

**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 2, 2023

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
(State or other jurisdiction of
incorporation or organization)

23-3058564
(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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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

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

Common Stock outstanding at August 4, 2023: 41,039,915 shares

EnerSys
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PART I – FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

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

	July 2, 2023	March 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 258,342	\$ 346,665
Accounts receivable, net of allowance for doubtful accounts: July 2, 2023 - \$9,033; March 31, 2023 - \$8,775	566,498	637,817
Inventories, net	809,402	797,798
Prepaid and other current assets	118,804	113,601
Total current assets	1,753,046	1,895,881
Property, plant, and equipment, net	512,970	513,283
Goodwill	688,442	676,715
Other intangible assets, net	354,662	360,412
Deferred taxes	49,153	49,152
Other assets	122,704	121,231
Total assets	\$ 3,480,977	\$ 3,616,674
Liabilities and Equity		
Current liabilities:		
Short-term debt	\$ 30,962	\$ 30,642
Accounts payable	343,336	378,641
Accrued expenses	261,353	309,037
Total current liabilities	635,651	718,320
Long-term debt, net of unamortized debt issuance costs	907,768	1,041,989
Deferred taxes	60,767	61,118
Other liabilities	193,612	191,366
Total liabilities	1,797,798	2,012,793
Commitments and contingencies		
Equity:		
Preferred Stock, \$0.01 par value, 1,000,000 shares authorized, no shares issued or outstanding at July 2, 2023 and at March 31, 2023	—	—
Common Stock, \$0.01 par value per share, 135,000,000 shares authorized, 56,129,710 shares issued and 41,030,034 shares outstanding at July 2, 2023; 56,004,613 shares issued and 40,901,059 shares outstanding at March 31, 2023	565	560
Additional paid-in capital	612,295	596,464
Treasury stock at cost, 15,099,676 shares held as of July 2, 2023 and 15,103,554 shares held as of March 31, 2023	(740,742)	(740,956)
Retained earnings	1,989,588	1,930,148
Contra equity - indemnification receivable	(2,463)	(2,463)
Accumulated other comprehensive loss	(179,476)	(183,474)
Total EnerSys stockholders' equity	1,679,767	1,600,279
Nonredeemable noncontrolling interests	3,412	3,602
Total equity	1,683,179	1,603,881
Total liabilities and equity	\$ 3,480,977	\$ 3,616,674

See accompanying notes.

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

	Quarter ended	
	July 2, 2023	July 3, 2022
Sales from products	\$ 807,647	\$ 799,147
Sales from services	100,922	99,824
Net sales	908,569	898,971
Cost of goods sold	587,203	635,859
Cost of services	77,962	77,577
Inventory adjustment relating to exit activities	3,098	—
Gross profit	240,306	185,535
Operating expenses	144,552	127,078
Restructuring and other exit charges	6,309	8,328
Operating earnings	89,445	50,129
Interest expense	15,244	11,597
Other expense (income), net	668	1,773
Earnings before income taxes	73,533	36,759
Income tax expense	6,736	5,781
Net earnings attributable to EnerSys stockholders	\$ 66,797	\$ 30,978
Net earnings per common share attributable to EnerSys stockholders:		
Basic	\$ 1.63	\$ 0.76
Diluted	\$ 1.60	\$ 0.75
Dividends per common share	\$ 0.175	\$ 0.175
Weighted-average number of common shares outstanding:		
Basic	40,937,334	40,786,336
Diluted	41,698,324	41,352,646

See accompanying notes.

EnerSys
Consolidated Condensed Statements of Comprehensive Income (Unaudited)
(In Thousands)

	Quarter ended	
	July 2, 2023	July 3, 2022
Net earnings	\$ 66,797	\$ 30,978
Other comprehensive income (loss):		
Net unrealized gain (loss) on derivative instruments, net of tax	\$ 1,786	(8,234)
Pension funded status adjustment, net of tax	\$ 20	89
Foreign currency translation adjustment	\$ 2,002	(52,220)
Total other comprehensive income (loss), net of tax	\$ 3,808	(60,365)
Total comprehensive income (loss)	\$ 70,605	(29,387)
Comprehensive income (loss) attributable to noncontrolling interests	\$ (190)	(210)
Comprehensive income (loss) attributable to EnerSys stockholders	\$ 70,795	\$ (29,177)

See accompanying notes.

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

	Quarter ended	
	July 2, 2023	July 3, 2022
Cash flows from operating activities		
Net earnings	\$ 66,797	\$ 30,978
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	22,693	23,624
Write-off of assets relating to exit activities	3,343	7,445
Derivatives not designated in hedging relationships:		
Net (losses) gains	503	(216)
Cash (settlements) proceeds	657	(600)
Provision for doubtful accounts	504	(173)
Deferred income taxes	42	20
Non-cash interest expense	410	487
Stock-based compensation	7,933	5,330
(Gain) loss on disposal of property, plant, and equipment	43	(40)
Changes in assets and liabilities:		
Accounts receivable	73,198	5,538
Inventories	(10,965)	(81,454)
Prepaid and other current assets	(4,089)	(5,465)
Other assets	(484)	(886)
Accounts payable	(39,307)	(33,073)
Accrued expenses	(46,647)	(24,973)
Other liabilities	315	1,567
Net cash provided by (used in) operating activities	74,946	(71,891)
Cash flows from investing activities		
Capital expenditures	(16,093)	(23,014)
Purchase of business	(8,270)	—
Proceeds from disposal of property, plant, and equipment	44	139
Net cash (used in) investing activities	(24,319)	(22,875)
Cash flows from financing activities		
Net (repayments) borrowings on short-term debt	(404)	(8,022)
Proceeds from Second Amended Revolver borrowings	80,000	163,200
Repayments of Second Amended Revolver borrowings	(216,380)	(27,200)
Option proceeds, net	7,654	—
Payment of taxes related to net share settlement of equity awards	—	(633)
Purchase of treasury stock	—	(22,907)
Dividends paid to stockholders	(7,173)	(7,108)
Other	354	207
Net cash (used in) provided by financing activities	(135,949)	97,537
Effect of exchange rate changes on cash and cash equivalents	(3,001)	(22,016)
Net decrease in cash and cash equivalents	(88,323)	(19,245)
Cash and cash equivalents at beginning of period	346,665	402,488
Cash and cash equivalents at end of period	\$ 258,342	\$ 383,243

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 2, 2023 are not necessarily indicative of the results that may be expected for the fiscal year ending March 31, 2024.

The Consolidated Condensed Balance Sheet at March 31, 2023 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 2023 Annual Report on Form 10-K (SEC File No. 001-32253), which was filed on May 25, 2023 (the "2023 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 2024 end on July 2, 2023, October 1, 2023, December 31, 2023, and March 31, 2024, respectively. The four quarters in fiscal 2023 ended on July 3, 2022, October 2, 2022, January 1, 2023, and March 31, 2023, 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, goodwill and intangible assets, valuation allowances on tax assets, pension and postretirement benefit obligations, contingencies and the identification and valuation of assets acquired and liabilities assumed in connection with business combinations.

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 2024 and 2023 amounted to \$58,654 and \$57,004, respectively.

On July 2, 2023, the aggregate transaction price allocated to unsatisfied (or partially unsatisfied) performance obligations was approximately \$149,294, of which, the Company estimates that approximately \$119,987 will be recognized as revenue in fiscal 2024, \$29,242 in fiscal 2025, and \$18 in fiscal 2026, \$23 in fiscal 2027, and \$24 thereafter.

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 2, 2023, the current and non-current portion of contract liabilities were \$29,822 and \$974, respectively. As of March 31, 2023, the current and non-current portion of contract liabilities were \$34,594 and \$1,437, respectively. Revenues recognized during the first quarter of fiscal 2024 and 2023 that were included in the contract liability at the beginning of the quarter, amounted to \$12,391 and \$4,590, respectively.

Amounts representing work completed and not billed to customers represent contract assets and were \$56,177 and \$48,616 as of July 2, 2023 and March 31, 2023, 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 2, 2023, the right of return asset related to the value of inventory anticipated to be returned from customers was \$4,748 and refund liability representing amounts estimated to be refunded to customers was \$8,317.

3. Accounts Receivable

	July 2, 2023	March 31, 2023
Accounts receivable	\$ 575,531	\$ 646,592
Allowance for doubtful accounts	9,033	8,775
Accounts receivable, net	<u>\$ 566,498</u>	<u>\$ 637,817</u>

During the third quarter of 2023, the Company entered into a Receivables Purchase Agreement (RPA), under which 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 an unaffiliated financial institution ("unaffiliated financial institution") on a monthly basis. The Company may sell certain US-originated accounts receivable balances up to a maximum amount of \$150,000. 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, and matures in December 2025. 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 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 2024, the Company sold \$182,391 of accounts receivables for approximately \$182,391 in proceeds to an unaffiliated financial institution, of which \$183,352 were collected as of July 2, 2023. Total collateralized accounts receivables of approximately \$228,154 were held by EnerSys Finance at July 2, 2023.

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 2, 2023	March 31, 2023
Raw materials	\$ 316,477	\$ 323,418
Work-in-process	119,320	123,401
Finished goods	373,605	350,979
Total	<u>\$ 809,402</u>	<u>\$ 797,798</u>

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 2, 2023 and March 31, 2023, and the basis for that measurement:

	Total Fair Value Measurement July 2, 2023	Quoted Price in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Lead forward contracts	\$ 409	\$ —	\$ 409	\$ —
Foreign currency forward contracts	(196)	—	(196)	—
Interest Rate Swaps	3,057	—	3,057	—
Net investment hedges	(18,661)	—	(18,661)	—
Total derivatives	<u>\$ (15,391)</u>	<u>\$ —</u>	<u>\$ (15,391)</u>	<u>\$ —</u>

	Total Fair Value Measurement March 31, 2023	Quoted Price in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Lead forward contracts	\$ (89)	\$ —	\$ (89)	\$ —
Foreign currency forward contracts	923	—	923	—
Interest Rate Swaps	(1,162)	—	(1,162)	—
Net investment hedges	(15,760)	—	(15,760)	—
Total derivatives	\$ (16,088)	\$ —	\$ (16,088)	\$ —

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 2023 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 are 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 Third Amended Credit Facility (as defined 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.

In fiscal 2020, the Company issued its 4.375% Senior Notes due December 15, 2027 (the “2027 Notes”), with an original face value of \$300,000. The fair value of the 2027 Notes represents the trading values based upon quoted market prices and are classified as Level 2. The 2027 Notes were trading at approximately 92% and 92% of face value on July 2, 2023 and March 31, 2023, respectively.

The carrying amounts and estimated fair values of the Company's derivatives and Senior Notes at July 2, 2023 and March 31, 2023 were as follows:

	July 2, 2023		March 31, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets:				
Derivatives ⁽¹⁾	\$ —	\$ —	\$ —	\$ —
Financial liabilities:				
Senior Notes ⁽²⁾	\$ 300,000	\$ 276,750	\$ 300,000	\$ 276,000
Derivatives ⁽¹⁾	\$ (15,391)	\$ (15,391)	\$ (16,088)	\$ (16,088)

(1) 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 2, 2023 and March 31, 2023).

(2) The fair value amount of the Senior Notes at July 2, 2023 and March 31, 2023 represent the trading value of the instruments.

Non-recurring fair value measurements

On June 29, 2022, the Company committed to a plan to close its facility in Ooltewah, Tennessee, which focused on manufacturing flooded motive power batteries for electric forklifts. Management determined that future demand for traditional motive power flooded cells will decrease as customers transition to maintenance free product solutions in lithium and Thin Plate Pure Lead (TPPL). As a result, the Company concluded that the carrying value of the asset group was not recoverable and recorded during the first quarter of fiscal 2023 a write-off of \$7,300 of the fixed assets, for which there is expected to be no salvageable value. The valuation technique used to measure the fair value of fixed assets was a combination of the income and market approaches. The inputs used to measure the fair value of these fixed assets under the income approach were largely unobservable and accordingly were classified as Level 3.

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 2, 2023 and March 31, 2023, the Company has hedged the price to purchase approximately 55.0 million pounds and 50.0 million pounds of lead, respectively, for a total purchase price of \$52,137 and \$47,921, 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 2, 2023 and March 31, 2023, the Company had entered into a total of \$44,760 and \$45,823, 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 our outstanding variable rate debt. At July 2, 2023 and March 31, 2023 such agreements effectively convert \$200,000 of our 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 December 23, 2021, the Company entered into cross currency fixed interest rate swap agreements, with aggregate notional amounts of \$300,000, to hedge its net investments in foreign operations against future volatility in the exchange rates between U.S. dollars and euros. On September 29, 2022, the Company terminated its \$300,000 cross-currency fixed interest rate swap contracts, originally entered into on December 23, 2021, and received a net settlement of \$43,384.

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. 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 income (expense).

Impact of Hedging Instruments on AOCI

In the coming twelve months, the Company anticipates that \$5,069 of pretax (gain) relating to lead, foreign currency forward contracts 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 2, 2023 and March 31, 2023, the notional amount of these contracts was \$75,798 and \$102,558, 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 2, 2023 and March 31, 2023

	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 2, 2023	March 31, 2023	July 2, 2023	March 31, 2023	July 2, 2023	March 31, 2023
Prepaid and other current assets:						
Lead forward contracts	\$ 409	\$ —	\$ —	\$ —	\$ —	\$ —
Foreign currency forward contracts	764	723	—	—	—	200
Net investment hedges	—	—	—	—	—	—
Other assets:						
Interest Rate Swaps	3,057	—	—	—	—	—
Net investment hedges	—	—	—	—	—	—
Total assets	\$ 4,230	\$ 723	\$ —	\$ —	\$ —	\$ 200
Accrued expenses:						
Lead forward contracts	\$ —	\$ 89	\$ —	\$ —	\$ —	\$ —
Foreign currency forward contracts	—	—	—	—	960	—
Other liabilities:						
Interest Rate Swaps	—	1,162	—	—	—	—
Net investment hedges	—	—	18,661	15,760	—	—
Total liabilities	\$ —	\$ 1,251	\$ 18,661	\$ 15,760	\$ 960	\$ —

The Effect of Derivative Instruments on the Consolidated Condensed Statements of Income
For the quarter ended July 2, 2023

	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)
Derivatives Designated as Cash Flow Hedges			
Lead forward contracts	\$ 475	Cost of goods sold	\$ 630
Foreign currency forward contracts	899	Cost of goods sold	3,095
Interest rate swaps	4,849	Interest expense	171
Total	6,223		3,896
Derivatives Designated as Net Investment Hedges			
Cross currency fixed interest rate swaps	\$ (2,790)	Interest expense	\$ 112
Total	(2,790)		112
Derivatives Not Designated as Hedging Instruments			
Foreign currency forward contracts		Other (income) expense, net	\$ (503)
Total			\$ (503)

**The Effect of Derivative Instruments on the Consolidated Condensed Statements of Income
For the quarter ended July 3, 2022**

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	\$ (10,862)	Cost of goods sold	\$ 695
Foreign currency forward contracts	1,255	Cost of goods sold	446
Total	\$ (9,607)		\$ 1,141

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	\$ 23,595	Interest expense	\$ 1,258
Total	23,595		1,258

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	\$ 216
Total		\$ 216

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 2024 and 2023 was based on the estimated effective tax rates applicable for the full years ending March 31, 2024 and March 31, 2023, 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.

On August 16, 2022, the Inflation Reduction Act of 2022 ("IRA") was enacted. The IRA includes multiple incentives to promote clean energy, and energy storage manufacturing among other provisions with tax credits available from 2023 to 2032, subject to phase down beginning in 2030. In particular the IRA creates a refundable tax credit, pursuant to Section 45X of the Internal Revenue Code ("IRC"), for battery cells and battery modules manufactured or assembled in the United States and sold to third parties. In the first quarter of fiscal 2024, the IRA impact resulted in a reduction of our costs of goods sold and income tax payable. There is a possibility that additional clarification guidance is issued with respect to the Section 45X credit qualifications. Amounts recognized in the Consolidated Condensed Financial Statements are based on Management's judgement and best estimate utilizing the most current guidance. The Company will continue to evaluate the effects of IRA as more guidance is issued and the relevant implications to our Consolidated Condensed Financial Statements. Actual results could differ from management's current estimate.

The consolidated effective income tax rates for the first quarter of fiscal 2024 and 2023 were 9.2% and 15.7%. The rate decrease in the first quarter compared to the prior year quarter is primarily due to the impact of the IRA. In addition, there was a discrete foreign exchange tax benefit related to undistributed earnings which was offset by the mix of earnings among tax jurisdictions.

Foreign income as a percentage of worldwide income is estimated to be 51% for fiscal 2024 compared to 77% for fiscal 2023. This reduction is primarily due to the impact of the IRA. The foreign effective tax rates for the current quarter of fiscal 2024 and 2023 were 12% and 11%, respectively. Income from the Company's Swiss subsidiary comprised a substantial portion of the Company's overall foreign mix of income for both fiscal 2024 and fiscal 2023 and were taxed at an effective income tax rate of approximately 8% and 9%, 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 2, 2023	July 3, 2022
Balance at beginning of period	\$ 56,630	\$ 54,978
Current period provisions	8,685	4,940
Costs incurred	(7,446)	(5,744)
Foreign currency translation adjustment	569	(1,220)
Balance at end of period	\$ 58,438	\$ 52,954

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.

European Competition Investigations

Certain of the Company's European subsidiaries had received subpoenas and requests for documents and, in some cases, interviews from, and have had on-site inspections conducted by, the competition authorities of Belgium, Germany and the Netherlands relating to conduct and anticompetitive practices of certain industrial battery participants. For additional information regarding these matters, see Note 19 - *Commitments, Contingencies and Litigation* to the Consolidated Financial Statements contained in the 2023 Annual Report. As of July 2, 2023 and March 31, 2023, the Company did not have a reserve balance related to these matters.

The precise scope, timing and time period at issue, as well as the final outcome of the investigations or customer claims, remain uncertain. Accordingly, the Company's estimate may change from time to time, and actual losses could vary.

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 agreement, maturing on December 15, 2027, 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.

10. Restructuring and other Exit Charges

Restructuring Programs

As disclosed in the 2023 Annual Report, the Company committed to restructuring plans aimed at improving operational efficiencies across its lines of business. A substantial portion of these plans are complete with an estimated \$432 remaining to be incurred by the end of fiscal 2024, mainly related to plans started in fiscal 2021 and fiscal 2022. Restructuring and exit charges for the first quarter of fiscal 2024 by reportable segments are as follows:

	Quarter ended July 2, 2023			
	Energy Systems	Motive Power	Specialty	Total
Restructuring charges	\$ 488	\$ —	\$ —	\$ 488
Exit charges	—	1,559	4,262	5,821
Restructuring and other exit charges	\$ 488	\$ 1,559	\$ 4,262	\$ 6,309

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

Balance as of March 31, 2023	\$ 445
Accrued	488
Costs incurred	(505)
Foreign currency impact	4
Balance as of July 2, 2023	\$ 432

Exit Charges

Fiscal 2023 Programs

Sylmar

In November 2022, the Company committed to a plan to close its facility in Sylmar, California, which manufactures specialty lithium batteries for aerospace and medical applications. Management determined to close the site upon the expiration of its lease on the property and to redirect production through consolidation into existing locations. The Company currently estimates total charges in the exit to amount to \$9,460. Cash charges are estimated to total \$5,700 primarily relating to severance and other costs to leave the site. Non-cash charges are estimated to be \$3,760 relating to fixed assets, inventory, and contract assets. The plan is expected to be completed in fiscal 2024.

During fiscal 2023, the Company recorded cash charges of \$1,682 related primarily related to severance costs and non-cash charges totaling \$417 primarily relating to contract assets.

During the current quarter of fiscal 2024, the Company recorded cash charges of \$4,017 primarily related to severance costs, relocation expenses, and manufacturing variances and non-cash charges totaling \$245. The Company also recorded a non-cash write off relating to inventories of \$3,098, which was reported in cost of goods sold.

Ooltewah

On June 29, 2022, the Company committed to a plan to close its facility in Ooltewah, Tennessee, which produced flooded motive power batteries for electric forklifts. Management determined that future demand for traditional motive power 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 is expected to be completed in calendar 2023.

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 the current quarter of fiscal 2024, the Company recorded cash charges relating to site clean up and decommissioning equipment of \$881.

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 motive power batteries for electric forklifts. Management determined that future demand for the motive power 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.

The Company currently estimates that the total charges for these actions will amount to approximately \$60,000, of which cash charges for employee severance related payments, cleanup related to the facility, contractual releases and legal expenses were estimated to be \$40,000 and non-cash charges from

inventory and equipment write-offs were estimated to be \$20,000. The majority of these charges were recorded as of January 1, 2023. These actions resulted in the reduction of approximately 200 employees.

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 the current quarter of fiscal 2024, the Company recorded cash charges of \$485 relating primarily to site cleanup and \$143 of non-cash charges relating to accelerated depreciation of fixed assets.

11. Debt

The following summarizes the Company's long-term debt as of July 2, 2023 and March 31, 2023:

	July 2, 2023		March 31, 2023	
	Principal	Unamortized Issuance Costs	Principal	Unamortized Issuance Costs
Senior Notes	\$ 300,000	\$ 2,561	\$ 300,000	\$ 2,705
Fourth Amended Credit Facility, due 2026	613,782	3,453	748,413	3,719
	\$ 913,782	\$ 6,014	\$ 1,048,413	\$ 6,424
Less: Unamortized issuance costs	6,014		6,424	
Long-term debt, net of unamortized issuance costs	\$ 907,768		\$ 1,041,989	

The Company's Senior Notes comprise the following:

4.375% Senior Notes due 2027

On December 11, 2019, the Company issued \$300,000 in aggregate principal amount of its 4.375% Senior Notes due December 15, 2027 (the "2027 Notes"). Proceeds from this offering, net of debt issuance costs were \$296,250 and were utilized to pay

down the Amended 2017 Revolver (defined below). The 2027 Notes bear interest at a rate of 4.375% per annum accruing from December 11, 2019. Interest is payable semiannually in arrears on June 15 and December 15 of each year, commencing on June 15, 2020. The 2027 Notes mature on December 15, 2027, unless earlier redeemed or repurchased in full and are unsecured and unsubordinated obligations of the Company. They are fully and unconditionally guaranteed, jointly and severally, by certain of its subsidiaries that are guarantors under the Fourth Amended Credit Facility (defined below). These guarantees are unsecured and unsubordinated obligations of such guarantors.

The Company may redeem, prior to September 15, 2027, all or a portion of the 2027 Notes at a price equal to 100% of the principal amount of the 2027 Notes to be redeemed, plus accrued and unpaid interest and a “make whole” premium to, but excluding, the redemption date. The Company may redeem, on or after September 15, 2027, all or a portion of the 2027 Notes at a price equal to 100% of the principal amount of the 2027 Notes, plus accrued and unpaid interest to, but excluding, the redemption date. If a change of control triggering event occurs, the Company will be required to offer to repurchase the 2027 Notes at a price in cash equal to 101% of the aggregate principal amount of the 2027 Notes, plus accrued and unpaid interest to, but excluding, the date of repurchase.

2017 Credit Facility and Subsequent Amendments

In fiscal 2018, the Company entered into a credit facility (the “2017 Credit Facility”). The 2017 Credit Facility was scheduled to mature on September 30, 2022, initially comprised a \$600,000 senior secured revolving credit facility (“2017 Revolver”) and a \$150,000 senior secured term loan (“2017 Term Loan”). The Company utilized the borrowings from the 2017 Credit Facility to repay its pre-existing credit facility.

In fiscal 2019, the Company amended the 2017 Credit Facility (as amended, the “Amended Credit Facility”) to fund the Alpha acquisition. The Amended Credit Facility consisted of \$449,105 senior secured term loans (the “Amended Term Loan”), including a CAD 133,050 (\$99,105) senior secured term loan and a \$700,000 senior secured revolving credit facility (the “Amended Revolver”). The amendment resulted in an increase of the 2017 Term Loan and the 2017 Revolver by \$299,105 and \$100,000, respectively.

During the second quarter of fiscal 2022, the Company entered into a second amendment to the 2017 Credit Facility (as amended, the “Second Amended Credit Facility”). The Second Amended Credit Facility, scheduled to mature on September 30, 2026, consists of a \$130,000 senior secured term loan (the “Second Amended Term Loan”), a CAD 106,440 (\$84,229) senior secured term loan and an \$850,000 senior secured revolving credit facility (the “Second Amended Revolver”). The second amendment resulted in a decrease of the Amended Term Loan by \$150,000 and an increase of the Amended Revolver by \$150,000.

During the second quarter of fiscal 2023, the Company entered into a third amendment to the 2017 Credit Facility (as amended, the “Third Amended Credit Facility”). The Third Amended Credit Facility provides a new incremental delayed-draw senior secured term loan up to \$300,000 (the “Third Amended Term Loan”), which shall be available to draw at any time until March 15, 2023. Once drawn, the funds will mature on September 30, 2026, the same as the Company’s Second Amended Term loan and Second Amended Revolver. In connection with the agreement, the Company incurred \$1,161 in third party administrative and legal fees recognized in interest expense and capitalized \$1,096 in charges from existing lenders as a deferred asset. During the fourth quarter, the Company drew \$300,000 in the form of the Third Amended Term Loan. Additionally, the Company derecognized the capitalized deferred asset and recognized the \$1,096 as deferred financing costs.

