Item 1A. “Risk Factors.”

There may be other factors beyond the factors set forth in this Annual Report on Form 10-K, including under Item 1A. “Risk Factors,” that may cause our actual results to differ materially from the forward-looking statements. All forward-looking statements attributable to us or persons acting on our behalf apply only as of the date of this Annual Report on Form 10-K or other reports we file with the SEC, as applicable, and are expressly qualified in their entirety by the cautionary statements included herein and therein. We undertake no obligation to update or revise forward-looking statements to reflect events or circumstances that arise after the date made or to reflect the occurrence of unanticipated events.

Item 1A. Risk Factors

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

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

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

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

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

Escalating pricing pressures may adversely affect our business.

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

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

While we provide parts to virtually every major global OEM for use on a wide range of different platforms, sales to our three largest customers, Ford, GM and FCA, on a worldwide basis represented approximately 56% of our sales for the year ended December 31, 2016. Our ability to reduce the risks inherent in certain concentrations of business will depend, in part, on our ability to continue to diversify our sales on a customer, product, platform and geographic basis. Although business with each customer is typically split among numerous contracts, the loss of a major customer, significant reduction in purchases of our products by such customer, or any discontinuance or resourcing of a significant platform could adversely affect our business, results of operations and financial condition.

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

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

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

Raw material costs can be volatile. The principal raw materials we purchase include EPDM and synthetic rubber, components manufactured from carbon steel, plastic resins and components, carbon black, process oils, components manufactured from aluminum and natural rubber. Raw materials are the largest component of our costs, representing approximately 50% of our total cost of products sold in 2016. The availability of raw materials and manufactured components can fluctuate due to factors beyond our control. A significant increase in the price of these items, or a restriction in their availability, could materially increase our operating costs and adversely affect our profitability because it is generally difficult to pass through these increased costs to our customers.

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

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

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

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

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

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

We have significant manufacturing operations outside the United States, including joint ventures and other alliances. Our operations are located in 20 countries, and we export to several other countries. In 2016, approximately 75% of our sales were attributable to products manufactured outside the United States. Risks inherent in our international operations include:

- currency exchange rate fluctuations, currency controls and restrictions, and the ability to hedge currencies;
- changes in local economic conditions;
- repatriation restrictions or requirements, including tax increases on remittances and other payments by our foreign subsidiaries;
- global sovereign fiscal uncertainty and hyperinflation in certain foreign countries;
- changes in laws and regulations, including laws or policies governing the terms of foreign trade, and in particular increased trade restrictions, tariffs, or taxes or the imposition of embargos on imports from countries where we manufacture products;
- exposure to possible expropriation or other government actions; and
- exposure to local political or social unrest including resultant acts of war, terrorism, or similar events.

Expanding our sales and manufacturing operations in the Asia Pacific region, particularly in China, is an integral part of our strategy, and, as a result, our exposure to the risks described above is substantial. The occurrence of any of these risks may adversely affect the results of operations and financial condition of our international operations and our business as a whole.

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

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

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

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

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

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

For discussion of our debt and financing arrangements, including our senior term loan facility ("Term Loan Facility"), 5.625% Senior Notes due 2026 ("Senior Notes"), our senior asset-based revolving credit facility ("ABL Facility") and debt of certain foreign subsidiaries, see "Liquidity and Capital Resources - Financing Arrangements" in Item 7 and Note 7 of this Report.

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

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

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

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

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

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

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

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

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

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

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

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

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

We sponsor various pension plans worldwide that are underfunded and will require cash payments. Additionally, if the performance of the assets in our pension plans does not meet our expectations, or if other actuarial assumptions are modified, our required contributions may be higher than we expect. As of December 31, 2016, our pension plans were underfunded by $177.9 million. If our cash flow from operations is insufficient to fund our worldwide pension liabilities, it could have an adverse effect on our financial condition and results of operations.

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

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

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

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

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

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

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

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

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

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

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

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

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

We may be exposed to product liability and warranty claims in the event that our products actually or allegedly fail to perform as expected or the use of our products results, or is alleged to result, in bodily injury and/or property damage.

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

In addition, the increased focus on systems integration platforms utilizing fuel and emissions technology with more sophisticated components from multiple sources could result in an increased risk of component warranty costs over which we have little or no control and for which we may be subject to an increasing share of liability to the extent any of the other component suppliers are in financial distress or are otherwise incapable of fulfilling their warranty or product recall obligations. Our costs associated with providing product warranties and responding to product recall claims could be material, and we do not have insurance covering product recalls. Product liability, warranty and recall costs may adversely affect our business, results of operations and financial condition.

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

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

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

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

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

For further information regarding our legal matters, see Item 3. Legal Proceedings. No assurance can be given that such proceedings, claims and investigations will not have a material adverse effect on our profitability and financial condition.

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

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

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

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

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

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

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

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

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

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

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

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

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

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

As of December 31, 2016, our operations were conducted through 123 wholly-owned, leased and joint venture facilities in 20 countries (*North America*: Canada, Mexico, United States; *Asia Pacific*: China, India, Japan, South Korea, Thailand; *Europe*: Czech Republic, France, Germany, Italy, Netherlands, Poland, Romania, Serbia, Spain, Sweden, United Kingdom; *South America*: Brazil), of which 90 are predominantly manufacturing facilities and 33 have design, engineering, administrative or logistics designation(s). Our corporate headquarters are located in Novi, Michigan. Our manufacturing facilities are located in North America, Europe, Asia and South America. We believe that substantially all of our properties are in generally good condition and there is sufficient capacity to meet current and projected manufacturing, product development and logistics requirements. The following table summarizes our key property holdings by geographic region:

Region	Type	Total Facilities*	Owned Facilities
North America	Manufacturing [(a)]	34	24
	Other [(b)]	16	1
Asia Pacific	Manufacturing [(a)]	29	11
	Other [(b)]	6	—
Europe	Manufacturing [(a)]	24	17
	Other [(b)]	10	1
South America	Manufacturing [(a)]	3	1
	Other [(b)]	1	—

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

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

(*) Excludes 6 unutilized (owned) facilities: (2) Europe; (4) North America

(*) Includes 21 R&D facilities worldwide.

Item 3. Legal Proceedings

The litigation process is subject to many uncertainties, and the outcome of individual matters is not predicable with assurance. See Note 13. “Contingent Liabilities” to the consolidated financial statements for discussion of loss contingencies.

On March 30, 2016, a putative class action complaint alleging conspiracy to fix the price of body sealing products used in automobiles and other light-duty vehicles was filed in Ontario against numerous automotive suppliers, including Cooper-Standard Holdings Inc., CSA U.S. and Cooper-Standard Automotive Canada Limited (“CS Defendants”) and Nishikawa Cooper LLC, a joint venture in which the Company holds a 40% interest. Plaintiffs purport to be indirect purchasers of body sealing products supplied by the CS Defendants and/or the other defendants during the relevant period. The plaintiffs seek recovery of damages on behalf of direct and indirect purchasers against all defendants in an amount to be determined, punitive damages, as well as pre-judgment and post-judgment interest and related costs and expenses of the litigation. The Company believes the claims asserted against the CS Defendants are without merit and intends to vigorously defend against these claims. Further, the Company does not believe that there is a material loss that is probable and reasonably estimable related to these claims.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

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

Market Information

Our common stock has been traded on the NYSE since October 17, 2013, under the symbol "CPS" and our warrants have been traded on the OTC Bulletin Board since June 4, 2010, under the symbol "COSHW."

The following chart lists the high and low sale prices for shares of our common stock and warrants for the fiscal quarters indicated through December 31, 2016 and 2015. With respect to our warrants, these prices are between dealers and do not include retail markups, markdowns or other fees and commissions and may not represent actual transactions:

	Common Stock		Warrants	
2016	**High**	**Low**	**High**	**Low**
March 31, 2016	$ 77.60	$ 64.31	$ 46.00	$ 36.25
June 30, 2016	85.99	71.46	62.29	50.50
September 30, 2016	107.41	77.04	76.75	58.25
December 31, 2016	105.54	86.33	77.50	65.00

	Common Stock		Warrants	
2015	**High**	**Low**	**High**	**Low**
March 31, 2015	$ 59.20	$ 50.96	$ 32.44	$ 25.67
June 30, 2015	64.24	58.83	36.70	32.45
September 30, 2015	64.79	55.00	39.13	29.00
December 31, 2015	80.15	58.10	49.80	33.59

Holders of Common Stock

As of February 10, 2017, there were approximately 11 holders of record of our common stock. This stockholder figure does not include a substantially greater number of holders whose shares are held of record by banks, brokers and other financial institutions.

Dividends

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

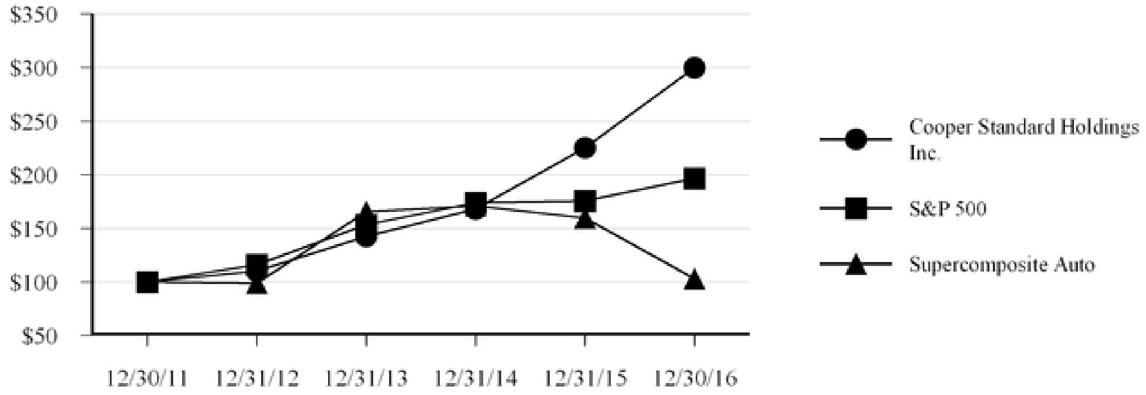
Securities Repurchase Program

On March 14, 2016, the Company announced that its Board of Directors approved a securities repurchase program (the "Program") authorizing the Company to repurchase, in the aggregate, up to $125 million of its outstanding common stock or warrants to purchase common stock. The authorization replaced the remaining balance of a previous $50 million repurchase program authorized in May 2013 pursuant to which the Company repurchased approximately 198,990 shares at a total cost (including fees) of $9.8 million. 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. Of the $125 million authorization under the Program, the Company used $23.8 million of cash on hand to purchase 350,000 of the shares being offered in connection with the secondary offering of the Company's common stock that was completed in March 2016. The Company expects to fund any future repurchases from cash on hand and future cash flows from operations. The Company is not obligated to acquire a particular amount of securities, and the Program may be discontinued at any time at the Company's discretion. Approximately $101.2 million dollar value of shares may yet be purchased under the Program.

Performance Graph

The following graph compares the cumulative total stockholder return for Cooper-Standard Holdings Inc. to the Standard & Poor's 500 Index and the Standard & Poor's Supercomposite Auto Parts & Equipment Index based on currently available data. The graph assumes an initial investment of $100 on December 31, 2011 and reflects the cumulative total return on that investment, including the reinvestment of all dividends where applicable, through December 31, 2016.

Comparison of Cumulative Return



	Ticker	12/30/2011*	12/31/2012	12/31/2013	12/31/2014	12/31/2015	12/30/2016*
Cooper-Standard Holdings Inc.	CPS	$ 100.00	$ 110.14	$ 142.35	$ 167.77	$ 224.90	$ 299.65
S&P 500	SPX	$ 100.00	$ 115.99	$ 153.32	$ 173.72	$ 175.67	$ 196.35
S&P Supercomposite Auto Parts & Equipment Index	S15AUTP	$ 100.00	$ 98.75	$ 165.57	$ 170.88	$ 159.39	$ 102.69

* Represents last trading day of the year

Item 6. Selected Financial Data

The selected financial data for the years ended December 31, 2016, 2015, 2014, 2013 and 2012 have been derived from our consolidated financial statements, which have been audited by Ernst & Young LLP, our Independent Registered Public Accounting Firm. You should read the following data in conjunction with Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the notes thereto included in Item 8 of this Report.

	Year Ended December 31,				
	2016	2015	2014	2013	2012
	(Dollar amounts in millions except per share amounts)				
Statement of operations data:					
Sales	$ 3,472.9	$ 3,342.8	$ 3,244.0	$ 3,090.5	$ 2,880.9
Net income	140.4	111.8	45.5	45.2	98.8
Net income attributable to Cooper-Standard Holdings Inc.	139.0	111.9	42.8	47.9	102.8
Earnings per share:					
Basic	$ 7.96	$ 6.50	$ 2.56	$ 2.39	$ 4.40
Diluted	$ 7.42	$ 6.08	$ 2.39	$ 2.24	$ 4.14

	As of December 31,				
	2016	2015	2014	2013	2012
	(Dollar amounts in millions)				
Balance sheet data (at end of period):					
Cash and cash equivalents	$ 480.1	$ 378.2	$ 267.3	$ 184.4	$ 270.6
Net working capital (1)	90.2	175.3	294.3	269.1	265.6
Total assets	2,491.7	2,304.3	2,125.6	2,102.8	2,026.0
Total non-current liabilities	1,010.6	1,008.1	1,044.9	911.9	774.0
Total debt (2)	762.9	777.9	778.7	684.4	483.4
Preferred stock	—	—	—	—	121.6
Total equity	721.8	614.8	548.7	615.6	629.2
Statement of cash flows data:					
Net cash provided by (used in):					
Operating activities	$ 363.7	$ 270.4	$ 171.0	$ 133.3	$ 84.4
Investing activities	(198.3)	(166.4)	(157.4)	(191.1)	(117.6)
Financing activities	(62.9)	(11.6)	49.4	(23.0)	(58.1)
Other financial data:					
Capital expenditures, including other intangible assets	$ 164.4	$ 166.3	$ 192.1	$ 183.3	$ 131.1

(1) Net working capital is defined as current assets (excluding cash and cash equivalents) less current liabilities (excluding debt payable within one year).
(2) Includes $393.1 of our Senior Notes, $332.8 of Term Loan, $0.3 in capital leases, and $36.7 of other third-party debt as of December 31, 2016.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

This management's discussion and analysis of financial condition and results of operations is intended to assist in understanding and assessing the trends and significant changes in our results of operations and financial condition. Our historical results may not indicate, and should not be relied upon as an indication of, our future performance. Our forward-looking statements reflect our current views about future events, are based on assumptions and are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those contemplated by these statements. See Item 1. "Business—Forward-Looking Statements" for a discussion of risks associated with reliance on forward-looking statements. Factors that may cause differences between actual results and those contemplated by forward-looking statements include, but are not limited to, those discussed below and in Item 1A. "Risk Factors." Management's discussion and analysis of financial condition and results of operations should be read in conjunction with Item 6." Selected Financial Data" and our consolidated financial statements and the notes to those statements included in Item 8 of this Report.

Company Overview

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 OEMs. In 2016, approximately 84% of our sales consisted of original equipment sold directly to OEMs for installation on new vehicles. The remaining 16% of our sales were primarily to Tier I and Tier II suppliers and non-automotive manufacturers. Accordingly, sales of our products are directly affected by the annual vehicle production of OEMs and, in particular, the production levels of the vehicles for which we provide specific parts. Most of our products are custom designed and engineered for a specific vehicle platform. Our sales and product development personnel frequently work directly with the OEMs' engineering departments in the design and development of our various products.

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

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

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

In 2016, approximately 52% of our sales were generated in North America. Because of our significant international operations, we are subject to the risks associated with doing business in other countries, such as currency volatility, high interest and inflation rates, and the general political and economic risk that are associated with some of these markets.

Business Environment and Outlook

The global automotive industry remains susceptible to economic conditions that could adversely impact new vehicle demand. While the U.S. economy remains strong, and the European economy shows indications of improvement, global economic sentiment remains cautious given continued geopolitical uncertainty, oil supply and demand issues and foreign currency volatility. Ongoing emerging market dynamics, including economic conditions in Brazil and the pace of economic growth in China, have and will continue to impact light vehicle production volumes.

Our business is directly affected by the automotive build 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.

According to the forecasting firm IHS Automotive, global light vehicle production was approximately 93 million units in 2016. This reflects growth of over 4% globally, led primarily by the Asia Pacific region. North America and Europe also experienced modest growth while production levels declined in South America.

We expect vehicle production to surpass 100 million units by 2020, with the growth being driven primarily in Asia and Europe. We anticipate that North America light vehicle sales will remain relatively stable over the next few years with the potential for slight contraction in 2017, followed by annual growth in the 1% to 2% range in 2018 and beyond.

Details on light vehicle production in certain regions for 2016 and 2015, as well as projections for 2017, are provided in the following table:

(In millions of units)	**2017**[(1)]	**2016**[(1)]	**2015**[(1)]	**Projected % Change 2016-2017**	**% Change 2015-2016**
North America	17.6	17.8	17.5	(1.5)%	2.0 %
Europe	21.8	21.5	20.9	1.5 %	2.8 %
Asia Pacific[(2)]	49.9	48.5	45.3	2.8 %	7.2 %
South America	2.8	2.8	3.1	1.0 %	(9.8)%

(1) Production data based on IHS Automotive, January 2017.
(2) Includes China units of 27.7, 27.0, and 23.7 for 2017, 2016 and 2015, respectively.

Several factors will present significant opportunities for automotive suppliers who are positioned for the changing environment, such as:

- continued shift to global platforms;
- consolidation of suppliers;
- autonomous and connected vehicles;
- increased government regulation; and
- consumer preference for environmentally friendly products and technology.

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. There are typically three or more significant competitors and numerous smaller competitors for most of the products we produce. Automotive suppliers with a global manufacturing footprint capable of fully servicing customers around the world will continue to lead the supply industry going forward.

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 continues 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.

Critical Accounting Policies and Estimates

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

Goodwill. Our goodwill is tested for impairment as of October 1 of each year for all of our reporting units, and more frequently if events occur or circumstances change that would warrant such a review. For our goodwill analysis, fair values are based on the cash flows projected in the reporting units' strategic plans and long-range planning forecasts, discounted at a risk-adjusted rate of return. Our long-range planning forecasts are based on our assessment of revenue growth rates generally based on industry specific data, external vehicle build assumptions published by widely used external sources, and customer market share data based on known and targeted awards over a five-year period. The projected profit margin assumptions included in the plans are based on the current cost structure and adjustments for anticipated cost reductions or increases. If different assumptions were used in these plans, the related cash flows used in measuring fair value could be different and impairment of goodwill might be recorded. We assess the reasonableness of the estimated fair values using market based multiples of comparable companies. Our annual goodwill impairment analysis resulted in no impairment for 2016 or 2015.

Long-Lived Assets. We monitor our long-lived assets for impairment indicators on an ongoing basis. If impairment indicators exist, we analyze the undiscounted cash flows expected to be generated from the long-lived assets compared to the related net book values. If the net book value exceeds the undiscounted cash flows, an impairment loss is measured and recognized. An impairment loss is measured as the difference between the net book value and the fair value of the long-lived assets. Fair value is estimated based upon either a discounted cash flow analysis or estimated salvage values. Cash flows are estimated using internal budgets based on recent sales data, independent automotive production volume estimates and customer commitments, as well as assumptions related to discount rates. Changes in economic or operating conditions impacting these estimates and assumptions could result in the impairment of long-lived assets.

Restructuring. Specific accruals have been recorded in connection with restructuring initiatives. These accruals include estimates principally related to employee separation costs, the closure and/or consolidation of facilities and contractual obligations. Actual amounts recognized could differ from the original estimates. Restructuring-related reserves are reviewed on a quarterly basis, and changes to plans are appropriately recognized when identified. Changes to plans associated with the restructuring of existing businesses are generally recognized as employee separation and plant phase-out costs in the period the change occurs. See Note 4. "Restructuring" to the consolidated financial statements included in Item 8 of this Report for additional information.

Revenue Recognition and Sales Commitments. We generally enter into agreements with our customers to produce products at the beginning of a vehicle's life. Although such agreements do not generally provide for minimum quantities, once we enter into such agreements, fulfillment of our customers' purchasing requirements can be our obligation for an extended period or the entire production life of the vehicle. These agreements generally may be terminated by our customer at any time. Historically, terminations of these agreements have been minimal. In certain limited instances, we may be committed under existing agreements to supply products to our customers at selling prices which are not sufficient to cover the direct cost to produce such products. In such situations, we recognize losses as they are incurred.

We receive blanket purchase orders from many of our customers on an annual basis. Generally, such purchase orders and related documents set forth the annual terms, including pricing, related to a particular vehicle model. Such purchase orders generally do not specify quantities. We recognize revenue based on the pricing terms included in our annual purchase orders as our products are shipped to our customers. As part of certain agreements, we are asked to provide our customers with annual cost reductions. We accrue for such amounts as a reduction of revenue as our products are shipped to our customers. In addition, we generally have ongoing adjustments to our pricing arrangements with our customers based on the related content and cost of our products. Such pricing accruals are adjusted as they are settled with our customers.

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

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

In addition, the calculation of our tax benefits and liabilities includes uncertainties in the application of complex tax regulations in a multitude of jurisdictions across our global operations. We recognize tax benefits and liabilities based on our estimate of whether, and the extent to which, additional taxes will be due. We adjust these liabilities based on changing facts and circumstances; however, due to the complexity of some of these uncertainties and the impact of any tax audits, the ultimate resolutions may be materially different from our estimated liabilities. See Note 10. “Income Taxes” to the consolidated financial statements for additional information.

Pensions and Postretirement Benefits Other Than Pensions. Included in our results of operations are significant pension and postretirement benefit costs, which are measured using actuarial valuations. Inherent in these valuations are key assumptions, including discount rates, expected returns on plan assets and health care cost trend rates. These assumptions are determined as of the current year measurement date. We are required to consider current market conditions, including changes in interest rates, in making these assumptions. Changes in pension and postretirement benefit costs may occur in the future due to changes in these assumptions. Our net pension and postretirement benefit costs were approximately $7.2 million and $0.7 million, respectively, for the year ended December 31, 2016.

To develop the discount rate for each pension plan, the expected cash flows underlying the plan’s benefit obligations were discounted using a December 31, 2016 pension index to determine a single equivalent rate. To develop our expected return on plan assets, we considered historical long-term asset return experience, the expected investment portfolio mix of plan assets and an estimate of long-term investment returns. To develop our portfolio of plan assets, we considered the duration of the plan liabilities and gave more weight to equity positions, including both public and private equity investments, than to fixed-income securities. Holding all other assumptions constant, a 1% increase or decrease in the discount rate would have decreased or increased the fiscal 2017 net periodic benefit cost expense by approximately $0.8 million or $0.9 million, respectively. Likewise, a 1% increase or decrease in the expected return on plan assets would have decreased or increased the fiscal 2017 net periodic benefit cost by approximately $3.1 million. Decreasing or increasing the discount rate by 1% would have increased or decreased the projected benefit obligations by approximately $68.8 million or $56.1 million, respectively. Aggregate pension net periodic benefit cost is forecasted to be approximately $6.4 million in 2017, excluding the impact of special events.

The expected annual rate of increase in health care costs is approximately 5.67% for 2016 (5.49% for the United States, 6.00% for Canada), grading down to 5% in 2018, and was held constant at 5.00% for years past 2018. These trend rates were assumed to reflect market trend, actual experience and future expectations. The health care cost trend rate assumption has a significant effect on the amounts reported. Only certain employees hired are eligible to participate in our subsidized postretirement plan. A 1% change in the assumed health care cost trend rate would have increased or decreased the fiscal 2017 service and interest cost components by $0.2 million in each case, and the projected benefit obligations would have increased or decreased by $3.3 million or $2.6 million, respectively. Aggregate other postretirement net periodic benefit cost is forecasted to be approximately $0.7 million in 2017.

During 2016, we undertook an initiative to de-risk pension obligations in the U.K. by purchasing a bulk annuity policy designed to match the liabilities of the plan, and subsequently entered into a wind-up process. For the year ended December 31, 2016, we incurred £0.2 million (or $0.3 million) in settlement charges. The wind-up process will be completed in 2017, and we expect that settlement charges of approximately £4.5 million (or $5.6 million) will be incurred.

The general funding policy is to contribute amounts deductible for United States federal income tax purposes or amounts required by local statute. The Company estimates it will make funding cash contributions of approximately $5.2 million to its non-U.S. pension plans in 2017. The Company expects to make no contributions to its U.S. pension plans in 2017.

Results of Operations

	Year Ended December 31,			Change	
	2016	2015	2014	2016 vs. 2015	2015 vs. 2014
	(dollar amounts in thousands)				
Sales	$ 3,472,891	$ 3,342,804	$ 3,243,987	$ 130,087	$ 98,817
Cost of products sold	2,808,049	2,755,691	2,734,558	52,358	21,133
Gross profit	664,842	587,113	509,429	77,729	77,684
Selling, administration & engineering expenses	359,782	329,922	301,724	29,860	28,198
Amortization of intangibles	13,566	13,892	16,437	(326)	(2,545)
Impairment charges	1,273	21,611	26,273	(20,338)	(4,662)
Restructuring charges	46,031	53,844	17,414	(7,813)	36,430
Other operating loss (profit)	155	(8,033)	(16,927)	8,188	8,894
Operating profit	244,035	175,877	164,508	68,158	11,369
Interest expense, net of interest income	(41,389)	(38,331)	(45,604)	(3,058)	7,273
Loss on refinancing and extinguishment of debt	(5,104)	—	(30,488)	(5,104)	30,488
Equity in earnings of affiliates	7,877	5,683	6,037	2,194	(354)
Other (expense) income, net	(10,659)	9,759	(6,170)	(20,418)	15,929
Income before income taxes	194,760	152,988	88,283	41,772	64,705
Income tax expense	54,321	41,218	42,810	13,103	(1,592)
Net income	140,439	111,770	45,473	28,669	66,297
Net (income) loss attributable to noncontrolling interests	(1,451)	110	(2,694)	(1,561)	2,804
Net income attributable to Cooper-Standard Holdings Inc.	$ 138,988	$ 111,880	$ 42,779	$ 27,108	$ 69,101

Year Ended December 31, 2016 Compared to Year Ended December 31, 2015.

Sales. Sales for the year ended December 31, 2016 increased $130.1 million, or 3.9%, compared to the year ended December 31, 2015. Sales were favorably impacted by improved volume and product mix in North America and Asia Pacific, as well as our recent acquisitions and consolidation of a previously unconsolidated joint venture, partially offset by unfavorable foreign exchange of $56.5 million, lower volumes in South America, customer price reductions and the divestiture of our hard coat plastic exterior trim business in 2015.

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 year ended December 31, 2016, increased $52.4 million or 1.9%, compared to the year ended December 31, 2015. Materials comprise the largest component of our cost of products sold and represented approximately 50% of total cost of products sold for the years ended December 31, 2016 and 2015. Cost of sales was impacted by higher production volumes in North America, Europe and Asia Pacific, as well as our recent acquisitions. These items were partially offset by continuous improvement and material cost savings and lower volumes in South America.

Gross Profit. Gross profit for the year ended December 31, 2016 increased $77.7 million compared to the year ended December 31, 2015. As a percentage of sales, gross profit was 19.1% and 17.6% of sales for the years ended December 31, 2016 and 2015, respectively. The increase in gross profit was driven by continuous improvement, material costs savings, improved volume and product mix in North America and Asia Pacific. These items were partially offset by unfavorable foreign exchange, inflation, customer price reductions, the divestiture of our hard coat plastic exterior trim business, and lower volumes in South America.

Selling, Administration and Engineering. Selling, administration and engineering expense for the year ended December 31, 2016 were $359.8 million, or 10.4% of sales, compared to $329.9 million, or 9.9%, of sales for the year ended December 31, 2015. Selling, administration and engineering expenses for the year ended December 31, 2016 were impacted primarily by incentive compensation due to favorable operating results, higher compensation costs, innovation spending, and expansion in Asia Pacific, partially offset by favorable foreign exchange.

Impairment Charges. Due to the deterioration of financial results, the undiscounted cash flows did not exceed the book value at one of our Asia Pacific facilities in 2016, and one of our European facilities and two of our South American facilities in 2015. This resulted in non-cash asset impairment charges of $1.3 million and $13.6 million being recorded for the years ended December 2016 and 2015, respectively. Additionally, due to the deterioration of the economic conditions in the region, customer relationships in South America were fully impaired in 2015, resulting in a non-cash impairment charge of $8.0 million.

Restructuring. Restructuring charges for the year ended December 31, 2016 decreased $7.8 million compared to the year ended December 31, 2015. The decrease was primarily driven by reduced activity related to our European and North American initiatives, resulting in lower restructuring charges of $5.8 million and $3.6 million, respectively, partially offset by higher restructuring charges attributed to Asia Pacific initiatives of $1.6 million.

Other Operating Loss (Profit). Other operating loss was $0.2 million for the year ended December 31, 2016 and other operating profit was $8.0 million for the year ended December 31, 2015. The prior year profit resulted from the sale of our hard coat plastic exterior trim business.

Interest Expense, net. Net interest expense for the year ended December 31, 2016 increased $3.1 million compared to the year ended December 31, 2015, which resulted primarily from higher interest rates.

Loss on Refinancing and Extinguishment of Debt. Loss on refinancing and extinguishment of debt for the year ended December 31, 2016 was $5.1 million which resulted primarily from expensing debt issuance costs associated with our amended Term Loan Facility.

