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 July 5, 2026

☐ **TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________ to __________
Commission File Number: 001-32253

EnerSys
(Exact name of registrant as specified in its charter)

Delaware	**23-3058564**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

2366 Bernville Road
Reading, Pennsylvania 19605
(Address of principal executive offices) (Zip Code)
Registrant's telephone number, including area code: 610-208-1991

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, $0.01 par value per share	ENS	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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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 Securities Exchange Act of 1934.

Large Accelerated Filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Securities Exchange Act of 1934). ☐ Yes ☒ No.

Common Stock outstanding at August 7, 2026: 36,065,224 shares

EnerSys
INDEX – FORM 10-Q

			Page
PART I – FINANCIAL INFORMATION			
Item 1.	Financial Statements		
	Consolidated Condensed Balance Sheets (Unaudited) as of July 5, 2026 and March 31, 2026		3
	Consolidated Condensed Statements of Income (Unaudited) for the Quarters Ended July 5, 2026 and June 29, 2025		4
	Consolidated Condensed Statements of Comprehensive Income (Unaudited) for the Quarters Ended July 5, 2026 and June 29, 2025		5
	Consolidated Condensed Statements of Cash Flows (Unaudited) for the Three Months Ended July 5, 2026 and June 29, 2025		6
	Notes to Consolidated Condensed Financial Statements (Unaudited)		7
		1 Basis of Presentation	7
		2 Revenue Recognition	8
		3 Accounts Receivable	8
		4 Inventories	9
		5 Fair Value of Financial Instruments	9
		6 Derivative Financial Instruments	10
		7 Income Taxes	13
		8 Warranty	14
		9 Commitments, Contingencies and Litigation	14
		10 Restructuring and Other Exit Charges	15
		11 Debt	18
		12 Retirement Plans	19
		13 Stock-Based Compensation	19
		14 Stockholders' Equity and Noncontrolling Interests	19
		15 Earnings Per Share	23
		16 Business Segments	23
		17 Subsequent Events	25
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations		26
Item 3.	Quantitative and Qualitative Disclosures about Market Risk		38
Item 4.	Controls and Procedures		40
PART II – OTHER INFORMATION			
Item 1.	Legal Proceedings		41
Item 1A.	Risk Factors		41
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds		42
Item 4.	Mine Safety Disclosures		42
Item 5.	Other Information		42
Item 6.	Exhibits		43
SIGNATURES			44

PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

EnerSys
Consolidated Condensed Balance Sheets (Unaudited)
(In Thousands, Except Share and Per Share Data)

	July 5, 2026	March 31, 2026
Assets		
Current assets:		
Cash and cash equivalents	$ 530,663	$ 438,675
Accounts receivable, net of allowance for doubtful accounts: July 5, 2026 - $10,522; March 31, 2026 - $8,583	454,811	506,072
Inventories, net	738,654	724,690
Prepaid and other current assets	405,918	472,373
Total current assets	2,130,046	2,141,810
Property, plant, and equipment, net	572,407	593,002
Goodwill	748,214	752,424
Other intangible assets, net	334,236	342,898
Deferred taxes	68,413	69,008
Other assets	103,619	104,182
Total assets	$ 3,956,935	$ 4,003,324
Liabilities and Equity		
Current liabilities:		
Short-term debt	$ 28,667	$ 29,201
Accounts payable	335,158	354,190
Accrued expenses	398,148	420,647
Total current liabilities	761,973	804,038
Long-term debt, net of unamortized debt issuance costs	1,010,265	1,079,782
Deferred taxes	13,897	13,909
Other liabilities	197,253	196,723
Total liabilities	1,983,388	2,094,452
Commitments and contingencies		
Equity:		
Preferred Stock, $0.01 par value, 1,000,000 shares authorized, no shares issued or outstanding at July 5, 2026 and at March 31, 2026	—	—
Common Stock, $0.01 par value per share, 135,000,000 shares authorized, 57,616,359 shares issued and 36,310,450 shares outstanding at July 5, 2026; 57,551,440 shares issued and 36,462,211 shares outstanding at March 31, 2026	576	576
Additional paid-in capital	748,541	734,922
Treasury stock at cost, 21,305,909 shares held as of July 5, 2026 and 21,089,229 shares held as of March 31, 2026	(1,411,797)	(1,361,585)
Retained earnings	2,850,285	2,743,635
Accumulated other comprehensive loss	(217,705)	(212,264)
Total EnerSys stockholders’ equity	1,969,900	1,905,284
Nonredeemable noncontrolling interests	3,647	3,588
Total equity	1,973,547	1,908,872
Total liabilities and equity	$ 3,956,935	$ 4,003,324

See accompanying notes.

EnerSys
Consolidated Condensed Statements of Income (Unaudited)
(In Thousands, Except Share and Per Share Data)

	Quarter ended	
	July 5, 2026	June 29, 2025
Sales from products	$ 835,598	$ 805,813
Sales from services	100,043	87,211
Net sales	935,641	893,024
Cost of goods sold	538,646	566,048
Cost of services	83,635	73,748
Gross profit	313,360	253,228
Operating expenses	151,238	160,886
Restructuring and other exit charges	10,708	5,862
Operating earnings	151,414	86,480
Interest expense	10,598	11,312
Other expense (income), net	5,809	9,510
Earnings before income taxes	135,007	65,658
Income tax expense	18,557	8,200
Net earnings attributable to EnerSys stockholders	$ 116,450	$ 57,458
Net earnings per common share attributable to EnerSys stockholders:		
Basic	$ 3.19	$ 1.48
Diluted	$ 3.09	$ 1.46
Dividends per common share	$ 0.2625	$ 0.24
Weighted-average number of common shares outstanding:		
Basic	36,467,526	38,798,263
Diluted	37,626,671	39,295,773

See accompanying notes.

EnerSys
Consolidated Condensed Statements of Income (Unaudited)
(In Thousands, Except Share and Per Share Data)

	Quarter ended	
	July 5, 2026	June 29, 2025
Net earnings	$ 116,450	$ 57,458
Other comprehensive income (loss):		
Net unrealized gain (loss) on derivative instruments, net of tax	1,557	462
Pension funded status adjustment, net of tax	(2)	123
Foreign currency translation adjustment	(6,937)	29,829
Total other comprehensive income (loss), net of tax	(5,382)	30,414
Total comprehensive income (loss)	111,068	87,872
Comprehensive income (loss) attributable to noncontrolling interests	59	40
Comprehensive income (loss) attributable to EnerSys stockholders	$ 111,009	$ 87,832

See accompanying notes.

EnerSys
Consolidated Condensed Statements of Cash Flows (Unaudited)
(In Thousands)

	Quarter ended	
	July 5, 2026	June 29, 2025
Cash flows from operating activities		
Net earnings	$ 116,450	$ 57,458
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	30,495	26,894
Write-off of assets relating to exit activities	5,748	(626)
Derivatives not designated in hedging relationships:		
Net losses (gains)	404	(354)
Cash (settlements) proceeds	1,052	2,536
Provision for doubtful accounts	2,292	(203)
Deferred income taxes	(431)	(42)
Non-cash interest expense	483	479
Stock-based compensation	7,778	17,601
Loss (gain) on disposal of property, plant, and equipment	1,196	34
Changes in assets and liabilities:		
Accounts receivable	48,220	50,218
Inventories	(14,483)	(33,490)
Prepaid and other current assets	88,947	(38,867)
Other assets	342	179
Accounts payable	(22,515)	(43,049)
Accrued expenses	(37,984)	(38,448)
Other liabilities	2,167	648
Net cash provided by (used in) operating activities	230,161	968
Cash flows from investing activities		
Capital expenditures	(12,422)	(33,019)
Purchase of business	—	(12,558)
Proceeds from disposal of property, plant, and equipment	80	4,163
Net cash (used in) provided by investing activities	(12,342)	(41,414)
Cash flows from financing activities		
Net borrowings (repayments) on short-term debt	8	(209)
Proceeds from Second Amended Revolver borrowings	120,000	231,700
Repayments of Second Amended Revolver borrowings	(190,000)	(46,700)
Options proceeds, net	5,859	—
Purchase of treasury stock	(49,958)	(150,034)
Dividends paid to stockholders	(9,555)	(9,107)
Other	(139)	314
Net cash (used in) provided by financing activities	(123,785)	25,964
Effect of exchange rate changes on cash and cash equivalents	(2,046)	18,013
Net increase (decrease) in cash and cash equivalents	91,988	3,531
Cash and cash equivalents at beginning of period	438,675	343,131
Cash and cash equivalents at end of period	$ 530,663	$ 346,662

See accompanying notes.

EnerSys
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (Unaudited)
(In Thousands, Except Share and Per Share Data)

1. Basis of Presentation

The accompanying unaudited consolidated condensed financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring adjustments except those otherwise described herein) considered necessary for a fair presentation have been included, unless otherwise disclosed. Operating results for the current quarter ended July 5, 2026 are not necessarily indicative of the results that may be expected for the fiscal year ending March 31, 2027.

The Consolidated Condensed Balance Sheet at March 31, 2026 has been derived from the audited Consolidated Financial Statements at that date but does not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements.

The financial statements should be read in conjunction with the Consolidated Financial Statements and Notes thereto included in the Company’s 2026 Annual Report on Form 10-K (SEC File No. 001-32253), which was filed on May 20, 2026 (the “2026 Annual Report”).

EnerSys (the “Company”) reports interim financial information for 13-week periods, except for the first quarter, which always begins on April 1, and the fourth quarter, which always ends on March 31. The four quarters in fiscal 2027 end on July 5, 2026, October 4, 2026, January 3, 2027, and March 31, 2027, respectively. The four quarters in fiscal 2026 ended on June 29, 2025, September 28, 2025, December 28, 2025, and March 31, 2026, respectively.

The Consolidated Condensed Financial Statements include the accounts of the Company and its wholly-owned subsidiaries and any partially owned subsidiaries that the Company has the ability to control. All intercompany transactions and balances have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. These estimates and assumptions take into account historical and forward looking factors that the Company believes are reasonable, and the Company’s estimates and assumptions may evolve as conditions change. Actual results could differ from those estimates.

Examples of significant estimates include the allowance for credit losses, the recoverability of property, plant and equipment, the incremental borrowing rate for lease liabilities, the recoverability of intangible assets and other long-lived assets, fair value measurements, including those related to financial instruments, fair value of goodwill and intangible assets, valuation allowances on tax assets, production tax credits under the Inflation Reduction Act, pension and postretirement benefit obligations, contingencies and the identification and valuation of assets acquired and liabilities assumed in connection with business combinations.

Recently Issued Accounting Standards Not Yet Adopted

In November 2024, the Financial Accounting Standards Board issued a final standard on disaggregation of income statement expenses. The standard requires disclosure of more detailed information about certain costs and expenses in the notes to the financial statements. The standard is effective for fiscal years beginning after December 15, 2026 and for interim periods beginning after December 15, 2027. Early adoption is permitted. The standard is applied prospectively with an option for retrospective adoption. The Company is currently evaluating the impact of adopting this standard on its disclosures.

In December 2025, the Financial Accounting Standards Board issued a final standard on accounting for governmental grants. The standard provides guidance on how business entities should recognize, measure, and present government grants received. The standard is effective for fiscal years beginning after December 15, 2028 and interim periods within those fiscal years. Early adoption is permitted. The standard may be applied using a modified prospective, modified retrospective, or retrospective approach. The Company is currently evaluating the impact of adopting this standard on its disclosures.

2. Revenue Recognition

The Company’s revenues by reportable segments are presented in Note 16 and are consistent with how we organize and manage our operations, as well as product line net sales information.

Service revenues related to the work performed for the Company’s customers by its maintenance technicians generally represent a separate and distinct performance obligation. Control for these services passes to the customer as the services are performed.

A small portion of the Company's customer arrangements oblige the Company to create customized products for its customers that require combining both products and services into a single performance obligation because the individual products and services that are required to fulfill the customer requirements do not meet the definition for a distinct performance obligation. These customized products generally have no alternative use to the Company and the terms and conditions of these arrangements give the Company the enforceable right to payment for performance completed to date, including a reasonable profit margin. For these arrangements, control transfers over time and the Company measures progress towards completion by selecting the input or output method that best depicts the transfer of control of the underlying goods and services to the customer for each respective arrangement. Methods used by the Company to measure progress toward completion include labor hours, costs incurred and units of production. Revenues recognized over time for the first quarter of fiscal 2027 and 2026 amounted to $41,518 and $37,496, respectively.

On July 5, 2026, the aggregate transaction price allocated to unsatisfied (or partially unsatisfied) performance obligations was approximately $210,640, of which, the Company estimates that approximately $117,085 will be recognized as revenue in fiscal 2027, $58,415 in fiscal 2028, and $23,281 in fiscal 2029, $11,668 in fiscal 2030, and $191 in fiscal 2031 and after.

Any payments that are received from a customer in advance, prior to the satisfaction of a related performance obligation and billings in excess of revenue recognized, are deferred and treated as a contract liability. Advance payments and billings in excess of revenue recognized are classified as current or non-current based on the timing of when recognition of revenue is expected. As of July 5, 2026, the current and non-current portion of contract liabilities were $47,042 and $1,967, respectively. As of March 31, 2026, the current and non-current portion of contract liabilities were $48,080 and $1,830, respectively. Revenues recognized during the first quarter of fiscal 2027 and 2026 that were included in the contract liability at the beginning of the quarter amounted to $10,073 and $7,576, respectively.

Amounts representing work completed and not billed to customers represent contract assets and were $88,975 and $93,798 as of July 5, 2026 and March 31, 2026, respectively.

The Company uses historic customer product return data as a basis of estimation for customer returns and records the reduction of sales at the time revenue is recognized. At July 5, 2026, the right of return asset related to the value of inventory anticipated to be returned from customers was $4,270 and refund liability representing amounts estimated to be refunded to customers was $6,810.

3. Accounts Receivable

	July 5, 2026	March 31, 2026
Accounts receivable	$ 465,333	$ 514,655
Allowance for doubtful accounts	10,522	8,583
Accounts receivable, net	$ 454,811	$ 506,072

On December 15, 2025, the Company entered into an amendment to its existing Receivables Purchase Agreement ("Amended RPA"). Under the Amended RPA, the Company continuously sells its interest in designated pools of trade accounts receivables, at a discount, to a special purpose entity, which in turn sells certain of the receivables to unaffiliated financial institutions ("unaffiliated financial institutions") on a monthly basis. The Company may sell certain US-originated accounts receivable balances to a maximum amount of $250,000 plus an additional $50,000 accordion feature that is uncommitted and subject to certain additional conditions. The Amended RPA matures on December 15, 2028. In return for these sales, the Company receives a cash payment equal to the face value of the receivables and is charged a fee of Secured Overnight Financing Rate (“SOFR”) plus 85 basis points against the sold receivable balance. The program is conducted through EnerSys Finance LLC

("EnerSys Finance"), an entity structured to be bankruptcy remote. The Company is deemed the primary beneficiary of EnerSys Finance as the Company has both the power to direct the activities that most significantly impact the entity's economic performance and the obligation to absorb losses or the right to receive the benefits that could potentially be significant to the entity from the transfer of the trade accounts receivables into the special purpose entity. Accordingly, EnerSys Finance is included in the Company's Consolidated Condensed Financial Statements.

Receivables sold to unaffiliated financial institutions under the program are excluded from "Accounts receivable, net" on the Company's Consolidated Condensed Balance Sheets, and cash receipts are reflected as cash provided by operating activities on the Consolidated Condensed Statements of Cash Flows. The purchase price is received in cash when the receivables are sold, and fees charged relating to this balance are recorded to other (income) expense. Certain unsold receivables held by EnerSys Finance serve as collateral to unaffiliated financial institutions. These unsold receivables are included in "Accounts receivable, net" in the Company's Consolidated Condensed Balance Sheets. The Company continues servicing the receivables which were sold and in exchange receives a servicing fee from EnerSys Finance under the program.

During the first quarter of fiscal 2027, the Company sold $336,186 of accounts receivables for $336,186 in proceeds to an unaffiliated financial institution, of which $336,186 were collected as of July 5, 2026. During the first quarter of fiscal 2026, the Company sold $189,892 of accounts receivables for $189,892 in net proceeds to an unaffiliated financial institution, of which $189,892 were collected as of June 29, 2025. Total collateralized accounts receivables of approximately $371,874 were held by EnerSys Finance at July 5, 2026.

Any accounts receivables held by EnerSys Finance would likely not be available to other creditors of the Company in the event of bankruptcy or insolvency proceedings relating to the Company until the outstanding balances under the RPA are satisfied. Additionally, the financial obligations of EnerSys Finance to the unaffiliated financial institutions under the program are limited to the assets it owns and there is no recourse to the Company for receivables that are uncollectible as a result of the insolvency of EnerSys Finance or its inability to pay the account debtors.

4. Inventories

	July 5, 2026	March 31, 2026
Raw materials	$ 287,089	$ 287,705
Work-in-process	123,201	111,719
Finished goods	328,364	325,266
Total	$ 738,654	$ 724,690

5. Fair Value of Financial Instruments

Recurring Fair Value Measurements

The following tables represent the financial assets and (liabilities) measured at fair value on a recurring basis as of July 5, 2026 and March 31, 2026, and the basis for that measurement:

	Total Fair Value Measurement July 5, 2026	Quoted Price in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Lead forward contracts	$ (2,877)	$ —	$ (2,877)	$ —
Foreign currency forward contracts	386	—	386	—
Interest Rate Swaps	(12)	—	(12)	—
Net investment hedges	(68,380)	—	(68,380)	—
Total derivatives	$ (70,883)	$ —	$ (70,883)	$ —

	Total Fair Value Measurement March 31, 2026	Quoted Price in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Lead forward contracts	$ (3,521)	$ —	$ (3,521)	$ —
Foreign currency forward contracts	1,173	—	1,173	—
Interest Rate Swaps	(68)	—	(68)	—
Net investment hedges	(69,990)	—	(69,990)	—
Total derivatives	$ (72,406)	$ —	$ (72,406)	$ —

The fair values of lead forward contracts are calculated using observable prices for lead as quoted on the London Metal Exchange ("LME") and, therefore, were classified as Level 2 within the fair value hierarchy, as described in Note 1- *Summary of Significant Accounting Policies* to the Company's Consolidated Financial Statements included in the 2026 Annual Report.

The fair values for foreign currency forward contracts and net investment hedges are based upon current quoted market prices and are classified as Level 2 based on the nature of the underlying market in which these derivatives are traded.

The fair value of interest rate swap agreements is based on observable prices as quoted for receiving the variable one-month term SOFR and paying fixed interest rates and, therefore, were classified as Level 2.

Financial Instruments

The fair values of the Company's cash and cash equivalents approximate carrying value due to their short maturities.

The fair value of the Company's short-term debt and borrowings under the credit facilities as included in Note 11, approximate their respective carrying value, as they are variable rate debt and the terms are comparable to market terms as of the balance sheet dates and are classified as Level 2.

The fair value of the Company's 2032 Notes and 2027 Notes (each as defined in Note 11 and collectively, the "Senior Notes"), represents the trading values based upon quoted market prices and are classified as Level 2. The 2032 Notes were trading at approximately 102% and 102% of face value on July 5, 2026 and March 31, 2026, respectively. The 2027 Notes were trading at approximately 99% and 99% of the face value on July 5, 2026 and March 31, 2026, respectively.

The carrying amounts and estimated fair values of the Company's derivatives and Senior Notes at July 5, 2026 and March 31, 2026 were as follows:

	July 5, 2026		March 31, 2026	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial liabilities:				
Senior Notes [(1)]	$ 600,000	$ 604,800	$ 600,000	$ 601,425
Derivatives [(2)]	$ 70,883	$ 70,883	$ 72,406	$ 72,406

(1) The fair value amount of the Senior Notes at July 5, 2026 and March 31, 2026 represent the trading value of the instruments.
(2) Represents lead, foreign currency forward contracts, interest rate swaps, and net investment hedges (see Note 6 for asset and liability positions of the lead, foreign currency forward contracts, interest rate swaps, and net investment hedges at July 5, 2026 and March 31, 2026).

6. Derivative Financial Instruments

The Company utilizes derivative instruments to reduce its exposure to fluctuations in commodity prices, foreign exchange rates and interest, under established procedures and controls. The Company does not enter into derivative contracts for speculative purposes. The Company's agreements are with creditworthy financial institutions and the Company anticipates performance by counterparties to these contracts and therefore no material loss is expected.

Derivatives in Cash Flow Hedging Relationships

Lead Forward Contracts

The Company enters into lead forward contracts to fix the price for a portion of its lead purchases. Management considers the lead forward contracts to be effective against changes in the cash flows of the underlying lead purchases. The vast majority of such contracts are for a period not extending beyond one year. At July 5, 2026 and March 31, 2026, the Company has hedged the price to purchase approximately 59.3 million pounds and 82.7 million pounds of lead, respectively, for a total purchase price of $53,363 and $74,909, respectively.

Foreign Currency Forward Contracts

The Company uses foreign currency forward contracts and options to hedge a portion of the Company's foreign currency exposures for lead, as well as other foreign currency exposures so that gains and losses on these contracts offset changes in the underlying foreign currency denominated exposures. The vast majority of such contracts are for a period not extending beyond one year. As of July 5, 2026 and March 31, 2026, the Company had entered into a total of $24,102 and $36,771, respectively, of such contracts.

Interest Rate Swap Agreements

The Company is exposed to changes in variable interest rates on borrowings under our credit agreement. On a selective basis, from time to time, it enters into interest rate swap agreements to reduce the negative impact that increases in interest rates could have on its outstanding variable rate debt. At July 5, 2026 and March 31, 2026, such agreements effectively convert $200,000 of its variable-rate debt to a fixed-rate basis, utilizing the one-month term SOFR, as a floating rate reference. Fluctuations in SOFR and fixed rates affect both our net financial investment position and the amount of cash to be paid or received by us under these agreements.

Derivatives in Net Investment Hedging Relationships

Net Investment Hedges

The Company uses cross currency fixed interest rate swaps to hedge its net investments in foreign operations against future volatility in the exchange rates between the U.S. Dollar and Euro.

On September 29, 2022, the Company entered into cross-currency fixed interest rate swap contracts with an aggregate notional amount of $150,000, maturing on December 15, 2027. On July 2, 2024, the Company entered into cross-currency fixed interest rate swap contracts with an aggregate notional amount of $150,000, maturing on January 15, 2029. Additionally, on December 23, 2024 and December 24, 2024 , the Company entered into cross-currency fixed interest rate swap contracts each with an aggregate notional amount of $150,000, maturing on June 15, 2028 and December 15, 2026, respectively. The cross-currency fixed interest rate swap contracts qualify for hedge accounting as a net investment hedging instrument, which allows for them to be remeasured to foreign currency translation adjustment within AOCI ("Accumulated Other Comprehensive Income") to offset the translation risk from those investments. Balances in the foreign currency translation adjustment accounts remain until the sale or substantially complete liquidation of the foreign entity, upon which they are recognized as a component of other income (expense).

Impact of Hedging Instruments on AOCI

In the coming twelve months, the Company anticipates that $5,505 of pretax gain relating to lead, foreign currency forward contracts, interest rate swaps, and net investment hedges will be reclassified from AOCI as part of cost of goods sold and interest expense. This amount represents the current net unrealized impact of hedging lead, foreign exchange rates and interest rates, which will change as market rates change in the future. This amount will ultimately be realized in the Consolidated Condensed Statements of Income as an offset to the corresponding actual changes in lead, foreign exchange rates and interest costs resulting from variable lead cost, foreign exchange and interest rates hedged.

Derivatives not Designated in Hedging Relationships

Foreign Currency Forward Contracts

The Company also enters into foreign currency forward contracts to economically hedge foreign currency fluctuations on intercompany loans and foreign currency denominated receivables and payables. These are not designated as hedging instruments and changes in fair value of these instruments are recorded directly in the Consolidated Condensed Statements of

Income. As of July 5, 2026 and March 31, 2026, the notional amount of these contracts was $111,509 and $76,262, respectively.
Presented below in tabular form is information on the location and amounts of derivative fair values in the Consolidated Condensed Balance Sheets and derivative gains and losses in the Consolidated Condensed Statements of Income:

Fair Value of Derivative Instruments
July 5, 2026 and March 31, 2026

	Derivatives and Hedging Activities Designated as Cash Flow Hedges		Derivatives and Hedging Activities Designated as Net Investment Hedges		Derivatives and Hedging Activities Not Designated as Hedging Instruments	
	July 5, 2026	March 31, 2026	July 5, 2026	March 31, 2026	July 5, 2026	March 31, 2026
Prepaid and other current assets:						
Foreign currency forward contracts	197	336	—	—	189	837
Total assets	$ 197	$ 336	$ —	$ —	$ 189	$ 837
Accrued expenses:						
Lead forward contracts	$ 2,877	$ 3,521	$ —	$ —	$ —	$ —
Net investment hedges	—	—	14,781	16,076	—	—
Other liabilities:						
Interest rate swaps	12	68	—	—	—	—
Net investment hedges	—	—	53,599	53,914	—	—
Total liabilities	$ 2,889	$ 3,589	$ 68,380	$ 69,990	$ —	$ —

The Effect of Derivative Instruments on the Consolidated Condensed Statements of Income
For the quarter ended July 5, 2026

Derivatives Designated as Cash Flow Hedges	Pretax Gain (Loss) Recognized in AOCI on Derivative (Effective Portion)	Location of Gain (Loss) Reclassified from AOCI into Income (Effective Portion)	Pretax Gain (Loss) Reclassified from AOCI into Income (Effective Portion)
Lead forward contracts	$ (556)	Cost of goods sold	$ (2,574)
Foreign currency forward contracts	379	Cost of goods sold	410
Interest rate swaps	11	Interest expense	(45)
Total	$ (166)		$ (2,209)

Derivatives Designated as Net Investment Hedges	Pretax Gain (Loss) Recognized in AOCI on Derivative (Effective Portion)	Location of Gain (Loss) Reclassified from AOCI into Income (Effective Portion)	Pretax Gain (Loss) Reclassified from AOCI into Income (Effective Portion)
Cross currency fixed interest rate swaps	$ 3,480	Interest expense	$ 1,870
Total	$ 3,480		$ 1,870

Derivatives Not Designated as Hedging Instruments	Location of Gain (Loss) Recognized in Income on Derivatives	Pretax Gain (Loss)
Foreign currency forward contracts	Other (income) expense, net	$ 404
Total		$ 404

The Effect of Derivative Instruments on the Consolidated Condensed Statements of Income
For the quarter ended June 29, 2025

Derivatives Designated as Cash Flow Hedges	Pretax Gain (Loss) Recognized in AOCI on Derivative (Effective Portion)	Location of Gain (Loss) Reclassified from AOCI into Income (Effective Portion)	Pretax Gain (Loss) Reclassified from AOCI into Income (Effective Portion)
Lead forward contracts	$ 1,489	Cost of goods sold	$ (1,264)
Foreign currency forward contracts	(1,848)	Cost of goods sold	224
Interest rate swaps	(374)	Interest expense	(297)
Total	$ (733)		$ (1,337)

Derivatives Designated as Net Investment Hedges	Pretax Gain (Loss) Recognized in AOCI on Derivative (Effective Portion)	Location of Gain (Loss) Reclassified from AOCI into Income (Effective Portion)	Pretax Gain (Loss) Reclassified from AOCI into Income (Effective Portion)
Cross currency fixed interest rate swaps	$ (55,994)	Interest expense	$ (1,173)
Total	$ (55,994)		$ (1,173)

Derivatives Not Designated as Hedging Instruments	Location of Gain (Loss) Recognized in Income on Derivatives	Pretax Gain (Loss)
Foreign currency forward contracts	Other (income) expense, net	$ 1,118
Total		$ 1,118

7. Income Taxes

The Company’s income tax provision consists of federal, state and foreign income taxes. The tax provision for the first quarter of fiscal 2027 and 2026 was based on the estimated effective tax rates applicable for the full years ending March 31, 2027 and March 31, 2026, respectively, after giving effect to items specifically related to the interim periods. The Company’s effective income tax rate with respect to any period may be volatile based on the mix of income in the tax jurisdictions, in which the Company operates, changes in tax laws and the amount of the Company's consolidated earnings before taxes.