During the fourth quarter of fiscal 2023, the Company entered into a fourth amendment to the 2017 Credit Facility (as amended, the “Fourth Amended Credit Facility”). The Fourth Amended Credit Facility replaces the London Interbank Offered Rate (“LIBOR”) with the Secured Overnight Financing Rate (“SOFR”) in the calculation of interest for both the Second Amended Revolver and the Second Amended Term Loan.

Subsequent to the fourth amendment, the quarterly installments payable on the Second Amended Term Loan are 2,630 beginning December 31, 2022, 3,945 beginning December 31, 2024 and 5,261 beginning December 31, 2025 with a final payment of 157,817 on September 30, 2026. The Fourth Amended Credit Facility may be increased by an aggregate amount of \$350,000 in revolving commitments and /or one or more new tranches of term loans, under certain conditions. Both the Second Amended Revolver and the Second Amended Term Loan bear interest, at the Company’s option, at a rate per annum equal to either (i) the SOFR or Canadian Dollar Offered Rate (“CDOR”) plus (i) Term SOFR plus between 1.125% and 2.25% (currently 1.25% and based on the Company’s consolidated net leverage ratio) or (ii) the U.S. Dollar Base Rate (which equals, for any day a fluctuating rate per annum equal to the highest of (a) the Federal Funds Effective Rate plus 0.50%, (b) Bank of America “Prime Rate” and (c) the Eurocurrency Base Rate plus 1%; provided that, if the Base Rate shall be less than zero, such rate shall be deemed zero) (iii) the CDOR Base Rate equal to the higher of (a) Bank of America “Prime Rate” and (b) average 30-day CDOR rate plus 0.50%.

The quarterly installments payable on the Third Amended Term Loan are \$3,750 beginning June 30, 2023, \$5,625 beginning December 31, 2024 and \$7,500 beginning December 31, 2025 with a final payment of \$232,500 on September 30, 2026. The Third Amended Term Loan bears interest, at the Company's option, at a rate per annum equal to either (i) SOFR plus 10 basis points plus (i) Term SOFR plus between 1.375% and 2.50% (currently 1.50% and based on the Company's consolidated net leverage ratio) or (ii) the U.S. Dollar Base Rate plus between 0.375% and 1.50%, which equals, for any day a fluctuating rate per annum equal to the highest of (a) the Federal Funds Effective Rate plus 0.50%, (b) Bank of America "Prime Rate" and (c) the Term SOFR plus 1%; provided that, if the Base Rate shall be less than zero, such rate shall be deemed zero). Until the funds were drawn on March 13, 2023, the Company paid a commitment fee of 0.175% to 0.35% at a rate per annum on the unused portion.

Obligations under the Fourth Amended Credit Facility are secured by substantially all of the Company's existing and future acquired assets, including substantially all of the capital stock of the Company's United States subsidiaries that are guarantors under the Fourth Amended Credit Facility and up to 65% of the capital stock of certain of the Company's foreign subsidiaries that are owned by the Company's United States subsidiaries.

The Fourth Amended Credit Facility allows for up to two temporary increases in the maximum leverage ratio to 4.50x from 4.00x to 4.25x for a four quarter period following an acquisition larger than \$250,000. Effective with the Fourth Amended Credit Facility, the maximum leverage ratio increased from 3.50x to 4.25x effective to the last day of the second quarter of fiscal year 2024 and decreasing subsequently to 4.00x.

As of July 2, 2023, the Company had \$115,000 outstanding under the Second Amended Revolver, \$498,782 under the Second Amended Term Loan, and \$300,000 outstanding under the Third Amended Term Loan.

Current Portion of Debt

The scheduled repayments within the next twelve months, relating to the Second and Third Amended Term Loans, are \$10,521 and \$15,000, respectively, and is classified as long-term debt, as the Company expects to refinance the future quarterly payments with revolver borrowings under the Second Amended Credit Facility.

Short-Term Debt

As of July 2, 2023 and March 31, 2023, the Company had \$30,962 and \$30,642, respectively, of short-term borrowings. The weighted average interest rate on these borrowings was approximately 6.6% and 7.0%, respectively, at July 2, 2023 and March 31, 2023.

Letters of Credit

As of July 2, 2023 and March 31, 2023, the Company had \$3,665 and \$3,565 of standby letters of credit, respectively.

Debt Issuance Costs

In connection with the Second Amended Credit Facility, the Company capitalized \$2,952 in debt issuance costs and wrote off \$128 of unamortized debt issuance costs. Amortization expense, relating to debt issuance costs, included in interest expense was \$410 and \$487, respectively, for the first quarter ended July 2, 2023 and July 3, 2022, respectively. Debt issuance costs, net of accumulated amortization, totaled \$6,014 and \$6,424, respectively, at July 2, 2023 and March 31, 2023.

Available Lines of Credit

As of July 2, 2023 and March 31, 2023, the Company had available and undrawn, under all its lines of credit, \$823,925 and \$693,444, respectively, including \$91,320 and \$90,839, 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		International Plans	
	Quarter ended		Quarter ended	
	July 2, 2023	July 3, 2022	July 2, 2023	July 3, 2022
Service cost	\$ —	\$ —	\$ 220	\$ 235
Interest cost	166	145	585	440
Expected return on plan assets	(76)	(119)	(406)	(517)
Amortization and deferral	—	—	29	123
Net periodic benefit cost	\$ 90	\$ 26	\$ 428	\$ 281

13. Stock-Based Compensation

As of July 2, 2023, the Company maintains the 2017 Equity Incentive Plan as amended from time to time ("2017 EIP"). The 2017 EIP reserved 4,173,554 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 \$7,933 for the first quarter of fiscal 2024 and \$5,330 for the first quarter of fiscal 2023. The Company recognizes compensation expense using the straight-line method over the vesting period of the awards.

During the current quarter of fiscal 2024, the Company granted to non-employee directors 2,301 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.

During the current quarter of fiscal 2024, the Company granted to management and other key employees 7,215 restricted stock units that vest ratably over four years from the date of grant.

Common stock activity during the current quarter of fiscal 2024 included the exercise of 152,963 stock options.

As of July 2, 2023, there were 1,042,705 non-qualified stock options, 1,020,365 restricted stock units including non-employee director restricted stock units and 31,706 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 2, 2023:

Shares outstanding as of March 31, 2023	40,901,059
Shares issued under equity-based compensation plans, net of equity awards surrendered for option price and taxes	128,975
Shares outstanding as of July 2, 2023	41,030,034

Treasury Stock

During the first quarter ended July 2, 2023, the Company did not purchase any shares and purchased 358,365 shares for \$22,907 the first quarter ended July 3, 2022. At July 2, 2023 and March 31, 2023, the Company held 15,099,676 and 15,103,554 shares as treasury stock, respectively. During the current quarter ended July 2, 2023, the Company also issued 3,878

shares out of its treasury stock, valued at \$62.55 per share, on a LIFO basis, 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 2, 2023 and March 31, 2023, are as follows:

	March 31, 2023	Before Reclassifications	Amounts Reclassified from AOCI	July 2, 2023
Pension funded status adjustment	\$ (4,423)	\$ —	\$ 20	\$ (4,403)
Net unrealized gain (loss) on derivative instruments	1,411	4,771	(2,985)	3,197
Foreign currency translation adjustment ⁽¹⁾	(180,462)	2,192	—	(178,270)
Accumulated other comprehensive (loss) income	<u>\$ (183,474)</u>	<u>\$ 6,963</u>	<u>\$ (2,965)</u>	<u>\$ (179,476)</u>

⁽¹⁾ Foreign currency translation adjustment for the current quarter ended July 2, 2023 includes a \$2,224 gain (net of taxes of \$678) related to the Company's \$150,000 cross-currency fixed interest rate swap contract.

The following table presents reclassifications from AOCI during the first quarter ended July 2, 2023:

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	\$ (3,896)	Cost of goods sold
Tax expense	911	
Net unrealized loss on derivative instruments, net of tax	<u>\$ (2,985)</u>	
Derivatives in net investment hedging relationships:		
Net unrealized gain on derivative instruments	\$ (112)	Interest expense
Tax expense	26	
Net unrealized gain on derivative instruments, net of tax	<u>\$ (86)</u>	
Defined benefit pension costs:		
Prior service costs and deferrals	\$ 29	Net periodic benefit cost, included in other (income) expense, net - See Note 12
Tax benefit	(9)	
Net periodic benefit cost, net of tax	<u>\$ 20</u>	

The following table presents reclassifications from AOCI during the first quarter ended July 3, 2022:

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	\$ (1,141)	Cost of goods sold
Tax expense	267	
Net unrealized gain on derivative instruments, net of tax	<u>\$ (874)</u>	
Derivatives in net investment hedging relationships:		
Net unrealized gain on derivative instruments	\$ (1,258)	Interest expense
Tax expense	294	
Net unrealized gain on derivative instruments, net of tax	<u>\$ (964)</u>	
Defined benefit pension costs:		
Prior service costs and deferrals	\$ 123	Net periodic benefit cost, included in other (income) expense, net - See Note 12
Tax benefit	(34)	
Net periodic benefit cost, net of tax	<u>\$ 89</u>	

The following demonstrates the change in equity attributable to EnerSys stockholders and nonredeemable noncontrolling interests during the first quarter and current quarter ended July 2, 2023:

<i>(In Thousands, Except Per Share Data)</i>	Preferred Stock	Common Stock	Additional Paid-in Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Contra-Equity	Total EnerSys Stockholders' Equity	Non-redeemable Non-Controlling Interests	Total Equity
Balance at March 31, 2023	\$ —	\$ 560	\$ 596,464	\$ (740,956)	\$ 1,930,148	\$ (183,474)	\$ (2,463)	\$ 1,600,279	\$ 3,602	\$ 1,603,881
Stock-based compensation	—	—	7,933	—	—	—	—	7,933	—	7,933
Exercise of stock options	—	5	7,649	—	—	—	—	7,654	—	7,654
Shares issued under equity awards (taxes paid related to net share settlement of equity awards), net	—	—	—	—	—	—	—	—	—	—
Purchase of common stock	—	—	—	—	—	—	—	—	—	—
Other	—	—	65	214	—	—	—	279	—	279
Net earnings	—	—	—	—	66,797	—	—	66,797	—	66,797
Dividends (\$0.175 per common share)	—	—	184	—	(7,357)	—	—	(7,173)	—	(7,173)
Other comprehensive income:										
Pension funded status adjustment (net of tax benefit of \$9)	—	—	—	—	—	20	—	20	—	20
Net unrealized gain (loss) on derivative instruments (net of tax expense of \$544)	—	—	—	—	—	1,786	—	1,786	—	1,786
Foreign currency translation adjustment	—	—	—	—	—	2,192	—	2,192	(190)	2,002
Balance at July 2, 2023	\$ —	\$ 565	\$ 612,295	\$ (740,742)	\$ 1,989,588	\$ (179,476)	\$ (2,463)	\$ 1,679,767	\$ 3,412	\$ 1,683,179

The following demonstrates the change in equity attributable to EnerSys stockholders and nonredeemable noncontrolling interests during the first quarter and current quarter ended July 3, 2022:

<i>(In Thousands, Except Per Share Data)</i>	Preferred Stock	Common Stock	Additional Paid-in Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Contra-Equity	Total EnerSys Stockholders' Equity	Non-redeemable Non-Controlling Interests	Total Equity
Balance at March 31, 2022	\$ —	\$ 557	\$ 571,464	\$ (719,119)	\$ 1,783,586	\$ (143,495)	\$ (3,620)	\$ 1,489,373	\$ 3,902	\$ 1,493,275
Stock-based compensation	—	—	5,330	—	—	—	—	5,330	—	5,330
Exercise of stock options	—	1	—	—	—	—	—	1	—	1
Shares issued under equity awards (taxes paid related to net share settlement of equity awards), net	—	—	(633)	—	—	—	—	(633)	—	(633)
Purchase of common stock	—	—	—	(22,907)	—	—	—	(22,907)	—	(22,907)
Other	—	—	(41)	240	—	—	—	199	—	199
Net earnings	—	—	—	—	30,978	—	—	30,978	—	30,978
Dividends (\$0.175 per common share)	—	—	174	—	(7,282)	—	—	(7,108)	—	(7,108)
Dissolution of joint venture	—	—	—	—	—	—	—	—	—	—
Other comprehensive income:										
Pension funded status adjustment (net of tax benefit of \$34)	—	—	—	—	—	89	—	89	—	89
Net unrealized gain (loss) on derivative instruments (net of tax benefit of \$2,514)	—	—	—	—	—	(8,234)	—	(8,234)	—	(8,234)
Foreign currency translation adjustment	—	—	—	—	—	(52,010)	—	(52,010)	(210)	(52,220)
Balance at July 3, 2022	\$ —	\$ 558	\$ 576,294	\$ (741,786)	\$ 1,807,282	\$ (203,650)	\$ (3,620)	\$ 1,435,078	\$ 3,692	\$ 1,438,770

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 2, 2023	July 3, 2022
Net earnings attributable to EnerSys stockholders	\$ 66,797	\$ 30,978
Weighted-average number of common shares outstanding:		
Basic	40,937,334	40,786,336
Dilutive effect of:		
Common shares from exercise and lapse of equity awards, net of shares assumed reacquired	760,990	566,310
Diluted weighted-average number of common shares outstanding	41,698,324	41,352,646
Basic earnings per common share attributable to EnerSys stockholders	\$ 1.63	\$ 0.76
Diluted earnings per common share attributable to EnerSys stockholders	\$ 1.60	\$ 0.75
Anti-dilutive equity awards not included in diluted weighted-average common shares	432,487	1,002,352

16. Business Segments

Effective April 1, 2023, the Company created a new line of business and operating segment named New Ventures in addition to the existing lines of businesses: Energy Systems, Motive Power, and Specialty. The results of New Ventures include start-up operating expenses captured within the "Corporate and other" category of operating earnings. New Ventures provides energy storage and management systems for demand charge reduction, utility back-up power, and dynamic fast charging for electric vehicles.

Summarized financial information related to the Company's reportable segments for the first quarter ended July 2, 2023 and July 3, 2022, is shown below:

	Quarter ended	
	July 2, 2023	July 3, 2022
Net sales by segment to unaffiliated customers ⁽¹⁾		
Energy Systems	\$ 424,548	\$ 408,579
Motive Power	350,781	367,851
Specialty	133,240	122,541
Total net sales	\$ 908,569	\$ 898,971
Operating earnings by segment		
Energy Systems	\$ 29,649	\$ 15,014
Motive Power	50,368	42,406
Specialty	9,817	9,231
Corporate and other ⁽³⁾	17,403	—
Inventory adjustment relating to exit activities - Specialty	(3,098)	—
Restructuring and other exit charges - Energy Systems	(488)	(162)
Restructuring and other exit charges - Motive Power	(1,559)	(8,166)
Restructuring and other exit charges - Specialty	(4,262)	—
Amortization - Energy Systems	(6,217)	(7,330)
Amortization - Motive	(111)	(110)
Amortization - Specialty	(702)	(735)
Other - Energy Systems	(749)	(10)
Other - Motive	(468)	(9)
Other - Specialty	(138)	—
Total operating earnings ⁽²⁾	\$ 89,445	\$ 50,129

(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 IRA production tax credits. Also, included are start up costs for exploration of a new lithium plant as well as start-up operating expenses from the New Ventures operating segment.

17. Subsequent Events

On August 9, 2023, the Board of Directors approved a quarterly cash dividend of \$0.225 per share of common stock to be paid on September 29, 2023 to stockholders of record as of September 15, 2023.

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 and 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, 2023 (our “2023 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 COVID-19 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, 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 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 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 locating 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;
- 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 world leader in stored energy solutions for industrial applications. We design, manufacture, and distribute energy systems solutions and motive power batteries, specialty batteries, battery chargers, power equipment, battery accessories and outdoor equipment enclosure solutions to customers worldwide. Energy Systems, which combine power conversion, power distribution, energy storage, and enclosures, are used in the telecommunication, broadband, data center and utility industries, uninterruptible power supplies, and numerous applications requiring stored energy solutions. Motive Power batteries and chargers are utilized in electric forklift trucks, automated guided vehicles (AGVs), and other industrial electric powered vehicles. Specialty batteries are used in aerospace and defense applications, large over the road trucks, premium automotive and medical products. New Ventures provides energy storage and management systems for demand charge reduction, utility back-up power, and dynamic fast charging for electric vehicles. We also provide aftermarket and customer support services to over 10,000 customers in more than 100 countries through a network of distributors, independent representatives and our internal sales force around the world.

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

- **Energy Systems** - uninterruptible power systems, or “UPS” applications for computer and computer-controlled systems, as well as telecommunications systems, switchgear and electrical control systems used in industrial facilities and electric utilities, large-scale energy storage and energy pipelines. Energy Systems also includes highly integrated power solutions and services to broadband, telecom, data center, and renewable and industrial customers, as well as thermally managed cabinets and enclosures for electronic equipment and batteries.
- **Motive Power** - power for electric industrial forklifts used in manufacturing, warehousing and other material handling applications, AGVs, as well as mining equipment, diesel locomotive starting and other rail equipment.
- **Specialty** - premium starting, lighting and ignition applications in transportation, energy solutions for satellites, military aircraft, submarines, ships and other tactical vehicles as well as medical devices and equipment.
- **New Ventures** - energy storage and management systems for demand charge reduction, utility back-up power, and dynamic fast charging for electric vehicles.

Economic Climate

The economic climate in North America, China and EMEA slowed in calendar 2022 after experiencing strong growth during calendar 2021. All regions are experiencing a rise in inflation and are being negatively impacted by the war in Ukraine. We expect interest rates to continue to increase in the U.S. and the Euro zone. China's slowing economy is facing further headwinds caused by continued high COVID-19 infection rates.

EnerSys is experiencing supply chain disruptions and cost spikes in certain materials such as plastic resins and electronic components along with transportation and related logistics challenges and broad-based cost increases. In addition, certain locations are experiencing difficulty meeting hiring and labor retention goals. Generally, our mitigation efforts and ongoing lean initiatives, have tempered the impact of the pandemic-related challenges. The overall market demand remains robust.

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. Since the beginning of fiscal year 2023, we have experienced a range in lead prices from just above \$1.10 per pound to approximately \$0.85 per pound. We are experiencing elevated costs in some of our other raw materials such as plastic resins, steel, copper, acid, separator paper and electronics and elevated freight and increased energy costs. However, these increased costs have moderated during fiscal year 2024.

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 2023 and 2024, customer pricing has 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 2024 versus fiscal 2023. However, given the lag related to increasing our selling prices for inflationary cost increase, on average our selling prices should be higher in fiscal 2024 versus fiscal 2023. 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 most 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 \$1,032.6 million (yielding a primary operating capital percentage of 28.4%) at July 2, 2023, \$1,057.0 million (yielding a primary operating capital percentage of 26.7%) at March 31, 2023 and \$1,131.5 million at July 3, 2022 (yielding a primary operating capital percentage of 31.5%). The primary operating capital percentage of 28.4% at July 2, 2023 worsened by 170 basis points compared to March 31, 2023 and improved 310 basis points compared to July 3, 2022. The increase in primary operating capital percentage at July 2, 2023 compared to March 31, 2023 was primarily due to a reduction in sales compared to the fourth fiscal quarter of the prior fiscal year. The decrease in primary operating capital percentage at July 2, 2023 compared to July 3, 2022 was primarily from the sale of \$150.0 million in accounts receivables through a Receivables Purchase Agreement (RPA) entered into during the third quarter of fiscal 2023.

Primary operating capital and primary operating capital percentages at July 2, 2023, March 31, 2023 and July 3, 2022 are computed as follows:

<i>(\$ in Millions)</i>	July 2, 2023	March 31, 2023	July 3, 2022
Accounts receivable, net	\$ 566.5	\$ 637.8	\$ 697.1
Inventory, net	809.4	797.8	777.7
Accounts payable	(343.3)	(378.6)	(343.3)
Total primary operating capital	\$ 1,032.6	\$ 1,057.0	\$ 1,131.5
Trailing 3 months net sales	\$ 908.6	\$ 989.9	\$ 899.0
Trailing 3 months net sales annualized	\$ 3,634.4	\$ 3,959.6	\$ 3,595.9
Primary operating capital as a % of annualized net sales	28.4 %	26.7 %	31.5 %

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 \$258 million of available cash and cash equivalents and available and undrawn committed credit lines of approximately \$733 million at July 2, 2023, 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.

During the second quarter of fiscal 2022, we entered into a second amendment to the Amended Credit Facility (as amended, the “Second Amended Credit Facility”). As a result, the Second Amended Credit Facility, now scheduled to mature on September 30, 2026, consists of a \$130.0 million senior secured term loan (the “Second Amended Term Loan”), a CAD 106.4 million (\$84.2 million) term loan and an \$850.0 million senior secured revolving credit facility (the “Second Amended Revolver”). This amendment resulted in a decrease of the Amended Term Loan by \$150.0 million and an increase of the Amended Revolver by \$150.0 million.

During the second quarter of fiscal 2023, the Company entered into a third amendment to the 2017 Credit Facility (as amended, the “Third Amended Credit Facility”). The Third Amended Credit Facility provided new incremental delayed-draw senior secured term loan up to \$300 million (the “Third Amended Term Loan”), which was available to draw until March 15, 2023. During the fourth quarter, the Company drew \$300 million in the form of the Third Amended Term Loan. The funds will mature on September 30, 2026, the same as the Company's Second Amended Term loan and Second Amended Revolver. In connection with the agreement, the Company incurred \$1.2 million in third party administrative and legal fees recognized in interest expense and capitalized \$1.1 million in charges from existing lenders as a deferred asset. Additionally, the Company derecognized the capitalized deferred asset and recognized the \$1.1 million as deferred financing costs.

During the fourth quarter of fiscal 2023, the Company entered into a fourth amendment to the 2017 Credit Facility (as amended, the “Fourth Amended Credit Facility”). The Fourth Amended Credit Facility replaces the London Interbank Offered Rate (“LIBOR”) with the Secured Overnight Financing Rate (“SOFR”) in the calculation of interest for both the Second Amended Revolver and the Second Amended Term Loan.

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

Results of Operations

Net Sales

Net sales increased \$9.6 million or 1.1% in the first quarter of fiscal 2024 as compared to the first quarter of fiscal 2023. This increase was the result of an 9% increase in pricing offset by an 8% decrease in organic growth.

Segment sales

	Quarter ended July 2, 2023		Quarter ended July 3, 2022		Increase (Decrease)	
	In Millions	Percentage of Total Net Sales	In Millions	Percentage of Total Net Sales	In Millions	%
Energy Systems	\$ 424.6	46.7 %	\$ 408.6	45.5 %	\$ 16.0	3.9 %
Motive Power	350.8	38.6	367.9	40.9	(17.1)	(4.6)
Specialty	133.2	14.7	122.5	13.6	10.7	8.7
Total net sales	\$ 908.6	100.0 %	\$ 899.0	100.0 %	\$ 9.6	1.1 %

Net sales of our Energy Systems segment in the first quarter of fiscal 2024 increased \$16.0 million or 3.9% compared to the first quarter of fiscal 2023. This increase was due to a 12% increase in pricing/mix partially offset by a 7% decrease in organic growth and a 1% decrease in foreign currency translation impact. This increase in sales was driven by improvement in pricing partially offset by soft volumes in Europe and Asia.

Net sales of our Motive Power segment in the first quarter of fiscal 2024 decreased by \$17.1 million or 4.6% compared to the first quarter of fiscal 2023. This decrease was primarily due to a 14% decrease in organic growth partially offset by an 8% increase in pricing/mix and a 1% increase from an acquisition. We continue to benefit from improved pricing and favorable sales mix, partially offset by a return to normal sales patterns to pre-COVID-19 levels.

Net sales of our Specialty segment in the first quarter of fiscal 2024 increased by \$10.7 million or 8.7% compared to the first quarter of fiscal 2023. The increase was primarily due to a 7% increase in pricing/mix and a 1% increase in both organic volume and foreign currency translation. This increase in net sales was primarily driven by improved pricing/mix and strong demand in primarily the transportation sector, limited by TPPL capacity in our Missouri plants.

Gross Profit

	Quarter ended July 2, 2023		Quarter ended July 3, 2022		Increase (Decrease)	
	In Millions	Percentage of Total Net Sales	In Millions	Percentage of Total Net Sales	In Millions	%
Gross Profit	\$ 240.3	26.4 %	\$ 185.5	20.6 %	\$ 54.8	29.5 %

Gross profit increased \$54.8 million or 29.5% in the first quarter compared to the comparable period of fiscal 2023. Gross profit, as a percentage of net sales, increased 580 basis points in the first quarter compared to the first quarter of fiscal 2023. The increase in the gross profit margin in the current quarter reflects a strong performance in our price/mix, which significantly offset year on year cost increases. This step forward, combined IRA benefits and lower freight costs, more than offset higher inflationary pressures in raw materials, labor, supplies and utilities.