Other (Expense) Income, net. Other expense for the year ended December 31, 2016 was $10.7 million, consisting of secondary offering underwriting fees of $5.9 million, foreign currency losses of $4.0 million and losses on sale of receivables of $0.8 million. Other income for the year ended December 31, 2015 was $9.8 million, consisting of a gain from remeasurement of our previously held equity interest in Shenya of $14.2 million, which was partially offset by $3.4 million of foreign currency losses and $1.0 million of losses on sale of receivables.

Income Tax Expense. Income taxes for the year ended December 31, 2016 included an expense of $54.3 million on earnings before taxes of $194.8 million. This compares to an expense of $41.2 million on earnings before taxes of $153.0 million for the year ended December 31, 2015. Tax expense in 2016 and 2015 differed from the statutory rate due to the mix of income between the United States and foreign sources, tax incentives recognized in Poland resulting from increased current and future profitability, incremental valuation allowance recorded on tax losses generated in certain foreign jurisdictions, other tax credits and incentives, and other nonrecurring discrete items.

Year Ended December 31, 2015 Compared to Year Ended December 31, 2014.

Sales. Sales for the year ended December 31, 2015 increased $98.8 million, or 3.0% compared to the year ended December 31, 2014. Sales were favorably impacted by improved volume and product mix in North America, Europe and Asia Pacific, as well as our Shenya acquisition, partially offset by unfavorable foreign exchange of $298.2 million, lower volumes in South America and customer price reductions.

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 year ended December 31, 2015, increased $21.1 million or 0.8% compared to the year ended December 31, 2014. Materials comprise the largest component of our cost of products sold and represented approximately 50% and 49% of total cost of products sold for the years ended December 31, 2015 and 2014, respectively. Cost of sales was impacted by higher production volumes in North America, Europe and Asia Pacific, as well as our Shenya acquisition. These items were partially offset by lower volumes in South America and continuous improvement savings.

Gross Profit. Gross profit for the year ended December 31, 2015 increased $77.7 million compared to the year ended December 31, 2014. As a percentage of sales, gross profit was 17.6% and 15.7% of sales for the years ended December 31, 2015 and 2014, respectively. The increase in gross profit was driven primarily by continuous improvement and material costs savings and improved volume and product mix in North America, Europe and Asia Pacific. These items were partially offset by unfavorable foreign exchange, customer price reductions and lower volumes in South America.

Selling, Administration and Engineering. Selling, administration and engineering expense for the year ended December 31, 2015 was $329.9 million or 9.9% of sales compared to $301.7 million or 9.3% of sales for the year ended December 31, 2014. Selling, administration and engineering expense for the year ended December 31, 2015 was impacted primarily by incentive compensation due to favorable operating results, higher infrastructure costs and the Shenya acquisition, partially offset by favorable foreign exchange.

Impairment Charges. In 2015, due to the deterioration of financial results, the undiscounted cash flows at one of our European facilities and two of our South American facilities did not exceed their book value, resulting in non-cash asset impairment charges of $13.6 million being recorded in the fourth quarter of 2015. Additionally, due to the deterioration of the economic conditions in the region, customer relationships in South America were fully impaired, resulting in a non-cash impairment charge of $8.0 million. In 2014, due to the deterioration of financial results, the undiscounted cash flows at two of our European facilities and two of our North American facilities did not exceed their book value, resulting in an asset impairment charge of $24.2 million being recorded in the fourth quarter of 2014. Additionally, certain assets and patents in the North America segment were written down to their estimated fair market values, resulting in an impairment charge of $2.1 million.

Restructuring. Restructuring charges for the year ended December 31, 2015 increased $36.4 million compared to the year ended December 31, 2014. The increase was primarily the result of expenses incurred related to our European restructuring initiative.

Other Operating Profit. Other operating profit for the year ended December 31, 2015 was $8.0 million resulting from the gain on the sale of our hard coat plastic exterior trim business. Other operating profit for the year ended December 31, 2014 was $16.9 million, of which $16.0 million related to the gain on the sale of our thermal and emissions business.

Interest Expense, net. Net interest expense of $38.3 million for the year ended December 31, 2015 resulted primarily from interest and debt issuance amortization recorded on the Term Loan Facility. Net interest expense of $45.6 million for the year ended December 31, 2014 resulted primarily from interest and debt issuance amortization recorded on the Term Loan Facility, Senior Notes and Senior PIK Toggle Notes.

Loss on Refinancing and Extinguishment of Debt. Loss on refinancing and extinguishment of debt for the year ended December 31, 2014 was $30.5 million which resulted primarily from loss on extinguishment of previously outstanding senior notes.

Other Income (Expense), net. Other income for the year ended December 31, 2015 was $9.8 million, consisting of the gain from remeasurement of our previously held equity interest in Shenya of $14.2 million, which was partially offset by $3.4 million of foreign currency losses and $1.0 million of loss on sale of receivables. Other expense for the year ended December 31, 2014 was $6.2 million, consisting of $7.1 million of foreign currency losses and $1.9 million of loss on sale of receivables, which were partially offset by a $1.9 million gain on the sale of an equity method investment and $0.9 million of other miscellaneous income.

Income Tax Expense. Income taxes for the year ended December 31, 2015 included an expense of $41.2 million on earnings before taxes of $153.0 million. This compares to an expense of $42.8 million on $88.3 million of earnings before taxes for the year ended December 31, 2014. Tax expense in 2015 and 2014 differed from the statutory rate due to the incremental valuation allowance recorded on tax losses and credits generated in certain foreign jurisdictions, tax incentives recognized in Poland resulting from increased current and future profitability and a new Special Economic Zone permit, the mix of income between the United States and foreign sources, tax credits and incentives, and other nonrecurring discrete items.

Segment Results of Operations

The following table presents sales and segment profit (loss) for each of the reportable segments for the years ended December 31, 2016, 2015 and 2014:

	Year Ended December 31,			Change	
	2016	2015	2014	2016 vs. 2015	2015 vs. 2014
	(dollar amounts in thousands)				
Sales to external customers					
North America	$ 1,816,486	$ 1,778,621	$ 1,698,826	$ 37,865	$ 79,795
Europe	1,031,538	1,033,635	1,138,428	(2,097)	(104,793)
Asia Pacific	540,684	435,127	249,172	105,557	185,955
South America	84,183	95,421	157,561	(11,238)	(62,140)
Consolidated	$ 3,472,891	$ 3,342,804	$ 3,243,987	$ 130,087	$ 98,817
Segment profit (loss)					
North America	$ 219,744	$ 215,487	$ 136,682	$ 4,257	$ 78,805
Europe	(15,989)	(22,435)	(28,062)	6,446	5,627
Asia Pacific	9,206	4,063	3,524	5,143	539
South America	(18,201)	(44,127)	(23,861)	25,926	(20,266)
Income before income taxes	$ 194,760	$ 152,988	$ 88,283	$ 41,772	$ 64,705

Year Ended December 31, 2016 Compared to the Year Ended December 31, 2015.

North America. Sales for the year ended December 31, 2016 increased $37.9 million, or 2.1%, compared to the year ended December 31, 2015, primarily due to improved volume and product mix and our recent acquisition, partially offset by unfavorable foreign exchange of $23.8 million and customer price reductions. Segment profit for the year ended December 31, 2016 increased $4.3 million primarily due to the favorable impact of continuous improvement and material cost savings, and improved volume and product mix, partially offset by customer price reductions, inflation and higher incentive compensation due to favorable operating results. Included in segment profit (loss) for the years ended December 31, 2016 and 2015 were restructuring charges of $1.7 million and $5.2 million, respectively.

Europe. Sales for the year ended December 31, 2016 decreased $2.1 million, or 0.2%, compared to the year ended December 31, 2015, primarily due to customer price reductions and unfavorable foreign exchange of $2.0 million, partially offset by improved volume. Segment loss improved by $6.4 million, primarily due to continuous improvement and material cost savings, and lower restructuring costs, partially offset by the nonrecurrence of a prior year gain related to the remeasurement of a previously held equity interest, customer price reductions, unfavorable foreign exchange, inflation and higher incentive compensation due to improved operating results. Included in segment profit (loss) for the years ended December 31, 2016 and 2015 were restructuring charges of $42.0 million and $47.9 million, respectively.

Asia Pacific. Sales for the year ended December 31, 2016 increased $105.6 million, or 24.3%, compared to the year ended December 31, 2015, primarily due to improved volume and our recent acquisitions and consolidation of a previously unconsolidated joint venture, partially offset by unfavorable foreign exchange of $26.8 million. Segment profit increased by $5.1 million, primarily due to improved volume and product mix, our recent acquisitions and consolidation of a previously unconsolidated joint venture, and the favorable impact of continuous improvement and material cost savings, partially offset by higher engineering and administrative costs to support growth in the region as well as higher incentive compensation due to favorable operating results. Included in segment profit (loss) for the years ended December 31, 2016 and 2015 were restructuring charges of $2.3 million and $0.7 million, respectively.

South America. Sales for the year ended December 31, 2016 decreased $11.2 million, or 11.8%, compared to the year ended December 31, 2015, primarily due to a decrease in volumes and unfavorable foreign exchange of $3.8 million. Segment loss improved by $25.9 million, primarily due to the nonrecurrence of impairment charges, material cost savings, partially offset by a decrease in volume and unfavorable foreign exchange.

Year Ended December 31, 2015 Compared to the Year Ended December 31, 2014.

North America. Sales for the year ended December 31, 2015 increased $79.8 million or 4.7%, compared to the year ended December 31, 2014, primarily due to improved volume and product mix, partially offset by unfavorable foreign exchange of $44.9 million and customer price reductions. Segment profit for the year ended December 31, 2015 increased $78.8 million primarily due to the favorable impact of continuous improvement and material cost savings, improved volume and product mix, partially offset by customer price reductions, unfavorable foreign exchange and higher incentive compensation due to favorable operating results.

Europe. Sales for the year ended December 31, 2015 decreased $104.8 million, or 9.2%, compared to the year ended December 31, 2014, primarily due to unfavorable foreign exchange of $204.8 million and customer price reductions, partially offset by improved volume. Segment loss improved by $5.6 million, primarily due to improved volume and product mix, continuous improvement and material cost savings and the gain from the remeasurement of a previously held equity interest in Shenya as the legal ownership was held by one of our European entities, partially offset by unfavorable foreign exchange, higher restructuring costs, customer price reductions and higher incentive compensation due to improved operating results.

Asia Pacific. Sales for the year ended December 31, 2015 increased $186.0 million, or 74.6%, compared to the year ended December 31, 2014, primarily due to the Shenya acquisition which was completed February 27, 2015, and improved volume, partially offset by unfavorable foreign exchange of $11.7 million. Segment profit increased by $0.5 million, primarily due to improved volume and product mix, the Shenya acquisition and the favorable impact of continuous improvement and material costs savings, partially offset by higher engineering and administrative costs to support growth in the region as well as higher incentive compensation due to favorable operating results.

South America. Sales for the year ended December 31, 2015 decreased $62.1 million or 39.4%, compared to the year ended December 31, 2014, primarily due to unfavorable foreign exchange of $36.8 million and a decrease in sales volumes. Segment loss increased by $20.3 million, primarily due to impairment charges at two facilities and the write off of customer relationships that were impaired, a decrease in volume and unfavorable foreign exchange, partially offset by the favorable impact of continuous improvement savings.

Liquidity and Capital Resources

Short and Long-Term Liquidity Considerations and Risks

We intend to fund our ongoing working capital, capital expenditures, debt service and other funding requirements through a combination of cash flows from operations, cash on hand, borrowings under our ABL Facility, and receivables factoring. The Company utilizes intercompany loans and equity contributions to fund its worldwide operations. There may be country specific regulations which may restrict or result in increased costs in the repatriation of these funds. See Note 7. “Debt” to the consolidated financial statements in Item 8 of this Report for a detailed discussion of terms and conditions related to our debt.

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

Cash Flows

Operating Activities. Net cash provided by operating activities was $363.7 million for the year ended December 31, 2016, which included $64.4 million of cash provided by changes in operating assets and liabilities. Cash provided by operating activities was primarily the result of increased earnings, as well as changes in accounts payable and accrued liabilities of $75.7 million. In addition, pension contributions of $7.8 million were made during the year ended December 31, 2016. Net cash provided by operating activities was $270.4 million for the year ended December 31, 2015, which included $36.6 million of cash provided by changes in operating assets and liabilities. Cash provided by operating activities was primarily the result of increased earnings, as well as changes in accounts and tooling receivables, accounts payable and accrued liabilities of $63.9 million. In addition, pension contributions of $7.9 million were made during the year ended December 31, 2015.

Net cash provided by operating activities was $171.0 million for the year ended December 31, 2014, which included $43.1 million of cash used that related to changes in operating assets and liabilities. The use of cash related to changes in operating assets and liabilities was primarily a result of changes in accounts receivable and tooling receivables and accounts payable of $29.4 million and pension contributions of $12.2 million.

Investing Activities. Net cash used in investing activities was $198.3 million for the year ended December 31, 2016, which consisted primarily of $164.4 million of capital spending and $37.5 million for the acquisition of businesses, partially offset by the cash received from the consolidation of a joint venture. Net cash used in investing activities was $166.4 million for the year ended December 31, 2015, which consisted primarily of $166.3 million of capital spending, $34.4 million for the Shenya acquisition and $4.3 million for investment in joint ventures, offset by proceeds of $33.5 million for the sale of our hard coat plastic exterior trim business and $5.1 million for the sale of fixed assets and other. We anticipate that we will spend approximately $165 million to $175 million on capital expenditures in 2017.

Net cash used in investing activities was $157.4 million for the year ended December 31, 2014, which consisted primarily of $192.1 million of capital spending and $21.2 million for the acquisition of businesses, offset by proceeds of $50.6 million from the sale of our thermal and emissions product line, and the Australian business and the sale of an investment in affiliate, proceeds of $4.4 million for the sale of fixed assets and other, and a $1.0 million return on equity investments.

Financing Activities. Net cash used in financing activities totaled $62.9 million for the year ended December 31, 2016, which consisted primarily of the repayment of the Term Loan Facility of $393.1 million, refinancing costs on the Term Loan Facility of $4.1 million, a decrease in short term debt of $12.2 million, payments on long term debt of $10.7 million, taxes withheld and paid on employees' share-based awards of $12.6 million, and the repurchase of common stock of $23.8 million, partially offset by $393.1 million of net proceeds from the issuance of our Senior Notes and $2.8 million of proceeds from the exercise of stock warrants. Net cash used in financing activities totaled $11.6 million for the year ended December 31, 2015, which consisted primarily of a decrease in short term debt of $9.0 million, payments on long-term debt of $8.9 million, taxes withheld and paid on employees' share-based awards of $2.0 million, and the purchase of noncontrolling interests of $1.3 million, partially offset by $9.3 million related to the exercise of stock warrants.

Net cash provided by financing activities totaled $49.4 million for the year ended December 31, 2014, which consisted primarily of $737.5 million related to the proceeds from issuance of long-term debt, $9.0 million related to the exercise of stock warrants, increase in long-term debt of $6.6 million and excess tax benefit on stock options exercised of $4.1 million, partially offset by the repurchase of the Senior Notes and the Senior PIK Toggle Notes of $675.6 million, purchase of noncontrolling interest of $18.5 million, payments on long-term debt of $4.3 million, repurchase of common stock of $5.2 million and taxes withheld and paid on employees' share based awards of $4.2 million.

Issuance of Senior Notes

On November 2, 2016, the Company's wholly-owned subsidiary, CSA U.S. (the "Issuer") completed a private offering of debt securities consisting of the issuance of $400.0 million aggregate principal amount of its 5.625% notes due 2026 (the "Senior Notes"). The proceeds from the sale of the Senior Notes were used to repay the non-extended term loans outstanding under the Term Loan Facility and to pay fees and expenses related to the refinancing. The Senior Notes are guaranteed by us, as well as each of CSA U.S.'s wholly-owned existing or subsequently organized U.S. subsidiaries, subject to certain exceptions, to the extent such subsidiary guarantees the ABL Facility and the Term Loan Facility. The Issuer may redeem all or part of the Senior Notes at various points in time prior to maturity, as described in the indenture. The Senior Notes will mature on November 15, 2026. Interest on the Senior Notes is payable semi-annually in arrears in cash on May 15 and November 15 of each year, commencing on May 15, 2017.

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

ABL Facility

On November 2, 2016, CS Intermediate Holdco 1 LLC ("Parent"), CSA U.S., Cooper-Standard Automotive Canada Limited (the "Canadian Borrower"), Cooper-Standard Automotive International Holdings B.V. (the "Dutch Borrower", and, together with CSA U.S. (the "U.S. Borrower") and the Canadian Borrower, the "Borrowers") and certain subsidiaries of CSA U.S., entered into a third amendment of our ABL Facility. Pursuant to the ABL Facility agreement, as amended, we have an aggregate revolving loan availability of up to $210.0 million, subject to borrowing base availability, including a $100.0 million letter of credit sub-facility and a $25.0 million swing line sub-facility. In addition, our ABL Facility provides for an uncommitted $100.0 million incremental loan facility, for a potential total ABL Facility of $310.0 million. Any borrowings under our ABL Facility will mature, and the commitments of the lenders under our ABL Facility will terminate, on November 2, 2021.

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

Loan and letter of credit availability under the agreement is subject to a borrowing base, which at any time is limited to the lesser of: (A) the maximum facility amount (subject to certain adjustments) and (B) (i) up to 85% of eligible accounts receivable; plus (ii) the lesser of 70% of eligible inventory or 85% of the appraised net orderly liquidation value of eligible inventory; plus (iii) up to the lesser of $30.0 million and 75% of eligible tooling accounts receivable; minus reserves established by the agent. Loan availability under our ABL Facility is apportioned as follows: $170.0 million to the U.S. Borrower, which includes a $60.0 million sublimit to the Dutch Borrower and $40.0 million to the Canadian Borrower. The obligations under the ABL Facility and the related guarantees are secured by various assets, as detailed in Note 7. “Debt” to the consolidated financial statements in Item 8 of this Report.

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

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

The initial applicable margin is 1.50% with respect to the LIBOR or Canadian BA rate-based borrowings and 0.50% with respect to U.S. base rate, Canadian prime rate and Canadian base rate borrowings, until April 1, 2017. The applicable margin may vary thereafter between 1.25% and 1.75% with respect to the LIBOR or Canadian BA rate-based borrowings and between 0.25% and 0.75% with respect to U.S. base rate, Canadian prime rate and Canadian base rate borrowings. The applicable margin is subject, in each case, to quarterly pricing adjustments (based on average facility availability) starting on or about February 2, 2017.

Debt issuance costs of approximately $0.8 million were incurred on the ABL Facility transaction. As of December 31, 2016, there were no borrowings under the ABL Facility, and subject to borrowing base availability, the Company had $195.3 million in availability, less outstanding letters of credit of $56.5 million. As of December 31, 2016, the Company had $1.7 million in unamortized debt issuance costs.

Term Loan Facility Amendment No. 1

On November 2, 2016, CSA U.S., as borrower, entered into the first amendment of our Term Loan Facility. The Term Loan Facility provides for loans in an aggregate principal amount of $340.0 million. Subject to certain conditions, the Term Loan Facility, without the consent of the then existing lenders (but subject to the receipt of commitments), may be expanded (or a new term loan or revolving facility added) by an amount that will not cause the consolidated secured net debt ratio to exceed 2.25 to 1.00, plus $400 million, plus any voluntary prepayments (including revolving facility and ABL Facility to the extent commitments are reduced) not funded from proceeds of long-term indebtedness. The Term Loan Facility matures on November 2, 2023, unless earlier terminated.

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

Borrowings under the Term Loan Facility bear interest, at the borrower’s option, at either (1) with respect to eurodollar rate loans, the greater of the applicable eurodollar rate and 0.75%, plus 2.75% 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 1.75% per annum.

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

As of December 31, 2016, the principal amount of $340.0 million was outstanding, and the Company had $4.4 million unamortized debt issuance costs and $2.8 million of unamortized original issue discount.

Repayment of the Term Loan Facility

On November 2, 2016, we repaid the non-extended term loan outstanding under the Term Loan Facility of $393.1 million. As a result of the repayment, the Company recognized a loss on refinancing of $5.1 million, which was primarily due to the write off of unamortized original issue discount and debt issuance costs. The Company used proceeds from the Senior Notes, together with cash on hand, to repay the non-extended term loan.

Off-Balance Sheet Arrangements

As a part of our working capital management, we sell certain receivables through third party financial institutions without recourse. The amount sold varies each month based on the amount of underlying receivables and cash flow needs. As of December 31, 2016 and 2015, we had $49.6 million and $63.5 million, respectively, of receivables outstanding under receivable transfer agreements entered into by various locations. For the years ended December 31, 2016 and 2015, total accounts receivables factored were $267.6 million and $279.5 million, respectively. Costs incurred on the sale of receivables were $1.6 million, $2.1 million and $3.3 million for the years ended December 31, 2016, 2015 and 2014, respectively. These amounts are recorded in other (expense) income, net and interest expense, net of interest income in the consolidated statements of net income. These are permitted transactions under our credit agreement governing our ABL Facility, Term Loan Facility and Senior Notes.

As of December 31, 2016, we had no other material off-balance sheet arrangements.

Other Capital Transactions Impacting Liquidity

During 2016, the Board of Directors approved a securities repurchase program whereby the Company used $23.8 million of cash on hand to purchase 350,000 of the shares being offered in connection with the secondary offering of the Company's common stock. The Company is not obligated to acquire a particular amount of securities, and the securities repurchase program may be discontinued at any time at the Company's discretion. See Item 5. "Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity" and Note 17. "Equity."

Contractual Obligations

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

The following table summarizes the total amounts due as of December 31, 2016 under all debt agreements, commitments and other contractual obligations.

	Payment due by period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
	(dollar amounts in millions)				
Debt obligations	$ 740.0	$ 3.4	$ 6.8	$ 6.8	$ 723.0
Interest on debt obligations	343.1	37.2	77.8	80.6	147.5
Operating lease obligations	125.3	34.1	46.8	26.5	17.9
Other obligations [1]	37.0	31.1	4.0	1.9	—
Total	$ 1,245.4	$ 105.8	$ 135.4	$ 115.8	$ 888.4

[1] Represents other borrowings and capital lease obligations.

In addition to our contractual obligations and commitments set forth in the table above, we have employment arrangements with certain key executives that provide for continuity of management. These arrangements include payments of multiples of annual salary, certain incentives and continuation of benefits upon the occurrence of specified events in a manner believed to be consistent with comparable companies.

We also have funding requirements with respect to our pension obligations. We expect to make cash contributions of approximately $5.2 million to our foreign pension plans in 2017. We do not expect to make cash contributions to our U.S. pension plans in 2017. Our minimum funding requirements after 2017 will depend on several factors, including the investment performance of our retirement plans and prevailing interest rates. Our funding obligations may also be affected by changes in applicable legal requirements. We also have payments due with respect to our postretirement benefit obligations. We do not prefund our postretirement benefit obligations. Rather, payments are made as costs are incurred by covered retirees. We expect net other postretirement benefit payments to be approximately $2.6 million in 2017.

We may be required to make significant cash outlays due to our unrecognized tax benefits. However, due to the uncertainty of the timing of future cash flows associated with our unrecognized tax benefits, we are unable to make reasonably reliable estimates of the period of cash settlement, if any, with the respective taxing authorities. Accordingly, unrecognized tax benefits of $7.9 million as of December 31, 2016 have been excluded from the contractual obligations table above. See Note 10. “Income Taxes” to the consolidated financial statements for additional information.

Excluded from the contractual obligations table above are open purchase orders as of December 31, 2016 for raw materials, supplies and capital expenditures in the normal course of business, supply contracts with customers, distribution agreements, joint venture agreements and other contracts without express funding requirements.

Non-GAAP Financial Measures

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

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

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

We calculate EBITDA and Adjusted EBITDA by adjusting net income (loss) to eliminate the impact of items we do not consider indicative of our ongoing operating performance. 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:

	Year Ended December 31,		
	2016	2015	2014
	(dollar amounts in thousands)		
Net income attributable to Cooper-Standard Holdings Inc.	$ 138,988	$ 111,880	$ 42,779
Income tax expense	54,321	41,218	42,810
Interest expense, net of interest income	41,389	38,331	45,604
Depreciation and amortization	122,660	114,427	112,580
EBITDA	$ 357,358	$ 305,856	$ 243,773
Gain on remeasurement of previously held equity interest (1)	—	(14,199)	—
Restructuring charges (2)	46,031	53,844	17,188
Impairment charges (3)	1,273	21,611	26,273
Gain on divestiture (4)	—	(8,033)	(14,568)
Loss on refinancing and extinguishment of debt (5)	5,104	—	30,488
Secondary offering underwriting fees and other expenses (6)	6,500	—	—
Amortization of inventory write-up (7)	—	1,419	—
Settlement charges (8)	281	—	3,637
Share-based compensation (9)	—	(71)	2,770
Acquisition costs	—	1,637	740
Other	155	301	1,236
Adjusted EBITDA	$ 416,702	$ 362,365	$ 311,537

(1) Gain on remeasurement of previously held equity interest in Shenya.
(2) Includes non-cash impairment charges related to restructuring and is net of non-controlling interest.
(3) Impairment charges in 2016 related to fixed assets of $1,273. Impairment charges in 2015 related to fixed assets of $13,630 and intangible assets of $7,981. Impairment charges in 2014 related to fixed assets of $24,573 and intangible assets of $1,700.
(4) Gain on sale of hard coat plastic exterior trim business in 2015 and thermal and emissions product line in 2014.
(5) Loss on refinancing and extinguishment of debt relating to the refinancing of our Term Loan Facility in 2016 and the repurchase of certain debt in 2014.
(6) Fees and other expenses associated with the March 2016 secondary offering.
(7) Amortization of write-up of inventory to fair value for the Shenya acquisition.
(8) Settlement charges in 2016 related to the initiative to de-risk the U.K. pension plans. Settlement charges in 2014 related to the U.S. pension plans that were amended to offer a one-time voluntary lump sum window to certain terminated vested participants.
(9) Non-cash stock amortization expense and non-cash stock option expense for grants issued at emergence from bankruptcy.

Recent Accounting Pronouncements

See Note 2. “Summary of Significant Accounting Policies” to the consolidated financial statements included in Item 8 of this Report.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to fluctuations in interest rates, currency exchange rates and commodity prices. We actively monitor our exposure to risk from changes in foreign currency exchange rates and interest rates through the use of derivative financial instruments in accordance with management’s guidelines. We do not enter into derivative instruments for trading purposes. See Item 8. “Financial Statements and Supplementary Data,” specifically Note 20. “Fair Value Measurements and Financial Instruments” to the consolidated financial statements.

Foreign Currency Exchange Rate Risk. We use forward foreign exchange contracts to reduce the effect of fluctuations in foreign exchange rates on a portion of forecasted sales, material purchases and operating expenses. As of December 31, 2016, the notional amount of these contracts was $58.7 million. As of December 31, 2016, the fair value of the Company’s forward foreign exchange contracts was an asset of $0.2 million.

In addition to transactional exposures, our operating results are impacted by the translation of our foreign operating income into U.S. dollars. In 2016, net sales outside of the United States accounted for 75% of our consolidated net sales, although certain non-U.S. sales are U.S. dollar denominated. We do not enter into foreign exchange contracts to mitigate this exposure.

Interest Rates. In August 2014, the Company entered into 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 December 31, 2016, the notional amount of these contracts was $300.0 million. As of December 31, 2016, the fair value of the Company’s interest rate swaps was a liability of $3.1 million. In addition, as of December 31, 2016 and 2015, approximately 7% and 58%, respectively, of our total debt was at variable interest rates, after considering the effect of the interest rate swap contracts.

Commodity Prices. We have commodity price risk with respect to purchases of certain raw materials, including natural gas and carbon black. Raw material, energy and commodity costs have been extremely volatile over the past several years. Historically, we have used derivative instruments to reduce our exposure to fluctuations in certain commodity prices. We did not enter into any commodity derivative instruments in 2016. We will continue to evaluate, and may use, derivative financial instruments to manage our exposure to higher raw material, energy and commodity prices in the future.

Item 8. Financial Statements and Supplementary Data

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Annual Financial Statements

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders of Cooper-Standard Holdings Inc.

We have audited the accompanying consolidated balance sheets of Cooper-Standard Holdings Inc. (the “Company”) as of December 31, 2016 and 2015, and the related consolidated statements of net income, comprehensive income (loss), changes in equity and cash flows for each of the three years in the period ended December 31, 2016. Our audits also included the financial statement schedule listed in the index at Item 15(a) 2. These financial statements and schedule are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Cooper-Standard Holdings Inc. as of December 31, 2016 and 2015, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2016, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Cooper-Standard Holdings Inc.’s internal control over financial reporting as of December 31, 2016, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 17, 2017 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Detroit, Michigan
February 17, 2017

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders of Cooper-Standard Holdings Inc.