The Organization for Economic Co-operation and Development (OECD) has adopted model rules to implement a global minimum corporate tax of 15% for companies with global revenues and profits above certain thresholds (referred to as Pillar 2), with certain aspects of Pillar 2 effective for taxable years beginning after December 31, 2023.

On January 5, 2026, the OECD issued the Side-by-Side package (the “SbS Package”), which provides administrative guidance that modifies the application of the Pillar 2 rules. The SbS Package includes simplifications and additional safe harbors intended to facilitate coordination between domestic and international tax regimes and the Pillar 2 framework. Certain provisions of the SbS Package intend for U.S.-parented groups being exempt from the application of two of the three Pillar 2 top-up taxes.

The SbS Package is expected to be available for fiscal years beginning on or after January 1, 2026. The safe harbors are not self-executing and generally would require enactment through domestic legislation (and related interpretive guidance) by each Inclusive Framework member, subject to local legislative processes and timelines, as well as guidance related to the European Union (“EU”) Minimum Tax Directive. The Company continues to monitor developments and assess the potential impact of the SbS Package on its results of operations. In addition, the SbS Package extends the Transitional Country-by-Country Reporting (“CbCR”) Safe Harbor by one year, through the end of fiscal year 2028. The Company continues to refine the effective tax rate and cash tax impact for Pillar 2 considering legislative changes in multiple countries.

On July 4, 2025, the “One Big Beautiful Bill Act” (“OBBBA”) was enacted into law. The law included permanent extension of certain expiring provisions of the Tax Cuts and Jobs Act, modifications to the international tax framework, and changes to the tax treatment for certain business provisions and energy credits.

The impact of the enacted legislation is included in our effective tax rate. The Company will continue to monitor and evaluate as new legislation and guidance is issued.

The consolidated effective income tax rates for the first quarter of fiscal 2027 and 2026 were 13.7% and 12.5%. The rate increase in the first quarter compared to the prior year period is primarily due to changes in the mix of earnings among tax jurisdictions.

Foreign income as a percentage of worldwide income is estimated to be 51% for fiscal 2027 compared to 52% for fiscal 2026. The foreign effective tax rates for the first quarter of fiscal 2027 and 2026 were 17% and 16%, respectively. The foreign effective tax rate increase in the first quarter compared to the first quarter of the prior year is primarily due to changes in the mix of earnings among tax jurisdictions. Income from the Company's Swiss subsidiary comprised a substantial portion of the Company's overall foreign mix of income for both fiscal 2027 and fiscal 2026 and were taxed at an effective income tax rate of approximately 13% and 14%, respectively.

8. Warranty

The Company provides for estimated product warranty expenses when products are sold, with related liabilities included within accrued expenses and other liabilities. As warranty estimates are forecasts that are based on the best available information, primarily historical claims experience, costs of claims may ultimately differ from amounts provided. An analysis of changes in the liability for product warranties is as follows:

	Quarter ended	
	July 5, 2026	June 29, 2025
Balance at beginning of period	$ 73,721	$ 66,421
Current period provisions	4,680	7,018
Costs incurred	(6,572)	(6,025)
Foreign currency translation adjustment	(24)	1,011
Balance at end of period	$ 71,805	$ 68,425

9. Commitments, Contingencies and Litigation

Litigation and Other Legal Matters

In the ordinary course of business, the Company and its subsidiaries are routinely defendants in or parties to pending and threatened legal actions and proceedings, including actions brought on behalf of various classes of claimants. These actions and proceedings are generally based on alleged violations of environmental, anticompetition, employment, contract and other laws. In some of these actions and proceedings, claims for substantial monetary damages are asserted against the Company and its subsidiaries. In the ordinary course of business, the Company and its subsidiaries are also subject to regulatory and governmental examinations, information gathering requests, inquiries, investigations, and threatened legal actions and proceedings. In connection with formal and informal inquiries by federal, state, local and foreign agencies, the Company and its subsidiaries receive numerous requests, subpoenas and orders for documents, testimony and information in connection with various aspects of their activities.

Environmental Issues

As a result of its operations, the Company is subject to various federal, state, and local, as well as international environmental laws and regulations and is exposed to the costs and risks of registering, handling, processing, storing, transporting, and disposing of hazardous substances, especially lead and acid. The Company's operations are also subject to federal, state, local and international occupational safety and health regulations, including laws and regulations relating to exposure to lead in the workplace. The Company believes that it has adequate reserves to satisfy its environmental liabilities.

Lead, Foreign Currency Forward Contracts and Swaps

To stabilize its lead costs and reduce volatility from currency and interest rate movements, the Company entered into contracts with financial institutions. The vast majority of lead and foreign currency contracts are for a period not extending beyond one year. The Company also entered into a cross currency fixed interest rate swap agreements, maturing on December 15, 2026, December 15, 2027, June 15, 2028, and January 15, 2029, to hedge its net investments in foreign operations against future volatility in the exchange rates between the U.S. Dollar and Euro. The Company also entered into floating to fixed interest rate swap agreements maturing on September 30, 2026, to hedge its exposure to variable interest rates. Please refer to Note 6 - *Derivative Financial Instruments* for more details.

Tariff refunds

In February 2026, the Supreme Court of the United States ruled against the current administration's use of the International Emergency Economic Powers Act ("IEEPA") to impose certain tariffs levied since February 2025. Pursuant to a court order on March 4, 2026 from the U.S. Court of International Trade ("CIT") directing the refund of such tariffs, including applicable interest, on April 20, 2026, U.S. Customs and Border Protection ("CBP") launched the Consolidated Administration and Processing of Entries ("CAPE") system to facilitate refund claims, to which the Company successfully submitted its refund claim.

The Company recognized any previously paid IEEPA tariff refunds when the gain was realized or realizable. During the three months ended July 5, 2026, the Company recognized a $30,870 reduction in cost of goods sold in the Company's condensed consolidated statements of income, representing the majority of the CAPE Phase 1 IEEPA tariffs on inventory sold to customers since the tariffs were enacted in February 2025. As of July 5, 2026, the Company recorded a receivable of approximately $16,468 related to IEEPA tariffs paid by the Company between February 2025 and February 2026, which is included within prepaid expenses and other current assets on the Company's condensed consolidated balance sheets.

10. Restructuring and Other Exit Charges

Restructuring Programs

As disclosed in the 2026 Annual Report, the Company committed to restructuring plans aimed at improving operational efficiencies across its lines of business.

On July 22, 2025, the Company announced a reduction in force plan (the "Plan") as part of the Company's strategic restructuring plan under its new leadership to better align resources with current business priorities and long-term objectives. The Plan is expected to reduce non-production global workforce by approximately 11%, or approximately 575 employees, and is focused primarily on corporate and management positions. The Company recorded $21,651 in costs relating to the Plan consisting of severance payments, notice period payments in applicable jurisdictions, employee benefits and related costs. The Plan was substantially completed as of March 31, 2026.

Restructuring and exit charges for the first quarter of fiscal 2027 by reportable segments are as follows:

	Quarter ended July 5, 2026				
	Network & Infrastructure Solutions	Industrial Mobility Solutions	Precision Power Solutions	Corporate Other	Total
Restructuring charges	$ 418	$ 186	$ (1)	$ —	$ 603
Exit charges	5,793	4,312	—	—	10,105
Restructuring and other exit charges	$ 6,211	$ 4,498	$ (1)	$ —	$ 10,708

A roll-forward of the restructuring reserve, excluding exit charges, is as follows:

Balance as of March 31, 2026	$ 5,904
Accrued	603
Costs incurred	(3,304)
Foreign currency impact	13
Balance as of July 5, 2026	$ 3,216

Exit Charges

Fiscal 2026 Programs

Tijuana

On March 25, 2026, EnerSys announced a plan to close its facility in Tijuana, Mexico, which focused on manufacturing legacy lead acid batteries. Management determined that the closure was appropriate as part of its efforts to optimize its cost structure, maximize near-term advanced manufacturing production tax benefits, and mitigate future risks associated with potential tariffs while reinforcing EnerSys' commitment to strengthening domestic industrial capacity and supply chain resilience. In connection with this restructuring plan, which is estimated to be substantially complete by December 2027, EnerSys plans to sell the land and buildings and possibly the plant and equipment to other parties. In addition, EnerSys estimates that there will be a reduction of approximately 474 employees upon completion. EnerSys expects to incur a pre-tax charge of approximately $37 million under this restructuring plan when completed, the majority of which is expected to be incurred by the second half of fiscal year 2027, of which $14 million is expected to be non-cash charges primarily from accelerated depreciation. Cash charges of approximately $23 million, include severance and employee retention costs, environmental related expenses and equipment decommissioning, along with contractual releases and legal expenses.

During fiscal 2026, the Company recorded $10,969 in severance costs.

During fiscal 2027, the Company recorded $237 in retention costs and $3,284 in accelerated depreciation of fixed assets.

Sao Paulo

On March 25, 2026, EnerSys announced a plan to close its facility in Sao Paulo, Brazil. Management continually evaluates the Company's footprint and decided to exit this facility that operated under NIS and IMS segments due to the challenging local economic environment. In connection with this closure, which is estimated to be substantially complete by the end of fiscal 2027, the Company estimates there will be a reduction of approximately 141 employees. EnerSys expects to incur a pre-tax charge of approximately $7,500 under this restructuring plan, of which includes cash charges of approximately $4,500, primarily related to severance and employee retention costs, and other cash and non-cash items.

During fiscal 2026, the Company recorded $2,984 in cash charges relating to severance and contract termination costs and $1,767 in non cash charges relating to right of use and fixed asset impairments.

During fiscal 2027, the Company recorded a $2,369 in additional contract termination costs.

Monterrey

On April 1, 2025, the Company's Board of Directors approved a plan to close its facility in Monterrey, Mexico, which focused on manufacturing flooded IMS batteries. Management determined that future demand for traditional IMS flooded cells will decrease as customers transition to maintenance free product solutions in lithium and Thin Plate Pure Lead (TPPL). Production of products being manufactured in Monterrey, Mexico will be moved to EnerSys' existing facility in Richmond, Kentucky. The Company expects to incur a pre-tax charge of approximately $13,700 under this restructuring plan when completed, the majority of which was recorded by the end of the 2026 fiscal year, of which $1,500 is expected to be a non-cash charge from fixed asset and inventory charges. Cash charges of approximately $12,200, include severance and employee retention costs, environmental related expenses and equipment decommissioning, along with contractual releases and legal expenses.

During fiscal 2026, the Company recorded cash charges totaling $5,182 primarily relating to severance costs and unusual manufacturing variances of $2,268

During fiscal 2027, the Company recorded $664 in site cleanup and decommissioning equipment and losses on disposal of assets of $2,464.

Fiscal 2023 Programs

Ooltewah

On June 29, 2022, the Company committed to a plan to close its facility in Ooltewah, Tennessee, which produced flooded IMS batteries for electric forklifts. Management determined that future demand for traditional IMS flooded cells will decrease as customers transition to maintenance free product solutions in lithium and TPPL. The Company currently estimates that the total charges for these actions will amount to approximately $18,500. Cash charges for employee severance related payments, cleanup related to the facility, contractual releases and legal expenses are estimated to be $9,200 and non-cash charges from inventory and fixed asset write-offs are estimated to be $9,300. These actions will result in the reduction of approximately 165 employees. The plan was completed as of the first quarter of fiscal 2026.

During fiscal 2023, the Company recorded cash charges relating to severance and manufacturing variances of $2,735 and non-cash charges of $7,261 relating to fixed asset write-offs. The Company also recorded a non-cash write-off relating to inventories of $1,613, which was reported in cost of goods sold.

During fiscal 2024, the Company recorded cash charges relating to site cleanup and decommissioning equipment of $4,399.

During fiscal 2025, the Company recorded $474 cash charges relating to site cleanup.

During fiscal 2026, the Company recorded a $1,142 gain of the sale of the building.

Fiscal 2021 Program

Hagen, Germany

In fiscal 2021, the Company's Board of Directors approved a plan to close substantially all of its facility in Hagen, Germany, which produced flooded IMS batteries for electric forklifts. Management determined that future demand for the IMS batteries produced at this facility was not sufficient, given the conversion from flooded to maintenance free batteries by customers, the existing number of competitors in the market, as well as the near term decline in demand and increased uncertainty from the pandemic. The Company plans to retain the facility with limited sales, service and administrative functions along with related personnel for the foreseeable future.

These actions resulted in the reduction of approximately 200 employees. This program is considered substantially complete as of the end of fiscal 2026.

During fiscal 2021, the Company recorded cash charges relating to severance of $23,331 and non-cash charges of $7,946 primarily relating to fixed asset write-offs.

During fiscal 2022, the Company recorded cash charges primarily relating to severance of $8,069 and non-cash charges of $3,522 primarily relating to fixed asset write-offs. The Company also recorded a non-cash write-off relating to inventories of $960, which was reported in cost of goods sold.

During fiscal 2023, the Company recorded cash charges of $2,207 relating to primarily to site cleanup and $562 of non-cash charges relating to accelerated depreciation of fixed assets.

During fiscal 2024, the Company recorded cash charges of $2,118 relating primarily to site cleanup and $526 of non-cash charges relating to accelerated depreciation of fixed assets.
During fiscal 2025, the Company recorded cash charges of $3,625 relating primarily to site cleanup and $598 of non-cash charges relating to accelerated depreciation of fixed assets.

During fiscal 2026, the Company recorded cash charges of $2,432 relating primarily to site cleanup and $32 of non-cash charges relating to accelerated depreciation of fixed assets. Additionally, the Company recorded a gain on assets held for sale previously impaired of $1,187.

11. Debt

A summary of the Company's short-term borrowings, long term debt and available credit facilities can be found in Note 11 to the Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended March 31, 2026.

The following summarizes the Company’s long-term debt as of July 5, 2026 and March 31, 2026:

	July 5, 2026		March 31, 2026	
	Principal	Unamortized Issuance Costs	Principal	Unamortized Issuance Costs
Senior Notes				
4.375% Senior Notes due 2027	$ 300,000	$ 834	$ 300,000	$ 978
6.625% Senior Notes due 2032	300,000	3,033	300,000	3,171
Amended Credit Facility				
Third Amended Revolver due 2030 [1]	417,563	3,431	487,563	3,632
	$ 1,017,563	$ 7,298	$ 1,087,563	$ 7,781
Less: Unamortized issuance costs	7,298		7,781	
Long-term debt, net of unamortized issuance costs	$ 1,010,265		$ 1,079,782	

[1] The Third Amended Revolver bear interest at SOFR plus between 1.250% and 2.25% (currently 1.250% and based on the Company's consolidated net leverage ratio).

Short-Term Debt

As of July 5, 2026 and March 31, 2026, the Company had $28,667 and $29,201, respectively, of short-term borrowings. The weighted average interest rate on these borrowings was approximately 4.0% and 4.0%, respectively, at July 5, 2026 and March 31, 2026.

Letters of Credit

As of July 5, 2026 and March 31, 2026, the Company had $5,872 and $5,856 of standby letters of credit, respectively.

Debt Issuance Costs

Amortization expense, relating to debt issuance costs, included in interest expense was $483 and $479, respectively, for the first quarter ended July 5, 2026 and June 29, 2025.

Available Lines of Credit

As of July 5, 2026 and March 31, 2026, the Company had available and undrawn, under all its lines of credit, $632,896 and $565,015, respectively, including $56,227 and $58,347, respectively, of uncommitted lines of credit.

12. Retirement Plans

The following tables present the components of the Company's net periodic benefit cost related to its defined benefit pension plans:

	United States Plans Quarter ended		International Plans Quarter ended	
	July 5, 2026	June 29, 2025	July 5, 2026	June 29, 2025
Service cost	$ —	$ —	$ 255	$ 266
Interest cost	—	—	291	690
Expected return on plan assets	—	(10)	(27)	(377)
Amortization and deferral	—	—	(2)	160
Net periodic benefit cost	$ —	$ (10)	$ 517	$ 739

13. Stock-Based Compensation

As of July 5, 2026, the Company maintains the 2023 Equity Incentive Plan ("2023 EIP"). The 2023 EIP reserved 3,614,500 shares of common stock for the grant of various classes of nonqualified stock options, restricted stock units, market condition-based on total shareholder return ("TSR") and performance condition-based share units ("PSU") and other forms of equity-based compensation.

The Company recognized stock-based compensation expense associated with its equity incentive plans of $7,778 for the first quarter of fiscal 2027 and $17,601 for the first quarter of fiscal 2026. The Company recognizes compensation expense using the straight-line method over the vesting period of the awards.

During the current quarter of fiscal 2027, the Company granted to non-employee directors 4,699 restricted stock units, under the deferred compensation plan for non-employee directors. The awards vest immediately upon the date of grant and are settled in shares of common stock.

Common stock activity during the current quarter of fiscal 2027 included 64,923 exercises of stock options and the vesting or release of 5,163 restricted stock units including non-employee director restricted stock units

As of July 5, 2026, there were 808,458 non-qualified stock options, 930,338 restricted stock units including non-employee director restricted stock units and 1,154 TSRs outstanding.

14. Stockholders' Equity and Noncontrolling Interests

Common Stock

The following demonstrates the change in the number of shares of common stock outstanding during the current quarter ended July 5, 2026:

Shares outstanding as of March 31, 2026	36,462,211
Purchase of treasury stock	(219,204)
Shares issued under equity-based compensation plans, net of equity awards surrendered for option price and taxes	67,443
Shares outstanding as of July 5, 2026	36,310,450

Treasury Stock

During the current quarter ended July 5, 2026, the Company purchased 219,204 shares for $49,958 and purchased 1,740,161 shares for $150,034 during the three months ended June 29, 2025. At July 5, 2026 and March 31, 2026, the Company held 21,305,909 and 21,089,229 shares as treasury stock, respectively. During the current quarter ended July 5, 2026, the Company also issued 2,524 shares out of its treasury stock, valued at $62.55 per share to participants under the Company's Employee

Stock Purchase Plan. During the prior quarter ended June 29, 2025, the Company issued 4,154 shares out of its treasury stock, valued at $62.55 per share, to participants under the Company's Employee Stock Purchase Plan.

Accumulated Other Comprehensive Income (“AOCI”)

The components of AOCI, net of tax, as of July 5, 2026 and March 31, 2026, are as follows:

	March 31, 2026	Before Reclassifications	Amounts Reclassified from AOCI	July 5, 2026
Pension funded status adjustment	$ (2,636)	$ —	$ (2)	$ (2,638)
Net unrealized gain (loss) on derivative instruments	(4,562)	(142)	1,699	(3,005)
Foreign currency translation adjustment [(1)]	(205,066)	(6,996)	—	(212,062)
Accumulated other comprehensive (loss) income	$ (212,264)	$ (7,138)	$ 1,697	$ (217,705)

[(1)] Foreign currency translation adjustment for the current quarter ended July 5, 2026 includes a $1,238 gain (net of taxes of $372) related to the Company's $600,000 cross-currency fixed interest rate swap contracts.

The following table presents reclassifications from AOCI during the first quarter ended July 5, 2026:

Components of AOCI	Amounts Reclassified from AOCI	Location of (Gain) Loss Recognized on Income Statement
Derivatives in cash flow hedging relationships:		
Net unrealized loss on derivative instruments	$ 2,209	Cost of goods sold
Tax expense	(510)	
Net unrealized loss on derivative instruments, net of tax	$ 1,699	
Derivatives in net investment hedging relationships:		
Net unrealized gain on derivative instruments	$ (1,870)	Interest expense
Tax expense	437	
Net unrealized gain on derivative instruments, net of tax	$ (1,433)	
Defined benefit pension costs:		
Prior service costs and deferrals	$ (2)	Net periodic benefit cost, included in other (income) expense, net - See Note 12
Tax benefit	—	
Net periodic benefit cost, net of tax	$ (2)	

The following table presents reclassifications from AOCI during the first quarter ended June 29, 2025:

Components of AOCI	Amounts Reclassified from AOCI		Location of (Gain) Loss Recognized on Income Statement
Derivatives in cash flow hedging relationships:			
Net unrealized gain on derivative instruments	$	(1,337)	Cost of goods sold
Tax expense		313	
Net unrealized gain on derivative instruments, net of tax	$	(1,024)	
Derivatives in net investment hedging relationships:			
Net unrealized gain on derivative instruments	$	(1,173)	Interest expense
Tax expense		274	
Net unrealized gain on derivative instruments, net of tax	$	(899)	
Defined benefit pension costs:			
Prior service costs and deferrals	$	160	Net periodic benefit cost, included in other (income) expense, net - See Note 12
Tax benefit		(37)	
Net periodic benefit cost, net of tax	$	123	

The following demonstrates the change in equity attributable to EnerSys stockholders and nonredeemable noncontrolling interests during the first quarter ended July 5, 2026:

(In Thousands, Except Per Share Data)	Preferred Stock	Common Stock	Additional Paid-in Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total EnerSys Stockholders' Equity	Non-redeemable Non-Controlling Interests	Total Equity
Balance at March 31, 2026	**$ —**	**$ 576**	**$ 734,922**	**$ (1,361,585)**	**$ 2,743,635**	**$ (212,264)**	**$ 1,905,284**	**$ 3,588**	**$ 1,908,872**
Stock-based compensation	—	—	7,778	—	—	—	7,778	—	7,778
Exercise of stock options	—	—	5,859	—	—	—	5,859	—	5,859
Purchase of common stock	—	—	—	(49,958)	—	—	(49,958)	—	(49,958)
Other	—	—	(263)	(254)	—	—	(517)	—	(517)
Net earnings	—	—	—	—	116,450	—	116,450	—	116,450
Dividends ($0.2625 per common share)	—	—	245	—	(9,800)	—	(9,555)	—	(9,555)
Other comprehensive income:							—		
Pension funded status adjustment (net of tax benefit of $—)	—	—	—	—	—	(2)	(2)	—	(2)
Net unrealized gain (loss) on derivative instruments (net of tax gain of $478)	—	—	—	—	—	1,557	1,557	—	1,557
Foreign currency translation adjustment	—	—	—	—	—	(6,996)	(6,996)	59	(6,937)
Balance at July 5, 2026	**$ —**	**$ 576**	**$ 748,541**	**$ (1,411,797)**	**$ 2,850,285**	**$ (217,705)**	**$ 1,969,900**	**$ 3,647**	**$ 1,973,547**

The following demonstrates the change in equity attributable to EnerSys stockholders and nonredeemable noncontrolling interests during the first quarter ended June 29, 2025:

(In Thousands, Except Per Share Data)	Preferred Stock	Common Stock	Additional Paid-in Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total EnerSys Stockholders' Equity	Non-redeemable Non-Controlling Interests	Total Equity
Balance at March 31, 2025	**$ —**	**$ 568**	**$ 662,725**	**$ (988,936)**	**$ 2,489,200**	**$ (247,479)**	**$ 1,916,078**	**$ 3,410**	**$ 1,919,488**
Stock-based compensation	—	—	17,601	—	—	—	17,601	—	17,601
Purchase of common stock	—	—	—	(150,034)	—	—	(150,034)	—	(150,034)
Other	—	—	63	266	—	—	329	—	329
Net earnings	—	—	—	—	57,458	—	57,458	—	57,458
Dividends ($0.240 per common share)	—	—	221	—	(9,328)	—	(9,107)	—	(9,107)
Other comprehensive income:							—		
Pension funded status adjustment (net of tax benefit of $37)	—	—	—	—	—	123	123	—	123
Net unrealized gain (loss) on derivative instruments (net of tax gain of $142)	—	—	—	—	—	462	462	—	462
Foreign currency translation adjustment	—	—	—	—	—	29,789	29,789	40	29,829
Balance at June 29, 2025	**$ —**	**$ 568**	**$ 680,610**	**$ (1,138,704)**	**$ 2,537,330**	**$ (217,105)**	**$ 1,862,699**	**$ 3,450**	**$ 1,866,149**

15. Earnings Per Share

The following table sets forth the reconciliation from basic to diluted weighted-average number of common shares outstanding and the calculations of net earnings per common share attributable to EnerSys stockholders.

	Quarter ended	
	July 5, 2026	June 29, 2025
Net earnings attributable to EnerSys stockholders	$ 116,450	$ 57,458
Weighted-average number of common shares outstanding:		
Basic	36,467,526	38,798,263
Dilutive effect of:		
Common shares from exercise and lapse of equity awards, net of shares assumed reacquired	1,159,145	497,510
Diluted weighted-average number of common shares outstanding	37,626,671	39,295,773
Basic earnings per common share attributable to EnerSys stockholders	$ 3.19	$ 1.48
Diluted earnings per common share attributable to EnerSys stockholders	$ 3.09	$ 1.46
Anti-dilutive equity awards not included in diluted weighted-average common shares	—	661,088

16. Business Segments

The Company's chief operating decision maker, or CODM (the Company's Chief Executive Officer), reviews financial information for purposes of assessing business performance and allocating resources, by focusing on the lines of business on a global basis. Effective May 28, 2026, the Company realigned its reportable segments to better serve customers and enhance organizational focus. The Company realigned its previous four operating segments into three operating segments under ASC 280, Segment Reporting as follows:

- **Network & Infrastructure Solutions (NIS)** — providing power solutions and services to broadband, telecommunications, data center, and industrial utility customers.
- **Industrial Mobility Solutions (IMS)** — providing power for electric industrial forklifts, and other material handling equipment as well as transportation applications, primarily Class 8 trucks.
- **Precision Power Solutions (PPS)** — providing energy solutions primarily for military vehicles, advanced defense programs, soldier powering and autonomous systems.

The operating segments of NIS, IMS, and PPS also represent the Company's reportable segments under ASC 280, *Segment Reporting*. All prior comparative periods presented have been recast to conform to these changes.

The following table presents summarized financial information for the reportable segments at July 5, 2026 and June 29, 2025. The Company does not allocate assets to its segments as the CODM does not evaluate the performance of segments using asset information.

	Quarter ended July 5, 2026				
	Network & Infrastructure Solutions	Industrial Mobility Solutions	Precision Power Solutions	Corporate and other unallocated [3]	Total
Net Sales by segment to unaffiliated customers [1]	$ 428,334	$ 406,851	$ 100,456	$ —	$ 935,641
Less:					
Other segment items[4]	$ 383,280	$ 369,181	$ 82,183		$ 834,644
Segment income	$ 45,054	$ 37,670	$ 18,273		$ 100,997
Less:					
Restructuring and other exit charges	6,211	4,498	(1)		10,708
Amortization of intangible assets	5,827	368	2,080		8,275
Stock-based Compensation	2,845	3,738	1,195		7,778
Other	16	34	598		648
Total operating earnings [2]	$ 30,155	$ 29,032	$ 14,401	$ 77,826	$ 151,414
Depreciation	$ 8,390	$ 11,078	$ 2,752	$ 0	$ 22,220
Capital Expenditures	$ 4,867	$ 4,961	$ 1,986	$ 608	$ 12,422

(1) Reportable segments do not record inter-segment revenues and accordingly there are none to report.
(2) The Company does not allocate interest expense or other (income) expense, net, to the reportable segments.
(3) Corporate and other unallocated includes amounts managed on a company-wide basis and not directly allocated to any reportable segments, primarily relating to IRC 45X production tax credits and refunds of IEEPA tariffs recognized relating to amounts paid in prior periods. Also, included are start-up costs for exploration of a new lithium plant.
(4) Primarily includes cost of sales and operating expenses.

