

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

FORM 10-Q

(Mark One)

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

For The Quarterly Period Ended March 31, 2026

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: 1-4639

CTS CORPORATION

(Exact name of registrant as specified in its charter)

IN
(State or other jurisdiction of
incorporation or organization)

4925 Indiana Avenue

Lisle IL

(Address of principal executive offices)

35-0225010
(IRS Employer
Identification Number)

60532

(Zip Code)

Registrant's telephone number, including area code: (630) 577-8800

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

Title of Each Class
Common stock, without par value

Trading Symbol(s)
CTS

Name of Each Exchange on Which Registered
New York Stock Exchange

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

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

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

Large accelerated filer

Non-accelerated filer

Emerging growth company

Accelerated filer

Smaller reporting company

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

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of April 22, 2026: 28,592,910.

CTS CORPORATION AND SUBSIDIARIES

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

CTS CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS - UNAUDITED
(In thousands, except per share amounts)

	Three Months Ended	
	March 31, 2026	March 31, 2025
Net sales	\$ 139,230	\$ 125,769
Cost of goods sold	84,244	79,220
Gross margin	54,986	46,549
Selling, general and administrative expenses	25,984	23,623
Research and development expenses	6,634	6,190
Restructuring charges	386	451
Operating earnings	21,982	16,285
Other (expense) income:		
Interest expense	(708)	(1,167)
Interest income	480	447
Other (expense) income, net	(81)	557
Total other expense, net	(309)	(163)
Earnings before income taxes	21,673	16,122
Income tax expense	4,476	2,755
Net earnings	\$ 17,197	\$ 13,367
Earnings per share:		
Basic	\$ 0.60	\$ 0.45
Diluted	\$ 0.59	\$ 0.44
Basic weighted – average common shares outstanding:	28,689	30,013
Effect of dilutive securities	313	313
Diluted weighted – average common shares outstanding:	29,002	30,326
Cash dividends declared per share	\$ 0.04	\$ 0.04

See notes to unaudited condensed consolidated financial statements.

CTS CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS - UNAUDITED
(In thousands of dollars)

	Three Months Ended			
	March 31, 2026	17,197	March 31, 2025	13,367
Net earnings	\$		\$	
Other comprehensive (loss) earnings:				
Changes in fair market value of derivatives, net of tax		88		876
Changes in unrealized pension cost, net of tax		13		14
Cumulative translation adjustment, net of tax		(1,930)		4,648
Other comprehensive (loss) earnings	\$	(1,829)	\$	5,538
Comprehensive earnings	\$	15,368	\$	18,905

See notes to unaudited condensed consolidated financial statements.

CTS CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands of dollars)

	(Unaudited) March 31, 2026	December 31, 2025
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 90,851	\$ 82,295
Accounts receivable, net of allowance of \$636 and \$910, respectively	93,771	88,096
Inventories, net	57,270	52,854
Other current assets	24,123	29,461
Total current assets	266,015	252,706
Property, plant and equipment, net	89,404	89,741
Operating lease assets, net	29,726	22,542
Other Assets		
Goodwill	208,665	209,611
Other intangible assets, net	148,627	153,562
Deferred income taxes	24,314	25,110
Other	10,404	11,039
Total other assets	392,010	399,322
Total Assets	\$ 777,155	\$ 764,311
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	\$ 50,328	\$ 48,220
Operating lease obligations	4,098	3,453
Accrued payroll and benefits	14,722	20,732
Accrued expenses and other liabilities	36,261	37,283
Total current liabilities	105,409	109,688
Long-term debt	62,500	57,500
Long-term operating lease obligations	28,363	21,841
Long-term pension obligations	3,684	3,698
Deferred income taxes	12,631	12,800
Other long-term obligations	7,093	6,998
Total Liabilities	219,680	212,525
Commitments and Contingencies (Note 9)		
Shareholders' Equity		
Common stock	326,577	324,982
Additional contributed capital	41,791	43,303
Retained earnings	729,518	713,467
Accumulated other comprehensive income	11,919	13,748
Total shareholders' equity before treasury stock	1,109,805	1,095,500
Treasury stock	(552,330)	(543,714)
Total shareholders' equity	557,475	551,786
Total Liabilities and Shareholders' Equity	\$ 777,155	\$ 764,311

See notes to unaudited condensed consolidated financial statements.

CTS CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS - UNAUDITED
(In thousands of dollars)

	Three Months Ended	
	March 31, 2026	March 31, 2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net earnings	\$ 17,197	\$ 13,367
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	8,810	8,494
Pension and other post-retirement plan expense	72	177
Stock-based compensation	2,012	1,647
Deferred income taxes	772	(491)
Change in fair value of contingent consideration liability	53	(162)
Loss on foreign currency hedges, net of cash	31	168
Changes in assets and liabilities, net of acquisitions:		
Accounts receivable	(5,968)	(3,040)
Inventories	(4,692)	(1,022)
Operating lease assets	(7,184)	315
Other assets	3,129	73
Accounts payable	2,757	765
Accrued payroll and benefits	(6,126)	(3,352)
Operating lease liabilities	7,167	(340)
Accrued expenses and other liabilities	(735)	(1,041)
Pension and other post-retirement plans	—	(40)
Net cash provided by operating activities	17,295	15,518
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(4,997)	(4,465)
Short-term investments	2,888	—
Net cash used in investing activities	(2,109)	(4,465)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments of long-term debt	(170,700)	(264,200)
Proceeds from borrowings of long-term debt	175,700	258,600
Purchases of treasury stock	(8,558)	(6,465)
Dividends paid	(1,151)	(1,201)
Taxes paid on behalf of equity award participants	(1,732)	(2,634)
Net cash used in financing activities	(6,441)	(15,900)
Effect of exchange rate changes on cash and cash equivalents	(189)	801
Net increase (decrease) in cash and cash equivalents	8,556	(4,046)
Cash and cash equivalents at beginning of period	82,295	94,334
Cash and cash equivalents at end of period	\$ 90,851	\$ 90,288
Supplemental cash flow information:		
Cash paid for interest	\$ 638	\$ 1,060
Cash paid for income taxes, net	\$ 3,158	\$ 2,912
Non-cash financing and investing activities:		
Capital expenditures incurred but not paid	\$ 1,169	\$ 1,049
Excise taxes on purchase of treasury stock incurred not paid	\$ 58	\$ 6

See notes to unaudited condensed consolidated financial statements.

CTS CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY - UNAUDITED
(in thousands of dollars, except shares and per share amounts)

The following summarizes the changes in total equity for the three months ended March 31, 2026:

	Common Stock	Additional Contributed Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total
Balances at December 31, 2025	\$ 324,982	\$ 43,303	\$ 713,467	\$ 13,748	\$ (543,714)	\$ 551,786
Net earnings	—	—	17,197	—	—	17,197
Changes in fair market value of derivatives, net of tax	—	—	—	88	—	88
Changes in unrealized pension cost, net of tax	—	—	—	13	—	13
Cumulative translation adjustment, net of tax	—	—	—	(1,930)	—	(1,930)
Cash dividends of \$0.04 per share	—	—	(1,146)	—	—	(1,146)
Acquired 176,909 shares of treasury stock	—	—	—	—	(8,616)	(8,616)
Issued shares on vesting of restricted stock units	1,595	(3,327)	—	—	—	(1,732)
Stock compensation	—	1,815	—	—	—	1,815
Balances at March 31, 2026	<u>\$ 326,577</u>	<u>\$ 41,791</u>	<u>\$ 729,518</u>	<u>\$ 11,919</u>	<u>\$ (552,330)</u>	<u>\$ 557,475</u>

See notes to unaudited condensed consolidated financial statements.

CTS CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY - UNAUDITED
(in thousands of dollars, except shares and per share amounts)

The following summarizes the changes in total equity for the three months ended March 31, 2025:

	Common Stock	Additional Contributed Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total
Balances at December 31, 2024	\$ 321,979	\$ 44,662	\$ 652,851	\$ (4,266)	\$ (487,018)	\$ 528,208
Net earnings	—	—	13,367	—	—	13,367
Changes in fair market value of derivatives, net of tax	—	—	—	876	—	876
Changes in unrealized pension cost, net of tax	—	—	—	14	—	14
Cumulative translation adjustment, net of tax	—	—	—	4,648	—	4,648
Cash dividends of \$0.04 per share	—	—	(1,201)	—	—	(1,201)
Acquired 143,541 shares of treasury stock	—	—	—	—	(6,472)	(6,472)
Issued shares on vesting of restricted stock units	2,656	(5,290)	—	—	—	(2,634)
Stock compensation	—	1,432	—	—	—	1,432
Balances at March 31, 2025	\$ 324,635	\$ 40,804	\$ 665,017	\$ 1,272	\$ (493,490)	\$ 538,238

See notes to unaudited condensed consolidated financial statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - UNAUDITED

(in thousands except for share and per share data)

March 31, 2026

NOTE 1 — Basis of Presentation

The accompanying condensed consolidated financial statements have been prepared by CTS Corporation (“CTS”, “we”, “our”, “us” or the “Company”), without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been omitted pursuant to such rules and regulations. The unaudited condensed consolidated financial statements should be read in conjunction with the financial statements, notes thereto, and other information included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2025.

The accompanying unaudited condensed consolidated financial statements reflect, in the opinion of management, all adjustments (consisting of normal recurring items) necessary for a fair statement, in all material respects, of the financial position and results of operations for the periods presented. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ materially from those estimates. The results of operations for the interim periods are not necessarily indicative of the results for the entire year.

During the three months ended March 31, 2026, the Company entered into a new agreement for the purchase of platinum used in the manufacturing process of certain products. The purchased platinum is presented in Property, plant and equipment, net on the Consolidated Balance Sheets. The platinum is not depreciated because it has very low physical loss and is repeatedly reclaimed and reused in our manufacturing process over a very long useful life. The physical loss of platinum in the manufacturing and reclamation process is treated as depletion and these losses are accounted for as a period expense based on actual units lost. Platinum is reviewed for impairment as part of our assessment of long-lived assets. This review considers all our platinum that is either in place in the production process; in reclamation, fabrication, or refinement in anticipation of re-use; or awaiting use to support increased capacity. Platinum is only acquired to support our operations and is not held for trading purposes.

There have been no other material changes in the Company’s significant accounting policies as compared to the significant accounting policies described in the Company’s Annual Report on Form 10-K for the year ended December 31, 2025.

Accounting pronouncements recently adopted

ASU No. 2025-05, “Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets”

In July 2025, the FASB issued ASU 2025-05, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets, which allows for a practical expedient election to assume that current conditions as of the balance sheet date do not change for the remaining life of the asset in the development of a reasonable and supportable forecast as part of estimating expected credit losses. The Company adopted ASU 2025-05 effective January 1, 2026 on a prospective basis and elected the practical expedient for the calculation of current expected credit losses. The adoption did not have a material effect on the Company’s consolidated financial statements.

Recently issued accounting pronouncements not yet adopted

ASU No. 2024-03, “Income Statement (Subtopic 220-40): Disaggregation of Income Statement Expenses”

In November 2024, the FASB issued ASU 2024-03, Income Statement (Subtopic 220-40): Disaggregation of Income Statement Expenses, which requires additional information about certain expenses in the notes to the financial statements. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026, with early adoption permitted. The standard can be applied either prospectively or retrospectively. The Company is currently evaluating the impact of adopting ASU 2024-03.

ASU No. 2025-06, "Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software"

In September 2025, the FASB issued ASU 2025-06, Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software, which is intended to improve the operability and application of guidance related to capitalized software development costs. ASU 2025-06 is effective for fiscal years beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the impact of adopting ASU 2025-06.

NOTE 2 – Revenue Recognition

CTS designs and manufactures sensors, actuators, and electronic components for original equipment manufacturers and the U.S. Government. For our customer contracts, we determine the transaction price based on the consideration expected to be received by the Company in exchange for performing its obligations under the applicable contract. We allocate the transaction price to each distinct performance obligation to deliver a good or service, or a collection of goods and/or services, based on the relative standalone selling prices. We usually expect payment from our customers within 30 to 90 days from the shipping date or invoicing date, depending on our terms with the customer. None of our contracts as of March 31, 2026 contained a significant financing component. Differences between the amount of revenue recognized and the amount invoiced, collected from, or paid to our customers are recognized as contract assets or liabilities. Contract assets will be reviewed for impairment when events or circumstances indicate that they may not be recoverable.

To the extent the transaction price includes variable consideration, we estimate the amount of variable consideration that should be included in the transaction price utilizing the most likely value method based on an analysis of historical experience and current facts and circumstances, which may require significant judgment. Variable consideration is included in the transaction price if, in our judgment, it is probable that a significant future reversal of cumulative revenue under the contract will not occur.

Our revenue reserves contain uncertainties because they require management to make assumptions and to apply judgment to estimate the value of future credits to customers for product returns, price adjustments, and stock rotation adjustments. We base these estimates on the most likely value method considering all reasonably available information, including our historical experience and current expectations, and are reflected in the transaction price when sales are recorded.

Approximately 97% of our revenue is derived from contracts for sales of commercial products, which generally contain a single performance obligation. We generally recognize revenue at a point in time on the delivery date based on the shipping terms stipulated in the contract.

We also design, manufacture, and test products for certain customers under contracts that allow the customers to unilaterally terminate the contract for convenience, take control of any work in process, and pay us for costs incurred plus a reasonable profit. Revenue from these contracts is generally recognized over time as the work progresses, either as products are produced or services are rendered, because we generally do not have an alternative use for the completed assets produced and we have an enforceable right to payment for performance completed to date. These contracts may contain a single or multiple performance obligations. The accounting for these contracts involves applying significant judgment with respect to estimating total revenues, costs and profit for each performance obligation. We generally estimate revenue for these contracts using the costs incurred by the Company as we have determined that this method is the most representative of the Company's cumulative efforts relative to the total expected efforts to satisfy the performance obligations. Approximately 3% of the Company's revenue is recognized over time.

See Note 9, "Commitments and Contingencies" for information about our product warranties.

Contract Assets and Liabilities

Contract assets and liabilities included in our Condensed Consolidated Balance Sheets are as follows:

	As of		
	March 31, 2026	December 31, 2025	December 31, 2024
Contract Assets			
Unbilled customer receivables included in Other current assets	\$ 5,388	\$ 6,688	\$ 4,104
Total Contract Assets	\$ 5,388	\$ 6,688	\$ 4,104
Contract Liabilities			
Customer advance payments included in Accrued expenses and other liabilities	\$ (1,041)	\$ (1,633)	\$ (910)
Total Contract Liabilities	\$ (1,041)	\$ (1,633)	\$ (910)

The revenue recognized during the three months ended March 31, 2026 and 2025 that was included in contract liabilities at the beginning of the period amounted to \$591 and \$60, respectively.

Disaggregated Revenue

The following table presents revenues disaggregated by the major markets we serve:

	Three months ended	
	March 31, 2026	March 31, 2025
Transportation	\$ 60,158	\$ 58,489
Industrial	37,139	32,448
Medical	24,517	19,131
Aerospace & Defense	17,416	15,701
Total	\$ 139,230	\$ 125,769

NOTE 3 – Accounts Receivable, net

The components of accounts receivable, net are as follows:

	As of	
	March 31, 2026	December 31, 2025
Accounts receivable, gross	\$ 94,407	\$ 89,006
Less: Allowance for credit losses	(636)	(910)
Accounts receivable, net	\$ 93,771	\$ 88,096

	As of	
	March 31, 2025	December 31, 2024
Accounts receivable, gross	\$ 82,235	\$ 78,379
Less: Allowance for credit losses	(795)	(730)
Accounts receivable, net	\$ 81,440	\$ 77,649

NOTE 4 – Inventories, net

Inventories, net consists of the following:

	As of	
	March 31, 2026	December 31, 2025
Finished goods	\$ 10,705	\$ 11,390
Work-in-process	25,664	24,404
Raw materials	33,968	30,726
Less: Inventory reserves	(13,067)	(13,666)
Inventories, net	\$ 57,270	\$ 52,854

NOTE 5 – Property, Plant and Equipment, net

Property, plant and equipment, net is comprised of the following:

	As of	
	March 31, 2026	December 31, 2025
Land and land improvements	\$ 399	\$ 399
Buildings and improvements	73,746	73,248
Machinery and equipment ⁽¹⁾	280,028	276,416
Less: Accumulated depreciation	(264,769)	(260,322)
Property, plant and equipment, net	\$ 89,404	\$ 89,741

⁽¹⁾ Includes \$2,646 of platinum which is depleted based on actual usage. See Note 1, "Basis of Presentation," for further discussion.

Depreciation expense for the three months ended March 31, 2026 and March 31, 2025 was \$4,772 and \$4,463, respectively.

NOTE 6 – Goodwill and Other Intangible Assets*Goodwill*

Changes in the net carrying amount of goodwill were as follows:

	Total	
Goodwill as of December 31, 2025	\$ 209,611	
Foreign exchange impact	(946)	
Goodwill as of March 31, 2026	\$ 208,665	

Other Intangible Assets

Other intangible assets, net consist of the following components:

	As of		
	March 31, 2026		
	Gross Carrying Amount	Accumulated Amortization	Net Amount
Customer lists/relationships	\$ 215,804	\$ (89,439)	\$ 126,365
Technology and other intangibles	62,025	(39,763)	22,262
Other intangible assets, net	\$ 277,829	\$ (129,202)	\$ 148,627

	As of		
	December 31, 2025		
	Gross Carrying Amount	Accumulated Amortization	Net Amount
Customer lists/relationships	\$ 216,927	\$ (86,526)	\$ 130,401
Technology and other intangibles	62,167	(39,006)	23,161
Other intangible assets, net	\$ 279,094	\$ (125,532)	\$ 153,562

Amortization expense for the three months ended March 31, 2026 and March 31, 2025 was \$4,038 and \$4,031, respectively. The changes in the gross carrying amounts of intangible assets are due to foreign exchange impacts in the quarter.

Remaining amortization expense for other intangible assets as of March 31, 2026 is as follows:

	Amortization expense
Remaining 2026	\$ 12,043
2027	15,998
2028	15,963
2029	14,795
2030	14,621
Thereafter	75,207
Total amortization expense	\$ 148,627

NOTE 7 – Costs Associated with Exit and Restructuring Activities

Restructuring charges are reported as a separate line within operating earnings in the Condensed Consolidated Statements of Earnings.

Total restructuring charges are as follows:

	Three Months Ended	
	March 31, 2026	March 31, 2025
Restructuring charges	\$ 386	\$ 451

During the quarter ended March 31, 2026, we incurred total restructuring charges of \$386 related to workforce reduction costs. The workforce reduction charges incurred are for restructuring activities related to efficiency improvements.

The following table displays the restructuring liability activity included in accrued expenses and other liabilities for the three months ended March 31, 2026:

Restructuring liability at December 31, 2025	\$ 192
Restructuring charges	386
Costs paid	(200)
Restructuring liability at March 31, 2026	\$ 318

NOTE 8 – Accrued Expenses and Other Liabilities

The components of accrued expenses and other liabilities are as follows:

	As of	
	March 31, 2026	December 31, 2025
Accrued product-related costs	\$ 2,041	\$ 1,789
Accrued income taxes	7,830	7,175
Accrued property and other taxes	1,354	1,071
Accrued professional fees	1,227	1,454
Accrued customer-related liabilities	1,769	2,602
Dividends payable	1,146	1,151
Remediation reserves	16,441	16,450
Derivative liabilities	647	786
Other accrued liabilities	3,806	4,805
Total accrued expenses and other liabilities	\$ 36,261	\$ 37,283

NOTE 9 – Commitments and Contingencies

Certain processes in the manufacture of our current and past products may create by-products classified as hazardous waste. As a result, we have been notified by the U.S. Environmental Protection Agency (“EPA”), state environmental agencies and in some cases, groups of potentially responsible parties, that we may be potentially liable for environmental contamination at several sites currently or formerly owned or operated by us. Currently, none of these costs and accruals relate to sites that provide revenue generating activities for the Company. Two of those sites, Asheville, North Carolina (the “Asheville Site”) and Mountain View, California, are designated National Priorities List sites under the EPA’s Superfund program. We accrue a liability for probable remediation activities, claims, and proceedings against us with respect to environmental matters if the amount can be reasonably estimated, and provide disclosures including the nature of a loss whenever it is probable or reasonably possible that a potentially material loss may have occurred but cannot be estimated. We record contingent loss accruals on an undiscounted basis.

A roll-forward of remediation reserves included in accrued expenses and other liabilities on the Condensed Consolidated Balance Sheets is comprised of the following:

	As of	
	March 31, 2026	December 31, 2025
Balance at beginning of period	\$ 16,450	\$ 12,192
Remediation expense	248	5,465
Net remediation payments	(257)	(1,213)
Other activity ⁽¹⁾	-	6
Balance at end of the period	\$ 16,441	\$ 16,450

⁽¹⁾ Other activity includes currency translation adjustments not recorded through remediation expense.

The Company operates under and in accordance with a federal consent decree, dated March 7, 2017, with the EPA for the Asheville Site. On February 8, 2023, the Company received a letter from the EPA (the "EPA Letter") seeking reimbursement of its past response costs and interest thereon relating to any release or threatened release of hazardous substances at the Asheville Site in the aggregate amount of \$9,955 from the three potentially responsible parties associated with the Asheville Site, including the Company. Subsequently, the Department of Justice (the "DOJ") re-evaluated the EPA's past response costs and interest thereon and adjusted the amount of the costs to \$8,288. On October 3, 2025, the Company presented a settlement offer as part of pre-litigation mediation and on March 16, 2026, the Company, the other potentially responsible parties, and the EPA agreed in principle on a settlement agreement in the amount of \$7,610 (plus additional interest accrued on the unpaid principal from the settlement date) subject to final approval by the EPA, including a notice and comment period. The Company has updated the estimate of its portion of the settlement agreement to be \$6,668, which has been recorded as of March 31, 2026. As of December 31, 2025, the liability recorded for the Asheville Site was \$6,575.