We have audited Cooper-Standard Holdings Inc.'s internal control over financial reporting as of December 31, 2016, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). Cooper-Standard Holdings Inc.'s management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

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

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

In our opinion, Cooper-Standard Holdings Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2016, based on the COSO criteria. We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Cooper-Standard Holdings Inc. as of December 31, 2016 and 2015, and the related consolidated statements of net income, comprehensive income, changes in equity and cash flows for each of the three years in the period ended December 31, 2016, and our report dated February 17, 2017 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Detroit, Michigan
February 17, 2017

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

	Year Ended December 31,		
	2016	2015	2014
Sales	$ 3,472,891	$ 3,342,804	$ 3,243,987
Cost of products sold	2,808,049	2,755,691	2,734,558
Gross profit	664,842	587,113	509,429
Selling, administration & engineering expenses	359,782	329,922	301,724
Amortization of intangibles	13,566	13,892	16,437
Impairment charges	1,273	21,611	26,273
Restructuring charges	46,031	53,844	17,414
Other operating loss (profit)	155	(8,033)	(16,927)
Operating profit	244,035	175,877	164,508
Interest expense, net of interest income	(41,389)	(38,331)	(45,604)
Loss on refinancing and extinguishment of debt	(5,104)	—	(30,488)
Equity in earnings of affiliates	7,877	5,683	6,037
Other (expense) income, net	(10,659)	9,759	(6,170)
Income before income taxes	194,760	152,988	88,283
Income tax expense	54,321	41,218	42,810
Net income	140,439	111,770	45,473
Net (income) loss attributable to noncontrolling interests	(1,451)	110	(2,694)
Net income attributable to Cooper-Standard Holdings Inc.	$ 138,988	$ 111,880	$ 42,779
Earnings per share			
Basic	$ 7.96	$ 6.50	$ 2.56
Diluted	$ 7.42	$ 6.08	$ 2.39

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

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

	Year Ended December 31,		
	2016	2015	2014
Net income	$ 140,439	$ 111,770	$ 45,473
Other comprehensive income (loss):			
Currency translation adjustment	(13,930)	(80,331)	(56,162)
Benefit plan liabilities, net of tax[1]	(13,488)	2,737	(53,455)
Fair value change of derivatives, net of tax[2]	810	(269)	(2,011)
Other comprehensive loss, net of tax	(26,608)	(77,863)	(111,628)
Comprehensive income (loss)	113,831	33,907	(66,155)
Comprehensive (income) loss attributable to noncontrolling interests	(341)	451	(2,615)
Comprehensive income (loss) attributable to Cooper-Standard Holdings Inc.	$ 113,490	$ 34,358	$ (68,770)

(1) Other comprehensive income (loss) related to the benefit plan liabilities is net of a tax effect of $2,883, $2,051 and $19,096 for the years ended December 31, 2016, 2015 and 2014, respectively.

(2) Other comprehensive income (loss) related to the fair value change of derivatives is net of a tax effect of $685, $299 and $1,253 for the years ended December 31, 2016, 2015 and 2014, respectively.

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

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

	December 31,	
	2016	2015
Assets		
Current assets:		
Cash and cash equivalents	$ 480,092	$ 378,243
Accounts receivable, net	460,503	455,187
Tooling receivable	90,974	102,877
Inventories	146,449	149,645
Prepaid expenses	37,142	30,016
Other current assets	81,021	73,513
Total current assets	1,296,181	1,189,481
Property, plant and equipment, net	832,269	765,369
Goodwill	167,441	149,219
Intangible assets, net	81,363	70,702
Deferred tax assets	46,419	49,299
Other assets	68,029	80,222
Total assets	$ 2,491,702	$ 2,304,292
Liabilities and Equity		
Current liabilities:		
Debt payable within one year	$ 33,439	$ 45,494
Accounts payable	475,426	400,604
Payroll liabilities	144,812	127,609
Accrued liabilities	105,665	107,713
Total current liabilities	759,342	681,420
Long-term debt	729,480	732,418
Pension benefits	172,950	176,525
Postretirement benefits other than pensions	54,225	52,963
Deferred tax liabilities	9,241	4,914
Other liabilities	44,673	41,253
Total liabilities	1,769,911	1,689,493
Redeemable noncontrolling interest	—	—
7% Cumulative participating convertible preferred stock, $0.001 par value, 10,000,000 shares authorized; no shares outstanding	—	—
Equity:		
Common stock, $0.001 par value, 190,000,000 shares authorized; 19,686,917 shares issued and 17,690,611 outstanding as of December 31, 2016 and 19,105,251 shares issued and 17,458,945 outstanding as of December 31, 2015	17	17
Additional paid-in capital	513,934	513,764
Retained earnings	425,972	306,713
Accumulated other comprehensive loss	(242,563)	(217,065)
Total Cooper-Standard Holdings Inc. equity	697,360	603,429
Noncontrolling interests	24,431	11,370
Total equity	721,791	614,799
Total liabilities and equity	$ 2,491,702	$ 2,304,292

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

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

		Total Equity							
	Redeemable Noncontrolling Interests	**Common Shares**	**Common Stock**	**Additional Paid-In Capital**	**Retained Earnings**	**Accumulated Other Comprehensive Loss**	**Cooper-Standard Holdings Inc. Equity**	**Noncontrolling Interest**	**Total Equity**
Balance as of December 31, 2013	$ 5,153	16,676,539	$ 17	$ 489,052	$ 156,775	$ (27,694)	$ 618,150	$ (2,578)	$ 615,572
Shares issued under stock option plans	—	42,014	—	(1,307)	—	—	(1,307)	—	(1,307)
Repurchase of common stock	—	(96,622)	—	(2,338)	(2,824)	—	(5,162)	—	(5,162)
Warrant exercise	—	425,886	—	9,022	—	—	9,022	—	9,022
Share-based compensation, net	—	(8,489)	—	11,458	(1,497)	—	9,961	—	9,961
Excess tax benefit on stock options	—	—	—	4,098	—	—	4,098	—	4,098
Purchase of noncontrolling interest	—	—	—	(17,026)	—	—	(17,026)	(1,461)	(18,487)
Net income (loss) for 2014	(1,110)	—	—	—	42,779	—	42,779	3,804	46,583
Other comprehensive loss	(62)	—	—	—	—	(111,549)	(111,549)	(17)	(111,566)
Balance as of December 31, 2014	3,981	17,039,328	17	492,959	195,233	(139,243)	548,966	(252)	548,714
Shares issued under stock option plans	—	20,960	—	(289)	—	—	(289)	—	(289)
Warrant exercise	—	344,159	—	9,277	—	—	9,277	—	9,277
Share-based compensation, net	—	54,498	—	8,635	(400)	—	8,235	—	8,235
Excess tax benefit on stock options	—	—	—	320	—	—	320	—	320
Acquisition	—	—	—	—	—	—	—	11,836	11,836
Purchase of noncontrolling interest	(3,936)	—	—	2,862	—	(300)	2,562	192	2,754
Net income (loss) for 2015	(45)	—	—	—	111,880	—	111,880	(65)	111,815
Other comprehensive loss	—	—	—	—	—	(77,522)	(77,522)	(341)	(77,863)
Balance as of December 31, 2015	—	17,458,945	17	513,764	306,713	(217,065)	603,429	11,370	614,799
Cumulative effect of change in accounting principle	—	—	—	—	(473)	—	(473)	—	(473)
Repurchase of common stock	—	(350,000)	—	(8,470)	(15,330)	—	(23,800)	—	(23,800)
Warrant exercise		332,873	—	2,810	—	—	2,810	—	2,810
Share-based compensation, net	—	248,793	—	5,830	(3,926)	—	1,904	—	1,904
Consolidation of joint venture	—	—	—	—	—	—	—	13,300	13,300
Dividends paid to noncontrolling interests	—	—	—	—	—	—	—	(580)	(580)
Net income for 2016	—	—	—	—	138,988	—	138,988	1,451	140,439
Other comprehensive loss	—	—	—	—	—	(25,498)	(25,498)	(1,110)	(26,608)
Balance as of December 31, 2016	$ —	17,690,611	$ 17	$ 513,934	$ 425,972	$ (242,563)	$ 697,360	$ 24,431	$ 721,791

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

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

	Year Ended December 31,		
	2016	2015	2014
Operating Activities:			
Net income	$ 140,439	$ 111,770	$ 45,473
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	109,094	100,535	96,143
Amortization of intangibles	13,566	13,892	16,437
Impairment charges	1,273	21,611	26,273
Share-based compensation expense	24,032	13,955	12,587
Equity in earnings, net of dividends related to earnings	(4,855)	(3,766)	(3,767)
Loss on refinancing and extinguishment of debt	5,104	—	30,488
Gain on divestitures and sale of investment in affiliate	—	(8,033)	(18,809)
Gain on remeasurement of previously held equity interest	—	(14,199)	—
Deferred income taxes	9,082	(2,698)	8,816
Other	1,591	725	542
Changes in operating assets and liabilities:			
Accounts and tooling receivable	(579)	(72,546)	(17,934)
Inventories	6,651	12,848	888
Prepaid expenses	(7,010)	5,348	277
Accounts payable	70,066	61,063	(11,460)
Payroll and accrued liabilities	5,612	75,424	(3,674)
Other	(10,369)	(45,544)	(11,231)
Net cash provided by operating activities	363,697	270,385	171,049
Investing activities:			
Capital expenditures	(164,368)	(166,267)	(192,089)
Proceeds from divestitures and sale of investment in affiliate	—	33,500	50,602
Acquisition of businesses, net of cash acquired	(37,478)	(34,396)	(21,217)
Investment in joint ventures	—	(4,300)	—
Cash from consolidation of joint venture	3,395	—	—
Return on equity investments	—	—	951
Proceeds from sale of fixed assets and other	185	5,069	4,357
Net cash used in investing activities	(198,266)	(166,394)	(157,396)
Financing activities:			
Proceeds from issuance of long-term debt, net of debt issuance costs	393,060	—	737,462
Repurchase of long-term debt	—	—	(675,615)
Repayment and refinancing of term loan facility	(397,196)	—	—
Principal payments on long-term debt	(10,747)	(8,863)	(4,273)
Purchase of noncontrolling interest	—	(1,262)	(18,487)
Repurchase of common stock	(23,800)	—	(5,162)
Proceeds from exercise of warrants	2,810	9,277	9,022
(Decrease) increase in short term debt, net	(12,223)	(9,008)	334
Borrowings on long-term debt	—	151	6,609
Taxes withheld and paid on employees' share-based payment awards	(12,624)	(2,028)	(4,214)
Excess tax benefits on stock options	—	320	4,098
Other	(2,196)	(177)	(363)
Net cash (used in) provided by financing activities	(62,916)	(11,590)	49,411
Effects of exchange rate changes on cash and cash equivalents	(666)	18,572	19,836
Changes in cash and cash equivalents	101,849	110,973	82,900
Cash and cash equivalents at beginning of period	378,243	267,270	184,370
Cash and cash equivalents at end of period	$ 480,092	$ 378,243	$ 267,270

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

1. Description of Business

Cooper-Standard Holdings Inc. (together with its consolidated subsidiaries, the "Company" or "Cooper Standard"), through its wholly-owned subsidiary, Cooper-Standard Automotive Inc. ("CSA U.S."), is a leading manufacturer of sealing, fuel and brake delivery, 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 Company believes that it is the largest global producer of sealing systems, the second largest global producer of the types of fuel and brake delivery products that they manufacture, the third largest global producer of fluid transfer systems, and one of the largest North American producers of anti-vibration systems. The Company designs and manufactures its products in each major region of the world through a disciplined and sustained approach to engineering and operational excellence. The Company operates in 90 manufacturing locations and 33 design, engineering, administrative and logistics locations in 20 countries around the world.

2. Basis of Presentation and Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States ("U.S. GAAP").

Summary of Significant Accounting Policies

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

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

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

Cash and Cash Equivalents – The Company considers highly liquid investments with an original maturity of three months or less to be cash equivalents.

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

Allowance for Doubtful Accounts – An allowance for doubtful accounts is established through charges to the provision for bad debts when it is probable that the outstanding receivable will not be collected. The Company evaluates the adequacy of the allowance for doubtful accounts on a periodic basis, including historical trends in collections and write-offs, management's judgment of the probability of collecting accounts and management's evaluation of business risk. This evaluation is inherently subjective, as it requires estimates that are susceptible to revision as more information becomes available. The allowance for doubtful accounts was $7,124 and $4,087 as of December 31, 2016 and 2015, respectively.

Advertising Expense – Expenses incurred for advertising are generally expensed when incurred. Advertising expense was $3,553, $3,418 and $3,846 for the years ended December 31, 2016, 2015 and 2014, respectively.

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

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

	December 31,	
	2016	2015
Finished goods	$ 43,511	$ 43,031
Work in process	32,839	32,863
Raw materials and supplies	70,099	73,751
	$ 146,449	$ 149,645

Derivative Financial Instruments – Derivative financial instruments are utilized by the Company to reduce foreign currency exchange and interest rate risks. The Company has established policies and procedures for risk assessment and the approval, reporting and monitoring of derivative financial instrument activities. On the date the derivative is established, the Company designates the derivative as either a fair value hedge, a cash flow hedge or a net investment hedge in accordance with its established policy. The Company does not enter into derivative financial instruments for trading or speculative purposes.

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

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

Pre-production Costs Related to Long Term Supply Arrangements – Costs for molds, dies and other tools owned by the Company to produce products under long-term supply arrangements are recorded at cost in property, plant and equipment and amortized over the lesser of three years or the term of the related supply agreement. The amounts capitalized were $2,874 and $5,104 as of December 31, 2016 and 2015, respectively. The Company expenses all pre-production tooling costs related to customer-owned tools for which reimbursement is not contractually guaranteed by the customer. Reimbursable tooling costs are recorded in tooling receivable in the accompanying consolidated balance sheets if considered a receivable in the next twelve months. Tooling receivable for customer-owned tooling as of December 31, 2016 and 2015 was $90,974 and $102,877, respectively. Reimbursable tooling costs included in other assets in the accompanying consolidated balance sheets were $16,393 and $12,969 as of December 31, 2016 and 2015, respectively.

Goodwill – The Company performs a quantitative assessment of goodwill for impairment on an annual basis or more frequently if an event occurs or circumstances indicate the carrying amount may be impaired. Goodwill impairment testing is performed at the reporting unit level. To quantitatively test goodwill for impairment, the fair value of each reporting unit is determined and compared to the carrying value. If the carrying value exceeds the fair value, then impairment may exist and further evaluation is required.

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

Revenue Recognition and Sales Commitments – Revenue is recognized when there is persuasive evidence of a sales agreement, the delivery of the goods has occurred, the sales price is fixed and determinable and collectability is reasonably assured. The Company generally enters into agreements with its customers to produce products at the beginning of a vehicle’s life. Although such agreements do not generally provide for minimum quantities, once the Company enters into such agreements, fulfillment of its customers’ purchasing requirements can be the Company’s obligation for an extended period or the entire production life of the vehicle. These agreements generally may be terminated by the customer at any time. Historically, terminations of these agreements have been minimal. In certain limited instances, the Company may be committed under existing agreements to supply products to its customers at selling prices which are not sufficient to cover the direct cost to produce such products. In such situations, the Company recognizes losses as they are incurred.

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

The Company receives blanket purchase orders from many of its customers on an annual basis. Generally, such purchase orders and related documents set forth the annual terms, including pricing, related to a particular vehicle model. Such purchase orders generally do not specify quantities. The Company recognizes revenue based on the pricing terms included in the annual purchase orders generally as products are shipped to the customers. As part of certain agreements, the Company is asked to provide its customers with annual cost reductions. The Company recognizes such amounts as a reduction of revenue as products are shipped to customers. In addition, the Company has ongoing adjustments to pricing arrangements with its customers based on the related content and cost of the products. Such pricing adjustments are recorded when probable and estimable.

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

Research and Development – Costs are charged to selling, administration and engineering expenses as incurred and totaled $117,791, $108,764 and $101,982 for the years ended December 31, 2016, 2015 and 2014, respectively.

Share-based Compensation – The Company measures share-based compensation expense at fair value and generally recognizes such expenses on a straight-line basis over the vesting period of the share-based employee awards. See Note 18. "Share-Based Compensation" for additional information.

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

Recently Adopted Accounting Pronouncements

The Company adopted the following accounting standards in 2016:

Standard		Impact	Effective Date
2016-09	Compensation - Stock Compensation	See Note 18	April 1, 2016
2015-16	Business Combinations (Topic 805): Simplifying the Accounting for Measurement - Period Adjustments	No Impact	January 1, 2016
2015-07	Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)	Disclosure Only - See Note 8	January 1, 2016
2015-02	Consolidation (Topic 810): Amendments to the Consolidation Analysis	No Impact	January 1, 2016
2014-15	Presentation of Financial Statements: Going Concern (Subtopic 2015-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern	No Impact	December 31, 2016

Recently Issued Accounting Pronouncements

In January 2017, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("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 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 financial statements.

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 has evaluated the issues specified in this guidance, which is consistent with its current treatment, therefore the 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 assets and liabilities for all leases (with an exception of short-term leases). This guidance is effective for annual and interim reporting periods beginning after December 15, 2018. Early adoption is permitted. The guidance requires companies to use a modified retrospective approach upon adoption. The Company is in the preliminary phases of assessing the effect of this guidance on its leases. The Company plans on adopting this ASU effective January 1, 2019 and has yet to determine the effect on its consolidated financial statements.

In July 2015, the FASB issued ASU 2015-11, *Inventory (Topic 330): Simplifying the Measurement of Inventory*. This ASU amends the guidelines for the measurement of inventory from lower of cost or market to the lower of cost and net realizable value ("NRV"). NRV is defined as the estimated selling prices in the ordinary course of business less reasonably predictable costs of completion, disposal, and transportation. Under existing standards, inventory is measured at the lower of cost or market, which requires the consideration of replacement cost, NRV and NRV less an amount that approximates a normal profit margin. This ASU eliminates the requirement to determine and consider replacement cost or NRV less an approximately normal profit margin for inventory measurement. This guidance is effective for annual and interim reporting periods beginning after December 15, 2016. The adoption of this ASU is not expected to have a material impact on the Company's consolidated financial statements.

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 disclosures regarding revenue recognition. 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 guidance is effective January 1, 2018; however, companies can elect to adopt one year earlier as of January 1, 2017. The standard permits the use of either the full retrospective or modified retrospective method.

Since the new standard will impact the Company's business processes, systems and controls, it has developed a comprehensive project plan to guide the implementation. This project plan includes analyzing the standard's impact on the Company's customer contracts, comparing its historical accounting policies and practices to the requirements of the new standard, and identifying potential differences from applying the requirements of the new standard to its contracts. Since the Company's assessment is ongoing, it plans to adopt the guidance effective January 1, 2018 under the modified retrospective method, under which the cumulative effect is recognized in equity at the date of initial application. 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. Once the Company adopts the new standard, it does not anticipate that its internal control framework will materially change, but rather that existing internal controls will be modified and augmented, as necessary.

The Company continues to monitor FASB activities related to ASU 2014-09 and has worked with various non-authoritative industry groups to assess certain interpretative issues and the associated implementation of the new standard. The Company anticipates that the adoption of this new standard will result in a change in how it accounts for pre-production costs related to long term supply arrangements, such as reimbursable tooling. Under the current applicable guidance, such reimbursements from customers are recorded as cost offsets. Under the new guidance, revenue should be recognized for pre-production activities that are transferred to the customer. Since the FASB plans to perform additional outreach to preparers and other stakeholders related to the accounting for pre-production activities, the Company's evaluation is subject to change.

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

3. Acquisitions and Divestitures

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 consolidated financial statements from the date of acquisition, August 15, 2016, and reported within the North America segment. The pro forma effect of this acquisition would not materially impact the Company's reported results for any periods presented, and as a result no pro forma information has been presented. This acquisition was accounted for as a business combination, resulting in the recognition of intangible assets of $19,410 and goodwill of $7,175. See Note 6. "Goodwill and Intangibles" for additional information.

Shenya Acquisition

In the first quarter of 2015, the Company completed the acquisition of an additional 47.5% of Huayu-Cooper Standard Sealing Systems Co. ("Shenya"), increasing its ownership to 95%, for cash consideration of $59,320, of which $41,474 was paid in 2015 and $17,846 was paid in 2014. The acquisition was accounted for as a business combination. The business acquired in the transaction is included in the Company's Asia Pacific segment and is operated from Shenya's manufacturing locations in China. Shenya primarily supplies sealing systems and components to the automotive industry. This acquisition is directly aligned with the Company's growth strategy by strengthening important customer relationships in the automotive sealing systems market. The results of operations of Shenya are included in the Company's consolidated financial statements from the date of acquisition, February 27, 2015. The pro forma effect of this acquisition would not materially impact the Company's reported results for any periods presented, and as a result no pro forma information has been presented. Prior to the acquisition, the Company held a 47.5% unconsolidated equity interest in Shenya. The estimated fair value of the equity interest at the date of acquisition was $41,378, resulting in a gain of $14,199 recorded in other (expense) income, net for the year ended December 31, 2015. The fair value of the Company's previous 47.5% equity interest, 47.5% purchased and 5% noncontrolling interest in Shenya were estimated using income and market approaches based on financial analysis methodologies (including the discounted cash flow analysis), projected financial information, management's estimates, available information, and reasonable and supportable assumptions. These fair value measurements are classified within Level 3 of the fair value hierarchy.

The following table summarizes the estimated fair value of Shenya assets acquired and liabilities assumed at the date of acquisition, updated as of December 31, 2015:

Cash and cash equivalents	$	7,079
Accounts receivable		24,197
Inventories		12,708
Prepaid expenses		11,624
Other current assets		23,396
Property, plant, and equipment		70,082
Goodwill		19,812
Intangibles		15,340
Other assets		14,834
Total assets acquired		199,072
Debt payable within one year		19,164
Accounts payable		45,159
Other current liabilities		15,877
Other liabilities		9,005
Total liabilities assumed		89,205
Noncontrolling interest		9,386
Net assets acquired including noncontrolling interest	$	100,481

Cash and cash equivalents, accounts receivable, prepaid expenses, other current assets, accounts payable and other current liabilities were stated at historical carrying values, which management believes approximates fair value given the short-term nature of these assets and liabilities. Inventories were recorded at fair value which is estimated for finished goods and work-in-process based upon the expected selling price less costs to complete, selling, and disposal costs, and a normal profit margin. Raw material inventory was recorded at historical carrying value as such value approximates the replacement cost. Deferred income taxes have been provided in the consolidated balance sheet based on the Company's estimates of the tax versus book basis of the estimated fair value of the assets acquired and liabilities assumed. The Company has estimated the fair value of property, plant and equipment, intangibles, certain other assets, certain liabilities and noncontrolling interest based upon third party valuations, management's estimates, available information and reasonable and supportable assumptions. Goodwill represents the excess of the acquisition price over the fair value of the identifiable assets acquired and liabilities assumed.

In the second quarter of 2016, the Company acquired a business in furtherance of the Company's Shenya operations. The total purchase price of the acquisition was $5,478. The Company recognized $2,972 of goodwill as a result of this acquisition.

In the third quarter of 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. See Note 6. "Goodwill and Intangibles" for additional information. There was no gain or loss recognized on the remeasurement of the Company's equity method investment in Guangzhou.

Other Acquisitions

In 2015, the Company acquired the remaining equity interests of Metzler Automotive Profiles India Private Limited (26%) and Cooper Standard Jingda Changchun Automotive Co., Ltd. (20%) for a combined cash consideration of $1,262. These acquisitions were accounted for as equity transactions.

Also in 2015, the Company contributed cash of $1,750 to establish a joint venture with Polyrub Extrusions (India) Private Limited. The joint venture, Polyrub Cooper Standard FTS Private Limited, is expected to increase market share and open new opportunities in the Company's fluid transfer business. The Company owns 35% of the joint venture with the remaining 65% of the joint venture owned by Polyrub Extrusions (India) Private Limited. This investment is accounted for under the equity method and is included in other assets in the accompanying consolidated balance sheets.

In addition, in 2015, the Company contributed cash of $2,550 to establish a joint venture with Polyfoam Asia Pte. Ltd. The joint venture, Cooper-Standard INOAC Pte. Ltd., is expected to accelerate the Company's fluid transfer systems strategy and provide better access to Japanese OEMs and add further support to global platforms. The Company owns 51% of the joint venture with the remaining 49% of the joint venture owned by Polyfoam Asia Pte. Ltd. The operating results of this joint venture are included in the Company's consolidated financial statements from the date of formation.

In 2014, the Company acquired the remaining 49% equity interests of Fonds de Modernisation des Equipementiers Automobiles interest in Cooper Standard France, a body sealing, anti-vibration systems and low pressure hoses joint venture for cash consideration of $18,487. This acquisition was accounted for as an equity transaction. Also in 2014, the Company acquired Cikautxo Borja, S.L.U, a manufacturer of heating and cooling hoses, for cash consideration of $3,371.

Divestitures

In 2015, the Company completed the sale of its hard coat plastic exterior trim business, a non-core operation, to allow the Company to focus resources on its core product groups. The Company received proceeds of $33,500 and recognized a gain of $8,033, which is recorded in other operating loss (profit) in the consolidated statement of net income for the year ended December 31, 2015. This divestiture did not meet the discontinued operations criteria.

In 2014, the Company completed the sale of its thermal and emissions product line, a non-core product line, to Halla Visteon Climate Control Corp. The Company received proceeds of $44,937 and recognized a gain of $16,036, which is recorded in other operating loss (profit) in the consolidated statement of net income for the year ended December 31, 2014. This divestiture did not meet the discontinued operations criteria. Also in 2014, the Company completed the sale of its non-core Australian business. The Company received proceeds of $2,449 and recognized a gain of $891, which is recorded in other operating loss (profit) in the consolidated statement of net income for the year ended December 31, 2014. This divestiture did not meet the discontinued operations criteria.

4. Restructuring

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

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

In January 2015, the Company announced its intention to further restructure its European manufacturing footprint based on then current and 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 $90,000 has been incurred to date. We expect to incur total employee separation costs of approximately $70,000 to $75,000, other related exit costs of approximately $49,000 to $54,000 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 years ended December 31, 2016, 2015 and 2014:

	Year Ended December 31,		
	2016	2015	2014
North America	$ 1,680	$ 5,232	$ 105
Europe	42,008	47,868	16,866
Asia Pacific	2,343	744	443
Total	$ 46,031	$ 53,844	$ 17,414

The following table summarizes the activity for all restructuring initiatives for the years ended December 31, 2016 and 2015:

	Employee Separation Costs	Other Exit Costs	Asset Impairments	Total
Balance as of December 31, 2014	$ 10,837	$ —	$ —	$ 10,837
Expense	29,720	23,696	428	53,844
Cash payments	(6,765)	(21,859)	—	(28,624)
Foreign exchange translation and other	(1,085)	(69)	(428)	(1,582)
Balance as of December 31, 2015	$ 32,707	$ 1,768	$ —	$ 34,475
Expense	18,017	28,014	—	46,031
Cash payments	(28,665)	(27,434)	—	(56,099)
Foreign exchange translation and other	(132)	(37)	—	(169)
Balance as of December 31, 2016	$ 21,927	$ 2,311	$ —	$ 24,238

5. Property, Plant and Equipment

Property, plant and equipment is comprised of the following:

	December 31,		Estimated
	2016	2015	Useful Lives
Land and improvements	$ 71,002	$ 71,079	10 to 25 years
Buildings and improvements	266,325	237,499	10 to 40 years
Machinery and equipment	870,429	760,250	5 to 10 years
Construction in progress	153,924	130,615	
	$ 1,361,680	$ 1,199,443	
Accumulated depreciation	(529,411)	(434,074)	
Property, plant and equipment, net	$ 832,269	$ 765,369	

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

The Company impaired property, plant and equipment at certain of its facilities due to the deterioration of financial results in each respective case. Fair value was determined using the estimated salvage value, which was deemed the highest and best use of the assets. A summary of these asset impairment charges is as follows:

	Year Ended December 31,		
	2016	2015	2014
Asia Pacific	$ 1,273	$ —	$ —
Europe	—	2,285	6,107
South America	—	11,345	—
North America	—	—	18,466
Total	$ 1,273	$ 13,630	$ 24,573

6. Goodwill and Intangibles

Goodwill

The changes in the carrying amount of goodwill by reportable operating segment for the years ended December 31, 2016 and 2015 are summarized as follows:

	North America	Europe	Asia Pacific	Total
Balance as of December 31, 2014	$ 117,609	$ 12,366	$ 5,194	$ 135,169
Acquisition	—	—	19,812	19,812
Divestitures	(2,548)	—	—	(2,548)
Foreign exchange translation	(952)	(1,310)	(952)	(3,214)
Balance as of December 31, 2015	$ 114,109	$ 11,056	$ 24,054	$ 149,219
Acquisitions	7,175	—	2,972	10,147
Consolidation of joint venture	—	—	9,741	9,741
Foreign exchange translation	712	(303)	(2,075)	(1,666)
Balance as of December 31, 2016	$ 121,996	$ 10,753	$ 34,692	$ 167,441

Intangible Assets

The following table presents intangible assets and accumulated amortization balances of the Company as of December 31, 2016 and 2015, respectively:

	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
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	$ 164,645	$ (83,282)	$ 81,363
Customer relationships	$ 115,285	$ (61,375)	$ 53,910
Developed technology	8,854	(7,673)	1,181
Other	16,290	(679)	15,611
Balance as of December 31, 2015	$ 140,429	$ (69,727)	$ 70,702

In 2016, the Company acquired intangible assets of $19,410 in conjunction with the AMI Acquisition. These consisted of $19,000 related to customer relationships and $410 related to patents with weighted average amortization periods of 12 and 15 years, respectively.

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

Also in 2016, the Company recorded intangible assets of $6,605 in conjunction with the consolidation of Guangzhou. These consisted of $1,313 related to customer relationships and $5,292 related to land-use right with weighted average amortization periods of approximately 7 and 45 years, respectively.