Operating Items

	Quarter ended July 2, 2023		Quarter ended July 3, 2022		Increase (Decrease)	
	In Millions	Percentage of Total Net Sales	In Millions	Percentage of Total Net Sales	In Millions	%
Operating expenses	\$ 144.6	15.9 %	\$ 127.1	14.1 %	\$ 17.5	13.8 %
Restructuring and other exit charges	\$ 6.3	0.7 %	\$ 8.3	0.9 %	\$ (2.0)	(24.2)%

Operating expenses, as a percentage of sales, increased 180 basis points in the first quarter and of fiscal 2024, compared to the comparable period of fiscal 2023.

Selling expenses, our main component of operating expenses, increased \$2.9 million or 5.2% in the first quarter of fiscal 2024 compared to the first quarter of fiscal 2023, and increased 25 basis points as a percentage of net sales.

Restructuring and Other Exit Charges*Restructuring Programs*

Included in our first quarter of fiscal 2024 operating results of Energy Systems were restructuring charges of \$0.5 million.

Included in our first quarter of fiscal 2023 operating results of Energy Systems were restructuring charges of \$0.2 million.

*Exit Charges**Fiscal 2023 Programs**Sylmar*

In November 2022, the Company committed to a plan to close its facility in Sylmar, California, which manufactures specialty lithium batteries for aerospace and medical applications. Management determined to close the site upon the expiration of its lease on the property and to redirect production through consolidation into existing locations. The Company currently estimates total charges in the exit to amount to \$9.5 million. Cash charges are estimated to total \$5.7 million primarily relating to severance and other costs to leave the site. Non-cash charges are estimated to be \$3.8 million relating to fixed assets, inventory, and contract assets. The plan is expected to be completed in fiscal 2024.

During fiscal 2023, the Company recorded \$1.7 million primarily related to severance costs and non-cash charges totaling \$0.4 million primarily relating to contract assets.

During the current quarter of fiscal 2024, the Company recorded cash charges of \$4.0 million primarily related to severance costs, relocation expenses, and manufacturing variances and non-cash charges totaling \$0.3 million. The Company also recorded a non-cash write off relating to inventories of \$3.1 million, which was reported in cost of goods sold.

Ooltewah

On June 29, 2022, the Company committed to a plan to close its facility in Ooltewah, Tennessee, which produced flooded motive power batteries for electric forklifts. Management determined that future demand for traditional motive power 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 is expected to be completed in calendar 2023.

During fiscal 2023, the Company recorded cash charges relating primarily 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 the current quarter of fiscal 2024, the Company recorded cash charges relating to site clean up and decommissioning equipment of \$0.9 million.

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 motive power batteries for electric forklifts. Management determined that future demand for the motive power 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 October 2, 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 the current quarter of fiscal 2024, the Company recorded cash charges of \$0.5 million relating primarily to site cleanup and \$0.1 million of non-cash charges relating to accelerated depreciation of fixed assets.

Operating Earnings

	Quarter ended July 2, 2023		Quarter ended July 3, 2022		Increase (Decrease)	
	In Millions	Percentage of Total Net Sales ⁽¹⁾	In Millions	Percentage of Total Net Sales ⁽¹⁾	In Millions	%
Energy Systems	\$ 29.7	7.0 %	\$ 15.0	3.7 %	\$ 14.7	97.5 %
Motive Power	50.3	14.4	42.3	11.5	8.0	18.8
Specialty	9.8	7.4	9.2	7.5	0.6	6.3
Corporate and other ⁽²⁾	17.4	1.9	—	—	17.4	NM
Subtotal	107.2	11.8	66.5	7.4	40.7	60.9
Inventory adjustment relating to exit activities - Specialty	(3.1)	(2.3)	—	—	(3.1)	NM
Restructuring and other exit charges - Energy Systems	(0.5)	(0.1)	(0.2)	—	(0.3)	NM
Restructuring and other exit charges - Motive Power	(1.5)	(0.4)	(8.1)	(2.2)	6.6	(80.9)
Restructuring and other exit charges - Specialty	(4.3)	(3.2)	—	—	(4.3)	NM
Amortization of intangible assets - Energy Systems	(6.2)	(1.5)	(7.3)	(1.8)	1.1	(15.2)
Amortization of intangible assets - Motive Power	(0.1)	—	(0.1)	—	—	0.9
Amortization of intangible assets - Specialty	(0.7)	(0.5)	(0.7)	(0.6)	—	(4.5)
Other - Energy Systems	(0.8)	(0.2)	—	—	(0.8)	NM
Other - Motive Power	(0.5)	(0.1)	—	—	(0.5)	NM
Other - Specialty	(0.1)	(0.1)	—	—	(0.1)	NM
Total operating earnings	\$ 89.4	9.8 %	\$ 50.1	5.6 %	\$ 39.3	78.4 %

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 is computed based on total consolidated net sales

(2) Corporate and other includes amounts managed on a company-wide basis and not directly allocated to any reportable segments, primarily relating to IRA production tax credits. Also, included are start up costs for exploration of a new lithium plant as well as start-up operating expenses from the New Ventures operating segment.

Operating earnings increased \$39.3 million or 78.4% in the first quarter of fiscal 2024, respectively, compared to the first quarter of fiscal 2023. Operating earnings, as a percentage of net sales, increased 420 basis points in the first quarter of fiscal 2024, respectively, compared to the first quarter of fiscal 2023.

The Energy Systems operating earnings, as a percentage of sales, increased 330 basis points in the first quarter of fiscal 2024, respectively, compared to the first quarter of fiscal 2023. This increase in operating earnings was primarily as a result significant pricing/mix gains and lower freight costs partially offset by lower volumes and higher inflationary costs.

The Motive Power operating earnings, as a percentage of sales, increased 290 basis points in the first quarter of fiscal 2024, respectively, compared to the first quarter of fiscal 2023. This increase was driven by significant pricing/mix gains partially offset by lower volumes and higher selling general and administrative costs.

The Specialty operating earnings, as a percentage of sales, decreased 10 basis points in the first quarter of fiscal 2024, respectively, compared to the first quarter of fiscal 2023. This increase in operating earnings from the comparable period was a result of improved price/mix and higher volumes more than offsetting inflationary cost pressures and operating expenses.

Interest Expense

	Quarter ended July 2, 2023		Quarter ended July 3, 2022		Increase (Decrease)	
	In Millions	Percentage of Total Net Sales	In Millions	Percentage of Total Net Sales	In Millions	%
Interest expense	\$ 15.2	1.7 %	\$ 11.6	1.3 %	\$ 3.6	31.5 %

Interest expense of \$15.2 million in the first quarter of fiscal 2024 (net of interest income of \$0.7 million) was \$3.6 million higher than the interest expense of \$11.6 million in the first quarter of fiscal 2023 (net of interest income of \$0.4 million).

The increase in interest expense in the first quarter of fiscal 2024 is primarily due to higher variable interest rates, partially offset lower average borrowing levels. Our average debt outstanding was \$1,040.7 million in the first quarter of fiscal 2024, compared to \$1,311.4 million in the first quarter of fiscal 2023.

Included in interest expense are non-cash charges for deferred financing fees of \$0.4 million the first quarter of fiscal 2024 and \$0.5 million in the first quarter of fiscal 2023.

Other (Income) Expense, Net

	Quarter ended July 2, 2023		Quarter ended July 3, 2022		Increase (Decrease)	
	In Millions	Percentage of Total Net Sales	In Millions	Percentage of Total Net Sales	In Millions	%
Other expense (income), net	\$ 0.7	0.1 %	\$ 1.7	0.2 %	\$ (1.0)	(62.3)%

NM = not meaningful

Other expense (income), net in the first quarter of fiscal 2024 was expense of \$0.7 million compared to expense of \$1.7 million in the first quarter of fiscal 2023. Foreign currency impact resulted in a gain of \$2.3 million in the first quarter of fiscal 2024 compared to a foreign currency loss of \$1.3 million in the first quarter of fiscal 2023. Included in the first quarter of fiscal 2023 foreign currency impact is a loss of \$5.2 million relating to the remeasurement of monetary assets from the exit of our Russia operations.

Earnings Before Income Taxes

	Quarter ended July 2, 2023		Quarter ended July 3, 2022		Increase (Decrease)	
	In Millions	Percentage of Total Net Sales	In Millions	Percentage of Total Net Sales	In Millions	%
Earnings before income taxes	\$ 73.5	8.1 %	\$ 36.8	4.1 %	\$ 36.7	100.0 %

As a result of the above, earnings before income taxes in the first quarter of fiscal 2024 increased \$36.7 million, or 100.0%, compared to the first quarter of fiscal 2023.

Income Tax Expense

	Quarter ended July 2, 2023		Quarter ended July 3, 2022		Increase (Decrease)	
	In Millions	Percentage of Total Net Sales	In Millions	Percentage of Total Net Sales	In Millions	%
Income tax expense	\$ 6.7	0.7 %	\$ 5.8	0.6 %	\$ 0.9	16.5 %
Effective tax rate		9.2%		15.7%		(6.5)%

The Company's income tax provision consists of federal, state and foreign income taxes. The tax provision for the first quarter of fiscal 2024 and 2023 was based on the estimated effective tax rates applicable for the full years ending March 31, 2024 and March 31, 2023, respectively, after giving effect to items specifically related to the interim periods. Our effective income tax rate with respect to any period may be volatile 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.

On August 16, 2022, the Inflation Reduction Act of 2022 ("IRA") was enacted. The IRA includes multiple incentives to promote clean energy, and energy storage manufacturing among other provisions with tax credits available from 2023 to 2032, subject to phase down beginning in 2030. In particular the IRA creates a refundable tax credit, pursuant to Section 45X of the Internal Revenue Code ("IRC"), for battery cells and battery modules manufactured or assembled in the United States and sold to third parties. In the first quarter of fiscal 2024, the IRA impact resulted in a reduction of our costs of goods sold and income tax payable. There is a possibility that additional clarification guidance is issued with respect to the Section 45X credit qualifications. Amounts recognized in the Consolidated Condensed Financial Statements are based on Management's judgement and best estimate utilizing the most current guidance. The Company will continue to evaluate the effects of IRA as more guidance is issued and the relevant implications to our Consolidated Condensed Financial Statements. Actual results could differ from management's current estimate.

The consolidated effective income tax rates for the first quarter of fiscal 2024 and 2023 were 9.2% and 15.7%, respectively. The rate decrease in the first quarter of fiscal 2024 compared to the prior year period is primarily due to the impact of the IRA. In addition, there was a discrete foreign exchange tax benefit related to undistributed earnings which was offset by the mix of earnings among tax jurisdictions.

Foreign income as a percentage of worldwide income is estimated to be 51% for fiscal 2024 compared to 77% for fiscal 2023. This reduction is primarily due to the impact of the IRA. The foreign effective tax rates for the first quarter of fiscal 2024 and 2023 were 12.0% and 11.0%, respectively. Income from the Company's Swiss subsidiary comprised a substantial portion of the Company's overall foreign mix of income for both fiscal 2024 and fiscal 2023 and were taxed at an effective income tax rate of approximately 8% and 9%, 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 2023 Annual Report.

Liquidity and Capital Resources

Cash Flow and Financing Activities

Operating activities provided cash of \$74.9 million in the first quarter of fiscal 2024 compared to \$71.9 million of cash used in the first quarter of fiscal 2023, with the increase in operating cash resulting mainly due to net earnings and activity in accounts receivable, inventory, and accounts payable. Accounts receivable decreased or provided cash of \$73.2 million due to lower sales in the current quarter compared to the previous quarter. Inventory increased or used cash of \$11.0 million due to lower inventory turns as compared to the previous quarter. Accounts payable decreased or used cash of \$39.3 million due to seasonal reduction. In the current quarter of fiscal 2024, net earnings were \$66.8 million, depreciation and amortization \$22.7 million, stock-based compensation \$7.9 million, non-cash charges relating to exit charges \$3.3 million, derivative gains of \$0.5 million, derivatives cash proceeds of \$0.7 million, non-cash interest of \$0.4 million, and allowance for doubtful debts of \$0.5 million. Prepaid and other current assets were a use of funds of \$4.1 million, primarily from an increase of \$7.3 million in contract assets partially offset by a decrease of \$3.2 million in other prepaid expenses, such as taxes, insurance and other advances. Accrued expenses were a use of funds of \$46.6 million primarily from tax payments net of accruals of \$15.8 million, including \$19.4 million relating to the IRA production tax credits, payroll related payments of \$13.2 million net of accruals, decrease to sales related accruals of \$8.0 million, interest payments net of accruals of \$5.5 million, deferred income and contract liabilities of \$4.8 million, other miscellaneous accruals of \$1.5 million partially offset by warranty accruals of \$1.8 million and freight charges of \$1.6 million.

In the first quarter of fiscal 2023, operating activities used cash of \$71.9 million primarily from the activity in accounts receivable, inventory, and accounts payable. Inventory increased or used cash of \$81.5 million due to the increase in all components of inventory resulting from strategic investment, supply chain delays, new products and higher inventory costs from higher raw material costs, manufacturing and freight costs and to address the high backlog of customer orders. Accounts receivable decreased or provided cash of \$5.5 million. Accounts payable decreased or used cash of \$33.1 million due to seasonal reduction. In the first quarter of fiscal 2023, net earnings were \$31.0 million, depreciation and amortization \$23.6 million, stock-based compensation \$5.3 million, non-cash charges relating to exit charges \$7.4 million, primarily relating to the Ooltewah, Tennessee plant closure, allowance for doubtful debts of \$0.2 million and non-cash interest of \$0.5 million. Prepaid and other current assets were a use of funds of \$5.5 million, primarily from an increase of \$7.2 million of contract assets, partially offset by a decrease of \$1.7 million in other prepaid expenses, such as taxes, insurance and other advances. Accrued expenses were a use of funds of \$25.0 million primarily from payroll related payments of \$13.1 million, selling and other expenses of \$10.9 million, interest payments net of accrual of \$5.7 million, and other miscellaneous payments of \$4.0 million, partially offset by tax accruals of \$8.7 million.

Investing activities used cash of \$24.3 million in the first quarter of fiscal 2024, which primarily consisted of capital expenditures of \$16.1 million relating to plant improvements and \$8.3 million relating to the purchase of a business.

Investing activities used cash of \$22.9 million in the first quarter of fiscal 2023, which primarily consisted of capital expenditures of \$23.0 million relating to plant improvements.

Financing activities used cash of \$135.9 million in the first quarter of fiscal 2024. During the first quarter of fiscal 2024, we borrowed \$80.0 million under the Second Amended Revolver and repaid \$216.4 million of the Second Amended Revolver. Net repayments on short-term debt were \$0.4 million. We paid cash dividends to our stockholders totaling \$7.2 million and received proceeds from stock options of \$7.7 million.

Financing activities provided cash of \$97.5 million in the first quarter of fiscal 2023. During the first quarter of fiscal 2023, we borrowed \$163.2 million under the Second Amended Revolver and repaid \$27.2 million of the Second Amended Revolver. Net repayments on short-term debt were \$8.0 million. Treasury stock open market purchases were \$22.9 million, payment of cash dividends to our stockholders were \$7.1 million and payment of taxes related to net share settlement of equity awards were \$0.6 million.

Currency translation had a negative impact of \$3.0 million on our cash balance in the first quarter of fiscal 2024 compared to the negative impact of \$22.0 million in the first quarter of fiscal 2023. In the first quarter of fiscal 2024, principal currencies in which we do business such as the Euro, Polish zloty, Swiss Franc and British pound generally strengthened versus the U.S. dollar.

As a result of the above, total cash and cash equivalents decreased by \$88.3 million to \$258.3 million, in the first quarter of fiscal 2024 compared to a decrease by \$19.2 million to \$383.2 million, in the first quarter of fiscal 2023.

Compliance with Debt Covenants

During the second quarter of fiscal 2022, we entered into a second amendment to the Amended Credit Facility (as amended, the “Second Amended Credit Facility”). As a result, the Second Amended Credit Facility, now scheduled to mature on September 30, 2026, consists of a \$130.0 million senior secured term loan (the “Second Amended Term Loan”), a CAD 106.4 million (\$84.2 million) term loan and an \$850.0 million senior secured revolving credit facility (the “Second Amended Revolver”). This amendment resulted in a decrease of the Amended Term Loan by \$150.0 million and an increase of the Amended Revolver by \$150.0 million.

During the second quarter of fiscal 2023, the Company entered into a third amendment to the 2017 Credit Facility (as amended, the “Third Amended Credit Facility”). The Third Amended Credit Facility provided new incremental delayed-draw senior secured term loan up to \$300 million (the “Third Amended Term Loan”), which was available to draw until March 15, 2023. During the fourth quarter, the Company drew \$300 million in the form of the Third Amended Term Loan. The funds will mature on September 30, 2026, the same as the Company’s Second Amended Term loan and Second Amended Revolver. In connection with the agreement, the Company incurred \$1.2 million in third party administrative and legal fees recognized in interest expense and capitalized \$1.1 million in charges from existing lenders as a deferred asset. Additionally, the Company derecognized the capitalized deferred asset and recognized the \$1.1 million as deferred financing costs.

During the fourth quarter of fiscal 2023, the Company entered into a fourth amendment to the 2017 Credit Facility (as amended, the “Fourth Amended Credit Facility”). The Fourth Amended Credit Facility replaces the London Interbank Offered Rate

("LIBOR") with the Secured Overnight Financing Rate ("SOFR") in the calculation of interest for both the Second Amended Revolver and the Second Amended Term Loan.

All obligations under our Fourth Amended Credit Facility are secured by, among other things, substantially all of our U.S. assets. The Fourth 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 Fourth Amended Credit Facility and Senior Notes. We believe that we will continue to comply with these 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 10 to the Consolidated Financial Statements included in our 2023 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 2023 Annual Report. As of July 2, 2023, we had no significant changes to our contractual obligations table contained in our 2023 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 2, 2023 are \$20.4 million (pre-tax). Those contracts that result in an asset position at July 2, 2023 are \$5.0 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. On September 29, 2022, we terminated our cross-currency fixed interest rate swap contracts with an aggregate notional amount of \$300 million and executed cross-currency fixed interest rate swap contracts with an aggregate notional amount of \$150 million, maturing on December 15, 2027. 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 \$150 million.

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.

A 100 basis point increase in interest rates would have increased annual interest expense, by approximately \$4.5 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. A 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 2, 2023	\$ 52.1	55.0	\$ 0.95	9 %
March 31, 2023	47.9	50.0	0.96	8
July 3, 2022	54.1	55.5	0.97	8

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

For the remaining quarters of this fiscal year, we believe approximately 46% of the cost of our lead requirements is known. This takes into account the hedge contracts in place at July 2, 2023, lead purchased by July 2, 2023 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 \$19 million in the first quarter of fiscal 2024.

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.

We hedge approximately 5% - 10% of the nominal amount of our known 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. During the third quarter of fiscal year 2022, 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 2, 2023 and July 3, 2022, we estimate that an unfavorable 10% movement in the exchange rates would have adversely changed our hedge valuations by approximately \$27.7 million and \$36.7 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. The Company's 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 was no change 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 11 - *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, you should carefully consider the factors discussed in Part I, Item 1A. Risk Factors in our 2023 Annual Report, which could materially affect our business, financial condition or future results.

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.

Period	Purchases of Equity Securities			
	(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) (3)}
April 1 - April 30, 2023	—	\$ —	—	\$ 194,545,418
May 1 - May 31, 2023	15,897	95.43	—	194,545,418
June 1 - June 30, 2023	105,122	104.48	—	194,545,418
Total	121,019	\$ 103.29	—	

⁽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 2017 Equity Incentive Plan and the number of shares exercised through stock option awards during such fiscal year, approximately \$34.0 million.

⁽²⁾ On March 9, 2022, the Company announced the establishment of a \$150.0 million stock repurchase authorization, with no expiration date.

⁽³⁾ On November 10, 2021, the Company announced the establishment of a \$100.0 million stock repurchase authorization, with no expiration date.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

During the quarter ended July 2, 2023, 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).

ITEM 6. EXHIBITS

Exhibit Number	Description of Exhibit
3.1	<u>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).</u>
3.2	<u>Third Amended and Restated Bylaws (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K (File No. 001-32253) filed on August 3, 2016).</u>
10.1	<u>Voluntary Deferred Compensation Plan For Non-Employee Directors (filed herewith).</u>
10.2	<u>EnerSys Voluntary Deferred Compensation Plan for Executives (filed herewith).</u>
10.3	<u>Award Agreement for Employees - Restricted Stock Units under the 2023 Equity Incentive Plan (filed herewith).</u>
10.4	<u>Employee Stock Option Agreement under the 2023 Equity Incentive Plan (filed herewith).</u>
10.5	<u>Award Agreement for Non-Employee Directors Deferred Stock Units (filed herewith).</u>
31.1	<u>Certification of Principal Executive Officer pursuant to Rule 13a-14(a)/15d-14(a) Under the Securities Exchange Act of 1934 (filed herewith).</u>
31.2	<u>Certification of Principal Financial Officer pursuant to Rule 13a-14(a)/15d-14(a) Under the Securities Exchange Act of 1934 (filed herewith).</u>
32.1	<u>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).</u>
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 9, 2023

EnerSys
Voluntary Deferred Compensation Plan
For Non-Employee Directors

Effective February 1, 2007, and as Amended and Restated, effective August 3, 2023.

1. DEFINITIONS

For purposes of this Plan, unless otherwise clearly apparent from the context, the following phrases and terms shall have the indicated meanings:

- 1.1 “Beneficiary”** means the person or persons designated pursuant to Section 2.2. For purposes of the preceding sentence the term “person” shall include an individual, trust, or estate. In default of a valid Beneficiary designation, a Participant’s Beneficiary shall be a Participant’s estate.
- 1.2 “Board”** means the board of directors of the Company.
- 1.3 “Cash Fees”** means any compensation payable to a Participant in cash for service as a Non-Employee Director.
- 1.4 “Cash Fee Deferrals”** means the deferral of Cash Fees that a Participant elects pursuant to Section 3.1 hereof.
- 1.5 “Change in Control”** means an event that constitutes a Change in Control under the Long-Term Incentive Plan, provided that such event shall not constitute a Change in Control under this Plan unless such event also constitutes a change in the ownership or effective control of the Company within the meaning of Code Section 409A.
- 1.6 “Code”** means the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder.
- 1.7 “Committee”** means the Compensation Committee of the Board or such other committee as may be appointed by the Board to administer this Plan. Such term also includes the full Board to the extent it takes action with respect to administrative or operational matters relating to the Plan.
- 1.8 “Common Stock”** means the common stock of the Company, par value \$0.01 per share.
- 1.9 “Company”** shall mean EnerSys and any successor thereto.
- 1.10 “Deferral Account”** means an account established on the books of the Company for the purpose of recording amounts credited with respect to Cash Fee Deferrals on behalf of a Participant and any income, expenses, gains, or losses with respect thereto. There are two types of Deferral Accounts under the Plan, the Investment Fund Deferral Account and the Stock Unit and RSU Deferral Account.
- 1.11 “Deferral Election”** means an irrevocable election, on a form prescribed by the Committee, by a Participant to defer receipt of a portion of such Participant’s Cash Fees for a specific calendar year.
- 1.12 “Dividend Equivalent Units”** means the additions to a Participant’s Stock Unit Account pursuant to Section 4.2 hereof.

- 1.13 “Effective Date”** means February 1, 2007, and, as amended and restated, August 3, 2023.
- 1.14 “ERISA”** means the Employee Retirement Income Security Act of 1974, as amended.
- 1.15 “Exchange Act”** means the Securities Exchange Act of 1934, as amended.
- 1.16 “Investment Funds”** means the investment alternatives the Committee establishes from time to time for tracking the investment returns to be credited to Participants’ Investment Fund Deferral Accounts.
- 1.17 “Investment Fund Deferral Account”** means the Deferral Account that is maintained with respect to the portion of a Participant’s Cash Fee Deferrals that reflects the tracking of the investment returns based on the Participant’s allocation of investments in the Investment Funds, and any hypothetical expenses and earnings or losses with respect thereto.
- 1.18 “Long-Term Incentive Plan”** means the EnerSys 2004, 2006, 2010, 2017 or 2023 Equity Incentive Plan, as applicable. Such term shall also mean any other successor or comparable plan or program as designated by the Committee and approved by the Board from time to time.
- 1.19 “Matching Amount”** means, with respect to the amount of a Cash Fee Deferral for a calendar year by a Participant, the amount contributed to a Participant’s Stock Unit and RSU Deferral Account pursuant to Section 4.1
- 1.20 “Non-Employee Director”** means any member of the Board who is not an employee of the Company or a Subsidiary.
- 1.21 “Participant”** means an individual who (i) has properly and timely completed such Participant’s elections pursuant to Section 2.2 and (ii) is a Non-Employee Director or, if not, has a balance standing to his or her credit in one or more Deferral Accounts with respect to periods in which such individual was a Non-Employee Director. Such term also includes a deceased Participant’s Beneficiary, who is entitled to a Plan benefit, until such benefit is paid.
- 1.22 “Plan”** means this EnerSys Voluntary Deferred Compensation Plan for Non-Employee Directors.
- 1.23 “Stock Unit and RSU Deferral Account”** means an account established on a Participant’s behalf with respect to such Participant’s Stock Unit Deferral, RSU Compensation Deferral, the Matching Amount, and any earnings or losses with respect thereto.
- 1.24 “RSU Compensation”** means the compensation payable to a Participant in the form of Stock Units for service as a Non-Employee Director.
- 1.25 “RSU Compensation Deferral”** means the deferrals of RSU Compensation that a Participant elects pursuant to Section 3.2.
- 1.26 “Stock Unit Deferral”** means that portion of a Participant’s Cash Fee Deferral that such Participant has elected to allocate in Stock Units.
- 1.27 “Stock Units”** means Stock Units (as defined in the Long-Term Incentive Plan) awarded to a Participant pursuant to the terms of the Long-Term Incentive Plan.
- 1.28 “Subsidiary”** means a subsidiary corporation, as defined in Code Section 424(f), that is a subsidiary of the Company.