Unrelated to the environmental claims described above, certain other legal claims are pending against us with respect to matters arising out of the ordinary conduct of our business.

We provide product warranties when we sell our products and accrue for estimated liabilities at the time of sale. Warranty estimates are forecasts based on the best available information and historical claims experience. We accrue for specific warranty claims if we believe that the facts of a specific claim make it probable that a liability in excess of our historical experience has been incurred and provide disclosures for specific claims whenever it is reasonably possible that a material loss may be incurred which cannot be estimated.

We cannot provide assurance that the ultimate disposition of environmental, legal, and product warranty claims will not materially exceed the amount of our accrued losses and adversely impact our consolidated financial position, results of operations, or cash flows. Our accrued liabilities and disclosures will be adjusted accordingly if additional information becomes available in the future.

NOTE 10 – Debt

Long-term debt is comprised of the following:

	As of	
	March 31, 2026	December 31, 2025
Total credit facility	\$ 300,000	\$ 300,000
Balance outstanding	62,500	57,500
Standby letters of credit	1,640	1,640
Amount available, subject to covenant restrictions	\$ 235,860	\$ 240,860
Weighted-average interest rate	4.75%	5.48%

On November 24, 2025, we entered into a five-year revolving credit agreement (the "Revolving Credit Facility") with a group of banks for a total credit facility availability of \$300,000, which may be increased by at least \$125,000 pursuant to the Revolving Credit Facility subject to administrative agent's approval. The Revolving Credit Facility is unsecured and replaced the prior \$400,000 revolving credit facility, which would have expired on December 15, 2026. The Revolving Credit Facility matures on November 24, 2030 and modified the financial and non-financial covenants to provide the Company additional flexibility.

Borrowings in U.S. dollars under the Revolving Credit Facility bear interest, at a per annum rate equal to the applicable Term SOFR rate (but not less than 0.0%), plus the Term SOFR adjustment, and plus an applicable margin, which ranges from 1.00% to 1.75%, based on our net leverage ratio. Similarly, borrowings of alternative currencies under the Revolving Credit Facility bear interest equal to a defined risk-free reference rate, plus the applicable risk-free rate adjustment and plus an applicable margin, which ranges from 1.00% to 1.75%, based on our net leverage ratio. We use interest rate swaps to convert a portion of our revolving credit facility's outstanding balance from a variable rate of interest to a fixed rate. The contractual rate of these arrangements ranges from 2.45% to 3.36%. Refer to Note 11, "Derivative Financial Instruments," for further discussion on the impact of interest rate swaps.

The Revolving Credit Facility includes a swing line sublimit of \$20,000 and a letter of credit sublimit of \$20,000 and an alternative currency sublimit of \$150,000. We also pay a quarterly commitment fee on the unused portion of the Revolving Credit Facility. The commitment fee ranges from 0.175% to 0.25% based on our net leverage ratio.

The Revolving Credit Facility requires, in addition to customary representations and warranties, that we comply with a maximum net leverage ratio and a minimum interest coverage ratio. Failure to comply with these covenants could reduce the borrowing availability under the Revolving Credit Facility. We were in compliance with all debt covenants at March 31, 2026. The Revolving Credit Facility requires that we deliver quarterly financial statements, annual financial statements, auditor certifications, and compliance certificates within a specified number of days after the end of a quarter and year. Additionally, the Revolving Credit Facility contains restrictions limiting our ability to: dispose of assets; incur certain additional debt; repay other debt or amend subordinated debt instruments; create liens on assets; make investments, loans or advances; make acquisitions or engage in mergers or consolidations; engage in certain transactions with our subsidiaries and affiliates; and make stock repurchases and dividend payments.

We have debt issuance costs related to our long-term debt that are being amortized using the straight-line method over the life of the debt. Amortization expense for the three months ended March 31, 2026 and March 31, 2025 were \$61 and \$48, respectively. These costs are included in interest expense in our Consolidated Statements of Earnings.

Note 11 – Derivative Financial Instruments

Our earnings and cash flows are subject to fluctuations due to changes in foreign currency exchange rates and interest rates. We selectively use derivative financial instruments including foreign currency forward contracts as well as interest rate and cross-currency swaps to manage our exposure to these risks.

The use of derivative financial instruments exposes the Company to credit risk, which relates to the risk of nonperformance by a counterparty to the derivative contracts. We manage our credit risk by entering into derivative contracts with only highly-rated financial institutions and by using netting agreements.

The effective portion of derivative gains and losses are recorded in accumulated other comprehensive income (loss) until the hedged transaction affects earnings upon settlement, at which time they are reclassified to cost of goods sold or net sales. If it is probable that an anticipated hedged transaction will not occur by the end of the originally specified time period, we reclassify the gains or losses related to that hedge from accumulated other comprehensive income (loss) to other income (expense), net.

We assess hedge effectiveness qualitatively by verifying that the critical terms of the hedging instrument and the forecasted transaction continue to match, and that there have been no adverse developments that have increased the risk that the counterparty will default. No recognition of ineffectiveness was recorded in our Condensed Consolidated Statements of Earnings for the three months ended March 31, 2026.

Foreign Currency Hedges

We use forward contracts to mitigate currency risk related to a portion of our forecasted foreign currency revenues and costs. The currency forward contracts are designed as cash flow hedges and are recorded in the Condensed Consolidated Balance Sheets at fair value.

We continue to monitor the Company's overall currency exposure and may elect to add cash flow hedges in the future. At March 31, 2026, we had a net unrealized gain of \$4,821 in accumulated other comprehensive income (loss), \$4,357 of which is expected to be reclassified to earnings within the next 12 months. The notional amount of foreign currency forward contracts outstanding was \$63,224 at March 31, 2026.

Interest Rate Swaps

We use interest rate swaps to convert a portion of our Revolving Credit Facility's outstanding balance from a variable rate of interest to a fixed rate. As of March 31, 2026, we have agreements to fix interest rates on \$50,000 of long-term debt until December 2030. The difference to be paid or received under the terms of the swap agreements will be recognized as an adjustment to interest expense when settled.

These swaps are treated as cash flow hedges and, consequently, the changes in fair value are recorded in other comprehensive (loss) income. The estimated net amount of the existing gains that are reported in accumulated other comprehensive income (loss) that are expected to be reclassified into earnings within the next twelve months is approximately \$471.

Cross-Currency Swap

The Company has operations and investments in various international locations and is subject to risks associated with changing foreign exchange rates. In order to hedge the Krone-based purchase price for the acquisition of Ferroperm Piezoceramics, A.S. ("Ferroperm"), the Company entered into a cross currency interest rate swap agreement on June 27, 2022 that synthetically swapped \$25,000 of variable rate debt to Krone-denominated variable rate debt. Upon completion of the Ferroperm acquisition on June 30, 2022, the transaction was designated as a net investment hedge for accounting purposes and will mature on June 30, 2027.

Accordingly, any gains or losses on this derivative instrument are included in the foreign currency translation component of other comprehensive (loss) income until the net investment is sold, diluted or liquidated. As of March 31, 2026, we had a net unrealized loss of \$1,583 in accumulated other comprehensive income (loss). Interest payments received for the cross-currency swap are excluded from the net investment hedge effectiveness assessment and are recorded in interest expense in the Condensed Consolidated Statements of Earnings. The assumptions used in measuring fair value of the cross-currency swap are considered level 2 inputs, which are based upon the Krone to U.S. Dollar exchange rate market.

The location and fair values of derivative instruments designated as hedging instruments in the Condensed Consolidated Balance Sheets as of March 31, 2026, are shown in the following table:

	As of	
	March 31, 2026	December 31, 2025
Interest rate swaps reported in Other current assets	\$ 471	\$ 455
Interest rate swaps reported in Other assets	317	-
Cross-currency swap reported in Accrued expenses and other liabilities	(647)	(786)
Foreign currency hedges reported in Other current assets	4,515	4,767

The Company has elected to net its foreign currency derivative assets and liabilities in the balance sheet in accordance with ASC 210-20 (*Balance Sheet, Offsetting*). On a gross basis, there were foreign currency derivative assets of \$4,854 and \$339 foreign currency derivative liabilities at March 31, 2026.

The effect of derivative instruments on the Condensed Consolidated Statements of Earnings is as follows:

	Three Months Ended	
	March 31, 2026	March 31, 2025
Foreign Exchange Contracts:		
Amounts reclassified from AOCI to earnings:		
Net sales	\$ (267)	\$ (40)
Cost of goods sold	1,610	(631)
Total net gain (loss) reclassified from AOCI to earnings	1,343	(671)
Total derivative gain (loss) on foreign exchange contracts recognized in earnings	\$ 1,343	\$ (671)
Interest Rate Swaps:		
Income recorded in Interest expense	\$ 154	\$ 234
Cross-Currency Swap:		
Income recorded in Interest expense	\$ 42	\$ 72
Total net gain (loss) on derivatives	\$ 1,539	\$ (365)

NOTE 12 – Accumulated Other Comprehensive Income (Loss)

Shareholders' equity includes certain items classified as accumulated other comprehensive income (loss) ("AOCI") in the Condensed Consolidated Balance Sheets, including:

- **Unrealized gains (losses) on hedges** relate to interest rate swaps to convert a portion of our Revolving Credit Facility's outstanding balance from a variable rate of interest into a fixed rate, foreign currency forward contracts used to hedge our exposure to changes in exchange rates affecting certain revenues and costs denominated in foreign currencies, as well as a cross-currency swap that synthetically converts our U.S. Dollar variable rate debt to Krone-denominated variable rate debt. These hedges are designated as cash flow hedges, and we have deferred income statement recognition of gains and losses until the hedged transactions occur, at which time amounts are reclassified into earnings. Further information related to our derivative financial instruments is included in Note 11, "Derivative Financial Instruments" and Note 15, "Fair Value Measurements."
- **Unrealized gains (losses) on pension obligations** are deferred from income statement recognition until the gains or losses are realized. Amounts reclassified to income from AOCI are included in net periodic pension income (expense).
- **Cumulative translation adjustments** relate to our non-U.S. subsidiary companies that have designated a functional currency other than the U.S. Dollar. We are required to translate the subsidiary functional currency financial statements to dollars using a combination of historical, period-end, and average foreign exchange rates. This combination of rates creates the foreign currency translation adjustment component of other comprehensive income (loss).

Changes in exchange rates between the functional currency and the currency in which a transaction is denominated are foreign exchange transaction gains or losses. Transaction (losses) gains for the three months ended March 31, 2026 and March 31, 2025 were \$(80) and \$513, respectively. The impact of these changes have been included in other income (expense) in the Condensed Consolidated Statements of Earnings.

The components of accumulated other comprehensive income (loss) for the three months ended March 31, 2026, are as follows:

	As of December 31, 2025	Gain (Loss) Recognized in OCI	(Gain) Loss Reclassified from AOCI to Earnings	As of March 31, 2026
Changes in fair market value of derivatives:				
Gross	\$ 5,492	\$ 1,612	\$ (1,497)	\$ 5,607
Income tax (expense) benefit	(1,300)	(379)	352	(1,327)
Net	4,192	1,233	(1,145)	4,280
Changes in unrealized pension cost:				
Gross	(301)	—	12	(289)
Income tax benefit	261	—	1	262
Net	(40)	—	13	(27)
Cumulative translation adjustment:				
Gross	9,596	(1,930)	—	7,666
Income tax benefit (expense)	—	—	—	—
Net	9,596	(1,930)	—	7,666
Total accumulated other comprehensive income (loss)	\$ 13,748	\$ (697)	\$ (1,132)	\$ 11,919

The components of accumulated other comprehensive income (loss) for the three months ended March 31, 2025, are as follows:

	As of December 31, 2024	Gain (Loss) Recognized in OCI	(Gain) Loss Reclassified from AOCI to Earnings	As of March 31, 2025
Changes in fair market value of derivatives:				
Gross	\$ (1,730)	\$ 708	\$ 437	\$ (585)
Income tax benefit (expense)	397	(166)	(103)	128
Net	(1,333)	542	334	(457)
Changes in unrealized pension cost:				
Gross	(409)	—	14	(395)
Income tax benefit	300	—	—	300
Net	(109)	—	14	(95)
Cumulative translation adjustment:				
Gross	(2,824)	4,648	—	1,824
Income tax benefit (expense)	—	—	—	—
Net	(2,824)	4,648	—	1,824
Total accumulated other comprehensive (loss) income	\$ (4,266)	\$ 5,190	\$ 348	\$ 1,272

NOTE 13 – Shareholders' Equity

Share count and par value data related to shareholders' equity are as follows:

	As of	
	March 31, 2026	December 31, 2025
Preferred Stock		
Par value per share	No par value	No par value
Shares authorized	25,000,000	25,000,000
Shares outstanding	—	—
Common Stock		
Par value per share	No par value	No par value
Shares authorized	75,000,000	75,000,000
Shares issued	57,671,728	57,628,332
Shares outstanding	28,624,587	28,758,100
Treasury stock		
Shares held	29,047,141	28,870,232

In November 2025, our Board of Directors approved a new share repurchase program authorizing the Company to repurchase up to \$100,000 of its common stock ("2025 Repurchase Program"). This program replaces the prior share repurchase program that was approved in February 2024. The 2025 Repurchase Program has no set expiration date and authorizes repurchases from time to time in the open market (including, without limitation, the use of Rule 10b5-1 plans), or through privately negotiated transactions, and repurchases will depend on various factors, including our evaluation of general market and economic conditions, our financial condition and the trading price of our common stock. The 2025 Repurchase Program may be extended, modified, suspended or discontinued at any time.

During the three months ended March 31, 2026, 176,909 shares of common stock were repurchased for \$8,644 under the 2025 repurchase program. During the three months ended March 31, 2025, 143,541 shares of common stock were repurchased for \$6,650. As of March 31, 2026, approximately \$81,723 remains available for future purchases.

We are subject to a 1% excise tax on stock repurchases under the United States Inflation Reduction Act of 2022 which we include in the cost of stock repurchases as a reduction of shareholders' equity. As of March 31, 2026 and December 31, 2025, we had \$575 and \$517, respectively, recorded in Accrued expenses and other liabilities in the Consolidated Balance Sheet.

A roll-forward of shares of common stock outstanding is as follows:

	Three Months Ended	
	March 31, 2026	March 31, 2025
Balance at the beginning of the year	28,758,100	30,026,045
Repurchases	(176,909)	(143,541)
Restricted share issuances	43,396	76,807
Balance at the end of the period	28,624,587	29,959,311

Certain potentially dilutive restricted stock units are excluded from diluted earnings per share because they are anti-dilutive. The number of outstanding awards that were anti-dilutive for the three months ended March 31, 2026 and March 31, 2025 were 6,793 and 165, respectively.

NOTE 14 – Stock-Based Compensation

At March 31, 2026, we had five active stock-based compensation plans: the Non-Employee Directors' Stock Retirement Plan ("Directors' Plan"), the 2004 Omnibus Long-Term Incentive Plan ("2004 Plan"), the 2009 Omnibus Equity and Performance Incentive Plan ("2009 Plan"), the 2014 Performance and Incentive Compensation Plan ("2014 Plan"), and the 2018 Equity and Incentive Compensation Plan ("2018 Plan"). Future grants can only be made under the 2018 Plan.

The 2018 Plan allows for grants of stock options, stock appreciation rights, restricted stock, restricted stock units ("RSUs"), performance shares, performance units, and other stock awards subject to the terms of the 2018 Plan.

The following table summarizes the compensation expense included in selling, general and administrative expenses in the Condensed Consolidated Statements of Earnings related to stock-based compensation plans:

	Three Months Ended	
	March 31, 2026	March 31, 2025
Service-based RSUs	\$ 1,003	\$ 947
Performance-based RSUs	812	485
Cash-settled RSUs	197	215
Total	\$ 2,012	\$ 1,647
Income tax benefit	473	387
Net expense	\$ 1,539	\$ 1,260

The following table summarizes the unrecognized compensation expense related to unvested RSUs by type and the weighted-average period in which the expense is to be recognized:

	Unrecognized Compensation Expense at March 31, 2026	Weighted-Average Period (years)
Service-based RSUs	\$ 4,897	1.58
Performance-based RSUs	6,172	2.27
Total	\$ 11,069	1.96

We recognize expense on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was, in substance, multiple awards.

The following table summarizes the status of these plans as of March 31, 2026:

	2018 Plan	2014 Plan	2009 Plan	2004 Plan	Directors' Plan
Awards originally available	2,500,000	1,500,000	3,400,000	6,500,000	N/A
Maximum potential awards outstanding	733,657	35,100	30,000	14,545	4,722
RSUs and cash-settled awards vested and released	869,782	—	—	—	—
Awards available for grant	896,561	—	—	—	—

Service-Based Restricted Stock Units

The following table summarizes the service-based RSU activity for the three months ended March 31, 2026:

	Units	Weighted Average Grant Date Fair Value
Outstanding at December 31, 2025	320,640	\$ 34.82
Granted	56,358	56.60
Vested and released	(50,703)	44.49
Forfeited	(2,002)	41.78
Outstanding at March 31, 2026	324,293	\$ 37.04
Releasable at March 31, 2026	169,267	\$ 26.42

Performance-Based Restricted Stock Units

The following table summarizes the performance-based RSU activity for the three months ended March 31, 2026:

	Units	Weighted Average Grant Date Fair Value
Outstanding at December 31, 2025	200,598	\$ 44.07
Granted	69,645	56.80
Attained by performance	5,400	43.80
Released	(24,466)	43.80
Forfeited	(30,204)	43.71
Outstanding at March 31, 2026	220,973	\$ 48.19
Releasable at March 31, 2026	—	\$ —

Cash-Settled Restricted Stock Units

Cash-Settled RSUs entitle the holder to receive the cash equivalent of one share of common stock for each unit when the unit vests. These RSUs are issued to key employees residing in foreign locations as direct compensation. Generally, these RSUs vest over a three-year period. Cash-Settled RSUs are classified as liabilities and are remeasured at each reporting date until settled. At March 31, 2026 and December 31, 2025, we had 37,830 and 39,661 Cash-Settled RSUs outstanding, respectively. At March 31, 2026 and December 31, 2025, liabilities of \$432 and \$594, respectively, were included in accrued expenses and other liabilities on our Condensed Consolidated Balance Sheets.

NOTE 15 – Fair Value Measurements

The table below summarizes our financial assets and liabilities that were measured at fair value on a recurring basis at March 31, 2026:

	Asset (Liability) Carrying Value at March 31, 2026	Quoted Prices in Active Markets for Identical (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Interest rate swaps	\$ 788	\$ —	\$ 788	\$ —
Foreign currency hedges	\$ 4,515	\$ —	\$ 4,515	\$ —
Cross-currency swap	\$ (647)	\$ —	\$ (647)	\$ —
Qualified replacement plan assets	\$ 8,051	\$ 8,051	\$ —	\$ —
Contingent consideration	\$ (3,506)	\$ —	\$ —	\$ (3,506)

The table below summarizes the financial assets and liabilities that were measured at fair value on a recurring basis at December 31, 2025:

	Asset (Liability) Carrying Value at December 31, 2025	Quoted Prices in Active Markets for Identical (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Interest rate swaps	\$ 455	\$ —	\$ 455	\$ —
Foreign currency hedges	\$ 4,767	\$ —	\$ 4,767	\$ —
Cross-currency swap	\$ (786)	\$ —	\$ (786)	\$ —
Qualified replacement plan assets	\$ 8,991	\$ 8,991	\$ —	\$ —
Contingent consideration	\$ (3,453)	\$ —	\$ —	\$ (3,453)

We use interest rate swaps to convert a portion of our Revolving Credit Facility's outstanding balance from a variable rate of interest into a fixed rate and foreign currency forward contracts to hedge the effect of foreign currency changes on certain revenues and costs denominated in foreign currencies. The Company entered into a cross-currency swap agreement in order to manage its exposure to changes in interest rates related to foreign debt. These derivative financial instruments are measured at fair value on a recurring basis. The fair value of our interest rate swaps and foreign currency hedges were measured using standard valuation models using market-based observable inputs over the contractual terms, including forward yield curves, among others. There is a readily determinable market for these derivative instruments, but that market is not active and therefore they are classified within Level 2 of the fair value hierarchy.

The fair value of the contingent consideration requires significant judgment. The Company's fair value estimates used in the contingent consideration valuation are considered Level 3 fair value measurements. The fair value estimates were based on assumptions management believes to be reasonable, but that are inherently uncertain, including estimates of future revenues and timing of events and activities that are expected to take place.

A roll-forward of the contingent consideration is as follows:

	Contingent Consideration
Balance at December 31, 2025	\$ 3,453
Change in fair value	53
Balance at March 31, 2026	\$ 3,506

As of March 31, 2026, all contingent consideration was recorded in other long-term obligations on our Condensed Consolidated Balance Sheets.

Our long-term debt consists of the Revolving Credit Facility, which is recorded at its carrying value. There is a readily determinable market for our long-term debt and it is classified within Level 2 of the fair value hierarchy as the market is not deemed to be active. The fair value of long-term debt approximates its carrying value and was determined by valuing a similar hypothetical coupon bond and attributing that value to our long-term debt under the Revolving Credit Facility.

The qualified replacement plan assets consist of investment funds maintained for future contributions to the Company's U.S. 401(k) program. The investments are Level 1 marketable securities and are recorded in Other Assets on our Condensed Consolidated Balance Sheets.

NOTE 16 – Income Taxes

The effective tax rates for the three months ended March 31, 2026 and March 31, 2025 are as follows:

	Three Months Ended	
	March 31, 2026	March 31, 2025
Effective tax rate	20.7%	17.1%

The increase in the effective income tax rate is primarily attributed to a change in mix of earnings taxed at higher rates. The first quarter 2025 and 2026 effective income tax rates were lower than the U.S. statutory federal income tax rate primarily due to foreign earnings that are taxed at lower rates and tax benefits recorded upon vesting of RSUs.