During 2015, the Company acquired intangible assets of $15,340 as a result of the Shenya acquisition. These consisted of $5,110 of customer relationships, $180 of patents and $10,050 of land-use rights with weighted average amortization periods of approximately 15, 3 and 30 years, respectively.

During the fourth quarter of 2015, the customer relationship intangible asset related to the Company’s South America segment was determined to be fully impaired as a result of the deterioration of the economic conditions in the region, resulting in an impairment charge of $7,981. Fair value was determined using the excess earnings method, based on the reporting unit’s cash flow expectations and consideration of the discount rate.

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

Year	Expense
2017	$ 13,942
2018	13,538
2019	13,457
2020	7,464
2021	3,200

7. Debt

Outstanding debt consisted of the following as of December 31, 2016 and 2015:

	December 31,	
	2016	2015
Senior Notes	$ 393,060	$ —
Term Loan	332,827	729,841
Other borrowings	37,032	48,071
Total debt	$ 762,919	$ 777,912
Less current portion	(33,439)	(45,494)
Total long-term debt	$ 729,480	$ 732,418

The principal maturities of debt, at nominal value, as of December 31, 2016 are as follows:

Year	Debt and Capital Lease Obligations
2017	$ 34,489
2018	5,485
2019	5,334
2020	5,322
2021	3,400
Thereafter	723,000
Total	$ 777,030

5.625% Senior Notes due 2026

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

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

The Issuer may redeem all or part of the Senior Notes at various points in time prior to maturity, as described in the Indenture. The Senior Notes mature on November 15, 2026. Interest on the Senior Notes is payable semi-annually in arrears in cash on May 15 and November 15 of each year, commencing on May 15, 2017.

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

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

The Company paid approximately $7,055 of debt issuance costs in connection with the transaction. The debt issuance costs are being amortized into interest expense over the term of the Senior Notes. As of December 31, 2016, the Company has $6,940 unamortized debt issuance costs related to the Senior Notes, which is classified as a discount in the consolidated balance sheet.

ABL Facility

On November 2, 2016, CS Intermediate Holdco 1 LLC ("Parent"), CSA U.S. (the "U.S. Borrower"), Cooper-Standard Automotive Canada Limited (the "Canadian Borrower"), Cooper-Standard Automotive International Holdings B.V. (the "Dutch Borrower", and, together with the U.S. Borrower and the Canadian Borrower, the "Borrowers") and certain subsidiaries of the U.S. Borrower, entered into a $210,000 Third Amended and Restated Loan Agreement with certain lenders, Bank of America, N.A., as agent (the "Agent") for such lenders, Deutsche Bank Securities Inc., as syndication agent, and Merrill Lynch, Pierce, Fenner & Smith Incorporated, Deutsche Bank Securities Inc. and JPMorgan Chase Bank, N.A., as joint lead arrangers and bookrunners, and other parties thereto, which amended and restated the previous $180,000 senior secured asset-based revolving credit facility, dated as of April 4, 2014, among the Company, the U.S. Borrower, the Canadian Borrower, the lenders and other parties thereto.

The ABL Facility provides for an aggregate revolving loan availability of up to $210,000, subject to borrowing base availability, including a $100,000 letter of credit sub-facility and a $25,000 swing line sub-facility. The ABL Facility also provides for an uncommitted $100,000 incremental loan facility, for a potential total ABL Facility of $310,000 (if requested by the Borrowers and the lenders agree to fund such increase). No consent of any lender (other than those participating in the increase) is required to effect any such increase. On December 31, 2016, there were no borrowings under the ABL Facility, and subject to borrowing base availability, the Company had $195,277 in availability, less outstanding letters of credit of $56,507.

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

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

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

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

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

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

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

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

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

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

Debt Issuance Costs. As of December 31, 2016, the Company had $1,706 unamortized debt issuance costs related to the ABL Facility.

Term Loan Facility Amendment No. 1

On November 2, 2016, CSA U.S., as borrower, entered into Amendment No. 1 to the Term Loan Facility with Deutsche Bank AG New York Branch, as administrative agent and collateral agent, certain lenders, Deutsche Bank Securities Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, JPMorgan Chase Bank, N.A., Goldman Sachs Bank USA and Barclays Bank PLC, as joint lead arrangers and joint bookrunners, Merrill Lynch, Pierce, Fenner & Smith Incorporated, as syndication agent, and JPMorgan Chase Bank, N.A., Goldman Sachs Bank USA and Barclays Bank PLC, as co-documentation agents.

The Term Loan Facility provides for loans in an aggregate principal amount of $340,000. Subject to certain conditions, the Term Loan Facility, without the consent of the then existing lenders (but subject to the receipt of commitments), may be expanded (or a new term loan or revolving facility added) by an amount that will not cause the consolidated secured net debt ratio to exceed 2.25 to 1.00 plus $400,000 plus any voluntary prepayments (including revolving facility and ABL Facility to the extent commitments are reduced) not funded from proceeds of long-term indebtedness.

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

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

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

Interest. Borrowings under the Term Loan Facility bear interest, at the borrower’s option, at either (1) with respect to eurodollar rate loans, the greater of the applicable eurodollar rate and 0.75%, plus 2.75% 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 1.75% per annum.

Voluntary Prepayments. The borrower may voluntarily prepay loans in whole or in part, with prior notice and without premium or penalty, subject to the actual LIBOR breakage costs, payment of accrued and unpaid interest, and customary limitations as to minimum amounts of prepayments. However, in the case of a voluntary prepayment by the borrower in connection with a repricing transaction within 180 days from November 2, 2016, the closing date of the Amendment 1, there is a prepayment premium in an amount equal to 1.0% of the principal amount prepaid.

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

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

Debt Issuance Costs. As of December 31, 2016, the Company had $4,352 unamortized debt issuance costs and $2,821 of unamortized original issue discount related to the Term Loan Facility. Both the debt issuance costs and the original issue discount are amortized into interest expense over the term of the Term Loan Facility.

Debt Covenants

The Company was in compliance with all covenants of the ABL Facility, Term Loan Facility and Senior Notes, as of December 31, 2016.

Repayment of the Term Loan Facility

On November 2, 2016, the Company repaid the non-extended term loan outstanding under the Term Loan Facility of $393,125. As a result of the repayment, the Company recognized a loss on refinancing of $5,104, of which $4,071 was paid in cash, which was primarily due to the write off of unamortized original issue discount and debt issuance costs. The Company used proceeds from the Senior Notes, together with cash on hand, to repay the non-extended term loan.

Other

Other borrowings as of December 31, 2016 and 2015 reflect borrowings under capital leases, local bank lines and accounts receivable factoring sold with recourse classified in debt payable within one year on the consolidated balance sheet.

Interest paid was $38,550, $39,192 and $56,488 for the years ended December 31, 2016, 2015 and 2014, respectively.

8. Pensions

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

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

The Company also sponsors voluntary defined contribution plans for certain salaried and hourly U.S. employees of the Company. The Company matches contributions of participants, up to various limits based on its profitability, in substantially all plans. The Company also sponsors a retirement plan that includes Company non-elective contributions. Non-elective and matching contributions under these plans totaled $16,581, $16,296 and $14,489 for the years ended December 31, 2016, 2015 and 2014, respectively.

The following tables disclose information related to the Company's defined benefit pension plans:

	Year Ended December 31,			
	2016		2015	
	U.S.	Non-U.S.	U.S.	Non-U.S.
Change in projected benefit obligation:				
Projected benefit obligations at beginning of period	$ 306,760	$ 179,896	$ 322,330	$ 210,720
Service cost	807	3,346	926	3,489
Interest cost	12,580	5,041	12,334	5,084
Actuarial (gain) loss	3,633	17,582	(12,227)	(4,940)
Benefits paid	(20,334)	(7,735)	(16,603)	(7,315)
Foreign currency exchange rate effect	—	(5,085)	—	(24,548)
Settlements	—	(1,950)	—	(2,919)
Other	—	89	—	325
Projected benefit obligations at end of period	$ 303,446	$ 191,184	$ 306,760	$ 179,896
Change in plan assets:				
Fair value of plan assets at beginning of period	$ 248,387	$ 64,940	$ 268,862	$ 74,660
Actual return on plan assets	18,109	2,560	(10,136)	1,929
Employer contributions	7,321	6,969	6,264	8,534
Benefits paid	(20,334)	(7,735)	(16,603)	(7,315)
Foreign currency exchange rate effect	—	(1,753)	—	(9,949)
Settlements	—	(1,761)	—	(2,919)
Fair value of plan assets at end of period	$ 253,483	$ 63,220	$ 248,387	$ 64,940
Funded status of the plans	$ (49,963)	$ (127,964)	$ (58,373)	$ (114,956)

	Year Ended December 31,			
	2016		2015	
	U.S.	Non-U.S.	U.S.	Non-U.S.
Amounts recognized in the balance sheets:				
Accrued liabilities (current)	$ (1,030)	$ (3,947)	$ (924)	$ (3,914)
Pension benefits (long term)	(48,933)	(124,017)	(57,449)	(119,076)
Other assets	—	—	—	8,034
Net amounts recognized as of December 31	$ (49,963)	$ (127,964)	$ (58,373)	$ (114,956)

Included in accumulated other comprehensive loss as of December 31, 2016 are amounts that have not yet been recognized in net periodic benefit cost, including unrecognized prior service costs of $1,429 ($1,418 net of tax) and unrecognized actuarial losses of $128,414 ($111,377 net of tax). The amounts included in accumulated other comprehensive loss and expected to be recognized in net periodic benefit cost during the fiscal year ended December 31, 2017 are $231 and $4,440, respectively. The Company uses the corridor approach when amortizing actuarial gains or losses. Under the corridor approach, net unrecognized actuarial losses in excess of 10% of the greater of i) the projected benefit obligation or ii) the fair value of plan assets are amortized over future periods.

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

The accumulated benefit obligation for all domestic and international defined benefit pension plans was $303,446 and $179,854 as of December 31, 2016 and $306,760 and $170,430 as of December 31, 2015, respectively. As of December 31, 2016, fair value of plan assets did not exceed the projected benefit obligation of any of the Company's defined benefit plans. As of December 31, 2015, the fair value of plan assets for two of the Company's defined benefit plans exceeded the projected benefit obligation of $31,226 by $8,034.

The following table provides the components of net periodic benefit (income) cost for the plans:

	Year Ended December 31,					
	2016		2015		2014	
	U.S.	Non-U.S.	U.S.	Non-U.S.	U.S.	Non-U.S.
Service cost	$ 807	$ 3,346	$ 926	$ 3,489	$ 850	$ 3,367
Interest cost	12,580	5,041	12,334	5,084	13,479	7,069
Expected return on plan assets	(15,835)	(3,133)	(17,685)	(3,373)	(19,055)	(3,828)
Amortization of prior service cost and actuarial loss	1,714	2,186	1,110	2,666	67	894
Settlements	—	538	—	132	3,637	444
Other	—	—	—	221	—	(1)
Net periodic benefit (income) cost	$ (734)	$ 7,978	$ (3,315)	$ 8,219	$ (1,022)	$ 7,945

During 2016, the Company undertook an initiative to de-risk pension obligations in the U.K. by purchasing a bulk annuity policy designed to match the liabilities of the plan, and subsequently entered into a wind-up process. Further, as part of the wind-up process, participants with pension benefit values below a certain level were offered wind-up lump sums, election of which completely extinguishes a participant's benefit entitlement. This action resulted in nominal settlement charges during the year ended December 31, 2016. It is anticipated that the wind-up process will be completed in 2017.

In September 2014, the Company announced a one-time voluntary program allowing eligible deferred vested U.S. pension participants the ability to elect to receive the value of their pension benefit, either as a lump sum payment or a monthly annuity payment. Such election settled the Company's obligation to the electing participants. The voluntary program resulted in lump sum payments of $16,287. In addition, lump sum payments made outside of this program to certain vested U.S. participants totaled $2,813. The total of $19,100 lump sum payments was paid from plan assets. As a result of these lump sum payments, the Company recorded settlement losses of $3,637 during the year ended December 31, 2014, reflecting the accelerated recognition of unamortized losses in the plans proportionate to the obligation that was settled.

Plan Assumptions

Weighted average assumptions used to determine benefit obligations as of December 31, 2016 and 2015:

	2016		2015	
	U.S.	Non-U.S.	U.S.	Non-U.S.
Discount rate	3.99%	2.23%	4.24%	2.80%
Rate of compensation increase	N/A	3.15%	N/A	3.15%

The following table provides weighted average assumptions used to determine net periodic benefit costs for the years ended December 31, 2016, 2015 and 2014:

	2016		2015		2014	
	U.S.	Non-U.S.	U.S.	Non-U.S.	U.S.	Non-U.S.
Discount rate	4.24%	2.80%	3.94%	2.66%	4.68%	3.72%
Expected return on plan assets	6.60%	4.39%	6.70%	4.80%	7.15%	5.63%
Rate of compensation increase	N/A	3.15%	N/A	3.11%	N/A	3.69%

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

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

Plan Assets

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

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

The following table sets forth the fair value of the Company’s pension plan assets by category using the three-level hierarchy (see Note 20. “Fair Value Measurements and Financial Instruments”) as of December 31, 2016 and 2015:

2016	**Level 1**	**Level 2**	**Level 3**	**Total**
Equity funds	$ 36,710	$ 18,531	$ —	$ 55,241
Equity funds measured at net asset value [1]	—	—	—	76,961
Bond funds	35,339	28,070	—	63,409
Bond funds measured at net asset value [1]	—	—	—	47,123
Real estate measured at net asset value [1]	—	—	—	14,472
Hedge funds	339	—	341	680
Hedge funds measured at net asset value [1]	—	—	—	30,676
Insurance contracts	—	—	16,113	16,113
Cash and cash equivalents	12,028	—	—	12,028
Total	$ 84,416	$ 46,601	$ 16,454	$ 316,703

2015	**Level 1**	**Level 2**	**Level 3**	**Total**
Equity funds	$ 48,167	$ 17,284	$ 4,381	$ 69,832
Equity funds measured at net asset value [1]	—	—	—	44,033
Bond funds	52,750	27,666	—	80,416
Bond funds measured at net asset value [1]	—	—	—	61,856
Real estate measured at net asset value [1]	—	—	—	12,959
Hedge funds	325	—	328	653
Hedge funds measured at net asset value [1]	—	—	—	29,861
Cash and cash equivalents	13,717	—	—	13,717
Total	$ 114,959	$ 44,950	$ 4,709	$ 313,327

[1] In accordance with ASC 820, investments measured at fair value using the net asset value (“NAV”) practical expedient are excluded from the fair value hierarchy. These fair value amounts are presented in this table to allow for reconciliation to the fair value of plan assets presented within the statement of financial position. Prior period amounts have been adjusted to conform to current year presentation.

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

The following is a reconciliation for which Level 3 inputs were used in determining fair value:

Beginning balance of assets classified as Level 3 as of January 1, 2015	$ 13,824
Purchases, sales and settlements, net	(5,222)
Total losses	(1,999)
Transfers out of Level 3	(1,894)
Ending balance of assets classified as Level 3 as of December 31, 2015	$ 4,709
Purchases, sales and settlements, net	(4,380)
Total gain	12
Transfers into (out of) Level 3	16,113
Ending balance of assets classified as Level 3 as of December 31, 2016	$ 16,454

Expected Future Benefit Payments

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

Years Ending December 31,	U.S	Non-U.S	Total
2017	$ 20,917	$ 6,290	$ 27,207
2018	18,575	7,205	25,780
2019	18,821	7,703	26,524
2020	19,016	7,328	26,344
2021	19,108	8,247	27,355
2022-2026	95,845	49,923	145,768

Contributions

The Company estimates it will make funding cash contributions of approximately $5,200 to its non-U.S. pension plans in 2017. The Company expects to make no contributions to its U.S. pension plans in 2017.

9. Postretirement Benefits Other Than Pensions

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

The following table discloses information related to the Company's postretirement benefit plans:

	Year Ended December 31,			
	2016		2015	
	U.S.	Non-U.S.	U.S.	Non-U.S.
Change in benefit obligation:				
Benefit obligations at beginning of year	$ 33,955	$ 16,455	$ 37,753	$ 19,487
Service cost	361	372	434	380
Interest cost	1,383	678	1,411	678
Actuarial loss (gain)	112	926	(3,937)	(266)
Benefits paid	(1,939)	(601)	(1,731)	(595)
Other	5	—	25	—
Foreign currency exchange rate effect	—	520	—	(3,229)
Benefit obligation at end of year	$ 33,877	$ 18,350	$ 33,955	$ 16,455
Funded status of the plan	$ (33,877)	$ (18,350)	$ (33,955)	$ (16,455)
Net amount recognized as of December 31	$ (33,877)	$ (18,350)	$ (33,955)	$ (16,455)

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

Included in accumulated other comprehensive loss as of December 31, 2016 are amounts that have not yet been recognized in net periodic benefit cost, including unrecognized prior service credits of $1,910 ($1,710 net of tax) and unrecognized actuarial gains of $11,646 ($13,474 net of tax). The amount included in accumulated other comprehensive loss and expected to be recognized in net periodic benefit cost during the fiscal year ended December 31, 2017 is $1,930.

The following table provides the components of net periodic benefit costs for the plans:

	Year Ended December 31,					
	2016		2015		2014	
	U.S.	Non-U.S.	U.S.	Non-U.S.	U.S.	Non-U.S.
Service cost	$ 361	$ 372	$ 434	$ 380	$ 422	$ 545
Interest cost	1,383	678	1,411	678	1,589	752
Amortization of prior service credit and recognized actuarial gain	(2,026)	(62)	(1,584)	(20)	(1,926)	(286)
Other	5	—	25	—	25	—
Net periodic benefit (income) cost	$ (277)	$ 988	$ 286	$ 1,038	$ 110	$ 1,011

Plan Assumptions

The following table provides weighted average assumptions used to determine benefit obligations as of December 31, 2016 and 2015:

	2016		2015	
	U.S.	Non-U.S.	U.S.	Non-U.S.
Discount rate	3.95%	3.70%	4.20%	4.00%

The following table provides weighted average assumptions used to determine net periodic benefit costs for the years ended December 31, 2016, 2015 and 2014:

	2016		2015		2014	
	U.S.	Non-U.S.	U.S.	Non-U.S.	U.S.	Non-U.S.
Discount rate	4.20%	4.00%	3.85%	3.90%	4.60%	4.70%

As of December 31, 2016, the weighted average assumed annual rate of increase in the cost of health care benefits (health care cost trend rate) for 2017 is 5.49% for the U.S. and 6.00% for Non-U.S., both declining over time to 5.00% in 2018. A one-percentage point change in the assumed health care cost trend rate would have had the following effects:

	Increase	Decrease
Effect on service and interest cost components	$ 217	$ (173)
Effect on projected benefit obligations	3,268	(2,647)

Expected Future Postretirement Benefit Payments

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

	U.S.	Non-U.S.	Total
2017	$ 2,087	$ 558	$ 2,645
2018	2,158	559	2,717
2019	2,216	602	2,818
2020	2,235	649	2,884
2021	2,259	698	2,957
2022 - 2026	11,364	4,173	15,537

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

Other

Other postretirement benefits recorded in the Company's consolidated balance sheets include $4,592 and $5,102 as of December 31, 2016 and 2015, respectively, for termination indemnity plans for two of the Company's European locations.

10. Income Taxes

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

	Year Ended December 31,		
	2016	2015	2014
Domestic	$ 121,301	$ 117,388	$ 83,577
Foreign	73,459	35,600	4,706
	$ 194,760	$ 152,988	$ 88,283

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

	Year Ended December 31,		
	2016	2015	2014
Current			
Federal	$ 22,109	$ 26,240	$ 10,655
State	1,063	1,218	1,843
Foreign	22,067	16,458	21,496
Deferred			
Federal	1,828	6,410	17,528
State	904	281	40
Foreign	6,350	(9,389)	(8,752)
	$ 54,321	$ 41,218	$ 42,810

The following schedule reconciles the U.S. statutory federal rate to the income tax provision:

	Year Ended December 31,		
	2016	2015	2014
Tax at U.S. statutory rate	$ 68,166	$ 53,546	$ 30,899
State and local taxes	2,564	3,441	2,203
Tax credits	(10,348)	(8,139)	(23,956)
Changes in tax law	8,813	3,630	(128)
Effect of foreign tax rates	(19,600)	(6,465)	(767)
Nonrecurring permanent items	—	(11,300)	—
Stock compensation (ASU 2016-09)	(5,305)	—	—
Other change in tax reserves	116	(368)	2,803
Valuation allowance	9,112	11,638	28,985
Other, net	803	(4,765)	2,771
Income tax provision	$ 54,321	$ 41,218	$ 42,810
Effective income tax rate	27.9%	26.9%	48.5%

Nonrecurring permanent items relate to the impact of the gain on the Shenya acquisition and realized exchange losses.

Payments, net of refunds, for income taxes for the years ended December 31, 2016, 2015 and 2014 were $38,334, $55,547 and $19,152, respectively.

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

Deferred tax assets and liabilities reflect the estimated tax effect of accumulated temporary differences between the basis of assets and liabilities for tax and financial reporting purposes, as well as net operating losses, tax credit and other carryforwards. Significant components of the Company's deferred tax assets and liabilities as of December 31, 2016 and 2015 were as follows:

	2016	2015
Deferred tax assets:		
Pension, postretirement and other benefits	$ 78,194	$ 75,690
Capitalized expenditures	1,001	498
Net operating loss and tax credit carryforwards	132,057	127,136
All other items	29,826	33,777
Total deferred tax assets	241,078	237,101
Deferred tax liabilities:		
Property, plant and equipment	(30,310)	(30,121)
Intangibles	(16,210)	(17,415)
All other items	(7,623)	(8,169)
Total deferred tax liabilities	(54,143)	(55,705)
Valuation allowances	(149,757)	(137,011)
Net deferred tax assets	$ 37,178	$ 44,385

As of December 31, 2016, the Company's foreign subsidiaries, primarily in France, Brazil, Italy and Germany, have operating loss carryforwards aggregating $311,000, with indefinite expiration periods. Other foreign subsidiaries in China, Mexico, Netherlands, Poland, Spain, India and Korea have operating losses aggregating $83,000, with expiration dates beginning in 2017. The Company has tax credit carryforwards totaling $11,000 in Poland with expiration dates beginning in 2017. The Company and its domestic subsidiaries have anticipated tax benefits of state net operating losses and credit carryforwards of $12,200 with expiration dates beginning in 2017.

The Company continues to maintain a valuation allowance related to our net deferred tax assets in several foreign jurisdictions. As of December 31, 2016, the Company had valuation allowances of $149,757 related to tax loss and credit carryforwards and other deferred tax assets in several foreign jurisdictions. The Company's valuation allowance increased in 2016 as a result of current year losses with no benefit in certain foreign jurisdictions. The Company's current and future provision for income taxes is significantly impacted by the initial recognition of and changes in valuation allowances in certain countries. The Company intends to maintain these allowances until it is more likely than not that the deferred tax assets will be realized. The Company's future provision for income taxes will include no tax benefit with respect to losses incurred and no tax expense with respect to income generated in these countries until the respective valuation allowance is eliminated.

Deferred income taxes have not been provided on approximately $475,000 of undistributed earnings of foreign subsidiaries as such amounts are considered indefinitely reinvested. It is not practical to estimate any additional income taxes and applicable withholding taxes that would be payable on remittance of such undistributed earnings.

As of December 31, 2016, the Company had $7,851 ($8,893 including interest and penalties) of total unrecognized tax benefits, all of which represented the amount of unrecognized tax benefits that, if recognized, would affect the effective income tax rate.

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

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

	Year Ended December 31,		
	2016	2015	2014
Balance at beginning of period	$ 7,753	$ 8,738	$ 7,012
Tax positions related to the current period			
Gross additions	516	818	1,210
Gross reductions	—	—	—
Tax positions related to prior years			
Gross additions	31	1,639	1,902
Gross reductions	(70)	(405)	(1,106)
Settlements	(379)	(1,405)	(280)
Lapses on statutes of limitations	—	(1,632)	—
Balance at end of period	$ 7,851	$ 7,753	$ 8,738

The Company, or one of its subsidiaries, files income tax returns in the United States and other foreign jurisdictions. The Internal Revenue Service completed an examination of the Company's U.S. income tax returns through 2011. The statute of limitations for U.S. state and local jurisdictions is closed for taxable years ending prior to 2012. The Company's major foreign jurisdictions are Brazil, Canada, China, France, Germany, Italy, Mexico, and Poland. The Company is no longer subject to income tax examinations in major foreign jurisdictions for years prior to 2012.

During the next twelve months, it is reasonably possible that, as a result of audit settlements and the conclusion of current examinations, the Company may decrease the amount of its gross unrecognized tax benefits by approximately $517, of which an immaterial amount, if recognized, could impact the effective tax rate.

The Company classifies all tax related interest and penalties as income tax expense. The Company has recorded in liabilities $1,042 and $827 as of December 31, 2016 and 2015, respectively, for tax related interest and penalties on its consolidated balance sheet.

11. Lease Commitments

The Company leases certain manufacturing facilities and equipment under long-term leases expiring at various dates. Rental expense for operating leases was $46,756, $42,129 and $37,475 for the years ended December 31, 2016, 2015 and 2014, respectively.

Future minimum payments for all non-cancelable operating leases are as follows:

Year	Minimum Future Operating Lease Commitments
2017	$ 34,115
2018	26,846
2019	19,957
2020	14,863
2021	11,613
Thereafter	17,877

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

12. Accumulated Other Comprehensive Income (Loss)

The changes in accumulated other comprehensive income (loss) by component, net of related tax, are as follows:

	Cumulative currency translation adjustment	Benefit plan liabilities	Fair value change of derivatives	Total
Balance as of December 31, 2014	$ (50,371)	$ (86,861)	$ (2,011)	$ (139,243)
Other comprehensive income (loss) before reclassifications	(78,381) (1)	1,152	(1,675)	(78,904)
Amounts reclassified from accumulated other comprehensive income (loss)	(1,909) (2)	1,585 (3)	1,406 (4)	1,082
Balance as of December 31, 2015	$ (130,661)	$ (84,124)	$ (2,280)	$ (217,065)
Other comprehensive income (loss) before reclassifications	(12,820) (1)	(14,757)	(3,676)	(31,253)
Amounts reclassified from accumulated other comprehensive income (loss)	—	1,269 (5)	4,486 (6)	5,755
Balance as of December 31, 2016	$ (143,481)	$ (97,612)	$ (1,470)	$ (242,563)

(1) Includes $2,180 of other comprehensive gain and $18,764 of other comprehensive loss for the year ended December 31, 2016 and 2015, respectively, that are related to intra-entity foreign currency transactions that are of a long-term investment nature.
(2) Includes $300 reclassed to paid-in capital related to the purchase of noncontrolling interests.
(3) Includes actuarial losses of $2,511, offset by prior service credits of $339, net of tax of $587. See Note 8. and Note 9.
(4) Includes losses related to the interest rate swap of $803 included in interest expense, net of interest income, and losses related to foreign exchange contracts of $1,383 included in cost of products sold, net of tax of $780.
(5) Includes actuarial losses of $2,084, offset by prior service credits of $329, net of tax of $486. See Note 8. and Note 9.
(6) Includes losses related to the interest rate swap of $3,750 included in interest expense, net of interest income, and losses related to foreign exchange contracts of $2,678 included in cost of products sold, net of tax of $1,942.

13. Contingent Liabilities

Litigation and Claims

Various legal actions, proceedings, and claims (generally, “matters”) are pending or may be instituted or asserted against the Company. The Company accrues for matters when losses are deemed probable and reasonably estimable. Any resulting adjustments, which could be material, are recorded in the period the adjustments are identified. As of December 31, 2016, the Company does not believe that there is a reasonable possibility that any material loss exceeding the amounts already accrued for matters, if any, has been incurred. However, the ultimate resolutions of these matters are inherently unpredictable and could require payment substantially in excess of the amounts that have been accrued or disclosed.

On March 30, 2016, a putative class action complaint alleging conspiracy to fix the price of body sealing products used in automobiles and other light-duty vehicles was filed in Ontario against numerous automotive suppliers, including Cooper-Standard Holdings Inc., CSA U.S. and Cooper-Standard Automotive Canada Limited (“CS Defendants”) and Nishikawa Cooper LLC, a joint venture in which the Company holds a 40% interest. Plaintiffs purport to be indirect purchasers of body sealing products supplied by the CS Defendants and/or the other defendants during the relevant period. The plaintiffs seek recovery of damages on behalf of direct and indirect purchasers against all defendants in an amount to be determined, punitive damages, as well as pre-judgment and post-judgment interest and related costs and expenses of the litigation. The Company believes the claims asserted against the CS Defendants are without merit and intends to vigorously defend against these claims. Further, the Company does not believe that there is a material loss that is probable and reasonably estimable related to these claims.