	Quarter ended June 29, 2025				
	Network & Infrastructure Solutions	Industrial Mobility Solutions	Precision Power Solutions	Corporate and other unallocated [3]	Total
Net Sales by segment to unaffiliated customers [1]	$ 391,371	$ 420,403	$ 81,250	$ —	$ 893,024
Less:					
Other segment items[4]	$ 361,411	$ 378,303	$ 68,882		$ 808,596
Segment income	$ 29,960	$ 42,100	$ 12,368		$ 84,428
Less:					
Restructuring and other exit charges	1,054	4,808	—		5,862
Amortization of intangible assets	5,843	407	2,107		8,357
Stock-based Compensation	7,948	8,770	883		17,601
Other	1,032	754	1,399		3,185
Total operating earnings [2]	$ 14,083	$ 27,361	$ 7,979	$ 37,057	$ 86,480
Depreciation	$ 7,308	$ 9,691	$ 1,526	$ 12	$ 18,537
Capital Expenditures	$ 13,822	$ 15,388	$ 2,217	$ 1,592	$ 33,019

(1) Reportable segments do not record inter-segment revenues and accordingly there are none to report.
(2) The Company does not allocate interest expense or other (income) expense, net, to the reportable segments.
(3) Corporate and other includes amounts managed on a company-wide basis and not directly allocated to any reportable segments, primarily relating to IRC 45X production tax credits. Also, included are start-up costs for exploration of a new lithium plant.
(4) Primarily includes cost of sales and operating expenses.

Goodwill

Concurrent with the change in reporting segments effective May 28, 2026, goodwill was reassigned to the affected reporting units that have been identified within each operating segment, using a relative fair value approach outlined in ASC 350, Intangibles - Goodwill and Other.

The following table presents the amount of goodwill that has been reassigned to each of the Company's reportable segments as of May 28, 2026, using the relative fair value approach, as well as any changes in the carrying amount of goodwill by segment during the first quarter of fiscal 2027:

	Energy Systems	Motive Power	Specialty	Network & Infrastructure Solutions	Industrial Mobility Solutions	Precision Power Solutions	Total
Balance at March 31, 2026	$ 255,722	$ 331,018	$ 165,684	$ —	$ —	$ —	$ 752,424
Reassigned	(255,722)	(331,018)	(165,684)	255,722	362,341	134,361	—
Foreign currency translation adjustment	—	—	—	(4,074)	1,034	(1,170)	(4,210)
Balance as of July 5, 2026	$ —	$ —	$ —	$ 251,648	$ 363,375	$ 133,191	$ 748,214

17. Subsequent Events

Between July 6, 2026 and August 7, 2026, the Company repurchased 249,893 shares for approximately $50,042.

On August 12, 2026, the Board of Directors approved a quarterly cash dividend of $0.2875 per share of common stock to be paid on October 2, 2026 to stockholders of record as of September 18, 2026.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

The Private Securities Litigation Reform Act of 1995 (the "Reform Act") provides a safe harbor for forward-looking statements made by or on behalf of EnerSys. EnerSys and its representatives may, from time to time, make written or verbal forward-looking statements, including statements contained in EnerSys' filings with the Securities and Exchange Commission ("SEC") and its reports to stockholders. Generally, the inclusion of the words "anticipate," "believe," "expect," "future," "intend," "estimate," "will," "plans," or the negative of such terms and similar expressions identify statements that constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 and that are intended to come within the safe harbor protection provided by those sections. All statements addressing operating performance, events, or developments that EnerSys expects or anticipates will occur in the future, including statements relating to sales growth, earnings or earnings per share growth, and market share, as well as statements expressing optimism or pessimism about future operating results, are forward-looking statements within the meaning of the Reform Act. The forward-looking statements are and will be based on management's then-current beliefs and assumptions regarding future events and operating performance, on information currently available to management, and are applicable only as of the dates of such statements.

Forward-looking statements involve risks, uncertainties and assumptions. Although we do not make forward-looking statements unless we believe we have a reasonable basis for doing so, we cannot guarantee their accuracy. Actual results may differ materially from those expressed in these forward-looking statements due to a number of uncertainties and risks, including the risks described in the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2026 (our "2026 Annual Report") and other unforeseen risks. You should not put undue reliance on any forward-looking statements. These statements speak only as of the date of this Quarterly Report on Form 10-Q, even if subsequently made available by us on our website or otherwise, and we undertake no obligation to update or revise these statements to reflect events or circumstances occurring after the date of this Quarterly Report on Form 10-Q.

Our actual results may differ materially from those contemplated by the forward-looking statements for a number of reasons, including the following factors:

- economic, financial and other impacts of the pandemic, including global supply chain disruptions;
- general cyclical patterns of the industries in which our customers operate;
- global economic trends, competition and geopolitical risks, including impacts from the ongoing conflict between Russia and Ukraine and the related sanctions and other measures, tensions across the Middle East, changes in the rates of investment or economic growth in key markets we serve, or an escalation of sanctions, tariffs or other trade tensions between the U.S. and China or other countries, and related impacts on our global supply chains and strategies;
- the extent to which we cannot control our fixed and variable costs;
- the raw materials in our products may experience significant fluctuations in market price and availability;
- certain raw materials constitute hazardous materials that may give rise to costly environmental and safety claims;
- legislation, regulation, or policy regarding the restriction of the use of energy or certain hazardous substances in our products;
- risks involved in our operations such as supply chain issues, disruption of markets, changes in government priorities or budgets, and changes in import and export laws, environmental regulations, currency restrictions and local currency exchange rate fluctuations;
- our ability to raise our selling prices to our customers when our product costs increase;
- the extent to which we are able to efficiently utilize our global manufacturing facilities and optimize our capacity;
- changes in macroeconomic and market conditions and market volatility, including inflation, interest rates, the value of securities and other financial assets, transportation costs, costs and availability of electronic components, lead, plastic resins, steel, copper and other commodities used by us, and the impact of such changes and volatility on our financial position and business;
- competitiveness of the battery markets and other energy solutions for industrial applications throughout the world;
- our timely development of competitive new products and product enhancements in a changing environment and the acceptance of such products and product enhancements by customers;
- our ability to adequately protect our proprietary intellectual property, technology and brand names;
- litigation and regulatory proceedings to which we might be subject;
- our expectations concerning indemnification obligations;
- changes in our market share in the business segments where we operate;
- our ability to implement our cost reduction initiatives successfully and improve our profitability;

- quality problems associated with our products;
- our ability to implement business strategies, including our acquisition strategy, manufacturing expansion and restructuring plans;
- our acquisition strategy may not be successful in identifying advantageous targets;
- our ability to successfully integrate any assets, liabilities, customers, systems and management personnel we acquire into our operations and our ability to realize related revenue synergies, strategic gains, and cost savings may be significantly harder to achieve, if at all, or may take longer to achieve;
- our effective income tax rate with respect to any period may fluctuate based on the mix of income in the tax jurisdictions, in which we operate, changes in tax laws and the amount of our consolidated earnings before taxes;
- potential goodwill impairment charges, future impairment charges and fluctuations in the fair values of reporting units or of assets in the event projected financial results are not achieved within expected time frames;
- our debt and debt service requirements which may restrict our operational and financial flexibility, as well as imposing unfavorable interest and financing costs;
- our ability to maintain our existing credit facilities or obtain satisfactory new credit facilities or other borrowings;
- adverse changes in our short and long-term debt levels under our credit facilities;
- our exposure to fluctuations in interest rates on our variable-rate debt;
- our ability to attract and retain qualified management and personnel;
- our ability to maintain good relations with labor unions;
- credit risk associated with our customers, including risk of insolvency and bankruptcy;
- our ability to successfully recover in the event of a disaster affecting our infrastructure, supply chain, or our facilities;
- delays or cancellations in shipments;
- occurrence of natural or man-made disasters or calamities, including health emergencies, the spread of infectious diseases, pandemics, vaccine mandates, outbreaks of hostilities or terrorist acts, or the effects of climate change, and our ability to deal effectively with damages or disruptions caused by the foregoing; and
- the operation, capacity and security of our information systems and infrastructure.

This list of factors that may affect future performance is illustrative, but by no means exhaustive. Accordingly, all forward-looking statements should be evaluated with the understanding of their inherent uncertainty.

Overview

EnerSys (the "Company," "we," or "us") is a global leader in stored energy solutions helping industrial, infrastructure and defense customers address critical power and operational needs with batteries, chargers other power equipment. The company delivers integrated solutions that combine energy storage technologies, power electronics, software-enabled intelligence, technical expertise and comprehensive global customer support. EnerSys supports customers across communications networks, data centers, energy infrastructure, material handling, transportation, aerospace and defense — including applications where power continuity is essential. Serving customers in more than 100 countries, EnerSys helps organizations manage energy more reliably, efficiently and intelligently in complex operating environments where uptime, safety and resilience matter.

The Company's three operating segments, based on lines of business, are as follows:

- **Network & Infrastructure Solutions (NIS)** — providing power solutions and services to broadband, telecommunications, data center, and industrial utility customers.
- **Industrial Mobility Solutions (IMS)** — providing power for electric industrial forklifts, and other material handling equipment as well as transportation applications, primarily Class 8 trucks.
- **Precision Power Solutions (PPS)** — providing energy solutions primarily for military vehicles, advanced defense programs, soldier powering and autonomous systems.

Economic Climate

Global economic conditions are mixed with the impacts from the uncertainty surrounding U.S. tariffs, elevated interest rates and heightened geopolitical tensions having various levels of impacts in North America, China and EMEA. On February 1, 2025, the U.S. signed an executive order, effective February 3, 2025, whereby the U.S. will apply additional tariffs on imported goods from Canada, Mexico, and China. Since that announcement, the tariffs to be applied to these three countries, and others, were suspended and/or renegotiated several times with varying results and some new negotiations delayed to take effect until later dates. The impact of the U.S. tariffs and retaliatory actions by other countries could be substantial. We are currently assessing the impacts these tariffs could have on the organization, and we believe that the international nature of our organizational structure will allow us to mitigate some of the financial impact of these potential tariffs.

The war in Ukraine continues to have widespread economic repercussions, particularly in Europe. The ongoing Israel-Hamas conflict is disrupting stability in the Middle East, raising significant concerns about the potential for further escalation across the region.

Inflation in North America, China and EMEA, while more controlled compared to the sharp increases in 2023, remains a challenge despite some cooling in the U.S. and Europe through 2024 and 2025. After reducing rates three consecutive times in 2025, the Fed has held the policy rate steady at 3.50%–3.75% since January 2026, citing improving economic activity and stabilizing unemployment. After several rate cuts the European Central Bank (ECB) held its main interest rates stable from June 2025 through June 2026 when it increased rates due to concerns that the war in the Middle East is generating inflation pressure. Both economies continue to face uncertainties such as potential tariffs and policy changes from a new presidential administration in the U.S. and potential global trade frictions, macroeconomic fragmentation and geopolitical tensions in the euro area. Policy actions in China signal a shift towards more proactive fiscal measures to stabilize consumption and support economic growth. While increasing travel and consumer spending due to relaxed COVID policies have provided some bright spots in 2024 and 2025, China's economy continues to face challenges from a prolonged weak real estate market and declining exports.

The supply chain is generally stable, however, the ongoing Israel-Hamas conflict has periodically disrupted some shipments in the Red Sea. As a result, some ocean freight costs and transit times may temporarily increase until shipping in the region returns to normal. Generally, our mitigation efforts and ongoing lean initiatives have tempered the impact of broad market challenges.

The market demand in the forklift truck and Class 8 truck markets has been impacted by tariff policy uncertainty, causing some customers to pause larger projects and general spending activity until there is more clarity on global tariff impacts to their supply chains. The data center and communications markets tend to be less sensitive to tariff policy, with budget and spending plans based on their unique capital spending needs. The data center market is in the midst of a growth cycle driven by AI and increasing digitization. The communications market is currently in a modest, but slow spending recovery as investments in maintenance and network build outs are necessary to support the increased data required to be moved through their infrastructure. Global defense budgets are increasing in response to rising geopolitical tensions. Spending in EMEA has increased at a higher rate than in the US, as large program spending has outpaced sustainment spending with the U.S. Department of War.

Volatility of Commodities and Foreign Currencies

Our most significant commodity and foreign currency exposures are related to lead and the Euro, respectively. Historically, volatility of commodity costs and foreign currency exchange rates have caused large swings in our production costs. In the fiscal year 2027, we have experienced a range in lead prices from approximately $0.85 per pound to $0.95 per pound. Costs in some of our other raw materials such as steel, acid, separator paper and electronics have moderated since the middle of fiscal year 2024, but we have seen some price increases in other raw materials such as copper and antimony since the beginning of fiscal year 2026.

Customer Pricing

Our selling prices fluctuated during the last several years to offset the volatile cost of commodities. Approximately 25% of our revenue is now subject to agreements that adjust pricing to a market-based index for lead. Customer pricing changes generally lag movements in lead prices and other costs by approximately six to nine months. In fiscal 2025 and 2026, customer pricing increased due to certain commodity prices and other costs having increased throughout the year.

Based on current commodity markets, it is difficult to predict with certainty whether commodity prices will be higher or lower in fiscal 2027 versus fiscal 2026. However, given the lag related to increasing our selling prices for inflationary cost increase, on average our selling prices should be higher in fiscal 2027 versus fiscal 2026. As we concentrate more on energy systems and non-lead chemistries, the emphasis on lead is expected to continue to decline.

Primary Operating Capital

As part of managing the performance of our business, we monitor the level of primary operating capital, and its ratio to net sales. We define primary operating capital as accounts receivable, plus inventories, minus accounts payable. The resulting net amount is divided by the trailing three-month net sales (annualized) to derive a primary operating capital percentage. We believe these three elements included in primary operating capital are mostly operationally driven, and this performance measure provides us with information about the asset intensity and operating efficiency of the business on a company-wide basis that management can monitor and analyze trends over time. Primary operating capital was $858.3 million (yielding a primary operating capital percentage of 22.9%) at July 5, 2026, $876.6 million (yielding a primary operating capital percentage of 22.2%) at March 31, 2026 and $993.0 million at June 29, 2025 (yielding a primary operating capital percentage of 27.8%). The primary operating capital percentage of 22.9% at July 5, 2026 increased by 70 basis points compared to March 31, 2026 and decreased 490 basis points compared to June 29, 2025. The increase in primary operating capital percentage at July 5, 2026 compared to March 31, 2026 was primarily due to strategic inventory building and timing of accounts payable payments. The decrease in primary operating capital percentage at July 5, 2026 compared to June 29, 2025 was primarily due to higher amounts of receivables securitized from the Amended Receivables Purchase Agreement (Amended RPA).

Primary operating capital and primary operating capital percentages at July 5, 2026, March 31, 2026 and June 29, 2025 are computed as follows:

($ in Millions)	July 5, 2026	March 31, 2026	June 29, 2025
Accounts receivable, net	$ 454.8	$ 506.1	$ 566.8
Inventory, net	738.7	724.7	789.3
Accounts payable	(335.2)	(354.2)	(363.1)
Total primary operating capital	$ 858.3	$ 876.6	$ 993.0
Trailing 3 months net sales	$ 935.6	$ 987.9	$ 893.0
Trailing 3 months net sales annualized	$ 3,742.4	$ 3,951.6	$ 3,572.0
Primary operating capital as a % of annualized net sales	22.9 %	22.2 %	27.8 %

Liquidity and Capital Resources

We believe that our financial position is strong, and we have substantial liquidity to cover short-term liquidity requirements and anticipated growth in the foreseeable future, with $530.7 million of available cash and cash equivalents and available and undrawn committed credit lines of approximately $576.7 million at July 5, 2026, availability subject to credit agreement financial covenants.

A substantial majority of the Company's cash and investments are held by foreign subsidiaries and are considered to be indefinitely reinvested and expected to be utilized to fund local operating activities, capital expenditure requirements and acquisitions. The Company believes that it has sufficient sources of domestic and foreign liquidity.

We issued $300 million in aggregate principal amount of our 4.375% Senior Notes due December 15, 2027 (the "2027 Notes") and $300 million in aggregate principal amount of our 6.625% Senior Notes due 2032 (the "2032 Notes").

The Company maintains the sixth amendment to the 2017 Credit Facility (as amended, the "Sixth Amended Credit Facility"). The Sixth Amended Credit Facility provides (i) an upsized revolving credit facility in an aggregate committed amount of $1.0 billion (the " Third Amended Revolver"), which represents an increase of $150 million from the existing revolving credit facility and which matures on September 30, 2030 and (ii) certain other modifications to the existing credit agreement as further set forth in the Sixth Amended Credit Facility. In connection with the Sixth Amended Credit Facility, (i) all of the outstanding term loans (including accrued and unpaid interest thereon) and (ii) all accrued and unpaid interest and fees on the outstanding revolving loans, in each case, under the existing credit agreement were repaid in full.

During the current quarter of fiscal 2027, we purchased 219,204 shares for $50.0 million, and from July 6, 2026 through August 7, 2026, the Company repurchased 249,893 shares for approximately $50.0 million.

On July 23, 2026, we revised the scope of our planned lithium-ion cell manufacturing facility in Greenville, South Carolina. We were awarded a revised grant from the U.S. Department of Energy (DOE) of approximately $150 million, subject to final documentation and customary conditions. Initial capacity is now approximately 1 gigawatt-hour with production focused on aerospace, defense, and specialized industrial applications. The revised DOE grant provides approximately $150 million toward the facility's estimated $650 million cost. We expect EnerSys' net investment of approximately $500 million to be funded entirely through operating cash flow. In addition, and as previously announced, EnerSys has also been awarded a comprehensive incentive package through South Carolina and Greenville County valued at approximately $200 million, which includes a combination of short-term and long-term incentives that will help support ongoing operations of the plant. Construction is expected to begin in the first half of fiscal 2028, subject to finalization of the DOE award and other customary conditions, with full production approximately three years thereafter.

We believe that our strong capital structure and liquidity affords us access to capital for future acquisitions, capital investments, stock repurchase opportunities and continued dividend payments.

Results of Operations

Net Sales

Net sales increased $42.6 million or 4.8% in the first quarter of fiscal 2027 as compared to the first quarter of fiscal 2026. This increase was the result of a 3% increase in price/mix, a 1% increase in organic volume and 1% increase in foreign currency translation.

Segment sales

	Quarter ended July 5, 2026		Quarter ended June 29, 2025		Increase (Decrease)	
	In Millions	Percentage of Total Net Sales	In Millions	Percentage of Total Net Sales	In Millions	%
Network & Infrastructure Solutions	$ 428.3	45.8 %	$ 391.4	43.8 %	$ 36.9	9.4 %
Industrial Mobility Solutions	406.8	43.5	420.4	47.1	(13.6)	(3.2)
Precision Power Solutions	100.5	10.7	81.2	9.1	19.3	23.6
Total net sales	$ 935.6	100.0 %	$ 893.0	100.0 %	$ 42.6	4.8 %

Net sales of our Network & Infrastructure Solutions segment in the first quarter of fiscal 2027 increased $36.9 million or 9.4% compared to the first quarter of fiscal 2026. This increase was due to a 5% increase in organic volume, and a 4% increase in price/mix. This increase is primarily a result of higher volumes and favorable price/mix across all three customer segments, data center, network communications, and industrial customers.

Net sales of our Industrial Mobility Solutions segment in the first quarter of fiscal 2027 decreased by $13.6 million or 3.2% compared to the first quarter of fiscal 2026. This decrease was primarily due to a 5% decrease in organic volume, offset by a 1% increase in price/mix and 1% increase from foreign currency translation. This decrease is primarily a result of lower volumes due to macro uncertainty in the material handling market, offset by a rebound in the transportation market.

Net sales of our Precision Power Solutions segment in the first quarter of fiscal 2027 increased by $19.3 million or 23.6% compared to the first quarter of fiscal 2026. The increase was primarily due to a 16% increase in organic volume, a 7% increase in price/mix and a 1% increase in acquisitions. This increase in sales is primarily a result of increased demand and favorable product/mix.

Gross Profit

	Quarter ended July 5, 2026		Quarter ended June 29, 2025		Increase (Decrease)	
	In Millions	Percentage of Total Net Sales	In Millions	Percentage of Total Net Sales	In Millions	%
Gross Profit	$ 313.4	33.5 %	$ 253.2	28.4 %	$ 60.2	23.8 %

Gross profit increased $60.2 million or 23.8% in the first quarter compared to the comparable periods of fiscal 2026. Gross profit, as a percentage of net sales, increased 510 basis points in the first quarter compared to the first quarter of fiscal 2026. The gross profit margin as a percentage of revenue reflects greater impact of 45X benefits, IEEPA tariff refunds, and favorable price/mix compared to the first quarter of fiscal 2026.

Operating Items

	Quarter ended July 5, 2026		Quarter ended June 29, 2025		Increase (Decrease)	
	In Millions	Percentage of Total Net Sales	In Millions	Percentage of Total Net Sales	In Millions	%
Operating expenses	$ 151.3	16.2 %	$ 160.8	18.0 %	$ (9.5)	(6.0)%
Restructuring and other exit charges	$ 10.7	1.1 %	$ 5.9	0.7 %	$ 4.8	82.7 %

Operating expenses, as a percentage of sales, decreased 180 basis points in the first quarter of fiscal 2027, compared to the first quarter of fiscal 2026.

Selling expenses, our main component of operating expenses, decreased $2.0 million or 3.5% in the first quarter of fiscal 2027 compared to the first quarter of fiscal 2026, and decreased 50 basis points as a percentage of net sales. Also, we experienced higher operating expenses due to additional accelerated stock compensation expense of $10.2 million in the first quarter of fiscal 2026 compared to the first quarter of fiscal 2027.

Restructuring and Other Exit Charges

Restructuring Charges

On July 22, 2025, the Company announced a reduction in force plan (the "Plan") as part of the Company's strategic restructuring plan under its new leadership to better align resources with current business priorities and long-term objectives. The Plan is expected to reduce non-production global workforce by approximately 11%, or approximately 575 employees, and is focused primarily on corporate and management positions. During the current quarter of fiscal 2027, the Company recorded

$21,651 in costs relating to the Plan consisting of severance payments, notice period payments in applicable jurisdictions, employee benefits and related costs. The Plan is substantially completed as of March 31, 2026.

Exit Charges

Fiscal 2026 Program

Tijuana

On March 25, 2026, EnerSys announced a plan to close its facility in Tijuana, Mexico, which focused on manufacturing lead acid batteries. Management determined that the closure was appropriate as part of its efforts to optimize its cost structure, maximize near-term advanced manufacturing production tax benefits, and mitigate future risks associated with potential tariffs while reinforcing EnerSys' commitment to strengthening domestic industrial capacity and supply chain resilience. In connection with this restructuring plan, which is estimated to be substantially complete by December 2027, EnerSys plans to sell the land and buildings and possibly the plant and equipment to other parties. In addition, EnerSys estimates that there will be a reduction of approximately 474 employees upon completion. EnerSys expects to incur a pre-tax charge of approximately $37 million under this restructuring plan when completed, the majority of which is expected to be incurred by the second half of fiscal year 2027, of which $14 million is expected to be non-cash charges primarily from accelerated depreciation. Cash charges of approximately $23 million,include severance and employee retention costs, environmental related expenses and equipment decommissioning, along with contractual releases and legal expenses.

During fiscal 2026, the Company recorded $11.0 million in severance costs.

During the current quarter of fiscal 2027, the Company recorded $3.3 million in accelerated deprecation of fixed assets.

Sao Paulo

On March 25, 2026, EnerSys announced a plan to close its facility in Sao Paulo, Brazil. Management continually evaluates the Company's footprint and decided to exit this facility due to the challenging local economic environment. In connection with this closure, which is estimated to be substantially complete by the end of fiscal 2027, the Company estimates there will be a reduction of approximately 141 employees. EnerSys expects to incur a pre-tax charge of approximately $7.5 million under this restructuring plan, of which include cash charges of approximately $4.5 million, primarily related to severance and employee retention costs, and other cash and non-cash items.

During fiscal 2026, the Company recorded $3.0 million in cash charges relating to severance and contract termination costs and $1.8 million in non cash charges relating to right of use and fixed asset impairments.

During the current quarter of fiscal 2027, the Company recorded $2.4 million in additional contract termination costs.

Monterrey

On April 1, 2025, the Company's Board of Directors approved a plan to close its facility in Monterrey, Mexico, which focused on manufacturing flooded batteries. Management determined that future demand for traditional material handling flooded cells will decrease as customers transition to maintenance free product solutions in lithium and Thin Plate Pure Lead (TPPL). Production of products being manufactured in Monterrey, Mexico will be moved to EnerSys' existing facility in Richmond, Kentucky. The Company expects to incur a pre-tax charge of approximately $13.7 million under this restructuring plan when completed, the majority of which is expected to be recorded by the end of the 2025 calendar year, of which $1.5 million is expected to be a non-cash charge from fixed asset and inventory related charges. Cash charges of approximately $12.2 million, include severance and employee retention costs, environmental related expenses and equipment decommissioning, along with contractual releases and legal expenses.

During fiscal 2026, the Company recorded cash charges totaling $5.2 million primarily relating to severance costs and unusual manufacturing variances of $2.3 million.

During the current quarter of fiscal 2027, the Company recorded $0.7 million in site cleanup and decommissioning equipment and losses on disposal of assets of $2.5 million.

Fiscal 2023 Programs

Ooltewah

On June 29, 2022, the Company committed to a plan to close its facility in Ooltewah, Tennessee, which produced flooded batteries for electric forklifts. Management determined that future demand for traditional flooded cells will decrease as customers transition to maintenance free product solutions in lithium and TPPL. The Company currently estimates that the total charges for these actions will amount to approximately $18.5 million. Cash charges for employee severance related payments, cleanup related to the facility, contractual releases and legal expenses are estimated to be $9.2 million and non-cash charges from inventory and fixed asset write-offs are estimated to be $9.3 million. These actions will result in the reduction of approximately 165 employees. The plan was completed as of the first quarter of fiscal 2026.

During fiscal 2023, the Company recorded cash charges relating to severance and manufacturing variances of $2.8 million and non-cash charges of $7.3 million relating to fixed asset write-offs. The Company also recorded a non-cash write-off relating to inventories of $1.6 million, which was reported in cost of goods sold.

During fiscal 2024, the Company recorded cash charges relating to site cleanup and decommissioning equipment of $4.4 million.

During fiscal 2025, the Company recorded $0.5 million in cash charges relating to site cleanup.

During fiscal 2026, the Company recorded a $1.1 million gain of the sale of the building.

Fiscal 2021 Programs

Hagen, Germany

In fiscal 2021, we committed to a plan to close substantially all of our facility in Hagen, Germany, which produced flooded batteries for electric forklifts. Management determined that future demand for the batteries produced at this facility was not sufficient, given the conversion from flooded to maintenance free batteries by customers, the existing number of competitors in the market, as well as the near-term decline in demand and increased uncertainty from the pandemic. We plan to retain the facility with limited sales, service and administrative functions along with related personnel for the foreseeable future.

We currently estimate that the total charges for these actions will amount to approximately $60.0 million of which cash charges for employee severance related payments, cleanup related to the facility, contractual releases and legal expenses were estimated to be $40.0 million and non-cash charges from inventory and equipment write-offs were estimated to be $20.0 million. The majority of these charges have been recorded as of March 31, 2022. These actions resulted in the reduction of approximately 200 employees.

During fiscal 2021, the Company recorded cash charges relating to severance of $23.3 million and non-cash charges of $7.9 million primarily relating to fixed asset write-offs.

During fiscal 2022, the Company recorded cash charges, primarily relating to severance of $8.1 million and non-cash charges of $3.5 million primarily relating to fixed asset write-offs. The Company also recorded a non-cash write-off relating to inventories of $1.0 million, which was reported in cost of goods sold.

During fiscal 2023, the Company recorded cash charges of $2.2 million relating primarily to site cleanup and $0.6 million of non-cash charges relating to accelerated depreciation of fixed assets.

During fiscal 2024, the Company recorded cash charges of $2.1 million relating primarily to site cleanup and $0.5 million of non-cash charges relating to accelerated depreciation of fixed assets.

During fiscal 2025, the Company recorded cash charges of $3.6 million relating primarily to site cleanup and $0.6 million of non-cash charges relating to accelerated depreciation of fixed assets.

During fiscal 2026, the Company recorded cash charges of $2.4 million relating primarily to site cleanup and $0.1 million of non-cash charges relating to accelerated depreciation of fixed assets. Additionally, the Company recorded a gain on assets held for sale previously impaired of $1.2 million.