1.29 “Termination” means a Participant’s termination of service as a Non-Employee Director.

1.30 “Valuation Date” means any day that the New York Stock Exchange or any successor to its business is open for trading.

2. ELIGIBILITY AND PARTICIPATION

2.1 Eligibility for Participation: Participation in the Plan is limited to those individuals who are Non-Employee Directors.

2.2 Commencement of Participation: Each Participant shall be provided an opportunity to irrevocably designate, prior to each calendar year (or, in the Participant’s first year of eligibility, within 30 days following the date the Participant became eligible), his or her elections pursuant to Article 3. Notwithstanding the foregoing, a Participant may make a RSU Compensation Deferral election within 30 days after the date of the award of such RSU Compensation provided that such election may be made if, and only if, none of the RSU Compensation in the award for which the election is being made will vest prior to 12 months from the date of such election. Each Participant shall make the designations under this Section 2.2 in the manner authorized by the Committee and the designations must be accompanied by, as applicable:

- (a) an irrevocable authorization to defer receipt of a percentage of such Participant’s Cash Fees as a Cash Fee Deferral as elected under Section 3.1;
- (b) an irrevocable authorization to defer receipt of a percentage of such Participant’s RSU Compensation as a RSU Compensation Deferral as elected under Section 3.2;
- (c) an irrevocable election to allocate such Participant’s Cash Fee Deferrals between (i) an Investment Fund Deferral Account and (ii) a Stock Unit and RSU Deferral Account;
- (d) a designation of a Beneficiary; and
- (e) a designation as to the form and timing of the distribution of the Participant’s vested Deferral Accounts as provided under Sections 6.1 and 6.2.

2.3 Cessation of Participation: A Participant shall cease to be an active Participant on the earliest of:

- (a) the date that the Plan terminates,
- (b) the date that the Participant ceases to be eligible to participate in the Plan under Section 2.1, or
- (c) the date that the Participant receives a complete distribution of his Deferral Accounts.

A former active Participant shall be deemed a Participant for all purposes except with respect to the right to make deferrals, as long as he or she maintains a Deferral Account.

3. DEFERRAL OF COMPENSATION

3.1 Cash Fee Deferrals: Each Participant may authorize the Company, in the manner described in Section 2.2, to defer up to 100% of his or her Cash Fees that would otherwise be payable for services performed in a calendar year. Such Cash Fee Deferrals shall be a stated percentage of the Participant’s Cash Fees for such period, up to 100% as such Participant shall

designate. A Participant must make an election with respect to Cash Fees earned in a calendar year in accordance with Section 2.2. A Participant must make a new election to defer Cash Fees for each subsequent calendar year.

3.2 RSU Compensation Deferrals: Each Participant may authorize the Company, in the manner described in Section 2.2, to defer up to 100% of his or her RSU Compensation that would otherwise be payable to such Participant. Such RSU Compensation Deferrals shall be a stated percentage of the Participant's RSU Compensation for such period, up to 100% as such Participant shall designate. A Participant must make an election with respect to RSU Compensation earned in a calendar year in accordance with Section 2.2. A Participant must make a new election to defer RSU Compensation for each subsequent calendar year.

3.3 Vesting: Each Participant shall always be 100% vested in each of such Participant's Deferral Accounts, provided, however, that a Participant shall vest in the Matching Amount with respect to such Participant's Stock Unit Deferrals in quarterly installments over one year from the date such Stock Unit Deferrals are credited to such Participant's Stock Unit and RSU Deferral Account. Notwithstanding the foregoing, upon a Change in Control, all Matching Amounts shall become 100% vested. Nothing in this section 3.3 shall override any applicable vesting provision set forth in any agreement evidencing an award of Stock Units.

4. COMPANY CONTRIBUTIONS

4.1 Matching Amount: On the same day and to the extent that Cash Fees are credited to a Participant's Stock Unit and RSU Deferral Account as a Stock Unit Deferral on behalf of such Participant, the Company shall contribute on behalf of such Participant, with respect to such Stock Unit Deferral, a Matching Amount. The Matching Amount shall be an amount equal to 20% of such Participant's Stock Unit Deferral amount. The Matching Amount shall be made in the form of Stock Units. Notwithstanding the foregoing, in no event shall a Matching Amount be made with respect to a Participant's RSU Compensation Deferrals.

4.2 Dividend Equivalent Units: Whenever cash dividends are declared on the Common Stock, on the date such dividend is paid the Company shall credit each Participant's Stock Unit and RSU Deferral Account with a number of Dividend Equivalent Units equal to the result of dividing (i) the product of (x) the total number of Stock Units and Dividend Equivalent Units credited to such Participant's Stock Unit and RSU Deferral Account on the record date for such cash dividend and (y) the per share amount of such cash dividend by (ii) the Fair Market Value (as defined in the Long-Term Incentive Plan) of one share of Common Stock on the date such cash dividend is paid by the Company to the holders of Common Stock. Dividend Equivalent Units shall be credited to the amounts in a Participant's Stock Unit and RSU Deferral Account attributable to both Stock Unit Deferrals and RSU Compensation Deferrals.

5. INVESTMENT OF DEFERRALS

5.1 Establishment of Accounts: The Company shall establish the following Deferral Accounts for each Participant (but only to the extent the Participant has amounts to be allocated to such Deferral Account):

- (a) an Investment Fund Deferral Account and
- (b) a Stock Unit and RSU Deferral Account.

Each Participant shall receive periodic statements (no less frequently than annually) reflecting the balances in his or her Accounts.

5.2 Obligation of the Company: Individual benefits under the Plan are payable as they become due solely from the general assets of the Company. To the extent a Participant, or any person, acquires a right to receive payments under this Plan, such right shall be no greater than the right of any general creditor of the Company. Neither this Plan, nor any action taken pursuant to the terms of this Plan, shall be considered to create a fiduciary relationship between the Company and the Participant, or any other persons, or to require the establishment of a trust of which the assets are beyond the claims of any general creditor of the Company.

5.3 Establishment of Investment Funds: The Committee will establish multiple deemed Investment Funds that the Committee will cause to be maintained for determining the investment return to be credited to each Participant's Investment Fund Deferral Account. The Committee may change the number, identity, or composition of the Investment Funds from time to time. Each Participant will indicate the Investment Funds for allocation of the amounts credited to his or her Investment Fund Deferral Account. Each Participant's Investment Fund Deferral Account will be increased or decreased by the net amount of investment earnings or losses that it would have achieved had it actually been invested in the deemed investments. The Company is not required to purchase or hold any of the deemed Investment Funds. Investment Fund elections must be made in a minimum of 1% increments and in such other manner as the Committee will specify. A Participant may change his or her Investment Fund election periodically in the manner provided by the Committee. Any such change shall become effective as soon as administratively practicable following the date the Committee receives notice of such change in the form prescribed by the Committee.

5.4 Crediting Investment Results: No less frequently than as of each Valuation Date, each Participant's Investment Fund Deferral Account will be increased or decreased to reflect investment results and any expenses with respect thereto. Each Participant's Investment Fund Deferral Account will be credited with the investment return of the Investment Funds in which the Participant elected to be deemed to participate. The credited investment return is intended to reflect the actual performance of the Investment Funds net of any applicable investment management fees or administrative expenses determined by the Committee. Notwithstanding the above, the amount of any payment of Plan benefits pursuant to Article 5 or upon Plan termination shall be determined as of the Valuation Date preceding the date of payment.

5.5 Stock Unit and RSU Deferral Account: All amounts that a Participant elects to defer to a Stock Unit and RSU Deferral Account shall be invested in Stock Units.

6. PAYMENT AND AMOUNT OF BENEFITS

6.1 Form of Distribution:

(a) Each Participant shall elect the form and timing of the distribution with respect to each of his or her Deferral Accounts in the manner authorized by the Committee, provided that a Participant may elect to receive distributions from his or her Deferral Accounts in a lump sum or in up to 10 annual installments.

(b) If the Participant elects an annual installment distribution, the amount of each installment shall be determined by multiplying the Participant's remaining Account balance by a fraction, the numerator of which is one and the denominator of which is the number of years remaining in the installment period.

(c) Distributions of a Participant's Stock Unit and RSU Deferral Account shall be made in the form of Common Stock with one share of Common Stock payable for each Stock Unit and each Dividend Equivalent Unit credited to such Participant's Stock Unit and RSU Deferral Account.

6.2 Time of Distribution: Each Participant shall elect the timing of the distribution with respect to his or her Deferral Account in the manner that the Committee may authorize. A Participant shall make a separate election as to the timing of payment with respect to each Deferral Accounts specified in Section 6.1 above. The Participant's election(s) shall indicate that payment shall be made (in the case of a lump sum election) or shall commence (in the case of an annual installment election):

- (a) as soon as administratively practicable following the Participant's Termination; provided, however, if the Participant is a specified employee (as defined in Code Section 409A and the guidance promulgated thereunder) and the Common Stock is publicly traded on an established securities market, distributions shall not commence before the date which is six months following the date of Termination (or, if earlier, the death of the Participant);
- (b) in a specific month and year, but, with respect to the distribution of amounts in a Stock Unit and RSU Deferral Account relating to Stock Unit Deferrals, in no event earlier than one year from the end of the calendar year to which such Stock Unit Deferrals relate. If a Participant elects his or her distribution to be made or commenced in accordance with this paragraph (b), and such date falls before the Participant's Termination, the distribution shall be delayed until as soon as practicable following the Participant's Termination; or
- (c) as soon as practicable following a Change in Control.

6.3 Change in Form or Time of Distribution: A Participant may change his or her form and timing election applicable to the distribution of a Deferral Account provided that such request for change is made (i) at least 12 consecutive months prior to the date that such distribution would otherwise have been made or commenced and (ii) the first payment with respect to such new election is deferred for a period of not less than five years beyond the date such distribution would otherwise have been made.

6.4 Distribution after Death: If a Participant dies prior to receiving the entire amounts credited to his or her Deferral Accounts, the remaining amounts shall be paid to the Participant's Beneficiary at the time and in the form as previously elected by the Participant (i.e., there are no special distribution elections for distribution upon death). In the case of an election for amounts to be paid as of the Participant's Termination, the Participant's death shall be considered a Termination.

6.5 De Minimis Distributions: Notwithstanding the provisions of Sections 6.1, 6.2, 6.3, and 6.4, if, as of the Participant's Termination or death and prior to the commencement of installment payments, the value of amounts in all of the Participant's Deferral Accounts (determined as of the Valuation Date immediately preceding such date) is less than \$10,000, the entire balance in the Participant's Deferral Accounts shall be distributed as soon as practicable and in accordance with Code Section 409A and the guidance promulgated thereunder to the Participant (or if the Participant is deceased, the Participant's Beneficiary) as a lump sum payment.

7. FINANCING

In the event that, in its discretion, the Company purchases an asset(s) or insurance policy or policies insuring the life of the Participant to allow the Company to recover the cost of providing benefits, in whole or in part hereunder, neither the Participant, Beneficiary, nor any other beneficiary shall have any rights whatsoever therein in such assets or in the proceeds therefrom. The Company shall be the sole owner and beneficiary of any such assets or insurance policy and shall possess and may exercise all incidents of ownership therein. No Participant shall have any right or interest in any such policy or the proceeds thereof or in any other specific fund or asset of the Company because of the Plan. The Company's obligation to make payments

under the Plan shall be contractual only and all payments hereunder shall be made from its general assets at the time and in the manner provided for in the Plan. The rights of Participants to benefit payments hereunder shall be no greater than those of a general creditor.

8. ADMINISTRATION

8.1 Administration: Responsibility for establishing the requirements for participation and for administration of the Plan shall be vested in the Committee, which shall have the full and exclusive discretionary authority to interpret the Plan, to determine all benefits and to resolve all questions arising from the administration, interpretation, and application of their provisions, either by general rules or by particular decisions, including determinations as to whether a claimant is eligible for benefits, the amount, form and timing of benefits, and any other matter (including any question of fact) raised by a claimant or identified by the Committee. The Committee may delegate administrative tasks as necessary to persons who are not Committee members. All decisions of the Committee shall be conclusive and binding upon all affected persons.

8.2 Plan Expenses: The Company shall bear all expenses of administering the Plan. No employee shall receive any remuneration for service in such capacity but the Company shall reimburse the Committee or its members for any amounts paid or incurred in connection with administering the Plan.

8.3 Liability: The Company shall indemnify and hold harmless the members of the Committee against any and all claims, loss, damage, expense, or liability arising from any action or failure to act with respect to this Plan, except in the case of gross negligence or willful misconduct.

9. AMENDMENT OR TERMINATION

9.1 Plan Amendment: The Plan may be amended or otherwise modified by the Committee, in whole or in part, provided that no amendment or modification shall divest any Participant of any vested amount previously credited to such Participant's Deferral Account under Article 3 and 4 or of the amount and method of crediting earnings to such Deferral Account under Article 5 of the Plan as of the date of such amendment.

9.2 Termination of the Plan: The Committee reserves the right to terminate the Plan at any time in whole or in part. In the event of any such termination, the Company shall pay benefits in the form and at the time elected by the Participant pursuant to Article 6 of the Plan. Earnings or losses with respect thereto shall continue to be allocated under Article 5 after the termination of the Plan until the Participant's benefits have been paid in full.

10. CLAIMS PROCEDURE

10.1 Claim: Any person claiming a benefit, requesting an interpretation or ruling under the Plan, or requesting information under the Plan shall present the request in writing to the Committee, which shall respond in writing as soon as practicable.

10.2 Denial of Claim: If the claim or request is denied, the written notice of denial shall state:

- (a) the reasons for denial, with specific reference to the Plan provisions on which the Committee based the denial;
- (b) a description of any additional material or information required and an explanation of why it is necessary; and

(c) an explanation of the Plan's claim review procedure.

10.3 Review of Claim: Any person whose claim or request is denied or who has not received a response within 30 days may request review by notice given in writing to the Committee. The Committee shall review the claim or request and the Committee may, but shall not be required to, grant the claimant a hearing. On review, the claimant may have representation, examine pertinent documents, and submit issues and comments in writing.

10.4 Final Decision: The Committee shall normally make its review decision within 60 days. If the Committee requires an extension of time for a hearing or other special circumstances, the Committee shall notify the claimant and the time limit shall be 120 days. The decision shall be in writing and shall state the reasons and the relevant Plan provisions. All decisions on review shall be final and bind all parties concerned.

10.5 Attorney's Fees and Expenses: In the event a Participant's claim for benefits under this Plan is denied and the Participant successfully appeals the denial of such claim under the foregoing procedures, the Company shall pay or reimburse the reasonable legal fees and expenses directly incurred by the Participant in connection with his or her appeal subject to a maximum payment or reimbursement of one-third of the balance of the Participant's Deferral Accounts. Any such legal fees and expenses shall be paid to, or on behalf of, the Participant no later than 30 days following the Participant's written request for the payment of such legal fees and expenses, provided the Participant supplies the Committee with evidence of the fees and expenses incurred by the Participant that the Committee, in its sole discretion, determines is sufficient.

10.6 Interest on Delayed Payments: In the event a Participant's claim for benefits under this Plan is denied and the Participant successfully appeals the denial of such claim under the foregoing procedures, the Company shall pay to the Participant interest on the portion of the Participant's benefits that were not otherwise paid when due because of the initial denial of the claim. For purposes of the preceding sentence, interest shall accrue at an annual rate equal to the prime rate as quoted in the Wall Street Journal as of the date the benefits would otherwise have been paid if the claim had not initially been denied, plus five percent, and shall be adjusted as necessary to reflect any partial payment or payments of the amounts owed to the Participant.

11. MISCELLANEOUS

11.1 Non-Alienation of Benefits: No amount payable under the Plan shall be subject to assignment, transfer, sale, pledge, encumbrance, alienation, or charge by a Participant or the Beneficiary of a Participant except as may be required by law.

11.2 Limitation of Rights: Neither the establishment of this Plan, nor any modification thereof, nor the creation of a Deferral Account, nor the payment of any benefits shall be construed as giving:

(a) any Participant, Beneficiary, or any other person, any legal or equitable right against the Company unless such right shall be specifically provided for in the Plan or conferred by affirmative action of the Committee in accordance with the terms and provisions of the Plan; or

(b) any Participant or any other person, the right to be retained in the service of the Company, and all Participants shall remain subject to termination to the same extent as if the Plan had never been adopted.

11.3 Participant's Rights Unsecured: The right of any Participant or Beneficiary to receive payment under the provisions of the Plan shall be as an unsecured claim against the Company, as

the case may be, and no provisions contained in the Plan shall be construed to give any Participant or Beneficiary at any time a security interest in the Participant's Deferral Accounts or any asset of the Company. The liabilities of the Company to any Participant or Beneficiary pursuant to the Plan shall be those of a debtor pursuant to such contractual obligations as are created by the Plan. Amounts, if any, which may be set aside by the Company for accounting purposes shall not in any way be held in trust for, or be subject to the claims of, a Participant or Beneficiary.

11.4 Incapacity: In the event that the Committee shall find that a Participant or other person entitled to benefits hereunder is unable to care for his or her affairs because of illness or accident, the Committee may direct that any benefit payment due him or her, unless claim shall have been made therefor by a duly appointed legal representative, be paid to the Participant's spouse, child, parent or other blood relative, or to a person with whom he or she resides, and any such payment so made shall be a complete discharge of the liabilities of the Company and the Plan therefor.

11.5 Withholding: There shall be deducted from all payments under this Plan the amount of any taxes required to be withheld by any Federal, state, or local government. The Participants and their Beneficiaries, distributees, and personal representatives will bear any and all Federal, foreign, state, local, or other income or other taxes imposed on amounts paid under this Plan.

11.6 Severability: Should any provision of the Plan or any regulations adopted thereunder be deemed or held to be unlawful or invalid for any reason, such fact shall not adversely affect the other provisions or regulations unless such invalidity shall render impossible or impractical the functioning of the Plan and, in such case, the appropriate parties shall adopt a new provision or regulation to take the place of the one held illegal or invalid.

11.7 Adjustments: In the event of a stock split, stock dividend, recapitalization, or other event described in Section 16 of the Long-Term Incentive Plan, the provisions of such Section 16 shall apply to any Stock Units and any Dividend Equivalent Units credited to a Participant's Stock Unit and RSU Deferral Account, provided that any such adjustment shall be consistent with the requirements of Code Section 409A and the guidance promulgated thereunder.

11.8 No Rights: Neither the Participant nor any other person shall have any rights as a stockholder of the Company with respect to any Stock Units or Dividend Equivalent Units credited to such Participant's Stock Unit and RSU Deferral Account until shares of Common Stock are issued to such Participant or such Participant's Beneficiary in satisfaction thereof.

11.9 Controlling Law: The Plan shall be governed by the laws of the Commonwealth of Pennsylvania except to the extent preempted by ERISA and any other law of the United States.

1. EnerSys Voluntary Deferred Compensation Plan for Executives

2. Effective April 1, 2009, as amended effective August 5, 2010, May 26, 2011, April 1, 2020, and August 3, 2023. The amended Plan effective April 1, 2020 reflected the removal of Market Share Units as an investment option.

1. DEFINITIONS

1.1 For purposes of this Plan, unless otherwise clearly apparent from the context, the following phrases and terms shall have the indicated meanings:

1.1 “**Beneficiary**” means the person or persons designated pursuant to Section 2.2. For purposes of the preceding sentence the term “person” shall include an individual, trust, or estate. In default of a valid Beneficiary designation, a Participant’s Beneficiary shall be a Participant’s estate.

1.2 “**Board**” means the board of directors of the Company.

1.3 “**Bonus**” means any compensation relating to services performed during any Plan Year payable to a Participant as an Employee under any of the Company’s bonus or cash compensation incentive plans; provided that compensation that is paid or payable during such Plan Year shall not be deemed a Bonus under the Plan.

1.4 “**Bonus Deferrals**” means the deferrals elected by the Participant pursuant to Section 3.1 hereof.

1.5 “**Change in Control**” means an event that constitutes a Change in Control under the Long-Term Incentive Plan provided that such event shall not constitute a Change in Control under this Plan unless such event also constitutes a change in control of the Company within the meaning of Code Section 409A.

1.6 “**Code**” means the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder.

1.7 “**Committee**” means the Compensation Committee of the Board or such other committee as may be appointed by the Board to administer this Plan. Such term also includes the full Board to the extent it takes action with respect to administrative or operational matters relating to the Plan.

1.8 “**Common Stock**” means the common stock of the Company, par value \$0.01 per share.

1.9 “**Company**” shall mean EnerSys and any successor thereto.

1.10 “**Deferral Account**” means an account established on the books of the Company for the purpose of recording amounts credited with respect to Bonus Deferrals on behalf of a Participant, Matching Amounts (if any), and any income, expenses, gains, or losses with respect thereto. There are three types of Deferral Accounts under the Plan, the Investment Fund Deferral Account, the Stock Unit Deferral Account, and the Market Share Unit Deferral Account.

1.11 “**Deferral Election**” means an irrevocable election, on a form prescribed by the Committee, by a Participant to defer receipt of a portion of such Participant’s Bonus for a specific Plan Year.

1.12 “**Disability**” means an inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, as determined by the Committee.

1.13 “**Effective Date**” means April 1, 2009, and as amended, August 3, 2023.

1.14 “**Employee**” means an individual who is a common law employee of any Employer.

1.15 “**Employer**” means the Company or any Subsidiary that the Board has selected as eligible to have certain of its management and highly compensated personnel participate in the Plan.

1.16 “**ERISA**” means the Employee Retirement Income Security Act of 1974, as amended.

1.17 “**Exchange Act**” means the Securities Exchange Act of 1934, as amended.

1.18 “**Investment Funds**” means the investment alternatives the Committee establishes from time to time for tracking the investment returns to be credited to Participants’ Investment Fund Deferral Accounts.

1.19 “**Investment Fund Deferral Account**” means the Deferral Account that is maintained with respect to the portion of a Participant’s Bonus Deferrals that such reflects the tracking of the investment returns based on the Participant’s allocation of investments in the Investment Funds, and any hypothetical expenses and earnings or losses with respect thereto.

1.20 “**Long-Term Incentive Plan**” means the EnerSys 2004, 2006, 2010, 2017 or 2023 Equity Incentive Plan, as applicable. Such term shall also mean any other successor or comparable plan or program as designated by the Committee and approved by the Board from time to time.

1.21 “**Market Share Unit**” means a form of Stock Unit (as defined in the Long-Term Incentive Plan) that entitles a Participant to receive, at the end of the applicable Performance Period, between zero and two shares of Common Stock, based on the change in price of the Company’s Common Stock over such Performance Period.

1.22 “**Market Share Unit Deferral**” means that portion of a Participant’s Bonus Deferral that such Participant has elected to allocate in Market Share Units.

1.23 “**Market Share Unit Deferral Account**” means an account established on a Participant’s behalf with respect to such Participant’s Market Share Unit Deferral, the Matching Amount and any earnings or losses with respect thereto.

1.24 “**Matching Amount**” means, with respect to the amount of a Stock Unit Deferral or Market Share Unit Deferral for a Plan Year by a Participant, the amount contributed to a Participant’s Stock Unit Deferral Account or Market Share Unit Deferral Account, as applicable, pursuant to Section 4.1

1.25 “**Participant**” means an individual who (i) has properly and timely completed such Participant’s elections pursuant to Section 2.2 and (ii) is an Employee or, if not, has a balance standing to his or her credit in one or more Deferral Accounts with respect to Plan

Years in which such individual was an Employee. Such term also includes a deceased Participant's Beneficiary, who is entitled to a Plan benefit, until such benefit is paid.

1.26 "Payout Factor" means, for each Market Share Unit that is contributed to a Participant's Market Share Unit Deferral Account, the Share Price at the end of the Performance Period of such Market Share Unit divided by the Share Price on the date of such contribution, with the quotient rounded to the nearest hundredth (two places after the decimal); provided, however, that if the Payout Factor equals more than 2.00, the Payout Factor shall be 2.00.