NOTE 17 – Segment Information

The Company designs, manufactures, and sells a broad line of sensors, connectivity components, and actuators across multiple end markets in North America, Asia, and Europe. Our Chief Operating Decision Maker (“CODM”), who is our Chair, President and Chief Executive Officer, analyzes the results of our business through one reportable segment. Our CODM evaluates the operating results and performance through Net earnings, which are reported on the Consolidated Statements of Earnings. These financial metrics are used to view operating trends, perform analytical comparisons and benchmark performance between periods and to monitor budget-to-actual variances on a monthly basis. To manage operations and make decisions regarding resources, our CODM is regularly provided and reviews expense information at a consolidated level for our Cost of goods sold, Selling, general, and administrative expenses and Research and Development expenses, which are reported on the Consolidated Statements of Earnings. As part of our strategic planning and annual operating plan, a focus is on sales growth, diversification, and profitability. The measure of segment assets is reported on the Consolidated Balance Sheet as Total Assets, but the CODM does not use discrete balance sheet information in assessing performance and allocating resources.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A")
(in thousands of dollars, except percentages and per share amounts)

The following discussion should be read in conjunction with our unaudited Condensed Consolidated Financial Statements and notes included under Item 1, as well as our Consolidated Financial Statements and notes and related Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the year ended December 31, 2025.

Overview

CTS is a global manufacturer of sensors, connectivity components, and actuators. CTS was established in 1896 as a provider of high-quality telephone products and was incorporated as an Indiana corporation in February 1929. Our principal executive offices are located in Lisle, Illinois.

We design, manufacture, and sell a broad line of sensors, connectivity components, and actuators primarily to original equipment manufacturers ("OEMs"), tier one suppliers for the aerospace and defense, industrial, medical, and transportation markets, and the U.S. Government. Our vision is to be a leading provider of sensing and motion devices as well as connectivity components, enabling an intelligent and seamless world. These devices are categorized by their ability to Sense, Connect or Move. Sense products provide vital inputs to electronic systems. Connect products allow systems to function in synchronization with other systems. Move products ensure required movements are effectively and accurately executed. We are committed to achieving our vision by continuing to invest in the development of products, technologies, and talent within these categories.

We operate manufacturing facilities in North America, Asia, and Europe. Sales and marketing are accomplished through our sales engineers. We also utilize independent manufacturers' representatives and distributors to extend our sales capability.

There is an increasing proliferation of sensing and motion applications within various markets we serve. In addition, the increasing connectivity of various devices to the internet results in greater demand for communication bandwidth and data storage, increasing the need for our connectivity products. Our success is dependent on the ability to execute our strategy to support these trends. We are subject to a number of challenges including, without limitation, periodic market softness, competition from other suppliers, changes in technology, changes in the economy generally, including inflationary and/or recessionary conditions and increased tariffs, geopolitical conflicts, availability and cost of rare earth elements, minerals, and metals, as well as the ability to add new customers, launch new products or penetrate new markets. Many of these, and other risks and uncertainties relating to the Company and our business, are discussed in further detail in Item 1A. of our Annual Report on Form 10-K and other filings made with the SEC.

Results of Operations: First Quarter 2026 versus First Quarter 2025

The following table highlights changes in significant components of the Unaudited Condensed Consolidated Statements of Earnings for the quarters ended March 31, 2026 and March 31, 2025:

	Three Months Ended		Percent Change	Percentage of Net Sales –	
	March 31, 2026	March 31, 2025		2026	2025
Net sales	\$ 139,230	\$ 125,769	10.7%	100.0%	100.0%
Cost of goods sold	84,244	79,220	6.3	60.5	63.0
Gross margin	54,986	46,549	18.1	39.5	37.0
Selling, general and administrative expenses	25,984	23,623	10.0	18.7	18.8
Research and development expenses	6,634	6,190	7.2	4.8	4.9
Restructuring charges	386	451	(14.4)	0.3	0.4
Total operating expenses	33,004	30,264	9.1	23.7	24.1
Operating earnings	21,982	16,285	35.0	15.8	12.9
Total other income (expense), net	(309)	(163)	89.6	(0.2)	(0.1)
Earnings before income taxes	21,673	16,122	34.4	15.6	12.8
Income tax expense	4,476	2,755	62.5	3.2	2.2
Net earnings	\$ 17,197	\$ 13,367	28.7%	12.4%	10.6%
Earnings per share:					
Diluted net earnings per share	\$ 0.59	\$ 0.44			

Net sales were \$139,230 in the first quarter of 2026, an increase of \$13,461 or 10.7% from the first quarter of 2025. Net sales to the diversified end markets increased \$11,792 or 17.5% while net sales to transportation markets increased \$1,669 or 2.9%. Changes in foreign exchange rates increased net sales by \$2,898, net of hedges, due to the U.S. Dollar depreciating compared to the Euro.

Gross margin was \$54,986 in the first quarter of 2026, an increase of \$8,437 or 18.1% from the first quarter of 2025. The increase in gross margin was driven by improved mix of sales to our diversified end markets as well as efficiency improvements. Changes in foreign exchange rates increased gross margin by \$672, net of hedges, due to the U.S. Dollar depreciating compared to the Euro. See Note 11, "Derivative Financial Instruments" in the Notes to the Condensed Consolidated Financial Statements in this Quarterly Report on Form 10-Q for further information. As a result, our gross margin percentage increased from 37.0% for the first quarter of 2025 to 39.5% for the first quarter of 2026.

Selling, general and administrative ("SG&A") expenses were \$25,984 or 18.7% of net sales in the first quarter of 2026, versus \$23,623 or 18.8% of net sales in the first quarter of 2025. The increase in SG&A expenses is primarily related to an increase in incentive compensation expense.

Research and development ("R&D") expenses were \$6,634 or 4.8% of net sales in the first quarter of 2026 compared to \$6,190 or 4.9% of net sales in the first quarter of 2025. Our R&D expenses are in line with our commitment to continue investing in research and product development to drive organic growth.

Restructuring charges were \$386 or 0.3% of net sales in the first quarter of 2026 compared to \$451 or 0.4% of net sales in the first quarter of 2025. The restructuring charges in the quarter ended March 31, 2026 were primarily related to efficiency enhancements. See Note 7, "Costs Associated with Exit and Restructuring Activities" in the Notes to the Condensed Consolidated Financial Statements in this Quarterly Report on Form 10-Q for further information.

Other income and expense items are summarized in the following table:

	Three Months Ended	
	March 31, 2026	March 31, 2025
Interest expense	\$ (708)	\$ (1,167)
Interest income	480	447
Other (expense) income, net	(81)	557
Total other expense, net	\$ (309)	\$ (163)

Interest expense decreased due to lower borrowings in the first quarter of 2026 compared to the first quarter of 2025.

	Three Months Ended	
	March 31, 2026	March 31, 2025
Effective tax rate	20.7%	17.1%

Our effective income tax rate was 20.7% and 17.1% in the first quarters of 2026 and 2025, respectively. The increase in the effective income tax rate is primarily attributed to a change in mix of earnings taxed at higher rates.

Liquidity and Capital Resources

We historically have funded our capital and operating needs primarily through cash flows from operating activities, supported by available credit under our Revolving Credit Facility (as defined below). We believe that cash flows from operating activities and available borrowings under our Revolving Credit Facility will be adequate to fund our working capital needs, capital expenditures, investments, and debt service requirements for at least the next twelve months and for the foreseeable future thereafter. However, we may choose to pursue additional equity and debt financing to provide additional liquidity or to fund acquisitions.

Cash and cash equivalents were \$90,851 at March 31, 2026, and \$82,295 at December 31, 2025, of which \$89,576 and \$75,943, respectively, were held outside the United States. Total long-term debt was \$62,500 as of March 31, 2026 and \$57,500 as of December 31, 2025.

Cash Flow Overview

Cash Flows from Operating Activities

Net cash provided by operating activities was \$17,295 during the three months ended March 31, 2026. Components of net cash provided by operating activities included net earnings of \$17,197, depreciation and amortization expense of \$8,810, other net non-cash items of \$2,940, and a net cash outflow from changes in assets and liabilities of \$11,652.

Net cash provided by operating activities was \$15,518 during the three months ended March 31, 2025. Components of net cash provided by operating activities included net earnings of \$13,367, depreciation and amortization expense of \$8,494, other net non-cash items of \$1,339, and a net cash outflow from changes in assets and liabilities of \$7,682.

Cash Flows from Investing Activities

Net cash used in investing activities was \$2,109 for the three months ended March 31, 2026, driven by capital expenditures of \$4,997 partially offset by the maturity of short term investments of \$2,888.

Net cash used in investing activities was \$4,465 for the three months ended March 31, 2025, driven entirely by capital expenditures.

Cash Flows from Financing Activities

Net cash used in financing activities for the three months ended March 31, 2026 was \$6,441. The net cash outflow was the result of treasury stock purchases of \$8,558 (net of excise taxes unpaid), dividends paid of \$1,151, taxes paid on behalf of equity award participants of \$1,732, partially offset by net cash borrowed on long-term debt of \$5,000.

Net cash used in financing activities for the three months ended March 31, 2025 was \$15,900. The net cash outflow was the result of treasury stock purchases of \$6,465 (net of excise taxes unpaid), dividends paid of \$1,201, taxes paid on behalf of equity award participants of \$2,634, and net cash used in the paydown of long-term debt of \$5,600.

Capital Resources

Revolving Credit Facility

Long-term debt is comprised of the following:

	As of	
	March 31, 2026	December 31, 2025
Total credit facility	\$ 300,000	\$ 300,000
Balance outstanding	62,500	57,500
Standby letters of credit	1,640	1,640
Amount available, subject to covenant restrictions	\$ 235,860	\$ 240,860

On November 24, 2025, we entered into a five-year revolving credit agreement (the "Revolving Credit Facility") with a group of banks for a total credit facility availability of \$300,000, which may be increased by at least \$125,000 pursuant to the Revolving Credit Facility subject to administrative agent's approval. The Revolving Credit Facility is unsecured and replaced the prior \$400,000 revolving credit facility, which would have expired on December 15, 2026. The Revolving Credit Facility matures on November 24, 2030 and modified the financial and non-financial covenants to provide the Company additional flexibility.

Borrowings in U.S. dollars under the Revolving Credit Facility bear interest, at a per annum rate equal to the applicable Term SOFR rate (but not less than 0.0%), plus the Term SOFR adjustment, and plus an applicable margin, which ranges from 1.00% to 1.75%, based on our net leverage ratio. Similarly, borrowings of alternative currencies under the Revolving Credit Facility bear interest equal to a defined risk-free reference rate, plus the applicable risk-free rate adjustment and plus an applicable margin, which ranges from 1.00% to 1.75%, based on our net leverage ratio. We use interest rate swaps to convert a portion of our revolving credit facility's outstanding balance from a variable rate of interest to a fixed rate. The contractual rate of these arrangements ranges from 2.45% to 3.36%.

The Revolving Credit Facility includes a swingline sublimit of \$20,000 and a letter of credit sublimit of \$20,000 and an alternative currency sublimit of \$150,000. We also pay a quarterly commitment fee on the unused portion of the Revolving Credit Facility. The commitment fee ranges from 0.175% to 0.25% based on our net leverage ratio. We were in compliance with all debt covenants at March 31, 2026.

Critical Accounting Policies and Estimates

The Company's Condensed Consolidated Financial Statements are prepared in accordance with U.S. GAAP. In connection with the preparation of the Condensed Consolidated Financial Statements, the Company uses estimates and makes judgments and assumptions about future events that affect the reported amounts of assets, liabilities, revenue, expenses, and the related disclosures. The assumptions, estimates, and judgments are based on historical experience, current trends, and other factors the Company believes are relevant at the time it prepares the Condensed Consolidated Financial Statements.

The critical accounting policies and estimates are consistent with those discussed in Note 1, "Summary of Significant Accounting Policies," to the Consolidated Financial Statements and the MD&A section of the Company's Annual Report on Form 10-K for the year ended December 31, 2025. Refer to Note 1, "Basis of Presentation" for updates to the Company's critical accounting policies and estimates during the three months ended March 31, 2026.

Significant Customers

Our net sales to customers representing at least 10% of total net sales is as follows:

	Three Months Ended	
	March 31, 2026	March 31, 2025
Cummins Inc.	10.4%	10.3%
Toyota Motor Corporation	8.5%	11.9%

No other customer accounted for 10% or more of total net sales during these periods.

Forward-Looking Statements

Readers are cautioned that the statements contained in this document regarding expectations of our performance or other matters that may affect our business, results of operations, or financial condition are, or may be deemed to be, "forward-looking statements" as defined by the "safe harbor" provisions in the Private Securities Litigation Reform Act of 1995. Such statements are made in reliance on the safe harbor provisions of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical fact, included or incorporated in this document, including statements regarding our strategy, financial position, guidance, funding for continued operations, cash reserves, liquidity, projected costs, plans, projects, awards and contracts, and objectives of management, among others, are forward-looking statements. Words such as "expect," "anticipate," "should," "believe," "hope," "target," "continued," "project," "plan," "goals," "opportunity," "appeal," "estimate," "potential," "predict," "demonstrates," "may," "will," "might," "could," "intend," "shall," "possible," "would," "approximately," "likely," "outlook," "schedule," "on track," "poised," "pipeline," and variations of these terms or the negative of these terms and similar expressions are intended to identify these forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. These forward-looking statements are not guarantees of future performance, conditions or results. Forward-looking statements are based on management's expectations, certain assumptions, and currently available information. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof and are based on various assumptions as to future events, the occurrence of which necessarily are subject to uncertainties. These forward-looking statements are made subject to certain risks, uncertainties, and other factors, which could cause CTS' actual results, performance, or achievements to differ materially from those presented in the forward-looking statements. Examples of factors that may affect future operating results and financial condition include, but are not limited to: supply chain disruptions (including, but not limited to, the availability and cost of rare earth elements, minerals and metals); changes in the economy generally, including inflationary and/or recessionary conditions and increased tariffs, and in respect to the businesses in which CTS operates; unanticipated issues in integrating acquisitions; the funding of contracts by the U.S. Government; the results of actions to reposition CTS' business; rapid technological change; general market conditions in the transportation, as well as conditions in the industrial, aerospace and defense, and medical markets; reliance on key customers; unanticipated public health crises, natural disasters or other events; environmental compliance and remediation expenses; the ability to protect CTS' intellectual property; pricing pressures and demand for CTS' products; risks associated with CTS' international operations, including trade and tariff barriers, exchange rates and political and geopolitical risks (including, without limitation, the impact of tariffs on China, Canada and Mexico, and other nations); the potential impact of U.S./China relations and the impact of geopolitical conflicts may have on our business, results of operations and financial condition; write offs of goodwill on our balance sheet; the amount and timing of any share repurchases; and the effect of any cybersecurity incidents on our business. Many of these, and other risks and uncertainties, are discussed in further detail in Item 1A. of CTS's most recent Annual Report on Form 10-K and other filings made with the SEC. CTS undertakes no obligation to publicly update CTS' forward-looking statements to reflect new information or events or circumstances that arise after the date hereof, including market or industry changes.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

See Item 7A, Quantitative and Qualitative Disclosures about Market Risk, of our Annual Report on Form 10-K for the year ended December 31, 2025. During the three months ended March 31, 2026, there have been no material changes in our exposure to market risk.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q were effective in providing reasonable assurance that information required to be disclosed by us in reports that we file or submit under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures.

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or our internal controls will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. 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 CTS have been detected.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting for the quarter ended March 31, 2026, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we are involved in litigation with respect to matters arising from the ordinary conduct of our business, and currently certain claims are pending against us. In the opinion of management, we believe we have established adequate accruals pursuant to U.S. generally accepted accounting principles for our expected future liability with respect to pending lawsuits, claims and proceedings, where the nature and extent of any such liability can be reasonably estimated based on presently available information. However, there can be no assurance that the final resolution of any existing or future lawsuits, claims or proceedings will not have a material adverse effect on our business, results of operations, financial condition, or cash flows.

See Note 9, "Commitments and Contingencies" in the Notes to the Condensed Consolidated Financial Statements in this Quarterly Report on Form 10-Q.

Item 1A. Risk Factors

There have been no changes to our risk factors from those contained in our Annual Report on Form 10-K for the year ended December 31, 2025.

Item 2. Unregistered Sales of Equity and Use of Proceeds

On November 7, 2025, the Board of Directors approved a new share repurchase program ("2025 Repurchase Program") that authorizes the Company to repurchase up to \$100 million of its common stock. The 2025 Repurchase Program has no set expiration date and supersedes and replaces the \$100 million repurchase program approved by the Board of Directors in February 2024.

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Programs	Maximum Dollar Value of Shares That May Yet Be Purchased Under Publicly Announced Plans or Programs
January 1, 2026 - January 31, 2026	75,509	\$ 47.03	75,509	\$ 86,815,562
February 1, 2026 - February 28, 2026	28,500	\$ 55.07	28,500	\$ 85,246,189
March 1, 2026 - March 31, 2026	72,900	\$ 48.33	72,900	\$ 81,722,663
Total	176,909		176,909	

Item 5. Other Information

From time to time, our directors and officers may purchase or sell shares of our common stock in the market, including pursuant to plans intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Securities Exchange Act of 1934, as amended ("Rule 10b5-1 Plans").

Kieran M. O'Sullivan, the Company's President and Chief Executive Officer entered into a Rule 10b5-1 Plan on March 2, 2026 for the sale of up to 130,000 shares of our common stock. The plan is scheduled to terminate no later than February 25, 2028.

During the quarter ended March 31, 2026, no other director or officer (as defined in Rule 16a-1(f) under the Exchange Act) of the Company adopted, modified or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement" (as each term is defined in Item 408 of Regulation S-K).

Item 6. Exhibits

- (31)(a) [Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- (31)(b) [Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- (32)(a) [Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- (32)(b) [Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- 10(a) [Form Restricted Stock Unit Agreement \(Time-Based\) under the CTS Corporation 2018 Equity and Incentive Compensation Plan.](#)
- 10(b) [Form Restricted Stock Unit Agreement \(Performance-Based\) under the CTS Corporation 2018 Equity and Incentive Compensation Plan.](#)
- 101.1 The following information from CTS Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2026 formatted in Inline XBRL: (i) Condensed Consolidated Statements of Earnings; (ii) Condensed Consolidated Statements of Comprehensive Earnings; (iii) Condensed Consolidated Balance Sheets; (iv) Condensed Consolidated Statements of Cash Flows; (v) Condensed Consolidated Statements of Shareholders' Equity; (vi) Notes to Condensed Consolidated Financial Statements, tagged as blocks of text and including detailed tags.
- 104 The cover page from this Current Report on Form 10-Q formatted as inline XBRL.

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.

CTS Corporation

/s/ Ashish Agrawal

Ashish Agrawal
Vice President and Chief Financial Officer
(Principal Financial Officer & Principal Accounting Officer)

Dated: April 29, 2026

**CTS CORPORATION
2018 EQUITY AND INCENTIVE COMPENSATION PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT**

CTS Corporation (the "*Company*") has granted to the participant listed below ("*Participant*") the restricted stock units (the "*RSUs*") described in this Restricted Stock Unit Award Agreement, including the Key Terms, General Terms and Annexes hereunder (this "*Agreement*"), subject to the terms and conditions of this Agreement and the CTS Corporation 2018 Equity and Incentive Compensation Plan (as amended from time to time, the "*Plan*"), which is incorporated into this Agreement by reference. For purposes of this Agreement, references to the "*Company*" shall include any subsidiary employer, as applicable. Except as expressly provided herein, capitalized terms used herein shall have the meaning ascribed to such terms under the Plan.

KEY TERMS

Participant: _____
Grant Date: _____
Number of RSUs Granted: _____
Vesting Schedule: Subject to and conditioned upon Participant's continued employment or service with the Company through the applicable Vesting Date, and further subject to the terms and conditions of this Agreement and the Plan, the RSUs shall vest and become payable as follows: _____

Vesting Date	Percentage of RSUs Vesting
First Anniversary of Grant Date	33.33%
Second Anniversary of Grant Date	33.34%
Third Anniversary of Grant Date	33.33%

Notwithstanding the foregoing, the RSUs shall be subject to accelerated vesting in certain circumstances as provided in this Agreement.

Termination of Employment or Service; Acceleration Any unvested RSUs outstanding as of Participant's termination of employment or service will be forfeited, except as otherwise provided in this Agreement.
In the event of Participant's termination of employment or service due to death or disability (as defined by Section 409A of the Code or, if required, by applicable local law), Participant shall immediately vest in the unvested RSUs, and such vested RSUs will be settled between January 1st and March 15th of the calendar year following the applicable Vesting Date set forth above in these Key Terms (regardless of the actual date of termination due to Participant's death or disability).
In the event of the earlier to occur of (i) a Change in Control if the successor or surviving company does not assume, substitute

or continue the Award on substantially similar terms or with substantially equivalent benefits (as determined by the Committee prior to the Change in Control) or the stock of the successor or surviving company following a Change in Control is not listed on the New York Stock Exchange or the NASDAQ Stock Market, or (ii) during the 24-month period following a Change in Control, the termination of Participant's employment or service by the Company or its successor or surviving company without Cause (as defined in the General Terms) or due to a Constructive Termination (as defined in the General Terms), then, in each case, Participant shall immediately vest in the unvested RSUs, and such vested RSUs will be settled within thirty (30) days of the Change in Control or employment termination date, as applicable (the "Accelerated Vesting Date"). A termination of employment under clause (ii) of the preceding sentence is referred to under this Agreement as a "Qualified Termination".