.

Operating Earnings

	Quarter ended July 5, 2026		Quarter ended June 29, 2025		Increase (Decrease)	
	In Millions	Percentage of Total Net Sales (1)	In Millions	Percentage of Total Net Sales (1)	In Millions	%
Network & Infrastructure Solutions	$ 45.0	10.5 %	$ 29.9	7.7 %	$ 15.1	50.4 %
Industrial Mobility Solutions	37.7	9.3	42.1	10.0	(4.4)	(10.5)
Precision Power Solutions	18.3	18.2	12.4	15.2	5.9	47.7
Corporate and other unallocated (2)	77.8	8.3	37.1	4.1	40.7	NM
Subtotal	178.8	19.1	121.5	13.6	57.3	47.2
Restructuring and other exit charges - Network & Infrastructure Solutions	(6.2)	(1.5)	(1.1)	(0.3)	(5.1)	NM
Restructuring and other exit charges - Industrial Mobility Solutions	(4.5)	(1.1)	(4.8)	(1.1)	0.3	6.5
Amortization of intangible assets - Network & Infrastructure Solutions	(5.8)	(1.4)	(5.9)	(1.5)	0.1	NM
Amortization of intangible assets - Industrial Mobility Solutions	(0.4)	(0.1)	(0.4)	(0.1)	—	NM
Amortization of intangible assets - Precision Power Solutions	(2.1)	(2.1)	(2.1)	(2.6)	—	NM
Stock compensation expense - Network & Infrastructure Solutions	(2.8)	(0.7)	(8.0)	(2.0)	5.2	64.2
Stock compensation expense - Industrial Mobility Solutions	(3.8)	(0.9)	(8.7)	(2.1)	4.9	57.4
Stock compensation expense - Precision Power Solutions	(1.2)	(1.2)	(0.9)	(1.1)	(0.3)	(35.3)
Other - Network & Infrastructure Solutions	—	—	(0.9)	(0.3)	0.9	NM
Other - Industrial Mobility Solutions	—	—	(0.8)	(0.2)	0.8	NM
Other - Precision Power Solutions	(0.6)	(0.6)	(1.4)	(1.7)	0.8	57.3
Total operating earnings	$ 151.4	16.2 %	$ 86.5	9.7 %	$ 64.9	75.1 %

NM = not meaningful

(1) The percentages shown for the segments are computed as a percentage of the applicable segment's net sales; Corporate and other unallocated is computed based on total consolidated net sales

(2) Corporate and other unallocated includes amounts managed on a company-wide basis and not directly allocated to any reportable segments, primarily relating to IRC 45X production tax credits and refunds of IEEPA tariffs recognized relating to amounts paid in prior periods. Also, included are start-up costs for exploration of a new lithium plant.

Operating earnings increased $64.9 million or 75.1% in the first quarter of fiscal 2027 compared to the first quarter of fiscal 2026. Operating earnings, as a percentage of net sales, increased 650 basis points in the first quarter of fiscal 2027 compared to the first quarter of fiscal 2026.

The Network & Infrastructure Solutions operating earnings, as a percentage of sales, increased 280 basis points in the first quarter of fiscal 2027 compared to the first quarter fiscal 2026. This increase was driven by improved price/mix combined with higher volumes of data center and industrial customers. We also continue to benefit from lower operating costs from tight cost controls and restructuring initiatives.

The Industrial Mobility Solutions operating earnings, as a percentage of sales, decreased 70 basis points in the first quarter of fiscal 2027 compared to the first quarter of fiscal 2026. The slight decrease in the quarter was driven by foreign currency impacts and lost leverage from lower sales mitigated by improved price/mix.

The Precision Power Solutions operating earnings, as a percentage of sales, increased 300 basis points in the first quarter compared to the first quarter of fiscal 2026. The increase for the quarter is a result of a favorable price/mix and leverage from higher volumes compared to prior quarter.

Interest Expense

	Quarter ended July 5, 2026		Quarter ended June 29, 2025		Increase (Decrease)	
	In Millions	Percentage of Total Net Sales	In Millions	Percentage of Total Net Sales	In Millions	%
Interest expense	$ 10.6	1.1 %	$ 11.3	1.3 %	$ (0.7)	(6.3)%

Interest expense of $10.6 million in the first quarter of fiscal 2027 (net of interest income of $4.2 million) was $0.7 million lower than the interest expense of $11.3 million in the first quarter of fiscal 2026 (net of interest income of $3.2 million).

The decrease in interest expense in the first quarter of fiscal 2027 is primarily due to lower levels of debt outstanding. Our average debt outstanding was $1,129.5 million in the first quarter compared to $1,174.9 million in the first quarter and of fiscal 2026.

Included in interest expense are non-cash charges for deferred financing fees of $0.5 million for the first quarter of fiscal 2027 and $0.5 million in the first quarter of fiscal 2026.

Other (Income) Expense, Net

	Quarter ended July 5, 2026		Quarter ended June 29, 2025		Increase (Decrease)	
	In Millions	Percentage of Total Net Sales	In Millions	Percentage of Total Net Sales	In Millions	%
Other (income) expense, net	$ 5.8	0.6 %	$ 9.5	1.0 %	$ (3.7)	(38.9)%

NM = not meaningful

Other (income) expense, net in the first quarter of fiscal 2027 was expense of $5.8 million compared to expense of $9.5 million in the first quarter of fiscal 2026. Foreign currency impact resulted in a loss of $0.2 million in the first quarter of fiscal 2027 compared to a foreign currency loss of $6.2 million in the first quarter of fiscal 2026.

Earnings Before Income Taxes

	Quarter ended July 5, 2026		Quarter ended June 29, 2025		Increase (Decrease)	
	In Millions	Percentage of Total Net Sales	In Millions	Percentage of Total Net Sales	In Millions	%
Earnings before income taxes	$ 135.0	14.4 %	$ 65.7	7.4 %	$ 69.3	NM

As a result of the above, earnings before income taxes in the first quarter of fiscal 2027 increased $69.3 million, or over 100%, compared to the first quarter of fiscal 2026.

Income Tax Expense

	Quarter ended July 5, 2026		Quarter ended June 29, 2025		Increase (Decrease)	
	In Millions	Percentage of Total Net Sales	In Millions	Percentage of Total Net Sales	In Millions	%
Income tax expense	$ 18.5	2.0 %	$ 8.2	1.0 %	$ 10.3	NM
Effective tax rate	13.7%		12.5%		1.2%	

The Company’s income tax provision consists of federal, state and foreign income taxes. The tax provision for the first quarter of fiscal 2027 and 2026 was based on the estimated effective tax rates applicable for the full years ending March 31, 2027 and March 31, 2026, respectively, after giving effect to items specifically related to the interim periods. The Company’s effective income tax rate with respect to any period may be volatile based on the mix of income in the tax jurisdictions, in which the Company operates, changes in tax laws and the amount of the Company's consolidated earnings before taxes.

The Organization for Economic Co-operation and Development (OECD) has adopted model rules to implement a global minimum corporate tax of 15% for companies with global revenues and profits above certain thresholds (referred to as Pillar 2), with certain aspects of Pillar 2 effective for taxable years beginning after December 31, 2023.

On January 5, 2026, the OECD issued the Side-by-Side package (the “SbS Package”), which provides administrative guidance that modifies the application of the Pillar 2 rules. The SbS Package includes simplifications and additional safe harbors intended to facilitate coordination between domestic and international tax regimes and the Pillar 2 framework. Certain provisions of the SbS Package intend for U.S.-parented groups being exempt from the application of two of the three Pillar 2 top-up taxes.

The SbS Package is expected to be available for fiscal years beginning on or after January 1, 2026. The safe harbors are not self-executing and generally would require enactment through domestic legislation (and related interpretive guidance) by each Inclusive Framework member, subject to local legislative processes and timelines, as well as guidance related to the European Union (“EU”) Minimum Tax Directive. The Company continues to monitor developments and assess the potential impact of the SbS Package on its results of operations. In addition, the SbS Package extends the Transitional Country-by-Country Reporting (“CbCR”) Safe Harbor by one year, through the end of fiscal year 2028. The Company continues to refine the effective tax rate and cash tax impact for Pillar 2 considering legislative changes in multiple countries.

On July 4, 2025, the “One Big Beautiful Bill Act” (“OBBBA”) was enacted into law. The law included permanent extension of certain expiring provisions of the Tax Cuts and Jobs Act, modifications to the international tax framework, and changes to the tax treatment for certain business provisions and energy credits.

The impact of the enacted legislation is included in our effective tax rate. The Company will continue to monitor and evaluate as new legislation and guidance is issued.

The consolidated effective income tax rates for the first quarter of fiscal 2027 and 2026 were 13.7% and 12.5%. The rate increase in the first quarter compared to the prior year period is primarily due to changes in the mix of earnings among tax jurisdictions.

Foreign income as a percentage of worldwide income is estimated to be 51% for fiscal 2027 compared to 52% for fiscal 2026. The foreign effective tax rates for the first quarter of fiscal 2027 and 2026 were 17% and 16%, respectively. The foreign effective tax rate increase in the first quarter compared to the first quarter of the prior year is primarily due to changes in the mix of earnings among tax jurisdictions. Income from the Company's Swiss subsidiary comprised a substantial portion of the Company's overall foreign mix of income for both fiscal 2027 and fiscal 2026 and were taxed at an effective income tax rate of approximately 13% and 14%, respectively.

Critical Accounting Policies and Estimates

There have been no material changes to our critical accounting policies from those discussed under the caption “Critical Accounting Policies and Estimates” in Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations in our 2026 Annual Report.

Liquidity and Capital Resources

Cash Flow and Financing Activities

Operating activities provided cash of $230.2 million in the three months of fiscal 2027 compared to $1.0 million of cash provided in the three months of fiscal 2026. Inventory increased or used cash of $14.5 million, and accounts receivable decreased or provided cash of $48.2 million. Additionally, accounts payable decreased or used cash of $22.5 million. In the three months of fiscal 2027, net earnings were $116.5 million, depreciation and amortization $30.5 million, stock-based compensation $7.8 million, and $0.4 million in cash disbursements from derivatives not designated in hedging relationships. Prepaid and other current assets provided funds of $88.9 million, primarily from a decrease of $81.0 million in prepaid taxes that included $115.5 million payment from the IRS relating to prior year tax return refund, $11.3 million in miscellaneous other accruals, $4.9 million in contract assets, and partially offset by increases of $8.3 million in non trade receivables. Accrued expenses were a use of funds of $38.0 million primarily from a decrease in payroll accruals of $27.9 million, sales related accruals of $10.5 million, freight accruals of $7.6 million, contract liabilities of $6.9 million, restructuring accruals of $2.6 million, and warranty accruals of $1.9 million, partially offset by increases of $13.6 million in miscellaneous and other accruals, including professional and tax accruals, and $5.9 million to deferred income.

In the first three months of fiscal 2026, operating activities provided cash of $1.0 million with the decrease in operating cash resulting mainly due to activity in accounts receivable, inventory, prepaid and other current assets, accrued expenses and accounts payable. Inventory increased or used cash of $33.5 million, and accounts receivable decreased or provided cash of $50.2 million. Additionally, accounts payable decreased or used cash of $43.0 million. In the three months of fiscal 2026, net earnings were $57.5 million, depreciation and amortization $26.9 million, stock-based compensation $17.6 million, and $2.5 million in cash proceeds from derivatives not designated in hedging relationships. Prepaid and other current assets were a use of funds of $38.9 million, primarily from an increase of $30.3 million in prepaid taxes, $12.1 million in contract assets, partially offset by a decrease of $3.5 million in other prepaid expenses. Accrued expenses were a use of funds of $38.4 million primarily from decrease in tax accruals of $3.4 million, payroll related payments of $22.8 million net of accruals, and sales related accruals of $14.3 million, partially offset by $0.5 million in accrued interest net of interest payments.

Investing activities used cash of $12.3 million in the three months of fiscal 2027, which primarily consisted of capital expenditures of $12.4 million relating to plant improvements, partially offset by $0.1 million in proceeds from disposal of property, plants, and equipment.

Investing activities used cash of $41.4 million in the first three months of fiscal 2026, which primarily consisted of acquisitions of $12.6 million and capital expenditures of $33.0 million relating to plant improvements, partially offset by $4.2 million in proceeds from disposal of property, plants, and equipment.

Financing activities used cash of $123.8 million in the three months of fiscal 2027. During the three months of fiscal 2027, we borrowed $120.0 million under the Second Amended Revolver and repaid $190.0 million of the Second Amended Revolver. We purchased treasury stock totaling $50.0 million and paid cash dividends to our stockholders totaling $9.6 million. Additionally in the three months, we received option proceeds of $5.9 million

Financing activities provided cash of $26.0 million in the three months of fiscal 2026. During the three months of fiscal 2026, we borrowed $231.7 million under the Second Amended Revolver and repaid $46.7 million of the Second Amended Revolver. Net repayments on short-term debt were $0.2 million. We purchased treasury stock totaling $150.0 million and paid cash dividends to our stockholders totaling $9.1 million.

Currency translation had a negative impact of $2.0 million on our cash balance in the three months of fiscal 2027 compared to the positive impact of $18.0 million on our cash balance in the three months of fiscal 2026. In the three months of fiscal 2027, principal currencies in which we do business such as the Euro, Polish zloty, Swiss Franc and British pound weakened versus the U.S. dollar.

As a result of the above, total cash and cash equivalents increased by $92.0 million to $530.7 million, in the three months of fiscal 2027 compared to an increase of $3.5 million to $346.7 million, in the three months of fiscal 2026.

Compliance with Debt Covenants

The Company maintains the sixth amendment to the 2017 Credit Facility (as amended, the “Sixth Amended Credit Facility”). The Sixth Amended Credit Facility provides (i) an upsized revolving credit facility in an aggregate committed amount of $1.0 billion (the “ Third Amended Revolver”), which represents an increase of $150 million from the existing revolving credit facility and which matures on September 30, 2030 and (ii) certain other modifications to the existing credit agreement as further set forth in the Sixth Amended Credit Facility. In connection with the Sixth Amended Credit Facility, (i) all of the outstanding term loans (including accrued and unpaid interest thereon) and (ii) all accrued and unpaid interest and fees on the outstanding revolving loans, in each case, under the existing credit agreement were repaid in full.

All obligations under our Sixth Amended Credit Facility are secured by, among other things, substantially all of our U.S. assets. The Sixth Amended Credit Facility contains various covenants which, absent prepayment in full of the indebtedness and other obligations, or the receipt of waivers, limit our ability to conduct certain specified business transactions, buy or sell assets out of the ordinary course of business, engage in sale and leaseback transactions, pay dividends and take certain other actions. There are no prepayment penalties on loans under this credit facility.

We are in compliance with all covenants and conditions under our Sixth Amended Credit Facility and Senior Notes. We believe that we will continue to comply with the financial covenants and conditions, and that we have the financial resources and the capital available to fund the foreseeable organic growth in our business and to remain active in pursuing further acquisition opportunities. See Note 11 to the Consolidated Financial Statements included in our 2026 Annual Report and Note 11 to the Consolidated Condensed Financial Statements included in this Quarterly Report on Form 10-Q for a detailed description of our debt.

Contractual Obligations and Commercial Commitments

A table of our obligations is contained in Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations — Contractual Obligations of our 2026 Annual Report. As of July 5, 2026, we had no significant changes to our contractual obligations table contained in our 2026 Annual Report.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market Risks

Our cash flows and earnings are subject to fluctuations resulting from changes in raw material costs, foreign currency exchange rates and interest rates. We manage our exposure to these market risks through internally established policies and procedures and, when deemed appropriate, through the use of derivative financial instruments. Our policy does not allow speculation in derivative instruments for profit or execution of derivative instrument contracts for which there are no underlying exposures. We do not use financial instruments for trading purposes and are not a party to any leveraged derivatives. We monitor our underlying market risk exposures on an ongoing basis and believe that we can modify or adapt our hedging strategies as needed.

Counterparty Risks

We have entered into lead forward purchase contracts, foreign exchange forward and purchased option contracts, interest rate swaps, and cross currency fixed interest rate swaps to manage the risk associated with our exposures to fluctuations resulting from changes in raw material costs, foreign currency exchange rates and interest rates. The Company's agreements are with creditworthy financial institutions. Those contracts that result in a liability position at July 5, 2026 are $71.6 million (pre-tax). Those contracts that result in an asset position at July 5, 2026 are $0.7 million (pre-tax). The impact on the Company due to nonperformance by the counterparties has been evaluated and not deemed material.

We hedge our net investments in foreign operations against future volatility in the exchange rates between the U.S. dollar and Euro. Depending on the movement in the exchange rates between the U.S. dollar and Euro at maturity, the Company may owe the counterparties an amount that is different from the notional amount of $600 million.

Cross-Currency Fixed Interest Rate Swap Contracts:

Dated Entered Into	Notional Amount (in millions)		Maturity Date
September 29, 2022	$	150.0	December 15, 2027
July 2, 2024		150.0	January 15, 2029
December 23, 2024		150.0	June 15, 2028
December 24, 2024		150.0	December 15, 2026

Excluding our cross currency fixed interest rate swap agreements, the vast majority of these contracts will settle within one year.

Interest Rate Risks

We are exposed to changes in variable U.S. interest rates on borrowings under our credit agreements, as well as short-term borrowings in our foreign subsidiaries. On a selective basis, from time to time, we enter into interest rate swap agreements to reduce the negative impact that increases in interest rates could have on our outstanding variable rate debt. At July 5, 2026 and March 31, 2026 such agreements effectively convert $200.0 million of our variable-rate debt to a fixed-rate basis, utilizing the one-month Term SOFR, as a floating rate reference.

A 100 basis point increase in interest rates would have increased annual interest expense by approximately $2.5 million on the variable rate portions of our debt.

Commodity Cost Risks – Lead Contracts

We have a significant risk in our exposure to certain raw materials. Our largest single raw material cost is for lead, for which the cost remains volatile. In order to hedge against increases in our lead cost, we have entered into forward contracts with financial institutions to fix the price of lead. The vast majority of such contracts are for a period not extending beyond one year. We had the following contracts outstanding at the dates shown below:

Date	$'s Under Contract (in millions)	# Pounds Purchased (in millions)	Average Cost/Pound	Approximate % of Lead Requirements (1)
July 5, 2026	$ 53.4	59.3	$ 0.90	14 %
March 31, 2026	74.9	82.7	0.91	19
June 29, 2025	96.1	107.0	0.90	23

(1) Based on the fiscal year lead requirements for the periods then ended.

For the remaining quarter of this fiscal year, we believe approximately 55% of the cost of our lead requirements is known. This takes into account the hedge contracts in place at July 5, 2026, lead purchased by July 5, 2026 that will be reflected in future costs under our FIFO accounting policy, and the benefit from our lead tolling program.

We estimate that a 10% increase in our cost of lead would have increased our cost of goods sold by approximately $16.0 million in the three months of fiscal 2026.

Foreign Currency Exchange Rate Risks

We manufacture and assemble our products globally in the Americas, EMEA and Asia. Approximately 40% of our sales and related expenses are transacted in foreign currencies. Our sales revenue, production costs, profit margins and competitive position are affected by the strength of the currencies in countries where we manufacture or purchase goods relative to the strength of the currencies in countries where our products are sold. Additionally, as we report our financial statements in U.S. dollars, our financial results are affected by the strength of the currencies in countries where we have operations relative to the strength of the U.S. dollar. The principal foreign currencies in which we conduct business are the Euro, Swiss franc, British pound, Polish zloty, Chinese renminbi, Canadian dollar, Brazilian real and Mexican peso.

We quantify and monitor our global foreign currency exposures. Our largest foreign currency exposure is from the purchase and conversion of U.S. dollar-based lead costs into local currencies in Europe. Additionally, we have currency exposures from intercompany financing and intercompany and third-party trade transactions. On a selective basis, we enter into foreign currency forward contracts and purchase option contracts to reduce the impact from the volatility of currency movements; however, we cannot be certain that foreign currency fluctuations will not impact our operations in the future.

At a point in time, we hedge approximately 5% - 10% of the nominal amount of our known annual foreign exchange transactional exposures. We primarily enter into foreign currency exchange contracts to reduce the earnings and cash flow impact of the variation of non-functional currency denominated receivables and payables. The vast majority of such contracts are for a period not extending beyond one year.

Gains and losses resulting from hedging instruments offset the foreign exchange gains or losses on the underlying assets and liabilities being hedged. The maturities of the forward exchange contracts generally coincide with the settlement dates of the related transactions. Realized and unrealized gains and losses on these contracts are recognized in the same period as gains and losses on the hedged items. We also selectively hedge anticipated transactions that are subject to foreign exchange exposure, primarily with foreign currency exchange contracts, which are designated as cash flow hedges in accordance with Topic 815 - Derivatives and Hedging. We also entered into cross-currency fixed interest rate swap agreements, to hedge our net investments in foreign operations against future volatility in the exchange rates between the U.S. dollar and Euro.

At July 5, 2026 and June 29, 2025, we estimate that an unfavorable 10% movement in the exchange rates would have adversely changed our hedge valuations by approximately $81.7 million and $80.5 million, respectively.

ITEM 4. CONTROLS AND PROCEDURES

(a) Disclosure Controls and Procedures. Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as such term is 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 report. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, our disclosure controls and procedures are effective.

(b) Internal Control Over Financial Reporting. Our management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, evaluated any change in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) and determined that there were no changes in our internal control over financial reporting during the quarter to which this report relates that has materially affected, or is 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 incidental to the conduct of our business. See Litigation and Other Legal Matters in Note 9 - *Commitments, Contingencies and Litigation* to the Consolidated Condensed Financial Statements, which is incorporated herein by reference.

Item 1A. Risk Factors

In addition to the other information set forth in this Form 10-Q and the risk factors set forth below, you should carefully consider the factors discussed in Part I, Item 1A. Risk Factors in our 2026 Annual Report, which could materially affect our business, financial condition or future results.

We may experience issues with lithium-ion cells or other components manufactured at our proposed gigafactory, which may harm the production and profitability of our gigafactory investment.

Our plan to grow the volume and profitability of our PPS business depends on significant Foreign Entity of Concern compliant lithium-ion battery cell production, including at a proposed gigafactory in South Carolina. If we are unable to commence or otherwise do not maintain and grow our respective operations when opened, if we cannot execute our strategy, or if we are unable to do so cost-effectively or hire and retain highly-skilled personnel there, our ability to manufacture our products profitably would be limited, which may harm our ability to grow the volume and profitability of our PPS business. Additionally, the start-up of operations after such project has been completed is also subject to risk. In order to complete the construction of the proposed gigafactory and achieve our profitability goals, we are relying upon, among other things, federal funding as well as short-term and long-term incentive packages through South Carolina and Greenville County. Our ability to realize and procure these benefits is subject to a variety of market, operational, regulatory and labor-related factors. Any failure to complete these projects, or any delays or failure to achieve the anticipated results from the implementation of this project, could have a material adverse effect on our business, financial condition, results of operations and liquidity.

Our $150 million funding from the U.S. Department of Energy ("DOE") is subject to review and will be subject to negotiation of specific terms and contingent on our compliance with the requirements negotiated with the DOE.

In January 2025, we entered into an agreement with the DOE's Office of Manufacturing and Energy Supply Chains for a $199 million award to support the construction of a new lithium-ion cell production facility in Greenville, South Carolina. With the revised scope and reduced size of the proposed gigafactory, in July 2026, we received a revised award of $150 million from the DOE. This funding additionally remains subject to certain compliance obligations and other terms and conditions.

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

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The following table summarizes the number of shares of common stock we purchased from participants in our equity incentive plans, as well as repurchases of common stock authorized by the Board of Directors. As provided by the Company's equity incentive plans, (a) vested options outstanding may be exercised through surrender to the Company of option shares or vested options outstanding under the Company's equity incentive plans to satisfy the applicable aggregate exercise price (and any withholding tax) required to be paid upon such exercise and (b) the withholding tax requirements related to the vesting and settlement of restricted stock units and market and performance condition-based share units may be satisfied by the surrender of shares of the Company's common stock.

Purchases of Equity Securities

Period	(a) Total number of shares (or units) purchased	(b) Average price paid per share (or unit)	(c) Total number of shares (or units) purchased as part of publicly announced plans or programs	(d) Maximum number (or approximate dollar value) of shares (or units) that may be purchased under the plans or programs (1) (2)
April 1 - April 30, 2026	51,232	$ 201.09	—	$ 951,353,634
May 1 - May 31, 2026	26,265	230.51	16,356	947,633,788
June 1 - July 5, 2026	204,208	227.96	202,848	900,999,498
Total	281,705	$ 223.31	219,204	

(1) The Company's Board of Directors has authorized the Company to repurchase up to such number of shares as shall equal the dilutive effects of any equity-based awards issued during such fiscal year under the 2023 Equity Incentive Plan and the number of shares exercised through stock option awards during such fiscal year, approximately $75.0 million.

(2) On August 6, 2025, the Company announced the establishment of a $1.0 billion stock repurchase authorization, with an expiration date of five years from the time of adoption unless otherwise modified or terminated by the Board.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

During the quarter ended July 5, 2026, none of our directors or officers (as defined in Section 16 of the Securities Exchange Act of 1934, as amended) adopted or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement" (each as defined in Item 408(a) and (c) of Regulation S-K) except as follows:

On June 12, 2026, Mark Matthews, CTO and President, Precision Power Solutions, entered into a trading plan intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act (a "10b5-1 Plan"). Mr. Matthews's 10b5-1 Plan provides for the potential sale of up to 971 shares of EnerSys common stock, subject to certain conditions and expires on December 31, 2026.

ITEM 6. EXHIBITS

Exhibit Number	Description of Exhibit
3.1	Fifth Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to Amendment No. 3 to the Company's Registration Statement on Form S-1 (File No. 333-115553) filed on July 13, 2004).
3.2	Fifth Amended and Restated Bylaws (incorporated by reference to Exhibit 3.2 to the Company's Quarterly Report on Form 10-Q for the period ended December 29, 2024 (File No. 001-32253) filed on February 5, 2025).
10.1	Form of Award Agreements for Employees - Restricted Stock Units - 2023 EIP (filed herewith)
10.2	Form of Award Agreement for Employees - Performance-Based Stock Units - Adjusted EPS - 2023 EIP (filed herewith)
31.1	Certification of Principal Executive Officer pursuant to Rule 13a-14(a)/15d-14(a) Under the Securities Exchange Act of 1934 (filed herewith).
31.2	Certification of Principal Financial Officer pursuant to Rule 13a-14(a)/15d-14(a) Under the Securities Exchange Act of 1934 (filed herewith).
32.1	Certification of the Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).
101.INS	XBRL Instance Document - The instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

SIGNATURES

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

ENERSYS (Registrant)

By	/s/ Andrea J. Funk
	Andrea J. Funk
	Chief Financial Officer

Date: August 12, 2026

ENERSYS

AWARD AGREEMENT FOR EMPLOYEES – RESTRICTED STOCK UNITS

UNDER THE 2023 EQUITY INCENTIVE PLAN

THIS AWARD AGREEMENT FOR EMPLOYEES – RESTRICTED STOCK UNITS (this “Agreement”), dated as of **_____, ____**, (the “Date of Grant”) is between ENERSYS, a Delaware corporation (the “Company”), and the individual identified on the signature page hereof (the “Participant”).

BACKGROUND

A. Participant is currently an employee of the Company or one of its Subsidiaries.

B. The Company desires to (i) provide Participant with an incentive to remain in the employ of the Company or one of its Subsidiaries, and (ii) increase Participant’s interest in the success of the Company by granting restricted stock units (the “Restricted Stock Units”) to Participant to acquire shares of Common Stock (“Shares”) upon the satisfaction of the terms and conditions set forth in this Agreement.