1.27 "Performance Period" means, with respect to a particular Market Share Unit, the three-year period beginning on the last day of the Plan Year in which the Participant earned the Bonus to which such Market Share Unit relates. With respect to a Market Share Unit that is contributed to a Participant's Market Share Unit Deferral Account as a Matching Amount on a Market Share Unit Deferral, the Performance Period shall be the vesting period set forth in Section 4.2(b).

1.28 "Plan" means this EnerSys Voluntary Deferred Compensation Plan for Executives.

1.29 "Plan Year" means the Company's 12-month fiscal year or such other 12-month period as the Committee may designate from time to time.

1.30 "Share Price" means, for each Market Share Unit that is contributed to a Participant's Market Share Unit Deferral Account, the average of the closing share prices of the Company's Common Stock during the 90 calendar days immediately preceding the end of the Performance Period of such Market Share Unit or the date of such contribution, as applicable; provided that if there were no trades on the last date of such Performance Period or date of contribution, as applicable, the closing prices during the 90 calendar days immediately preceding the most recent date on which there were trades shall be used.

1.31 "Stock Unit Deferral" means that portion of a Participant's Bonus Deferral that such Participant has elected to allocate in Stock Units.

1.32 "Stock Unit Deferral Account" means an account established on a Participant's behalf with respect to such Participant's Stock Unit Deferral, the Matching Amount, and any earnings or losses with respect thereto.

1.33 "Stock Units" means Stock Units (as defined in the Long-Term Incentive Plan) awarded to a Participant pursuant to the terms of the Long-Term Incentive Plan. As used herein, the term "Stock Units" shall refer only to those Stock Units that are not Market Share Units.

1.34 "Subsidiary" means a subsidiary corporation, as defined in Code Section 424(f), that is a subsidiary of the Company.

1.35 "Termination" means a Participant's "separation from service" within the meaning of Treas. Reg. § 1.409A-1(h).

1.36 "Valuation Date" means any day that the New York Stock Exchange or any successor to its business is open for trading.

2. ELIGIBILITY AND PARTICIPATION

1.1 Eligibility for Participation: Participation in the Plan is limited to those individuals that the Committee selects. To be eligible to make Bonus Deferrals for a Plan Year the individual must be in a select group of management and highly compensated Employees, as determined by the Committee in its sole discretion. From that group, the Committee shall select, in its sole discretion, the Employees who shall be eligible to make Bonus Deferrals for such Plan Year. The Company's Chief Executive Officer shall at all times be deemed eligible to make Bonus Deferrals in accordance with the terms of the Plan.

1.2 Commencement of Participation: Each Participant shall be provided an opportunity to irrevocably designate, prior to each Plan Year (or, in the Participant's first year of eligibility, within 30 days following the date the Participant became eligible), his or her elections pursuant to Article 3. Notwithstanding the foregoing, a Participant may make an election with respect to a Bonus that is "performance-based compensation" (as defined in Treas. Reg. § 1.409A-1(e)) on or before the date that is six months from the end of the applicable Plan Year (or the date such compensation has become "readily ascertainable" (as defined in Treas. Reg. § 1.409A-2(a)(8)), if earlier. Such Participant must make such designation in the manner authorized by the Committee and such designation must be accompanied by, as applicable:

- (a) an irrevocable authorization to defer receipt of a percentage of a Bonus with respect to a Plan Year as a Bonus Deferral as elected under Section 3.1;
- (b) an irrevocable election to allocate such Bonus Deferral to an Investment Fund Deferral Account, to a Stock Unit Deferral Account, or for periods prior to April 1, 2020 to a Market Share Unit Deferral Account;
- (c) a designation of a Beneficiary; and
- (d) a designation as to the form and timing of the distribution of the Participant's vested Deferral Accounts for such Plan Year as provided under Sections 6.1 and 6.2.

1.3 Cessation of Participation: A Participant shall cease to be an active Participant on the earliest of:

- (a) the date that the Plan terminates,
- (b) the date that the Participant ceases to be eligible to participate in the Plan under Section 2.1, or
- (c) the date that the Participant receives a complete distribution of his Deferral Accounts.

1.4 A former active Participant shall be deemed a Participant for all purposes except with respect to the right to make deferrals, as long as he or she maintains a Deferral Account.

3. DEFERRAL OF COMPENSATION

1.1 Bonus Deferrals: Each Participant eligible to make Bonus Deferrals may authorize the Company, in the manner described in Section 2.2, to defer a percentage of his or her Bonus that would otherwise be payable for services performed in a Plan Year. Such Bonus Deferrals shall be a stated percentage of the Participant's Bonus for such period, up to 100

percent as designated by the Participant. A Participant must make an election to defer a Bonus in accordance with Section 2.2. A Participant must make a new election to defer a Bonus for each subsequent Plan Year.

1.2 Crediting of Bonus Deferrals: A Participant's Bonus Deferrals shall be credited to such Participant's Deferral Accounts as of the date that the Bonus would otherwise be paid to the Participant if the Participant was not deferring such Bonus.

1.3 Vesting of Bonus Deferrals: Each Participant shall always be 100% vested in each of such Participant's Bonus Deferrals in such Participant's Deferral Accounts.

4. EMPLOYER CONTRIBUTIONS

1.1 Matching Amount: On the same day that a Bonus is credited to a Participant's Stock Unit Deferral Account as a Stock Unit Deferral or Market Share Unit Deferral Account as a Market Share Unit Deferral on behalf of such Participant, the Company shall credit on behalf of such Participant, with respect to such Stock Unit Deferral or Market Share Unit Deferral, a Matching Amount. The Matching Amount shall be an amount equal to the lesser of \$150,000 or 20 percent of such Participant's Stock Unit Deferral or Market Share Unit Deferral amount. The Matching Amount shall be made in the form of Stock Units or Market Share Units in accordance with the Participant's election pursuant to Section 2.2(b).

1.2 Vesting of Matching Amounts:

(a) With respect to a Stock Unit that is credited to a Participant's Stock Unit Deferral Account as a Matching Amount on a Stock Unit Deferral, a Participant shall vest in such Stock Unit three years from the last day of the Plan Year in which the Participant earned the Bonus to which such Stock Unit Deferral relates; provided that the Participant is continuously employed by the Company from the date of crediting through such vesting date. Subject to Section 4.2(c) below, any Stock Unit contributed to a Participant's Stock Unit Deferral Account as a Matching Amount that fails to vest because the employment condition set forth in the preceding sentence is not satisfied shall be forfeited as of the Participant's Termination.

(b) With respect to a Market Share Unit that is credited to a Participant's Market Share Unit Deferral Account as a Matching Amount on a Market Share Unit Deferral, a Participant shall vest in such Market Share Unit three years from the last day of the Plan Year in which the Participant earned the Bonus to which such Market Share Unit Deferral relates; provided that the Participant is continuously employed by the Company from the date of crediting through such vesting date. Subject to Section 4.2(c) below, any Market Share Unit contributed to a Participant's Market Share Unit Deferral Account as a Matching Amount that fails to vest because the employment condition set forth in the preceding sentence is not satisfied shall be forfeited as of the Participant's Termination.

(c) Notwithstanding the foregoing, with respect to both Stock Units and Market Share Units contributed to a Participant's Deferral Account as Matching Amounts:

(i) upon 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, all outstanding but unvested Matching Amounts shall become 100% vested; or

(ii) upon a Termination due to death or Permanent Disability (as defined in the Long-Term Incentive Plan), a voluntary Termination for Good Reason

(as defined in the Long-Term Incentive Plan), or an involuntary Termination without Cause (as defined in the Long-Term Incentive Plan) in each case on or within two years after a Change in Control (other than a Change in Control described in Section 4.2(c)(i) above) (such Termination on or within two years after such Change in Control, a “Change in Control Termination”), all outstanding but unvested Matching Amounts shall become 100% vested.

1. INVESTMENT OF DEFERRALS

5.1 Establishment of Accounts: The Company shall establish the following Deferral Accounts for each Participant (but only to the extent the Participant has amounts to be allocated to such Deferral Account):

- (a) an Investment Fund Deferral Account,
- (b) a Stock Unit Deferral Account, and
- (c) a Market Share Unit Deferral Account.

Each Participant shall receive periodic statements (no less frequently than annually) reflecting the balances in his or her Accounts.

5.2 Obligation of the Company: Individual benefits under the Plan are payable as they become due solely from the general assets of the Company. To the extent a Participant, or any person, acquires a right to receive payments under this Plan, such right shall be no greater than the right of any general creditor of the Company. Neither this Plan, nor any action taken pursuant to the terms of this Plan, shall be considered to create a fiduciary relationship between the Company and the Participant, or any other persons, or to require the establishment of a trust of which the assets are beyond the claims of any general creditor of the Company.

5.3 Establishment of Investment Funds: The Committee will establish multiple deemed Investment Funds that the Committee will cause to be maintained for determining the investment return to be credited to each Participant’s Investment Fund Deferral Account. The Committee may change the number, identity, or composition of the Investment Funds from time to time. Each Participant will indicate the Investment Funds for allocation of the amounts credited to his or her Investment Fund Deferral Account. Each Participant’s Investment Fund Deferral Account will be increased or decreased by the net amount of investment earnings or losses that it would have achieved had it actually been invested in the deemed investments. The Company is not required to purchase or hold any of the deemed Investment Funds. Investment Fund elections must be made in a minimum of 1% increments and in such other manner as the Committee will specify. A Participant may change his or her Investment Fund election periodically in the manner provided by the Committee. Any such change shall become effective as soon as administratively practicable following the date the Committee receives notice of such change in the form prescribed by the Committee.

5.4 Crediting Investment Results: No less frequently than as of each Valuation Date, each Participant’s Investment Fund Deferral Account will be increased or decreased to reflect investment results and any expenses with respect thereto. Each Participant’s Investment Fund Deferral Account will be credited with the investment return of the Investment Funds in which the Participant elected to be deemed to participate. The credited investment return is intended to reflect the actual performance of the Investment Funds net of any applicable investment management fees or administrative expenses determined by the Committee. Notwithstanding the above, the amount of any payment of Plan benefits pursuant to Article 5 or

upon Plan termination shall be determined as of the Valuation Date preceding the date of payment.

5.5 Stock Unit Deferral Account: All amounts that a Participant elects to defer to a Stock Unit Deferral Account and any Matching Amounts attributable thereto, shall be credited in Stock Units. The number of Stock Units credited to a Participant's Stock Unit Deferral Account shall be determined based upon the closing price of Common Stock on the date of crediting.

5.6 Market Share Unit Deferral Account:

(a) All amounts that a Participant elects to defer to a Market Share Unit Deferral Account and any Matching Amounts attributable thereto, shall be initially credited in Market Share Units. The number of Market Share Units initially credited to a Participant's Market Share Unit Deferral Account shall be determined based upon the closing price of Common Stock on the date of crediting with the value of a Market Share Unit determined in the same manner as used by the Company for SEC disclosure purposes.

(b) All amounts that a Participant elects to defer to a Market Share Unit Deferral Account and any Matching Amounts attributable thereto shall convert to a number of Stock Units on the last day of the Performance Period based upon the product obtained by multiplying the applicable number of Market Share Units times the applicable Payout Factor.

(c) In the event of a Change in Control described in Section 4.2(c)(i) prior to the last date of a Performance Period, all amounts deferred to a Market Share Unit Deferral Account and any Matching Amounts attributable thereto shall convert to a number of Stock Units on the date of the Change in Control based upon the product obtained by multiplying the applicable number of Market Share Units times the applicable Payout Factor determined by substituting the date of the Change in Control for the last date of the Performance Period.

(d) In the event of a Change in Control Termination described in Section 4.2(c)(ii) prior to the last date of a Performance Period, all amounts deferred to a Market Share Unit Deferral Account and any Matching Amounts attributable thereto shall convert to a number of Stock Units on the date of the Change in Control Termination based upon the product obtained by multiplying the applicable number of Market Share Units times the applicable Payout Factor determined by substituting the date of the Change in Control Termination for the last date of the Performance Period.

5.7 Dividends: If the Company declares and pays a dividend or distribution on Common Stock in the form of cash, then a number of additional Stock Units or Market Share Units shall be credited to the 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 Stock Units or Market Share Units in the Participant's Deferral Account as of the payment date for such dividend or distribution times the per share amount of such dividend or distribution, by (ii) the Fair Market Value of one share of Common Stock (as defined in the Long-Term Incentive Plan) as of the payment date for such dividend or distribution.

2. PAYMENT AND AMOUNT OF BENEFITS

6.1 Form of Distribution:

(a) Each Participant shall elect the form and timing of the distribution with respect to each of his or her Deferral Accounts in the manner authorized by the Committee,

provided that a Participant may elect to receive distributions from his or her Deferral Accounts in a lump sum or in up to 10 annual installments.

(b) If the Participant elects an annual installment distribution, the amount of each installment shall be determined by multiplying the Participant's remaining Account balance by a fraction, the numerator of which is one and the denominator of which is the number of years remaining in the installment period.

(c) Distributions of a Participant's Stock Unit Deferral Account shall be made in the form of Common Stock in an amount equal to one share of Common Stock payable for each Stock Unit.

(d) Distributions of a Participant's Market Share Unit Deferral Account that have converted to Stock Units in accordance with Section 5.6 shall be made in the form of Common Stock in an amount equal to one share of Common Stock payable for each Stock Unit.

(e) In the event a Participant fails to elect the form of distribution with respect to any of his or her Deferral Accounts, the form of distribution thereof shall be a lump sum.

6.2 Time of Distribution: Each Participant shall elect the timing of the distribution with respect to his or her vested Deferral Account in the manner that the Committee may authorize. A Participant shall make a separate election as to the timing of payment with respect to each Deferral Account specified in Section 6.1 above. The Participant's election(s) shall indicate that payment shall be made (in the case of a lump sum election) or shall commence (in the case of an annual installment election):

(a) within 60 days following the Participant's Termination; provided, however, that if the Performance Period for any vested amounts in the Participant's Market Share Unit Deferral Account ends after the date of such Termination, such amounts shall be distributed within 60 days following the last date of such Performance Period (or, if earlier, the date of a Change in Control described in Section 4.2(c)(i));

(b) in a specific month and year, but, with respect to the distribution of a Stock Unit Deferral Account or Market Share Unit Deferral Account, in no event earlier than three years from the last day of the Plan Year in which the Participant earned the Bonus to which the Bonus Deferrals in such Stock Unit Deferral Account or Market Share Unit Deferral Account relate; provided, however, that if a Participant elects his or her distribution to be made or commenced in accordance with this paragraph (b), and such date falls before the Participant's Termination, the distribution shall be delayed until a date within 60 days following the Participant's Termination; or

(c) within 60 days following the earlier of (i) a Change in Control or (ii) the Participant's Termination; provided that if after such Change in Control, outstanding and unvested Matching Amounts remain in the Participant's Deferral Account, such amounts, if any, shall be distributed, if at all, within 60 days following the applicable vesting date set forth in Section 4.2; and further provided that if the Performance Period for any vested amounts in the Participant's Market Share Unit Deferral Account ends after the date of such Change in Control or Termination, such amounts shall be distributed within 60 days following the last date of such Performance Period (or, if earlier, the date of a Change in Control described in Section 4.2(c)(i) or Change in Control Termination described in Section 4.2(c)(ii)).

(d) In the event a Participant fails to elect the timing of distribution with respect to any of his or her Deferral Accounts, the timing of distribution thereof shall be in accordance with Section 6.2(a).

(e) Notwithstanding the foregoing, 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 distribution under this Section 6.2 that is required to be delayed pursuant to Code Section 409A(a)(2)(B), such distribution shall not be made prior to the earlier of (i) the expiration of the six-month period measured from the date of the Participant’s Termination, or (ii) the date of the Participant’s death (the “Delay Period”). Within 10 days following the expiration of the Delay Period, all distributions delayed pursuant to this paragraph (whether they would have otherwise been payable in a lump sum or in installments in the absence of such delay) shall be made to the Participant in a lump sum, and any remaining distributions due shall be made in accordance with the normal distribution dates specified for them herein.

6.3 Change in Form or Time of Distribution: A Participant may change his or her form and timing election applicable to the distribution of a Deferral Account provided that such request for change (i) does not take effect until at least 12 months after the date on which the request is made, (ii) in the case of a change to a distribution to be made at a specified time, is made at least 12 consecutive months prior to the date that such distribution would otherwise have been made or commenced, and (iii) the first payment with respect to such new election is deferred for a period of not less than five years beyond the date such distribution would otherwise have been made.

6.4 Distribution Upon Death or Disability: Notwithstanding the provisions of Sections 6.1, 6.2, and 6.3, upon a Participant’s death or Termination due to Disability, all vested amounts credited to such Participant’s Deferral Accounts shall be paid to the Participant, in a lump-sum payment, as soon as administratively feasible, but in no event later than 60 days, after the occurrence of such death or Termination due to Disability (subject to any required delay pursuant to Code Section 409A as set forth in Section 6.2(e)); provided that if the Performance Period for any vested amounts in the Participant’s Market Share Unit Deferral Account ends after the date of such Termination, such amounts shall be distributed within 60 days following the last date of such Performance Period (or, if earlier, the date of a Change in Control described in Section 4.2(c)(i)).

3. FINANCING

In the event that, in its discretion, the Company purchases an asset(s) or insurance policy or policies insuring the life of the Employee to allow the Company to recover the cost of providing benefits, in whole or in part hereunder, neither the Employee, Beneficiary, nor any other beneficiary shall have any rights whatsoever therein in such assets or in the proceeds therefrom. The Company shall be the sole owner and beneficiary of any such assets or insurance policy and shall possess and may exercise all incidents of ownership therein. No Participant shall have any right or interest in any such policy or the proceeds thereof or in any other specific fund or asset of the Company because of the Plan. The Company’s obligation to make payments under the Plan shall be contractual only and all payments hereunder shall be made from its general assets at the time and in the manner provided for in the Plan. The rights of Participants to benefit payments hereunder shall be no greater than those of a general creditor.

4. ADMINISTRATION

8.1 Administration: Responsibility for establishing the requirements for participation and for administration of the Plan shall be vested in the Committee, which shall

have the full and exclusive discretionary authority to interpret the Plan, to determine all benefits and to resolve all questions arising from the administration, interpretation, and application of their provisions, either by general rules or by particular decisions, including determinations as to whether a claimant is eligible for benefits, the amount, form and timing of benefits, and any other matter (including any question of fact) raised by a claimant or identified by the Committee. The Committee may delegate administrative tasks as necessary to persons who are not Committee members. All decisions of the Committee shall be conclusive and binding upon all affected persons.

8.2 Plan Expenses: The Company shall bear all expenses of administering the Plan. No employee shall receive any remuneration for service in such capacity but the Company shall reimburse the Committee or its members for any amounts paid or incurred in connection with administering the Plan.

8.3 Liability: The Company shall indemnify and hold harmless the members of the Committee against any and all claims, loss, damage, expense, or liability arising from any action or failure to act with respect to this Plan, except in the case of gross negligence or willful misconduct.

5. AMENDMENT OR TERMINATION

9.1 Plan Amendment: The Plan may be amended or otherwise modified by the Committee, in whole or in part, provided that no amendment or modification shall divest any Participant of any vested amount previously credited to such Participant's Deferral Account under Article 3 and 4 or of the amount and method of crediting earnings to such Deferral Account under Article 5 of the Plan as of the date of such amendment.

9.2 Termination of the Plan: The Committee reserves the right to terminate the Plan at any time in whole or in part. In the event of any such termination, the Company shall pay benefits in the form and at the time elected by the Participant pursuant to Article 6 of the Plan. Earnings or losses with respect thereto shall continue to be allocated under Article 5 after the termination of the Plan until the Participant's benefits have been paid in full.

6. CLAIMS PROCEDURE

10.1 Claim: Any person claiming a benefit, requesting an interpretation or ruling under the Plan, or requesting information under the Plan shall present the request in writing to the Committee, which shall respond in writing as soon as practicable.

10.2 Denial of Claim: If the claim or request is denied, the written notice of denial shall state:

- (a) the reasons for denial, with specific reference to the Plan provisions on which the Committee based the denial;
- (b) a description of any additional material or information required and an explanation of why it is necessary; and
- (c) an explanation of the Plan's claim review procedure.

10.3 Review of Claim: Any person whose claim or request is denied or who has not received a response within 30 days may request review by notice given in writing to the Committee. The Committee shall review the claim or request and the Committee may, but shall

not be required to, grant the claimant a hearing. On review, the claimant may have representation, examine pertinent documents, and submit issues and comments in writing.

10.4 Final Decision: The Committee shall normally make its review decision within 60 days. If the Committee requires an extension of time for a hearing or other special circumstances, the Committee shall notify the claimant and the time limit shall be 120 days. The decision shall be in writing and shall state the reasons and the relevant Plan provisions. All decisions on review shall be final and bind all parties concerned.

10.5 Attorney's Fees and Expenses: In the event a Participant's claim for benefits under this Plan is denied and the Participant successfully appeals the denial of such claim under the foregoing procedures, the Company shall pay or reimburse the reasonable legal fees and expenses directly incurred by the Participant in connection with his or her appeal subject to a maximum payment or reimbursement of one-third of the balance of the Participant's Deferral Accounts. Any such legal fees and expenses shall be paid to, or on behalf of, the Participant no later than 30 days following the Participant's written request for the payment of such legal fees and expenses, provided the Participant supplies the Committee with evidence of the fees and expenses incurred by the Participant that the Committee, in its sole discretion, determines is sufficient.

10.6 Interest on Delayed Payments: In the event a Participant's claim for benefits under this Plan is denied and the Participant successfully appeals the denial of such claim under the foregoing procedures, the Company shall pay to the Participant interest on the portion of the Participant's benefits that were not otherwise paid when due because of the initial denial of the claim. For purposes of the preceding sentence, interest shall accrue at an annual rate equal to the prime rate as quoted in the Wall Street Journal as of the date the benefits would otherwise have been paid if the claim had not initially been denied, plus five percent, and shall be adjusted as necessary to reflect any partial payment or payments of the amounts owed to the Participant.

7. MISCELLANEOUS

11.1 Non-Alienation of Benefits: No amount payable under the Plan shall be subject to assignment, transfer, sale, pledge, encumbrance, alienation, or charge by a Participant or the Beneficiary of a Participant except as may be required by law.

11.2 Limitation of Rights: Neither the establishment of this Plan, nor any modification thereof, nor the creation of a Deferral Account, nor the payment of any benefits shall be construed as giving:

(a) any Participant, Beneficiary, or any other person, any legal or equitable right against the Company unless such right shall be specifically provided for in the Plan or conferred by affirmative action of the Committee in accordance with the terms and provisions of the Plan; or

(b) any Participant or any other person, the right to be retained in the service of the Company, and all Participants and other employees shall remain subject to termination to the same extent as if the Plan had never been adopted.

11.3 Participant's Rights Unsecured: The right of any Participant or Beneficiary to receive payment under the provisions of the Plan shall be as an unsecured claim against the Company, as the case may be, and no provisions contained in the Plan shall be construed to give any Participant or Beneficiary at any time a security interest in the Participant's Deferral Accounts or any asset of the Company. The liabilities of the Company to

any Participant or Beneficiary pursuant to the Plan shall be those of a debtor pursuant to such contractual obligations as are created by the Plan. Amounts, if any, which may be set aside by the Company for accounting purposes shall not in any way be held in trust for, or be subject to the claims of, a Participant or Beneficiary.

11.4 Incapacity: In the event that the Committee shall find that a Participant or other person entitled to benefits hereunder is unable to care for his or her affairs because of illness or accident, the Committee may direct that any benefit payment due him or her, unless claim shall have been made therefor by a duly appointed legal representative, be paid to the Participant's spouse, child, parent or other blood relative, or to a person with whom he or she resides, and any such payment so made shall be a complete discharge of the liabilities of the Company and the Plan therefor.

11.5 Withholding: There shall be deducted from all payments under this Plan the amount of any taxes required to be withheld by any Federal, state, or local government. The Participants and their Beneficiaries, distributees, and personal representatives will bear any and all Federal, foreign, state, local, or other income or other taxes imposed on amounts paid under this Plan.

11.6 Severability: Should any provision of the Plan or any regulations adopted thereunder be deemed or held to be unlawful or invalid for any reason, such fact shall not adversely affect the other provisions or regulations unless such invalidity shall render impossible or impractical the functioning of the Plan and, in such case, the appropriate parties shall adopt a new provision or regulation to take the place of the one held illegal or invalid.

11.7 Adjustments: In the event of a stock split, stock dividend, recapitalization, or other event described in Section 16 of the Long-Term Incentive Plan, the provisions of such Section 16 shall apply to any Stock Units and Market Share Units credited to a Participant's Deferral Account, provided that any such adjustment shall be consistent with the requirements of Code Section 409A and the guidance promulgated thereunder.