On or before March 15th of the calendar year immediately following the applicable Vesting Date; provided, however, that (i) if vesting accelerates due to the termination of Participant's employment or service due to death or disability, the Settlement Date shall be between January 1st and March 15th of the calendar year immediately following the applicable Vesting Date, and (ii) if vesting accelerates due to a Qualified Termination within 24 months following a Change in Control or the occurrence of a Change in Control (if the successor or surviving company does not assume, substitute or continue the Award) or the stock of the successor or surviving company no longer being listed on the New York Stock Exchange or the NASDAQ Stock Market, the Settlement Date shall be within thirty (30) days of the Accelerated Vesting Date.

In no event may any Settlement Date be accelerated except in accordance with Section 409A of the Code or applicable local law.

Form of Settlement

One (1) Share for each vested RSU; provided, however, that the RSUs may be settled in the form of cash to the extent settlement in Shares (i) is not standard Company practice in Participant's country of employment or service, (ii) is prohibited under applicable laws, (iii) would require Participant, the Company or, if different, the Affiliate that employs Participant to obtain the approval of any governmental and/or regulatory body in Participant's country of residence (and country of employment or service, if different), or (iv) is administratively burdensome.

GENERAL TERMS

ARTICLE I.
AWARD; VESTING; FORFEITURE AND SETTLEMENT

1.1 RSUs and Dividend Equivalents.

(a) Each RSU represents the right to receive one Share on the terms, and subject to the conditions, set forth in this Agreement. The shares of common stock of the Company that are issuable upon the vesting and conversion of the RSUs are referred to in this Agreement as "Shares." Participant will have no right to receive any Shares in settlement of RSUs until such time (if ever) as the RSUs have vested and become payable hereunder. As noted above, failure to accept the RSU Terms by the Acceptance Deadline will result in the cancellation of the RSUs, and Participant will have no further rights with respect to the Award.

(b) With respect to each RSU, Participant shall be entitled to receive dividend equivalents, which shall be credited in the form of cash or additional RSUs (as determined by the Committee) equal in value to any cash dividends paid on the Company's Shares during the period from the Grant Date until the date Shares (or cash, as applicable) are delivered in settlement of the RSUs. Any dividend equivalents credited shall be subject to the same vesting, forfeiture, and settlement terms as the underlying RSUs and shall be paid (or settled) at the same time as the underlying RSUs are settled.

1.2 Vesting. Except as otherwise provided in Section 1.3 of this Agreement, the RSU will become vested and nonforfeitable ("*Vested RSUs*") according to the vesting schedule set forth in the Key Terms above.

1.3 Termination of Employment or Service; Change in Control.

(a) Effect of Termination of Employment or Service.

(i) In the event of Participant's termination of employment or service for any reason, Participant will immediately and automatically forfeit the right to receive any Shares underlying the RSU that are not Vested RSUs (the "*Unvested RSUs*") at the time of Participant's termination of employment or service, except as otherwise provided for in this Agreement. Upon forfeiture of Unvested RSUs, Participant will have no further rights with respect to the Unvested RSUs.

(ii) In the event of Participant's termination of employment or service due to death or disability, as defined by Section 409A of the Code or, if required, by applicable local law, then the RSUs will accelerate in full and become Vested RSUs in accordance with the acceleration provisions in the Key Terms set forth above.

(b) Treatment Upon a Change in Control or Termination in Connection with a Change in Control.

(i) In the event of the earlier to occur of (A) a Change in Control if the successor or surviving company does not assume, substitute or continue the Award on substantially similar terms or with substantially equivalent benefits (as determined by the Committee prior to the Change in Control) or the stock of the successor or surviving company is not listed on the New York Stock Exchange or the NASDAQ Stock Market or (B) during the 24-month period following a Change in Control, the termination of Participant's employment or service by the Company or its successor or surviving company without Cause or due to a Constructive Termination, then the Unvested RSUs will accelerate in full and

become Vested RSUs in accordance with the acceleration provisions in the Key Terms set forth above.

(ii) For purposes of this Agreement, "**Cause**" means that Participant's employment or service is terminated because he or she: (A) has been convicted of a criminal violation involving fraud, embezzlement or theft in connection with his or her duties or in the course of his or her employment with the Company or any Affiliate; (B) has intentionally and wrongfully damaged property of the Company or any Affiliate; or (C) has intentionally and wrongfully disclosed secret processes, trade secrets or confidential information of the Company or any Affiliate; provided, that any such act has been demonstrably and materially harmful to the Company. For purposes of this Agreement, no act or failure to act on the part of Participant will be deemed to be "intentional" if it was due primarily to an error in judgment or negligence, and will be deemed to be "intentional" only if done or omitted to be done by Participant not in good faith and without reasonable belief that his or her action or omission was in the best interest of the Company.

(iii) For purposes of this Agreement, "**Constructive Termination**" means that Participant terminates his or her employment or service following the occurrence of one or more of the following events, provided that such termination of employment or service constitutes a "separation from service" within the meaning of Section 409A of the Code: (A) the Company's (or its applicable Affiliate's) failure to elect or reelect or otherwise to maintain Participant in the office or the position, or a substantially equivalent or better office or position, of or with the Company and/or a subsidiary of the Company, as the case may be, which Participant held immediately prior to a Change in Control, or the removal of Participant as a member of the Board (or any successor thereto) if Participant was a member of the Board immediately prior to the Change in Control; (B) (1) a significant adverse change in the nature or scope of the authorities, powers, functions, responsibilities or duties attached to Participant's position with the Company and any subsidiary of the Company that Participant held immediately prior to the Change in Control, (2) a reduction in the aggregate of Participant's base pay and incentive pay from the Company or its applicable Affiliate, or (3) the termination or denial of Participant's rights to material employee benefits or a material reduction in the scope or value thereof, any of which is not remedied by the Company within ten (10) calendar days after receipt by the Company of written notice from Participant of such change, reduction or termination, as the case may be; (C) a change in circumstances has occurred following a Change in Control, including, without limitation, a change in the scope of the business or other activities for which Participant was responsible immediately prior to the Change in Control, which has rendered Participant substantially unable to carry out, has substantially hindered Participant's performance of, or has caused Participant to suffer a substantial reduction in, any of the authorities, powers, functions, responsibilities or duties attached to the position held by Participant immediately prior to the Change in Control, which situation is not remedied within ten (10) calendar days after written notice to the Company from Participant of such determination; or (D) the Company requires Participant to have his or her principal location of work changed to any location that is in excess of thirty-five (35) miles from the location thereof immediately prior to the Change in Control, or requires Participant to travel away from his or her office in the course of performing his or her responsibilities or duties attached to his or her position at least twenty percent (20%) more (in terms of aggregate days in any calendar year or in any calendar quarter when annualized for purposes of comparison to any prior year) than was required of Participant in any of the three full years immediately prior to the Change in Control without, in either case, Participant's prior written consent.

1.3 Settlement.

(a) Vested RSUs will be settled in accordance with the settlement provisions in the Key Terms set forth above. The Company's obligations to Participant with respect to Vested RSUs will be satisfied in full upon the distribution of one Share (or payment of an equivalent cash value in lieu thereof) for each Vested RSU. On the Settlement Date(s), to the extent the Vested RSUs are settled in Shares, the

Company shall credit the number of Shares to be distributed to Participant as of that Settlement Date to a book-entry account in the name of Participant held by the Company's transfer agent.

(b) Notwithstanding anything to the contrary in this Agreement or the Plan, no RSUs or dividend equivalents shall be distributed to Participant pursuant to this Section 1.4 during the six-month period following Participant's termination of employment or service if the Company determines that distributing such RSUs and dividend equivalents at the time or times indicated in this Agreement would be a prohibited distribution under Section 409(a)(2)(B)(i) of the Code or applicable local law. If the settlement of any of Participant's RSUs and dividend equivalents is delayed as a result of the previous sentence, then such RSUs and dividend equivalents shall be paid to Participant during the thirty (30)-day period beginning on the first business day following the end of such six-month period (or such earlier date upon which such RSUs and dividend equivalents can be distributed under Section 409A without resulting in a prohibited distribution, including as a result of Participant's death).

**ARTICLE II.
TAXATION AND TAX WITHHOLDING**

2.1 Responsibility for Taxes.

(a) Participant acknowledges that, regardless of any action taken by the Company, the ultimate liability for all income tax, social insurance, payroll tax, employment tax, fringe benefit tax, payment on account or other tax-related items related to Participant's participation in the Plan and legally applicable to Participant or deemed by the Company in its discretion to be an appropriate charge to Participant even if legally applicable to the Company ("**Tax-Related Items**") is and remains Participant's responsibility and may exceed the amount actually withheld by the Company. Participant further acknowledges that the Company (i) makes no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the RSUs, including, but not limited to, the grant or vesting of the RSUs or any related dividend equivalents, the subsequent sale of Shares acquired upon vesting, and the receipt of any dividends; and (ii) does not commit to and is under no obligation to structure the terms of the grant or any aspect of the RSUs to reduce or eliminate Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if Participant is subject to Tax-Related Items in more than one jurisdiction, Participant acknowledges that the Company may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) The Company shall have the right to deduct from any compensation due Participant from the Company any federal, state, local or foreign taxes required by the law of any jurisdiction to be withheld in connection with the grant of RSUs, the vesting of RSUs or the issuance of Shares or pursuant to this Agreement. The Company shall retain Shares otherwise deliverable on the Settlement Date in an amount sufficient to satisfy the amount of tax required to be withheld provided that such amounts shall not exceed the statutorily required maximum withholding. The determination of the number of Shares retained for this purpose shall be based on the Fair Market Value of the Shares. Tax withholding shall be calculated based on the Fair Market Value of the Shares on the Vesting Date. In the event that the retention of Shares to satisfy withholding taxes would otherwise result in the delivery of a fractional Share, the Company will round up to the next whole Share and apply the value of the fractional Share to the recipient's tax obligations or, in the alternative, the Company may make such other arrangements to avoid the issuance of a fractional Share as may be permitted by law. No Shares shall be transferred to Participant hereunder until such time as all applicable withholding taxes have been satisfied. The Company will not retain Shares as described herein unless tax withholding applies under the laws of the local jurisdiction. To the extent that the amounts payable to Participant are insufficient for such withholding, it shall be a condition to the issuance of Shares or the grant or vesting of the RSUs, as the case

may be, that Participant shall pay such taxes or make provisions that are satisfactory to the Company for the payment thereof.

**ARTICLE III.
RESTRICTIVE COVENANTS**

3.1 Confidentiality.

(a) Participant acknowledges that, in the course of Participant's employment or service, Participant has been and will be exposed to and provided with access to trade secret, confidential, and proprietary information concerning the Company and its Affiliates that is not generally known to the public (the "**Confidential Information**"), including, but not limited to, inventions, developments, improvements, trade secrets, models, methods, algorithms, data analytics, databases and software, nonpublic financial information, client information, strategies, new products, plans, studies, forecasts, technology, models, methods and other non-public information about the Company, its Affiliates and their respective clients, vendors, business partners, managers, directors, officers and employees. Participant hereby agrees that Participant will not, at any time, before, during, or after Participant's employment or service with the Company, (i) disclose, communicate, divulge, reveal, publish, make known, or make accessible any Confidential Information, or (ii) or use, reference, rely upon, reproduce, or recreate any Confidential Information, in each case except to the extent that such disclosure or use is directly related to and required by the performance of Participant's employment or other duties for the Company or to the extent such disclosure is expressly authorized in this Section 3.1. Participant hereby agrees that Participant will take all reasonably appropriate steps to safeguard Confidential Information and to protect it against disclosure, misuse, espionage, loss, and theft. All Confidential Information is, and shall at all times remain, the sole property of the Company. Notwithstanding the foregoing, Confidential Information does not include information that is in the public domain or generally known to the public in the particular form thereof (in either case, exclusive of compiled information that may be created only with great effort or expense), other than information that became public as a result of a breach of a duty of confidentiality, information known to Participant prior to first receipt of or access to such information in the course of Participant's employment or service with the Company, or information rightfully received by Participant outside the course of Participant's employment with the Company from a third party who does not owe the Company a duty of confidentiality with respect to such information.

(b) Notwithstanding anything in this Agreement to the contrary, Participant understands that Participant may report possible violations of law or regulation to any governmental agency or entity, or make other disclosures that are protected under law or regulation. Participant also understands that nothing in this Agreement requires Participant to obtain prior authorization from the Company to make any such reports or disclosures to any governmental agency or entity or to notify the Company that Participant has made such reports or disclosures, nor shall anything in this Agreement impede Participant from discussing or disclosing information about unlawful acts in the workplace, such as harassment, discrimination, sexual assault, or any other conduct that Participant has reason to believe is unlawful, or from exercising any rights Participant may have under Section 7 of the National Labor Relations Act. Moreover, Participant understands that Participant may not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (ii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Without prior authorization of the Company, however, the Company does not authorize Participant to disclose to any third party (including any government official or any attorney Participant may retain) any communication that is covered by the Company's attorney-client privilege.

3.2 Non-Competition.

(a) Participant acknowledges and agrees that Participant's services to the Company are unique in nature and that the Company would be irreparably damaged if Participant were to provide or engage in Competitive Business Activity on behalf of any Competitor during the Restricted Period (each as defined below). Participant accordingly covenants and agrees that during the period of Participant's employment or service with the Company and through the date that is twelve (12) months following the termination of Participant's employment or service with Company for any reason (the "**Restricted Period**"), Participant shall not, directly or indirectly, either for himself or herself or for any other individual, corporation, partnership, joint venture or other entity, participate in any Competitive Business Activity on behalf of any Competitor. For purposes of this Agreement, the term "participate in" shall include, without limitation, being employed by, consulting for, having any direct or indirect interest in any corporation, partnership, joint venture or other entity, whether as a sole proprietor, owner, stockholder, partner, joint venturer, creditor or otherwise, or rendering any direct or indirect service or assistance to any individual, corporation, partnership, joint venture or other business entity (whether as a director, officer, manager, supervisor, employee, agent, consultant or otherwise). The foregoing restrictions on Participant are not applicable to any passive investment made by Participant in any public entity that is or includes a Competitor, provided such investment is not greater than two percent (2%) of market value of such public entity.

(b) The provisions of Section 3.2 shall apply to any territory, region or geography that Participant serviced or had responsibility for on behalf of the Company or for which Participant had access to Confidential Information about through Participant's position and responsibilities at the Company during the twelve (12) months preceding the termination of Participant's employment or service, or during the period from the date of this Agreement to the date of the termination of Participant's employment or service with the Company.

3.3 Non-Solicitation of Customers. Participant covenants and agrees that during employment or service with the Company and for twelve (12) months following the termination of Participant's employment or service with the Company for any reason, Participant shall not, directly or indirectly, solicit, attempt to solicit, induce or attempt to induce, or call upon for purposes of offering Competitive Products to any Restricted Customer of the Company or in any way intentionally interfere with the relationship between any such Restricted Customer and the Company.

3.4 Non-Solicitation of Employees, Agents or Business Partners. Participant further covenants and agrees that during employment or service with the Company and for twelve (12) months following the termination of Participant's employment or service with the Company for any reason, Participant shall not, directly or indirectly, solicit, attempt to solicit, induce or attempt to induce any employees, agents or current or prospective business partners of the Company to terminate his, her or its employment, engagement or association with the Company.

3.5 Acknowledgements. Participant acknowledges that the restrictions contained in this Agreement do not preclude Participant from earning a livelihood, nor do they unreasonably impose limitations on Participant's ability to earn a living. Participant agrees and acknowledges that the potential harm to the Company resulting from the non-enforcement of Sections 3.1 through 3.4 outweighs any potential harm to Participant of the enforcement of such provisions by injunction or otherwise. Participant acknowledges that Participant has carefully read this Agreement and has given careful consideration to the restraints imposed upon Participant by this Agreement and is in full agreement regarding their necessity for the reasonable and proper protection of the business goodwill and competitive positions of the Company now existing or to be developed in the future and that each and every restraint imposed by this Agreement is reasonable with respect to subject matter, time period and geographical area.

Notwithstanding the foregoing or anything else to the contrary contained herein, in the event that Participant is a party to an employment, retention, severance or other similar agreement with the Company (or a successor entity) that contains provisions that conflict with Sections 3.1 through 3.4, or the applicable definitions, the corresponding provisions of such employment, retention, severance or other similar agreement shall apply and control. Finally, Participant acknowledges that depending on the state or jurisdiction in which Participant resides or works, Sections 3.1 through 3.4 may be modified based on the State-Specific Terms in Annex A or Country-Specific Terms in Annex B attached hereto.

3.6 Certain Definitions. For purposes of this Agreement, the following definitions will apply:

- (a) **“Competitor”** means any business or person that has operations that generate more than ten percent (10%) of their annual revenues from any line of business, product or service that competes with Company.
- (b) **“Competitive Business Activity”** means directly or indirectly working with, consulting on, or providing services relating to, developing, selling, or marketing the same or substantially similar products or services offered or being developed by the Company that Participant worked with, had responsibility for, or about which Participant received Confidential Information during the twelve (12) month period preceding the date of termination of Participant’s employment with the Company.
- (c) **“Competitive Product”** means any product or service that competes with, or is meant to compete with, any product or service provided by the Company that is the same or substantially similar to the products and services offered or being developed by the Company that Participant worked with, had responsibility for, or about which Participant received Confidential Information during the twelve (12) month period preceding the date of termination of Participant’s employment with the Company.
- (d) **“Restricted Customer”** means each and every customer with whom the Company has a present, anticipated or ongoing business relationship or with whom the Company conducted business within the twelve (12) months immediately preceding the termination of Participant’s employment and with whom Participant, in the twenty-four (24)-month period preceding his or her termination with the Company, either had (i) material contact with as part of Participant’s employment or service with the Company; (ii) responsibility for soliciting or servicing its business on behalf of the Company, or (iii) access to proprietary pricing, marketing, sales, or other Confidential Information with respect to such customer.

**ARTICLE IV.
OTHER PROVISIONS**

4.1 Nature of Grant. In accepting the RSUs, Participant understands, acknowledges, and agrees that:

- (a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time in accordance with its terms;
- (b) the grant of the RSUs is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of RSUs, or benefits in lieu of RSUs, even if RSUs have been granted in the past;
- (c) all decisions with respect to future RSU or other grants, if any, will be at the sole discretion of the Committee;

- (d) the RSU grant and participation in the Plan shall not create a right to employment or service or be interpreted as forming or amending an employment or service contract with the Company or its Affiliates and shall not interfere with the ability of the Company or its Affiliates, as applicable, to terminate Participant's employment or service relationship (if any) at any time with or without cause;
- (e) Participant is voluntarily participating in the Plan;
- (f) the RSUs and any Shares acquired under the Plan, and the income and value of same, are not intended to replace any pension rights or compensation (if any);
- (g) the RSUs and any Shares acquired under the Plan, and the income and value of same, are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, pension or retirement benefits, welfare benefits or other similar payments (if any);
- (h) the future value of the Shares underlying the RSUs is unknown, indeterminable and cannot be predicted with certainty;
- (i) no claim or entitlement to compensation or damages shall arise from forfeiture of the RSUs resulting from Participant's termination of employment or service (for any reason whatsoever, whether or not later found to be invalid or in breach of applicable laws or the terms of Participant's employment or service agreement, if any);
- (j) as specified in Section 4.20 hereof, the RSUs are subject to any compensation recoupment policy required to be applied to such award under applicable laws and/or adopted by the Company from time to time, including after the Grant Date; and
- (k) unless otherwise provided in the Plan or by the Committee, the RSUs and the benefits evidenced by this Agreement do not create any entitlement to have the RSUs or any such benefits transferred to, or assumed by, another company, nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the common stock of the Company.

4.2 No Advice Regarding Grant. Neither the Company nor any of its Affiliates is providing any tax, legal or financial advice, nor is any such party making recommendations regarding participation in the Plan, or Participant's acquisition or sale of the underlying Shares. Participant understands and agrees that Participant should consult with Participant's own personal tax, legal and financial advisors regarding participation in the Plan before taking any action related to his or her Awards under the Plan.

4.3 Transferability. The RSUs are not transferable, except by will or the laws of descent and distribution or as permitted by the Committee in accordance with the terms of the Plan. Any permitted transfer of an Award hereunder shall be without consideration, except as required by applicable law.

4.4 Adjustments. In the event of any merger, reorganization, consolidation, recapitalization, stock dividend, stock split, reverse stock split, spin-off, combination, repurchase or exchange of Shares or other securities of the Company, or corporate transaction or event having an effect similar to the foregoing, the Committee shall adjust the Award, as provided by the Plan.

4.5 Defined Terms; Titles. Capitalized terms not defined in this Agreement have the meanings given to them in the Plan. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

4.6 Conformity to Applicable Laws. Participant acknowledges that the Plan and this Agreement are intended to conform to the extent necessary with all applicable laws and, to the extent applicable laws permit, will be deemed amended as necessary to conform to applicable laws.

4.7 Successors and Assigns; Third-Party Beneficiaries. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement will inure to the benefit of the successors and assigns of the Company. Subject to the transfer provisions set forth in the Plan, this Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto. Each subsidiary of the Company is an intended third-party beneficiary of any rights or entitlements conferred on any such party hereunder, and shall be entitled to enforce such rights and entitlements hereunder as if such entity was a signatory to this Agreement.

4.8 Limitation on Participant's Rights. Participation in the Plan confers no rights or interests other than as herein provided. Participant shall have none of the rights of a stockholder with respect to the RSUs, including the right to receive dividends or vote stock. This Agreement creates a contractual arrangement between the Company and Participant only (except as expressly provided above with respect to third-party rights of subsidiaries) and shall not be construed as creating a trust for the benefit of Participant. Neither the Plan nor any underlying program, in and of itself, has any assets. Participant will have only the rights of a general unsecured creditor of the Company with respect to amounts credited and benefits payable, if any, with respect to the RSUs and dividend equivalents, and rights no greater than the right to receive the Shares or cash as a general unsecured creditor with respect to the RSUs and dividend equivalents, as and when settled pursuant to the terms hereof.