Environmental

The Company is subject to a broad range of federal, state and local environmental and occupational safety and health laws and regulations in the United States and other countries, including those governing: emissions to air, discharges to water, noise and odor emissions; the generation, handling, storage, transportation, treatment, reclamation and disposal of chemicals and waste materials; the cleanup of contaminated properties; and human health and safety. The Company may incur substantial costs associated with hazardous substance contamination or exposure, including cleanup costs, fines, and civil or criminal sanctions, third party property or natural resource damage, personal injury claims or costs to upgrade or replace existing equipment as a result of violations of or liabilities under environmental laws or the failure to maintain or comply with environmental permits required at their locations. In addition, many of the Company’s current and former facilities are located on properties with long histories of industrial or commercial operations, and some of these properties have been subject to certain environmental investigations and remediation activities. The Company maintains environmental reserves for certain of these sites. As of December 31, 2016 and 2015, the Company had $5,490 and $6,384, respectively, reserved in accrued liabilities and other liabilities on the consolidated balance sheet on an undiscounted basis, which it believes are adequate. Because some environmental laws (such as the Comprehensive Environmental Response, Compensation and Liability Act and analogous state laws) can impose liability retroactively and regardless of fault on potentially responsible parties for the entire cost of cleanup at currently or formerly owned or operated facilities, as well as sites at which such parties disposed or arranged for disposal of hazardous waste, the Company could become liable for investigating or remediating contamination at their current or former properties or other properties (including offsite waste disposal locations). The Company may not always be in complete compliance with all applicable requirements of environmental laws or regulation, and the Company may receive notices of violation or become subject to enforcement actions or incur material costs or liabilities in connection with such requirements. In addition, new environmental requirements or changes to interpretations of existing requirements, or in their enforcement, could have a material adverse effect on the Company’s business, results of operations, and financial condition. The Company has made and will continue to make expenditures to comply with environmental requirements. While the Company’s costs to defend and settle known claims arising under environmental laws have not been material in the past and are not currently estimated to be material, such costs may be material in the future.

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

Employment Contracts

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

14. Other (Expense) Income, net

The components of other (expense) income, net consist of:

	Year Ended December 31,		
	2016	**2015**	**2014**
Secondary offering underwriting fees	$ (5,900)	$ —	$ —
Foreign currency losses	(3,958)	(3,379)	(7,055)
Losses on sales of receivables	(801)	(1,017)	(1,866)
Gain on remeasurement of previously held equity interest	—	14,199	—
Gain on sale of investment in affiliate	—	—	1,882
Miscellaneous income (expense)	—	(44)	869
Other (expense) income, net	$ (10,659)	$ 9,759	$ (6,170)

15. Related Party Transactions

Sales to Nishikawa Cooper LLC (“NISCO”), a 40%-owned joint venture accounted for as an investment under the equity method, totaled $35,418, $35,843 and $33,195 for the years ended December 31, 2016, 2015 and 2014, respectively. Purchases from NISCO were $548, $545 and $517 for the years ended December 31, 2016, 2015 and 2014, respectively. During the years ended December 31, 2016 and 2015, the Company received from NISCO a dividend of $1,880 and $680, respectively, all of which was related to earnings. During the year ended December 31, 2014, the Company received from NISCO a dividend of $1,760, consisting of $809 relating to earnings and a $951 return of capital.

In March 2016, as part of the secondary offering, the Company paid $5,900 of fees incurred on behalf of certain selling stockholders as defined in Note 17. “Equity.”

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

16. 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:

	Year Ended December 31,		
	2016	2015	2014
Net income attributable to Cooper-Standard Holdings Inc.	$ 138,988	$ 111,880	$ 42,779
Increase in fair value of share-based awards	63	48	—
Diluted net income available to Cooper-Standard Holdings Inc. common stockholders	$ 139,051	$ 111,928	$ 42,779
Basic weighted average shares of common stock outstanding	17,459,710	17,212,607	16,695,356
Dilutive effect of common stock equivalents	1,270,668	1,202,387	1,200,733
Diluted weighted average shares of common stock outstanding	18,730,378	18,414,994	17,896,089
Basic net income per share attributable to Cooper-Standard Holdings Inc.	$ 7.96	$ 6.50	$ 2.56
Diluted net income per share attributable to Cooper-Standard Holdings Inc.	$ 7.42	$ 6.08	$ 2.39

The effect of certain common stock equivalents were excluded from the computation of weighted average diluted shares outstanding for years ended December 31, 2016, 2015 and 2014, as inclusion would have resulted in antidilution. A summary of these excluded shares is shown below:

	Year Ended December 31,		
	2016	2015	2014
Number of options	—	—	461,454
Exercise price	—	—	$25.52-70.20
Restricted common stock	—	—	14,306

17. Equity

Common Stock

The Company is authorized to issue up to 190,000,000 shares of common stock, par value $0.001 per share. As of December 31, 2016, an aggregate of 19,686,917 shares of its common stock were issued, and 17,690,611 shares were outstanding.

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

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

Secondary Offering and Stock Repurchase

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 overallotments, 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 during 2016, which is included in other (expense) income, net in the consolidated statement of net income. The Company also incurred approximately $600 of other expenses related to legal and audit services which is included in selling, administration & engineering expenses in the consolidated statement of net income. The Company did not sell or receive any proceeds from the sales of shares by the Selling Stockholders.

Warrants

As of December 31, 2016, there were 715,340 warrants outstanding, exercisable into 717,486 shares of common stock. The warrants are exercisable into shares of common stock at an exercise price of $27.25 per share or on a cashless (net share settlement) basis and are subject to certain customary anti-dilution protections. The warrants may be exercised at any time prior to the close of business on November 27, 2017. The warrants are not redeemable. Warrant holders do not have any rights or privileges of holders of common stock until they exercise their warrants and receive shares of common stock.

18. Share-Based Compensation

In 2011, the Company's Board of Directors approved adoption of the 2011 Cooper-Standard Holdings Inc. Omnibus Incentive Plan (the "Omnibus Plan"). Under the Omnibus Plan, 3,450,000 shares of common stock are authorized for awards granted under the plan. The Omnibus Plan provides for the grant of stock options, stock appreciation rights, shares of common stock, restricted stock, restricted stock units, restricted preferred stock, incentive awards and certain other types of awards to key employees and directors of the Company and its affiliates.

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

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. Provisions related to income taxes were adopted prospectively from January 1, 2016, and resulted in a tax benefit of $3,212 upon adoption in the second quarter. 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.

Stock Options. Stock option awards are granted at the fair market value of the Company's stock price at the date of the grant and have a 7- or 10-year term. The stock option grants vest over three, four or five years from the date of grant.

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

A summary of stock option transactions and related information for the year ended December 31, 2016 is presented below:

	Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value
Outstanding as of January 1, 2016	1,089,538	$ 44.95		
Granted	155,100	$ 68.73		
Exercised	(487,203)	$ 39.44		
Forfeited	(9,064)	$ 64.20		
Outstanding as of December 31, 2016	748,371	$ 53.24	7.1	$ 37,523
Exercisable as of December 31, 2016	384,679	$ 45.82	5.6	$ 22,142

The weighted-average grant date fair value of stock options granted during the years ended December 31, 2016, 2015 and 2014 was $20.26, $17.28 and $20.91, respectively. The total intrinsic value of stock options exercised during the years ended December 31, 2016, 2015 and 2014 was $31,153, $2,307 and $3,448, respectively.

Total compensation expense recognized for stock options amounted to $3,701, $3,024 and $4,354 for the years ended December 31, 2016, 2015 and 2014, respectively. As of December 31, 2016, unrecognized compensation expense for stock options amounted to $4,079. Such cost is expected to be recognized over a weighted average period of approximately 1.2 years.

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

	2016	2015	2014
Expected volatility	27.58% - 27.70%	27.95% - 28.00%	27.96% - 28.32%
Dividend yield	0.00%	0.00%	0.00%
Expected option life - years	6.0	6.0	6.0
Risk-free rate	1.1% - 1.4%	1.5% - 1.7%	1.9% - 2.0%

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

A summary of restricted common stock and restricted common units transactions and related information for the year ended December 31, 2016 is presented below:

	Restricted Common Stock and Restricted Common Units	Weighted Average Grant Date Fair Value
Non-vested as of January 1, 2016	378,746	$ 53.56
Granted	153,818	$ 70.09
Vested	(133,564)	$ 41.79
Forfeited	(27,441)	$ 62.39
Non-vested as of December 31, 2016	371,559	$ 63.98

The weighted-average grant date fair value of restricted common stock and restricted common units granted during the years ended December 31, 2016, 2015 and 2014 was $70.09, $56.85 and $66.34, respectively. The total fair value of restricted common stock and restricted common units vested during the years ended December 31, 2016, 2015 and 2014 was $5,923, $4,146 and $4,740, respectively.

Total compensation expense recognized for restricted common stock and restricted common units amounted to $7,846, $6,032 and $7,311 for the years ended December 31, 2016, 2015 and 2014, respectively. As of December 31, 2016, unrecognized compensation expense for restricted common stock and restricted common units amounted to $10,999. Such cost is expected to be recognized over a weighted-average period of approximately 1.7 years.

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

Performance Units. The fair value of the performance units is determined based on the closing price of the common stock on the date of grant. The actual number of performance units that will vest depends on the Company's achievement of target performance goals related to the Company's return on invested capital ("ROIC") over a three-year period, which may range from 0% to 200% of the target award amount.

A summary of performance units transactions and related information for the year ended December 31, 2016 is presented below:

	Performance Units	Weighted Average Grant Date Fair Value
Non-vested as of January 1, 2016	172,400	$ 60.97
Granted	86,150	$ 68.71
Forfeited	(10,583)	$ 63.87
Non-vested as of December 31, 2016	247,967	$ 63.53

The weighted-average grant date fair value of performance units granted during the years ended December 31, 2016, 2015 and 2014 was $68.71, $56.74 and $66.33, respectively. No performance units vested during the years ended December 31, 2016, 2015 and 2014.

Total compensation expense recognized for performance units was $12,120, $4,899 and $922 for the years ended December 31, 2016, 2015 and 2014, respectively. As of December 31, 2016, unrecognized compensation expense for the performance units was $11,173. Such cost is expected to be recognized over a weighted-average period of approximately 1.2 years.

In July 2016, the Company granted performance awards to certain of the Company's executive officers. These grants are settled in shares of the Company's stock and vest over a three-year performance period. The payout of these awards is based on the Company's relative total shareholder return ("TSR") compared to a pre-established comparator group during the performance period.

The fair value of the TSR-based performance units was estimated at the date of grant using the Monte Carlo simulation. Expected volatility was calculated based on a rolling average of the daily stock closing prices of the comparator group at the beginning of the performance period. The risk-free rate was based on the U.S. Treasury yield curve, generally represented by U.S. Treasury securities, with a term equal to the expected life of the TSR-based performance units. The dividend yield was assumed to be zero based on Company's historical patterns and future expectation. The fair value of the TSR-based performance grant was estimated using the following assumptions:

	2016
Expected volatility	27.60%
Dividend yield	0.00%
Expected life - years	3
Risk-free rate	0.87%

Total compensation expense recognized for the TSR awards was $365 for the year ended December 31, 2016. As of December 31, 2016, unrecognized compensation expense for the TSR awards was $2,251. There were no TSR-based performance units granted during the years ended December 31, 2015 and 2014.

19. Business Segments

The Company has determined that it operates in four reportable segments: North America, Europe, Asia Pacific and South America. The Company's principal products within each of these segments are sealing, fuel and brake delivery, 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 accounting policies of the Company's segments are consistent with those described in Note 2. "Summary of Significant Accounting Policies."

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

The following table details information on the Company’s segments:

	Year Ended December 31,		
	2016	2015	2014
Sales to external customers			
North America	$ 1,816,486	$ 1,778,621	$ 1,698,826
Europe	1,031,538	1,033,635	1,138,428
Asia Pacific	540,684	435,127	249,172
South America	84,183	95,421	157,561
Consolidated	$ 3,472,891	$ 3,342,804	$ 3,243,987
Intersegment sales			
North America	$ 13,325	$ 14,058	$ 14,135
Europe	13,524	11,693	9,111
Asia Pacific	4,770	6,166	6,380
South America	31	49	—
Eliminations and other	(31,650)	(31,966)	(29,626)
Consolidated	$ —	$ —	$ —
Segment profit (loss)			
North America	$ 219,744	$ 215,487	$ 136,682
Europe	(15,989)	(22,435)	(28,062)
Asia Pacific	9,206	4,063	3,524
South America	(18,201)	(44,127)	(23,861)
Income before income taxes	$ 194,760	$ 152,988	$ 88,283
Net interest expense included in segment profit (loss)			
North America	$ 13,013	$ 12,262	$ 15,219
Europe	13,871	13,648	16,619
Asia Pacific	13,720	10,227	8,068
South America	785	2,194	5,698
Consolidated	$ 41,389	$ 38,331	$ 45,604
Depreciation and amortization expense			
North America	$ 57,546	$ 54,160	$ 54,056
Europe	37,992	36,845	40,812
Asia Pacific	24,635	18,856	10,067
South America	2,487	4,566	7,645
Consolidated	$ 122,660	$ 114,427	$ 112,580

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

	Year Ended December 31,		
	2016	2015	2014
Capital expenditures			
North America	$ 61,321	$ 64,933	$ 68,077
Europe	57,054	46,766	76,989
Asia Pacific	33,818	43,276	21,261
South America	2,064	2,783	11,787
Corporate	10,111	8,509	13,975
Consolidated	$ 164,368	$ 166,267	$ 192,089

	December 31,	
	2016	2015
Segment assets		
North America	$ 985,809	$ 864,647
Europe	582,385	631,309
Asia Pacific	611,849	508,704
South America	46,125	39,117
Eliminations and other	265,534	260,515
Consolidated	$ 2,491,702	$ 2,304,292

Product Line Information

Product line information for revenues is as follows:

	Year Ended December 31,		
	2016	2015	2014
Revenues			
Sealing systems	$ 1,816,924	$ 1,783,068	$ 1,692,686
Fuel and brake delivery systems	725,689	675,493	660,242
Fluid transfer systems	494,940	458,699	441,532
Anti-vibration systems	301,199	278,891	273,057
Other	134,139	146,653	176,470
Consolidated	$ 3,472,891	$ 3,342,804	$ 3,243,987

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

Geographic Information

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

	Year Ended December 31,		
	2016	**2015**	**2014**
Revenues			
United States	$ 879,579	$ 901,089	$ 872,112
Mexico	638,750	585,558	508,555
China	455,999	355,141	146,258
Canada	298,157	291,974	318,159
France	288,905	285,384	312,706
Poland	239,941	246,997	270,497
Germany	218,363	226,566	254,977
Other	453,197	450,095	560,723
Consolidated	$ 3,472,891	$ 3,342,804	$ 3,243,987

	December 31,	
	2016	**2015**
Property, plant and equipment, net		
United States	$ 170,671	$ 151,857
Mexico	108,585	93,166
China	163,171	139,211
Canada	49,509	43,000
France	61,226	62,053
Poland	67,686	68,833
Germany	85,026	88,627
Other	126,395	118,622
Consolidated	$ 832,269	$ 765,369

Customer Concentration

Sales to customers of the Company which contributed 10% or more of its total consolidated sales and the related percentage of consolidated Company sales for 2016, 2015 and 2014 are as follows:

	2016 Percentage of Net Sales	**2015 Percentage of Net Sales**	**2014 Percentage of Net Sales**
Customer			
Ford	27%	26%	24%
General Motors	17%	16%	16%
Fiat Chrysler Automobiles	12%	12%	13%

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

20. Fair Value Measurements and Financial Instruments

Fair Value Measurements

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

Level 1: Observable inputs such as quoted prices in active markets;

Level 2: Inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and

Level 3: Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

Items Measured at Fair Value on a Recurring Basis

Estimates of the fair value of foreign currency and interest rate derivative instruments are determined using exchange traded prices and rates. The Company also considers the risk of non-performance in the estimation of fair value, and includes an adjustment for non-performance risk in the measure of fair value of derivative instruments. In certain instances where market data is not available, the Company uses management judgment to develop assumptions that are used to determine fair value. Fair value measurements and the fair value hierarchy level for the Company's liabilities measured or disclosed at fair value on a recurring basis as of December 31, 2016 and 2015, are shown below:

	December 31, 2016	December 31, 2015	Input
Forward foreign exchange contracts - other current assets	$ 764	$ 900	Level 2
Forward foreign exchange contracts - accrued liabilities	(535)	(79)	Level 2
Interest rate swaps - other current assets	6	32	Level 2
Interest rate swaps - other assets	2	38	Level 2
Interest rate swaps - accrued liabilities	(2,458)	(2,991)	Level 2
Interest rate swaps - other liabilities	(661)	(1,739)	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. "Summary of Significant Accounting Policies," Note 3. "Acquisitions and Divestitures," Note 4. "Restructuring," Note 5. "Property, Plant and Equipment," and Note 6. "Goodwill and Intangibles."

Items Not Carried At Fair Value

Fair values of the Senior Notes approximated $395,000 as of December 31, 2016, based on quoted market prices, compared to the recorded value of $393,060 as of December 31, 2016. This fair value measurement was classified within Level 1 of the fair value hierarchy.

Fair values of the Term Loan Facility approximated $340,850 and $714,332 as of December 31, 2016 and 2015, respectively, based on quoted market prices, compared to the recorded values of $332,827 and $729,841, respectively. This fair value measurement was 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 derivatives 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.

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

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

Cash Flow Hedges

Forward Foreign Exchange Contracts – The Company uses forward contracts to mitigate the potential volatility to earnings and cash flow arising from changes in currency exchange rates that impact the Company’s foreign currency transactions. The principal currencies hedged by the Company include various European currencies, the Canadian Dollar, the Mexican Peso, and the Brazilian Real. As of December 31, 2016, the notional amount of these contracts was $58,691. The amount reclassified from accumulated other comprehensive loss into cost of products sold was $2,678 for the year ended December 31, 2016. These foreign currency derivative contracts consist of hedges of transactions up to September 2017.

Interest Rate Swaps – In August 2014, the Company entered into 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 December 31, 2016, the notional amount of these contracts was $300,000 with maturities through September 2018. The fair market value of all outstanding interest rate swap and other derivative contracts is subject to changes in value due to changes in interest rates. The amount reclassified from accumulated other comprehensive loss into interest expense, net of interest income was $3,750 for the year ended December 31, 2016. The amount to be reclassified in the next twelve months is expected to be approximately $2,452.

21. 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.

As of December 31, 2016 and 2015, the Company had $49,613 and $63,473, respectively, outstanding under receivable transfer agreements without recourse entered into by various locations. The total amount of accounts receivable factored were $267,593 and $279,460 for the years ended December 31, 2016 and 2015. Costs incurred on the sale of receivables were $1,575, $2,144 and $3,322 for the years ended December 31, 2016, 2015 and 2014, respectively. These amounts are recorded in other (expense) income, net and interest expense, net of interest income in the consolidated statements of net income.

As of December 31, 2016 and 2015, the Company had $5,014 and $3,433, respectively, outstanding under receivable transfer agreements with recourse. The secured borrowings are recorded in debt payable within one year, and receivables are pledged equal to the balance of the borrowings. The total amount of accounts receivable factored was $28,366 and $22,570 for the years ended December 31, 2016 and 2015, respectively. Costs incurred on the sale of receivables were $257, $179 and $417 for the years ended December 31, 2016, 2015 and 2014, respectively. These amounts are recorded in other (expense) income, net and interest expense, net of interest income in the consolidated statements of net income.

22. Investments in Affiliates

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

Name	**December 31, 2016**	**December 31, 2015**
Shenya Sealing (Guangzhou) Company Limited [(1)]	N/A	51%
Sujan Cooper Standard AVS Private Limited	50%	50%
Nishikawa Cooper LLC	40%	40%
Polyrub Cooper Standard FTS Private Limited	35%	35%
Nishikawa Tachaplalert Cooper Ltd.	20%	20%

[(1)] During 2016, the Company obtained control of Guangzhou. See Note 3. “Acquisitions and Divestitures.”

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

The Company's aggregate investment in unconsolidated affiliates was $42,606 and $52,201 as of December 31, 2016 and 2015, respectively. The Company received dividends from unconsolidated affiliates of $3,022, $1,917 and $3,221 for the years ended December 31, 2016, 2015 and 2014, respectively.

In the second quarter of 2014, the Company sold the remaining 17% of the common stock in Guyoung Technology Co. Ltd. for $3,216 and recorded a gain on investment of $1,882. The gain is recorded in other income (expense), net on the Company's consolidated statements of net income.

23. Selected Quarterly Information (Unaudited)

2016	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Sales	$ 862,497	$ 879,304	$ 855,656	$ 875,434
Gross profit	159,824	171,961	164,672	168,385
Net income	31,537 [1]	40,240 [1]	36,646	32,016
Net income attributable to Cooper-Standard Holdings Inc.	31,323 [1]	40,189 [1]	36,362	31,114
Basic net income per share attributable to Cooper-Standard Holdings Inc.	$ 1.80 [1]	$ 2.33 [1]	$ 2.08	$ 1.76
Diluted net income per share attributable to Cooper-Standard Holdings Inc.	$ 1.67 [1]	$ 2.16 [1]	$ 1.94	$ 1.65

2015	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Sales	$ 800,050	$ 860,821	$ 827,531	$ 854,402
Gross profit	130,872	153,958	148,448	153,835
Net income	21,128	36,534	32,518	21,590
Net income attributable to Cooper-Standard Holdings Inc.	20,987	36,496	32,732	21,665
Basic net income per share attributable to Cooper-Standard Holdings Inc.	$ 1.23	$ 2.14	$ 1.89	$ 1.24
Diluted net income per share attributable to Cooper-Standard Holdings Inc.	$ 1.15	$ 1.98	$ 1.78	$ 1.16

[1] Amounts were adjusted due to the adoption of ASU 2016-09 in the second quarter of 2016. See Note 18. "Share-Based Compensation."

SCHEDULE II

Valuation and Qualifying Accounts
(dollars in millions)

Description	Balance at beginning of period	Charged to Expenses	Charged (credited) to other accounts [1]	Deductions	Balance at end of period
Allowance for doubtful accounts deducted from accounts receivable					
Year ended December 31, 2016	$ 4.1	4.0	(0.4)	(0.6)	$ 7.1
Year ended December 31, 2015	$ 4.3	0.5	(0.3)	(0.4)	$ 4.1
Year ended December 31, 2014	$ 6.3	1.3	(0.7)	(2.6)	$ 4.3

[1] Primarily foreign currency translation.

Description	Balance at beginning of period	Additions		Deductions	Balance at end of period
		Charged to Income	Charged to Equity [2]		
Tax valuation allowance					
Year ended December 31, 2016	$ 137.0	9.1	3.7	—	$ 149.8
Year ended December 31, 2015	$ 144.1	11.6	(18.7)	—	$ 137.0
Year ended December 31, 2014	$ 122.8	29.0	(7.7)	—	$ 144.1

[2] Includes foreign currency translation.

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

Not applicable.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Company has evaluated, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, the effectiveness of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of December 31, 2016. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. However, based on that evaluation, the Company's Chief Executive Officer along with the Chief Financial Officer have concluded that the Company's disclosure controls and procedures were effective at a reasonable assurance level as of December 31, 2016.

Management's Report on Internal Control over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, the Company conducted an evaluation of the effectiveness of internal control over financial reporting based on the framework in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013. Based on the evaluation under the framework in Internal Control—Integrated Framework, management concluded that the Company's internal control over financial reporting was effective as of December 31, 2016.

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

There was no change in the Company's internal control over financial reporting that occurred during the fourth quarter ended December 31, 2016 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 9B. Other Information

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Directors and Executive Officers

The information required by Item 10 regarding the Company's directors is incorporated by reference from the information under the headings "Proposals - Proposal 1: Election of Directors" in the Company's definitive Proxy Statement for its 2017 Annual Meeting of Stockholders (the "2017 Proxy Statement"). The information required by Item 10 regarding the Company's executive officers is incorporated by reference from the information under the headings "Corporate Governance - Executive Officers" in the 2017 Proxy Statement.

Audit Committee

The information required by Item 10 regarding the Audit Committee, including the identification of the Audit Committee members and the "audit committee financial expert," is incorporated by reference from the information in the 2017 Proxy Statement under the heading "Corporate Governance - The Board Committees and Their Functions - Audit Committee."

Compliance with Section 16(a) of The Exchange Act

The information required by Item 10 regarding compliance with Section 16(a) of the Exchange Act is incorporated by reference from the information in the 2017 Proxy Statement under the heading "Section 16(a) Beneficial Ownership Reporting Compliance."

Code of Conduct

The information required by Item 10 regarding our code of ethics is incorporated by reference from the information in the 2017 Proxy Statement under the heading "Corporate Governance." The Company's Code of Conduct applies to all of the Company's officers, directors and employees and is available on the Company's website at www.cooperstandard.com. To access the Code of Conduct, first click on "Investors" and then click on "Corporate Governance."

Item 11. Executive Compensation

The information required by Item 11 regarding executive and director compensation, Compensation Committee Interlocks and Insider Participation, and the Compensation Committee Report is incorporated by reference from the information in the 2017 Proxy Statement under the headings "Director Compensation" and "Compensation Discussion and Analysis - Executive Compensation."

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

The information required by Item 12 is incorporated by reference from the information in the 2017 Proxy Statement under the heading "Stock Ownership."

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

The information required by Item 13 regarding transactions with related persons is incorporated by reference from the information in 2017 Proxy Statement under the heading "Certain Relationships and Related Transactions." The information required by Item 13 regarding the independence of the Company's directors is incorporated by reference from the information in the 2017 Proxy Statement under the heading "Corporate Governance - Board of Directors - Independence of Directors."

Item 14. Principal Accounting Fees and Services

The information required under Item 14 is incorporated by reference from the information in the 2017 Proxy Statement under the heading "Fees and Services of Independent Registered Public Accounting Firm."

PART IV

Item 15. Exhibits and Financial Statement Schedules

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

2. Financial Statement Schedules

All other financial statement schedules are not required under the related instructions or are inapplicable and therefore have been omitted.

3. Exhibits listed on the "Index to Exhibits"

Index to Exhibits

Exhibit No.	Description of Exhibit
2.1*	Debtors' Second Amended Joint Chapter 11 Plan of Reorganization, dated March 26, 2010 (incorporated by reference to Exhibit 2.1 to Cooper-Standard Holdings Inc.'s Current Report on Form 8-K filed May 24, 2010).
3.1*	Third Amended and Restated Certificate of Incorporation of Cooper-Standard Holdings Inc., dated May 27, 2010 (incorporated by reference to Exhibit 3.1 to Cooper-Standard Holdings Inc.'s Registration Statement on Form S-1 (File No. 333-168316)).
3.2**	Amended and Restated Bylaws of Cooper-Standard Holdings Inc.
3.3*	Cooper-Standard Holdings Inc. Certificate of Designations 7% Cumulative Participating Convertible Preferred Stock (incorporated by reference to Exhibit 3.3 to Cooper-Standard Holdings Inc.'s Registration Statement on Form S-1 (File No. 333-168316)).
4.3*	Registration Rights Agreement, dated as of May 27, 2010, by and among Cooper-Standard Holdings Inc., the Backstop Purchasers and the other holders party thereto (incorporated by reference to Exhibit 4.3 to Cooper-Standard Holdings Inc.'s Current Report on Form 8-K filed June 3, 2010).
4.4*	Warrant Agreement, dated as of May 27, 2010, between Cooper-Standard Holdings Inc. and Computershare Inc. and Computershare Trust Company, N.A., collectively as Warrant Agent (incorporated by reference to Exhibit 4.4 to Cooper-Standard Holdings Inc.'s Current Report on Form 8-K filed June 3, 2010).
4.5*	Indenture, dated as of November 2, 2016, by and among Cooper-Standard Automotive Inc., the guarantors party thereto and U.S. Bank National Association (incorporated by reference to Exhibit 4.1 to Cooper-Standard Holdings Inc.'s Current Report on Form 8-K filed November 7, 2016).
10.1*	Third Amended and Restated Loan Agreement, dated as of November 2, 2016, among Cooper-Standard Automotive Inc., Cooper-Standard Automotive Canada Limited, Cooper-Standard Automotive International Holdings B.V., and certain subsidiaries of Cooper-Standard Automotive Inc., as guarantors, CS Intermediate HoldCo 1 LLC, as Holdings, the lenders party thereto and Bank of America, N.A. as agent for such lenders (incorporated by reference to Exhibit 10.1 to Cooper-Standard Holdings Inc.'s Current Report on Form 8-K filed November 7, 2016).
10.2*	Credit Agreement, dated as of April 4, 2014, among CS Intermediate HoldCo 2 LLC, CS Intermediate HoldCo 1 LLC, Deutsche Bank AG New York Branch, as administrative agent and collateral agent, and the other lenders party thereto (incorporated by reference to Exhibit 10.1 to Cooper-Standard Holdings Inc.'s Current Report on Form 8-K filed April 8, 2014).
10.3*	Amendment No. 1, dated as of November 2, 2016, to the Term Loan Credit Agreement, among Cooper-Standard Automotive Inc., as the borrower, certain subsidiaries of Cooper-Standard Automotive Inc., as guarantors, CS Intermediate HoldCo 1 LLC, as Holdings, Deutsche Bank AG New York Branch, as Administrative Agent and Collateral Agent and other lenders party thereto (incorporated by reference to Exhibit 10.2 to Cooper-Standard Holdings Inc.'s Current Report on Form 8-K filed November 7, 2016).
10.4*†	Employment Agreement, dated as of January 1, 2009, by and among Cooper-Standard Automotive Inc. and Keith D. Stephenson (incorporated by reference to Exhibit 10.25 to Cooper-Standard Holdings Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2008).
10.5*†	Cooper-Standard Automotive Inc. Executive Severance Pay Plan effective January 1, 2011 (incorporated by reference to Exhibit 10.7 to Cooper-Standard Holdings Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2010).