C. This grant of the Restricted Stock Units is (i) made pursuant to the EnerSys 2023 Equity Incentive Plan (as amended from time to time, the “Plan”); (ii) made subject to the terms and conditions of this Agreement and Appendix A; (iii) made in the sole discretion of the Company’s Compensation Committee; and (iv) the grant of the Restricted Stock Units is exceptional, voluntary and occasional and does not create any contractual or other right to receive future Restrictive Stock Units, or benefits in lieu of Restricted Stock Units, even if Restricted Stock Units have been granted in the past. These Restricted Stock Units shall not be construed or interpreted in any way as a component of Participant’s base salary for services performed on the behalf of the Company, and Company employees are not required, as a condition of their employment, to accept any Restricted Stock Units stated herein. Unless otherwise defined in this Agreement, any capitalized terms in this Agreement shall have the meaning ascribed to such terms in the Plan.

AGREEMENT

NOW, THEREFORE, in consideration of the covenants and agreements contained in this Agreement, the parties hereto, intending to be legally bound, agree as follows:

1. **Definitions; Incorporation of Plan Terms**. Capitalized terms used in this Agreement without definition shall have the meanings assigned to them in the Plan. This Agreement and the Restricted Stock Units shall be subject to the Plan. The terms of the Plan and the Background provisions of this Agreement are hereby incorporated into this Agreement by reference and made a part hereof as if set forth in their entirety in this Section 1. If there is a conflict or an inconsistency between the Plan and this Agreement, the Plan shall govern; except that in the event such a conflict or inconsistency relates to the prohibitions in Section 4 of this Agreement, then the definitions in this Agreement shall control.

“Competitive Product or Service” means the design, manufacture, importing, development, distribution, marketing, or sale of:

(a) motive power batteries, chargers, products, and accessories (including, without limitation, batteries, chargers and accessories for industrial forklift trucks, other materials handling equipment, transportation applications, and other electric powered vehicles or machinery, as well as any software or technology related thereto), and each and every component thereof;

(b) reserve power batteries, chargers, products, and accessories (including, without limitation, standby batteries and power supply equipment for wireless and wireline telecommunications applications, such as central telephone exchanges, microwave relay stations, and switchgear and other instrumentation control systems and those used in utility industries, uninterruptible power supplies and other applications requiring stored energy solutions including medical, aerospace and defense systems, and outdoor equipment enclosure solutions, as well as any software or technology related thereto), and each and every component thereof;

(c) stationary and DC power systems, battery management systems, power control systems, stored energy solutions, renewable energy power systems, energy pipelines, maintenance services, applications for computer and computer-controlled systems, specialty power applications, software monitoring and control systems, aerospace and defense solutions, BESS, and any products, accessories, software, technology, consulting services and/or turnkey services relating thereto (including the design, engineering, installation or service thereof), including each and every component thereof;

(d) any other product, service, software, or technology development of any kind or type that the Company or any of its Subsidiaries or Affiliates (i) now makes, designs, manufactures, imports, develops, distributes, markets, researches or sells, or (ii) makes, designs, manufactures, imports, develops, distributes, markets, researches or sells at any time during Participant's employment with the Company and/or any of its Subsidiaries, such as, for example, lithium-ion, sodium, nickel-zinc cells or batteries, enclosures and/or lithium products, including but not limited to those used in aviation, space, defense, medical, transportation, industrial, or other stored energy solution applications, and/or hydrogen fuel cells;

(e) any and all other business services, activities, and operations otherwise ancillary, supplemental, incidental, or related to the design, manufacture, importing, development, distribution, marketing, and/or sale of products, services, software, and/or technology development described in subsections (a), (b), (c), and/or (d) of this Section 1; and/or

(f) any other business activities that are substantially similar to, competitive with, or ancillary to the foregoing described in subsections (a), (b), (c), (d), and/or (e) of this Section 1, in which the Company or one of its Subsidiaries is engaged or has taken material steps to engage during the twenty-four (24) months prior to the Last Day (defined below).

"Competitor" means Participant or any other person or organization engaged in (or about to become engaged in) research or development, production, marketing, leasing, selling, or servicing of a Competitive Product or Service.

"Confidential Information" means information that is created and used in the Company's business (or that of any of its Subsidiaries) and which is not generally known by the public, regardless of whether such information became known to Participant during or outside Participant's working hours or whether such information came into the possession of the Company or one of its Subsidiaries through Participant's efforts or the efforts of others, including but not limited to: trade secrets; proprietary or customized software, computer programs, databases, and other technological innovations and advantages; manufacturing and production processes and methods, product formulas, research and development; new product plans; the Company's confidential records (or those of any of its Subsidiaries) pertaining to its existing or potential customers, including key customer contact information, contract terms and related information, and other documents constituting or otherwise containing customer lists and/or customer preferences; confidential business opportunities; merger or acquisition activity (including targets, opportunities, or prospects); confidential information regarding suppliers or vendors, including key supplier or vendor contact information, contract terms and related information; strategies for advertising and marketing; confidential business processes and strategies, including training, policies and procedures; personnel composition (wages, specialization, etc.); financial and revenue data, reports, and other information, including pricing, quoting and billing methods; current or pending projects and/or proposals; scientific data; technological data; and any other business information that the Company and/or any of its Subsidiaries maintain as confidential. Participant specifically understands and agrees that the term Confidential Information also includes all confidential information of a third party that may be communicated to, acquired by, learned of, or developed by Participant in the course of or as a result of Participant's employment with the Company and/or any of its Subsidiaries. Confidential Information does not include information that is or may become known to Participant or to the public from sources outside the Company and/or any of its Subsidiaries and through means other than a breach of this Agreement or disclosed by Participant after written approval from the Company.

"Customer" means any person(s) or entity(ies) that, within twenty-four (24) months prior to the Last Day, Participant, directly or Indirectly (*e.g.*, through employees whom Participant supervised): (a) provided products or services in connection with the Company's business (or that of any of its Subsidiaries); and/or (b) provided written proposals concerning receiving products or services from the Company (and/or any of its Subsidiaries).

"Indirectly" means that Participant shall not assist others in performing business activities that Participant is prohibited from engaging in directly under this Agreement.

"Last Day" means Participant's last day of employment with the Company and/or its Subsidiaries regardless of the reason for Participant's separation, including voluntary or involuntary. It does not encompass Participant's direct employment between Company Subsidiaries and/or Affiliates. As set forth below, such movement shall be deemed as unbroken and as continued employment under this Agreement and these covenants.

"Operative Documents" means the Plan and this Agreement.

"Restricted Geographic Area" means the territory (*i.e.*: (i) country(ies), (ii) state(s), (iii) county(ies), or (iv) city(ies)) in which, during the twenty-four (24) months prior to the Last Day, Participant: (a) provided services on behalf of the Company and/or any of its Subsidiaries (or in which Participant supervised, directly or Indirectly, the servicing activities), and/or (b) solicited Customers or otherwise sold products or services on behalf of the Company and/or any of its Subsidiaries (or in which Participant supervised, directly or Indirectly, the solicitation or servicing activities related to such Customers).

"Restricted Period" means the period of Participant's employment with the Company and/or any of its Subsidiaries and a period twelve (12) months after the Last Day. Participant recognizes that this durational term is reasonably and narrowly tailored to the Company's legitimate business interest and need for protection with each position Participant holds at the Company and/or any of its Subsidiaries.

"Trade Secret" means information defined as a trade secret under applicable state law or the Defend Trade Secrets Act of 2016.

"Wrongful Competition" means except as modified by the Wrongful Competition and/or Wrongful Solicitation Exceptions): During the Restricted Period and within the Restricted Geographic Area, Participant shall not, directly or Indirectly, through any person, firm, or corporation, alone or as a member of a partnership or as an officer, director, stockholder, investor, or employee of or consultant to any other corporation or enterprise to perform the same or similar responsibilities Participant performed for the Company and/or any of its Subsidiaries during the twenty-four (24) months prior to the Last Day in connection with a Competitive Product or Service. Notwithstanding the foregoing, Participant may accept employment with a Competitor whose business is diversified, provided that: (a) Participant shall not be engaged in working on or providing Competitive Products or Services or otherwise use or disclose Confidential Information or Trade Secrets; and (b) the Company receives written assurances from the Competitor and Participant that are satisfactory to the Company that Participant shall not work on or provide Competitive Products or Services, or otherwise use or disclose Confidential Information or Trade Secrets. In addition, nothing in this Agreement is intended to prevent Participant from investing Participant's funds in securities of a person engaged in a business that is directly competitive with the Company if the securities of such a person are listed for trading on a registered securities exchange or actively traded in an over-the-counter market and Participant's holdings represent less than one percent (1%) of the total number of outstanding Shares or principal amount of the securities of such a person.

"Wrongful Solicitation" means (except as modified by the Wrongful Competition and/or Wrongful Solicitation Exceptions):

(a) With respect to the non-solicitation and non-inducement of Customers: During the Restricted Period and in connection with a Competitive Product or Service, Participant shall not directly or Indirectly, through any person, firm, or corporation, alone or as a member of a partnership or as an officer, director, stockholder, investor, or employee of or consultant to any other corporation or enterprise to: (i) solicit or attempt to solicit any Customer; or (ii) induce or encourage any Customer to terminate a relationship with the Company and/or any of its Subsidiaries or otherwise to cease accepting services or products from the Company and/or any of its Subsidiaries; and/or

(b) With respect to the non-solicitation and non-inducement of employees: During the Restricted Period, Participant shall not directly or Indirectly, through any person, firm, or corporation, alone or as a member of a partnership or as an officer, director, stockholder, investor, or employee of or consultant to any other corporation or enterprise to: (i) solicit, recruit, encourage (or attempt to solicit, recruit or encourage), or by assisting others in soliciting, recruiting or encouraging, any Company employees or former employees (or those of any of Company's Subsidiaries) with whom Participant worked, had business contact, or about whom Participant gained non-public or Confidential Information ("Employees or Former Employees"); (ii) contact or communicate with Employees or Former Employees for the purpose of inducing, assisting, encouraging and/or facilitating them to terminate their employment with the Company and/or any of its Subsidiaries or find employment or work with another person or entity; (iii) provide or pass along to any person or entity the name, contact and/or background information about any Employees or Former Employees or provide references or any other information about them; (iv) provide or pass along to Employees or Former Employees any information regarding potential jobs or entities or persons for which to work, including but not limited to job openings, job postings, or the names or contact information of individuals or companies hiring people or accepting job applications; and/or (v) offer employment or work to any Employees or Former Employees. For purposes of this covenant, "Former Employees" shall refer to employees who are not employed by the Company and/or any of its Subsidiaries at the time of the attempted recruiting or hiring, but were employed by or working for the Company and/or any of its Subsidiaries in the three (3) months prior to the time of the attempted recruiting or hiring and/or interference; and/or

(c) With respect to the non-interference of vendors and suppliers: During the Restricted Period, Participant shall not directly or Indirectly, through any person, firm, or corporation, alone or as a member of a partnership or as an officer, director, stockholder, investor, or employee of or consultant to any other corporation or enterprise to, interfere with the Company's relationships (or that of any of its Subsidiaries) with its vendors or suppliers in any way that would impair the Company's relationship (or that of any of its Subsidiaries) with such vendors or suppliers, including by reducing, diminishing or otherwise restricting the flow of supplies, services or goods from the vendors or suppliers to the Company and/or any of its Subsidiaries.

"Wrongful Competition and/or Wrongful Solicitation Exceptions" mean:

(a) State of Washington Exceptions. If any Participant is employed in the State of Washington: (a) all references to "the Company" shall be replaced with "Employer"; and (b) any section in this Agreement that is determined to be a non-competition covenant under Washington law for Washington-based employees is only effective and enforceable once Participant earns more than the annual statutory compensation minimum, on an annualized basis, for the enforcement of non-competition covenants as found in Title 49 RCW. Participant further agrees that all terms of this Agreement that are determined to be non-solicitation agreements under applicable Washington law shall be enforceable regardless of how much Participant earns in compensation. The annual statutory compensation minimum for the enforcement of non-competition covenants shall not affect the enforceability of any other term of this Agreement. Further, Participant acknowledges and agrees that no term of this Agreement shall be deemed a non-competition covenant if this Agreement is entered into by a person purchasing or selling the goodwill of a business or otherwise acquiring or disposing of an ownership interest.

(b) This definition of “Restricted Geographic Area” is amended for any Washington-based Participant:

“**Restricted Geographic Area**” means the territory in which, during the twenty-four (24) months prior to the Last Day, Participant: (a) provided services on behalf of the Company and/or any of its Subsidiaries (or in which Participant supervised the servicing activities), and/or (b) solicited Customers or otherwise sold products or services on behalf of the Company and/or any of its Subsidiaries (or in which Participant supervised the solicitation or servicing activities related to such Customers). “

(c) State of Colorado Exceptions. For all Participants employed in the State of Colorado: the non-competition covenant is only effective and enforceable once you earn, both at the time you enter the agreement and enforcement, at least or greater than the Highly Compensated Worker threshold under Colorado law. The nonsolicitation covenant, with the exception of the employee nonsolicitation provision, is only effective and enforceable once you earn, both at the time you enter the agreement and enforcement, at least or greater than sixty percent (60%) of the Highly Compensated Worker threshold under Colorado law. Furthermore, the restrictions on your conduct and activities contained in the noncompetition and nonsolicitation covenants, with the exception of the employee nonsolicitation provision, are limited only to such activities which will involve inevitable use, disclosure, or misappropriation of, or near-certain influence by Participant’s knowledge of, Trade Secrets disclosed to Participant during the course of employment with the Company. For Colorado Participants, the Wrongful Competition and Wrongful Solicitation provisions of this Agreement shall be effective fourteen (14) days after you sign this Agreement. All other provisions of this Agreement shall be effective upon your signing this Agreement.

(d) General Exceptions. Participant understands that Participant’s non-compete and/or non-solicitation obligations in this Agreement shall not apply to Participant if Participant is covered under applicable state or local law prohibiting non-competes or non-solicits, including on the basis of Participant’s income at the time of enforcement. Examples of such prohibitions include, but are not limited to: California (Wrongful Competition and Wrongful Solicitation), the District of Columbia (Wrongful Competition for those earning under $150,000 during a consecutive 12-month period preceding the date of the Wrongful Competition), Illinois (low wage), Maryland (low wage), Oklahoma (Wrongful Competition), Minnesota (Wrongful Competition), North Dakota (Wrongful Competition and Wrongful Solicitation), Oregon (Non-Qualified Employee under ORS 653.295), Rhode Island (low wage), and Virginia (low wage).

2. **Grant of Restricted Stock Units**.

(a) Subject to the provisions of this Agreement and pursuant to the provisions of the Plan, the Company hereby grants to Participant the number of Restricted Stock Units specified on the signature page of this Agreement. The Company shall credit to a bookkeeping account maintained by the Company, or a third party on behalf of the Company, for Participant's benefit, the number of Restricted Stock Units granted hereunder, each of which shall be deemed to be the equivalent of one Share.

(b) If the Company declares, with a record date after the Date of Grant and prior to settlement pursuant to Section 3(d), and pays a dividend or a distribution on Common Stock in the form of cash, then a number of additional Restricted Stock Units shall be credited to Participant as of the payment date for such dividend or distribution equal to the result of dividing (i) the product of the total number of Restricted Stock Units credited to Participant as of the record date for such dividend or distribution (other than previously settled or forfeited Restricted Stock Units) times the per Share amount of such dividend or distribution, by (ii) the Fair Market Value of one Share as of the record date for such dividend or distribution. Any Restricted Stock Units credited to Participant under this subsection shall be or become vested or forfeited (as appropriate) to the same extent as the underlying Restricted Stock Units.

(c) If the Company declares, with a record date after the Date of Grant and prior to settlement pursuant to Section 3(d), and pays a dividend or distribution on the Common Stock in the form of additional Shares, or there occurs a forward split of Common Stock, then a number of additional Restricted Stock Units shall be credited to Participant as of the payment date for such dividend or distribution or forward split equal to (i) the number of Restricted Stock Units credited to Participant as of the record date for such dividend or distribution or split (other than previously settled or forfeited Restricted Stock Units), multiplied by (ii) the number of additional Shares actually paid as a dividend or distribution or issued in such split in respect of each outstanding Share. Any Restricted Stock Units credited to Participant under this subsection shall be or become vested or forfeited (as appropriate) to the same extent as the underlying Restricted Stock Unit.

3. **Terms and Conditions**.

(a) Vesting. All of the Restricted Stock Units shall initially be unvested. One-third (1/3) of the Restricted Stock Units (rounded down to the nearest whole number) shall vest on the first anniversary of the Date of Grant and on each of the next two (2) successive anniversaries thereof (each such anniversary, a "Vesting Date") (with vesting on the last Vesting Date being the balance of the Restricted Stock Units) unless previously vested or forfeited in accordance with the Plan or this Agreement (the "Normal Vesting Schedule").

(i) Any Restricted Stock Units that fail to vest because the employment condition is not satisfied shall be forfeited, subject to the special provisions set forth in Subsections 3(a)(ii) through 3(a)(iv).

(ii) If Participant's employment terminates due to death or Permanent Disability or in the event of a Change in Control where the holders of the Company's Common Stock receive cash consideration for their Common Stock in consummation of the Change in Control, Restricted Stock Units not previously vested shall immediately become vested. With respect to any of the Restricted Stock Units that constitute "deferred compensation" as defined under Code Section 409A, for purposes of this Section 3(a)(ii) and any acceleration of the Restricted Stock Units upon a Change in Control, a Change in Control shall be deemed to occur only if, in addition to the requirements set forth in the

Plan, the Change in Control also meets the requirements of IRS Reg. §1.409A-3(i)(5), to the extent necessary to avoid the imposition of taxes thereunder.

(iii) If on or within two years after a Change in Control (other than a Change in Control described in Section 3(a)(ii) above), Participant terminates employment for Good Reason, or is terminated by the Company without Cause, Restricted Stock Units not previously vested shall immediately become vested.

(iv) In the event of Participant's Retirement, the Compensation Committee may determine, in its sole discretion, whether and the manner in which Restricted Stock Units not previously vested (or any portion thereof) shall be vested and be settled pursuant to Section 3(d). In the absence of Compensation Committee action, upon such Retirement, the Restricted Stock Units which have not vested as of the date of such termination shall vest pro-rata as of the date of Participant's Retirement. All such Restricted Stock Units which shall have not vested as a result of such Retirement shall be immediately and automatically forfeited without consideration of any kind and to the extent that the date Participant first becomes eligible for Retirement and the vesting date under this Section 3(a)(iv) are in different tax years, any amount payable under this subsection shall constitute the payment of nonqualified deferred compensation, subject to the requirements of Code Section 409A unless an exemption under the treasury regulations is available.

The number of unvested Restricted Stock Units that shall vest pro-rata upon Retirement (absent action to the contrary by the Compensation Committee) described in the penultimate sentence of the foregoing paragraph of this Section 3(a)(iv) shall be calculated by multiplying (A) the quotient obtained by dividing the number of completed months that Participant was employed by the Company or one of its Subsidiaries since the most recent Vesting Date or if no Vesting Date has yet occurred the number of months since the Date of Grant, by 36, by (B) the number of Restricted Stock Units subject to this Agreement.

(b) Restrictions on Transfer. Until the earlier of the applicable vesting date under the Normal Vesting Schedule, the date of a termination of employment due to death or Permanent Disability, the date of a Change in Control described in Section 3(a)(ii), or the date of a termination of employment on or within two years after a Change in Control described in Section 3(a)(iii), or as otherwise provided in the Plan, no transfer of the Restricted Stock Units or any of Participant's rights with respect to the Restricted Stock Units, whether voluntary or involuntary, by operation of law or otherwise, shall be permitted. Unless the Compensation Committee determines otherwise, upon any attempt to transfer any Restricted Stock Units or any rights in respect of the Restricted Stock Units before the earlier of the applicable vesting date under the Normal Vesting Schedule, the date of a termination of employment due to death or Permanent Disability, the date of a Change in Control described in Section 3(a)(ii), or the date of a termination of employment on or within two years after a Change in Control described in Section 3(a)(iii), such unit, and all of the rights related to such unit, shall be immediately and automatically forfeited by Participant without consideration of any kind.

(c) Forfeiture. Upon termination of Participant's employment with the Company or a Subsidiary for any reason other than death, Permanent Disability or one of the reasons set forth in Sections 3(a)(iii) and (iv), Participant shall forfeit any and all Restricted Stock Units which have not vested as of the date of such termination and such units shall revert to the Company without consideration of any kind.

(d) Settlement. Restricted Stock Units not previously forfeited shall be settled on the earlier of the applicable Vesting Date under the Normal Vesting Schedule, the date of a termination of employment due to death or Permanent Disability, the date of a Change in Control described in Section 3(a)(ii), the date of a termination of employment on or within two years after a Change in Control described in Section 3(a)(iii), or, unless otherwise provided by the Compensation Committee, the date of a termination of employment due to Retirement described in Section 3(a)(iv), by delivery of one Share for each Restricted Stock Unit being settled or, if determined by the Compensation Committee in its sole discretion, by a payment of cash equal to the Fair Market Value of one Share.

4. **Wrongful Competition and Wrongful Solicitation**.

Participant understands and agrees that Participant shall not engage in Wrongful Competition or Wrongful Solicitation.

5. **Confidential Information and Trade Secrets**.

(a) Access and Use. Participant expressly acknowledges and agrees that, by virtue of Employee's employment with the Company or a Subsidiary and exercise of Participant's duties for the Company or a Subsidiary, Participant will have access to and will use certain Confidential Information and Trade Secrets, and that such Confidential Information and Trade Secrets constitute confidential and proprietary business information and/or Trade Secrets of the Company or its Subsidiaries, all of which is the Company's exclusive property. Accordingly, Participant agrees that Participant shall not, and shall not permit any other person or entity to, directly or Indirectly, through any person, firm, or corporation, alone or as a member of a partnership or as an officer, director, stockholder, investor, or employee of or consultant to any other corporation or enterprise to, without the prior written consent of the Company: (a) use Confidential Information or Trade Secrets for the benefit of any person or entity other than the Company or its Subsidiaries; (b) remove, copy, duplicate or otherwise reproduce any document or tangible item embodying or pertaining to any of the Confidential Information or Trade Secrets, except as required to perform responsibilities for the Company or its Subsidiaries; and (c) while employed and thereafter, publish, release, disclose, deliver or otherwise make available to any third party any Confidential Information or Trade Secrets by any communication, including oral, documentary, electronic or magnetic information transmittal device or media.

(b) Duration of Confidential Information and Trade Secrets. This obligation of non-disclosure and non-use shall last so long as the information remains confidential, and at no time during Participant's employment with the Company or one of its Subsidiaries, nor at any time thereafter, shall Participant directly or Indirectly, through any person, firm, or corporation, alone or as a member of a partnership or as an officer, director, stockholder, investor, or employee of or consultant to any other corporation or enterprise to, disclose, reveal, or use for the benefit of Participant or others, or aid others in obtaining, any Confidential Information and Trade Secrets of the Company and/or its Subsidiaries other than in the ordinary performance of Participant's duties on behalf of the Company or one of its Subsidiaries and as expressly authorized by the Company and/or its Subsidiaries. Participant, however, understands that, if Participant primarily lives and works in any state requiring a temporal limit on non-disclosure clauses, Confidential Information shall be protected for no less than two (2) years following the Last Day. Participant also understands that Trade Secrets are protected by statute and are not subject to any time limits. Participant also agrees to contact the Company before using, disclosing, or distributing any Confidential Information or Trade Secrets if Participant has any questions about whether such information is protected information.

(c) Immunity under the Defend Trade Secrets Act of 2016. Participant shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a Trade Secret that: (a) is made (i) in confidence to a Federal, State, or local government official, either directly or Indirectly, or to an attorney, and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Disclosures to attorneys, made under seal, or pursuant to court order are also protected in certain circumstances under said Act.

(d) Additional Legal Exceptions to Non-Disclosure Obligations. Nothing in this Agreement shall be construed to prevent disclosure of information generally obtained through the job, information available to the public, and/or information you have a right to disclose or as may be required by applicable law or regulation, especially with respect to a Federal or State administrative agency, equivalent State agency, or pursuant to the valid order of a court of competent jurisdiction or an authorized government agency, provided that the disclosure does not exceed the extent of disclosure required by such law, regulation, or order. With respect to an order of a court of competent jurisdiction, Participant will promptly provide written notice to the General Counsel of the Company of any such order. If the Company chooses to seek a protective order or other remedy, Employee will cooperate fully with the Company. If the Company does not obtain a protective order or other remedy or waives compliance with certain provisions of this Agreement, Participant will furnish only that portion of the Confidential Information which, in the written opinion of counsel, is legally required to be disclosed and will use Participant's best efforts to obtain assurances that confidential treatment will be accorded to such disclosed Confidential Information. In addition, nothing in this Agreement in any way prohibits or is intended to restrict or impede, and shall not be interpreted or understood as restricting or impeding, Participant from: (a) exercising Participant's rights under Section 7 of the National Labor Relations Act (NLRA) (including with respect to engaging in concerted activities for the purpose of collective bargaining or other mutual aid or protection, discussing terms and conditions of employment, or otherwise engaging in protected conduct); (b) otherwise disclosing or discussing truthful information about unlawful employment practices (including unlawful discrimination, harassment, retaliation, or sexual assault).

(e) Return of Property. Participant agrees that upon the Last Day (or earlier if requested by the Company) to immediately return to the Company all property and information belonging to the Company or its Subsidiaries (in electronic or hard-copy form), and Participant shall not make or retain any copies of any documents (including in electronic form) or any items that are the property of the Company or its Subsidiaries or that contain Confidential Information. Participant shall also disclose to Company any passwords for Participant's computer or other access codes for anything associated with Participant's employment with the Company and/or its Subsidiaries, and shall not delete or modify any property prior to its return to the Company. Participant also shall provide the Company with access to any personal computer, tablet, phone, external hard drives, flash drives, cloud-based storage platforms, or any other personal device or storage location with Company information, whether or not such information is designated as confidential or proprietary and whether or not such devices were supplied by the Company or owned by Participant, so that the Company may remove or delete any information of the Company and/or any of its Subsidiaries.

6. **Works Made for Hire and Intellectual Property**.

(a) Participant acknowledges and agrees that all records (in whatever media), written works, documents, papers, notebooks, drawings, designs, technical information, source code, object code, algorithms, processes, methods, ideas, formulas, inventions (whether patentable or not), invention disclosures, discoveries, improvements, other copyrightable or protected works, or any other intellectual property, developed, conceived, acquired, created, authored, or reduced to practice, from which derivative works are prepared, made, invented, or discovered by Participant (whether or not during usual working hours, and whether individually or jointly with others) that relate to, result from or are suggested by any work or task performed by Participant for or on behalf of the Company or one of its Subsidiaries or otherwise pertain to any Competitive Product or Service, or that arise from the use or assistance of the facilities, materials, personnel, or

Confidential Information of the Company or one of its Subsidiaries, or that otherwise relate to the actual or anticipated research, development or business of the Company or one of its Subsidiaries, will be and remain the absolute property of the Company and/or any of its Subsidiaries, as will all the worldwide patent, copyright, trademark, service mark and trade secret rights, any associated registrations, applications, renewals, extensions, continuations, continuations-in-part, requests for continued examination, divisions, or reissues thereof or any foreign equivalents thereof, and all other intellectual property rights relating to the foregoing (all items referred to in this sentence are collectively referred to as the "Intellectual Property"). Participant irrevocably and unconditionally waives all rights, wherever in the world enforceable, that vest in Participant (whether before, on, or after the date of this Agreement) in connection with any such Intellectual Property in the course of Participants employment with the Company or one of its Subsidiaries. Participant recognizes all such Intellectual Property constitutes "works made for hire" for which the Company and/or any of its Subsidiaries retains all rights, title, and interest to any underlying rights, including copyright protections. If for any reason any such Intellectual Property is not deemed to be a "work made for hire," consistent with the undertakings below, Participant hereby assigns all rights, title and interest in any such Intellectual Property to the Company and/or any of its Subsidiaries.