4.9 Entire Agreement and Imposition of Other Terms. The Plan and this Agreement (including all exhibits and appendices hereto) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company (or between any of its subsidiaries) and Participant with respect to the subject matter hereof. Nonetheless, the Company reserves the right to impose other requirements on Participant's participation in the Plan, on the RSUs and on any Shares acquired under the Plan, to the extent the Committee determines it is necessary or advisable for legal or administrative reasons, and to require Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan will control.

4.10 Administration. The Committee shall have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation, and application of the Plan as are consistent therewith and to interpret or revoke any such rules. All actions taken and all interpretations and determinations made by the Committee shall be final and binding upon Participant, the Company and all other interested persons. No member of the Committee shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or this Agreement.

4.11 Effect on Other Employee Benefit Plans. The value of the RSUs granted pursuant to this Agreement shall not be included as compensation, earnings, salary or other similar terms used when calculating Participant's benefits under any employee benefit plan sponsored by the Company or any subsidiary, except as such plan otherwise expressly provides. The Company expressly reserves its rights to amend, modify, or terminate any of the Company's employee benefit plans.

4.12 Severability. If any provision of the Plan or this Agreement is, becomes, or is deemed to be invalid, illegal or unenforceable in any jurisdiction or would disqualify the Plan or award hereunder under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Committee, materially altering the purpose or intent of the Plan or award, such

provision shall be stricken as to such jurisdiction or award, and the remainder of the Plan or Agreement shall be in full force and effect.

4.13Construction. The RSUs granted hereunder are being issued pursuant to the Plan and are subject to the terms of the Plan. A copy of the Plan has been given to Participant, and additional copies of the Plan are available upon request during normal business hours at the principal executive offices of the Company. To the extent that any provision of this Agreement violates or is inconsistent with an express provision of the Plan, the Plan provision shall govern and any inconsistent provision in this Agreement shall be of no force or effect.

4.14Waiver. Participant acknowledges that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by Participant or any other person.

4.15Electronic Delivery and Acceptance. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means (including without limitation the Plan, Awards, Award Agreements, prospectuses required by applicable securities law) and all other documents that the Company is required to deliver to its security holders (including without limitation, annual reports and proxy statements). Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

4.16Notices. Any notice to be given under the terms of this Agreement to the Company must be in writing and addressed to the Company in care of the Company's Chief Legal & Administrative Officer at the Company's principal office. Any notice to be given under the terms of this Agreement to Participant must be in writing and addressed to Participant at Participant's last known mailing address, email address or facsimile number in the Company's personnel files. By a notice given pursuant to this Section 4.16, either party may designate a different address for notices to be given to that party. Any notice will be deemed duly given when actually received, when sent by email, when sent by certified mail (return receipt requested) and deposited with postage prepaid in a post office or branch post office regularly maintained by the United States Postal Service, when delivered by a nationally recognized express shipping company or upon receipt of an email or facsimile transmission confirmation.

4.17Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan or this Agreement, if Participant is subject to Section 16 of the Exchange Act, the Plan, this Agreement and the RSUs will be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3) that are requirements for the application of such exemptive rule. To the extent applicable laws permit, this Agreement will be deemed amended as necessary to conform to such applicable exemptive rule.

4.18Insider Trading Restrictions/Market Abuse Laws. Participant acknowledges that Participant may be subject to insider trading restrictions and/or market abuse laws, which may affect Participant's ability to acquire or sell Shares or rights to Shares under the Plan during such times when Participant is considered to have "inside information" regarding the Company (as defined by applicable laws). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable insider trading policy of the Company. Participant acknowledges that Participant is responsible for ensuring compliance with any applicable restrictions and should consult Participant's personal legal advisor on these matters.

4.19Section 409A. It is intended that this Agreement and its administration comply with the provisions of Section 409A of the Code (as defined below). Accordingly, notwithstanding any provision

in this Agreement or in the Plan to the contrary, this Agreement and the Plan will be interpreted, applied and amended, to the minimum extent necessary to comply with Section 409A of the Code, so that this Agreement does not fail to meet, and is operated in accordance with, the requirements of Section 409A of the Code and the regulations promulgated thereunder. As used herein, “Code” means the Internal Revenue Code of 1986 as amended from time to time, and any interpretations thereof issued by the U.S. Treasury Department on which the Company is permitted to rely.

4.20 Recoupment and Clawback Provisions. In consideration of the grant of this Award, Participant agrees that this Award and any related dividend equivalents (including the gross amount of any proceeds, gains or other economic benefit Participant actually or constructively receives upon receipt of this Award, the receipt or resale of any Shares underlying this Award or any other amounts or benefits as required by applicable law) will be subject to recoupment by the Company in the event of material breach by Participant of any of the restrictive covenants described in Article III of this Agreement, or the breach of any other restrictive covenant obligations (including confidentiality, intellectual property assignment, non-disparagement, non-competition and non-solicitation covenants) owed by Participant to the Company or any of its Affiliates, or to the extent required to comply with applicable law and/or any policy of the Company providing for the reimbursement of compensation (including the Company’s Compensation Clawback Policy as in effect from time to time and any other policy adopted after the Grant Date).

4.21 Governing Law. This Agreement and the RSUs will be governed by and interpreted in accordance with the laws of the State of Delaware, disregarding the choice-of-law principles of the State of Delaware and any other state requiring the application of a jurisdiction’s laws other than the State of Delaware.

4.22 Privacy Notice. By accepting this Award, Participant:

- (a) consents to the collection, use and transfer, in electronic or other form, of any of Participant’s personal data that is necessary to facilitate the implementation, administration and management of the Award and the Plan;
- (b) understands that the Company and Participant’s employer may, for the purpose of implementing, administering and managing the Plan, hold certain personal information about Participant, including, but not limited to, Participant’s name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title and details of all awards or entitlement to Shares granted to Participant under the Plan or otherwise (“Data”);
- (c) understands that Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan, including any broker with whom the shares issued on vesting of the Award may be deposited, and that these recipients may be located in Participant’s country or elsewhere, and that the recipient’s country may have different data privacy laws and protections than Participant’s country; and
- (d) authorizes the Company, its Affiliates and its agents to store and transmit such Data in electronic form.

4.23 Exclusion from Termination Indemnities and Other Benefits. This Section 4.23 applies if the Participant resides outside the U.S.; The value of the RSUs and any other awards granted under the Plan is an extraordinary item of compensation outside the scope of the Participant’s employment with the Company or any subsidiary of the Company (and the Participant’s employment contract, if any). Any grant under the Plan, including the grant of the RSUs and the income and value of same, is not part of normal or expected

compensation or salary. Further, the RSUs and the Shares, and the income and value of same, are not intended to replace any pension rights or compensation.

IN WITNESS WHEREOF, the Company and Participant have duly executed this Agreement as of the Grant Date above.

CTS CORPORATION

By:

Name:

Title:

PARTICIPANT

Name:

ANNEX A: STATE-SPECIFIC TERMS

The Award is subject to the following additional terms, conditions and notices as set forth in this Annex A to the extent Participant resides and/or is employed in one of the states addressed herein. All defined terms contained in this Annex A shall have the same meaning as set forth in the Plan and this Agreement.

I. For Participants in Illinois:

1. Restrictive Covenants. Participant acknowledges and agrees that (i) Participant has been advised to seek counsel prior to entering into the Agreement (including this Annex A), inclusive of the non-competition and other restrictive covenants set forth herein, and (ii) Participant has been provided with at least fourteen (14) days to consider this Agreement, including the non-competition and other restrictive covenants set forth in the Agreement, or has voluntarily elected to execute this Agreement prior to the expiration of such fourteen (14) day period.

ANNEX B: TERMS AND CONDITIONS APPLICABLE TO PARTICIPANTS OUTSIDE THE U.S.

The Award is subject to the following additional terms, conditions and notices as set forth in this Annex B to the extent Participant resides and/or is employed in one of the countries addressed herein. The information reflected herein is based on the securities, exchange control and other laws in effect in the respective countries as of the Grant Date. All defined terms as contained in this Annex B shall have the same meaning as set forth in the Plan and this Agreement. The Company and Committee may establish new or alternative terms and conditions to the extent they determine, in their discretion, that the application of such new or alternative terms and conditions is necessary or advisable in order to comply with local laws, rules and regulations, or to facilitate the operation and administration of the Award and the Plan.

I. For Participants in all applicable jurisdictions outside of the United States (except as prohibited by applicable local law):

1. Private Placement Outside of the United States. The grant of the Award is not intended to be a public offering of securities in any jurisdiction outside of the United States but instead is intended to be a private placement if granted to a Participant based or located outside of the United States. The Company has not submitted any registration statement, prospectus or other filings with local securities authorities outside of the United States (unless otherwise required under local law), and the grant of the Award is not subject to the supervision of the local securities authorities in any jurisdiction outside of the United States. Participant is hereby advised to exercise caution in relation to the offer. If Participant is in any doubt about any of the contents of the Plan or this Agreement or any related documents, Participant should obtain independent professional advice.
 2. Compliance with Local Law. If Participant is resident or employed outside of the United States, as a condition to the grant of the Award, Participant agrees to repatriate all payments attributable to the Shares or cash acquired under the Plan in accordance with local foreign exchange rules and regulations in Participant's country of residence (and country of employment, if different). In addition, Participant agrees to take any and all actions, and consent to any and all actions taken by the Company and its Affiliates, as may be required to allow the Company and its Affiliates to comply with local laws, rules and regulations in Participant's country of residence (and country of employment, if different). Participant further agrees to take any and all actions as may be required to comply with your personal legal and tax obligations under local laws, rules and regulations in your country of residence (and country of employment, if different).
 3. Employment Law Policy and Acknowledgement. By accepting the Award of RSUs, Participant acknowledges that (i) equity awards granted pursuant to the Plan and this Agreement and any other related benefits awards under the Plan are discretionary, (ii) the Plan and this Agreement are not a part of the terms and conditions of Participant's employment; and (iii) the income from the vesting of the RSUs, if any, is not part of Participant's remuneration from employment and is not to be considered in valuing employment benefits or severance payable in the event of the termination of Participant's employment.
 4. English Language. Participant acknowledges and agrees that it is Participant's express intent that the Agreement, the Plan and all other documents, notices and legal proceedings entered into, given or instituted pursuant to the Award, be drawn up in English. If Participant is in a country where English is not an official language, Participant acknowledges that Participant is sufficiently proficient in English or have the ability to consult with an advisor who is sufficiently proficient in the English language, so as to allow Participant to understand the terms and conditions of this Agreement, the Plan and any other documents related to the Award. If Participant has received the Agreement, the Plan or any other documents
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related to the RSUs translated into a language other than English, and if the meaning of the translated version is different than the English version, the English version will control.

II. For Participants in all applicable jurisdictions in the European Union and certain other jurisdictions:

1. Data Protection. By accepting the Award of RSUs, Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Participant's personal data as described in this Agreement and any other award materials by and among, as applicable, the Company and any Affiliate for the exclusive purpose of implementing, administering and managing Participant's participation in the Plan. By accepting the Award of RSUs and entering into this Agreement, Participant acknowledges that his or her personal data will be processed and disclosed as follows: by the Company, or any Affiliate employing Participant as they are required to collect, process and utilize the personal information or other relevant information pertaining to Participant for purposes directly relevant to the Award granted to Participant, and to disclose or transfer such information to other Affiliates and, if necessary, a third party (including any broker, registrar or administrator) for the purpose of administering the Plan; by the Company or any Affiliate employing Participant and any such third party so that they may utilize such information for the purpose of administering the Plan, provided that such information shall be kept confidential and shall not be used by any of them for any purposes not related to the administration of the Plan; by the Company or any Affiliate employing Participant and any such third party (any of which may be located in the European Union or outside of the European Union) so that they may transfer the personal information or other relevant information pertaining to Participant in the European Union or outside of the European Union for the purpose of administering the Plan (in which case the transfer shall be governed by "model contract clauses" or equivalent measures required under European Union data protection laws); and by and to any future purchaser of the Company or any Affiliate employing Participant, or any future purchaser of their respective undertakings or any parts thereof, for the purpose of administering the Plan and/or confirming Participant's entitlement to an Award and/or any Shares where such entitlement is relevant to Award. By entering into this Agreement, Participant acknowledges Participant is expressly informed that the purposes described in this Agreement are necessary for the performance of the Plan or are otherwise necessary for the legitimate interests of the Company or any Affiliate employing Participant in connection with the administration of the Plan. Should Participant exercise any data subject rights in relation to his or her personal data, such as the right of objection or erasure such that the required data can no longer be processed for the purpose of this Agreement, Participant acknowledges that it may no longer be possible to administer the Plan in respect of Participant. In that case the Awards may lapse and shall not be capable of vesting and Participant shall be deemed to have waived (without any right to compensation) any right to Shares or cash which are being held on Participant's behalf. Participant shall be provided with the information regarding the following by the Company, the Board or any Affiliate employing Participant to the extent that they are acting as controllers of Participant's personal data (save where Participant already has the information): the purpose of the collection and use of the personal information or other relevant information pertaining to Participant; the information to be collected and used; the period and method of retention and use of the personal information or other relevant information pertaining to Participant; details of any third parties to whom their information is disclosed or transferred including the purpose of such disclosure or transfer and, where applicable, the safeguards applied to any transfers of data outside of the European Union; the rights of Participant in respect of access to, rectification and deletion of their information and any related disadvantages; where applicable, the contact details of the data protection officer of the relevant controller; and the right to complain to the relevant data protection supervisory authority.

III. For Participants in China:

The following provision applies if the Participant is subject to exchange control restrictions and regulations in the People's Republic of China ("PRC"), including the requirements imposed by the China State Administration of Foreign Exchange ("SAFE"), as determined by the Company in its sole discretion:

Vesting. Notwithstanding anything to the contrary in the Plan or the Agreement, the RSUs will not vest and no Shares will be issued to the Participant unless and until all necessary exchange control or other approvals with respect to the RSUs under the Plan have been obtained from the SAFE or its local counterpart ("SAFE Approval"). In the event that SAFE Approval has not been obtained prior to any date(s) on which the RSUs are scheduled to vest in accordance with the vesting schedule set forth in the Agreement, the RSUs will not vest until the seventh day of the month following the month in which SAFE Approval is obtained (the "Actual Vesting Date"). If the Participant's status as an employee terminates prior to the Actual Vesting Date, the Participant shall not be entitled to vest in any portion of the RSUs and the RSUs shall be forfeited without any liability to the Company or any subsidiary or affiliate of the Company.

Exchange Control Requirements. Due to exchange control laws in the PRC, Shares acquired through RSU vestings must be maintained in the Morgan Stanley (or any successor broker designated by the Company) brokerage account until the Shares are sold. When the Shares are sold, all proceeds must be repatriated to the PRC and held in a special exchange control account maintained by the Company or one of the Company's subsidiaries in the PRC. To the extent that the Participant holds any Shares on the date that is three (3) months (or such other period as may be required by the SAFE) after the date of the Participant's termination of employment with the Company or one of the Company's subsidiaries in the PRC, the Participant authorizes Morgan Stanley (or any successor broker designated by the Company) to sell such Shares on the Participant's behalf at that time or as soon as is administratively practical thereafter. The Participant understands and agrees that the Company's designated broker is under no obligation to arrange for the sale of the Shares at any particular price. Upon the sale of the Shares, the Company agrees to pay the Participant the cash proceeds from the sale, less any brokerage fees or commissions and subject to any obligation to satisfy Tax-Related Items.

The Participant further is required to repatriate to the PRC any dividends or dividend equivalents paid to the Participant in relation to RSUs through a special exchange control account established by the Company or one of the Company's subsidiaries in the PRC. The Participant hereby agrees that any cash proceeds from the Participant's participation in the Plan may be transferred to such special account prior to being delivered to the Participant.

The Participant also understands and agrees that there will be a delay between the date the Shares are sold and the date the cash proceeds are distributed to the Participant. The Participant agrees to bear any currency fluctuation risk between the time the Shares are sold and the time the cash proceeds are distributed to the Participant through the special account described above. The Participant further agrees to comply with any other requirements that may be imposed by the Company in the future in order to facilitate compliance with exchange control requirements in the PRC.

Tax Liability. Taxes are due at the time of vesting of the RSUs. The Participant understands and agrees that Tax-Related Items may be taken by the Employer from the Participant's salary or other cash compensation.

IV. For Participants in Denmark:

Danish Stock Option Act. By participating in the Plan, the Participant acknowledges that he or she received an Employer Statement translated into Danish, which is being provided to comply with the Danish Stock Option Act, as amended effective January 1, 2019, and is attached hereto as Appendix C.

Foreign Asset / Account Reporting Information. If the Participant establishes an account holding Shares or cash outside Denmark, the Participant must report the account to the Danish Tax Administration. The form which should be used in this respect can be obtained from a local bank.

V. For Participants in Japan:

Foreign Asset / Account Reporting Information. The Participant will be required to report details of any assets held outside Japan as of December 31st to the extent such assets have a total net fair market value exceeding ¥50,000,000. This report is due by March 15th each year. The Participant should consult with his or her personal tax advisor as to whether the reporting obligation applies to him or her and whether the requirement extends to any outstanding RSUs or Shares acquired under the Plan.

VI. For Participants in Mexico:

Acknowledgment of the Agreement. By participating in the Plan, Participant acknowledges that the Participant has received a copy of the Plan, has reviewed the Plan in its entirety and fully understands and accepts all provisions of the Plan. The Participant further acknowledges that the Participant has read and expressly approves the terms and conditions set forth in the Agreement, in which the following is clearly described and established: (i) the Participant's participation in the Plan does not constitute an acquired right; (ii) the Plan and the Participant's participation in the Plan are offered by the Company on a wholly discretionary basis; (iii) the Participant's participation in the Plan is voluntary; and (iv) the Company and its subsidiaries are not responsible for any decrease in the value of the underlying Shares.

Labor Law Policy and Acknowledgment. By participating in the Plan, the Participant expressly recognizes that CTS Corporation, with registered offices at 4925 Indiana Avenue, Lisle, IL. 60532 U.S.A., is solely responsible for the administration of the Plan and that the Participant's participation in the Plan and acquisition of Shares does not constitute an employment relationship between the Participant and the Company since the Participant is participating in the Plan on a wholly commercial basis. Based on the foregoing, the Participant expressly recognizes that the Plan and the benefits that the Participant may derive from participation in the Plan do not establish any rights between the Participant and the Company and do not form part of the employment conditions and/or benefits provided by the Company and any modification of the Plan or its termination shall not constitute a change or impairment of the terms and conditions of the Participant's employment.

The Participant further understands that the Participant's participation in the Plan is as a result of a unilateral and discretionary decision of the Company; therefore, the Company reserves the absolute right to amend and/or discontinue the Participant's participation at any time without any liability to the Participant.

Finally, the Participant hereby declares that Participant does not reserve any action or right to bring any claim against the Company for any compensation or damages regarding any provision of the Plan or the benefits derived under the Plan, and the Participant therefore grants a full and broad release to the Company, its subsidiaries, branches, representation offices, its shareholders, officers, agents or legal representatives with respect to any claim that may arise.

Reconocimiento del Contrato. Al participar en el Plan, usted reconoce que ha recibido una copia del Plan, que ha revisado el Plan en su totalidad, y que entiende y acepta en su totalidad, todas y cada una de las

disposiciones del Plan. Asimismo reconoce que ha leído y aprueba expresamente los términos y condiciones señalados en el párrafo titulado Naturaleza de la Oferta en el Convenio, en lo que claramente se describe y establece lo siguiente: (i) su participación en el Plan no constituye un derecho adquirido; (ii) el Plan y su participación en el Plan son ofrecidos por la Compañía sobre una base completamente discrecional; (iii) su participación en el Plan es voluntaria; y (iv) la Compañía y sus afiliadas no son responsables de ninguna por la disminución en el valor de las Acciones subyacentes

Política de Legislación Laboral y Reconocimiento. Al participar en el Plan, usted reconoce expresamente que CTS Corporation., con oficinas registradas en 4925 Indiana Avenue, Lisle, IL. 60532 EE.UU. es la única responsable por la administración del Plan, y que su participación en el Plan, así como la adquisición de las Acciones, no constituye una relación laboral entre usted y la Compañía, debido a que usted participa en el plan sobre una base completamente mercantil. Con base en lo anterior, usted reconoce expresamente que el Plan y los beneficios que pudiera obtener por su participación en el Plan, no establecen derecho alguno entre usted y la Compañía, y no forman parte de las condiciones y/o prestaciones laborales que la Compañía ofrece, y que las modificaciones al Plan o su terminación, no constituirán un cambio ni afectarán los términos y condiciones de su relación laboral.

Asimismo usted entiende que su participación en el Plan es el resultado de una decisión unilateral y discrecional de la Compañía; por lo tanto, la Compañía se reserva el derecho absoluto de modificar y/o suspender su participación en cualquier momento, sin que usted incurra en responsabilidad alguna.

Finalmente, usted declara que no se reserva acción o derecho alguno para interponer reclamación alguna en contra de la Compañía, por concepto de compensación o daños relacionados con cualquier disposición del Plan o de los beneficios derivados del Plan, y por lo tanto, usted libera total y ampliamente de toda responsabilidad a la Compañía, a sus afiliadas, sucursales, oficinas de representación, sus accionistas, funcionarios, agentes o representantes legales, con respecto a cualquier reclamación que pudiera surgir.

VII. For Participants in the Philippines

Securities Law Information. The securities being offered or sold herein have not been registered with the Philippines Securities and Exchange Commission ("PSEC") under its Securities Regulation Code (the "SRC").

The grant of RSUs is being made pursuant to an exemption from registration under Section 10.2 of the SRC that has been approved by the PSEC.