Exhibit No.	Description of Exhibit
10.6*†	Cooper-Standard Automotive Inc. Deferred Compensation Plan, effective January 1, 2005 with Amendments through December 31, 2008 (incorporated by reference to Exhibit 10.33 to Cooper-Standard Holdings Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2008).
10.7*†	Cooper-Standard Automotive Inc. Supplemental Executive Retirement Plan, effective January 1, 2011 (incorporated by reference to Exhibit 10.10 to Cooper-Standard Holdings Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2010).
10.8*†	Cooper-Standard Automotive Inc. Nonqualified Supplementary Benefit Plan, Amended and Restated as of January 1, 2011 (incorporated by reference to Exhibit 10.12 to Cooper-Standard Holdings Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2010).
10.9*†	Cooper-Standard Automotive Inc. Long-Term Incentive Plan (incorporated by reference to Exhibit 10.13 to Cooper-Standard Holdings Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2010).
10.10*†	Form of Amendment to Employment Agreement, effective January 1, 2011 (incorporated by reference to Exhibit 10.16 to Cooper-Standard Holdings Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2010).
10.11*†	2011 Cooper-Standard Automotive Inc. Annual Incentive Plan (incorporated by reference to Exhibit 10.17 to Cooper-Standard Holdings Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2010).
10.12*†	2011 Cooper-Standard Holdings Inc. Omnibus Incentive Plan (incorporated by reference to Exhibit 10.22 to Cooper-Standard Holdings Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2010).
10.13*†	Amended and Restated 2011 Cooper-Standard Holdings Inc. Omnibus Incentive Plan (incorporated by reference to Exhibit 10.12 to Cooper-Standard Holdings Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2013).
10.14*†	Form of Cooper-Standard Holdings Inc. 2011 Omnibus Incentive Plan Nonqualified Stock Option Agreement for key employees (incorporated by reference to Exhibit 10.24 to Cooper-Standard Holdings Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2010).
10.15*†	Form of 2012 Cooper-Standard Holdings Inc. 2011 Omnibus Incentive Plan Nonqualified Stock Option Agreement (incorporated by reference to Exhibit 10.21 to Cooper-Standard Holdings Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2012).
10.16*†	2010 Cooper-Standard Holdings Inc. Management Incentive Plan (incorporated by reference to Exhibit 10.6 to Cooper-Standard Holdings Inc.'s Current Report on Form 8-K filed June 3, 2010).
10.17*†	Form of 2010 Cooper-Standard Holdings Inc. Management Incentive Plan Nonqualified Stock Option Agreement for key employees (incorporated by reference to Exhibit 10.7 to Cooper-Standard Holdings Inc.'s Current Report on Form 8-K filed June 3, 2010).
10.18*†	Form of 2010 Cooper-Standard Holdings Inc. Management Incentive Plan Restricted Stock Award Agreement for key employees (incorporated by reference to Exhibit 10.8 to Cooper-Standard Holdings Inc.'s Current Report on Form 8-K filed June 3, 2010).

Exhibit No.	Description of Exhibit
10.19*†	Form of 2010 Cooper-Standard Holdings Inc. Management Incentive Plan Nonqualified Stock Option Agreement for directors (incorporated by reference to Exhibit 10.9 to Cooper-Standard Holdings Inc.’s Current Report on Form 8-K filed June 3, 2010).
10.20*†	Form of 2010 Cooper-Standard Holdings Inc. Management Incentive Plan Restricted Stock Award Agreement for directors (incorporated by reference to Exhibit 10.10 to Cooper-Standard Holdings Inc.’s Current Report on Form 8-K filed June 3, 2010).
10.21*†	Letter Agreement between Jeffrey S. Edwards, Cooper-Standard Holdings Inc., Cooper-Standard Automotive Inc. dated October 1, 2012 (incorporated by reference to Exhibit 10.2 to Cooper-Standard Holdings Inc.’s Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2012).
10.22*†	Letter Agreement between D. William Pumphrey, Jr., Cooper-Standard Holdings Inc. and Cooper-Standard Automotive Inc. dated August 16, 2011 (incorporated by reference to Exhibit 10.30 to Cooper-Standard Holdings Inc.’s Annual Report on Form 10-K for the fiscal year ended December 31, 2012).
10.23*†	Form of 2012 Cooper-Standard Holdings Inc. 2011 Omnibus Incentive Plan Restricted Stock Unit Award Agreement (Non-Management Directors) (incorporated by reference to Exhibit 10.31 to Cooper-Standard Holdings Inc.’s Annual Report on Form 10-K for the fiscal year ended December 31, 2012).
10.24*†	Service Contract between CSA Germany Verwaltungs GmbH and Juan Fernando de Miguel Posada dated March 1, 2013 (incorporated by reference to Exhibit 10.26 to Cooper-Standard Holdings Inc.’s Annual Report on Form 10-K for the fiscal year ended December 31, 2013).
10.25*†	International Assignment Agreement between Song Min Lee and Cooper-Standard Automotive Inc. dated December 31, 2012 (incorporated by reference to Exhibit 10.27 to Cooper-Standard Holdings Inc.’s Annual Report on Form 10-K for the fiscal year ended December 31, 2013).
10.26*†	Offer Letter between Matthew W. Hardt and Cooper-Standard Automotive Inc. dated January 26, 2015 (incorporated by reference to Exhibit 10.1 to Cooper-Standard Holdings Inc.’s Current Report on Form 8-K filed on January 27, 2015).
10.27*†	Cooper-Standard Automotive Inc. Long-Term Incentive Plan, Amended and Restated effective as of January 1, 2014 (incorporated by reference to Exhibit 10.28 to Cooper-Standard Holdings Inc.’s Annual Report on Form 10-K for the fiscal year ended December 31, 2013).
10.28*†	Cooper-Standard Automotive Inc. Annual Incentive Plan, Amended and Restated effected as of January 1, 2014 (incorporated by reference to Exhibit 10.29 to Cooper-Standard Holdings Inc.’s Annual Report on Form 10-K for the fiscal year ended December 31, 2013).
10.29*†	Form of 2014 Cooper-Standard Holdings Inc. 2011 Omnibus Incentive Plan Restricted Stock Unit Award Agreement (Performance Units, settled 50% cash / 50% stock) (incorporated by reference to Exhibit 10.35 to Cooper-Standard Holdings Inc.’s Annual Report on Form 10-K for the fiscal year ended December 31, 2014).
10.30*†	Form of 2014 Cooper-Standard Holdings Inc. 2011 Omnibus Incentive Plan Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.36 to Cooper-Standard Holdings Inc.’s Annual Report on Form 10-K for the fiscal year ended December 31, 2014).
10.31*†	Form of 2014 Cooper-Standard Holdings Inc. 2011 Omnibus Incentive Plan Restricted Stock Unit Award Agreement (Performance Units, settled 100% cash) (incorporated by reference to Exhibit 10.37 to Cooper-Standard Holdings Inc.’s Annual Report on Form 10-K for the fiscal year ended December 31, 2014).

Exhibit No.	Description of Exhibit
10.32*†	Form of Cooper-Standard Holdings Inc. 2011 Omnibus Incentive Plan Nonqualified Stock Option Agreement (incorporated by reference to Exhibit 10.38 to Cooper-Standard Holdings Inc.’s Annual Report on Form 10-K for the fiscal year ended December 31, 2014).
10.33*†	Form of 2015 Cooper-Standard Holdings Inc. 2011 Omnibus Incentive Plan Restricted Stock Unit Award Agreement (Performance Units, settled 50% cash / 50% stock) (incorporated by reference to Exhibit 10.39 to Cooper-Standard Holdings Inc.’s Annual Report on Form 10-K for the fiscal year ended December 31, 2014).
10.34*†	Form of 2015 Cooper-Standard Holdings Inc. 2011 Omnibus Incentive Plan Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.40 to Cooper-Standard Holdings Inc.’s Annual Report on Form 10-K for the fiscal year ended December 31, 2014).
10.35*†	Form of 2015 Cooper-Standard Holdings Inc. 2011 Omnibus Incentive Plan Restricted Stock Unit Award Agreement (Performance Units, settled 100% cash) (incorporated by reference to Exhibit 10.41 to Cooper-Standard Holdings Inc.’s Annual Report on Form 10-K for the fiscal year ended December 31, 2014).
10.36*†	Offer Letter between Jonathan P. Banas and Cooper-Standard Automotive Inc. dated August 17, 2015 (incorporated by reference to Exhibit 10.1 to Cooper-Standard Holdings Inc.’s Current Report on Form 8-K filed on August 28, 2015).
10.37*†	Form of Cooper-Standard Holdings Inc. 2011 Omnibus Incentive Plan Restricted Stock Unit Award Agreement (Non-Employee Directors) (incorporated by reference to Exhibit 10.1 to Cooper-Standard Holdings Inc.’s Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2015).
10.38*†	Form of Cooper-Standard Holdings Inc. Indemnification Agreement for officers and directors (incorporated by reference to Exhibit 10.44 to Cooper-Standard Holdings Inc.’s Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2016).
10.39*†	Form of Cooper-Standard Holdings Inc. 2011 Omnibus Incentive Plan Special Retention Award Agreement (stock-settled award) (incorporated by reference to Exhibit 10.1 to Cooper-Standard Holdings Inc.’s Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2016).
10.40**†	Form 2016 Cooper-Standard Holdings Inc. 2011 Omnibus Incentive Plan Restricted Stock Unit Award Agreement (Performance Units, settled 50% cash / 50% stock).
10.41**†	Form 2016 Cooper-Standard Holdings Inc. 2011 Omnibus Incentive Plan Restrictive Stock Unit Award Agreement (Performance Units, settled 100% cash).
21.1**	List of Subsidiaries of Cooper-Standard Holdings Inc.
23.1**	Consent of Independent Registered Public Accounting Firm.
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).

Exhibit No.	Description of Exhibit
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

* Incorporated by reference as an exhibit to this Report.
** Filed with this Report.
*** Furnished with this Report
**** Submitted electronically with this Report in accordance with the provisions of Regulation S-T.
† Management contract or compensatory plan or arrangement.

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

SIGNATURES

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

COOPER-STANDARD HOLDINGS INC.

Date: February 17, 2017

/s/ Jeffrey S. Edwards

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

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below on February 17, 2017 by the following persons on behalf of the Registrant in the capacities indicated.

Signature	Title
/s/ Jeffrey S. Edwards Jeffrey S. Edwards	Chairman and Chief Executive Officer (Principal Executive Officer)
/s/ Matthew W. Hardt Matthew W. Hardt	Chief Financial Officer (Principal Financial Officer)
/s/ Jonathan P. Banas Jonathan P. Banas	Chief Accounting Officer (Principal Accounting Officer)
/s/ Glenn R. August Glenn R. August	Director
/s/ Sean O. Mahoney Sean O. Mahoney	Director
/s/ David J. Mastrocola David J. Mastrocola	Director
/s/ Justin E. Mirro Justin E. Mirro	Director
/s/ Robert J. Remenar Robert J. Remenar	Director
/s/ Sonya F. Sepahban Sonya F. Sepahban	Director
/s/ Thomas W. Sidlik Thomas W. Sidlik	Director
/s/ Stephen A. Van Oss Stephen A. Van Oss	Director

Exhibit 3.2

AMENDED AND RESTATED

BY-LAWS

OF

COOPER-STANDARD HOLDINGS INC.,

a Delaware corporation

(the "***Corporation***")

(As Amended and Restated Effective January 19, 2017)

AMENDED AND RESTATED
BY-LAWS

OF

COOPER-STANDARD HOLDINGS INC.

ARTICLE I
OFFICES

Section 1.1 Registered Office. The registered office of the Corporation within the State of Delaware shall be located at either (a) the principal place of business of the Corporation in the State of Delaware or (b) the office of the corporation or individual acting as the Corporation's registered agent in Delaware.

Section 1.2 Additional Offices. The Corporation may, in addition to its registered office in the State of Delaware, have such other offices and places of business, both within and outside the State of Delaware, as the Board of Directors of the Corporation (the "***Board***") may from time to time determine or as the business and affairs of the Corporation may require.

ARTICLE II
STOCKHOLDERS MEETINGS

Section 2.1 Annual Meetings. The annual meeting of stockholders shall be held at such place and time and on such date as shall be determined by the Board and stated in the notice of the meeting, provided that the Board may in its sole discretion determine that the meeting shall not be held at any place, but may instead be held solely by means of remote communication pursuant to Section 9.5(a). At each annual meeting, the stockholders shall elect the directors of the Corporation and may transact any other business as may properly be brought before the meeting.

Section 2.2 Special Meetings. Except as otherwise required by applicable law, special meetings of stockholders, for any purpose or purposes, may be called only as provided in the Corporation's Third Amended and Restated Certificate of Incorporation, as the same may be amended or restated from time to time (the "***Certificate of Incorporation***"). The Board may in its sole discretion determine that a special meeting shall not be held at any place, but may instead be held solely by means of remote communication pursuant to Section 9.5(a).

Section 2.3 Notices. Whenever stockholders are required or permitted to take any action at a meeting, a written notice of the meeting shall be given which shall state the place, if any, date and hour of the meeting, the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting. Unless otherwise provided by applicable law or the Certificate of Incorporation, such notice shall be given by the Corporation not less than 10 nor more than 60 days before the date of the meeting to each stockholder entitled to vote at such meeting as of the record date for determining the stockholders entitled to notice of the meeting in the manner permitted by Section 9.3. If said notice is for a stockholders meeting other than an annual meeting, it shall in addition state the purpose or purposes for which the meeting is called, and the business transacted at such meeting shall be limited to the matters so stated in the Corporation's notice of meeting (or any supplement thereto), and, if applicable, the Special Meeting Request or as otherwise permitted pursuant to Section 2.7 or Section 3.2. Other than a special meeting of stockholders called pursuant to a Special Meeting Request in accordance with the Certificate of Incorporation, any meeting of stockholders as to which notice has been given may be postponed, and any special meeting of stockholders as to which notice has been given may be cancelled, by a resolution adopted by a majority of the Whole Board upon public announcement given before the date previously scheduled for such meeting or any adjournment thereof.

Section 2.4 Quorum. Except as otherwise provided by applicable law, the Certificate of Incorporation or these By-Laws, the presence, in person or by proxy, at a stockholders meeting of the holders of shares of outstanding capital stock of the Corporation representing a majority of the voting power of all outstanding shares of capital stock of the Corporation entitled to vote at such meeting shall constitute a quorum for the transaction of business at such meeting, except that when specified business is to be voted on by a class or series of stock voting as a class, the holders of shares representing a majority of the voting power of the outstanding shares of such class or series shall constitute a quorum of such class or series for the transaction of such business. If a quorum shall not be present or represented by proxy at any meeting of the stockholders, the chairman of the meeting may adjourn the meeting from time to time in the manner provided in Section 2.6 until a quorum shall attend. The stockholders present at a duly convened meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum. Shares of its own stock belonging to the Corporation or to another corporation (if a majority of the voting power of the shares entitled to vote in the election of directors belonging to such other corporation is held, directly or indirectly, by the Corporation) shall neither be entitled to vote nor, for quorum purposes, be counted in (a) the number shares present, in person or by proxy, at a stockholders meeting or (b) the number of shares of outstanding capital stock of the Corporation entitled to vote at a stockholders meeting; provided, however, that the foregoing shall not limit the right of the Corporation or any such other corporation to vote shares held by it in a fiduciary capacity.

Section 2.5 Voting of Shares

(a) Voting Lists. The Secretary shall prepare, or shall cause the officer or agent who has charge of the stock ledger of the Corporation to prepare, at least 10 days before every meeting of stockholders, a complete list of the stockholders of record entitled to vote at the meeting (provided, however, if the record date for determining the stockholders entitled to vote is less than 10 days before the meeting date, the list shall reflect the stockholders entitled to vote as of the tenth day before the meeting date), arranged in alphabetical order for each class of stock and showing the address and the number of shares registered in the name of each stockholder. Nothing contained in this Section 2.5(a) shall require the Corporation to include the telephone number or other electronic contact information for electronic transmission to any stockholder on such list. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours for a period of at least 10 days prior to the meeting: (i) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (ii) during ordinary business hours, at the principal place of business of the Corporation. If the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to stockholders of the Corporation. If the meeting is to be held at a place, then the list of stockholders entitled to vote at the meeting shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be examined by any stockholder who is present. If a meeting of stockholders is to be held solely by means of remote communication as permitted by Section 9.5(a), then such list shall be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of meeting. The stock ledger shall be the only evidence as to who are the stockholders entitled to examine the list required by this Section 2.5(a) or to vote in person or by proxy at any meeting of stockholders.

(b) Manner of Voting. At any stockholders meeting, every stockholder entitled to vote may vote in person or by proxy. If authorized by the Board, the voting by stockholders or proxyholders at any meeting conducted by remote communication may be effected by a ballot submitted by electronic transmission, provided that any such electronic transmission must either set forth or be submitted with information from which the Corporation can determine that the electronic transmission was authorized by the stockholder or proxyholder. The Board, in its discretion, or the chairman of the meeting of stockholders, in such person's discretion, may require that any votes cast at such meeting shall be cast by written ballot.

(c) Proxies. Each stockholder entitled to vote at a meeting of stockholders may authorize another person or persons to act for such stockholder by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. Proxies need not be filed with the Secretary of the Corporation until the meeting is called to order, but shall be filed with the Secretary before being voted. Without limiting the manner in which a stockholder may authorize another person or persons to act for such stockholder as proxy, either of the following shall constitute a valid means by which a stockholder may grant such authority.

(i) A stockholder may execute a writing authorizing another person or persons to act for such stockholder as proxy. Execution may be accomplished by the stockholder or such stockholder's authorized officer, director, employee or agent signing such writing or causing such person's signature to be affixed to such writing by any reasonable means, including, but not limited to, by facsimile signature.

(ii) A stockholder may authorize another person or persons to act for such stockholder as proxy by transmitting or authorizing the transmission of an electronic transmission to the person who will be the holder of the proxy or to a proxy solicitation firm, proxy support service organization or like agent duly authorized by the person who will be the holder of the proxy to receive such transmission, provided that any such electronic transmission must either set forth or be submitted with information from which it can be determined that the electronic transmission was authorized by the stockholder.

Any copy, electronic transmission or other reliable reproduction of the writing or transmission authorizing another person or persons to act as proxy for a stockholder may be substituted or used in lieu of the original writing or transmission for any and all purposes for which the original writing or transmission could be used; provided that such copy, electronic transmission or other reproduction shall be a complete reproduction of the entire original writing or transmission.

(d) Required Vote. Subject to the rights of the holders of one or more series of preferred stock of the Corporation *("**Preferred Stock**")*, voting separately by class or series, to elect directors pursuant to the terms of one or more series of Preferred Stock, all matters shall be determined by the vote of a majority of the votes cast by the stockholders present in person or represented by proxy at the meeting and entitled to vote thereon, unless the matter is one upon which, by applicable law, the Certificate of Incorporation, these By-Laws or applicable stock exchange rules, a different vote is required, in which case such provision shall govern and control the decision of such matter.

(e) Inspectors of Election. The Board may, and shall if required by law, in advance of any meeting of stockholders, appoint one or more persons as inspectors of election, who may be employees of the

Corporation or otherwise serve the Corporation in other capacities, to act at such meeting of stockholders or any adjournment thereof and to make a written report thereof. The Board may appoint one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspectors of election or alternates are appointed by the Board, the chairman of the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before discharging his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspectors shall ascertain and report the number of outstanding shares and the voting power of each; determine the number of shares present in person or represented by proxy at the meeting and the validity of proxies and ballots; count all votes and ballots and report the results; determine the disposition of any challenges and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors; and certify their determination of the number of shares represented at the meeting and their count of all votes and ballots. No person who is a candidate for an office at an election may serve as an inspector at such election. Each report of an inspector shall be in writing and signed by the inspector or by a majority of them if there is more than one inspector acting at such meeting. If there is more than one inspector, the report of a majority shall be the report of the inspectors.

Section 2.6 Adjournments. Any annual or special meeting of stockholders may be adjourned by the chairman of the meeting, from time to time, whether or not there is a quorum, to reconvene at the same or some other place, provided that a special meeting of stockholders called pursuant to a Special Meeting Request may not be adjourned without the written consent of the stockholders that submitted such Special Meeting Request. Notice need not be given of any such adjourned meeting if the date, time and place or the means of remote communication by which stockholders and proxyholders may be deemed to be present in person and vote at such adjourned meeting, as applicable, are announced at the meeting at which the adjournment is taken. At the adjourned meeting the stockholders, or the holders of any class or series of stock entitled to vote separately as a class, as the case may be, may transact any business that might have been transacted at the original meeting. If the adjournment is for more than 30 days, notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new record date for stockholders entitled to vote is fixed for the adjourned meeting, the Board shall fix a new record date for notice of such adjourned meeting in accordance with Section 2.3, and shall give notice of the adjourned meeting to each stockholder of record entitled to vote at such adjourned meeting as of the record date fixed for notice of such adjourned meeting.

Section 2.7 Advance Notice for Business

(a) Annual Meetings of Stockholders. No business may be transacted at an annual meeting of stockholders, other than business that is either (I) specified in the Corporation’s notice of meeting (or any supplement thereto) given by or at the direction of the Board, (II) otherwise properly brought before the annual meeting by or at the direction of the Board or (III) otherwise properly brought before the annual meeting by any stockholder of the Corporation (x) who is a stockholder on the date of the giving of the notice provided for in this Section 2.7(a) and who is entitled to vote at such annual meeting and (y) who complies with the notice procedures set forth in this Section 2.7(a). Except for proposals properly made in accordance with Rule 14a-8 (or any successor thereof) under the Securities Exchange Act of 1934, as amended (the “***Exchange Act***”), and included in the notice of meeting given by or at the direction of the Board, the foregoing clause (III) shall be the exclusive means for a stockholder to propose business to be brought before an annual meeting of stockholders. Stockholders seeking to nominate persons for election to the Board must comply with Section 3.2, and this Section 2.7 shall not be applicable to nominations.

(i) In addition to any other applicable requirements, for business (other than nominations) to be properly brought before an annual meeting by a stockholder, such stockholder must have given timely notice thereof in proper written form to the Secretary of the Corporation and such business must otherwise be a proper matter for stockholder action. Subject to Section 2.7(a)(iv), a stockholder's notice to the Secretary with respect to such business, to be timely, must comply with the provisions of this Section 2.7(a)(i). A stockholder's notice must be received by the Secretary at the principal executive offices of the Corporation not later than the close of business on the 90th day nor earlier than the opening of business on the 120th day before the anniversary date of the immediately preceding annual meeting of stockholders; provided, however, that if the annual meeting is called for a date that is more than 30 days earlier or more than 60 days later than such anniversary date, notice by the stockholder to be timely must be so received not earlier than the opening of business on the 120th day before the meeting and not later than the later of (x) the close of business on the 90th day before the meeting or (y) the close of business on the 10th day following the day on which public announcement of the date of the annual meeting is first made by the Corporation. Notwithstanding the previous sentence, for purposes of determining whether a stockholder's notice shall have been received in a timely manner for the annual meeting of stockholders in 2011, to be timely, a stockholder's notice must have been received not later than the close of business on February 15, 2011, nor earlier than the opening of business on January 15, 2011. The public announcement of an adjournment or postponement of an annual meeting shall not commence a new time period for the giving of a stockholder's notice as described in this Section 2.7(a).

(ii) To be in proper written form, a stockholder's notice to the Secretary with respect to any business (other than director nominations which are the subject of Section 3.2) must set forth:

(A) as to each such matter such stockholder proposes to bring before the annual meeting (1) a brief description of the business desired to be brought before the annual meeting and any material interest in such business of such stockholder and any Stockholder Associated Person (as defined below), individually or in the aggregate, (2) the text of the proposal or business (including the text of any resolutions proposed for consideration and if such business includes a proposal to amend these By-Laws, the text of the proposed amendment) and (3) the reasons for conducting such business at the annual meeting;

(B) the name and address of the stockholder proposing such business, as they appear on the Corporation's books;

(C) the class or series and number of shares of capital stock of the Corporation that are owned of record or are directly or indirectly owned beneficially by such stockholder and by any Stockholder Associated Person;

(D) any proxy (other than a revocable proxy given in response to a solicitation made pursuant to Section 14(a) (or any successor thereof) of the Exchange Act by way of a solicitation statement filed on Schedule 14A), contract, arrangement, understanding or relationship pursuant to which such stockholder or any Stockholder Associated Person has a right to vote any shares of the Corporation;

(E) any Derivative Position held by such Stockholder and by any Stockholder Associated Person;

(F) a description of all agreements, arrangements or understandings (written or oral) between or among such stockholder, any Stockholder Associated Person or any other person or persons (including their names) in connection with the proposal of such business by such stockholder;

(G) any other information relating to such stockholder and any Stockholder Associated Person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitation of proxies for election of directors (even if an election contest is not involved), or would be otherwise required, in each case pursuant to Section 14 (or any successor thereof) of the Exchange Act and the rules and regulations promulgated thereunder;

(H) a representation that such stockholder intends to appear in person or by proxy at the annual meeting to bring such business before the meeting; and

(I) a statement of whether such stockholder or any Stockholder Associated Person intends, or is part of a group that intends, to solicit proxies in connection with the proposal.

(iii) The foregoing notice requirements of this Section 2.7(a) shall be deemed satisfied by a stockholder as to any proposal made pursuant to Rule 14a-8 (or any successor thereof) of the Exchange Act if the stockholder has notified the Corporation of such stockholder's intention to present such proposal at an annual meeting in compliance with Rule 14a-8 (or any successor thereof) of the Exchange Act. No business shall be conducted at the annual meeting of stockholders except business brought before the annual meeting in accordance with the procedures set forth in this Section 2.7(a), provided, however, that once business has been properly brought before the annual meeting in accordance with such procedures, nothing in this Section 2.7(a) shall be deemed to preclude discussion by any stockholder of any such business conducted in accordance with the rules for such meeting as set forth in Section 2.8. If the Board or the chairman of the annual meeting determines that any stockholder proposal was not made in accordance with the provisions of this Section 2.7(a) or that the information provided in a stockholder's notice does not satisfy the information requirements of this Section 2.7(a), such proposal shall not be presented for action at the annual meeting. Notwithstanding the foregoing provisions of this Section 2.7(a), if the stockholder (or a qualified representative of the stockholder) does not appear at the annual meeting of stockholders of the Corporation to present the proposed business, such proposed business shall not be transacted, notwithstanding that proxies in respect of such matter may have been received by the Corporation.

(iv) In addition to the provisions of this Section 2.7(a), a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth herein. Nothing in this Section 2.7(a) shall be deemed to affect any rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 (or any successor thereof) under the Exchange Act.

(b) Special Meetings of Stockholders. Any business may be transacted at a special meeting of stockholders, provided that with respect to each special meeting of stockholders, only such business shall be conducted as is permitted by Section 2.3. Nominations of persons for election to the Board may be made at a special meeting of stockholders pursuant to Section 3.2. Notwithstanding any provision contained herein, in the case of a special meeting of stockholders called pursuant to a Special Meeting Request, to be timely, a stockholder's notice to the Secretary must be received by the Secretary at the principal executive offices of the Corporation not later than 15 days prior to such meeting.

Section 2.8 Conduct of Meetings. The chairman of each annual and special meeting of stockholders shall be the Chairman of the Board or, in the absence (or inability or refusal to act) of the Chairman of the Board, the Chief Executive Officer (if he or she shall be a director) or such other person as shall be appointed by the Board. The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting by the chairman of the meeting. The Board may adopt or, in the absence thereof, the chairman of the meeting may prescribe, such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with these By-Laws or such rules and regulations, the chairman of any meeting of stockholders shall have the right and authority to convene, adjourn and close the meeting, and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board or prescribed by the chairman of the meeting, may include, without limitation, the following: (a) the establishment of an agenda or order of business for the meeting; (b) rules and procedures for maintaining order at the meeting and the safety of those present; (c) limitations on attendance at or participation in the meeting to stockholders of record of the Corporation, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine; (d) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (e) limitations on the time allotted (to individuals and in the aggregate) to questions or comments by participants. Unless and to the extent determined by the Board or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure. The secretary of each annual and special meeting of stockholders shall be the Secretary or, in the absence (or inability or refusal to act) of the Secretary, the chairman of the meeting may appoint any person to act as secretary of the meeting.