(b) Participant will promptly disclose, and hereby grants and assigns, all rights, title, and interest in all Intellectual Property pertaining to any Competitive Product or Service to the Company or one of its Subsidiaries for its or their sole use and benefit. At all times, both during and after Participant's employment by the Company or one of its Subsidiaries, Participant agrees to assist the Company and/or its Subsidiaries in taking the proper steps, including executing any required documents, to obtain patents, copyrights or other legal protection for the Intellectual Property and to assign such Intellectual Property and the rights to any applications associated therewith to the Company or one of its Subsidiaries, if the Company or one of its Subsidiaries so desires, but all at the Company and/or any of its Subsidiaries' direction and expense. At all times, both during and after Participant's employment by the Company or one of its Subsidiaries, Participant agrees not to claim any rights to any Intellectual Property as having been created, conceived or acquired by Participant prior to Participant's employment by the Company or one of its Subsidiaries, unless such Intellectual Property is identified on a sheet attached to this Agreement and signed by Participant as of the date of this agreement.

7. **Participant's Representations and Acknowledgments.** Participant acknowledges and agrees that Participant's services are of a special, unique, and extraordinary character, and Participant's position with the Company or one of its Subsidiaries places Participant in a position of trust and confidence with respect to the Company and/or its Subsidiaries' confidential and proprietary information and trade secrets, business relationships, and other valuable assets and goodwill. Participant further acknowledges and agrees that the Company and its Subsidiaries have a legitimate business interest in protecting such valuable assets and goodwill from unauthorized use and disclosure and unfair competition that would cause the Company and/or its Subsidiaries immediate and irreparable harm, thereby warranting the non-competition, non-solicitation, non-interference, and confidentiality covenants contained in this Agreement.

8. **Taxes**.

(a) This Section 8(a) applies only to (a) all Participants who are U.S. employees, and (b) to those Participants who are employed by a Subsidiary of the Company that is obligated under applicable local law to withhold taxes with respect to the settlement of the Restricted Stock Units. Such Participant shall pay to the Company or a designated Subsidiary, promptly upon request, and in any event at the time Participant recognizes taxable income, or withholding of employment taxes is required, with respect to the Restricted Stock Units, an amount equal to the taxes the Company determines it is required to withhold under applicable tax laws with respect to the Restricted Stock Units. Participant may satisfy the foregoing requirement by making a payment to the Company in cash (including, without limitation, future wages) or, in accordance with rules and regulations promulgated by the Compensation Committee, by delivering already owned unrestricted Shares or by having the Company withhold a number of Shares in which Participant would otherwise become vested under this Agreement, in each case, having a value equal to the maximum amount of tax permitted to be withheld that will not result in adverse financial accounting consequences to the Company. Such Shares shall be valued at their Fair Market Value on the date as of which the amount of tax to be withheld is determined.

(b) Participant acknowledges that the tax laws and regulations and financial accounting principles and guidance applicable to the Restricted Stock Units and the disposition of the Shares following the settlement of Restricted Stock Units are complex and subject to change.

9. **Securities Laws Requirements**. The Company may impose such restrictions, conditions or limitations as it determines appropriate as to the timing and manner of any resales by Participant or other subsequent transfers by Participant of any Shares issued as a result of the vesting or settlement of the Restricted Stock Units, including without limitation (a) restrictions under an insider trading policy, and (b) restrictions as to the use of a specified brokerage firm for such resales or other transfers. Upon the acquisition of any Shares pursuant to the vesting or settlement of the Restricted Stock Units, Participant will make or enter into such written representations, warranties and agreements as the Company may reasonably request in order to comply with applicable securities laws, including, but not limited to, the Securities Act of 1933, as amended (the "Securities Act"), or with this Agreement and the Plan. All accounts in which such Shares are held or any certificates for Shares shall be subject to such stop transfer orders and other restrictions as the Company may deem advisable under the rules, regulations and other requirements of the Securities and Exchange Commission, any stock exchange or quotation system upon which the Shares are then listed or quoted, and any applicable federal or state securities law, and the Company may cause a legend or legends to be put on any such certificates (or other appropriate restrictions and/or notations to be associated with any accounts in which such Shares are held) to make appropriate reference to such restrictions. The Company shall not be obligated to transfer any Shares following the settlement of Restricted Stock Units to Participant free of a restrictive legend if such transfer, in the opinion of counsel for the Company, would violate the Securities Act (or any other federal or state statutes having similar requirements as may be in effect at that time).

10. **No Obligation to Register**. The Company shall be under no obligation to register any Shares as a result of the settlement of the Restricted Stock Units pursuant to the Securities Act or any other federal or state securities laws.

11. **Market Stand-Off**. In connection with any underwritten public offering by the Company of its equity securities pursuant to an effective registration statement filed under the Securities Act for such period as the Company or its underwriters may request (such period not to exceed 180 days following the date of the applicable offering), Participant shall not, directly or Indirectly, sell, make any short sale of, loan, hypothecate, pledge, offer, grant or sell any option or other contract for the purchase of, purchase any option or other contract for the sale of, or otherwise dispose of or transfer, or agree to engage in any of the foregoing transactions with respect to, any of the Restricted Stock Units granted under this Agreement or any Shares resulting the settlement thereof without the prior written consent of the Company or its underwriters.

12. **Protections Against Violations of Agreement**. No purported sale, assignment, mortgage, hypothecation, transfer, pledge, encumbrance, gift, transfer in trust (voting or other) or other disposition of, or creation of a security interest in or lien on, any of the Restricted Stock Units by any holder thereof in violation of the provisions of this Agreement or the Certificate of Incorporation or the Bylaws of the Company, will be valid, and the Company will not transfer any Shares resulting from the settlement of Restricted Stock Units on its books nor will any of such Shares be entitled to vote, nor will any dividends be paid thereon, unless and until there has been full compliance with such provisions to the

satisfaction of the Company. The foregoing restrictions are in addition to and not in lieu of any other remedies, legal or equitable, available to enforce such provisions.

13. **Rights as a Stockholder**. Participant shall not possess the right to vote the Shares underlying the Restricted Stock Units until the Restricted Stock Units have been settled in accordance with the provisions of this Agreement and the Plan.

14. **Survival of Terms**. This Agreement shall apply to and bind Participant and the Company and their respective permitted assignees and transferees, heirs, legatees, executors, administrators and legal successors. The terms of Sections 4 through 8 and 12 through 29 shall expressly survive the forfeiture of the Restricted Stock Units and the termination of this Agreement.

15. **Notices**. All notices and other communications provided for herein shall be in writing and shall be delivered by hand or sent by certified or registered mail, return receipt requested, postage prepaid, addressed, if to Participant, to Participant's attention at the mailing address set forth on the signature page of this Agreement (or to such other address as Participant shall have specified to the Company in writing) and, if to the Company, to the Company's office at 2366 Bernville Road, Reading, Pennsylvania 19605, Attention: Chief Legal and Compliance Officer (or to such other address as the Company shall have specified to Participant in writing). All such notices shall be conclusively deemed to be received and shall be effective, if sent by hand delivery, upon receipt, or if sent by registered or certified mail, on the fifth day after the day on which such notice is mailed.

16. **Waiver**. The waiver by either party of compliance with any provision of this Agreement by the other party shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by such party of a provision of this Agreement.

17. **Authority of the Administrator**. The Compensation Committee shall have full authority to interpret and construe the terms of the Plan and this Agreement, including but not limited to making all determinations regarding eligibility, vesting, forfeiture and the calculation of the number of Restricted Stock Units awarded or credited under this Agreement. The determination of the Compensation Committee as to any such matter of interpretation, construction or calculation shall be final, binding and conclusive.

18. **Representations**. Participant has reviewed with Participant's own tax advisors the applicable tax (U.S., foreign, state, and local) consequences of the transactions contemplated by this Agreement. Participant is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. Participant understands that Participant (and not the Company) shall be responsible for any tax liability that may arise as a result of the transactions contemplated by this Agreement.

19. **Investment Representation**. Participant hereby represents and warrants to the Company that Participant, by reason of Participant's business or financial experience (or the business or financial experience of Participant's professional advisors who are unaffiliated with and who are not compensated by the Company or any affiliate or selling agent of the Company, directly or Indirectly), has the capacity to protect Participant's own interests in connection with the transactions contemplated under this Agreement.

20. **Relief, Remedies and Enforcement**. Participant acknowledges and agrees that a breach of any provision of this Agreement by Participant will cause serious and irreparable injury to the Company that will be difficult to quantify and that money damages alone shall not adequately compensate the Company. In the event of a breach or threatened or intended breach of this Agreement by Participant, the Company shall be entitled to injunctive relief, both temporary and final, enjoining and restraining such breach or threatened or intended breach. Participant further agrees that should Participant breach this Agreement, the Company will be entitled to any and all other legal or equitable remedies available to it.

Participant shall also pay the Company all reasonable costs and attorneys' fees the Company incurred because of Participant's breach of any provisions of this Agreement.

21. **Entire Agreement; Language; Governing Law**. Subject to Sections 25(f)(i), 25(f)(ii) and 25(f)(iii), this Agreement and the Plan and the other related agreements expressly referred to herein set forth the entire agreement and understanding between the parties hereto and supersedes all prior agreements and understandings relating to the subject matter hereof. Notwithstanding the foregoing, Participant will continue to be bound by all prior agreements Participant entered into with the Company relating to confidentiality, trade secrets, wrongful competition, wrongful solicitation, and restrictive covenants ("Prior Restrictive Agreements"). This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same agreement. The headings of sections and subsections herein are included solely for convenience of reference and shall not affect the meaning of any of the provisions of this Agreement. This Agreement has been prepared in English and may be translated into one or more other languages. If there is a discrepancy between or among any of these versions, the English version shall prevail. Unless otherwise restricted by applicable law, this Agreement may be executed electronically. Subject to the following exceptions, this Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, USA, other than its conflicts of laws principles.

(a) State of Washington Choice of Law/Venue. For Participants employed by the Company in the State of Washington, the Wrongful Competition and Wrongful Solicitation covenants in this Agreement shall be construed according to the laws of the State of Washington, and any action arising out of or relating to those covenants may only be brought and prosecuted in the courts of the State of Washington or in the United States District Court for the Western District of Washington.

(b) State of California Choice of Law/Venue. For Participants employed by the Company in the State of California, the Wrongful Competition and Wrongful Solicitation covenants in this Agreement shall be construed according to the laws of the State of California, and any action arising out of or relating to this Agreement may only be brought and prosecuted in the courts of the State of California or in the United States District Court for the Northern District of California.

(c) State of Colorado Choice of Law/Venue. For Participants employed by the Company in the State of Colorado, the Wrongful Competition and Wrongful Solicitation covenants shall be construed according to the laws of the State of Colorado, and any action arising out of or relating to this Agreement may only be brought and prosecuted in the courts of the State of Colorado or in the United States District Court for the District of Colorado.

(d) State of Massachusetts Choice of Law/Venue. For Participants employed by the Company in the Commonwealth of Massachusetts, the Wrongful Competition and Wrongful Solicitation covenants shall be construed according to the laws of the Commonwealth of Massachusetts, and any action arising out of or relating to this Agreement may only be brought and prosecuted in the courts of the Commonwealth of Massachusetts or in the United States District Court for the District of Massachusetts.

(e) State of Minnesota Choice of Law/Venue. For Participants employed by the Company in the State of Minnesota, the Wrongful Competition and Wrongful Solicitation covenants shall be construed according to the laws of the State of Minnesota, and any action arising out of or relating to this Agreement may only be brought and prosecuted in the courts of the State of Minnesota or in the United States District Court for the District of Minnesota.

22. **Severability and Reformation**. The parties hereto recognize that the laws and public policies of various jurisdictions may differ as to the validity and enforceability of covenants similar to those

set forth herein. It is the intention of the parties that the provisions hereof be enforced to the fullest extent permissible under the laws and policies of each jurisdiction in which enforcement may be sought, and that the unenforceability (or the modification to conform to such laws or policies) of any provisions hereof shall not render unenforceable, or impair, the remainder of the provisions hereof. Accordingly, if at the time of enforcement of any provision hereof, a court of competent jurisdiction holds that the restrictions stated herein are unreasonable under circumstances then existing, the parties hereto agree that the maximum period, scope, or geographic area reasonable under such circumstances will be substituted for the stated period, scope or geographical area and that such court shall be allowed to revise the restrictions contained herein to cover the maximum period, scope and geographical area permitted by law. Furthermore, if any such restriction is held to be void but would be valid if part of the wording (including in particular, but without limitation, the definitions) were deleted, such restriction will apply with so much of the wording deleted as may be necessary to make it valid or effective.

23. **Amendments; Construction**. The Compensation Committee may amend the terms of this Agreement prospectively or retroactively at any time, but (unless otherwise provided under Section 18 of the Plan) no such amendment shall impair the rights of Participant hereunder without Participant's consent. To the extent the terms of Section 4 or 5 of this Agreement, as applicable, conflict with any prior agreement between the parties related to such subject matter, the terms of Section 4 or 5 of this Agreement, as applicable, to the extent more restrictive, shall supersede such conflicting terms and control. Headings to Sections of this Agreement are intended for convenience of reference only, are not part of this Agreement and shall have no effect on the interpretation hereof.

24. **Acceptance**. Participant hereby acknowledges receipt of a copy of the Plan and this Agreement. Participant acknowledges Participant has been advised by the Company to consult with an attorney (at Participant's own expense) prior to signing this Agreement. Participant has read and understands the terms and provisions thereof, and accepts the Shares of Restricted Stock Units subject to all the terms and conditions of the Plan and this Agreement. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Compensation Committee upon any questions arising under this Agreement.

25. **Miscellaneous**.

(a) No Rights to Grants or Continued Employment. Participant acknowledges that the award granted under this Agreement is not an employment right, and is being granted at the sole discretion of the Compensation Committee. Participant shall not have any claim or right to receive grants of Restricted Stock Units or other awards under the Plan. Neither the Plan nor this Agreement, or any action taken or omitted to be taken hereunder or thereunder, shall be deemed to create or confer on Participant any right to be retained as an employee of the Company or any Subsidiary or other Affiliate thereof, or to interfere with or to limit in any way the right of the Company or any Affiliate or Subsidiary thereof to terminate the employment of Participant at any time.

(b) Unfunded Plan. No Participant and no beneficiary or other persons claiming under or through Participant, shall have any right, title, or interest by reason of any award under the Agreement to any particular assets of the Company or any Subsidiary or other Affiliate, or any Common Stock allocated or reserved for the purposes of this Agreement or subject to any Restricted Stock Unit as set forth herein. The Company shall not be required to establish any fund or make any other segregation of assets to assure satisfaction of the Company's obligations under the Agreement or Plan.

(c) No Restriction on Right of Company to Effect Corporate Changes. Neither the Plan nor this Agreement shall affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations, or other changes in the Company's capital structure or its business, or any merger or consolidation of the Company, or any issue of stock or of options, warrants or rights to purchase stock or of bonds, debentures, preferred, or prior preference stocks whose rights are superior to or affect the Common Stock or the rights thereof or which are convertible into or exchangeable for Common Stock, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of the assets or business of the Company, or any other corporate act or proceeding, whether of a similar character or otherwise.

(d) Assignment. The Company shall have the right to assign any of its rights, and by accepting these Restricted Stock Units, Participant hereby consents to an assignment. The Company shall have the right to delegate any of its duties under this Agreement to any of its Affiliates. The terms and conditions of this Agreement shall be binding upon and shall inure to the benefit of the permitted successors and assigns of the Company (including any person or entity which acquires all or substantially all of the assets of the Company).

(e) Adjustments. The Restricted Stock Units shall be adjusted or terminated as contemplated by Section 16(a) of the Plan, including, in the discretion of the Compensation Committee, rounding to the nearest whole number of Restricted Stock Units or Shares, as applicable.

(f) Other Agreements; Clawback Policy.

(i) Participant acknowledges that as a condition to the receipt of the Award, Participant:

(A) shall have delivered to the Company an executed copy of this Agreement;

(B) shall be subject to the Company's stock ownership guidelines, to the extent applicable to Participant; and

(C) shall be subject to policies and agreements adopted by the Company from time to time, including, but not limited to, the terms of any clawback policy adopted by the Board of Directors (as such policy may be amended from time-to-time) (collectively, the "Clawback Policies"), and applicable laws and regulations, requiring the repayment by Participant of incentive compensation, including, but not limited to, the Restricted Stock Units, any cash or Shares delivered upon settlement of the Restricted Stock Units, proceeds or value realized from the sale or transfer of Shares, and dividends or dividend equivalents, to the extent applicable, under certain circumstances, including, but not limited to, the terms of any Clawback Policy, without any further act or deed or consent of Participant.

(ii) Participant acknowledges that if Participant violates any of the terms or provisions of the Clawback Policies, whether before or after termination of employment, then the Company will, to the fullest extent permitted by applicable law, recoup such incentive compensation as provided under the Clawback Policies, which may include without limitation, (i) terminating Participant's rights in any unvested Restricted Stock Units under this Award, (ii) clawing back (i.e., recover) all Shares previously issued under this Award, (iii) cancelling or offsetting against any planned future cash or equity-based awards, and (iv) forfeiture of deferred compensation, subject to compliance with Code Section 409A and the regulations promulgated thereunder. Each payment in settlement of the Restricted Stock Units will be delivered as described above and taxable upon delivery in accordance with applicable tax law, but for purposes of California Labor Code Section 221, the Colorado Wage Claim Act, and any successor provision, will not be considered “wages” and will not be considered “earned” until the end of the second complete calendar year following delivery of the payment. For purposes of the foregoing, Participant expressly and explicitly authorizes the Company to issue instructions, on Participant's behalf, to any brokerage firm and/or third party administrator engaged by the Company to hold Participant's Shares, and other amounts acquired under the Plan to re-convey, transfer or otherwise return such Shares and/or other amounts to the Company.

(iii) If Participant is a non-resident of the U.S., Appendix A contains special terms and conditions applicable to awards in Participant's country. The issuance of the Award to any such Participant is contingent upon Participant executing and returning any acknowledgment related to such terms and conditions in Appendix A in the manner directed by the Company.

(g) WAIVER OF JURY TRIAL. TO THE EXTENT PERMITTED BY APPLICABLE LAW AND EXPRESSLY BECAUSE OF THE COMPLEXITY OF THE MATTERS IN THE OPERATIVE DOCUMENTS, EACH PARTY WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE ARISING OUT OF OR RELATING TO THE OPERATIVE DOCUMENTS.

(h) WAIVER OF PUNITIVE AND EXEMPLARY DAMAGE CLAIMS. Participant waives, to the fullest extent allowed by law, any claims or rights to recover punitive, exemplary or similar damages.

(i) LIMIT ON ACTUAL DAMAGES. In no event may the actual damages awarded to Participant in a dispute arising out of or relating to the Operative Documents exceed the Fair Market Value of the Restricted Stock Units set forth on the signature page of this Agreement as of the date hereof, reduced by the value of any Shares or payments previously received under this Agreement (the "Damages Limit"). Participant knowingly, voluntarily and irrevocably waives and releases any claim to damages in excess of this Damages Limit.

(j) LIMITATION OF REMEDIES. Except when prohibited by applicable law, the procedures and remedies set forth in this Agreement shall constitute the sole remedies available to Participant. In no event shall Participant seek equitable relief, injunctive relief, or otherwise bring claims directly or derivatively for ultra vires, corporate waste, breach of fiduciary duty, or any other claim or cause of action, whether legal or equitable, sounding in contract or tort. Nothing in this clause is intended to waive or limit any claim brought pursuant to any federal or state statute related to the protection of civil rights. Should any provision in this Agreement be found by a court of competent jurisdiction, after all appellate rights are exhausted, to be unenforceable or void, the Parties expressly agree to sever such provision.

(k) Entry Into Agreement of Free Will and Without Coercion. Participant acknowledges and agrees that Participant is entering into this Agreement on Participant’s own free will and without coercion. Participant represents that Participant has had sufficient time and reasonable opportunity to review the Agreement and understand its terms, including the opportunity to consult with legal counsel of Participant so chooses.

26. **Code Section 409A**. Notwithstanding anything in this Agreement to the contrary, the receipt of any benefits under this Agreement as a result of a termination of employment shall be subject to satisfaction of the condition precedent that Participant undergo a “separation from service” within the meaning of Treas. Reg. § 1.409A-1(h) or any successor thereto. In addition, if a Participant is deemed to be a “specified employee” within the meaning of that term under Code Section 409A(a)(2)(B), then with regard to any payment or the provisions of any benefit that is required to be delayed pursuant to Code Section 409A(a)(2)(B), such payment or benefit shall not be made or provided prior to the earlier of (i) the expiration of the six (6) month period measured from the date of Participant's “separation from service” (as such term is defined in Treas. Reg. § 1.409A-1(h)), or (ii) the date of Participant's death (the

“Delay Period”). Within ten (10) days following the expiration of the Delay Period, all payments and benefits delayed pursuant to this Section (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to Participant in a lump sum, and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein.

27. **Survival**. All wrongful competition, wrongful solicitation, and confidential information/trade secret obligations in this Agreement shall survive the Last Day and the termination or expiration of this Agreement, and no dispute regarding any other provisions of this Agreement or regarding Participant’s employment or the termination of Participant’s employment shall prevent the operation and enforcement of these obligations.

28. **Transfer of Employment**. In the event of a transfer of Participant’s employment between Company affiliates, this Agreement shall continue in effect. The succeeding Company affiliate shall succeed to all rights of the prior Company affiliate under this Agreement, including the right to enforce this Agreement (so long as this Agreement has not otherwise been superseded).

29. **Electronic Signature**. Participant agrees that the Company may enforce this Agreement with a copy for which Participant has provided an electronic signature, and that such electronic signature may be satisfied by procedures that the Company or a third party designated by the Company has established or may establish for an electronic signature system, and Participant’s electronic signature shall be the same as, and shall have the same force and effect as, Participant’s written signature. By electronically accepting this Agreement, Participant agrees to the following: “This electronic contract contains my electronic signature, which I have executed with the intent to sign this Agreement.”

[REST OF PAGE LEFT INTENTIONALLY BLANK]

THIS AGREEMENT SHALL BE NULL AND VOID AND UNENFORCEABLE BY PARTICIPANT UNLESS SIGNED AND DELIVERED TO THE COMPANY NOT LATER THAN THIRTY (30) DAYS SUBSEQUENT TO THE DATE OF GRANT SET FORTH BELOW.

BY SIGNING THIS AGREEMENT, PARTICIPANT IS HEREBY CONSENTING TO THE USE AND TRANSFER OF PARTICIPANT'S PERSONAL DATA BY THE COMPANY TO THE EXTENT NECESSARY TO ADMINISTER AND PROCESS THE AWARDS GRANTED UNDER THIS AGREEMENT.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer and Participant has executed this Agreement, both as of the day and year first above written.

ENERSYS

By:	______________________________
Name:	Shawn M. O'Connell
Title:	President & Chief Executive Officer

PARTICIPANT

____

Name:	______________________________
Address:	______________________________
	______________________________

Date of Grant: _______________

Number of Restricted Stock Units: ________

ENERSYS

AWARD AGREEMENT FOR EMPLOYEES – PERFORMANCE-BASED STOCK UNITS - ADJUSTED EPS

UNDER THE 2023 EQUITY INCENTIVE PLAN

THIS AWARD AGREEMENT FOR EMPLOYEES – PERFORMANCE-BASED STOCK UNITS - ADJUSTED EPS (this "Agreement"), dated as of **_____, ____** (the "Date of Grant") is between ENERSYS, a Delaware corporation (the "Company"), and the individual identified on the signature page hereof (the "Participant").

BACKGROUND

A. Participant is currently an employee of the Company or one of its Subsidiaries.

B. The Company desires to (i) provide Participant with an incentive to remain in the employ of the Company or one of its Subsidiaries, and (ii) increase Participant's interest in the success of the Company by granting performance-based restricted stock units (the "PSUs") to Participant to acquire, subject to the attainment of the performance goals set forth in Annex I, the number shares of Common Stock ("Shares") to be determined in accordance with the formula set forth in Annex I upon the satisfaction of the terms and conditions set forth in this Agreement.

C. This grant of the PSUs is (i) made pursuant to the EnerSys 2023 Equity Incentive Plan (as amended from time to time, the "Plan"); (ii) made subject to the terms, performance requirements and other conditions of this Agreement, Annex I and Appendix A; (iii) made in the sole discretion of the Company's Compensation Committee; and (iv) the grant of the PSUs is exceptional, voluntary and occasional and does not create any contractual or other right to receive future Restrictive Stock Units, or benefits in lieu of PSUs, even if PSUs have been granted in the past. These PSUs shall not be construed or interpreted in any way as a component of Participant's base salary for services performed on the behalf of the Company, and Company employees are not required, as a condition of their employment, to accept any PSUs stated herein. Unless otherwise defined in this Agreement, any capitalized terms in this Agreement shall have the meaning ascribed to such terms in the Plan.

AGREEMENT

NOW, THEREFORE, in consideration of the covenants and agreements contained in this Agreement, the parties hereto, intending to be legally bound, agree as follows:

1. **Definitions; Incorporation of Plan Terms**. Capitalized terms used in this Agreement without definition shall have the meanings assigned to them in the Plan. This Agreement and the PSUs shall be subject to the Plan. The terms of the Plan and the Background provisions of this Agreement are hereby incorporated into this Agreement by reference and made a part hereof as if set forth in their entirety in this Section 1. If there is a conflict or an inconsistency between the Plan and this Agreement, the Plan shall govern; except that in the event such a conflict or inconsistency relates to the prohibitions in Section 4 of this Agreement, then the definitions in this Agreement shall control.

"Adjusted Diluted EPS ex IRC 45X" means a measure used by the Company's management to measure performance, defined as earnings (loss) from continuing operations attributable to the Company, adjusted to reflect changes in financial results associated with the Company's restructuring initiatives and other highlighted charges and income as well as the financial impact of IRC 45X as reported and reconciled externally in public SEC filings, including its form 10Q, 10K, and press release as approved by the Compensation Committee.

"Competitive Product or Service" means the design, manufacture, importing, development, distribution, marketing, or sale of:

(a) motive power batteries, chargers, products, and accessories (including, without limitation, batteries, chargers and accessories for industrial forklift trucks, other materials handling equipment, transportation applications, and other electric powered vehicles or machinery, as well as any software or technology related thereto), and each and every component thereof;

(b) reserve power batteries, chargers, products, and accessories (including, without limitation, standby batteries and power supply equipment for wireless and wireline telecommunications applications, such as central telephone exchanges, microwave relay stations, and switchgear and other instrumentation control systems and those used in utility industries, uninterruptible power supplies and other applications requiring stored energy solutions including medical, aerospace and defense systems, and outdoor equipment enclosure solutions, as well as any software or technology related thereto), and each and every component thereof;

(c) stationary and DC power systems, battery management systems, power control systems, stored energy solutions, renewable energy power systems, energy pipelines, maintenance services, applications for computer and computer-controlled systems, specialty power applications, software monitoring and control systems, aerospace and defense solutions, BESS, and any products, accessories, software, technology, consulting services and/or turnkey services relating thereto (including the design, engineering, installation or service thereof), including each and every component thereof;

(d) any other product, service, software, or technology development of any kind or type that the Company or any of its Subsidiaries or Affiliates (i) now makes, designs, manufactures, imports, develops, distributes, markets, researches or sells, or (ii) makes, designs, manufactures, imports, develops, distributes, markets, researches or sells at any time during Participant's employment with the Company and/or any of its Subsidiaries, such as, for example, lithium-ion, sodium, nickel-zinc cells or batteries, enclosures and/or lithium products, including but not limited to those used in aviation, space, defense, medical, transportation, industrial, or other stored energy solution applications, and/or hydrogen fuel cells;

(e) any and all other business services, activities, and operations otherwise ancillary, supplemental, incidental, or related to the design, manufacture, importing, development, distribution, marketing, and/or sale of products, services, software, and/or technology development described in subsections (a), (b), (c), and/or (d) of this Section 1; and/or

(f) any other business activities that are substantially similar to, competitive with, or ancillary to the foregoing described in subsections (a), (b), (c), (d), and/or (e) of this Section 1, in which the Company or one of its Subsidiaries is engaged or has taken material steps to engage during the twenty-four (24) months prior to the Last Day (defined below).