11.8 No Rights: Neither the Participant nor any other person shall have any rights as a stockholder of the Company with respect to any Stock Units and Market Share Units credited to such Participant's Deferral Account until shares of Common Stock are issued to such Participant or such Participant's Beneficiary in satisfaction thereof.

11.9 Controlling Law: The Plan shall be governed by the laws of the Commonwealth of Pennsylvania except to the extent preempted by ERISA and any other law of the United States.

11.10 Recoupment: The Participant acknowledges that the Plan is subject to the terms and conditions of the Company's clawback/recoupment policy, as it may be amended from time to time. Further, this provision also applies to any policy adopted by any exchange on which the securities of the Company are listed pursuant to Section 10D of the Exchange Act.

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 _____, _____, 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 (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 anyway 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, DC Fast Charge, 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; and/or

(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, nickel-zinc cells or batteries, enclosures or lithium products, including but not limited to those used in space, defense, medical, transportation, industrial, or other stored energy solution applications, and/or hydrogen fuel cells.

"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, including but not limited to: trade secrets proprietary or customized software and databases; manufacturing 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; 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 and reports, including pricing, quoting and billing methods; 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 (defined below), 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.

"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, 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: (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: (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 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), Illinois (low wage), Maryland (low wage), Oklahoma (Wrongful Competition), Minnesota (Wrongful Competition), North Dakota (Wrongful Competition and Wrongful Solicitation), 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 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 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. Twenty-five percent (25%) of the Restricted Stock Units (rounded up to the nearest whole number) shall vest on the first anniversary of the date of this Agreement and on each of the next three (3) successive anniversaries thereof (each such anniversary, a "Vesting Date") 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 48, 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, 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. 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 exercising Participant's rights under Section 7 of the National Labor Relations Act or otherwise disclosing information as permitted by law.

(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). 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, so that Company may remove or delete any Company information.

6. Taxes.

(a) This Section 6(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 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.

7. Securities Laws Requirements. 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 of 1933, as amended (the "Securities Act") (or any other federal or state statutes having similar requirements as may be in effect at that time).

8. **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.

9. **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.

10. **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.

11. **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.

12. **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 4-6,12, 13, 15, 17-21 and 23 shall expressly survive the forfeiture of the Restricted Stock Units and the termination of this Agreement.

13. **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.

14. **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.

15. **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.

16. **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.

17. **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.

18. **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.

19. **Entire Agreement; Language; Governing Law.** 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 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.

20. **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.

21. **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 conflict with any prior agreement between the parties related to such subject matter, the terms of Section 4, 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.

22. **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.

23. **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 Option 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) **Clawback Policy.** The Restricted Stock Units, and any cash or Shares delivered upon settlement of the Restricted Stock Units shall be subject to the terms of the clawback policy adopted by the Board of Directors (as such policy may be amended from time-to-time). 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.

24. **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.

25. **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.

26. **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).

27. **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 THE 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, THE PARTICIPANT IS HEREBY CONSENTING TO THE USE AND TRANSFER OF THE 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: David M. Shaffer
Title: President & Chief Executive Officer

PARTICIPANT

Name: _____
Address: _____

Date of Grant: _____

Number of Restricted Stock Units: _____

APPENDIX A
to
Award Agreement for Employees – Restricted Stock Units
Under the 2023 Equity Incentive Plan

This Appendix A contains supplemental terms and conditions for awards of Restricted Stock Units granted as of the Date of Grant set forth in the Agreement under the Amended and Restated 2023 Equity Incentive Plan to Participants who reside outside the United States or who are otherwise subject to the laws of a country other than the United States.

Participant has also received the Agreement applicable to the Restricted Stock Units set forth therein. The Agreement, together with this Appendix A and the Plan are the terms and conditions of the grant of Restricted Stock Units set forth in the Agreement. To the extent that this Appendix A amends, deletes or supplements any terms of the Agreement, this Appendix A shall control. Capitalized terms used but not defined herein shall have the same meanings ascribed to them in the Agreement.

Section I of this Appendix A contains special terms and conditions that govern the Restricted Stock Units outside of the United States. **Section II** of this Appendix A contains special terms and conditions that govern the Restricted Stock Units in all countries, excluding Bulgaria, Czech Republic, France, Germany, Italy, Netherlands, Poland, Switzerland and the United Kingdom. **Section III** of this Appendix A contains special terms and conditions that govern the Restricted Stock Units in Bulgaria, Czech Republic, France, Germany, Italy, Netherlands, Poland, Switzerland and the United Kingdom. **Section IV** of this Appendix A includes special terms and conditions in the specific countries listed therein.

This Appendix A may also include information regarding exchange controls, taxation of awards and certain other issues of which Participant should be aware with respect to participation in the Plan. The information is based on the securities, exchange control, tax and other laws concerning Restricted Stock Units in effect as of March 1, 2021. Such laws are often complex and change frequently; the information may be out of date at the time Participant vests in the Restricted Stock Units or sell Shares acquired under the Plan. As a result, the Company strongly recommends that Participant should not rely on the information noted herein as the only source of information relating to the consequences of Participant's participation in the Plan.

In addition, this Appendix A is general in nature, does not discuss all of the various laws, rules and regulations which may apply to Participant's particular situation and the Company does not assure Participant of any particular result. **Accordingly, Participant is strongly advised to seek appropriate professional advice as to how the relevant laws in Participant's country apply to Participant's specific situation.**

Finally, if Participant is a citizen or resident of a country other than the one in which Participant is currently working, transferred employment after the Restricted Stock Units were granted or is considered a resident of another country for local law purposes, the information contained herein may not be applicable to Participant in the same manner. In addition, the Company shall, in its sole discretion, determine to what extent the terms and conditions contained herein will apply under these circumstances.

Section I. All Countries Outside the United States

1. **Nature of Grant.** In accepting the Restricted Stock Units, Participant acknowledges that:

- (a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;
- (b) the grant of the Restricted Stock Units is voluntary and occasional and does not create any contractual or other right to receive future grants of Restricted Stock Units, or benefits in lieu of Restricted Stock Units, even if Restricted Stock Units have been granted repeatedly in the past;
- (c) all decisions with respect to future grants, if any, will be at the sole discretion of Company;
- (d) Participant is voluntarily participating in the Plan;

- (e) the Restricted Stock Units and the underlying Shares subject to the Restricted Stock Units are extraordinary items that do not constitute compensation of any kind for services of any kind rendered to the Company or any Subsidiary or Affiliate, and which is outside the scope of Participant's employment contract, if any;
- (f) the Restricted Stock Units and the underlying Shares subject to the Restricted Stock Units are not intended to replace any pension rights, if any, or compensation;
- (g) the Restricted Stock Units and the underlying Shares subject to the Restricted Stock Units, and the income and value of same, are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company or any Subsidiary or Affiliate;
- (h) the grant of the Restricted Stock Units and Participant's participation in the Plan will not be interpreted to form an employment contract or relationship with the Company or any Subsidiary or Affiliate;
- (i) the future value of the underlying Shares is unknown and cannot be predicted with certainty;
- (j) if Participant obtains Shares upon settlement of Participant's Restricted Stock Units, the value of those shares acquired may increase or decrease in value;
- (k) in consideration of the grant of the Restricted Stock Units, no claim or entitlement to compensation or damages shall arise from forfeiture of the Restricted Stock Units resulting from termination of Participant's employment with the Company or any Subsidiary or Affiliate (for any reason whatsoever and whether or not in breach of local labor laws) and Participant irrevocably releases the Company, the Subsidiaries and the Affiliates from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, Participant will be deemed irrevocably to have waived Participant's entitlement to pursue such claim;
- (l) in the event of termination of Participant's employment (whether or not in breach of local labor laws), Participant's right to vest in the Restricted Stock Units under the Plan, if any, will terminate effective as of the date that Participant is no longer actively employed and will not be extended by any notice period mandated under local law (e.g., active employment would not include a period of "garden leave" or similar period pursuant to local law); the Compensation Committee shall have the exclusive discretion to determine when Participant is no longer actively employed for purposes of Participant's Restricted Stock Units;
- (m) the Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Participant's participation in the Plan, or Participant's acquisition or sale of Common Stock;
- (n) Participant is hereby advised to consult with Participant's personal tax, legal and financial advisors regarding participation in the Plan before taking any action related to the Plan;
- (o) unless otherwise provided in the Plan or by the Company in its discretion, the Restricted Stock Units and the benefits evidenced by this Agreement do not create any entitlement to have the Restricted Stock Units or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the shares of the Company; and
- (p) neither the Company, any Subsidiary nor any Affiliate of the Company shall be liable for any foreign exchange rate fluctuation between Participant's local currency and the United States Dollar that may affect the value of the Restricted Stock Units or of any amounts due to Participant pursuant to the settlement of the Restricted Stock Units or the subsequent sale of any shares acquired upon settlement.

2. Payment of Taxes. The following provisions supplement Section 6 of the Agreement entitled "Taxes."
- (a) Regardless of any action the Company or the Subsidiary/Affiliate that employs Participant (the "Employer") takes with respect to any or all income tax, Participant's portion of social insurance, payroll tax, payment on account or other tax-related items related to Participant's participation in the Plan and legally applicable to Participant ("Tax-Related Items"), Participant acknowledges that the ultimate liability for all Tax-Related Items is and remains Participant's responsibility and may exceed the amount actually withheld by the Company or the Employer.
 - (b) Participant further acknowledges that the Company and/or the Employer (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Restricted Stock Units, including, but not limited to, the grant of the Restricted Stock Units, the issuance of Shares upon vesting/settlement of the Restricted Stock Units, the subsequent sale of Shares acquired pursuant to such issuance and the receipt of any dividends or dividend equivalents; and (2) do not commit to, and are under no obligation to, structure the terms of the grant or any aspect of the Restricted Stock Units to reduce or eliminate Participant's liability for Tax-Related Items or achieve any particular tax result.
 - (c) Further, if Participant becomes subject to tax in more than one jurisdiction between the Date of Grant and the date of any relevant taxable event, Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.
 - (d) Participant authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following: (1) withholding in Shares to be issued or cash distributed upon vesting/settlement of the Restricted Stock Units; (2) withholding from Participant's wages or other cash compensation paid to Participant by the Company and/or the Employer; (3) withholding from the proceeds of the sale of Shares acquired upon vesting/settlement of the Restricted Stock Units either through a voluntary sale or through a mandatory sale arranged by the Company (on Participant's behalf pursuant to this authorization).
 - (e) To avoid negative accounting treatment, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, Participant shall be deemed to have been issued the full number of Shares subject to the vested Restricted Stock Units, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of Participant's participation in the Plan.
 - (f) Participant shall pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of Participant's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares or the proceeds of the sale of Shares, if Participant fails to comply with this obligation.
3. Insider Trading Restrictions/Market Abuse Laws. Participant acknowledges that, depending on Participant's country of residence (and country of employment, if different), Participant may be subject to insider trading restrictions and/or market abuse laws, which may affect Participant's ability to acquire or sell Shares or rights to Shares (e.g., Restricted Stock Units) under the Plan during such times as Participant is considered to have "inside information" (as defined by the laws in the applicable country). The insider trading and/or market abuse laws may be different from any Company Insider Trading Policy. Participant personally is responsible for ensuring compliance with any applicable restrictions and should consult with Participant's personal legal advisor for additional information about any applicable restrictions and Participant's obligations.
4. Foreign Asset/Account and Exchange Control Reporting. Participant's country of residence (and country of employment, if different) may have certain exchange controls and foreign asset and/or account reporting requirements which may affect Participant's ability to purchase or hold Shares

under the Plan or receive cash from Participant's participation in the Plan (including from any dividends received or sale proceeds arising from the sale of Shares) in a brokerage or bank account outside Participant's country of residence (and country of employment, if different). Participant may be required to report such accounts, assets or transactions to the tax or other authorities in Participant's country of residence (and country of employment, if different). Further, Participant may be required to repatriate the Shares or proceeds acquired as a result of participating in the Plan to Participant's country of residence (and country of employment, if different) through a designated bank/broker and/or within a certain time. Participant personally is responsible for ensuring compliance with any applicable reporting obligations and should consult with Participant's personal legal advisor for additional information about such obligations.

5. **Compliance Obligations and Cooperation.** As a condition to the grant of the Restricted Stock Units, Participant agrees to repatriate all payments attributable to the Shares and/or cash acquired under the Plan in accordance with local foreign exchange rules and regulations in Participant's country of residence (and country of employment, if different). In addition, Participant also agrees to take any and all actions, and consents to any and all actions taken by the Company and its Affiliates and Subsidiaries and/or the Employer, as may be required to allow the Company and its Affiliates and Subsidiaries or the Employer to comply with local laws, rules and regulations in Participant's country of residence (and country of employment, if different). Finally, Participant agrees to take any and all actions as may be required to comply with Participant's personal obligations under local laws, rules and regulations in Participant's country of residence (and country of employment, if different).
6. **Language.** Participant acknowledges that Participant is sufficiently proficient in English, or, alternatively, Participant acknowledges that Participant will seek appropriate assistance, to understand the terms and conditions in the Agreement and Appendix A. Furthermore, if Participant has received the Agreement, Appendix A or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.
7. **Foreign Asset/Account Reporting.** Please be aware that Participant's country of employment and/or residency may have certain foreign asset and/or account reporting requirements which may affect Participant's ability to acquire or hold Shares under the Plan or cash received from participating in the Plan (including from any dividends received or sale proceeds arising from the sale of Shares) in a brokerage or bank account outside Participant's country of employment and/or residency. Participant may be required to report such accounts, assets or transactions to the tax or other authorities in Participant's country. Participant acknowledges that Participant personally is responsible for being compliant with such regulations, and Participant should consult with Participant's personal advisor for guidance on Participant's personal reporting obligations.

Section II. All Countries Excluding Bulgaria, Czech Republic, France, Germany, Italy, Netherlands, Poland, Switzerland and United Kingdom

Data Privacy Consent.

(a) **General.** The Company is located at 2366 Bernville Road, Reading, Pennsylvania 19605, United States of America, and grants Restricted Stock Units under the Plan to employees of the Company and its Subsidiaries, at its sole discretion. In conjunction with the Company's grant of Restricted Stock Units under the Plan and its ongoing administration of such Restricted Stock Units, the Company is providing the following information about its data collection, processing and transfer practices. In accepting the grant of the Restricted Stock Units, Participant expressly and explicitly consents to the personal data activities as described herein.

(b) **Data Collection, Processing and Usage.** The Company and the Employer will collect, process and use certain personal information about Participant, specifically, Participant's name, home address, email address and telephone number, date of birth, social security or insurance number, passport number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all Restricted Stock Units or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in Participant's favor ("Personal Data"), for the exclusive purpose of implementing, administering and managing the Plan. Participant's Personal Data also may be disclosed to certain securities or other regulatory authorities where the Company's securities

are listed or traded or regulatory filings are made. The Company's legal basis for the collection, processing, usage and disclosure of Participant's Personal Data is Participant's consent.

(c) Stock Plan Administration Service Providers. The Company and the Employer transfer Participant's Personal Data to Shareworks by Morgan Stanley (Morgan Stanley), a broker firm/third party service provider based in the United States of America and engaged by the Company to assist with the implementation, administration and management of awards granted under the Plan (the "Stock Plan Administrator"). In the future, the Company may select a different Stock Plan Administrator and share Participant's Personal Data with another company that serves in a similar manner. The Stock Plan Administrator will open an account for Participant to receive and trade Shares acquired under the Plan. Participant will be asked to agree to separate terms and data processing practices with the Stock Plan Administrator, which is a condition of Participant's ability to participate in the Plan.

(d) International Personal Data Transfers. The Company and the Stock Plan Administrator are based in the United States of America. Participant should note that Participant's country of residence may have enacted data privacy laws that are different from the United States of America. The Company's legal basis for the transfer of Participant's Personal Data to the United States of America is Participant's consent.

(e) Voluntariness and Consequences of Consent, Denial or Withdrawal. Participant's participation in the Plan and Participant's grant of consent hereunder is purely voluntary. Participant may deny or withdraw Participant's consent at any time. If Participant does not consent, or if Participant later withdraws Participant's consent, Participant may be unable to participate in the Plan. This would not affect Participant's existing employment or salary; instead, Participant merely may forfeit the opportunities associated with participation in the Plan.

(f) Personal Data Retention. Participant understands that Participant's Personal Data will be held only as long as is necessary to implement, administer and manage the Restricted Stock Units and Participant's participation in the Plan. When the Company no longer needs Participant's Personal Data, the Company will remove it from its systems. If the Company retains Participant's Personal Data longer, it would be to satisfy the Company's legal or regulatory obligations and the Company's legal basis would be for compliance with applicable laws, rules and regulations.

(g) Personal Data Subject Rights. Participant understands that Participant may have the right under applicable law to (i) access or copy Participant's Personal Data that the Company possesses, (ii) rectify incorrect Personal Data concerning Participant, (iii) delete Participant's Personal Data, (iv) restrict processing of Participant's Personal Data, or (v) lodge complaints with the competent supervisory authorities in Participant's country of residence. To receive clarification regarding these rights or to exercise these rights, Participant can contact the Company's Legal Department at legal@enersys.com.

Section III. Bulgaria, Czech Republic, France, Germany, Italy, Netherlands, Poland, Switzerland and United Kingdom

Data Privacy Notice.

(a) General. The Company is located at 2366 Bernville Road, Reading, Pennsylvania 19605, United States of America, and grants Restricted Stock Units under the Plan to employees of the Company and its Subsidiaries, at its sole discretion. In conjunction with the Company's grant of Restricted Stock Units under the Plan and its ongoing administration of such Restricted Stock Units, the Company is providing the following information about its data collection, processing and transfer practices, which Participant should carefully review.

(b) Data Collection, Processing and Usage. The Company and the Employer will collect, process and use certain personal information about Participant, specifically, Participant's name, home address, email address and telephone number, date of birth, social security or insurance number, passport number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all Restricted Stock Units or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in Participant's favor ("Personal Data"), for the

exclusive purpose of implementing, administering and managing the Plan. Participant's Personal Data also may be disclosed to certain securities or other regulatory authorities where the Company's securities are listed or traded or regulatory filings are made. The Company's legal basis for the collection, processing, usage and disclosure of Participant's Personal Data is to satisfy its contractual obligations under the terms of the Agreement and Appendix A, and to comply with applicable laws, rules and regulations.

(c) Stock Plan Administration Service Providers. The Company and the Employer transfer Participant's Personal Data to Shareworks by Morgan Stanley (Morgan Stanley), a broker firm/third party service provider based in the United States of America and engaged by the Company to assist with the implementation, administration and management of awards granted under the Plan (the "Stock Plan Administrator"). In the future, the Company may select a different Stock Plan Administrator and share Participant's Personal Data with another company that serves in a similar manner. The Stock Plan Administrator will open an account for Participant to receive and trade Shares acquired under the Plan. Participant will be asked to agree to separate terms and data processing practices with the Stock Plan Administrator, which is a condition of Participant's ability to participate in the Plan.

(d) International Personal Data Transfers. The Company and the Stock Plan Administrator are based in the United States of America. Participant should note that Participant's country of residence may have enacted data privacy laws that are different from the United States of America. The Company's legal basis for the transfer of Participant's Personal Data to the United States of America is to satisfy its contractual obligations under the terms and conditions of the Agreement and Appendix A.

(e) Personal Data Retention. Participant understands that Participant's Personal Data will be held only as long as is necessary to implement, administer and manage the Restricted Stock Units and Participant's participation in the Plan. When the Company no longer needs Participant's Personal Data, the Company will remove it from its systems. If the Company retains Participant's Personal Data longer, it would be to satisfy the Company's legal or regulatory obligations and the Company's legal basis would be for compliance with applicable laws, rules and regulations.

(f) Personal Data Subject Rights. Participant understands that Participant may have the right under applicable law to (i) access or copy Participant's Personal Data that the Company possesses, (ii) rectify incorrect Personal Data concerning Participant, (iii) delete Participant's Personal Data, (iv) restrict processing of Participant's Personal Data, or (v) lodge complaints with the competent supervisory authorities in Participant's country of residence. To receive clarification regarding these rights or to exercise these rights, Participant can contact the Company's Legal Department at legal@enersys.com.

Section IV. Country-Specific Provisions

Argentina

Securities Law Information. Neither the Restricted Stock Units nor the underlying Shares shall be publicly offered or listed on any stock exchange in Argentina and, as a result, have not been and will not be registered with the Argentine Securities Commission (*Comisión Nacional de Valores* or "CNV"). The offer is private and not subject to the supervision of any Argentine governmental authority. Neither this nor any other offering material related to the Restricted Stock Units or the underlying Shares may be utilized in connection with any general offering to the public in Argentina. Argentine residents who acquire Restricted Stock Units under the Plan do so according to the terms of a private offering made from outside Argentina.

Australia

Compliance with Law. Notwithstanding anything to the contrary in the Agreement or the Plan, Participant shall not be entitled to, and shall not claim any benefit (including without limitation a legal right) under the Plan if the provision of such benefit would give rise to a breach of Part 2D.2 of the Corporations Act 2001 (Cth) (the "Act"), any other provision of that Act, or any other applicable statute, rule or regulation which limits or restricts the giving of such benefits.

Australian Offer Document. The Restricted Stock Units are granted pursuant to the Australian Offer Document and the grant is intended to comply with the provisions of the Corporations Act 2001, ASIC Regulatory Guide 49 and ASIC Class Order 14/1000. Participation in the Plan and the Restricted Stock Units granted under the Plan are subject to the terms and conditions stated in the Australian Offer Document, in addition to the Plan and the Agreement.

Tax Information. The Plan is a plan to which Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) (the "Act") applies (subject to the conditions in that Act).

Exchange Control Information. Exchange control reporting is required for cash transactions exceeding AUD 10,000 and international fund transfers. The Australian bank assisting with the transactions will file the report on Participant's behalf. If an Australian bank is not involved in the transfer, Participant personally will have to file the report. Participant personally is responsible for ensuring compliance with any applicable reporting obligations and should consult with Participant's personal legal advisor for additional information about such obligations.

Austria

Exchange Control Information. If Participant holds securities (including Shares acquired under the Plan) or cash (including proceeds from the sale of Shares) outside of Austria, Participant may be required to report certain information to the Austrian National Bank if certain thresholds are exceeded. Specifically, if Participant is an Austrian resident and holds securities outside of Austria, reporting requirements will apply if the value of such securities meets or exceeds (i) €30,000,000 as of the end of any calendar quarter, or (ii) €5,000,000 as of December 31. Further, if Participant holds cash in accounts outside of Austria, monthly reporting requirements will apply if the aggregate transaction volume of such cash accounts meets or exceeds €10,000,000.

Brazil

Labor Law Policy and Acknowledgment. By accepting the Restricted Stock Units, Participant agrees that (i) Participant is making an investment decision, (ii) the Shares will be issued to Participant only if the vesting conditions are met and (iii) the value of the underlying Shares is not fixed and may increase or decrease in value over the vesting period without compensation to the Participant.

Compliance with Law. By accepting the Restricted Stock Units, Participant agrees to comply with applicable Brazilian laws and to report and pay applicable Tax-Related Items associated with the vesting of the Restricted Stock Units or the subsequent sale of the Shares acquired under the Plan.

Foreign Asset/Account Reporting Information. If Participant is resident or domiciled in Brazil, Participant will be required to submit an annual declaration of assets and rights held outside of Brazil to the Central Bank of Brazil if the aggregate value of such assets and rights is equal to or greater than US\$100,000 (US\$1,000,000 as of January 1, 2021). Quarterly reporting is required if such amount exceeds US\$100,000,000. Assets and rights that must be reported include Shares acquired under the Plan.

Tax on Financial Transactions (IOF). Payments to foreign countries, repatriation of funds into Brazil, and the conversion of BRL into USD associated with such fund transfers, may be subject to the Tax on Financial Transaction. It is Participant's personal responsibility to comply with any applicable Tax on Financial Transaction arising from participation in the Plan. Participant should consult with Participant's personal tax advisor for additional details.

Bulgaria

Exchange Control Information. If Participant is a Bulgarian resident, Participant will be required to file statistical forms with the Bulgarian National Bank annually regarding receivables in Participant's foreign bank accounts as well as securities held abroad (e.g., Shares acquired under the Plan) if the total sum of all such receivables and securities equals or exceeds BGN50,000 as of the previous calendar year-end. The reports are due by March 31. Participant understands that Participant should contact Participant's bank in Bulgaria for additional information regarding these requirements.

Foreign Asset/Account Reporting Notification. Participant is required to report the acquisition of Shares under the Plan on Participant's annual tax return in the year of acquisition and in each subsequent annual tax return for as long as Participant holds the Shares.

Canada

Restricted Stock Units Payable Only in Shares. Notwithstanding anything in the Agreement or the Plan to the contrary, Participant's Restricted Stock Units shall be settled in Shares only (and many not be settled in cash).