Section 2.9 No Action by Consent of Stockholders in Lieu of Meeting. Except as otherwise expressly provided by the terms of any series of Preferred Stock permitting the holders of such series of Preferred Stock to act by written consent, any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of the stockholders of the Corporation, unless a majority of the Whole Board approves in advance the taking of such action by means of written consent of stockholders, in which case such action may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum voting power that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the Corporation to its registered office in the State of Delaware, the Corporation’s principal place of business, or the Secretary of the Corporation. Every written consent shall bear the date of signature of each stockholder who signs the consent and no written consent shall be effective to take the corporate action referred to therein unless, within 60 days of the date the earliest dated consent is delivered to the Corporation, a written consent or consents signed by a sufficient number of holders to take such action are delivered to the Corporation by delivery to the Corporation’s registered office in the State of Delaware, the Corporation’s principal place of business, or the Secretary. Delivery made to the Corporation’s registered office shall be by hand or by certified or registered mail, return receipt requested. An electronic transmission consenting to the action to be taken and transmitted by a stockholder, proxyholder or a person or persons authorized to act for a stockholder or proxyholder shall be deemed to be written, signed and dated for purposes hereof if such electronic transmission sets forth or is delivered with information from which the Corporation can determine that such transmission was transmitted by a stockholder or proxyholder (or by a person authorized to act for a stockholder or proxyholder) and the date on which such stockholder, proxyholder or authorized person transmitted such transmission. The date on which such electronic transmission is transmitted shall be deemed to be the date on which such consent was signed. No consent given by electronic transmission shall be deemed to have been delivered until such consent is reproduced in paper form and delivered to the Corporation by delivery either to the Corporation’s registered office in the

State of Delaware, the Corporation's principal place of business, or the Secretary of the Corporation. Delivery made to the Corporation's registered office shall be made by hand or by certified or registered mail, return receipt requested. Notwithstanding the limitations on delivery in the previous sentence, consents given by electronic transmission may be otherwise delivered to the Corporation's principal place of business or to the Secretary if, to the extent, and in the manner provided by resolution of a majority of the Whole Board. Any copy, electronic transmission or other reliable reproduction of a consent in writing may be substituted or used in lieu of the original writing for any and all purposes for which the original writing could be used; provided that such copy, electronic transmission or other reproduction shall be a complete reproduction of the entire original writing. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for notice of such meeting had been the date that written consents signed by a sufficient number of holders were delivered to the Corporation as provided in this Section 2.9.

ARTICLE III
DIRECTORS

Section 3.1 Powers. The business and affairs of the Corporation shall be managed by or under the direction of the Board, which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Certificate of Incorporation or by these By-Laws required to be exercised or done by the stockholders. Directors need not be stockholders or residents of the State of Delaware.

Section 3.2 Advance Notice for Nomination of Directors.

(a) Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors by the stockholders of the Corporation, except as may be otherwise provided by the terms of one or more series of Preferred Stock with respect to the rights of holders of one or more series of Preferred Stock to elect directors. Nominations of persons for election to the Board at any annual meeting of stockholders, or at any special meeting of stockholders called for the purpose of electing directors as set forth in the Corporation's notice of such special meeting, may be made (i) by or at the direction of the Board or (ii) by any stockholder of the Corporation (x) who is a stockholder of record on the date of the giving of the notice provided for in this Section 3.2 and who is entitled to vote in the election of directors at such meeting and (y) who complies with the notice procedures set forth in this Section 3.2.

(b) In addition to any other applicable requirements, for a nomination to be made by a stockholder, such stockholder must have given timely notice thereof in proper written form to the Secretary of the Corporation. To be timely, a stockholder's notice to the Secretary must comply with the provisions of this Section 3.2(b). A stockholder's notice must be received by the Secretary at the principal executive offices of the Corporation: (i) in the case of an annual meeting, not later than the close of business on the 90th day nor earlier than the opening of business on the 120th day before the anniversary date of the immediately preceding annual meeting of stockholders; provided, however, that if the annual meeting is called for a date that is more than 30 days earlier or more than 60 days after such anniversary date, notice by the stockholder to be timely must be so received not earlier than the opening of business on the 120th day before the meeting and not later than the later of (x) the close of business on the 90th day before the meeting or (y) the close of business on the 10th day following the day on which public announcement of the date of the annual meeting is first made by the Corporation; (ii) except as specified in clause (iii), in the case of a special meeting of stockholders called for the purpose of electing directors, not earlier than the opening of business on the 120th day before the meeting and not later than the later of (x) the close of business on the 90th day before the meeting or (y) the close of business on the 10th day following the day on which public announcement of the date of the special meeting is first made by the Corporation; and (iii) in the case of a special meeting of stockholders called pursuant to a Special Meeting Request for the purpose of electing directors, not later than 15 days prior to such meeting. Notwithstanding the previous sentence, for purposes of determining whether a stockholder's notice shall have been received in a timely manner for the annual meeting of stockholders in 2011, to be timely, a stockholder's notice must have been received not later than the close of business on February 15, 2011, nor earlier than the opening of business on January 15, 2011. The public announcement of an adjournment or postponement of an annual meeting or special meeting shall not commence a new time period for the giving of a stockholder's notice as described in this Section 3.2.

(c) Notwithstanding anything in paragraph (b) to the contrary, if the number of directors to be elected to the Board at an annual meeting is greater than the number of nominees of the Corporation and there is no public announcement by the Corporation specifying a decrease in the size of the Board at the time the notice of such meeting is given to stockholders, a stockholder's notice required by this Section 3.2 shall be considered timely, but only with respect to the directorships for which the Corporation has failed to provide nominees, if it shall be received by the Secretary at the principal executive offices of the Corporation not later than the close of business on the 10th day following the date on which such notice was given by the Corporation.

(d) To be in proper written form, a stockholder's notice to the Secretary must set forth:

(i) as to each person whom the stockholder proposes to nominate for election as a director:

(A) the name, age, business address and residence address of the person,

(B) the principal occupation or employment of the person,

(C) the class or series and number of shares of capital stock of the Corporation that are owned of record or are directly or indirectly owned beneficially by the person,

(D) any Derivative Instrument directly or indirectly owned beneficially by such nominee, and

(E) any other information relating to the person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 (or any successor thereof) of the Exchange Act and the rules and regulations promulgated thereunder; and

(ii) as to the stockholder giving the notice:

(A) the name and address of such stockholder as they appear on the Corporation's books,

(B) the class or series and number of shares of capital stock of the Corporation that are owned of record or directly or indirectly owned beneficially by such Stockholder and any Stockholder Associated Person,

(C) any proxy (other than a revocable proxy given in response to a solicitation made pursuant to Section 14(a) (or any successor thereof) of the Exchange Act by way of a solicitation statement filed on Schedule 14A), contract, arrangement, understanding or relationship pursuant to which such stockholder or any Stockholder Associated Person has a right to vote any shares of the Corporation,

(D) any Derivative Position held by such Stockholder and by an Stockholder Associated Person,

(E) a description of all agreements, arrangements or understandings (written or oral) between or among such stockholder, any Stockholder Associated Person, any proposed nominee or any other person or persons (including their names) pursuant to which the nomination or nominations are to be made by such stockholder,

(F) a representation that such stockholder intends to appear in person or by proxy at the meeting to nominate the persons named in its notice,

(G) any other information relating to such stockholder and any Stockholder Associated Person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 (or any successor thereof) of the Exchange Act and the rules and regulations promulgated thereunder,

(H) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among such stockholder or any Stockholder Associated Person, or others acting in concert therewith, on the one hand, and each proposed nominee, and his or her respective affiliates and associates, or others acting in concert therewith, on the other hand, including, without limitation all information that would be required to be disclosed pursuant to Rule 404 promulgated under Regulation S-K if the stockholder making the nomination and any Stockholder Associated Person, or any person acting in concert therewith, was the “registrant” for purposes of such rule and the nominee was a director or executive officer of such registrant, and

(I) a statement of whether such stockholder or any Stockholder Associated Person intends, or is part of a group that intends, to solicit proxies for the election of the proposed nominee. Such notice must be accompanied by a written consent of each proposed nominee to being named as a nominee and to serve as a director if elected.

(e) If the Board or the chairman of the meeting of stockholders determines that any nomination was not made in accordance with the provisions of this Section 3.2, then such nomination shall not be considered at the meeting in question. Notwithstanding the foregoing provisions of this Section 3.2, if the stockholder (or a qualified representative of the stockholder) does not appear at the meeting of stockholders of the Corporation to present the nomination, such nomination shall be disregarded, notwithstanding that proxies in respect of such nomination may have been received by the Corporation.

(f) In addition to the provisions of this Section 3.2, a stockholder shall also comply with all of the applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth herein. Nothing in this Section 3.2 shall be deemed to affect any rights of the holders of

Preferred Stock to elect directors pursuant to the Certificate of Incorporation or the right of the Board to fill newly created directorships and vacancies on the Board pursuant to the Certificate of Incorporation.

Section 3.3 Compensation. Unless otherwise restricted by the Certificate of Incorporation or these By-Laws, the Board shall have the authority to fix the compensation of directors. The directors may be reimbursed their expenses, if any, of attendance at each meeting of the Board and may be paid either a fixed sum for attendance at each meeting of the Board or other compensation as director. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of committees of the Board may be allowed like compensation and reimbursement of expenses for service on the committee.

Section 3.4 Majority Voting. Except as provided in Section 3.5, to be elected a director at any stockholder meeting, a nominee must receive the affirmative vote of a majority of the votes cast with respect to that director's election at a meeting at which a quorum is present. For purposes of this Section 3.4, a majority of votes cast means that the number of votes "for" a nominee must exceed 50 percent of the votes cast with respect to the election of that nominee with abstentions and broker non-votes, if applicable, not counted as a vote cast "for" or "against" that director's election.

Section 3.5 Contested Elections. In the event of a "***Contested Election***", the nominees for director who receive a plurality of the votes cast at a stockholder meeting at which a quorum is present will be elected. An election of directors will be considered a "***Contested Election***" if (i) the secretary receives proper notice under Section 3.2 that a stockholder (the "Nominating Stockholder") intends to make a nomination at such meeting, (ii) the number of nominated individuals including the Nominating Stockholder's nominees would exceed the number of directors to be elected, and (iii) the notice has not been withdrawn by the 14th day before the date that the Corporation begins mailing its notice of such meeting to stockholders.

Section 3.6 Resignation and Replacement of Unsuccessful Incumbents.

(a) Before the Board can nominate any incumbent director for reelection to the Board by majority voting under Section 3.4, such person must submit or have submitted an irrevocable resignation that will become effective if (i) that person does not receive a majority of the votes cast, as calculated pursuant to Section 3.4; and (ii) the Board accepts that resignation in accordance with this Section 3.6.

(b) Within 90 days of receiving the certified vote pertaining to any election of directors by stockholders by majority voting in which an incumbent director failed to receive a majority of the votes cast, the (i) the Governance Committee shall make a recommendation to the Board as to whether to accept or reject the resignation of such incumbent director, or whether other action should be taken and (ii) the Board shall consider the recommendation of the Governance Committee and shall act on the resignation of the unsuccessful incumbent. The Governance Committee in making its recommendation and the Board in making its determination may consider any factors they determine appropriate. Unless the Board makes a determination to reject the resignation of the incumbent director, the Board shall not elect or appoint any unsuccessful incumbent to the Board for at least one year after such annual meeting.

(c) If the Board accepts the resignation of an unsuccessful incumbent pursuant to Section 3.6, or if a nominee for director is not elected and the nominee is not an incumbent director, then the Board may fill the resulting vacancy in accordance with Section 5.3 of the Certificate of Incorporation.

ARTICLE IV
BOARD MEETINGS

Section 4.1 Annual Meetings. The Board shall meet as soon as practicable after the close of each annual stockholders meeting at the place of the annual stockholders meeting unless the Board shall fix another time and place and give notice thereof in the manner required herein for special meetings of the Board. No notice to the directors shall be necessary to legally convene this meeting, except as provided in this Section 4.1.

Section 4.2 Regular Meetings. Regularly scheduled, periodic meetings of the Board may be held without notice at such times, dates and places as shall from time to time be determined by the Board.

Section 4.3 Special Meetings. Special meetings of the Board (a) may be called by the Chairman of the Board or the Chief Executive Officer and (b) shall be called by the Chairman of the Board, the Chief Executive Officer or Secretary on the written request of at least a majority of directors then in office, or the sole director, as the case may be, and shall be held at such time, date and place as may be determined by the person calling the meeting or, if called upon the request of directors or the sole director, as specified in such written request. Notice of each special meeting of the Board shall be given, as provided in Section 9.3, to each director (i) at least 24 hours before the meeting if such notice is oral notice given personally or by telephone or written notice given by hand delivery or by means of a form of electronic transmission and delivery; (ii) at least two days before the meeting if such notice is sent by a nationally recognized overnight delivery service; and (iii) at least five days before the meeting if such notice is sent through the United States mail. If the Secretary shall fail or refuse to give such notice, then the notice may be given by the officer who called the meeting or the directors who requested the meeting. Any and all business that may be transacted at a regular meeting of the Board may be transacted at a special meeting. Except as may be otherwise expressly provided by applicable law, the Certificate of Incorporation, or these By-Laws, neither the business to be transacted at, nor the purpose of, any special meeting need be specified in the notice or waiver of notice of such meeting. A special meeting may be held at any time without notice if all the directors are present or if those not present waive notice of the meeting in accordance with Section 9.4.

Section 4.4 Quorum; Required Vote. A majority of the Whole Board shall constitute a quorum for the transaction of business at any meeting of the Board, and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board, except as may be otherwise specifically provided by applicable law, the Certificate of Incorporation or these By-Laws. If a quorum shall not be present at any meeting, a majority of the directors present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

Section 4.5 Consent In Lieu of Meeting. Unless otherwise restricted by the Certificate of Incorporation or these By-Laws, any action required or permitted to be taken at any meeting of the Board or any committee thereof may be taken without a meeting if all members of the Board or committee, as the case may be, consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions (or paper reproductions thereof) are filed with the minutes of proceedings of the Board or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Section 4.6 Organization. The chairman of each meeting of the Board shall be the Chairman of the Board or, in the absence (or inability or refusal to act) of the Chairman of the Board, a chairman elected from the directors present. The Secretary shall act as secretary of all meetings of the Board. In the absence (or inability or refusal to act) of the Secretary, the chairman of the meeting may appoint any person to act as secretary of the meeting.

ARTICLE V
COMMITTEES OF DIRECTORS

Section 5.1 Establishment. The Board may designate one or more committees, each committee to consist of one or more of the directors of the Corporation. Each committee shall keep regular minutes of its meetings and report the same to the Board when required. The Board shall have the power at any time to fill vacancies in, to change the membership of, or to dissolve any such committee.

Section 5.2 Available Powers. Any committee established pursuant to Section 5.1 hereof, to the extent permitted by applicable law and by resolution of the Board, shall have and may exercise all of the powers and authority of the Board in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers that may require it.

Section 5.3 Alternate Members. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of such committee.

Section 5.4 Procedures. Unless the Board otherwise provides, the time, date, place, if any, and notice of meetings of a committee shall be determined by such committee. Notice of each committee meeting shall be given, as provided in Section 9.3, to each committee member (i) at least 24 hours before the meeting if such notice is oral notice given personally or by telephone or written notice given by hand delivery or by means of a form of electronic transmission and delivery; (ii) at least two days before the meeting if such notice is sent by a nationally recognized overnight delivery service; and (iii) at least five days before the meeting if such notice is sent through the United States mail. At meetings of a committee, a majority of the number of members of the committee (but not including any alternate member, unless such alternate member has replaced any absent or disqualified member at the time of, or in connection with, such meeting) shall constitute a quorum for the transaction of business. The act of a majority of the members present at any meeting at which a quorum is present shall be the act of the committee, except as otherwise specifically provided by applicable law, the Certificate of Incorporation, these By-Laws or the Board. If a quorum is not present at a meeting of a committee, the members present may adjourn the meeting from time to time, without notice other than an announcement at the meeting, until a quorum is present. Unless the Board otherwise provides and except as provided in these By-Laws, each committee designated by the Board may make, alter, amend and repeal rules for the conduct of its business. In the absence of such rules each committee shall conduct its business in the same manner as the Board is authorized to conduct its business pursuant to Article III and Article IV of these By-Laws.

ARTICLE VI
OFFICERS

Section 6.1 Officers. The officers of the Corporation elected by the Board shall be a Chairman of the Board, a Chief Executive Officer, and such other officers as the Board from time to time may determine. Officers elected by the Board shall each have such powers and duties as generally pertain to their respective offices, subject to the specific provisions of this Article VI. Such officers shall also have such powers and duties as from time to time may be conferred by the Board. The Chairman of the Board or the Chief Executive Officer may also appoint such other officers (including, without limitation, a Treasurer, Secretary, Controller and one or more Vice Presidents) as may be necessary or desirable for the conduct of the business of the Corporation. Such other officers shall have such powers and duties and shall hold their offices for such terms as may be provided in these By-Laws or as may be prescribed by the Board or, if such officer has been appointed by the Chairman of the Board or the Chief Executive Officer, as may be prescribed by the appointing officer.

(a) Chairman of the Board. The Chairman of the Board shall preside when present at all meetings of the stockholders and the Board. The Chairman of the Board shall advise and counsel the Chief Executive Officer and other officers and shall exercise such powers and perform such duties as shall be assigned to or required of the Chairman of the Board from time to time by the Board or these By-Laws.

(b) Chief Executive Officer. The Chief Executive Officer shall be the chief executive officer of the Corporation, shall have general supervision of the affairs of the Corporation and general control of all of its business subject to the ultimate authority of the Board, and shall be responsible for the execution of the policies of the Board.

(c) Secretary.

(i) The Secretary shall attend all meetings of the stockholders, the Board and committees of the Board (at the request of the Board or such committee) and shall record the proceedings of such meetings in books to be kept for that purpose. The Secretary shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the Board and shall perform such other duties as may be prescribed by the Board, the Chairman of the Board or the Chief Executive Officer. The Secretary shall have custody of the corporate seal of the Corporation and the Secretary shall have authority to affix the same to any instrument requiring it, and when so affixed, it may be attested by his or her signature. The Board may give general authority to any other officer to affix the seal of the Corporation and to attest the affixing thereof by his or her signature.

(ii) The Secretary shall keep, or cause to be kept, at the principal executive office of the Corporation or at the office of the Corporation’s transfer agent or registrar, if one has been appointed, a stock ledger, or duplicate stock ledger, showing the names of the stockholders and their addresses, the number and classes of shares held by each and, with respect to certificated shares, the number and date of certificates issued for the same and the number and date of certificates cancelled.

(d) Treasurer. The Treasurer shall perform all duties commonly incident to that office (including, without limitation, the care and custody of the funds and securities of the Corporation which from time to time may come into the Treasurer’s hands and the deposit of the funds of the Corporation in such banks or trust companies as the Board or the Chief Executive Officer may authorize).

Section 6.2 Term of Office; Removal; Vacancies. The Chairman of the Board shall be elected annually by the Board at its first meeting held after each annual meeting of stockholders, and he or she shall hold office until the next annual meeting of the Board and until their successors are duly elected and qualified or until their earlier death, resignation, retirement, disqualification, or removal from office. Any officer, whether elected by the Board or appointed by the Chairman of the Board or the Chief Executive Officer, may be removed, with or without cause, at any time by the Board. Any officer appointed by the Chairman of the Board or the Chief Executive Officer may also be removed, with or without cause, by the Chairman of the Board or the Chief Executive Officer, as the case may be, unless the Board otherwise provides. Any vacancy occurring in any elected office of the Corporation may be filled by the Board. Any vacancy occurring in any office appointed by the Chairman of the Board or the Chief Executive Officer may be filled by the

Chairman of the Board or the Chief Executive Officer as the case may be, unless the Board then determines that such office shall thereupon be elected by the Board, in which case the Board shall elect such officer.

Section 6.3 Other Officers. The Board may delegate the power to appoint such other officers and agents, and may also remove such officers and agents or delegate the power to remove same, as it shall from time to time deem necessary or desirable.

Section 6.4 Multiple Officeholders; Stockholder and Director Officers. Any number of offices may be held by the same person unless the Certificate of Incorporation or these By-Laws otherwise provide. Officers need not be stockholders or residents of the State of Delaware.

ARTICLE VII
SHARES

Section 7.1 Certificated and Uncertificated Shares. The shares of the Corporation shall be represented by certificates, provided that the Board may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation. Notwithstanding the adoption of such a resolution by the Board, every holder of stock represented by certificates and upon request every holder of uncertificated shares shall be entitled to have a certificate signed in accordance with Section 7.3 representing the number of shares registered in certificate form. The Corporation shall not have power to issue a certificate representing shares in bearer form.

Section 7.2 Multiple Classes of Stock. If the Corporation shall be authorized to issue more than one class of stock or more than one series of any class, the Corporation shall (a) cause the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences or rights to be set forth in full or summarized on the face or back of any certificate that the Corporation issues to represent shares of such class or series of stock or (b) in the case of uncertificated shares, within a reasonable time after the issuance or transfer of such shares, send to the registered owner thereof a written notice containing the information required to be set forth on certificates as specified in clause (a) above; provided, however, that, except as otherwise provided by applicable law, in lieu of the foregoing requirements, there may be set forth on the face or back of such certificate or, in the case of uncertificated shares, on such written notice a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences or rights.

Section 7.3 Signatures. Each certificate representing capital stock of the Corporation shall be signed by or in the name of the Corporation by (a) the Secretary and (b) any other authorized officer of the Corporation. Any or all the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, such certificate may be issued by the Corporation with the same effect as if such person were such officer, transfer agent or registrar on the date of issue.

Section 7.4 Consideration and Payment for Shares.

(a) Subject to applicable law and the Certificate of Incorporation, shares of stock may be issued for such consideration, having in the case of shares with par value a value not less than the par value thereof, and to such persons, as determined from time to time by the Board. The consideration may consist of any tangible or intangible property or benefit to the Corporation including cash, promissory notes, services performed, contracts for services to be performed or other securities.

(b) Subject to applicable law and the Certificate of Incorporation, shares may not be issued until the full amount of the consideration has been paid, unless upon the face or back of each certificate issued to represent any partly paid shares of capital stock or upon the books and records of the Corporation in the case of partly paid uncertificated shares, there shall have been set forth the total amount of the consideration to be paid therefor and the amount paid thereon up to and including the time said certificate representing certificated shares or said uncertificated shares are issued.

Section 7.5 Lost, Destroyed or Wrongfully Taken Certificates.

(a) If an owner of a certificate representing shares claims that such certificate has been lost, destroyed or wrongfully taken, the Corporation shall issue a new certificate representing such shares or such shares in uncertificated form if the owner: (i) requests such a new certificate before the Corporation has notice that the certificate representing such shares has been acquired by a protected purchaser; (ii) if requested by the Corporation, delivers to the Corporation a bond sufficient to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, wrongful taking or destruction of such certificate or the issuance of such new certificate or uncertificated shares; and (iii) satisfies other reasonable requirements imposed by the Corporation.

(b) If a certificate representing shares has been lost, destroyed or wrongfully taken, and the owner fails to notify the Corporation of that fact within a reasonable time after the owner has notice of such loss, apparent destruction or wrongful taking and the Corporation registers a transfer of such shares before receiving notification, the owner shall be precluded from asserting against the Corporation any claim for registering such transfer or a claim to a new certificate representing such shares or such shares in uncertificated form.

Section 7.6 Transfer of Stock.

(a) If a certificate representing shares of the Corporation is presented to the Corporation with a stock power or other indorsement requesting the registration of transfer of such shares or an instruction is presented to the Corporation requesting the registration of transfer of uncertificated shares, the Corporation shall register the transfer as requested if:

(i) in the case of certificated shares, the certificate representing such shares has been surrendered;

(ii) (A) with respect to certificated shares, the indorsement is made by the person specified by the certificate as entitled to such shares; (B) with respect to uncertificated shares, an instruction is made by the registered owner of such uncertificated shares; or (C) with respect to certificated shares or uncertificated shares, the indorsement or instruction is made by any other appropriate person or by an agent who has actual authority to act on behalf of the appropriate person;

(iii) the Corporation has received a guarantee of signature of the person signing such indorsement or instruction or such other reasonable assurance that the indorsement or instruction is genuine and authorized as the Corporation may request;

(iv) the transfer does not violate any restriction on transfer imposed by the Corporation that is enforceable in accordance with Section 7.8(a); and

(v) such other conditions for such transfer as shall be provided for under applicable law have been satisfied.

(b) Whenever any transfer of shares shall be made for collateral security and not absolutely, the Corporation shall only record such fact in the entry of transfer if, when the certificate for such shares is presented to the Corporation for transfer or, if such shares are uncertificated, when the instruction for registration of transfer thereof is presented to the Corporation, both the transferor and transferee request the Corporation to do so.

Section 7.7 Registered Stockholders. Before due presentment for registration of transfer of a certificate representing shares of the Corporation or of an instruction requesting registration of transfer of uncertificated shares, the Corporation may treat the registered owner as the person exclusively entitled to inspect for any proper purpose the stock ledger and the other books and records of the Corporation, vote such shares, receive dividends or notifications with respect to such shares and otherwise exercise all the rights and powers of the owner of such shares, except that a person who is the beneficial owner of such shares (if held in a voting trust or by a nominee on behalf of such person) may, upon providing documentary evidence of beneficial ownership of such shares and satisfying such other conditions as are provided under applicable law, may also so inspect the books and records of the Corporation.

Section 7.8 Effect of the Corporation's Restriction on Transfer.

(a) A written restriction on the transfer or registration of transfer of shares of the Corporation or on the amount of shares of the Corporation that may be owned by any person or group of persons, if permitted by the DGCL and noted conspicuously on the certificate representing such shares or, in the case of uncertificated shares, contained in a notice sent by the Corporation to the registered owner of such shares within a reasonable time after the issuance or transfer of such shares, may be enforced against the holder of such shares or any successor or transferee of the holder including an executor, administrator, trustee, guardian or other fiduciary entrusted with like responsibility for the person or estate of the holder.

(b) A restriction imposed by the Corporation on the transfer or the registration of shares of the Corporation or on the amount of shares of the Corporation that may be owned by any person or group of persons, even if otherwise lawful, is ineffective against a person without actual knowledge of such restriction unless: (i) the shares are certificated and such restriction is noted conspicuously on the certificate; or (ii) the shares are uncertificated and such restriction was contained in a notice sent by the Corporation to the registered owner of such shares within a reasonable time after the issuance or transfer of such shares.

Section 7.9 Regulations. The Board shall have power and authority to make such additional rules and regulations, subject to any applicable requirement of law, as the Board may deem necessary and appropriate with respect to the issue, transfer or registration of transfer of shares of stock or certificates representing shares. The Board may appoint one or more transfer agents or registrars and may require for the validity thereof that certificates representing shares bear the signature of any transfer agent or registrar so appointed.

ARTICLE VIII
INDEMNIFICATION

Section 8.1 Right to Indemnification. Each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a “***proceeding***”), by reason of the fact that he or she is or was a director or officer of the Corporation or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan (hereinafter a “***Covered Person***”), whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent, or in any other capacity while serving as a director, officer, employee or agent, shall be indemnified and held harmless by the Corporation to the fullest extent authorized or permitted by applicable law, as the same exists or may hereafter be amended, against all expense, liability and loss (including, without limitation, attorneys’ fees, judgments, fines, ERISA excise taxes and penalties and amounts paid in settlement) reasonably incurred or suffered by such Covered Person in connection with such proceeding; provided, however, that, except as provided in Section 8.3 with respect to proceedings to enforce rights to indemnification, the Corporation shall indemnify a Covered Person in connection with a proceeding (or part thereof) initiated by such Covered Person only if such proceeding (or part thereof) is authorized by the Board (whether before, during or after the pendency of such proceeding).

Section 8.2 Right to Advancement of Expenses. In addition to the right to indemnification conferred in Section 8.1, a Covered Person shall also have the right to be paid by the Corporation the expenses (including, without limitation, attorneys’ fees) incurred in defending, testifying, or otherwise participating in any such proceeding in advance of its final disposition (hereinafter an “***advancement of expenses***”); provided, however, that, if the Delaware General Corporation Law (“***DGCL***”) requires, an advancement of expenses incurred by a Covered Person in his or her capacity as a director or officer of the Corporation (and not in any other capacity in which service was or is rendered by such Covered Person, including, without limitation, service to an employee benefit plan) shall be made only upon delivery to the Corporation of an undertaking (hereinafter an “***undertaking***”), by or on behalf of such Covered Person, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (hereinafter a “***final adjudication***”) that such Covered Person is not entitled to be indemnified for such expenses under this Article VIII or otherwise.

Section 8.3 Right of Indemnitee to Bring Suit. If a claim under Section 8.1 or Section 8.2 is not paid in full by the Corporation within 60 days after a written claim therefor has been received by the Corporation, except in the case of a claim for an advancement of expenses, in which case the applicable period shall be 20 days, the Covered Person may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim. If successful in whole or in part in any such suit, or in a suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Covered Person shall also be entitled to be paid the expense of prosecuting or defending such suit. In (a) any suit brought by the Covered Person to enforce a right to indemnification hereunder (but not in a suit brought by a Covered Person to enforce a right to an advancement of expenses) it shall be a defense that, and (b) in any suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Corporation shall be entitled to recover such expenses upon a final adjudication that, the Covered Person has not met any applicable standard for indemnification set forth in the DGCL. Neither the failure of the Corporation (including its directors who are not parties to such action, a committee of such directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such suit that indemnification of the Covered Person is proper in the circumstances because the Covered Person has met the applicable standard of conduct set forth in the DGCL, nor an actual determination by the Corporation (including a determination by its directors who are not parties to such action, a committee of such directors, independent legal counsel, or its stockholders) that the Covered Person has not met such applicable standard of conduct, shall create a presumption that the Covered Person has not met the applicable standard of conduct or, in the case of such a suit brought by the Covered Person, shall be a defense to such suit. In any suit brought by the Covered Person to enforce a right to indemnification or to an advancement of expenses hereunder, or by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the Covered Person is not entitled to be indemnified, or to such advancement of expenses, under this Article VIII or otherwise shall be on the Corporation.

Section 8.4 Non-Exclusivity of Rights. The rights provided to Covered Persons pursuant to this Article VIII shall not be exclusive of any other right that any Covered Person may have or hereafter acquire under applicable law, the Certificate of Incorporation, these By-Laws, an agreement, a vote of stockholders or disinterested directors, or otherwise.