"Competitor" means Participant or any other person or organization engaged in (or about to become engaged in) research or development, production, marketing, leasing, selling, or servicing of a Competitive Product or Service.

"Confidential Information" means information that is created and used in the Company's business (or that of any of its Subsidiaries) and which is not generally known by the public, regardless of whether such information became known to Participant during or outside Participant's working hours or whether such information came into the possession of the Company or one of its Subsidiaries through Participant's efforts or the efforts of others, including but not limited to: trade secrets; proprietary or customized software, computer programs, databases, and other technological innovations and advantages; manufacturing and production processes and methods, product formulas, research and development; new product plans; the Company's confidential records (or those of any of its Subsidiaries) pertaining to its existing or potential customers, including key customer contact information, contract terms and related information, and other documents constituting or otherwise containing customer lists and/or customer preferences; confidential business opportunities; merger or acquisition activity (including targets, opportunities, or prospects); confidential information regarding suppliers or vendors, including key supplier or vendor contact information, contract terms and related information; strategies for advertising and marketing; confidential business processes and strategies, including training, policies and procedures; personnel composition (wages, specialization, etc.); financial and revenue data, reports, and other information, including pricing, quoting and billing methods; current or pending projects and/or proposals; scientific data; technological data; and any other business information that the Company and/or any of its Subsidiaries maintain as confidential. Participant specifically understands and agrees that the term Confidential Information also includes all confidential information of a third party that may be communicated to, acquired by, learned of, or developed by Participant in the course of or as a result of Participant's employment with the Company and/or any of its Subsidiaries. Confidential Information does not include information that is or may become known to Participant or to the public from sources outside the Company and/or any of its Subsidiaries and through means other than a breach of this Agreement or disclosed by Participant after written approval from the Company.

"Customer" means any person(s) or entity(ies) that, within twenty-four (24) months prior to the Last Day, Participant, directly or Indirectly (*e.g.*, through employees whom Participant supervised): (a) provided products or services in connection with the Company's business (or that of any of its Subsidiaries); and/or (b) provided written proposals concerning receiving products or services from the Company (and/or any of its Subsidiaries).

"Indirectly" means that Participant shall not assist others in performing business activities that Participant is prohibited from engaging in directly under this Agreement.

"Last Day" means Participant's last day of employment with the Company and/or its Subsidiaries regardless of the reason for Participant's separation, including voluntary or involuntary. It does not encompass Participant's direct employment between Company Subsidiaries and/or Affiliates. As set forth below, such movement shall be deemed as unbroken and as continued employment under this Agreement and these covenants.

"Operative Documents" means the Plan and this Agreement.

"Performance Period" means the three-year period from _____, ____ through _____, ____.

"Restricted Geographic Area" means the territory (*i.e.*: (i) country(ies), (ii) state(s), (iii) county(ies), or (iv) city(ies)) in which, during the twenty-four (24) months prior to the Last Day, Participant: (a) provided services on behalf of the Company and/or any of its Subsidiaries (or in which Participant supervised, directly or Indirectly, the servicing activities), and/or (b) solicited Customers or otherwise sold products or services on behalf of the Company and/or any of its Subsidiaries (or in which Participant supervised, directly or Indirectly, the solicitation or servicing activities related to such Customers).

"Restricted Period" means the period of Participant's employment with the Company and/or any of its Subsidiaries and a period twelve (12) months after the Last Day. Participant recognizes that this durational term is reasonably and narrowly tailored to the Company's legitimate business interest and need for protection with each position Participant holds at the Company and/or any of its Subsidiaries.

"Settlement Date" means the date that Shares are delivered to Participant pursuant to Section 3(f).

"Trade Secret" means information defined as a trade secret under applicable state law or the Defend Trade Secrets Act of 2016.

"Wrongful Competition" means except as modified by the Wrongful Competition and/or Wrongful Solicitation Exceptions): During the Restricted Period and within the Restricted Geographic Area, Participant shall not, directly or Indirectly, through any person, firm, or corporation, alone or as a member of a partnership or as an officer, director, stockholder, investor, or employee of or consultant to any other corporation or enterprise to perform the same or similar responsibilities Participant performed for the Company and/or any of its Subsidiaries during the twenty-four (24) months prior to the Last Day in connection with a Competitive Product or Service. Notwithstanding the foregoing, Participant may accept employment with a Competitor whose business is diversified, provided that: (a) Participant shall not be engaged in working on or providing Competitive Products or Services or otherwise use or disclose Confidential Information or Trade Secrets; and (b) the Company receives written assurances from the Competitor and Participant that are satisfactory to the Company that Participant shall not work on or provide Competitive Products or Services, or otherwise use or disclose Confidential Information or Trade Secrets. In addition, nothing in this Agreement is intended to prevent Participant from investing Participant's funds in securities of a person engaged in a business that is directly competitive with the Company if the securities of such a person are listed for trading on a registered securities exchange or actively traded in an over-the-counter market and Participant's holdings represent less than one percent (1%) of the total number of outstanding shares or principal amount of the securities of such a person.

"Wrongful Solicitation" means (except as modified by the Wrongful Competition and/or Wrongful Solicitation Exceptions):

(a) With respect to the non-solicitation and non-inducement of Customers: During the Restricted Period and in connection with a Competitive Product or Service, Participant shall not directly or Indirectly, through any person, firm, or corporation, alone or as a member of a partnership or as an officer, director, stockholder, investor, or employee of or consultant to any other corporation or enterprise to: (i) solicit or attempt to solicit any Customer; or (ii) induce or encourage any Customer to terminate a relationship with the Company and/or any of its Subsidiaries or otherwise to cease accepting services or products from the Company and/or any of its Subsidiaries; and/or

(b) With respect to the non-solicitation and non-inducement of employees: During the Restricted Period, Participant shall not directly or Indirectly, through any person, firm, or corporation, alone or as a member of a partnership or as an officer, director, stockholder, investor, or employee of or consultant to any other corporation or enterprise to: (i) solicit, recruit, encourage (or attempt to solicit, recruit or encourage), or by assisting others in soliciting, recruiting or encouraging, any Company employees or former employees (or those of any of Company's Subsidiaries) with whom Participant worked, had business contact, or about whom Participant gained non-public or Confidential Information ("Employees or Former Employees"); (ii) contact or communicate with Employees or Former Employees for the purpose of inducing, assisting, encouraging and/or facilitating them to terminate their employment with the Company and/or any of its Subsidiaries or find employment or work with another person or entity; (iii) provide or pass along to any person or entity the name, contact and/or background information about any Employees or Former Employees or provide references or any other information about them; (iv) provide or pass along to Employees or Former Employees any information regarding potential jobs or entities or persons for which to work, including but not limited to job openings, job postings, or the names or contact information of individuals or companies hiring people or accepting job applications; and/or (v) offer employment or work to any Employees or Former Employees. For purposes of this covenant, "Former Employees" shall refer to employees who are not employed by the Company and/or any of its Subsidiaries at the time of the attempted recruiting or hiring, but were employed by or working for the Company and/or any of its Subsidiaries in the three (3) months prior to the time of the attempted recruiting or hiring and/or interference; and/or

(c) With respect to the non-interference of vendors and suppliers: During the Restricted Period, Participant shall not directly or Indirectly, through any person, firm, or corporation, alone or as a member of a partnership or as an officer, director, stockholder, investor, or employee of or consultant to any other corporation or enterprise to, interfere with the Company's relationships (or that of any of its Subsidiaries) with its vendors or suppliers in any way that would impair the Company's relationship (or that of any of its Subsidiaries) with such vendors or suppliers, including by reducing, diminishing or otherwise restricting the flow of supplies, services or goods from the vendors or suppliers to the Company and/or any of its Subsidiaries.

"Wrongful Competition and/or Wrongful Solicitation Exceptions" mean:

(a) State of Washington Exceptions. If any Participant is employed in the State of Washington: (a) all references to "the Company" shall be replaced with "Employer"; and (b) any section in this Agreement that is determined to be a non-competition covenant under Washington law for Washington-based employees is only effective and enforceable once Participant earns more than the annual statutory compensation minimum, on an annualized basis, for the enforcement of non-competition covenants as found in Title 49 RCW. Participant further agrees that all terms of this Agreement that are determined to be non-solicitation agreements under applicable Washington law shall be enforceable regardless of how much Participant earns in compensation. The annual statutory compensation minimum for the enforcement of non-competition covenants shall not affect the enforceability of any other term of this Agreement. Further, Participant acknowledges and agrees that no term of this Agreement shall be deemed a non-competition covenant if this Agreement is entered into by a person purchasing or selling the goodwill of a business or otherwise acquiring or disposing of an ownership interest.

(b) This definition of "Restricted Geographic Area" is amended for any Washington-based Participant:

"**Restricted Geographic Area**" means the territory in which, during the twenty-four (24) months prior to the Last Day, Participant: (a) provided services on behalf of the Company and/or any of its Subsidiaries (or in which Participant supervised the servicing activities), and/or (b) solicited Customers or otherwise sold products or services on behalf of the Company and/or any of its Subsidiaries (or in which Participant supervised the solicitation or servicing activities related to such Customers). "

(c) State of Colorado Exceptions. For all Participants employed in the State of Colorado: the non-competition covenant is only effective and enforceable once you earn, both at the time you enter the agreement and enforcement, at least or greater than the Highly Compensated Worker threshold under Colorado law. The nonsolicitation covenant, with the exception of the employee nonsolicitation provision, is only effective and enforceable once you earn, both at the time you enter the agreement and enforcement, at least or greater than sixty percent (60%) of the Highly Compensated Worker threshold under Colorado law. Furthermore, the restrictions on your conduct and activities contained in the noncompetition and nonsolicitation covenants, with the exception of the employee nonsolicitation provision, are limited only to such activities which will involve inevitable use, disclosure, or misappropriation of, or near-certain influence by Participant's knowledge of, Trade Secrets disclosed to Participant during the course of employment with the Company. For Colorado Participants, the Wrongful Competition and Wrongful Solicitation provisions of this Agreement shall be effective fourteen (14) days after you sign this Agreement. All other provisions of this Agreement shall be effective upon your signing this Agreement.

(d) General Exceptions. Participant understands that Participant's non-compete and/or non-solicitation obligations in this Agreement shall not apply to Participant if Participant is covered under applicable state or local law prohibiting non-competes or non-solicits, including on the basis of Participant's income at the time of enforcement. Examples of such prohibitions include, but are not limited to: California (Wrongful Competition and Wrongful Solicitation), the District of Columbia (Wrongful Competition for those earning under $150,000 during a consecutive 12-month period preceding the date of the Wrongful Competition), Illinois (low wage), Maryland (low wage), Oklahoma (Wrongful Competition), Minnesota (Wrongful Competition), North Dakota (Wrongful Competition and Wrongful Solicitation), Oregon (Non-Qualified Employee under ORS 653.295), Rhode Island (low wage), and Virginia (low wage).

2. **Grant of PSUs**.

(a) Subject to the provisions of this Agreement and pursuant to the provisions of the Plan, the Company hereby grants to Participant the number of PSUs specified on the signature page of this Agreement, which are subject to adjustment for performance during the Performance Period in accordance with the performance measures, targets and methodology set forth in Annex I. The number of PSUs determined after the Performance Period based on such performance is referred to as the "Performance-Adjusted PSUs.". The Company shall credit to a bookkeeping account maintained by the Company, or a third party on behalf of the Company, for Participant's benefit, the number of Performance-Adjusted PSUs granted hereunder, each of which shall be deemed to be the equivalent of one Share.

(b) If the Company declares, with a record date after the Date of Grant and prior to the Settlement Date, and pays a dividend or a distribution on Common Stock in the form of cash, then a number of additional PSUs shall be credited to Participant as of the payment date for such dividend or distribution equal to the result of dividing (i) the product of the total number of PSUs credited to Participant as of the record date for such dividend or distribution (other than previously settled or forfeited PSUs) times the per Share amount of such dividend or distribution, by (ii) the Fair Market Value of one Share as of the record date for such dividend or distribution. Any PSUs credited to Participant under this subsection shall be or become vested or forfeited (as appropriate) to the same extent as the underlying PSUs.

(c) If the Company declares, with a record date after the Date of Grant and prior to the Settlement Date, and pays a dividend or distribution on the Common Stock in the form of additional Shares, or there occurs a forward split of Common Stock, then a number of additional PSUs shall be credited to Participant as of the payment date for such dividend or distribution or forward split equal to (i) the number of PSUs credited to Participant as of the record date for such dividend or distribution or split (other than previously settled or forfeited PSUs), multiplied by (ii) the number of additional Shares actually paid as a dividend or distribution or issued in such split in respect of each outstanding Share. Any PSUs credited to Participant under this subsection shall be or become vested or forfeited (as appropriate) to the same extent as the underlying PSU.

3. **Terms and Conditions**.

(a) Vesting. All of the PSUs shall initially be unvested. The Performance-Adjusted PSUs (rounded up to the nearest whole number) shall vest on the third anniversary of the Date of Grant (the "Vesting Date" and the period between the date hereof and the Vesting Date, the "Vesting Period") unless previously vested or forfeited in accordance with the Plan or this Agreement (the "Normal Vesting Schedule").

(b) Effects of Certain Events.

(i) If Participant's employment with the Company is terminated by the Company due to Participant's Retirement prior to the Vesting Date, absent the Compensation Committee determining, in its sole discretion, whether and the manner in which the PSUs not otherwise vested (or any portion thereof), shall be vested and settled pursuant to Section 3(f), then:

(A) in all such cases the PSUs shall remain subject to adjustment for performance as provided in Section 2 above, including if such termination of employment occurs during the Performance Period; and

(B) a prorated number of the Performance-Adjusted PSUs will be eligible to vest on the Vesting Date in an amount equal to (x) the unvested Performance-Adjusted PSUs in the Vesting Period multiplied by (y) a fraction, the numerator of which is the number of complete and partial calendar months from the date hereof to the date of termination, and the denominator of which is the number of complete and partial calendar months in the Vesting Period, such product to be rounded up to the nearest whole number.

Such prorated Performance-Adjusted PSUs will be settled following the Vesting Date in accordance with the provisions of Section 3(f), subject to any applicable taxes under Section 8 upon such vesting and settlement. The remaining portion of the Award shall be immediately forfeited and cancelled without consideration as of the date of Participant's termination of employment. To the extent that the date Participant first becomes eligible for Retirement and the Vesting Date under this Section 3(b)(i) are in different tax years, any amount payable under this subsection shall constitute the payment of nonqualified deferred compensation, subject to the requirements of Code Section 409A unless an exemption under the treasury regulations is available. To the extent permitted by applicable country, state or province law, as consideration for the vesting provisions upon Retirement contained in this Section 3(b)(i), upon Retirement, Participant shall enter into a settlement and general release of claims agreement with the Company that includes noncompetition and non-solicitation covenants in a form acceptable to the Company.

(ii) Except as otherwise set forth in Section 3(c), if Participant's employment with the Company is terminated due to Participant's death or Permanent Disability prior to the Vesting Date, then all of the PSUs will vest immediately on the date of such termination and the number of PSUs payable, if any, will be determined based on the Company's financial statement accrual through the most recent publicly available completed fiscal quarter immediately preceding termination of employment for Company performance during the Performance Period; provided, if such termination occurs during the first fiscal quarter, the number of Performance-Adjusted PSUs will be equal to the Target number of PSUs granted hereby. Any such Performance-Adjusted PSUs will be settled and delivered within 45 days following such termination in accordance with the provisions of Section 3(f), subject to any applicable taxes under Section 8 upon such vesting and settlement, to Participant or beneficiary, as applicable.

(iii) Except as otherwise set forth in Section 3(c), upon the termination of a Participant's employment with the Company for any other reason prior to the Vesting Date, the Award shall be immediately forfeited and cancelled without consideration as of the date of Participant's termination of employment.

A Participant's employment will be considered to have been terminated for Cause, and the Award forfeited and cancelled without consideration, if the Company determines, in its sole discretion, that Participant engaged in an act constituting Cause at any time prior to the Vesting Date, regardless of whether Participant's termination initially was considered to have been without Cause. In such case, the provisions of Section 3(b)(i) or 3(b)(ii) are inapplicable.

(c) Change in Control. Notwithstanding any other provision of this Agreement to the contrary, upon the occurrence of a Change in Control, with respect to any unvested PSUs granted pursuant to this Agreement that have not previously been forfeited, the PSUs shall vest as follows: (i) the Performance Period shall be deemed to have ended on the date of the Change in Control and the Company performance pursuant to Section 2 shall be calculated by reference to performance through the date of the Change in Control, as determined by the Compensation Committee in accordance with this Agreement (or, absent such a determination by the Compensation Committee, the Company's financial statement accrual through the most recent publicly available completed fiscal quarter immediately preceding the date of the Change in Control; provided, if such Change in Control occurs during the first fiscal quarter, the number of Performance-Adjusted PSUs will be equal to the Target number of PSUs granted hereby); and (ii) the number of Performance-Adjusted PSUs earned pursuant to clause (i) shall be converted to time-vesting restricted stock units ("RSUs") which shall vest as follows: (A) if the surviving or successor entity in the Change in Control does not continue, assume or replace such RSUs with a substitute grant with the same intrinsic value ("Substitute Stock"), such RSUs will vest on the date of the Change in Control; or (B) if the surviving or successor entity in the Change in Control continues, assumes or replaces such shares of stock with Substitute Stock, then such shares of Substitute Stock shall vest on the earlier of (x) the Vesting Date if the Participant provides continuous service to the Company, the surviving or successor entity, or one of their respective affiliates through such Vesting Date or (y) if, prior to the Vesting Date and within two (2) years following the date of the Change in Control, the Participant's service to the Company, the surviving or successor entity or one of their respective affiliates is terminated by the Company for any reason other than for Cause or by the Participant for Good Reason, the RSU and the Substitute Stock, as applicable, shall be deemed vested as the date of such termination of employment, subject to Participant entering into a settlement and general release of claims agreement with the Company in a form acceptable to the Company. For avoidance of doubt, Substitute Stock can only have the same intrinsic value if it is in the form of publicly registered stock that is readily traded on a major stock exchange. With respect to any of the PSUs that constitute "deferred compensation" as defined under Code Section 409A, for purposes of this Section 3(c) and any acceleration of the PSUs upon a Change in Control, a Change in Control shall be deemed to occur only if, in addition to the requirements set forth in the Plan, the Change in Control also meets the requirements of IRS Reg. §1.409A-3(i)(5), to the extent necessary to avoid the imposition of taxes thereunder.

(d) Restrictions on Transfer. Until the earlier of the Vesting Date, the date of a termination of employment due to death or Permanent Disability, the date of a termination of employment on or within two years after a Change in Control described in Section 3(c)(i), the date of a Change in Control described in Section 3(c)(ii) or as otherwise provided in the Plan, no transfer of the PSUs or any of Participant's rights with respect to the PSUs, whether voluntary or involuntary, by operation of law or otherwise, shall be permitted. Unless the Compensation Committee determines otherwise, upon any attempt to transfer any PSUs or any rights in respect of the PSUs before the earlier of the applicable vesting date under the Normal Vesting Schedule, the date of a termination of employment due to death or Permanent Disability, the date of a termination of employment on or within two years after a Change in Control described in Section 3(c)(i), or the date of a Change in Control described in Section 3(c)(ii), such unit, and all of the rights related to such unit, shall be immediately and automatically forfeited by Participant without consideration of any kind.

(e) Forfeiture. Upon termination of Participant's employment with the Company or a Subsidiary for any reason other than death, Permanent Disability or one of the reasons set forth in Sections 3(b) and 3(c), Participant shall forfeit any and all PSUs which have not vested as of the date of such termination and such units shall revert to the Company without consideration of any kind.

(f) Settlement. The Compensation Committee shall determine the Performance-Adjusted PSUs as soon as administratively practicable following the computation of the Company's performance for the Performance Period (but not later than 2 ½ months after the end of the Performance Period). The date of such determination is referred to as the "Performance Certification Date." Subject to Sections 2, 3, 8, and 13, the Company shall deliver to Participant (or to a Company-designated brokerage firm or plan administrator) as soon as administratively practicable after the Vesting Date or such earlier vesting date as set forth in this Agreement, in complete settlement of the Performance-Adjusted PSUs vesting on such date, a number of Shares equal to the Performance-Adjusted PSUs determined in accordance with this Agreement.

4. **Wrongful Competition and Wrongful Solicitation**.

Participant understands and agrees that Participant shall not engage in Wrongful Competition or Wrongful Solicitation.

5. **Confidential Information and Trade Secrets**.

(a) Access and Use. Participant expressly acknowledges and agrees that, by virtue of Employee's employment with the Company or a Subsidiary and exercise of Participant's duties for the Company or a Subsidiary, Participant will have access to and will use certain Confidential Information and Trade Secrets, and that such Confidential Information and Trade Secrets constitute confidential and proprietary business information and/or Trade Secrets of the Company or its Subsidiaries, all of which is the Company's exclusive property. Accordingly, Participant agrees that Participant shall not, and shall not permit any other person or entity to, directly or Indirectly, through any person, firm, or corporation, alone or as a member of a partnership or as an officer, director, stockholder, investor, or employee of or consultant to any other corporation or enterprise to, without the prior written consent of the Company: (a) use Confidential Information or Trade Secrets for the benefit of any person or entity other than the Company or its Subsidiaries; (b) remove, copy, duplicate or otherwise reproduce any document or tangible item embodying or pertaining to any of the Confidential Information or Trade Secrets, except as required to perform responsibilities for the Company or its Subsidiaries; and (c) while employed and thereafter, publish, release, disclose, deliver or otherwise make available to any third party any Confidential Information or Trade Secrets by any communication, including oral, documentary, electronic or magnetic information transmittal device or media.

(b) Duration of Confidential Information and Trade Secrets. This obligation of non-disclosure and non-use shall last so long as the information remains confidential, and at no time during Participant's employment with the Company or one of its Subsidiaries, nor at any time thereafter, shall Participant directly or Indirectly, through any person, firm, or corporation, alone or as a member of a partnership or as an officer, director, stockholder, investor, or employee of or consultant to any other corporation or enterprise to, disclose, reveal, or use for the benefit of Participant or others, or aid others in obtaining, any Confidential Information and Trade Secrets of the Company and/or its Subsidiaries other than in the ordinary performance of Participant's duties on behalf of the Company or one of its Subsidiaries and as expressly authorized by the Company and/or its Subsidiaries. Participant, however, understands that, if Participant primarily lives and works in any state requiring a temporal limit on non-disclosure clauses, Confidential Information shall be protected for no less than two (2) years following the Last Day. Participant also understands that Trade Secrets are protected by statute and are not subject to any time limits. Participant also agrees to contact the Company before using, disclosing, or distributing any Confidential Information or Trade Secrets if Participant has any questions about whether such information is protected information.

(c) Immunity under the Defend Trade Secrets Act of 2016. Participant shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a Trade Secret that: (a) is made (i) in confidence to a Federal, State, or local government official, either directly or Indirectly, or to an attorney, and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Disclosures to attorneys, made under seal, or pursuant to court order are also protected in certain circumstances under said Act.

(d) Additional Legal Exceptions to Non-Disclosure Obligations. Nothing in this Agreement shall be construed to prevent disclosure of information generally obtained through the job, information available to the public, and/or information you have a right to disclose or as may be required by applicable law or regulation, especially with respect to a Federal or State administrative agency, equivalent State agency, or pursuant to the valid order of a court of competent jurisdiction or an authorized government agency, provided that the disclosure does not exceed the extent of disclosure required by such law, regulation, or order. With respect to an order of a court of competent jurisdiction, Participant will promptly provide written notice to the General Counsel of the Company of any such order. If the Company chooses to seek a protective order or other remedy, Employee will cooperate fully with the Company. If the Company does not obtain a protective order or other remedy or waives compliance with certain provisions of this Agreement, Participant will furnish only that portion of the Confidential Information which, in the written opinion of counsel, is legally required to be disclosed and will use Participant's best efforts to obtain assurances that confidential treatment will be accorded to such disclosed Confidential Information. In addition, nothing in this Agreement in any way prohibits or is intended to restrict or impede, and shall not be interpreted or understood as restricting or impeding, Participant from: (a) exercising Participant's rights under Section 7 of the National Labor Relations Act (NLRA) (including with respect to engaging in concerted activities for the purpose of collective bargaining or other mutual aid or protection, discussing terms and conditions of employment, or otherwise engaging in protected conduct); (b) otherwise disclosing or discussing truthful information about unlawful employment practices (including unlawful discrimination, harassment, retaliation, or sexual assault).

(e) Return of Property. Participant agrees that upon the Last Day (or earlier if requested by the Company) to immediately return to the Company all property and information belonging to the Company or its Subsidiaries (in electronic or hard-copy form), and Participant shall not make or retain any copies of any documents (including in electronic form) or any items that are the property of the Company or its Subsidiaries or that contain Confidential Information. Participant shall also disclose to Company any passwords for Participant's computer or other access codes for anything associated with Participant's employment with the Company and/or its Subsidiaries, and shall not delete or modify any property prior to its return to the Company. Participant also shall provide the Company with access to any personal computer, tablet, phone, external hard drives, flash drives, cloud-based storage platforms, or any other personal device or storage location with Company information, whether or not such information is designated as confidential or proprietary and whether or not such devices were supplied by the Company or owned by Participant, so that the Company may remove or delete any information of the Company and/or any of its Subsidiaries.

6. **Works Made for Hire and Intellectual Property**.

(a) Participant acknowledges and agrees that all records (in whatever media), written works, documents, papers, notebooks, drawings, designs, technical information, source code, object code, algorithms, processes, methods, ideas, formulas, inventions (whether patentable or not), invention disclosures, discoveries, improvements, other copyrightable or protected works, or any other intellectual property, developed, conceived, acquired, created, authored, or reduced to practice, from which derivative works are prepared, made, invented, or discovered by Participant (whether or not during usual working hours, and whether individually or jointly with others) that relate to, result from or are suggested by any work or task performed by Participant for or on behalf of the Company or one of its Subsidiaries or otherwise pertain to any Competitive Product or Service, or that arise from the use or assistance of the facilities, materials, personnel, or Confidential Information of the Company or one of its Subsidiaries, or that otherwise relate to the actual or anticipated research, development or business of the Company or one of its Subsidiaries, will be and remain the absolute property of the Company and/or any of its Subsidiaries, as will all the worldwide patent, copyright, trademark, service mark and trade secret rights, any associated registrations, applications, renewals, extensions, continuations, continuations-in-part, requests for continued examination, divisions, or reissues thereof or any foreign equivalents thereof, and all other intellectual property rights relating to the foregoing (all items referred to in this sentence are collectively referred to as the "Intellectual Property").

Participant irrevocably and unconditionally waives all rights, wherever in the world enforceable, that vest in Participant (whether before, on, or after the date of this Agreement) in connection with any such Intellectual Property in the course of Participants employment with the Company or one of its Subsidiaries. Participant recognizes all such Intellectual Property constitutes “works made for hire” for which the Company and/or any of its Subsidiaries retains all rights, title, and interest to any underlying rights, including copyright protections. If for any reason any such Intellectual Property is not deemed to be a “work made for hire,” consistent with the undertakings below, Participant hereby assigns all rights, title and interest in any such Intellectual Property to the Company and/or any of its Subsidiaries.

(b) Participant will promptly disclose, and hereby grants and assigns, all rights, title, and interest in all Intellectual Property pertaining to any Competitive Product or Service to the Company or one of its Subsidiaries for its or their sole use and benefit. At all times, both during and after Participant’s employment by the Company or one of its Subsidiaries, Participant agrees to assist the Company and/or its Subsidiaries in taking the proper steps, including executing any required documents, to obtain patents, copyrights or other legal protection for the Intellectual Property and to assign such Intellectual Property and the rights to any applications associated therewith to the Company or one of its Subsidiaries, if the Company or one of its Subsidiaries so desires, but all at the Company and/or any of its Subsidiaries’ direction and expense. At all times, both during and after Participant’s employment by the Company or one of its Subsidiaries, Participant agrees not to claim any rights to any Intellectual Property as having been created, conceived or acquired by Participant prior to Participant’s employment by the Company or one of its Subsidiaries, unless such Intellectual Property is identified on a sheet attached to this Agreement and signed by Participant as of the date of this agreement.