Termination of Employment. For purposes of the Agreement, Participant's employment or service will be considered terminated as of the earlier of: (a) the date Participant terminates employment; (b) the date Participant receives notice of termination; or (c) the date on which Participant is no longer actively employed by or actively providing services, regardless of any notice period or period of pay in lieu of such notice required under applicable law (including, but not limited to, statutory law, regulatory law and/or common law). The Committee shall have the exclusive discretion to determine when Participant's employment or service is terminated for purposes of the Agreement (including whether Participant may still be considered to be providing service while on a leave of absence).

Securities Law Notification. Participant is permitted to sell Shares acquired under the Plan through the designated broker appointed under the Plan, if any, provided that the resale of such shares takes place outside of Canada through the facilities of a national securities exchange on which the shares are listed (i.e., The New York Stock Exchange).

English Language Consent for Participants in Quebec. To the extent Participant resides in Quebec, the parties acknowledge that it is their express wish that the Plan, the Agreement and this Appendix A, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent avoir exigé la rédaction en anglais de cette convention («Plan, Agreement and Appendix A»), ainsi que de tous documents, avis et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou liés directement ou indirectement à, la présente convention.

Foreign Asset/Account Reporting Information. Participant may be required to report Participant's foreign specified property on Form T1135 (Foreign Income Verification Statement) if the total cost of Participant's foreign specified property exceeds C\$100,000 at any time during the year. Foreign specified property includes cash held outside of Canada, Shares acquired under the Plan and Restricted Stock Units. Unvested Restricted Stock Units must be reported (generally, at nil cost) on Form T1135 if the C\$100,000 cost threshold is exceeded due to other foreign specified property Participant holds. The Form T1135 must be filed by April 30 of the following year. When Shares are acquired, their cost generally is the adjusted cost base ("ACB") of the Shares. The ACB ordinarily would equal the fair market value of the Shares at the time of acquisition, but if Participant owns other shares of the same company, this ACB may have to be averaged with the ACB of the other shares. Participant should consult with Participant's personal tax advisor to determine Participant's personal reporting requirements.

China

Restricted Stock Units Payable Only in Cash. Notwithstanding anything in the Agreement or the Plan to the contrary, any Restricted Stock Units shall be settled solely by means of a cash payment made directly to Participant by the Affiliate in China that employs Participant. The grant of Restricted Stock Units does not provide any right for Participant to receive Shares.

Czech Republic

Exchange Control Information. The Czech National Bank may require Participant to fulfill certain notification duties in relation to the opening and maintenance of a foreign account. However, because exchange control regulations change frequently and without notice, Participant should consult with Participant's legal advisor prior to the sale of Shares to ensure compliance with current regulations. It is Participant's responsibility to comply with Czech exchange control laws, and neither the Company nor the Employer will be liable for any resulting fines or penalties.

France

Nature of Restricted Stock Units. The Restricted Stock Units are not granted under the French specific regime provided by Articles L. 225-197-1 to L. 225-197-6 of the French commercial code.

English Language Consent. The parties acknowledge that it is their express wish that the Plan, the Agreement and this Appendix A, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent avoir exigé la rédaction en anglais de cette convention («Plan, Agreement and Appendix A»), ainsi que de tous documents, avis et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou liés directement ou indirectement à, la présente convention.

Exchange Control Information. The value of any cash or securities imported to or exported from France without the use of a financial institution must be reported to the customs and excise authorities when the value of such cash or securities is equal to or greater than a certain amount. Participant personally is responsible for ensuring compliance with any applicable reporting obligations and should consult with Participant's personal legal advisor for additional information about such obligations.

Foreign Asset/Account Reporting Information. French residents holding cash or Shares outside of France must declare all foreign bank and brokerage accounts (including any accounts that were opened or closed during the tax year) on an annual basis on form No. 3916, together with their income tax return. Failure to complete this reporting triggers penalties for the resident.

Germany

Exchange Control Information. Cross-border payments in connection with the purchase or sale of securities in excess of EUR 12,500 must be reported monthly by accessing the electronic General Statistics Reporting Portal (*Allgemeines Meldeportal Statistik*) via the Bundesbank's website (www.bundesbank.de). Participant personally is responsible for ensuring compliance with any applicable reporting obligations and should consult with Participant's personal legal advisor for additional information about such obligations.

Foreign Asset/Account Reporting Information. German residents holding Shares must notify their local tax office of the acquisition of Shares when they file their tax returns for the relevant year if (i) the value of the Shares acquired exceeds €150,000 and Participant owns 1% or more of the total Shares of the Company, or (ii) in the unlikely event that the resident holds Shares exceeding 10% of the Company's total Shares.

India

Restricted Stock Units Payable Only in Cash. Notwithstanding anything in the Agreement or the Plan to the contrary, any Restricted Stock Units shall be settled solely by means of a cash payment made directly to Participant by the Affiliate in India that employs Participant. The grant of Restricted Stock Units does not provide any right for Participant to receive Shares.

Exchange Control Information. Participant must repatriate to India the proceeds from the sale of shares acquired at vesting and any dividends received in relation to the shares within 90 days after receipt. Participant must obtain evidence of the repatriation of funds in the form of a foreign inward remittance certificate (the "FIRC") from the bank where Participant deposited the foreign currency. Participant must retain the FIRC in Participant's records to present to the Reserve Bank of India or Participant's Employer in the event that proof of repatriation is requested. Participant personally is responsible for ensuring compliance with the local exchange control rules and should consult with Participant's personal legal advisor for additional information about such rules and obligations.

Foreign Assets Reporting Information. Participant is required to declare Participant's foreign bank accounts and any foreign financial assets (including Shares held outside India) in Participant's annual tax return. Participant personally is responsible for ensuring compliance with any applicable reporting obligations and should consult with Participant's personal legal advisor for additional information about such obligations.

Italy

Plan Document Acknowledgment. In accepting the grant of Restricted Stock Units, Participant acknowledges that Participant has received a copy of the Plan, have reviewed the Plan and the Agreement in their entirety, and fully understand and accept all provisions of the Plan and the Agreement.

Participant further acknowledges that Participant has read and specifically and expressly approves the following Sections in the Agreement and Appendix A:

Section 3 (Terms and Conditions)

Section 4 (Wrongful Competition and Wrongful Solicitation)

Section 5 (Confidential Information and Trade Secrets)

Section 17 (Investment Representation)

Section 19 (Entire Agreement; Language; Governing Law)

Section 23(f) (Clawback Policy)

Appendix A, Section I (Nature of Grant)

Appendix A, Section I (Payment of Taxes)

Appendix A, Section III (Data Privacy Notice)

Foreign Asset/Account Reporting Information. If Participant is an Italian resident and, during any fiscal year, holds investments or financial assets outside of Italy (e.g., cash, Shares) which may generate income taxable in Italy, Participant is required to report such investments or assets on Participant's annual tax return (on UNICO Form, RW Schedule, or on a special form if Participant is not required to file a tax return). These reporting obligations will apply to Participant if Participant is the beneficial owner of foreign financial assets under Italian money laundering provisions. Further, the value of the financial assets held outside of Italy (including Shares) by Italian residents is subject to a foreign asset tax. The taxable amount will be the fair market value of the financial assets (i.e., Shares acquired under the Plan) assessed at the end of the calendar year.

Malaysia

Director Notification Obligation. If Participant is a director of a Malaysian Subsidiary or Affiliate, Participant is subject to certain notification requirements under the Malaysian Companies Act. Among these requirements is an obligation to notify the Malaysian Subsidiary or Affiliate in writing when Participant receives or dispose of an interest (e.g., an award under the Plan or Shares) in the Company or any related company. Such notifications must be made within 14 days of receiving or disposing of any interest in the Company or any related company.

Insider-Trading Information. Participant should be aware of the Malaysian insider-trading rules, which may impact Participant's acquisition or disposal of Shares or rights to Shares under the Plan. Under the Malaysian insider-trading rules, Participant is prohibited from acquiring or selling Shares or rights to Shares (e.g., an award under the Plan) when Participant is in possession of information which is not generally available and which Participant knows or should know will have a material effect on the price of Shares once such information is generally available.

Mexico

Nature of Grant. The following provisions supplement Section I (Nature of Grant) of this Appendix A:

Acknowledgment of the Grant. In accepting the Restricted Stock Units, Participant acknowledges that Participant has received a copy of the Plan and the Agreement, including this Appendix A, and that Participant has reviewed the Plan and the Agreement, including this Appendix A, in its entirety and fully understand and accept all provisions of the Plan and the Agreement, including this Appendix A. Participant further acknowledges that Participant has read and specifically and expressly approve the terms and conditions of Section I (Nature of Grant) of this Appendix A, in which the following is clearly described and established:

Participant's participation in the Plan does not constitute an acquired right.

The Plan and Participant's participation in the Plan are offered by the Company on a wholly discretionary basis.

Participant's participation in the Plan is voluntary.

Neither the Company nor any Subsidiary or Affiliate is responsible for any decrease in the value of the Restricted Stock Units granted and/or the shares issued under the Plan.

Securities Law Information. The Restricted Stock Units and the Shares offered under the Plan have not been registered with the National Register of Securities maintained by the Mexican National Banking and Securities Commission and cannot be offered or sold publicly in Mexico. In addition, the Plan, the Agreement and any other document relating to the Restricted Stock Units may not be publicly distributed in Mexico. These materials are addressed to Participant only because of Participant's existing relationship with the Company and the Subsidiary in Mexico that employs Participant, and these materials should not be reproduced or copied in any form. The offer contained in these materials does not constitute a public offering of securities but rather constitutes a private placement of securities addressed specifically to individuals who are present employees of the Subsidiary in Mexico made in accordance with the provisions of the Mexican Securities Market Law, and any rights under such offering shall not be assigned or transferred.

Labor Law Acknowledgment and Policy Statement. In accepting the Restricted Stock Units, Participant expressly recognizes that the Company, with registered offices at 2366 Bernville Road, Reading, Pennsylvania 19605, United States of America, is solely responsible for the administration of the Plan and that Participant's participation in the Plan and acquisition of shares does not constitute an employment relationship between Participant and the Company since Participant is participating in the Plan on a wholly commercial basis and Participant's sole employer is EnerSys de Mexico, S.A. de CV, Powersonic, S.A. de CV or Yecoltd, S de R.L. de CV (each, a "Mexican Subsidiary"). Based on the foregoing, Participant expressly recognizes that the Plan and the benefits that Participant may derive from participation in the Plan do not establish any rights between Participant and Participant's employer, a Mexican Subsidiary, and do not form part of the conditions of Participant's employment and/or benefits provided by such Mexican Subsidiary, and any modification of the Plan or its termination shall not constitute a change or impairment of the terms and conditions of Participant's employment.

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

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

Spanish Translation.

Reconocimiento de la subvención. Al aceptar el fuentes, el participante reconoce que el participante ha recibido una copia del plan y el acuerdo, incluyendo este apéndice a, y que el participante ha revisado el plan y el acuerdo, incluyendo este apéndice a, en su totalidad y comprender y aceptar plenamente todas las disposiciones del plan y del acuerdo, incluido el presente Apéndice A. El participante reconoce además que el participante ha leído y aprobado expresa y explícitamente los términos y condiciones de la sección I (naturaleza de la concesión) del presente apéndice a, en el que se describen y establecen claramente los siguientes:

- (1) la participación del participante en el plan no constituye un derecho adquirido.
- (2) el plan y la participación del participante en el plan son ofrecidos por la compañía sobre una base totalmente discrecional.
- (3) la participación del participante en el plan es voluntaria.
- (4) ni la compañía ni ningún subsidiario o afiliado es responsable de cualquier disminución

Reconocimiento de la ley laboral y declaración de política. Al aceptar el fuentes, el participante reconoce expresamente que la compañía, con domicilio social en 2366 BERNVILLE Road, Reading, Pennsylvania 19605, Estados Unidos de América, es el único responsable de la administración del plan y que el La participación del participante en el plan y la adquisición de acciones no constituye una relación de empleo entre usted y la empresa, ya que el participante participa en el plan de manera totalmente comercial y el único empleador del participante es EnerSys de México, s.a. de CV, PowerSonic, s.a. de CV o Yecoltd, S de R.L. de CV (cada una, una "filial mexicana"). Basándose en lo anterior, el participante reconoce expresamente que el plan y los beneficios que el participante puede derivar de la participación en el plan no establecen ningún derecho entre el participante y el empleador del participante, una filial mexicana, y no forman parte de las condiciones del empleo del participante y/o los beneficios proporcionados por dicha filial mexicana, y cualquier modificación del plan o su terminación no constituirá un cambio o deterioro de los términos y condiciones del Empleo.

El participante entiende además que la participación del participante en el plan es el resultado de una decisión unilateral y discrecional de la compañía; por lo tanto, la compañía se reserva el derecho absoluto de enmendar y/o suspender la participación del participante en el plan en cualquier momento, sin ninguna responsabilidad para con el participante.

Por último, el participante declara que el participante no se reserva a sí mismo ninguna acción o derecho de presentar reclamación alguna contra la compañía por cualquier indemnización o daño relacionado con cualquier disposición del plan o cualquier beneficio derivado del plan; por lo tanto, el participante otorga una liberación completa y amplia a la compañía, sus accionistas, oficiales, agentes, representantes legales y subsidiarias con respecto a cualquier reclamación que pueda surgir.

Netherlands

Waiver of Termination Rights. Participant waives any and all rights to compensation or damages as a result of any termination of employment for any reason whatsoever, insofar as those rights result or may result from (a) the loss or diminution in value of such rights or entitlements under the Plan, or (b) Participant's ceasing to have rights under, or ceasing to be entitled to any awards under the Plan as a result of such termination.

Poland

Exchange Control Information. Polish residents holding foreign securities (including Shares) and maintaining accounts abroad must report information to the National Bank of Poland on transactions and balances of the securities and cash deposited in such accounts if the value of such securities and cash (when combined with all other assets held abroad) exceeds PLN 7,000,000. If required, the reports must be filed on a quarterly basis on special forms available on the website of the National Bank of Poland. If Participant transfers funds in excess of €15,000 into Poland in connection with the sale of Shares under the Plan, the funds must be transferred via a bank account. Participant is required to retain the documents connected with a foreign exchange transaction for a period of five (5) years, as measured from the end of the year in which such transaction occurred. If Participant holds Shares acquired under the Plan and/or maintain a bank account abroad, Participant will have reporting duties to the National Bank of Poland. Participant personally is responsible for ensuring compliance with any applicable reporting obligations and should consult with Participant's personal legal advisor for additional information about such obligations.

Singapore

Sale Restriction. Participant expressly agrees that any Shares received upon vesting will not be offered for sale or sold in Singapore prior to the six (6) month anniversary of the Date of Grant, unless such sale or offer in is made after pursuant to the exemption under Part XIII Division (1) Subdivision (4) (other than Section 280) of the SFA (Chapter 289, 2006 Ed.) or pursuant to, and in accordance with the conditions of, any other applicable provision(s) of the SFA.

Securities Law Information. The grant of the Restricted Stock Units is being made pursuant to the "Qualifying Person" exemption under section 273(1)(f) of the Securities and Futures Act (Chapter 289, 2006 Ed.) ("SFA"), under which it is exempt from the prospectus and registration requirements and is not made with a view to the underlying shares being subsequently offered for sale to any other party. The Plan has not been and will not be lodged or registered as a prospectus with the Monetary Authority of Singapore and is not regulated by any financial supervisory authority pursuant to any legislation in Singapore. Accordingly, statutory liability under the SFA in relation to the content of prospectuses will not

apply. Participant should note that the Restricted Stock Units are subject to section 257 of the SFA and Participant should not make (i) any subsequent sale of the Shares in Singapore or (ii) any offer of such subsequent sale of the Shares subject to the Restricted Stock Units in Singapore, unless such sale or offer is made (a) after six months from the Date of Grant or (b) pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the SFA.

Director Notification Obligation. If Participant is a director, alternate director, substitute director or shadow director of the Company's Singapore Subsidiary or Affiliate, Participant is subject to certain notification requirements under the Singapore Companies Act. Among these requirements is an obligation to notify the Company's Singapore Subsidiary or Affiliate in writing when Participant receives an interest (e.g., Options or Shares) in the Company or any Subsidiary or Affiliate. This notification must be made (a) within two (2) business days of acquiring or disposing of any interest in the Company or any Subsidiary or Affiliate, or becoming a director, associate director or shadow director, whichever occurs last, and (b) upon any change in a previously disclosed interest (e.g., sale of Shares issued upon exercise and settlement of the Options).

Sweden

No country-specific provisions.

Switzerland

Securities Law Information. The Restricted Stock Units are not intended to be publicly offered in or from Switzerland. Because the offer of the Restricted Stock Units is considered a private offering, it is not subject to registration in Switzerland. Neither this document nor any other materials relating to the Restricted Stock Units or the Plan (a) constitute a prospectus according to articles 35 et seq. of the Swiss Federal Act on Financial Services ("FinSA"), (b) may be publicly distributed nor otherwise made publicly available in Switzerland to any person other than an employee of the Company or Employer or (c) has been or will be filed with, approved or supervised by any Swiss reviewing body according to article 51 FinSA or any Swiss regulatory authority, including the Swiss Financial Market Supervisory Authority (FINMA).

Turkey

Securities Law Notification. Participant is not permitted to sell any Shares acquired under the Plan in Turkey. The Shares are currently traded on the New York Stock Exchange, which is located outside Turkey, under the ticker symbol "ENS" and Shares acquired under the Plan may be sold through this exchange.

Exchange Control Notification. Turkish residents are permitted to purchase and sell securities or derivatives traded on exchanges abroad only through a financial intermediary licensed in Turkey. Therefore, Participant may be required to appoint a Turkish broker to assist Participant with the sale of the Shares acquired under the Plan.

U.S. Virgin Islands

No country-specific provisions.

United Kingdom

Restricted Stock Units Payable Only in Shares. Notwithstanding anything in the Agreement or the Plan to the contrary, Participant's Restricted Stock Units shall be settled in Shares only (and many not be settled in cash).

Tax Withholding. The following provision supplements Section I (Payment of Taxes) of this Appendix A:

Participant expressly agrees that Participant is liable for all Tax-Related Items and hereby covenants to pay all such Tax-Related Items, as and when requested by the Company, the Employer and/or by Her Majesty's Revenue & Customs ("HMRC") (or any other tax authority or any other relevant authority). Participant also hereby agrees to indemnify and keep indemnified the Company and the Employer against any Tax-Related Items that they are required to pay or withhold or have paid or will pay on Participant's behalf to HMRC (or any other tax authority or any other relevant authority).

Notwithstanding the foregoing, if Participant is a director or executive officer of the Company (within the meaning of Section 13(k) of the Exchange Act) and the indemnification of the Company and the Employer is viewed as a loan, Participant will be ineligible for such a loan to cover income tax. In the event that Participant is a director or executive officer and income taxes are not collected from or paid by Participant within ninety (90) days after the end of the tax year in which the event giving rise to the income tax obligation arose, the amount of any uncollected income tax may constitute a benefit to Participant on which additional income tax and national insurance contributions ("NICs") may be payable. Participant acknowledges that Participant will be responsible for reporting any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for paying the Company or the Employer (as applicable) for any employee NICs due on this additional benefit which may be recovered from Participant by the Company or the Employer at any time thereafter by any of the means referred to herein.

**EMPLOYEE STOCK OPTION AGREEMENT
(3 Year Vesting Schedule)**

2023 EQUITY INCENTIVE PLAN

THIS EMPLOYEE STOCK OPTION AGREEMENT (this "Agreement"), dated as of _____, _____, 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 to Participant nonqualified stock options (the "Options") to purchase shares of Common Stock ("Shares").

C. The grant of the Options is (i) made pursuant to the EnerSys 2023 Equity Incentive Plan (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) is exceptional, voluntary and occasional and does not create any contractual or other right to receive future Options, or benefits in lieu of Options, even if Options have been granted in the past. These Options shall not be construed or interpreted in anyway as a component of a 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 Options 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 Options 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 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 5 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, DC Fast Charge, 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; and/or

(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, nickel-zinc cells or batteries, enclosures or lithium products, including but not limited to those used in space, defense, medical, transportation, industrial, or other stored energy solution applications, and/or hydrogen fuel cells.

"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, including but not limited to: trade secrets proprietary or customized software and databases; manufacturing 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; 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 and reports, including pricing, quoting and billing methods; 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 (defined below), 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 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.

"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 services on behalf of the Company (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, 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: (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: (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 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 (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), Illinois (low wage), Maryland (low wage), Oklahoma (Wrongful Competition), Minnesota (Wrongful Competition), North Dakota (Wrongful Competition and Wrongful Solicitation), Rhode Island (low wage), and Virginia (low wage).

2. **Restrictions on Transfer.** Except as otherwise expressly provided in the Plan, none of the Options may be sold, transferred, assigned, pledged, or otherwise encumbered or disposed of (or made the subject of a derivative transaction) to or with any third party otherwise than by will or the laws of descent and distribution and the Options shall be exercisable during Participant's lifetime only by Participant.

3. **Grant of Options.** Participant is awarded the number of Options specified on the signature page hereof, at the Option Price indicated thereon. The Options are not intended to qualify as incentive stock options under Section 422 of the Code. Each Option shall entitle Participant to purchase, upon payment of the applicable Option Price in any manner provided by the Plan, one Share. The Shares issuable upon exercise of the Options are from time to time referred to herein as the "Option Shares." For purposes of the Plan and this Agreement, the Date of Grant shall be as indicated on the signature page hereof. The Options shall be exercisable as provided in this Agreement.

4. **Terms and Conditions of Options.** The Options evidenced by this Agreement are subject to the following terms and conditions:

(a) **Vesting.** The Options shall vest and become exercisable as follows: one-third (1/3) of the Options shall vest and become exercisable on each of the first three anniversaries of the Date of Grant (each such one-third (1/3) of the Options which vest on each such anniversary shall be referred to herein as a "Tranche" and each such anniversary a Vesting Date) unless

previously vested or forfeited in accordance with the Plan or this Agreement; provided, however, that to the extent then unvested, the Options shall immediately become vested and exercisable if:

- i. Participant's employment terminates due to death or Permanent Disability, or
- ii. Participant's employment terminates on or within two years after a Change in Control without Cause or for Good Reason.

Further, provided, in the event of Participant's Retirement, a separate pro-rata portion of the Tranche of Options (to the extent then unvested) during which the Retirement occurs shall immediately become vested. The number of unvested Options that shall vest pro-rata upon Retirement 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 Options subject to this Agreement (rounding up to the nearest whole number), provided however, that, the pro-rata portion that vests shall only become exercisable on the date the applicable portion of each such Tranche would have otherwise become vested under the schedule described above in this Section 4(a) absent such Retirement.

Notwithstanding the foregoing sentences, upon a Participant's termination of employment for any reason, the Compensation Committee may, in its sole discretion, waive any requirement for vesting then remaining and permit, for a specified period of time consistent with the first sentence of Section 4(b) hereof the exercise of the Options prior to the satisfaction of such requirement. Any fractional Options that would result from application of this Section 4(a) shall be aggregated and shall vest on the first anniversary of the Date of Grant.

(b) Option Period. The Options shall expire (to the extent not previously exercised or forfeited) on, and shall not be exercisable, following the tenth (10th) anniversary of the Date of Grant. In addition, all Options shall be subject to earlier expiration as provided herein or in the Plan, as follows:

- i. if Participant's employment terminates due to death or, Permanent Disability or on or after a Change in Control without Cause or for Good Reason, Participant may exercise the Options, to the extent then vested, at any time until the earlier of (A) one year following termination of employment and (B) the expiration date of the Options specified in this Section 4(b);
- ii. if Participant's employment is terminated due to Retirement, Participant may exercise the Options, to the extent then vested and exercisable, at any time until the expiration date of the Options specified in this Section 4(b);
- iii. if Participant's employment is terminated by the Company without Cause prior to a Change in Control, Participant may exercise the Options, to the extent then vested, at any time until the earlier of (A) ninety (90) days following termination of employment and (B) the expiration date of the Options specified in this Section 4(b);
- iv. if Participant voluntarily terminates employment with the Company, Participant may exercise the Options, to the extent then vested, at any time until the earlier of (A) sixty (60) days following termination of employment and (B) the expiration date of the Options specified in this Section 4(b); or
- v. in the event of any other termination of Participant's employment (including a termination by the Company for Cause), all of the Options (whether or not vested at the time of termination) shall, without any action on the part of any Person, immediately expire and be canceled without payment therefor.

Except as provided in Section 4(a) hereof or in the case of automatic vesting in connection with such termination event, upon termination of Participant's employment with the Company or a Subsidiary for any reason, all Options which have not theretofore vested shall, without any action on the part of any Person, immediately expire and be canceled without any payment therefor.

(c) Exercise. Subject to the Company's Policy on Insider Trading, and Sections 4(d), 4(f), and 7 hereof, Participant may exercise any or all of the Options, to the extent vested and not forfeited. The date of exercise of an Option shall be the date on which the conditions provided in Sections 4(d), 4(f), and 7 hereof are satisfied.