The Participant should be aware of the risks of participating in the Plan, which include (without limitation) the risk of fluctuation in the price of the Shares on the New York Stock Exchange ("NYSE") and the risk of currency fluctuations between the U.S. Dollar and his or her local currency. In this regard, the Participant should note that the value of any Shares he or she may acquire under the Plan may decrease, and fluctuations in foreign exchange rates between his or her local currency and the U.S. Dollar may affect the value of the Shares or any amounts due to the Participant pursuant to the vesting of the RSUs or the subsequent sale of any Shares acquired by the Participant. The Company is not making any representations, projections or assurances about the value of the Shares now or in the future.

For further information on risk factors impacting the Company's business that may affect the value of the Shares, the Participant should refer to the risk factors discussion in the Company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, which are filed with the U.S. Securities and Exchange Commission and are available online at www.sec.gov, as well as on the Company's website at <http://investors.ctscorp.com/financials/sec-filings/default.aspx>

The Participant should also note that the sale or disposal of Shares acquired under the Plan may be subject to certain restrictions under Philippines securities laws. Those restrictions should not apply if the offer and resale of Shares takes place outside of the Philippines through the facilities of a stock exchange on which the Shares are listed. The Shares are currently listed on the NYSE. The Company's designated broker should be able to assist the Participant in the sale of Shares on NYSE.

If the Participant has questions with regard to the application of Philippines securities laws to the disposal or sale of Shares acquired under the Plan the Participant should consult with his or her legal advisor.

VIII. For Participants in Poland:

Foreign Asset/Account Reporting Information. If the Participant maintains bank or brokerage accounts holding cash and foreign securities (including Shares) outside of Poland, the Participant will be required to report information to the National Bank of Poland on transactions and balances in such accounts if the value of such cash and securities exceeds PLN 7,000,000. If required, such reports must be filed on a quarterly basis on special forms available on the website of the National Bank of Poland.

Exchange Control Information. The transfer of funds in excess of a certain threshold (currently €15,000, unless the transfer of funds is considered to be connected with the business activity of an entrepreneur, in which case a lower threshold may apply) into or out of Poland must be made through a bank account in Poland. The Participant understands that he or she is required to store all documents connected with any foreign exchange transactions for a period of five years, as measured from the end of the year in which such transaction occurred. The Participant should consult with his or her personal legal advisor to determine what he or she must do to fulfill any applicable reporting/exchange control duties.

IX. For Participants in Singapore:

Securities Law Information. The RSUs were granted to the Participant pursuant to the "Qualifying Person" exemption under section 273(1)(f) of the Singapore Securities and Futures Act (Chapter 289, 2006 Ed.) ("SFA"). The Agreement and the Plan have not been lodged or registered as a prospectus with the Monetary Authority of Singapore. The Participant should note that the Participant's RSUs are subject to section 257 of the SFA and the Participant will not be able to make any subsequent sale in Singapore, or any offer of such subsequent sale of the Shares unless such sale or offer in Singapore is made pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the SFA.

Chief Executive Officer and Director Notification. If the Participant is the Chief Executive Officer ("CEO") or a director, associate director or shadow director of a subsidiary or other related company in Singapore, the Participant is subject to certain notification requirements under the Singapore Companies Act. Among these requirements is an obligation to notify the Singapore subsidiary in writing when the Participant receives an interest (e.g., RSUs, Shares) in the Company or any related company. In addition, the Participant must notify the Singapore subsidiary when the Participant sells Shares of the Company or any related company (including when the Participant sells Shares acquired under the Plan). These notifications must be made within two (2) business days of (i) acquiring or disposing of any interest in the Company or any related company, or (ii) any change in a previously-disclosed interest (e.g. upon vesting of the RSUs or when Shares are subsequently sold). In addition, a notification must be made of the Participant's interests in the Company or any related company within two (2) business days of becoming a CEO or director, associate director, or shadow director.

X. For Participants in Taiwan:

Data Privacy. The Participant acknowledges that he or she has read and understands the terms regarding collection, processing and transfer of Data contained in the Privacy Notice in Section 4.22 of the Agreement and Section II(1) of this Annex B and agrees that, upon request of the Company, the Participant will provide any executed data privacy consent form to the Company (or any other agreements or consents that may be required by the Company) that the Company may deem necessary to obtain under the data privacy laws in Participant's country, either now or in the future. The Participant understands he or she will not be able to participate in the Plan if the Participant fails to execute any such consent or agreement.

Securities Law Information. The RSUs and participation in the Plan is made available only to employees of the Company and its subsidiaries. It is not a public offer of securities by a Taiwanese company. Therefore, it is exempt from registration in Taiwan.

Exchange Control Information. Individuals may acquire foreign currency (including proceeds from the sale of Shares) into Taiwan up to US\$5,000,000 per year without justification. There is no need to aggregate all remittances into Taiwan when calculating the limitation. If the transaction amount is TWD\$500,000 or more in a single transaction, the Participant must submit a Foreign Exchange Transaction Form and also provide supporting documentation to the satisfaction of the remitting bank.

**CTS CORPORATION
2018 EQUITY AND INCENTIVE COMPENSATION PLAN
PERFORMANCE-BASED RESTRICTED STOCK UNIT AWARD AGREEMENT**

CTS Corporation (the "*Company*") has granted to the participant listed below ("*Participant*") the performance-based restricted stock units (the "*RSUs*") described in this Restricted Stock Unit Award Agreement, including the Key Terms, General Terms and Annexes hereunder (this "*Agreement*"), subject to the terms and conditions of this Agreement and the CTS Corporation 2018 Equity and Incentive Compensation Plan (as amended from time to time, the "*Plan*"), which is incorporated into this Agreement by reference. For purposes of this Agreement, references to the "*Company*" shall include any subsidiary employer, as applicable. Except as expressly provided herein, capitalized terms used herein shall have the meaning ascribed to such terms under the Plan.

KEY TERMS

Participant:	_____
Grant Date:	_____
Number of RSUs Granted at Target:	_____
Minimum and Maximum Award:	_____
Performance Period:	0% to 200% of Target RSUs
Vesting Schedule and Vesting Date:	January 1, 2026 – December 31, 2028
	Subject to and conditioned upon Participant's continued employment or service with the Company through the last day of the Performance Period the ("Vesting Date"), and further subject to the terms and conditions of this Agreement and the Plan, the RSUs shall vest and become nonforfeitable on the Vesting Date based on the calculation of the Settlement Amount (which shall be calculated based on achievement of performance goals set forth in Exhibit 1).
	The Company may, in its discretion, adjust Participant's Settlement Amount (from 0% to 200%) after consideration of other business factors, including overall performance of the Company and Participant's contribution.
	Notwithstanding the foregoing vesting conditions, the RSUs shall be subject to accelerated vesting in certain circumstances as provided in this Agreement.

Termination of Employment or Service; Retirement; Acceleration

Any unvested RSUs outstanding as of Participant's termination of employment or service will be forfeited, except as otherwise provided in this Agreement.

In the event of Participant's termination of employment or service due to death or disability (as defined by Section 409A of the Code or, if required, by applicable local law), Participant shall immediately vest in the unvested RSUs, and such vested RSUs will be settled between January 1st and March 15th of the calendar year following the Vesting Date set forth above in these Key Terms (regardless of the actual date of termination due to Participant's death or disability).

In the event of Participant's Qualified Retirement, Participant shall immediately vest in a prorated portion of the RSUs eligible to vest during the Performance Period. The number of RSUs that vest shall be determined by multiplying the Award by a fraction, the numerator of which is the number of full months of service Participant completes of the Performance Period and the denominator of which is 36. Such vested RSUs will be settled between January 1st and March 15th of the calendar year following the Vesting Date (regardless of the actual date of termination due to Participant's Qualified Retirement).

In the event of the earlier to occur of (i) a Change in Control if the successor or surviving company does not assume, substitute or continue the Award on substantially similar terms or with substantially equivalent benefits (as determined by the Committee prior to the Change in Control) or the stock of the successor or surviving company following a Change in Control is not listed on the New York Stock Exchange or the NASDAQ Stock Market, or (ii) during the 24-month period following a Change in Control, the termination of Participant's employment or service by the Company or its successor or surviving company without Cause (as defined in the General Terms) or due to a Constructive Termination (as defined in the General Terms), then, in each case, Participant shall immediately vest in the unvested RSUs, and such vested RSUs will be settled within thirty (30) days of the Change in Control or employment termination date, as applicable (the "Accelerated Vesting Date"). A termination of employment under clause (ii) of the preceding sentence is referred to under this Agreement as a "Qualified Termination".

Settlement Amount

The Settlement Amount shall be calculated as follows:

(i) upon the occurrence of Participant's death or disability, the Settlement Amount shall be equal to the greater of (x) 100% of the number of RSUs specified in Section 1 above, or (y) the amount calculated pursuant to Section (iii) below if occurring after a Change in Control;

(ii) upon the occurrence of a Qualified Retirement, the Settlement Amount shall be calculated as set forth in Exhibit 1 hereto as if Participant had remained employed by the Company for the entire Performance Period and pro-rated based on the Qualified Retirement date as described above in these Key Terms; except, that, if such Qualified Retirement occurs following a Change in Control, the Settlement Amount shall be calculated as set forth in paragraph (iii) below and pro-rated based on the Qualified Retirement date as described above in these Key Terms; and

(iii) upon or following the occurrence of a Change in Control, the Settlement Amount for all purposes under this Agreement will be the greater of (x) the Target RSUs, and (y) the amount calculated based on the Company's actual performance calculated from the Performance Period start date until the date of the occurrence of the Change in Control, as determined by the Committee in its sole discretion immediately prior to the Change in Control.

Settlement Date

On or before March 15th of the calendar year immediately following the applicable Vesting Date; provided, however, that (i) if vesting accelerates due to the termination of Participant's employment or service due to death or disability or Qualified Retirement, the Settlement Date shall be between January 1st and March 15th of the calendar year immediately following the Vesting Date, and (ii) if vesting accelerates due to a Qualified Termination within 24 months following a Change in Control or the occurrence of a Change in Control (if the successor or surviving company does not assume, substitute or continue the Award) or the stock of the successor or surviving company no longer being listed on the New York Stock Exchange or the NASDAQ Stock Market, the Settlement Date shall be within thirty (30) days of the Accelerated Vesting Date.

In no event may any Settlement Date be accelerated except in accordance with Section 409A of the Code or applicable local law.

Form of Settlement

One (1) Share for each vested RSU; provided, however, that the RSUs may be settled in the form of cash to the extent settlement in Shares (i) is not standard Company practice in Participant's country of employment or service, (ii) is prohibited under applicable laws, (iii) would require Participant, the Company or, if different, the Affiliate that employs Participant to obtain the approval of any governmental and/or regulatory body in Participant's country of residence (and country of employment or service, if different), or (iv) is administratively burdensome.

GENERAL TERMS

ARTICLE I.
AWARD; VESTING; FORFEITURE AND SETTLEMENT1.1 RSUs and Dividend Equivalents.

(a) Each RSU represents the right to receive one Share on the terms, and subject to the conditions, set forth in this Agreement. The shares of common stock of the Company that are issuable upon the vesting and conversion of the RSUs are referred to in this Agreement as "Shares." Participant will have no right to receive any Shares in settlement of RSUs until such time (if ever) as the RSUs have vested and become payable hereunder. As noted above, failure to accept the RSU Terms by the Acceptance Deadline will result in the cancellation of the RSUs, and Participant will have no further rights with respect to the Award.

(b) With respect to each RSU, Participant shall be entitled to receive dividend equivalents, which shall be credited in the form of cash or additional RSUs (as determined by the Committee) equal in value to any cash dividends paid on the Company's Shares during the period from the Grant Date until the date Shares (or cash, as applicable) are delivered in settlement of the RSUs. Any dividend equivalents credited shall be subject to the same vesting, forfeiture, and settlement terms as the underlying RSUs and shall be paid (or settled) at the same time as the underlying RSUs are settled.

1.2 Vesting. Except as otherwise provided in Section 1.3 of this Agreement, the RSUs will become vested and nonforfeitable ("**Vested RSUs**") according to the vesting schedule set forth in the Key Terms above.

1.3 Termination of Employment or Service; Change in Control.(a) Effect of Termination of Employment or Service.

(i) In the event of Participant's termination of employment or service for any reason, Participant will immediately and automatically forfeit the right to receive any Shares underlying the RSU that are not Vested RSUs (the "**Unvested RSUs**") at the time of Participant's termination of employment or service, except as otherwise provided for in this Agreement. Upon forfeiture of Unvested RSUs, Participant will have no further rights with respect to the Unvested RSUs.

(ii) In the event of Participant's termination of employment or service due to death or disability, as defined by Section 409A of the Code or, if required, by applicable local law, then the RSUs will accelerate in full and become Vested RSUs in accordance with the acceleration provisions in the Key Terms set forth above.

(iii) In the event of Participant's Qualified Retirement, a prorated portion of the RSUs eligible to vest during the applicable Performance Period will accelerate and become Vested RSUs in accordance with the acceleration provisions in the Key Terms set forth above. For purposes of this Agreement, "**Qualified Retirement**" means Participant's termination of employment after having (A) attained age 55; (B) completed five years of service; and (C) provided at least one year notice prior to his intended retirement date.

(b) Treatment Upon a Change in Control or Termination in Connection with a Change in Control.

(i) In the event of the earlier to occur of (A) a Change in Control if the successor or surviving company does not assume, substitute or continue the Award on substantially similar terms or with substantially equivalent benefits (as determined by the Committee prior to the Change in Control) or the stock of the successor or surviving company is not listed on the New York Stock Exchange or the NASDAQ Stock Market or (B) during the 24-month period following a Change in Control, the termination of Participant's employment or service by the Company or its successor or surviving company without Cause or due to a Constructive Termination, then the Unvested RSUs will accelerate in full and become Vested RSUs in accordance with the acceleration provisions in the Key Terms set forth above.

(ii) For purposes of this Agreement, "**Cause**" means that Participant's employment or service is terminated because he or she: (A) has been convicted of a criminal violation involving fraud, embezzlement or theft in connection with his or her duties or in the course of his or her employment with the Company or any Affiliate; (B) has intentionally and wrongfully damaged property of the Company or any Affiliate; or (C) has intentionally and wrongfully disclosed secret processes, trade secrets or confidential information of the Company or any Affiliate; provided, that any such act has been demonstrably and materially harmful to the Company. For purposes of this Agreement, no act or failure to act on the part of Participant will be deemed to be "intentional" if it was due primarily to an error in judgment or negligence, and will be deemed to be "intentional" only if done or omitted to be done by Participant not in good faith and without reasonable belief that his or her action or omission was in the best interest of the Company.

(iii) For purposes of this Agreement, "**Constructive Termination**" means that Participant terminates his or her employment or service following the occurrence of one or more of the following events, provided that such termination of employment or service constitutes a "separation from service" within the meaning of Section 409A of the Code: (A) the Company's (or its applicable Affiliate's) failure to elect or reelect or otherwise to maintain Participant in the office or the position, or a substantially equivalent or better office or position, of or with the Company and/or a subsidiary of the Company, as the case may be, which Participant held immediately prior to a Change in Control, or the removal of Participant as a member of the Board (or any successor thereto) if Participant was a member of the Board immediately prior to the Change in Control; (B) (1) a significant adverse change in the nature or scope of the authorities, powers, functions, responsibilities or duties attached to Participant's position with the Company and any subsidiary of the Company that Participant held immediately prior to the Change in Control, (2) a reduction in the aggregate of Participant's base pay and incentive pay from the Company or its applicable Affiliate, or (3) the termination or denial of Participant's rights to material employee benefits or a material reduction in the scope or value thereof, any of which is not remedied by the Company within ten (10) calendar days after receipt by the Company of written notice from Participant of such change, reduction or termination, as the case may be; (C) a change in circumstances has occurred following a Change in Control, including, without limitation, a change in the scope of the business or other activities for which Participant was responsible immediately prior to the Change in Control, which has rendered Participant substantially unable to carry out, has substantially hindered Participant's performance of, or has caused Participant to suffer a substantial reduction in, any of the authorities, powers, functions, responsibilities or duties attached to the position held by Participant immediately prior to the Change in Control, which situation is not remedied within ten (10) calendar days after written notice to the Company from Participant of such determination; or (D) the Company requires Participant to have his or her principal location of work changed to any location that is in excess of thirty-five (35) miles from the location thereof immediately prior to the Change in Control, or requires Participant to travel away from his or her office in the course of performing his or her responsibilities or duties attached to his or her position at least twenty percent (20%) more (in terms of aggregate days in any calendar year or in any calendar quarter when annualized for purposes of comparison to any prior year) than was required of Participant in any of the three full years immediately prior to the Change in Control without, in either case, Participant's prior written consent.

1.3 Settlement.

(a) Vested RSUs will be settled in accordance with the settlement provisions in the Key Terms set forth above. The Company's obligations to Participant with respect to Vested RSUs will be satisfied in full upon the distribution of one Share (or payment of an equivalent cash value in lieu thereof) for each Vested RSU. On the Settlement Date(s), to the extent the Vested RSUs are settled in Shares, the Company shall credit the number of Shares to be distributed to Participant as of that Settlement Date to a book-entry account in the name of Participant held by the Company's transfer agent.

(b) Notwithstanding anything to the contrary in this Agreement or the Plan, no RSUs or dividend equivalents shall be distributed to Participant pursuant to this Section 1.4 during the six-month period following Participant's termination of employment or service if the Company determines that distributing such RSUs and dividend equivalents at the time or times indicated in this Agreement would be a prohibited distribution under Section 409(a)(2)(B)(i) of the Code or applicable local law. If the settlement of any of Participant's RSUs and dividend equivalents is delayed as a result of the previous sentence, then such RSUs and dividend equivalents shall be paid to Participant during the thirty (30)-day period beginning on the first business day following the end of such six-month period (or such earlier date upon which such RSUs and dividend equivalents can be distributed under Section 409A without resulting in a prohibited distribution, including as a result of Participant's death).

**ARTICLE II.
TAXATION AND TAX WITHHOLDING**

2.1 Responsibility for Taxes.

(a) Participant acknowledges that, regardless of any action taken by the Company, the ultimate liability for all income tax, social insurance, payroll tax, employment tax, fringe benefit tax, payment on account or other tax-related items related to Participant's participation in the Plan and legally applicable to Participant or deemed by the Company in its discretion to be an appropriate charge to Participant even if legally applicable to the Company ("*Tax-Related Items*") is and remains Participant's responsibility and may exceed the amount actually withheld by the Company. Participant further acknowledges that the Company (i) makes no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the RSUs, including, but not limited to, the grant or vesting of the RSUs or any related dividend equivalents, the subsequent sale of Shares acquired upon vesting, and the receipt of any dividends; and (ii) does not commit to and is under no obligation to structure the terms of the grant or any aspect of the RSUs to reduce or eliminate Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if Participant is subject to Tax-Related Items in more than one jurisdiction, Participant acknowledges that the Company may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) The Company shall have the right to deduct from any compensation due Participant from the Company any federal, state, local or foreign taxes required by the law of any jurisdiction to be withheld in connection with the grant of RSUs, the vesting of RSUs or the issuance of Shares or pursuant to this Agreement. The Company shall retain Shares otherwise deliverable on the Settlement Date in an amount sufficient to satisfy the amount of tax required to be withheld provided that such amounts shall not exceed the statutorily required maximum withholding. The determination of the number of Shares retained for this purpose shall be based on the Fair Market Value of the Shares. Tax withholding shall be calculated based on the Fair Market Value of the Shares on the Vesting Date. In the event that the retention of Shares to satisfy withholding taxes would otherwise result in the delivery of a fractional Share, the Company will round up to the next whole Share and apply the value of the fractional Share to the recipient's tax obligations or, in the alternative, the Company may make such other

arrangements to avoid the issuance of a fractional Share as may be permitted by law. No Shares shall be transferred to Participant hereunder until such time as all applicable withholding taxes have been satisfied. The Company will not retain Shares as described herein unless tax withholding applies under the laws of the local jurisdiction. To the extent that the amounts payable to Participant are insufficient for such withholding, it shall be a condition to the issuance of Shares or the grant or vesting of the RSUs, as the case may be, that Participant shall pay such taxes or make provisions that are satisfactory to the Company for the payment thereof.

**ARTICLE III.
RESTRICTIVE COVENANTS**

3.1 Confidentiality.

(a) Participant acknowledges that, in the course of Participant's employment or service, Participant has been and will be exposed to and provided with access to trade secret, confidential, and proprietary information concerning the Company and its Affiliates that is not generally known to the public (the "**Confidential Information**"), including, but not limited to, inventions, developments, improvements, trade secrets, models, methods, algorithms, data analytics, databases and software, nonpublic financial information, client information, strategies, new products, plans, studies, forecasts, technology, models, methods and other non-public information about the Company, its Affiliates and their respective clients, vendors, business partners, managers, directors, officers and employees. Participant hereby agrees that Participant will not, at any time, before, during, or after Participant's employment or service with the Company, (i) disclose, communicate, divulge, reveal, publish, make known, or make accessible any Confidential Information, or (ii) or use, reference, rely upon, reproduce, or recreate any Confidential Information, in each case except to the extent that such disclosure or use is directly related to and required by the performance of Participant's employment or other duties for the Company or to the extent such disclosure is expressly authorized in this Section 3.1. Participant hereby agrees that Participant will take all reasonably appropriate steps to safeguard Confidential Information and to protect it against disclosure, misuse, espionage, loss, and theft. All Confidential Information is, and shall at all times remain, the sole property of the Company. Notwithstanding the foregoing, Confidential Information does not include information that is in the public domain or generally known to the public in the particular form thereof (in either case, exclusive of compiled information that may be created only with great effort or expense), other than information that became public as a result of a breach of a duty of confidentiality, information known to Participant prior to first receipt of or access to such information in the course of Participant's employment or service with the Company, or information rightfully received by Participant outside the course of Participant's employment with the Company from a third party who does not owe the Company a duty of confidentiality with respect to such information.