7. **Participant’s Representations and Acknowledgments.** Participant acknowledges and agrees that Participant’s services are of a special, unique, and extraordinary character, and Participant’s position with the Company or one of its Subsidiaries places Participant in a position of trust and confidence with respect to the Company and/or its Subsidiaries’ confidential and proprietary information and trade secrets, business relationships, and other valuable assets and goodwill. Participant further acknowledges and agrees that the Company and its Subsidiaries have a legitimate business interest in protecting such valuable assets and goodwill from unauthorized use and disclosure and unfair competition that would cause the Company and/or its Subsidiaries immediate and irreparable harm, thereby warranting the non-competition, non-solicitation, non-interference, and confidentiality covenants contained in this Agreement.

8. **Taxes**.

(a) This Section 8(a) applies only to (a) all Participants who are U.S. employees, and (b) to those Participants who are employed by a Subsidiary of the Company that is obligated under applicable local law to withhold taxes with respect to the vesting and/or settlement of the Performance-Adjusted PSUs. Such Participant shall pay to the Company or a designated Subsidiary, promptly upon request, and in any event at the time Participant recognizes taxable income, or withholding of employment taxes is required, with respect to the Performance-Adjusted PSUs, an amount equal to the taxes the Company determines it is required to withhold under applicable tax laws with respect to the vesting and/or settlement of the Performance-Adjusted PSUs. Participant may satisfy the foregoing requirement by making a payment to the Company in cash (including, without limitation, future wages) or, in accordance with rules and regulations promulgated by the Compensation Committee, by delivering already owned unrestricted Shares or by having the Company withhold a number of Shares in which Participant would otherwise become vested under this Agreement, in each case, having a value equal to the maximum amount of tax permitted to be withheld that will not result in adverse financial accounting consequences to the Company. Such Shares shall be valued at their Fair Market Value on the date as of which the amount of tax to be withheld is determined.

(b) Participant acknowledges that the tax laws and regulations and financial accounting principles and guidance applicable to the PSUs and the disposition of the Shares following the settlement of PSUs are complex and subject to change.

9. **Securities Laws Requirements**. The Company may impose such restrictions, conditions or limitations as it determines appropriate as to the timing and manner of any resales by Participant or other subsequent transfers by Participant of any Shares issued as a result of the vesting or settlement of the PSUs, including without limitation (a) restrictions under an insider trading policy, and (b) restrictions as to the use of a specified brokerage firm for such resales or other transfers. Upon the acquisition of any Shares pursuant to the vesting or settlement of the Performance-Adjusted PSUs, Participant will make or enter into such written representations, warranties and agreements as the Company may reasonably request in order to comply with applicable securities laws, including, but not limited to, the Securities Act of 1933, as amended (the "Securities Act"), or with this Agreement and the Plan. All accounts in which such Shares are held or any certificates for Shares shall be subject to such stop transfer orders and other restrictions as the Company may deem advisable under the rules, regulations and other requirements of the Securities and Exchange Commission, any stock exchange or quotation system upon which the Shares are then listed or quoted, and any applicable federal or state securities law, and the Company may cause a legend or legends to be put on any such certificates (or other appropriate restrictions and/or notations to be associated with any accounts in which such Shares are held) to make appropriate reference to such restrictions. The Company shall not be obligated to transfer any Shares following the settlement of PSUs to Participant free of a restrictive legend if such transfer, in the opinion of counsel for the Company, would violate the Securities Act (or any other federal or state statutes having similar requirements as may be in effect at that time).

10. **No Obligation to Register**. The Company shall be under no obligation to register any Shares as a result of the settlement of the PSUs pursuant to the Securities Act or any other federal or state securities laws.

11. **Market Stand-Off**. In connection with any underwritten public offering by the Company of its equity securities pursuant to an effective registration statement filed under the Securities Act for such period as the Company or its underwriters may request (such period not to exceed 180 days following the date of the applicable offering), Participant shall not, directly or Indirectly, sell, make any short sale of, loan, hypothecate, pledge, offer, grant or sell any option or other contract for the purchase of, purchase any option or other contract for the sale of, or otherwise dispose of or transfer, or agree to engage in any of the foregoing transactions with respect to, any of the PSUs granted under this Agreement or any Shares resulting the settlement thereof without the prior written consent of the Company or its underwriters.

12. **Protections Against Violations of Agreement**. No purported sale, assignment, mortgage, hypothecation, transfer, pledge, encumbrance, gift, transfer in trust (voting or other) or other disposition of, or creation of a security interest in or lien on, any of the PSUs by any holder thereof in violation of the provisions of this Agreement or the Certificate of Incorporation or the Bylaws of the Company, will be valid, and the Company will not transfer any Shares resulting from the settlement of PSUs on its books nor will any of such Shares be entitled to vote, nor will any dividends be paid thereon, unless and until there has been full compliance with such provisions to the satisfaction of the Company. The foregoing restrictions are in addition to and not in lieu of any other remedies, legal or equitable, available to enforce such provisions.

13. **Rights as a Stockholder**. Participant shall not possess the right to vote the Shares underlying the PSUs until the PSUs have been settled in accordance with the provisions of this Agreement and the Plan.

14. **Survival of Terms**. This Agreement shall apply to and bind Participant and the Company and their respective permitted assignees and transferees, heirs, legatees, executors, administrators and

legal successors. The terms of Sections 4 through 8 and 12 through 29 shall expressly survive the forfeiture of the PSUs and the termination of this Agreement.

15. **Notices**. All notices and other communications provided for herein shall be in writing and shall be delivered by hand or sent by certified or registered mail, return receipt requested, postage prepaid, addressed, if to Participant, to Participant's attention at the mailing address set forth on the signature page of this Agreement (or to such other address as Participant shall have specified to the Company in writing) and, if to the Company, to the Company's office at 2366 Bernville Road, Reading, Pennsylvania 19605, Attention: General Counsel (or to such other address as the Company shall have specified to Participant in writing). All such notices shall be conclusively deemed to be received and shall be effective, if sent by hand delivery, upon receipt, or if sent by registered or certified mail, on the fifth day after the day on which such notice is mailed.

16. **Waiver**. The waiver by either party of compliance with any provision of this Agreement by the other party shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by such party of a provision of this Agreement.

17. **Authority of the Administrator**. The Compensation Committee shall have full authority to interpret and construe the terms of the Plan and this Agreement, including but not limited to making all determinations regarding eligibility, vesting, forfeiture and the calculation of the number of PSUs awarded or credited under this Agreement. The determination of the Compensation Committee as to any such matter of interpretation, construction or calculation shall be final, binding and conclusive.

18. **Representations**. Participant has reviewed with Participant's own tax advisors the applicable tax (U.S., foreign, state, and local) consequences of the transactions contemplated by this Agreement. Participant is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. Participant understands that Participant (and not the Company) shall be responsible for any tax liability that may arise as a result of the transactions contemplated by this Agreement.

19. **Investment Representation**. Participant hereby represents and warrants to the Company that Participant, by reason of Participant's business or financial experience (or the business or financial experience of Participant's professional advisors who are unaffiliated with and who are not compensated by the Company or any affiliate or selling agent of the Company, directly or Indirectly), has the capacity to protect Participant's own interests in connection with the transactions contemplated under this Agreement.

20. **Relief, Remedies and Enforcement**. Participant acknowledges and agrees that a breach of any provision of this Agreement by Participant will cause serious and irreparable injury to the Company that will be difficult to quantify and that money damages alone shall not adequately compensate the Company. In the event of a breach or threatened or intended breach of this Agreement by Participant, the Company shall be entitled to injunctive relief, both temporary and final, enjoining and restraining such breach or threatened or intended breach. Participant further agrees that should Participant breach this Agreement, the Company will be entitled to any and all other legal or equitable remedies available to it. Participant shall also pay the Company all reasonable costs and attorneys' fees the Company incurred because of Participant's breach of any provisions of this Agreement.

21. **Entire Agreement; Language; Governing Law**. Subject to Sections 25(f)(i), 25(f)(ii) and 25(f)(iii), this Agreement and the Plan and the other related agreements expressly referred to herein set forth the entire agreement and understanding between the parties hereto and supersedes all prior agreements and understandings relating to the subject matter hereof. Notwithstanding the foregoing, Participant will continue to be bound by all prior agreements Participant entered into with the Company relating to confidentiality, trade secrets, wrongful competition, wrongful solicitation, and restrictive covenants ("Prior Restrictive Agreements"). This Agreement may be executed in one or more

counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same agreement. The headings of sections and subsections herein are included solely for convenience of reference and shall not affect the meaning of any of the provisions of this Agreement. This Agreement has been prepared in English and may be translated into one or more other languages. If there is a discrepancy between or among any of these versions, the English version shall prevail. Unless otherwise restricted by applicable law, this Agreement may be executed electronically. Subject to the following exceptions, this Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, USA, other than its conflicts of laws principles:

(a) State of Washington Choice of Law/Venue. For Participants employed by the Company in the State of Washington, the Wrongful Competition and Wrongful Solicitation covenants in this Agreement shall be construed according to the laws of the State of Washington, and any action arising out of or relating to those covenants may only be brought and prosecuted in the courts of the State of Washington or in the United States District Court for the Western District of Washington.

(b) State of California Choice of Law/Venue. For Participants employed by the Company in the State of California, the Wrongful Competition and Wrongful Solicitation covenants in this Agreement shall be construed according to the laws of the State of California, and any action arising out of or relating to this Agreement may only be brought and prosecuted in the courts of the State of California or in the United States District Court for the Northern District of California.

(c) State of Colorado Choice of Law/Venue. For Participants employed by the Company in the State of Colorado, the Wrongful Competition and Wrongful Solicitation covenants shall be construed according to the laws of the State of Colorado, and any action arising out of or relating to this Agreement may only be brought and prosecuted in the courts of the State of Colorado or in the United States District Court for the District of Colorado.

(d) State of Massachusetts Choice of Law/Venue. For Participants employed by the Company in the Commonwealth of Massachusetts, the Wrongful Competition and Wrongful Solicitation covenants shall be construed according to the laws of the Commonwealth of Massachusetts, and any action arising out of or relating to this Agreement may only be brought and prosecuted in the courts of the Commonwealth of Massachusetts or in the United States District Court for the District of Massachusetts.

(e) State of Minnesota Choice of Law/Venue. For Participants employed by the Company in the State of Minnesota, the Wrongful Competition and Wrongful Solicitation covenants shall be construed according to the laws of the State of Minnesota, and any action arising out of or relating to this Agreement may only be brought and prosecuted in the courts of the State of Minnesota or in the United States District Court for the District of Minnesota.

22. **Severability and Reformation**. The parties hereto recognize that the laws and public policies of various jurisdictions may differ as to the validity and enforceability of covenants similar to those set forth herein. It is the intention of the parties that the provisions hereof be enforced to the fullest extent permissible under the laws and policies of each jurisdiction in which enforcement may be sought, and that the unenforceability (or the modification to conform to such laws or policies) of any provisions hereof shall not render unenforceable, or impair, the remainder of the provisions hereof. Accordingly, if at the time of enforcement of any provision hereof, a court of competent jurisdiction holds that the restrictions stated herein are unreasonable under circumstances then existing, the parties hereto agree that the maximum period, scope, or geographic area reasonable under such circumstances will be substituted for the stated period, scope or geographical area and that such court shall be allowed to revise the restrictions contained herein to cover the maximum period, scope and geographical area permitted by law. Furthermore, if any such restriction is held to be void but would be valid if part of the wording (including in

particular, but without limitation, the definitions) were deleted, such restriction will apply with so much of the wording deleted as may be necessary to make it valid or effective.

23. **Amendments; Construction**. The Compensation Committee may amend the terms of this Agreement prospectively or retroactively at any time, but (unless otherwise provided under Section 18 of the Plan) no such amendment shall impair the rights of Participant hereunder without Participant's consent. To the extent the terms of Section 4 or 5 of this Agreement, as applicable, conflict with any prior agreement between the parties related to such subject matter, the terms of Section 4 or 5 of this Agreement, as applicable, to the extent more restrictive, shall supersede such conflicting terms and control. Headings to Sections of this Agreement are intended for convenience of reference only, are not part of this Agreement and shall have no effect on the interpretation hereof.

24. **Acceptance**. Participant hereby acknowledges receipt of a copy of the Plan and this Agreement. Participant acknowledges Participant has been advised by the Company to consult with an attorney (at Participant's own expense) prior to signing this Agreement. Participant has read and understands the terms and provisions thereof, and accepts the Shares of PSUs subject to all the terms and conditions of the Plan and this Agreement. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Compensation Committee upon any questions arising under this Agreement.

25. **Miscellaneous**.

(a) No Rights to Grants or Continued Employment. Participant acknowledges that the award granted under this Agreement is not an employment right, and is being granted at the sole discretion of the Compensation Committee. Participant shall not have any claim or right to receive grants of PSUs or other awards under the Plan. Neither the Plan nor this Agreement, or any action taken or omitted to be taken hereunder or thereunder, shall be deemed to create or confer on Participant any right to be retained as an employee of the Company or any Subsidiary or other Affiliate thereof, or to interfere with or to limit in any way the right of the Company or any Affiliate or Subsidiary thereof to terminate the employment of Participant at any time.

(b) Unfunded Plan. No Participant and no beneficiary or other persons claiming under or through Participant, shall have any right, title, or interest by reason of any award under the Agreement to any particular assets of the Company or any Subsidiary or other Affiliate, or any Common Stock allocated or reserved for the purposes of this Agreement or subject to any PSU as set forth herein. The Company shall not be required to establish any fund or make any other segregation of assets to assure satisfaction of the Company's obligations under the Agreement or Plan.

(c) No Restriction on Right of Company to Effect Corporate Changes. Neither the Plan nor this Agreement shall affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations, or other changes in the Company's capital structure or its business, or any merger or consolidation of the Company, or any issue of stock or of options, warrants or rights to purchase stock or of bonds, debentures, preferred, or prior preference stocks whose rights are superior to or affect the Common Stock or the rights thereof or which are convertible into or exchangeable for Common Stock, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of the assets or business of the Company, or any other corporate act or proceeding, whether of a similar character or otherwise.

(d) Assignment. The Company shall have the right to assign any of its rights, and by accepting these PSUs, Participant hereby consents to an assignment. The Company shall have the right to delegate any of its duties under this Agreement to any of its Affiliates. The terms and conditions of this Agreement shall be binding upon and shall inure to the benefit of the permitted successors and assigns of the Company (including any person or entity which acquires all or substantially all of the assets of the Company).

(e) Adjustments. The PSUs shall be adjusted or terminated as contemplated by Section 16(a) of the Plan, including, in the discretion of the Compensation Committee, rounding to the nearest whole number of PSUs or Shares, as applicable.

(f) Other Agreements; Clawback Policy.

(i) Participant acknowledges that as a condition to the receipt of the Award, Participant:

(C) shall have delivered to the Company an executed copy of this Agreement;

(D) shall be subject to the Company's stock ownership guidelines, to the extent applicable to Participant; and

(E) shall be subject to policies and agreements adopted by the Company from time to time, including, but not limited to, the terms of any clawback policy adopted by the Board of Directors (as such policy may be amended from time-to-time) (collectively, the "Clawback Policies"), and applicable laws and regulations, requiring the repayment by Participant of incentive compensation, including, but not limited to, the PSUs, any cash or Shares delivered upon settlement of the Performance-Adjusted PSUs, proceeds or value realized from the sale or transfer of Shares, and dividends or dividend equivalents, to the extent applicable, under certain circumstances, including, but not limited to, the terms of any Clawback Policy, without any further act or deed or consent of Participant..

(ii) Participant acknowledges that if Participant violates any of the terms or provisions of the Clawback Policies, whether before or after termination of employment, then the Company will, to the fullest extent permitted by applicable law, proceeds or value realized from the sale or transfer of Shares, and dividends or dividend equivalents, to the extent applicable, (i) terminating Participant's rights in any unvested PSUs under this Award, (ii) clawing back (i.e., recover) all Shares previously issued under this Award, (iii) cancelling or offsetting against any planned future cash or equity-based awards, and (iv) forfeiture of deferred compensation, subject to compliance with Code Section 409A and the regulations promulgated thereunder. Each payment in settlement of the PSUs will be delivered as described above and taxable upon delivery in accordance with applicable tax law, but for purposes of California Labor Code Section 221, the Colorado Wage Claim Act, and any successor provision, will not be considered "wages" and will not be considered "earned" until the end of the second complete calendar year following delivery of the payment. For purposes of the foregoing, Participant expressly and explicitly authorizes the Company to issue instructions, on Participant's behalf, to any brokerage firm and/or third party administrator engaged by the Company to hold Participant's Shares, and other amounts acquired under the Plan to re-convey, transfer or otherwise return such Shares and/or other amounts to the Company.

(iii) If Participant is a non-resident of the U.S., Appendix A contains special terms and conditions applicable to awards in Participant's country. The issuance of the Award to any such Participant is contingent upon Participant executing and returning any acknowledgment related to such terms and conditions in Appendix A in the manner directed by the Company.

(g) WAIVER OF JURY TRIAL. TO THE EXTENT PERMITTED BY APPLICABLE LAW AND EXPRESSLY BECAUSE OF THE COMPLEXITY OF THE MATTERS IN THE OPERATIVE DOCUMENTS, EACH PARTY WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE ARISING OUT OF OR RELATING TO THE OPERATIVE DOCUMENTS.

(h) WAIVER OF PUNITIVE AND EXEMPLARY DAMAGE CLAIMS. Participant waives, to the fullest extent allowed by law, any claims or rights to recover punitive, exemplary or similar damages.

(i) LIMIT ON ACTUAL DAMAGES. In no event may the actual damages awarded to Participant in a dispute arising out of or relating to the Operative Documents exceed the Fair Market Value of the Performance-Adjusted PSUs set forth on the signature page of this Agreement as of the Vesting Date, reduced by the value of any Shares or payments previously received under this Agreement (the "Damages Limit"). Participant knowingly, voluntarily and irrevocably waives and releases any claim to damages in excess of this Damages Limit.

(j) LIMITATION OF REMEDIES. Except when prohibited by applicable law, the procedures and remedies set forth in this Agreement shall constitute the sole remedies available to Participant. In no event shall Participant seek equitable relief, injunctive relief, or otherwise bring claims directly or derivatively for ultra vires, corporate waste, breach of fiduciary duty, or any other claim or cause of action, whether legal or equitable, sounding in contract or tort. Nothing in this clause is intended to waive or limit any claim brought pursuant to any federal or state statute related to the protection of civil rights. Should any provision in this Agreement be found by a court of competent jurisdiction, after all appellate rights are exhausted, to be unenforceable or void, the Parties expressly agree to sever such provision.

(k) Entry Into Agreement of Free Will and Without Coercion. Participant acknowledges and agrees that Participant is entering into this Agreement on Participant’s own free will and without coercion. Participant represents that Participant has had sufficient time and reasonable opportunity to review the Agreement and understand its terms, including the opportunity to consult with legal counsel of Participant so chooses.

26. **Code Section 409A**. Notwithstanding anything in this Agreement to the contrary, the receipt of any benefits under this Agreement as a result of a termination of employment shall be subject to satisfaction of the condition precedent that Participant undergo a “separation from service” within the meaning of Treas. Reg. § 1.409A-1(h) or any successor thereto. In addition, if a Participant is deemed to be a “specified employee” within the meaning of that term under Code Section 409A(a)(2)(B), then with regard to any payment or the provisions of any benefit that is required to be delayed pursuant to Code Section 409A(a)(2)(B), such payment or benefit shall not be made or provided prior to the earlier of (i) the expiration of the six (6) month period measured from the date of Participant's “separation from service” (as such term is defined in Treas. Reg. § 1.409A-1(h)), or (ii) the date of Participant's death (the “Delay Period”). Within ten (10) days following the expiration of the Delay Period, all payments and benefits delayed pursuant to this Section (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to Participant in a lump sum, and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein.

27. **Survival**. All wrongful competition, wrongful solicitation, and confidential information/trade secret obligations in this Agreement shall survive the Last Day and the termination or expiration of this Agreement, and no dispute regarding any other provisions of this Agreement or regarding Participant’s employment or the termination of Participant’s employment shall prevent the operation and enforcement of these obligations.

28. **Transfer of Employment**. In the event of a transfer of Participant's employment between Company affiliates, this Agreement shall continue in effect. The succeeding Company affiliate shall succeed to all rights of the prior Company affiliate under this Agreement, including the right to enforce this Agreement (so long as this Agreement has not otherwise been superseded).

29. **Electronic Signature**. Participant agrees that the Company may enforce this Agreement with a copy for which Participant has provided an electronic signature, and that such electronic signature may be satisfied by procedures that the Company or a third party designated by the Company has established or may establish for an electronic signature system, and Participant's electronic signature shall be the same as, and shall have the same force and effect as, Participant's written signature. By electronically accepting this Agreement, Participant agrees to the following: "This electronic contract contains my electronic signature, which I have executed with the intent to sign this Agreement."

[REST OF PAGE LEFT INTENTIONALLY BLANK]

THIS AGREEMENT SHALL BE NULL AND VOID AND UNENFORCEABLE BY PARTICIPANT UNLESS SIGNED AND DELIVERED TO THE COMPANY NOT LATER THAN THIRTY (30) DAYS SUBSEQUENT TO THE DATE OF GRANT SET FORTH BELOW.

BY SIGNING THIS AGREEMENT, PARTICIPANT IS HEREBY CONSENTING TO THE USE AND TRANSFER OF PARTICIPANT'S PERSONAL DATA BY THE COMPANY TO THE EXTENT NECESSARY TO ADMINISTER AND PROCESS THE AWARDS GRANTED UNDER THIS AGREEMENT.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer and Participant has executed this Agreement, both as of the day and year first above written.

ENERSYS

By:	______________________________
Name:	Shawn M. O'Connell
Title:	President & Chief Executive Officer

PARTICIPANT

____

Name:	______________________________
Address:	______________________________
	______________________________

Date of Grant: _______________

Target Number of PSUs: ________

ANNEX I
to
Award Agreement for Employees – Performance-Based Stock Units
Under the 2023 Equity Incentive Plan

CALCULATION OF THE PERFORMANCE-BASED VESTING

Performance-Based Vesting Calculation

The PSUs are subject to adjustment based on the achievement of the Company's Adjusted Diluted EPS ex IRC 45X during the Performance Period.

The foregoing metric will be calculated based on the targets set forth below. The results of such metric will determine the number of PSUs earned for such metric. The number of PSUs determined after such adjustments (and subject further to the additional vesting requirements of Sections 3(a) and 3(b) of the Agreement) are referred to as the "Performance-Adjusted PSUs." Fractional shares remaining after such adjustments will be rounded up to the nearest whole share. No fractional shares will be issued.

A. Calculation of Performance Adjustment based on the Adjusted Diluted EPS ex IRC 45X Results

The following table outlines the percentage of the PSUs that may become earned based on Adjusted Diluted EPS ex IRC 45X performance during the Performance Period.

	Result	Goal Achievement for Performance Period[1]	Performance Adjustment Percentage
Adjusted Diluted EPS ex IRC 45X	**Below Threshold**	Less than $______	0%
	Threshold	$______	50%
	Target	$______	100%
	Superior	$______	200%
	Maximum	$______ or more	300%

The Performance Adjustment Percentage for Adjusted Diluted EPS ex IRC 45X for the Performance Period shall be calculated by straight-line interpolation for results achieved between Threshold and Target, for results achieved between Target and Superior, and for results between Superior and Maximum. The Performance Adjustment Percentage shall be 0% if Goal Achievement is Below Threshold.

[1] To the extent not otherwise included as an adjustment to Adjusted Diluted EPS ex IRC 45X (as defined), if:

(a) the historic financial statements of the Company for period(s) ending prior to the Performance Period are retrospectively recast in connection with a change in accounting principle or method adopted during the Performance Period,

(b) the Company effects a material acquisition, disposition, merger, spin-off or other similar transaction, or enters/exits a joint venture, affecting the Company or any Subsidiary or any portion thereof, during the Performance Period,

(c) the Company suffers or incurs items of gain, loss or expense determined to be unusual in nature, or charges for restructurings, discontinued operations, or any other unusual or infrequent items, or any other event materially outside the scope of those anticipated in the Company's operating plans,

(d) there are changes in tax law or other such laws or provisions affecting reported results,

(e) the Company establishes accruals or reserves, or impairs assets, for reorganization or restructuring programs, and/or

(f) the Company incurs or is adversely affected by any other eventuality contemplated by Section 14 of the Plan,

then in each such case where the amount is significant to the Company, the Compensation Committee shall, as determined appropriate in its sole discretion, adjust the performance goals or level of assessed performance, as described in this Annex I to ensure that Participant is not unfairly advantaged or disadvantaged by any of the events described in items (a)-(f).

[REST OF PAGE LEFT INTENTIONALLY BLANK]

B. Adjustments In Case of Certain Dispositions and Acquisitions

In the event of a sale or other disposition by the Company or one or more subsidiaries of all or part of a business, business unit, segment or subsidiary in a stock, asset, merger or other similar transaction or combination thereof, if such transaction is determined by the Compensation Committee to constitute a "change in ownership or control" within the meaning of Section 280G of the Code (and regardless of whether such transaction also constitutes a "Change in Control" as defined in this Agreement) (e.g., a sale or other disposition of assets of the Company that have a gross fair market value equal to or more than one-third of the total gross fair market value of all assets of the Company immediately before such transaction), the Compensation Committee may, in addition to or in lieu of any permitted adjustments to the performance goals or performance provided above, in its discretion take any action as determined to be equitable to reflect the closing of the transaction, including, but not limited to: (i) adjust the performance vesting conditions in any manner, including substituting new or additional performance goals, over the remaining Performance Period, (ii) cease the measurement of performance as of the closing of the transaction and adjust the Award to a time-vesting Award over the remainder of the Performance Period (at target, based on actual or projected performance at the time of the transaction, or on any other basis as the Compensation Committee may determine), or (iii) accelerate the vesting of all or any portion of the Award.

In the event of an acquisition by the Company of one or more subsidiaries in a stock, asset, merger or other similar transaction or combination thereof (regardless of whether such transaction also constitutes a "Change in Control" as defined in this Agreement), the Compensation Committee may, in addition to or in lieu of any permitted or required adjustments to the performance goals or performance provided above, in its discretion take any action as determined to be equitable to reflect the closing of the transaction, including, but not limited to: (i) adjust the performance vesting conditions in any manner, including substituting new or additional performance goals, over the remaining Performance Period or (ii) cease the measurement of performance as of the closing of the transaction and adjust the Award to a time-vesting Award over the remainder of the Performance Period (at target, based on actual or projected performance at the time of the transaction, or on any other basis as the Compensation Committee may determine).

Exhibit 31.1

Certification of Principal Executive Officer
Pursuant To Rule 13a-14(a)/15d-14(a) Under the Securities Exchange Act Of 1934

I, Shawn M. O'Connell, certify that:

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

By /s/ Shawn M. O'Connell

Shawn M. O'Connell
Chief Executive Officer

Date: August 12, 2026

Exhibit 31.2

Certification of Principal Financial Officer
Pursuant To Rule 13a-14(a)/15d-14(a) Under the Securities Exchange Act Of 1934

I, Andrea J. Funk, certify that:

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

By /s/ Andrea J. Funk

Andrea J. Funk
Chief Financial Officer

Date: August 12, 2026

Exhibit 32.1

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

I certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of EnerSys on Form 10-Q for the quarterly period ended July 5, 2026, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of EnerSys.

By /s/ Shawn M. O'Connell

Shawn M. O'Connell
Chief Executive Officer

By /s/ Andrea J. Funk

Andrea J. Funk
Chief Financial Officer

Date: August 12, 2026