Section 8.5 Insurance. The Corporation may maintain insurance, at its expense, to protect itself and/or any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the DGCL.

Section 8.6 Indemnification of Other Persons. This Article VIII shall not limit the right of the Corporation to the extent and in the manner authorized or permitted by law to indemnify and to advance expenses to persons other than Covered Persons. Without limiting the foregoing, the Corporation may, to the extent authorized from time to time by the Board, grant rights to indemnification and to the advancement of expenses to any employee or agent of the Corporation and to any other person who is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan, to the fullest extent of the provisions of this Article VIII with respect to the indemnification and advancement of expenses of Covered Persons under this Article VIII.

Section 8.7 Third Party Indemnitors. The Corporation hereby acknowledges that certain Covered Persons have certain rights to indemnification, advancement of expenses and/or insurance provided by third parties, including stockholders of the Corporation (collectively, the “Third Party Indemnitors”). The Corporation hereby agrees:

(a) that it is the indemnitor of first resort (i.e., its obligations to any such Covered Person are primary and any obligation of the Third Party Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by any such Covered Person are secondary);

(b) that it shall be required to advance the full amount of expenses incurred by any such Covered Person and shall be liable for the full amount of all Expenses, judgments, penalties, fines and amounts paid in settlement to the extent legally permitted and as required by the terms of the Certificate of Incorporation or these By-Laws (or any agreement between the Corporation and any such Covered Person), without regard to any rights any such Covered Person may have against the Third Party Indemnitors; and

(c) that it irrevocably waives, relinquishes and releases the Third Party Indemnitors from any and all claims against the Third Party Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof.

The Corporation further agrees that no advancement or payment by the Third Party Indemnitors on behalf of any such Covered Person with respect to any claim for which any such Covered Person has sought indemnification from the Corporation shall affect the foregoing and the Third Party Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of Indemnitee against the Corporation. The Corporation agrees that the Third Party Indemnitors are express third party beneficiaries of the terms of this Section 8.7. Notwithstanding any other provision to the contrary in these By-Laws, the provisions of this Section 8.7 shall remain in full force and effect and shall not be repealed or amended for so long as the Corporation is party to those certain Director Nomination Agreements dated as of May 27, 2010, among the Corporation and the other parties thereto, as amended from time to time (the ***Director Nomination Agreements***").

Section 8.8 Amendments. Any repeal or amendment of this Article VIII by the Board or the stockholders of the Corporation or by changes in applicable law, or the adoption of any other provision of these By-Laws inconsistent with this Article VIII, shall, to the extent permitted by applicable law, be prospective only (except to the extent such amendment or change in applicable law permits the Corporation to provide broader indemnification rights to Covered Persons on a retroactive basis than permitted prior thereto), and will not in any way diminish or adversely affect any right or protection existing hereunder in respect of any act or omission occurring prior to such repeal or amendment or adoption of such inconsistent provision.

Section 8.9 Certain Definitions. For purposes of this Article VIII, (a) references to “other enterprise” shall include any employee benefit plan; (b) references to “fines” shall include any excise taxes assessed on a person with respect to an employee benefit plan; (c) references to “serving at the request of the Corporation” shall include any service that imposes duties on, or involves services by, a person with respect to any employee benefit plan, its participants, or beneficiaries; and (d) a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner “not opposed to the best interest of the Corporation” for purposes of Section 145 of the DGCL.

Section 8.10 Contract Rights. The rights provided to Covered Persons pursuant to this Article VIII (a) shall be contract rights based upon good and valuable consideration, pursuant to which a Covered Person may bring suit as if the provisions of this Article VIII were set forth in a separate written contract between the Covered Person and the Corporation, (b) shall fully vest at the time the Covered Person first assumes his or her position as a director or officer of the Corporation, (c) are intended to be retroactive and shall be available with respect to any act or omission occurring prior to the adoption of this Article VIII, (d) shall continue as to a Covered Person who has ceased to be a director or officer of the Corporation, and (e) shall inure to the benefit of the Covered Person’s heirs, executors and administrators.

Section 8.11 Severability. If any provision or provisions of this Article VIII shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Article VIII shall not in any way be affected or impaired thereby; and (b) to the fullest extent possible, the provisions of this Article VIII (including, without limitation, each such portion of this Article VIII containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

ARTICLE IX
MISCELLANEOUS

Section 9.1 Place of Meetings. If the place of any meeting of stockholders, the Board or committee of the Board for which notice is required under these By-Laws is not designated in the notice of such meeting, such meeting shall be held at the principal business office of the Corporation; provided, however, if the Board has, in its sole discretion, determined that a meeting shall not be held at any place, but instead shall be held by means of remote communication pursuant to Section 9.5 hereof, then such meeting shall not be held at any place.

Section 9.2 Fixing Record Dates.

(a) In order that the Corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the Board may fix a record date, which shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and which record date shall not be more than 60 nor less than 10 days before the date of such meeting. If the Board so fixes a record date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board, the record date for determining stockholders entitled to notice of and to vote at a meeting of stockholders shall be at the close of business on the business day preceding the day on which notice is given, or, if notice is waived, at the close of business on the business day preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board may fix a new record date for determination of stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance with the foregoing provisions of this Section 9.2(a) at the adjourned meeting.

(b) In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than 60 days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board adopts the resolution relating thereto.

(c) In order that the Corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and which date shall not be more than 10 days after the date upon which the resolution fixing the record date is adopted by the Board. If no record date has been fixed by the Board, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board is otherwise required, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business, or the Secretary of the Corporation. Delivery made to the Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the Board and prior action by the Board is otherwise required, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the day on which the Board adopts the resolution taking such prior action.

Section 9.3 Means of Giving Notice.

(a) Notice to Directors. Whenever under applicable law, the Certificate of Incorporation or these By-Laws notice is required to be given to any director, such notice shall be given either (i) in writing and sent by hand delivery, through the United States mail, or by a nationally recognized overnight delivery service for next day delivery, (ii) by means of electronic transmission, or (iii) by oral notice given personally or by telephone. A notice to a director will be deemed given as follows: (A) if given by hand delivery, orally, or by telephone, when actually received by the director, (B) if sent through the United States mail, when deposited in the United States mail, with postage and fees thereon prepaid, addressed to the director at the director's address appearing on the records of the Corporation, (C) if sent for next day delivery by a nationally recognized overnight delivery service, when deposited with such service, with fees thereon prepaid, addressed to the director at the director's address appearing on the records of the Corporation, (D) if sent by facsimile telecommunication, when sent to the facsimile number for such director appearing on the records of the Corporation, (E) if sent by email, when sent to the email address for such director appearing on the records of the Corporation, or (F) if sent by any other form of electronic transmission, when sent to the address, location or number (as applicable) for such director appearing on the records of the Corporation.

(b) Notice to Stockholders. Whenever under applicable law, the Certificate of Incorporation or these By-Laws notice is required to be given to any stockholder, such notice may be given (1) in writing and sent either by hand delivery, through the United States mail, or by a nationally recognized overnight delivery service for next day delivery, or (2) by means of electronic transmission consented to by the stockholder, to the extent permitted by, and subject to the conditions set forth in Section 232 of the DGCL. A notice to a stockholder shall be deemed given as follows:

(i) if given by hand delivery, when actually received by the stockholder,

(ii) if sent through the United States mail, when deposited in the United States mail, with postage and fees thereon prepaid, addressed to the stockholder at the stockholder's address appearing on the stock ledger of the Corporation,

(iii) if sent for next day delivery by a nationally recognized overnight delivery service, when deposited with such service, with fees thereon prepaid, addressed to the stockholder at the stockholder's address appearing on the stock ledger of the Corporation, and

(iv) if given by a form of electronic transmission consented to by the stockholder to whom the notice is given and otherwise meeting the requirements set forth above,

(A) if by email, when directed to an email address at which the stockholder has consented to receive notice,

(B) if by a posting on an electronic network together with separate notice to the stockholder of such specified posting, upon the later of (1) such posting and (2) the giving of such separate notice, and

(C) if by any other form of electronic transmission, when directed to the stockholder.

A stockholder may revoke such stockholder’s consent to receiving notice by means of electronic communication by giving written notice of such revocation to the Corporation. Any such consent shall be deemed revoked if (1) the Corporation is unable to deliver by electronic transmission two consecutive notices given by the Corporation in accordance with such consent and (2) such inability becomes known to the Secretary or to the Corporation’s transfer agent, or other person responsible for the giving of notice; provided, however, the inadvertent failure to treat such inability as a revocation shall not invalidate any meeting or other action.

(c) Notice to Stockholders Sharing Same Address. Without limiting the manner by which notice otherwise may be given effectively by the Corporation to stockholders, any notice to stockholders given by the Corporation under any provision of the DGCL, the Certificate of Incorporation or these By-Laws shall be effective if given by a single written notice to stockholders who share an address if consented to by the stockholders at that address to whom such notice is given. A stockholder may revoke such stockholder’s consent by delivering written notice of such revocation to the Corporation. Any stockholder who fails to object in writing to the Corporation within 60 days of having been given written notice by the Corporation of its intention to send such a single written notice shall be deemed to have consented to receiving such single written notice.

(d) Exceptions to Notice Requirements. Whenever notice is required to be given, under the DGCL, the Certificate of Incorporation or these By-Laws, to any person with whom communication is unlawful, the giving of such notice to such person shall not be required and there shall be no duty to apply to any governmental authority or agency for a license or permit to give such notice to such person. Any action or meeting that shall be taken or held without notice to any such person with whom communication is unlawful shall have the same force and effect as if such notice had been duly given. If the action taken by the Corporation is such as to require the filing of a certificate with the Secretary of State of Delaware, the certificate shall state, if such is the fact and if notice is required, that notice was given to all persons entitled to receive notice except such persons with whom communication is unlawful.

Whenever notice is required to be given by the Corporation, under any provision of the DGCL, the Certificate of Incorporation or these By-Laws, to any stockholder to whom (1) notice of two consecutive annual meetings of stockholders and all notices of stockholder meetings or of the taking of action by written consent of stockholders without a meeting to such stockholder during the period between such two consecutive annual meetings, or (2) all, and at least two payments (if sent by first-class mail) of dividends or interest on securities during a 12-month period, have been mailed addressed to such stockholder at such stockholder’s address as shown on the records of the Corporation and have been returned undeliverable, the giving of such notice to such stockholder shall not be required. Any action or meeting that shall be taken or held without notice to such stockholder shall have the same force and effect as if such notice had been duly given. If any such stockholder shall deliver to the Corporation a written notice setting forth such stockholder’s then-current address, the requirement that notice be given to such stockholder shall be reinstated. If the action taken by the Corporation is such as to require the filing of a certificate with the Secretary of State of Delaware, the certificate need not state that notice was not given to persons to whom notice was not required to be given pursuant to Section 230(b) of the DGCL. The exception in subsection (1) of the first sentence of this paragraph to the requirement that notice be given shall not be applicable to any notice returned as undeliverable if the notice was given by electronic transmission.

Section 9.4 Waiver of Notice. Whenever any notice is required to be given under applicable law, the Certificate of Incorporation, or these By-Laws, a written waiver of such notice, signed before or after the date of such meeting by the person or persons entitled to said notice, or a waiver by electronic transmission by the person entitled to said notice, shall be deemed equivalent to such required notice. All such waivers shall be kept with the books of the Corporation. Attendance at a meeting shall constitute a waiver of notice of such meeting, except where a person attends for the express purpose of objecting to the transaction of any business on the ground that the meeting was not lawfully called or convened.

Section 9.5 Meeting Attendance via Remote Communication Equipment.

(a) Stockholder Meetings. If authorized by the Board in its sole discretion, and subject to such guidelines and procedures as the Board may adopt, stockholders and proxyholders not physically present at a meeting of stockholders may, by means of remote communication:

(i) participate in a meeting of stockholders; and

(ii) be deemed present in person and vote at a meeting of stockholders, whether such meeting is to be held at a designated place or solely by means of remote communication, provided that (A) the Corporation shall implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a stockholder or proxyholder, (B) the Corporation shall implement reasonable measures to provide such stockholders and proxyholders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the stockholders, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings, and (C) if any stockholder or proxyholder votes or takes other action at the meeting by means of remote communication, a record of such votes or other action shall be maintained by the Corporation.

(b) Board Meetings. Unless otherwise restricted by applicable law, the Certificate of Incorporation or these By-Laws, members of the Board or any committee thereof may participate in a meeting of the Board or any committee thereof by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting was not lawfully called or convened.

Section 9.6 Dividends. The Board may from time to time declare, and the Corporation may pay, dividends (payable in cash, property or shares of the Corporation’s capital stock) on the Corporation’s outstanding shares of capital stock, subject to applicable law and the Certificate of Incorporation.

Section 9.7 Reserves. The Board may set apart out of the funds of the Corporation available for dividends a reserve or reserves for any proper purpose and may abolish any such reserve.

Section 9.8 Contracts and Negotiable Instruments. Except as otherwise provided by applicable law, the Certificate of Incorporation or these By-Laws, any contract, bond, deed, lease, mortgage or other instrument may be executed and delivered in the name and on behalf of the Corporation by such officer or officers or other employee or employees of the Corporation as the Board may from time to time authorize. Such authority may be general or confined to specific instances as the Board may determine. The Chairman of the Board, the Chief Executive Officer, the President or any Vice President may execute and deliver any contract, bond, deed, lease, mortgage or other instrument in the name and on behalf of the Corporation. Subject to any restrictions imposed by the Board, the Chairman of the Board or the Chief Executive Officer may delegate powers to execute and deliver any contract, bond, deed, lease, mortgage or other instrument in the name and on behalf of the Corporation to other officers or employees of the Corporation under such person's supervision and authority, it being understood, however, that any such delegation of power shall not relieve such officer of responsibility with respect to the exercise of such delegated power.

Section 9.9 Fiscal Year. The fiscal year of the Corporation shall be fixed by the Board.

Section 9.10 Seal. The Board may adopt a corporate seal, which shall be in such form as the Board determines. The seal may be used by causing it or a facsimile thereof to be impressed, affixed or otherwise reproduced.

Section 9.11 Books and Records. The books and records of the Corporation may be kept within or outside the State of Delaware at such place or places as may from time to time be designated by the Board.

Section 9.12 Resignation. Any director, committee member or officer may resign by giving notice thereof in writing or by electronic transmission to the Chairman of the Board, the Chief Executive Officer or the Secretary. The resignation shall take effect at the time specified therein, or at the time of receipt of such notice if no time is specified or the specified time is earlier than the time of such receipt. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 9.13 Surety Bonds. Such officers, employees and agents of the Corporation (if any) as the Chairman of the Board, the Chief Executive Officer or the Board may direct, from time to time, shall be bonded for the faithful performance of their duties and for the restoration to the Corporation, in case of their death, resignation, retirement, disqualification or removal from office, of all books, papers, vouchers, money and other property of whatever kind in their possession or under their control belonging to the Corporation, in such amounts and by such surety companies as the Chairman of the Board, the Chief Executive Officer or the Board may determine. The premiums on such bonds shall be paid by the Corporation and the bonds so furnished shall be in the custody of the Secretary.

Section 9.14 Securities of Other Corporations. Powers of attorney, proxies, waivers of notice of meeting, consents in writing and other instruments relating to securities owned by the Corporation may be executed in the name of and on behalf of the Corporation by the Chairman of the Board or the Chief Executive Officer. Any such officer, may, in the name of and on behalf of the Corporation, take all such action as any such officer may deem advisable to vote in person or by proxy at any meeting of security holders of any corporation in which the Corporation may own securities, or to consent in writing, in the name of the Corporation as such holder, to any action by such corporation, and at any such meeting or with respect to any such consent shall possess and may exercise any and all rights and power incident to the ownership of such securities and which, as the owner thereof, the Corporation might have exercised and possessed. The Board may from time to time confer like powers upon any other person or persons.

Section 9.15 Amendments. In furtherance and not in limitation of the powers conferred upon it by law, the Board shall have the power to adopt, amend, alter or repeal the By-Laws. The affirmative vote of a majority of the Whole Board shall be required to adopt, amend, alter or repeal the By-Laws. The By-Laws also may be adopted, amended, altered or repealed by the stockholders to the extent permissible under the DGCL; provided, however, that in addition to any vote of the holders of any class or series of capital stock of the Corporation required by applicable law or the Certificate of Incorporation, the affirmative vote of the holders of at least a majority of the voting power of all outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required for the stockholders to adopt, amend, alter or repeal the By-Laws.

Section 9.16 Director Nomination Agreements. For so long as the Director Nomination Agreements shall remain in effect, the provisions of the Director Nomination Agreements shall be incorporated by reference into the relevant provisions hereof, and such provisions shall be interpreted and applied in a manner consistent with the terms of the Director Nomination Agreements.

Section 9.17 Certain Definitions. For purposes of these By-Laws:

(a) "***Derivative Instrument***" shall mean any option, warrant, convertible security, stock appreciation right, swap or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of the Corporation or with a value derived in whole or in part from the value of any class or series of shares of the Corporation, whether or not such instrument or right is subject to settlement in the underlying class or series of shares of the Corporation or otherwise.

(b) "***Derivative Position***" shall mean (i) any Derivative Instrument directly or indirectly owned beneficially by a stockholder or by any Stockholder Associated Person and any other direct or indirect opportunity of a stockholder or any Stockholder Associated Person to profit or share in any profit derived from any increase or decrease in the value of shares of the Corporation, (ii) any short interest in any security of the Corporation held by a stockholder or any Stockholder Associated Person (for purposes of Section 2.7 and Section 3.2 a person shall be deemed to have a short interest in a security if such person directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has the opportunity to profit or share in any profit derived from any decrease in the value of the subject security), (iii) any rights beneficially owned, directly or indirectly, by a stockholder or Stockholder Associated Person to dividends on the shares of the Corporation that are separated or separable from the underlying shares of the Corporation, (iv) any proportionate interest in shares of the Corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which a stockholder or any Stockholder Associated Person is a general partner or, directly or indirectly, beneficially owns an interest in a general partner or (v) any performance-related fees (other than an asset-based fee) that a stockholder or any Stockholder Associated Person is entitled to based on any increase or decrease in the value of shares of the Corporation or Derivative Instruments, if any, including without limitation any such interests held by members of a stockholder's or any Stockholder Associated Person's immediate family sharing the same household.

(c) "***electronic transmission***" means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process, including but not limited to transmission by facsimile transmission, email, telex, telegram and cablegram.

(d) "***public announcement***" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Sections 13, 14 or 15(d) (or any successor provisions thereof) of the Exchange Act.

(e) "***Stockholder Associated Person***" shall mean for any stockholder that is a beneficial owner of shares of stock of the Corporation (i) any person controlling, directly or indirectly, or acting as a group (within the meaning of Rule 13-d under the Securities Exchange Act of 1934, as amended) with respect to the shares of stock of the Corporation with, such stockholder and (ii) any beneficial owner of shares of stock of the Corporation owned of record or beneficially by such stockholder.

(f) "***Whole Board***" shall mean the total number of directors the Corporation would have if there were no vacancies.

COOPER-STANDARD HOLDINGS INC.

PERFORMANCE UNIT AWARD AGREEMENT

THIS AGREEMENT (this “Agreement”), which relates to a grant of Performance 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”):

R E C I T A L S:

WHEREAS, the Company has adopted the Cooper-Standard Holdings Inc. 2011 Omnibus Incentive Plan, as amended and restated (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 [insert number] 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, 2016 and ending on December 31, 2018.

(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 **13.5% 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. The Participant will not be entitled to sell, transfer, or otherwise dispose of or pledge or otherwise hypothecate or assign the PUs. Prior to the date on which the PUs are settled as provided in Section 5 (the “Settlement Date”), the Participant will not be entitled to sell, transfer, or otherwise dispose of or pledge or otherwise hypothecate or assign the Shares underlying the PUs.

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, a 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 (i) delivering an amount of cash equal to the Fair Market Value, determined as of the vesting date, of a number of Shares equal to one-half (1/2) of the number of PUs that have vested and (ii) make an appropriate book entry for a number of Shares equal to one-half (1/2) of the number of PUs that have vested. For purposes hereof, the PUs that vest upon a Participant's termination of Employment shall be settled only upon the Participant's separation from service within the meaning of Code Section 409A.

(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 Committee may cause an appropriate book entry notation to be made 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 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 PUs, so long as the applicable record date occurs on or after the Date of Grant and before such PUs are forfeited or settled; provided that such cash amounts shall be subject to the same risk of forfeiture and Performance Goals as the PUs to which such amounts

relate. If, however, any dividends or other distributions with respect to the Shares underlying the PUs are paid in Shares rather than cash, then the Participant shall be credited with additional performance units equal to the number of Shares that the Participant would have received had the PUs been actual Shares, and such performance units shall be deemed PUs subject to the same risk of forfeiture and other terms of this Agreement and the Plan as apply to the PUs to which such dividends or other distributions. 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 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 or any transfer under or with respect to the PUs 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.

9. Securities Laws. Upon the acquisition of any Shares pursuant to the PUs, 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. Restricted Stock Units Subject to Plan and the 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 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.

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 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.

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: ______________________________

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 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”):

R E C I T A L S:

WHEREAS, the Company has adopted the Cooper-Standard Holdings Inc. 2011 Omnibus Incentive Plan, as amended and restated (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 [insert number] 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, 2016 and ending on December 31, 2018.

(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 **13.5% 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. The Participant will not be entitled to sell, transfer, or otherwise dispose of or pledge or otherwise hypothecate or assign the PUs.

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 delivering 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 PUs that have vested. For purposes hereof, the PUs that vest upon a Participant's termination of Employment shall be settled only upon the Participant's separation from service within the meaning of Code Section 409A.

(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.

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

7. No Right to Continued Employment or Future Awards. The granting of the PUs shall impose no obligation on the Company or any of its Affiliates to continue the Employment of the Participant and shall not lessen or affect the Company's or its Affiliate's right to terminate the Employment of the Participant. In addition, the granting of the PUs shall impose no obligation on the Company or any of its Affiliates to make awards under the Plan 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 from amounts otherwise payable hereunder any applicable withholding taxes in respect of the PUs and to take such other action as may be necessary to satisfy all obligations for the payment of such withholding taxes.

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

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

11. Performance Units Subject to Plan 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.

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

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

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

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

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

COOPER-STANDARD HOLDINGS INC.

By: ______________________________

Agreed and acknowledged as of the date first above written:

____

Participant:

Exhibit 21.1

Subsidiaries of Cooper-Standard Holdings Inc. [(1)]

Subsidiary Name	Jurisdiction of Organization
Cooper-Standard Automotive (Australia) Pty. Ltd.	Australia
CSA (Barbados) Investment Co. Ltd.	Barbados
Cooper Nishikawa Brasil Ltda.	Brazil
Cooper-Standard Automotive Brasil Sealing Ltda.	Brazil
Itatiaia Standard Industrial Ltda.	Brazil
Cooper-Standard Automotive Canada Limited	Canada
Cooper (Wuhu) Automotive Co., Ltd.	China
Cooper Standard INOAC Automotive (Huai'an) Co. Ltd.	China
Cooper Standard Sealing (Shanghai) Co., Ltd. (95%)	China
Cooper-Standard Automotive (Suzhou) Co., Ltd.	China
Cooper-Standard Automotive (Kunshan) Co., Ltd.	China
Cooper-Standard Automotive (Changchun) Co., Ltd.	China
Cooper-Standard Automotive (Chongqing) Co., Ltd.	China
Shanghai Jyco Sealing Products Co., Ltd.	China
Shanghai Shumi Automotive Parts Co., Ltd.	China
Shenya Sealing (Guangzhou) Co., Ltd. (51%)	China
Shenya Sealing (Shenyang) Co., Ltd.	China
Sheyna Sealing (Huai'an) Co., Ltd. (70%)	China
Cooper-Standard Automotive Ceská republika s.r.o.	Czech Republic
Cooper-Standard Automotive FHS Ceska republika s.r.o.	Czech Republic
Cooper Standard France SAS	France
Cooper-Standard Automotive France S.A.S.	France
Cooper Standard GmbH	Germany
Cooper Standard Technical Rubber GmbH	Germany
Cooper-Standard Automotive (Deutschland) GmbH	Germany
CSA Germany GmbH & Co. KG	Germany
CSA Germany Verwaltungs GmbH	Germany
CSA Holding (Deutschland) GmbH	Germany
Metzeler Kautschuk Unterstuetzungskasse GmbH	Germany
Cooper-Standard Automotive India Private Limited	India
Cooper-Standard India Private Ltd.	India
Polyrub Cooper Standard FTS Private Ltd. (35%)	
Sujan Cooper Standard AVS Private Limited (50%)	India
Cooper-Standard Automotive Italy SpA	Italy
Cooper Standard Automotive Japan K.K.	Japan
Cooper-Standard Automotive Korea Inc.	Korea
Coopermex, S.A. de C.V.	Mexico
Cooper-Standard Automotive de Mexico S.A. de C.V.	Mexico
Cooper-Standard Automotive FHS, S. de R.L. de C.V.	Mexico
Cooper-Standard Automotive Fluid Systems de Mexico, S. de R.L. de C.V.	Mexico
Cooper-Standard Automotive Sealing de Mexico, S.A. de C.V.	Mexico
Cooper-Standard Automotive Services, S. de R.L. de C.V.	Mexico
Cooper-Standard de Mexico S de RL de CV	Mexico
Manufacturera El Jarudo, S. de R.L. de C.V.	Mexico
CS Mexico Holdings, S. de. R.L. de CV	Mexico

Subsidiary Name	Jurisdiction of Organization
Cooper-Standard Automotive Piotrkow sp zoo	Poland
Cooper-Standard Polska sp z o.o.	Poland
CSF Poland z o.o.	Poland
Cooper-Standard Romania SRL	Romania
Cooper Standard Srbija DOO Sremska Mitrovica	Serbia
Cooper-Standard Holdings Singapore Pte. Ltd.	Singapore
Cooper-Standard INOAC Pte. Ltd. (51%)	Singapore
Cooper-Standard Automotive España, S.L.	Spain
Cooper Standard Sweden [2]	Sweden
Nishikawa Tachaplalert Cooper Ltd. (20%)	Thailand
Cooper-Standard Automotive International Holdings B.V.	The Netherlands
Cooper-Standard Latin America BV	The Netherlands
CSA International Holdings C.V.	The Netherlands
CSA International Holdings Coöperatief U.A.	The Netherlands
Cooper-Standard Automotive (UK) Pension Trust Limited	United Kingdom
Cooper-Standard Automotive UK Limited	United Kingdom
Cooper-Standard Automotive Fluid Systems Mexico Holding LLC	United States (Delaware)
Cooper-Standard Canada Holdings LLC	United States (Delaware)
Cooper-Standard FHS LLC	United States (Delaware)
CS Intermediate HoldCo 1 LLC	United States (Delaware)
NISCO Holding Company	United States (Delaware)
Nishikawa Cooper LLC (40%)	United States (Delaware)
Cooper-Standard Foundation Inc. [3]	United States (Michigan)
Cooper-Standard Automotive NC L.L.C.	United States (North Carolina)
Cooper-Standard Automotive Inc.	United States (Ohio)
Cooper-Standard Automotive OH, LLC	United States (Ohio)
CSA Services Inc.	United States (Ohio)

[1] Subsidiaries as of February 2, 2017; wholly-owned except as otherwise indicated
[2] This is a branch office of Cooper-Standard Automotive International Holdings B.V.
[3] This is a Michigan non-profit corporation

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statement (Form S-3 File No. 333.175637) of Cooper-Standard Holdings Inc.,

(2) Registration Statement (Form S-8 File No. 333-188516) pertaining to the registration of common stock of Cooper-Standard Holdings Inc.,

(3) Registration Statement (Form S-3 File No. 333-189981) of Cooper-Standard Holdings Inc.;

of our reports dated February 17, 2017, with respect to the consolidated financial statements and schedule of Cooper-Standard Holdings Inc. and the effectiveness of internal control over financial reporting of Cooper-Standard Holdings Inc. included in this Annual Report (Form 10-K) of Cooper-Standard Holdings Inc. for the year ended December 31, 2016.

/s/ Ernst & Young LLP

Detroit, Michigan
February 17, 2017

Exhibit 31.1

COOPER-STANDARD HOLDINGS INC.
Certification of the Principal Executive Officer
Pursuant to Exchange Act Rule 13a-14(a)/15d-14(a)
(Section 302 of the Sarbanes-Oxley Act of 2002)

I, Jeffrey S. Edwards, certify that:

1. I have reviewed this annual report on Form 10-K of Cooper-Standard Holdings Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably like to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Dated: February 17, 2017

/s/ Jeffrey S. Edwards

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

Exhibit 31.2

COOPER-STANDARD HOLDINGS INC.
Certification of the Principal Financial Officer
Pursuant to Exchange Act Rule 13a-14(a)/15d-14(a)
(Section 302 of the Sarbanes-Oxley Act of 2002)

I, Matthew W. Hardt, certify that:

1. I have reviewed this annual report on Form 10-K of Cooper-Standard Holdings Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably like to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Dated: February 17, 2017

/s/ Matthew W. Hardt

Matthew W. Hardt
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32

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

In connection with the filing of this annual report on Form 10-K of Cooper-Standard Holdings Inc. (the "Company") for the period ended December 31, 2016, with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to such officer's knowledge:

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

Dated: February 17, 2017

/s/ Jeffrey S. Edwards

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

/s/ Matthew W. Hardt

Matthew W. Hardt
Chief Financial Officer
(Principal Financial Officer)