(b) Notwithstanding anything in this Agreement to the contrary, Participant understands that Participant may report possible violations of law or regulation to any governmental agency or entity, or make other disclosures that are protected under law or regulation. Participant also understands that nothing in this Agreement requires Participant to obtain prior authorization from the Company to make any such reports or disclosures to any governmental agency or entity or to notify the Company that Participant has made such reports or disclosures, nor shall anything in this Agreement impede Participant from discussing or disclosing information about unlawful acts in the workplace, such as harassment, discrimination, sexual assault, or any other conduct that Participant has reason to believe is unlawful, or from exercising any rights Participant may have under Section 7 of the National Labor Relations Act. Moreover, Participant understands that Participant may not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (ii) in a complaint or other document filed in

a lawsuit or other proceeding, if such filing is made under seal. Without prior authorization of the Company, however, the Company does not authorize Participant to disclose to any third party (including any government official or any attorney Participant may retain) any communication that is covered by the Company's attorney-client privilege.

3.2 Non-Competition.

(a) Participant acknowledges and agrees that Participant's services to the Company are unique in nature and that the Company would be irreparably damaged if Participant were to provide or engage in Competitive Business Activity on behalf of any Competitor during the Restricted Period (each as defined below). Participant accordingly covenants and agrees that during the period of Participant's employment or service with the Company and through the date that is twelve (12) months following the termination of Participant's employment or service with Company for any reason (the "**Restricted Period**"), Participant shall not, directly or indirectly, either for himself or herself or for any other individual, corporation, partnership, joint venture or other entity, participate in any Competitive Business Activity on behalf of any Competitor. For purposes of this Agreement, the term "participate in" shall include, without limitation, being employed by, consulting for, having any direct or indirect interest in any corporation, partnership, joint venture or other entity, whether as a sole proprietor, owner, stockholder, partner, joint venturer, creditor or otherwise, or rendering any direct or indirect service or assistance to any individual, corporation, partnership, joint venture or other business entity (whether as a director, officer, manager, supervisor, employee, agent, consultant or otherwise). The foregoing restrictions on Participant are not applicable to any passive investment made by Participant in any public entity that is or includes a Competitor, provided such investment is not greater than two percent (2%) of market value of such public entity.

(b) The provisions of Section 3.2 shall apply to any territory, region or geography that Participant serviced or had responsibility for on behalf of the Company or for which Participant had access to Confidential Information about through Participant's position and responsibilities at the Company during the twelve (12) months preceding the termination of Participant's employment or service, or during the period from the date of this Agreement to the date of the termination of Participant's employment or service with the Company.

3.3 Non-Solicitation of Customers. Participant covenants and agrees that during employment or service with the Company and for twelve (12) months following the termination of Participant's employment or service with the Company for any reason, Participant shall not, directly or indirectly, solicit, attempt to solicit, induce or attempt to induce, or call upon for purposes of offering Competitive Products to any Restricted Customer of the Company or in any way intentionally interfere with the relationship between any such Restricted Customer and the Company.

3.4 Non-Solicitation of Employees, Agents or Business Partners. Participant further covenants and agrees that during employment or service with the Company and for twelve (12) months following the termination of Participant's employment or service with the Company for any reason, Participant shall not, directly or indirectly, solicit, attempt to solicit, induce or attempt to induce any employees, agents or current or prospective business partners of the Company to terminate his, her or its employment, engagement or association with the Company.

3.5 Acknowledgements. Participant acknowledges that the restrictions contained in this Agreement do not preclude Participant from earning a livelihood, nor do they unreasonably impose limitations on Participant's ability to earn a living. Participant agrees and acknowledges that the potential harm to the Company resulting from the non-enforcement of Sections 3.1 through 3.4 outweighs any potential harm to Participant of the enforcement of such provisions by injunction or otherwise. Participant

acknowledges that Participant has carefully read this Agreement and has given careful consideration to the restraints imposed upon Participant by this Agreement and is in full agreement regarding their necessity for the reasonable and proper protection of the business goodwill and competitive positions of the Company now existing or to be developed in the future and that each and every restraint imposed by this Agreement is reasonable with respect to subject matter, time period and geographical area. Notwithstanding the foregoing or anything else to the contrary contained herein, in the event that Participant is a party to an employment, retention, severance or other similar agreement with the Company (or a successor entity) that contains provisions that conflict with Sections 3.1 through 3.4, or the applicable definitions, the corresponding provisions of such employment, retention, severance or other similar agreement shall apply and control. Finally, Participant acknowledges that depending on the state or jurisdiction in which Participant resides or works, Sections 3.1 through 3.4 may be modified based on the State-Specific Terms in Annex A or Country-Specific Terms in Annex B attached hereto.

3.6 Certain Definitions. For purposes of this Agreement, the following definitions will apply:

- (a) “**Competitor**” means any business or person that has operations that generate more than ten percent (10%) of their annual revenues from any line of business, product or service that competes with Company.
- (b) “**Competitive Business Activity**” means directly or indirectly working with, consulting on, or providing services relating to, developing, selling, or marketing the same or substantially similar products or services offered or being developed by the Company that Participant worked with, had responsibility for, or about which Participant received Confidential Information during the twelve (12) month period preceding the date of termination of Participant’s employment with the Company.
- (c) “**Competitive Product**” means any product or service that competes with, or is meant to compete with, any product or service provided by the Company that is the same or substantially similar to the products and services offered or being developed by the Company that Participant worked with, had responsibility for, or about which Participant received Confidential Information during the twelve (12) month period preceding the date of termination of Participant’s employment with the Company.
- (d) “**Restricted Customer**” means each and every customer with whom the Company has a present, anticipated or ongoing business relationship or with whom the Company conducted business within the twelve (12) months immediately preceding the termination of Participant’s employment and with whom Participant, in the twenty-four (24)-month period preceding his or her termination with the Company, either had (i) material contact with as part of Participant’s employment or service with the Company; (ii) responsibility for soliciting or servicing its business on behalf of the Company, or (iii) access to proprietary pricing, marketing, sales, or other Confidential Information with respect to such customer.

**ARTICLE IV.
OTHER PROVISIONS**

4.1 Nature of Grant. In accepting the RSUs, Participant understands, acknowledges, and agrees that:

- (a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time in accordance with its terms;

- past;
- (b) the grant of the RSUs is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of RSUs, or benefits in lieu of RSUs, even if RSUs have been granted in the past;
 - (c) all decisions with respect to future RSU or other grants, if any, will be at the sole discretion of the Committee;
 - (d) the RSU grant and participation in the Plan shall not create a right to employment or service or be interpreted as forming or amending an employment or service contract with the Company or its Affiliates and shall not interfere with the ability of the Company or its Affiliates, as applicable, to terminate Participant's employment or service relationship (if any) at any time with or without cause;
 - (e) Participant is voluntarily participating in the Plan;
 - (f) the RSUs and any Shares acquired under the Plan, and the income and value of same, are not intended to replace any pension rights or compensation (if any);
 - (g) the RSUs and any Shares acquired under the Plan, and the income and value of same, are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, pension or retirement benefits, welfare benefits or other similar payments (if any);
 - (h) the future value of the Shares underlying the RSUs is unknown, indeterminable and cannot be predicted with certainty;
 - (i) no claim or entitlement to compensation or damages shall arise from forfeiture of the RSUs resulting from Participant's termination of employment or service (for any reason whatsoever, whether or not later found to be invalid or in breach of applicable laws or the terms of Participant's employment or service agreement, if any);
 - (j) as specified in Section 4.20 hereof, the RSUs are subject to any compensation recoupment policy required to be applied to such award under applicable laws and/or adopted by the Company from time to time, including after the Grant Date; and
 - (k) unless otherwise provided in the Plan or by the Committee, the RSUs and the benefits evidenced by this Agreement do not create any entitlement to have the RSUs or any such benefits transferred to, or assumed by, another company, nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the common stock of the Company.

4.2 No Advice Regarding Grant. Neither the Company nor any of its Affiliates is providing any tax, legal or financial advice, nor is any such party making recommendations regarding participation in the Plan, or Participant's acquisition or sale of the underlying Shares. Participant understands and agrees that Participant should consult with Participant's own personal tax, legal and financial advisors regarding participation in the Plan before taking any action related to his or her Awards under the Plan.

4.3 Transferability. The RSUs are not transferable, except by will or the laws of descent and distribution or as permitted by the Committee in accordance with the terms of the Plan. Any permitted transfer of an Award hereunder shall be without consideration, except as required by applicable law.

4.4 Adjustments. In the event of any merger, reorganization, consolidation, recapitalization, stock dividend, stock split, reverse stock split, spin-off, combination, repurchase or exchange of Shares or

other securities of the Company, or corporate transaction or event having an effect similar to the foregoing, the Committee shall adjust the Award, as provided by the Plan.

4.5 Defined Terms; Titles. Capitalized terms not defined in this Agreement have the meanings given to them in the Plan. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

4.6 Conformity to Applicable Laws. Participant acknowledges that the Plan and this Agreement are intended to conform to the extent necessary with all applicable laws and, to the extent applicable laws permit, will be deemed amended as necessary to conform to applicable laws.

4.7 Successors and Assigns; Third-Party Beneficiaries. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement will inure to the benefit of the successors and assigns of the Company. Subject to the transfer provisions set forth in the Plan, this Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto. Each subsidiary of the Company is an intended third-party beneficiary of any rights or entitlements conferred on any such party hereunder, and shall be entitled to enforce such rights and entitlements hereunder as if such entity was a signatory to this Agreement.

4.8 Limitation on Participant's Rights. Participation in the Plan confers no rights or interests other than as herein provided. Participant shall have none of the rights of a stockholder with respect to the RSUs, including the right to receive dividends or vote stock. This Agreement creates a contractual arrangement between the Company and Participant only (except as expressly provided above with respect to third-party rights of subsidiaries) and shall not be construed as creating a trust for the benefit of Participant. Neither the Plan nor any underlying program, in and of itself, has any assets. Participant will have only the rights of a general unsecured creditor of the Company with respect to amounts credited and benefits payable, if any, with respect to the RSUs and dividend equivalents, and rights no greater than the right to receive the Shares or cash as a general unsecured creditor with respect to the RSUs and dividend equivalents, as and when settled pursuant to the terms hereof.

4.9 Entire Agreement and Imposition of Other Terms. The Plan and this Agreement (including all exhibits and appendices hereto) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company (or between any of its subsidiaries) and Participant with respect to the subject matter hereof. Nonetheless, the Company reserves the right to impose other requirements on Participant's participation in the Plan, on the RSUs and on any Shares acquired under the Plan, to the extent the Committee determines it is necessary or advisable for legal or administrative reasons, and to require Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan will control.

4.10 Administration. The Committee shall have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation, and application of the Plan as are consistent therewith and to interpret or revoke any such rules. All actions taken and all interpretations and determinations made by the Committee shall be final and binding upon Participant, the Company and all other interested persons. No member of the Committee shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or this Agreement.

4.11 Effect on Other Employee Benefit Plans. The value of the RSUs granted pursuant to this Agreement shall not be included as compensation, earnings, salary or other similar terms used when calculating Participant's benefits under any employee benefit plan sponsored by the Company or any

subsidiary, except as such plan otherwise expressly provides. The Company expressly reserves its rights to amend, modify, or terminate any of the Company's employee benefit plans.

4.12 Severability. If any provision of the Plan or this Agreement is, becomes, or is deemed to be invalid, illegal or unenforceable in any jurisdiction or would disqualify the Plan or award hereunder under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Committee, materially altering the purpose or intent of the Plan or award, such provision shall be stricken as to such jurisdiction or award, and the remainder of the Plan or Agreement shall be in full force and effect.

4.13 Construction. The RSUs granted hereunder are being issued pursuant to the Plan and are subject to the terms of the Plan. A copy of the Plan has been given to Participant, and additional copies of the Plan are available upon request during normal business hours at the principal executive offices of the Company. To the extent that any provision of this Agreement violates or is inconsistent with an express provision of the Plan, the Plan provision shall govern and any inconsistent provision in this Agreement shall be of no force or effect.

4.14 Waiver. Participant acknowledges that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by Participant or any other person.

4.15 Electronic Delivery and Acceptance. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means (including without limitation the Plan, Awards, Award Agreements, prospectuses required by applicable securities law) and all other documents that the Company is required to deliver to its security holders (including without limitation, annual reports and proxy statements). Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

4.16 Notices. Any notice to be given under the terms of this Agreement to the Company must be in writing and addressed to the Company in care of the Company's Chief Legal & Administrative Officer at the Company's principal office. Any notice to be given under the terms of this Agreement to Participant must be in writing and addressed to Participant at Participant's last known mailing address, email address or facsimile number in the Company's personnel files. By a notice given pursuant to this Section 4.16, either party may designate a different address for notices to be given to that party. Any notice will be deemed duly given when actually received, when sent by email, when sent by certified mail (return receipt requested) and deposited with postage prepaid in a post office or branch post office regularly maintained by the United States Postal Service, when delivered by a nationally recognized express shipping company or upon receipt of an email or facsimile transmission confirmation.

4.17 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan or this Agreement, if Participant is subject to Section 16 of the Exchange Act, the Plan, this Agreement and the RSUs will be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3) that are requirements for the application of such exemptive rule. To the extent applicable laws permit, this Agreement will be deemed amended as necessary to conform to such applicable exemptive rule.

4.18 Insider Trading Restrictions/Market Abuse Laws. Participant acknowledges that Participant may be subject to insider trading restrictions and/or market abuse laws, which may affect Participant's ability to acquire or sell Shares or rights to Shares under the Plan during such times when

Participant is considered to have "inside information" regarding the Company (as defined by applicable laws). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable insider trading policy of the Company. Participant acknowledges that Participant is responsible for ensuring compliance with any applicable restrictions and should consult Participant's personal legal advisor on these matters.

4.19 Section 409A. It is intended that this Agreement and its administration comply with the provisions of Section 409A of the Code (as defined below). Accordingly, notwithstanding any provision in this Agreement or in the Plan to the contrary, this Agreement and the Plan will be interpreted, applied and amended, to the minimum extent necessary to comply with Section 409A of the Code, so that this Agreement does not fail to meet, and is operated in accordance with, the requirements of Section 409A of the Code and the regulations promulgated thereunder. As used herein, "*Code*" means the Internal Revenue Code of 1986 as amended from time to time, and any interpretations thereof issued by the U.S. Treasury Department on which the Company is permitted to rely.

4.20 Recoupment and Clawback Provisions. In consideration of the grant of this Award, Participant agrees that this Award and any related dividend equivalents (including the gross amount of any proceeds, gains or other economic benefit Participant actually or constructively receives upon receipt of this Award, the receipt or resale of any Shares underlying this Award or any other amounts or benefits as required by applicable law) will be subject to recoupment by the Company in the event of material breach by Participant of any of the restrictive covenants described in Article III of this Agreement, or the breach of any other restrictive covenant obligations (including confidentiality, intellectual property assignment, non-disparagement, non-competition and non-solicitation covenants) owed by Participant to the Company or any of its Affiliates, or to the extent required to comply with applicable law and/or any policy of the Company providing for the reimbursement of compensation (including the Company's Compensation Clawback Policy as in effect from time to time and any other policy adopted after the Grant Date).

4.21 Governing Law. This Agreement and the RSUs will be governed by and interpreted in accordance with the laws of the State of Delaware, disregarding the choice-of-law principles of the State of Delaware and any other state requiring the application of a jurisdiction's laws other than the State of Delaware.

4.22 Privacy Notice. By accepting this Award, Participant:

- (a) consents to the collection, use and transfer, in electronic or other form, of any of Participant's personal data that is necessary to facilitate the implementation, administration and management of the Award and the Plan;
- (b) understands that the Company and Participant's employer may, for the purpose of implementing, administering and managing the Plan, hold certain personal information about Participant, including, but not limited to, Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title and details of all awards or entitlement to Shares granted to Participant under the Plan or otherwise ("*Data*");
- (c) understands that Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan, including any broker with whom the shares issued on vesting of the Award may be deposited, and that these recipients may be located in Participant's country or elsewhere, and that the recipient's country may have different data privacy laws and protections than Participant's country; and

(d) authorizes the Company, its Affiliates and its agents to store and transmit such Data in electronic form.

IN WITNESS WHEREOF, the Company and Participant have duly executed this Agreement as of the Grant Date above.

CTS CORPORATION

By:

Name:

Title:

PARTICIPANT

Name:

EXHIBIT 1

PERFORMANCE GOALS

The Performance Goals are based on **two** metrics, with a Relative Total Stockholder Return modifier as noted below:

1. **Three-Year Sales Growth – Weighted 60%**

3-year Sales Growth	<15%	≥15%	≥18%	≥21%	≥24%
Award	0%	50%	100% (Target)	150%	200% (Maximum)

2. **Three-Year Operating Cash Flow – Weighted 40%**

3-year Operating Cash Flow	<\$250,000,000	≥\$250,000,000	≥\$310,000,000	≥\$330,000,000	≥\$350,000,000
Award	0%	50%	100% (Target)	150%	200% (Maximum)

- a. **Interpolation:** After the Three-Year Sales Growth and Three-Year Operating Cash Flow threshold is met, the Settlement Amount for the Three-Year Sales Growth and Three-Year Operating Cash Flow Performance Goals will be interpolated between the established steps or levels. There will be no interpolation of Settlement Amounts for performance of the combined factors below threshold.
- b. **Basis of Determinations:** Three-Year Sales Growth and Three-Year Operating Cash Flow will be determined on the basis of the Company’s audited financial statements for the relevant periods of the Performance Period.
- c. **Relative Total Stockholder Return Modifier:** Three-Year Relative Total Stockholder Return (“RTSR”) shall be used as a modifier. The aggregate Three-Year Sales Growth and Three-Year Operating Cash Flow results calculation (expressed as a percentage) may be increased or decreased by 20% based on RTSR performance. If RTSR performance is above the 75th percentile, the aggregate achievement of Three-Year Sales Growth and Three-Year Operating Cash Flow will be increased by 20%. If RTSR performance is below the 25th percentile, the aggregate achievement of Three-Year Sales Growth and Three-Year Operating Cash Flow will be decreased by 20%.

For purposes of calculating Three-Year Relative Total Stockholder Return (rounding shall be to the nearest tenth of a percent, with all hundredths of a percent equal to or greater than five rounded up to the nearest tenth of a percent):

- (i) **Company Return:** For the Performance Period, the Company’s Total Stockholder Return will be a percentage amount determined based on (A) the average closing price of the

Company's Shares for the 20 business days immediately preceding the last trading day of the Performance Period (including aggregate dividends for the Performance Period) compared to (B) the average closing price of the Company's Shares for the 20 business days immediately preceding the first trading day of the Performance Period (including aggregate dividends for the Performance Period).

- (ii) **Peer Return:** For the Performance Period, the Total Stockholder Return for each company in the Peer Group (each a "Peer"), will be a percentage amount determined based on (A) the average closing price of each Peer's shares for the 20 business days immediately preceding the last trading day of the Performance Period (including aggregate dividends for the Performance Period) compared to (B) the average closing price of each Peer's shares for the 20 business days immediately preceding the first trading day of the Performance Period (including aggregate dividends for the Performance Period).
- (iii) **Company Ranking:** For the Performance Period, the Company's and each Peer's Total Stockholder Return will be ranked in decreasing order. Three-Year Relative Total Stockholder Return equals the percentile rank (expressed as a percentage) of the Company's Total Stockholder Return when compared to the rankings, from lowest to highest, of the Total Stockholder Returns of the Peers comprising the Peer Group for the Performance Period. For purposes of this calculation, the Peers are as follows, subject to adjustment as described below.

Peer Group (19 Peers)		
NAME	SYMBOL	STOCK EXCHANGE
Badger Meter, Inc.	BMI	New York Stock Exchange
Bel Fuse, Inc.	BELFA	Nasdaq
Diodes Incorporated	DIOD	Nasdaq
Dorman Products, Inc.	DORM	Nasdaq
ESCO Technologies Inc	ESE	New York Stock Exchange
FARO Technologies Inc	FARO	Nasdaq
GenTex Corporation	GNTX	Nasdaq Global Select Market
Gentherm, Inc.	THRM	Nasdaq
Kimball Electronics, Inc	KE	Nasdaq
Knowles Corporation	KN	New York Stock Exchange
Littelfuse, Inc.	LFUS	Nasdaq
Materion Corp.	MTRN	New York Stock Exchange
Mercury Systems, Inc.	MRCY	Nasdaq Global Select Market

Methode Electronics, Inc.	MEI	New York Stock Exchange
PAR Technology Corporation	PAR	New York Stock Exchange
Rogers Corporation	ROG	New York Stock Exchange
Silicon Laboratories Inc.	SLAB	Nasdaq Global Select Market
Stoneridge, Inc.	SRI	New York Stock Exchange
Vishay Precision Group, Inc.	VPG	New York Stock Exchange

Peer Group Adjustment Protocol

1. The Committee may determine, based on the following criteria, that a Peer may be removed from the group and may, but shall not be required to, elect to replace such Peer with a company it deems comparable.
2. If a Peer files for bankruptcy and/or liquidation, is operating under bankruptcy protection, or is delisted from its stock exchange because it fails to meet the exchange listing requirement, then it clearly shows bad performance and will remain in the Peer Group as a bottom performer unless the Committee elects to remove such Peer from the Peer Group.
3. If, as of the last date of the Performance Period, a Peer no longer exists as a business entity for any other reason than bad performance, then:
 - a. such Peer will be removed from the Peer Group for purposes of the Performance Period; and
 - b. the Three-Year Relative Total Stockholder Return for the Performance Period will be calculated as if such Peer had never been a member of the Peer Group.
4. If, as of the last date of the Performance Period, a Peer has ceased to be traded on any of the New York Stock Exchange, the Nasdaq Stock Market LLC, the London Stock Exchange, or the NYSE American, then:
 - a. such Peer will be removed from the Peer Group for purposes of the Performance Period; and
 - b. the Three-Year Relative Total Stockholder Return for the Performance Period will be calculated as if such Peer had never been a member of the Peer Group.
5. If any member of the Peer Group is acquired, merged, or otherwise assumed by another business entity and the resulting legal entity is substantially the same in size and nature of business, then

that entity will remain in our Peer Group even if the new entity has a different name, ticker symbol, etc.; provided, that, if an acquisition substantially changes the former Peer's business in size, scope, nature, etc., the CEO and CFO of the Company may recommend, and the Committee may determine, that the new entity be removed from the Peer Group and the Three-Year Relative Total Stockholder Return for the Performance Period will be calculated as if such Peer had never been a member of the Peer Group.

ANNEX A: STATE-SPECIFIC TERMS

The Award is subject to the following additional terms, conditions and notices as set forth in this Annex A to the extent Participant resides and/or is employed in one of the states addressed herein. All defined terms contained in this Annex A shall have the same meaning as set forth in the Plan and this Agreement.

I. For Participants in Illinois:

1. Restrictive Covenants. Participant acknowledges and agrees that (i) Participant has been advised to seek counsel prior to entering into the Agreement (including this Annex A), inclusive of the non-competition and other restrictive covenants set forth herein, and (ii) Participant has been provided with at least fourteen (14) days to consider this Agreement, including the non-competition and other restrictive covenants set forth in the Agreement, or has voluntarily elected to execute this Agreement prior to the expiration of such fourteen (14) day period.

ANNEX B: TERMS AND CONDITIONS APPLICABLE TO PARTICIPANTS OUTSIDE THE U.S.

The Award is subject to the following additional terms, conditions and notices as set forth in this Annex B to the extent Participant resides and/or is employed in one of the countries addressed herein. The information reflected herein is based on the securities, exchange control and other laws in effect in the respective countries as of the Grant Date. All defined terms as contained in this Annex B shall have the same meaning as set forth in the Plan and this Agreement. The Company and Committee may establish new or alternative terms and conditions to the extent they determine, in their discretion, that the application of such new or alternative terms and conditions is necessary or advisable in order to comply with local laws, rules and regulations, or to facilitate the operation and administration of the Award and the Plan.

I. For Participants in all applicable jurisdictions outside of the United States (except as prohibited by applicable local law):

1. Private Placement Outside of the United States. The grant of the Award is not intended to be a public offering of securities in any jurisdiction outside of the United States but instead is intended to be a private placement if granted to a Participant based or located outside of the United States. The Company has not submitted any registration statement, prospectus or other filings with local securities authorities outside of the United States (unless otherwise required under local law), and the grant of the Award is not subject to the supervision of the local securities authorities in any jurisdiction outside of the United States. Participant is hereby advised to exercise caution in relation to the offer. If Participant is in any doubt about any of the contents of the Plan or this Agreement or any related documents, Participant should obtain independent professional advice.

2. Compliance with Local Law. If Participant is resident or employed outside of the United States, as a condition to the grant of the Award, Participant agrees to repatriate all payments attributable to the Shares or cash acquired under the Plan in accordance with local foreign exchange rules and regulations in Participant's country of residence (and country of employment, if different). In addition, Participant agrees to take any and all actions, and consent to any and all actions taken by the Company and its Affiliates, as may be required to allow the Company and its Affiliates to comply with local laws, rules and regulations in Participant's country of residence (and country of employment, if different). Participant further agrees to take any and all actions as may be required to comply with your personal legal and tax obligations under local laws, rules and regulations in your country of residence (and country of employment, if different).

3. Employment Law Policy and Acknowledgement. By accepting the Award of RSUs, Participant acknowledges that (i) equity awards granted pursuant to the Plan and this Agreement and any other related benefits awards under the Plan are discretionary, (ii) the Plan and this Agreement are not a part of the terms and conditions of Participant's employment; and (iii) the income from the vesting of the RSUs, if any, is not part of Participant's remuneration from employment and is not to be considered in valuing employment benefits or severance payable in the event of the termination of Participant's employment.

4. English Language. Participant acknowledges and agrees that it is Participant's express intent that the Agreement, the Plan and all other documents, notices and legal proceedings entered into, given or instituted pursuant to the Award, be drawn up in English. If Participant is in a country where English is not an official language, Participant acknowledges that Participant is sufficiently proficient in English or have the ability to consult with an advisor who is sufficiently proficient in the English language, so as to allow Participant to understand the terms and conditions of this Agreement, the Plan and any other documents related to the Award. If Participant has received the Agreement, the Plan or any other documents

related to the RSUs translated into a language other than English, and if the meaning of the translated version is different than the English version, the English version will control.

II. For Participants in all applicable jurisdictions in the European Union:

1. **Data Protection.** By accepting the Award of RSUs, Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Participant's personal data as described in this Agreement and any other award materials by and among, as applicable, the Company and any Affiliate for the exclusive purpose of implementing, administering and managing Participant's participation in the Plan. By accepting the Award of RSUs and entering into this Agreement, Participant acknowledges that his or her personal data will be processed and disclosed as follows: by the Company, or any Affiliate employing Participant as they are required to collect, process and utilize the personal information or other relevant information pertaining to Participant for purposes directly relevant to the Award granted to Participant, and to disclose or transfer such information to other Affiliates and, if necessary, a third party (including any broker, registrar or administrator) for the purpose of administering the Plan; by the Company or any Affiliate employing Participant and any such third party so that they may utilize such information for the purpose of administering the Plan, provided that such information shall be kept confidential and shall not be used by any of them for any purposes not related to the administration of the Plan; by the Company or any Affiliate employing Participant and any such third party (any of which may be located in the European Union or outside of the European Union) so that they may transfer the personal information or other relevant information pertaining to Participant in the European Union or outside of the European Union for the purpose of administering the Plan (in which case the transfer shall be governed by "model contract clauses" or equivalent measures required under European Union data protection laws); and by and to any future purchaser of the Company or any Affiliate employing Participant, or any future purchaser of their respective undertakings or any parts thereof, for the purpose of administering the Plan and/or confirming Participant's entitlement to an Award and/or any Shares where such entitlement is relevant to Award. By entering into this Agreement, Participant acknowledges Participant is expressly informed that the purposes described in this Agreement are necessary for the performance of the Plan or are otherwise necessary for the legitimate interests of the Company or any Affiliate employing Participant in connection with the administration of the Plan. Should Participant exercise any data subject rights in relation to his or her personal data, such as the right of objection or erasure such that the required data can no longer be processed for the purpose of this Agreement, Participant acknowledges that it may no longer be possible to administer the Plan in respect of Participant. In that case the Awards may lapse and shall not be capable of vesting and Participant shall be deemed to have waived (without any right to compensation) any right to Shares or cash which are being held on Participant's behalf. Participant shall be provided with the information regarding the following by the Company, the Board or any Affiliate employing Participant to the extent that they are acting as controllers of Participant's personal data (save where Participant already has the information): the purpose of the collection and use of the personal information or other relevant information pertaining to Participant; the information to be collected and used; the period and method of retention and use of the personal information or other relevant information pertaining to Participant; details of any third parties to whom their information is disclosed or transferred including the purpose of such disclosure or transfer and, where applicable, the safeguards applied to any transfers of data outside of the European Union; the rights of Participant in respect of access to, rectification and deletion of their information and any related disadvantages; where applicable, the contact details of the data protection officer of the relevant controller; and the right to complain to the relevant data protection supervisory authority.

III. For Participants in China:

The following provision applies if the Participant is subject to exchange control restrictions and regulations in the People's Republic of China ("PRC"), including the requirements imposed by the

China State Administration of Foreign Exchange ("SAFE"), as determined by the Company in its sole discretion:

Vesting. Notwithstanding anything to the contrary in the Plan or the Agreement, the RSUs will not vest and no Shares will be issued to the Participant unless and until all necessary exchange control or other approvals with respect to the RSUs under the Plan have been obtained from the SAFE or its local counterpart ("SAFE Approval"). In the event that SAFE Approval has not been obtained prior to any date(s) on which the RSUs are scheduled to vest in accordance with the vesting schedule set forth in the Agreement, the RSUs will not vest until the seventh day of the month following the month in which SAFE Approval is obtained (the "Actual Vesting Date"). If the Participant's status as a service provider terminates prior to the Actual Vesting Date, the Participant shall not be entitled to vest in any portion of the RSUs and the RSUs shall be forfeited without any liability to the Company or any subsidiary or affiliate of the Company.

Exchange Control Requirements. Due to exchange control laws in the PRC, Shares acquired through RSU vestings must be maintained in the Morgan Stanley (or any successor broker designated by the Company) brokerage account until the Shares are sold. When the Shares are sold, all proceeds must be repatriated to the PRC and held in a special exchange control account maintained by the Company or one of the Company's subsidiaries in the PRC. To the extent that the Participant holds any Shares on the date that is three (3) months (or such other period as may be required by the SAFE) after the date of the Participant's termination of employment with the Company or one of the Company's subsidiaries in the PRC, the Participant authorizes Morgan Stanley (or any successor broker designated by the Company) to sell such Shares on the Participant's behalf at that time or as soon as is administratively practical thereafter. The Participant understands and agrees that the Company's designated broker is under no obligation to arrange for the sale of the Shares at any particular price. Upon the sale of the Shares, the Company agrees to pay the Participant the cash proceeds from the sale, less any brokerage fees or commissions and subject to any obligation to satisfy Tax-Related Items.

The Participant further is required to repatriate to the PRC any dividends or dividend equivalents paid to the Participant in relation to RSUs through a special exchange control account established by the Company or one of the Company's subsidiaries in the PRC. The Participant hereby agrees that any cash proceeds from the Participant's participation in the Plan may be transferred to such special account prior to being delivered to the Participant.

The Participant also understands and agrees that there will be a delay between the date the Shares are sold and the date the cash proceeds are distributed to the Participant. The Participant agrees to bear any currency fluctuation risk between the time the Shares are sold and the time the cash proceeds are distributed to the Participant through the special account described above. The Participant further agrees to comply with any other requirements that may be imposed by the Company in the future in order to facilitate compliance with exchange control requirements in the PRC.

Tax Liability. Taxes are due at the time of vesting of the RSUs. The Participant understands and agrees that Tax-Related Items may be taken by the Employer from the Participant's salary or other cash compensation.

IV. For Participants in Denmark:

Danish Stock Option Act. By participating in the Plan, the Participant acknowledges that he or she received an Employer Statement translated into Danish, which is being provided to comply with the Danish Stock Option Act, as amended effective January 1, 2019, and is attached hereto as Appendix C.

Foreign Asset / Account Reporting Information. If the Participant establishes an account holding Shares or cash outside Denmark, the Participant must report the account to the Danish Tax Administration. The form which should be used in this respect can be obtained from a local bank.

V. For Participants in Japan:

Foreign Asset / Account Reporting Information. The Participant will be required to report details of any assets held outside Japan as of December 31st to the extent such assets have a total net fair market value exceeding ¥50,000,000. This report is due by March 15th each year. The Participant should consult with his or her personal tax advisor as to whether the reporting obligation applies to him or her and whether the requirement extends to any outstanding RSUs or Shares acquired under the Plan.

VI. For Participants in Mexico:

Acknowledgment of the Agreement. By participating in the Plan, Participant acknowledges that the Participant has received a copy of the Plan, has reviewed the Plan in its entirety and fully understands and accepts all provisions of the Plan. The Participant further acknowledges that the Participant has read and expressly approves the terms and conditions set forth in the Agreement, in which the following is clearly described and established: (i) the Participant's participation in the Plan does not constitute an acquired right; (ii) the Plan and the Participant's participation in the Plan are offered by the Company on a wholly discretionary basis; (iii) the Participant's participation in the Plan is voluntary; and (iv) the Company and its subsidiaries are not responsible for any decrease in the value of the underlying Shares.

Labor Law Policy and Acknowledgment. By participating in the Plan, the Participant expressly recognizes that CTS Corporation, with registered offices at 4925 Indiana Avenue, Lisle, IL, 60532 U.S.A., is solely responsible for the administration of the Plan and that the Participant's participation in the Plan and acquisition of Shares does not constitute an employment relationship between the Participant and the Company since the Participant is participating in the Plan on a wholly commercial basis. Based on the foregoing, the Participant expressly recognizes that the Plan and the benefits that the Participant may derive from participation in the Plan do not establish any rights between the Participant and the Company and do not form part of the employment conditions and/or benefits provided by the Company and any modification of the Plan or its termination shall not constitute a change or impairment of the terms and conditions of the Participant's employment.

The Participant further understands that the Participant's participation in the Plan is as a result of a unilateral and discretionary decision of the Company; therefore, the Company reserves the absolute right to amend and/or discontinue the Participant's participation at any time without any liability to the Participant.

Finally, the Participant hereby declares that Participant does not reserve any action or right to bring any claim against the Company for any compensation or damages regarding any provision of the Plan or the benefits derived under the Plan, and the Participant therefore grants a full and broad release to the Company, its subsidiaries, branches, representation offices, its shareholders, officers, agents or legal representatives with respect to any claim that may arise.

Reconocimiento del Contrato. Al participar en el Plan, usted reconoce que ha recibido una copia del Plan, que ha revisado el Plan en su totalidad, y que entiende y acepta en su totalidad, todas y cada una de las disposiciones del Plan. Asimismo reconoce que ha leído y aprueba expresamente los términos y condiciones señalados en el párrafo titulado Naturaleza de la Oferta en el Convenio, en lo que claramente se describe y establece lo siguiente: (i) su participación en el Plan no constituye un derecho adquirido; (ii) el Plan y su participación en el Plan son ofrecidos por la Compañía sobre una base completamente discrecional;

(iii) su participación en el Plan es voluntaria; y (iv) la Compañía y sus afiliadas no son responsables de ninguna por la disminución en el valor de las Acciones subyacentes

Política de Legislación Laboral y Reconocimiento. Al participar en el Plan, usted reconoce expresamente que CTS Corporation., con oficinas registradas en 4925 Indiana Avenue, Lisle, IL 60532 EE.UU. es la única responsable por la administración del Plan, y que su participación en el Plan, así como la adquisición de las Acciones, no constituye una relación laboral entre usted y la Compañía, debido a que usted participa en el plan sobre una base completamente mercantil. Con base en lo anterior, usted reconoce expresamente que el Plan y los beneficios que pudiera obtener por su participación en el Plan, no establecen derecho alguno entre usted y la Compañía, y no forman parte de las condiciones y/o prestaciones laborales que la Compañía ofrece, y que las modificaciones al Plan o su terminación, no constituirán un cambio ni afectarán los términos y condiciones de su relación laboral.

Asimismo usted entiende que su participación en el Plan es el resultado de una decisión unilateral y discrecional de la Compañía; por lo tanto, la Compañía se reserva el derecho absoluto de modificar y/o suspender su participación en cualquier momento, sin que usted incurra en responsabilidad alguna.

Finalmente, usted declara que no se reserva acción o derecho alguno para interponer reclamación alguna en contra de la Compañía, por concepto de compensación o daños relacionados con cualquier disposición del Plan o de los beneficios derivados del Plan, y por lo tanto, usted libera total y ampliamente de toda responsabilidad a la Compañía, a sus afiliadas, sucursales, oficinas de representación, sus accionistas, funcionarios, agentes o representantes legales, con respecto a cualquier reclamación que pudiera surgir.

VII. For Participants in the Philippines

Securities Law Information. The securities being offered or sold herein have not been registered with the Philippines Securities and Exchange Commission ("PSEC") under its Securities Regulation Code (the "SRC").

The grant of RSUs is being made pursuant to an exemption from registration under Section 10.2 of the SRC that has been approved by the PSEC.

The Participant should be aware of the risks of participating in the Plan, which include (without limitation) the risk of fluctuation in the price of the Shares on the New York Stock Exchange ("NYSE") and the risk of currency fluctuations between the U.S. Dollar and his or her local currency. In this regard, the Participant should note that the value of any Shares he or she may acquire under the Plan may decrease, and fluctuations in foreign exchange rates between his or her local currency and the U.S. Dollar may affect the value of the Shares or any amounts due to the Participant pursuant to the vesting of the RSUs or the subsequent sale of any Shares acquired by the Participant. The Company is not making any representations, projections or assurances about the value of the Shares now or in the future.

For further information on risk factors impacting the Company's business that may affect the value of the Shares, the Participant should refer to the risk factors discussion in the Company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, which are filed with the U.S. Securities and Exchange Commission and are available online at www.sec.gov, as well as on the Company's website at <http://investors.ctscorp.com/financials/sec-filings/default.aspx>

The Participant should also note that the sale or disposal of Shares acquired under the Plan may be subject to certain restrictions under Philippines securities laws. Those restrictions should not apply if the offer and resale of Shares takes place outside of the Philippines through the facilities of a stock exchange on which

the Shares are listed. The Shares are currently listed on the NYSE. The Company's designated broker should be able to assist the Participant in the sale of Shares on NYSE.

If the Participant has questions with regard to the application of Philippines securities laws to the disposal or sale of Shares acquired under the Plan the Participant should consult with his or her legal advisor.

VIII. For Participants in Poland:

Foreign Asset/Account Reporting Information. If the Participant maintains bank or brokerage accounts holding cash and foreign securities (including Shares) outside of Poland, the Participant will be required to report information to the National Bank of Poland on transactions and balances in such accounts if the value of such cash and securities exceeds PLN 7,000,000. If required, such reports must be filed on a quarterly basis on special forms available on the website of the National Bank of Poland.

Exchange Control Information. The transfer of funds in excess of a certain threshold (currently €15,000, unless the transfer of funds is considered to be connected with the business activity of an entrepreneur, in which case a lower threshold may apply) into or out of Poland must be made through a bank account in Poland. The Participant understands that he or she is required to store all documents connected with any foreign exchange transactions for a period of five years, as measured from the end of the year in which such transaction occurred. The Participant should consult with his or her personal legal advisor to determine what he or she must do to fulfill any applicable reporting/exchange control duties.

IX. For Participants in Singapore:

Securities Law Information. The RSUs were granted to the Participant pursuant to the "Qualifying Person" exemption under section 273(1)(f) of the Singapore Securities and Futures Act (Chapter 289, 2006 Ed.) ("SFA"). The Agreement and the Plan have not been lodged or registered as a prospectus with the Monetary Authority of Singapore. The Participant should note that the Participant's RSUs are subject to section 257 of the SFA and the Participant will not be able to make any subsequent sale in Singapore, or any offer of such subsequent sale of the Shares unless such sale or offer in Singapore is made pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the SFA.

Chief Executive Officer and Director Notification. If the Participant is the Chief Executive Officer ("CEO") or a director, associate director or shadow director of a subsidiary or other related company in Singapore, the Participant is subject to certain notification requirements under the Singapore Companies Act. Among these requirements is an obligation to notify the Singapore subsidiary in writing when the Participant receives an interest (e.g., RSUs, Shares) in the Company or any related company. In addition, the Participant must notify the Singapore subsidiary when the Participant sells Shares of the Company or any related company (including when the Participant sells Shares acquired under the Plan). These notifications must be made within two (2) business days of (i) acquiring or disposing of any interest in the Company or any related company, or (ii) any change in a previously-disclosed interest (e.g. upon vesting of the RSUs or when Shares are subsequently sold). In addition, a notification must be made of the Participant's interests in the Company or any related company within two (2) business days of becoming a CEO or director, associate director, or shadow director.

X. For Participants in Taiwan:

Data Privacy. The Participant acknowledges that he or she has read and understands the terms regarding collection, processing and transfer of Data contained in the Privacy Notice in Section 4.22 of the Agreement

and Section II(1) of this Annex B and agrees that, upon request of the Company, the Participant will provide any executed data privacy consent form to the Company (or any other agreements or consents that may be required by the Company) that the Company may deem necessary to obtain under the data privacy laws in Participant's country, either now or in the future. The Participant understands he or she will not be able to participate in the Plan if the Participant fails to execute any such consent or agreement.

Securities Law Information. The RSUs and participation in the Plan is made available only to employees of the Company and its subsidiaries. It is not a public offer of securities by a Taiwanese company. Therefore, it is exempt from registration in Taiwan.

Exchange Control Information. Individuals may acquire foreign currency (including proceeds from the sale of Shares) into Taiwan up to US\$5,000,000 per year without justification. There is no need to aggregate all remittances into Taiwan when calculating the limitation. If the transaction amount is TWD\$500,000 or more in a single transaction, the Participant must submit a Foreign Exchange Transaction Form and also provide supporting documentation to the satisfaction of the remitting bank.

CERTIFICATION

I, Kieran O'Sullivan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of CTS Corporation:
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; and
 - (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 statement for external purposes in accordance with generally accepted accounting principles; and
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusion about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 29, 2026

/s/ Kieran O'Sullivan

Kieran O'Sullivan
Chairman, President and Chief Executive Officer

CERTIFICATION

I, Ashish Agrawal, certify that:

1. I have reviewed this quarterly report on Form 10-Q of CTS Corporation:
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; and
 - (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 statement for external purposes in accordance with generally accepted accounting principles; and
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusion about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 29, 2026

/s/Ashish Agrawal

Ashish Agrawal

Vice President and Chief Financial Officer

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

In connection with the quarterly report of CTS Corporation (the Company) on Form 10-Q for the quarter ended March 31, 2026, as filed with the Securities and Exchange Commission on the date hereof (the Report), the undersigned officer of the Company certifies, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that:

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

Date: April 29, 2026

/s/ Kieran O Sullivan

Kieran O'Sullivan
Chairman, President and Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to CTS Corporation and will be retained by CTS Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

**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 quarterly report of CTS Corporation (the Company) on Form 10-Q for the quarter ended March 31, 2026, as filed with the Securities and Exchange Commission on the date hereof (the Report), the undersigned officer of the Company certifies, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that:

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

Date: April 29, 2026

/s/Ashish Agrawal

Ashish Agrawal

Vice President and Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to CTS Corporation and will be retained by CTS Corporation and furnished to the Securities and Exchange Commission or its staff upon request.