(d) Payment. At the time of any exercise, Participant shall pay to the Company the Option Price of the shares as to which this Option is being exercised by delivery of consideration equal to the product of the Option Price and the number of shares purchased, together with any amounts required to be withheld for tax purposes under Section 17(c) of the Plan. Such consideration must be paid before the Company will issue the shares being purchased and must be in a form or a combination of forms acceptable to the Compensation Committee for that purchase, which forms may (but are not required to) include (i) cash; (ii) check or wire transfer; (iii) tendering (either actually or by attestation). Shares already owned by Participant, provided that the shares have been held for the minimum period required by applicable accounting rules to avoid a charge to the Company's earnings for financial reporting purposes or were not acquired from the Company as compensation; (iv) to the extent permitted by applicable law, Cashless Exercise; or (v) such other consideration as the Compensation Committee may permit in its sole discretion; provided, however, that any Participant may, at any time, exercise any Vested Option (or portion thereof) owned by him pursuant to a Cashless Exercise.

(e) Stockholder Rights. Participant shall have no rights as a stockholder with respect to any Shares issuable upon exercise of the Options until Participant has made payment pursuant to Section 4(d) and a certificate or certificates evidencing such shares shall have been issued to Participant, and no adjustment shall be made for dividends or distributions or other rights in respect of any share for which the record date is prior to the date upon which Participant shall become the holder of record thereof.

(f) Limitation of Exercise. The Options shall not be exercisable unless the offer and sale of the Shares subject thereto have been registered under the 1933 Act and qualified under applicable state "blue sky" laws, or the Company has determined that an exemption from registration under the 1933 Act and from qualification under such state "blue sky" laws is available.

(g) Delivery of Shares. As soon as practicable following the exercise of any Options, the appropriate number of Shares issued in connection with such exercise shall be issued by the Company's transfer agent, in the name of Participant by (a) paper certificate delivered to Participant, or (b) electronic delivery to the Company's representative broker.

(h) Dividends and Distributions. Any Shares or other securities of the Company received by Participant as a result of a stock dividend or other distribution in respect of Option Shares shall be subject to the same restrictions as such Option Shares, and all references to Option Shares hereunder shall be deemed to include such Shares or other securities.

(i) Special Exercise Provisions. Notwithstanding anything to the contrary in the Plan or in this Agreement, if Participant is employed or resides in China or Italy, then Participant shall only exercise the Options granted hereunder using the "Cashless Exercise" method as defined in the Plan and shall not have the right to use any other method otherwise permitted under this Agreement.

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

6. 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, 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. 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 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 exercising Participant's rights under Section 7 of the National Labor Relations Act or otherwise disclosing information as permitted by law.

(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). 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, so that Company may remove or delete any Company information.

7. Taxes. This Section 7 applies only to (a) those Participants who are U.S. employees, and (b) 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 or exercise of the Options. The Company or a designated Subsidiary of the Company shall have the right, prior to the delivery of any certificates evidencing Shares to be issued pursuant to this Agreement, to require Participant to remit to the Company or such Subsidiary any amount sufficient to satisfy any applicable (federal, foreign, state, or local) tax withholding requirements. Prior to the Company's or the designated Subsidiary's determination of such withholding liability, Participant may make an irrevocable election to satisfy, in whole or in part, such obligation to remit taxes by directing the Company or such Subsidiary to withhold Shares that would

otherwise be received by Participant (up to the maximum amount of tax permitted to be withheld that will not result in adverse financial accounting consequences to the Company). Such election may be denied by the Compensation Committee in its discretion, or may be made subject to certain conditions specified by the Compensation Committee. The Company or its designated Subsidiary shall also have the right to deduct from all cash payments made pursuant to or in connection with any Award any applicable federal, foreign, state, or local taxes required to be withheld with respect to such payments.

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

9. **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 Options granted under this Agreement or any Option Shares resulting the exercise thereof without the prior written consent of the Company or its underwriters.

10. **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 Options 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 Option Shares resulting from the exercise of Options 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.

11. **Survival.** 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. All agreements, representations, and warranties made herein and in the certificates delivered pursuant hereto shall survive the issuance to Participant of the Options and any Option Shares and shall continue in full force and effect. The terms of Section 5-7, 11, 12, 14, 16-20, and 22 shall expressly survive the forfeiture of any Options and the termination of this Agreement.

12. **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.

13. **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.

14. **Authority of the Administrator.** The Compensation Committee shall have the 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 Options or Option Shares 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.

15. **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.

16. **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.

17. **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.

18. **Entire Agreement; Language; Governing Law.** 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 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 actions 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.

19. **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.

20. **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 5 conflict with any prior agreement between the parties related to such subject matter, the terms of Section 5, 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.

21. **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 understand the terms and provision thereof, and accepts the Options 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.

22. **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 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 Option 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 or all of its rights, and by accepting these Options, Participant hereby consents to an assignment. The Company

shall have the right to delegate any or all 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 Options shall be adjusted or terminated as contemplated by Section 16(a) of the Plan.

(a) **Clawback Policy.** The Options and any Option Shares shall be subject to the terms of the clawback policy adopted by the Board of Directors (as such policy may be amended from time-to-time). Each payment in settlement of an Award 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.

23. **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.

24. **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).

25. **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 THE 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, THE PARTICIPANT IS HEREBY CONSENTING TO THE USE AND TRANSFER OF THE 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: David M. Shaffer
Title: President & Chief Executive Officer

PARTICIPANT

Name:
Address:

Date Of Grant: _____

Number of Options: _____ Option Price: \$ _____

Appendix A

to Employee Stock Option Agreement Under the 2023 Equity Incentive Plan

This Appendix A contains supplemental terms and conditions for awards of nonqualified stock options ("Options") granted as of the Date of Grant set forth in the Agreement under the 2023 Equity Incentive Plan (the "Plan") to Participants who reside outside the United States or who are otherwise subject to the laws of a country other than the United States.

Participant has also received the Agreement applicable to the Award set forth therein. The Agreement, together with this Appendix A and the Plan are the terms and conditions of the grant of Options set forth in the Agreement. To the extent that this Appendix A amends, deletes or supplements any terms of the Agreement, this Appendix A shall control. Capitalized terms used but not defined herein shall have the same meanings ascribed to them in the Agreement.

Section I of this Appendix A contains special terms and conditions that govern the Options outside of the United States. **Section II** of this Appendix A contains special terms and conditions that govern the Options in all countries, excluding Bulgaria, Czech Republic, France, Germany, Italy, Netherlands, Poland, Switzerland and the United Kingdom. **Section III** of this Appendix A contains special terms and conditions that govern the Options in Bulgaria, Czech Republic, France, Germany, Italy, Netherlands, Poland, Switzerland and the United Kingdom. **Section IV** of this Appendix A includes special terms and conditions in the specific countries listed therein.

This Appendix A may also include information regarding exchange controls, taxation of awards and certain other issues of which Participant should be aware with respect to participation in the Plan. **The information is based on the securities, exchange control, tax and other laws concerning Options in effect as of March 1, 2021.** Such laws are often complex and change frequently; the information may be out of date at the time Participant vests in or exercises the Options or sells shares acquired under the Plan. As a result, the Company strongly recommends that Participant should not rely on the information noted herein as the only source of information relating to the consequences of Participant's participation in the Plan.

In addition, this Appendix A is general in nature, does not discuss all of the various laws, rules and regulations which may apply to Participant's particular situation and the Company does not assure Participant of any particular result. **Accordingly, Participant is strongly advised to seek appropriate professional advice as to how the relevant laws in Participant's country apply to Participant's specific situation.**

Finally, if Participant is a citizen or resident of a country other than the one in which Participant is currently working, transferred employment after the Award was granted or is considered a resident of another country for local law purposes, the information contained herein may not be applicable to Participant in the same manner. In addition, the Company shall, in its sole discretion, determine to what extent the terms and conditions contained herein will apply under these circumstances.

Section I. All Countries Outside the United States

1. Nature of Grant. In accepting the Award, Participant acknowledges that:

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

(e) the Options and the underlying Shares subject to the Options are extraordinary items that do not constitute compensation of any kind for services of any kind rendered to the Company or any Subsidiary or Affiliate, and which is outside the scope of Participant's employment contract, if any;

(f) the Options and the underlying Shares subject to the Options are not intended to replace any pension rights, if any, or compensation;

(g) the Options and the underlying Shares subject to the Options, and the income and value of same, are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company or any Subsidiary or Affiliate;

(h) the grant of the Options and Participant's participation in the Plan will not be interpreted to form an employment contract or relationship with the Company or any Subsidiary or Affiliate;

(i) the future value of the underlying Shares is unknown and cannot be predicted with certainty;

(j) if Participant obtains Shares upon exercise of Participant's Options, the value of those shares acquired may increase or decrease in value;

(k) in consideration of the grant of the Options, no claim or entitlement to compensation or damages shall arise from forfeiture of the Options resulting from termination of Participant's employment with the Company or any Subsidiary or Affiliate (for any reason whatsoever and whether or not in breach of local labor laws) and Participant irrevocably release the Company and the Subsidiaries and Affiliates from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, Participant will be deemed irrevocably to have waived Participant's entitlement to pursue such claim;

(l) in the event of termination of Participant's employment (whether or not in breach of local labor laws), Participant's right to vest in the Options under the Plan, if any, will terminate effective as of the date that Participant is no longer actively employed and will not be extended by any notice period mandated under local law (*e.g.*, active employment would not include a period of "garden leave" or similar period pursuant to local law); the Compensation Committee shall have the exclusive discretion to determine when Participant is no longer actively employed for purposes of Participant's Award;

(m) the Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Participant's participation in the Plan, or Participant's acquisition or sale of Common Stock;

(n) Participant is hereby advised to consult with Participant's personal tax, legal and financial advisors regarding participation in the Plan before taking any action related to the Plan;

(o) unless otherwise provided in the Plan or by the Company in its discretion, the Options and the benefits evidenced by this Agreement do not create any entitlement to have the Options or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the shares of the Company; and

(p) neither the Company, any Subsidiary nor any Affiliate of the Company shall be liable for any foreign exchange rate fluctuation between Participant's local currency and the United States Dollar that may affect the value of the Options or of any amounts due to Participant pursuant to the exercise of the Options or the subsequent sale of any shares acquired upon exercise.

2. Payment of Taxes. The following provisions supplement Section 7 of the Agreement entitled "Taxes."

(a) Regardless of any action the Company or the Subsidiary/Affiliate that employs Participant (the "Employer") takes with respect to any or all income tax, Participant's portion of social insurance, payroll tax, payment on account or other tax-related items related to Participant's participation in the Plan and legally applicable to Participant ("Tax-Related Items"), Participant acknowledges that the ultimate

liability for all Tax-Related Items is and remains Participant's responsibility and may exceed the amount actually withheld by the Company or the Employer.

(b) Participant further acknowledges that the Company and/or the Employer (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award, including, but not limited to, the grant of the Options, the issuance of Shares upon exercise of the Options, the subsequent sale of Shares acquired pursuant to such issuance and the receipt of any dividends; and (2) do not commit to, and are under no obligation to, structure the terms of the grant or any aspect of the Options to reduce or eliminate Participant's liability for Tax-Related Items or achieve any particular tax result.

(c) Further, if Participant becomes subject to tax in more than one jurisdiction between the Date of Grant and the date of any relevant taxable event, Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(d) Participant authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following: (1) withholding in Shares to be issued or cash distributed upon exercise of the Options; (2) withholding from Participant's wages or other cash compensation paid to Participant by the Company and/or the Employer; (3) withholding from the proceeds of the sale of Shares acquired upon exercise of the Options either through a voluntary sale or through a mandatory sale arranged by the Company (on Participant's behalf pursuant to this authorization).

(e) To avoid negative accounting treatment, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, Participant shall be deemed to have been issued the full number of Shares issuable upon the exercise of the Options, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of Participant's participation in the Plan.

(f) Participant shall pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of Participant's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares or the proceeds of the sale of Shares, if Participant fails to comply with this obligation.

3. Insider Trading Restrictions/Market Abuse Laws. Participant acknowledges that, depending on Participant's country of residence (and country of employment, if different), Participant may be subject to insider trading restrictions and/or market abuse laws, which may affect Participant's ability to acquire or sell Shares or rights to Shares (e.g., Options) under the Plan during such times as Participant is considered to have "inside information" (as defined by the laws in the applicable country). The insider trading and/or market abuse laws may be different from any Company Insider Trading Policy. Participant personally is responsible for ensuring compliance with any applicable restrictions and should consult with Participant's personal legal advisor for additional information about any applicable restrictions and Participant's obligations.
4. Foreign Asset/Account and Exchange Control Reporting. Participant's country of residence (and country of employment, if different) may have certain exchange controls and foreign asset and/or account reporting requirements which may affect Participant's ability to purchase or hold Shares under the Plan or receive cash from Participant's participation in the Plan (including from any dividends received or sale proceeds arising from the sale of Shares) in a brokerage or bank account outside Participant's country of residence (and country of employment, if different). Participant may be required to report such accounts, assets or transactions to the tax or other authorities in Participant's country of residence (and country of employment, if different). Further, Participant may be required to repatriate the Shares or proceeds acquired as a result of participating in the Plan to Participant's country of residence (and country of employment, if different) through a designated bank/broker and/or within a certain time. Participant personally is responsible for ensuring compliance with any applicable reporting obligations and should consult with Participant's personal legal advisor for additional information about such obligations.
5. Language. Participant acknowledges that Participant is sufficiently proficient in English, or, alternatively, Participant acknowledges that Participant will seek appropriate assistance, to

understand the terms and conditions in the Agreement and Appendix A. Furthermore, if Participant has received the Agreement, Appendix A or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

6. Foreign Asset/Account Reporting. Please be aware that Participant's country of employment and/or residency may have certain foreign asset and/or account reporting requirements which may affect Participant's ability to acquire or hold Shares under the Plan or cash received from participating in the Plan (including from any dividends received or sale proceeds arising from the sale of Shares) in a brokerage or bank account outside Participant's country of employment and/or residency. Participant may be required to report such accounts, assets or transactions to the tax or other authorities in Participant's country. Participant acknowledges that Participant personally is responsible for being compliant with such regulations, and Participant should consult with Participant's personal advisor for guidance on Participant's personal reporting obligations.

Section II. All Countries Excluding Bulgaria, Czech Republic, France, Germany, Italy, Netherlands, Poland, Switzerland and United Kingdom

Data Privacy Consent.

(a) General. The Company is located at 2366 Bernville Road, Reading, Pennsylvania 19605, United States of America, and grants Options under the Plan to employees of the Company and its Subsidiaries, at its sole discretion. In conjunction with the Company's grant of Options under the Plan and its ongoing administration of such Options, the Company is providing the following information about its data collection, processing and transfer practices. In accepting the grant of the Options, Participant expressly and explicitly consents to the personal data activities as described herein.

(b) Data Collection, Processing and Usage. The Company and the Employer will collect, process and use certain personal information about Participant, specifically, Participant's name, home address, email address and telephone number, date of birth, social security or insurance number, passport number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all Options or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in Participant's favor ("Personal Data"), for the exclusive purpose of implementing, administering and managing the Plan. Participant's Personal Data also may be disclosed to certain securities or other regulatory authorities where the Company's securities are listed or traded or regulatory filings are made. The Company's legal basis for the collection, processing, usage and disclosure of Participant's Personal Data is Participant's consent.

(c) Stock Plan Administration Service Providers. The Company and the Employer transfer Participant's Personal Data to Shareworks by Morgan Stanley (Morgan Stanley), a broker firm/third party service provider based in the United States of America and engaged by the Company to assist with the implementation, administration and management of awards granted under the Plan (the "Stock Plan Administrator"). In the future, the Company may select a different Stock Plan Administrator and share Participant's Personal Data with another company that serves in a similar manner. The Stock Plan Administrator will open an account for Participant to receive and trade Shares acquired under the Plan. Participant will be asked to agree to separate terms and data processing practices with the Stock Plan Administrator, which is a condition of Participant's ability to participate in the Plan.

(d) International Personal Data Transfers. The Company and the Stock Plan Administrator are based in the United States of America. Participant should note that Participant's country of residence may have enacted data privacy laws that are different from the United States of America. The Company's legal basis for the transfer of Participant's Personal Data to the United States of America is Participant's consent.

(e) Voluntariness and Consequences of Consent, Denial or Withdrawal. Participant's participation in the Plan and Participant's grant of consent hereunder is purely voluntary. Participant may deny or withdraw Participant's consent at any time. If Participant does not consent, or if Participant later withdraws his or her consent, Participant may be unable to participate in the Plan. This would not affect Participant's existing employment or salary; instead, Participant merely may forfeit the opportunities associated with participation in the Plan.

(f) Personal Data Retention. Participant understands that Participant's Personal Data will be held only as long as is necessary to implement, administer and manage the Options and Participant's participation in the Plan. When the Company no longer needs Participant's Personal Data, the Company will remove it from its systems. If the Company retains Participant's Personal Data longer, it would be to satisfy the Company's legal or regulatory obligations and the Company's legal basis would be for compliance with applicable laws, rules and regulations.

(g) Personal Data Subject Rights. Participant understands that Participant may have the right under applicable law to (i) access or copy Participant's Personal Data that the Company possesses, (ii) rectify incorrect Personal Data concerning Participant, (iii) delete Participant's Personal Data, (iv) restrict processing of Participant's Personal Data, or (v) lodge complaints with the competent supervisory authorities in Participant's country of residence. To receive clarification regarding these rights or to exercise these rights, Participant can contact the Company's Legal Department at legal@enersys.com.

Section III. Bulgaria, Czech Republic, France, Germany, Italy, Netherlands, Poland, Switzerland and United Kingdom

Data Privacy Notice.

(a) General. The Company is located at 2366 Bernville Road, Reading, Pennsylvania 19605, United States of America, and grants Options under the Plan to employees of the Company and its Subsidiaries, at its sole discretion. In conjunction with the Company's grant of Options under the Plan and its ongoing administration of such Options, the Company is providing the following information about its data collection, processing and transfer practices, which Participant should carefully review.

(b) Data Collection, Processing and Usage. The Company and the Employer will collect, process and use certain personal information about Participant, specifically, Participant's name, home address, email address and telephone number, date of birth, social security or insurance number, passport number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all Options or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in Participant's favor ("Personal Data"), for the exclusive purpose of implementing, administering and managing the Plan. Participant's Personal Data also may be disclosed to certain securities or other regulatory authorities where the Company's securities are listed or traded or regulatory filings are made. The Company's legal basis for the collection, processing, usage and disclosure of Participant's Personal Data is to satisfy its contractual obligations under the terms of the Agreement and Appendix A, and to comply with applicable laws, rules and regulations.

(c) Stock Plan Administration Service Providers. The Company and the Employer transfer Participant's Personal Data to Shareworks by Morgan Stanley (Morgan Stanley), a broker firm/third party service provider based in the United States of America and engaged by the Company to assist with the implementation, administration and management of awards granted under the Plan (the "Stock Plan Administrator"). In the future, the Company may select a different Stock Plan Administrator and share Participant's Personal Data with another company that serves in a similar manner. The Stock Plan Administrator will open an account for Participant to receive and trade Shares acquired under the Plan. Participant will be asked to agree to separate terms and data processing practices with the Stock Plan Administrator, which is a condition of Participant's ability to participate in the Plan.

(d) International Personal Data Transfers. The Company and the Stock Plan Administrator are based in the United States of America. Participant should note that Participant's country of residence may have enacted data privacy laws that are different from the United States of America. The Company's legal basis for the transfer of Participant's Personal Data to the United States of America is to satisfy its contractual obligations under the terms and conditions of the Agreement and Appendix A.

(e) Personal Data Retention. Participant understands that Participant's Personal Data will be held only as long as is necessary to implement, administer and manage the Options and Participant's participation in the Plan. When the Company no longer needs Participant's Personal Data,

the Company will remove it from its systems. If the Company retains Participant's Personal Data longer, it would be to satisfy the Company's legal or regulatory obligations and the Company's legal basis would be for compliance with applicable laws, rules and regulations.

(f) Personal Data Subject Rights. Participant understands that Participant may have the right under applicable law to (i) access or copy Participant's Personal Data that the Company possesses, (ii) rectify incorrect Personal Data concerning Participant, (iii) delete Participant's Personal Data, (iv) restrict processing of Participant's Personal Data, or (vi) lodge complaints with the competent supervisory authorities in Participant's country of residence. To receive clarification regarding these rights or to exercise these rights, Participant can contact the Company's Legal Department at legal@enersys.com.

Section IV. Country-Specific Provisions

Argentina

Payment via Mandatory Cashless Exercise. Notwithstanding anything to the contrary in Section 4(d) of the Agreement, Participant may exercise the Options only by means of a Cashless Exercise whereby all of the Option Shares related to the Options being exercised shall be sold and Participant shall receive a cash payment in settlement of such exercised Options (for the sake of clarity, Participant shall not receive any actual Shares in connection with the Options being exercised). The Company reserves the right to eliminate the required use of the Cashless Exercise form of payment, in its sole discretion, and allow Participant to use another form of payment permitted under Section 4(d) of the Agreement.

Securities Law Information. Neither the Options nor the underlying Shares shall be publicly offered or listed on any stock exchange in Argentina and, as a result, have not been and will not be registered with the Argentine Securities Commission (*Comisión Nacional de Valores* or "CNV"). The offer is private and not subject to the supervision of any Argentine governmental authority. Neither this nor any other offering material related to the Options or the underlying Shares may be utilized in connection with any general offering to the public in Argentina. Argentine residents who acquire Options under the Plan do so according to the terms of a private offering made from outside Argentina.

Australia

Compliance with Law. Notwithstanding anything to the contrary in the Agreement or the Plan, Participant shall not be entitled to, and shall not claim any benefit (including without limitation a legal right) under the Plan if the provision of such benefit would give rise to a breach of Part 2D.2 of the Corporations Act 2001 (Cth) (the "Act"), any other provision of that Act, or any other applicable statute, rule or regulation which limits or restricts the giving of such benefits.

Australian Offer Document. The Options are granted pursuant to the Australian Offer Document and the grant is intended to comply with the provisions of the Corporations Act 2001, ASIC Regulatory Guide 49 and ASIC Class Order 14/1000. Participation in the Plan and the Options granted under the Plan are subject to the terms and conditions stated in the Australian Offer Document, in addition to the Plan and the Agreement.

Tax Information. The Plan is a plan to which Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) (the "Act") applies (subject to the conditions in that Act).

Exchange Control Information. Exchange control reporting is required for cash transactions exceeding AUD 10,000 and international fund transfers. The Australian bank assisting with the transactions will file the report on Participant's behalf. If an Australian bank is not involved in the transfer, Participant personally will have to file the report. Participant personally is responsible for ensuring compliance with any applicable reporting obligations and should consult with Participant's personal legal advisor for additional information about such obligations.

Austria

Exchange Control Information. If Participant holds securities (including Shares acquired under the Plan) or cash (including proceeds from the sale of Shares) outside of Austria, Participant may be required to report certain information to the Austrian National Bank if certain thresholds are exceeded. Specifically, if

Participant is an Austrian resident and holds securities outside of Austria, reporting requirements will apply if the value of such securities meets or exceeds (i) €30,000,000 as of the end of any calendar quarter, or (ii) €5,000,000 as of December 31. Further, if Participant holds cash in accounts outside of Austria, monthly reporting requirements will apply if the aggregate transaction volume of such cash accounts meets or exceeds €10,000,000.

Brazil

Payment via Mandatory Cashless Exercise. Notwithstanding anything to the contrary in Section 4(d) of the Agreement, Participant may exercise the Options only by means of a Cashless Exercise whereby all of the Option Shares related to the Options being exercised shall be sold and Participant shall receive a cash payment in settlement of such exercised Options (for the sake of clarity, Participant shall not receive any actual Shares in connection with the Options being exercised). The Company reserves the right to eliminate the required use of the Cashless Exercise form of payment, in its sole discretion, and allow Participant to use another form of payment permitted under Section 4(d) of the Agreement.

Labor Law Policy and Acknowledgment. By accepting the Options, Participant agrees that (i) Participant is making an investment decision, (ii) any cash payment or Shares will be issued to Participant only if the vesting and exercise conditions are met and (iii) the value of the underlying Shares is not fixed and may increase or decrease in value over the vesting period without compensation to the Participant.

Compliance with Law. By accepting the Options, Participant agrees to comply with applicable Brazilian laws and to report and pay applicable Tax-Related Items associated with the exercise of the Options or the subsequent sale of any Shares acquired under the Plan.

Foreign Asset/Account Reporting Information. If Participant is resident or domiciled in Brazil, Participant will be required to submit an annual declaration of assets and rights held outside of Brazil to the Central Bank of Brazil if the aggregate value of such assets and rights is equal to or greater than US\$100,000 (US\$1,000,000 as of January 1, 2021). Quarterly reporting is required if such amount exceeds US\$100,000,000. Assets and rights that must be reported include Shares acquired under the Plan.

Tax on Financial Transactions (IOF). Payments to foreign countries, repatriation of funds into Brazil, and the conversion of BRL into USD associated with such fund transfers, may be subject to the Tax on Financial Transaction. It is Participant's personal responsibility to comply with any applicable Tax on Financial Transaction arising from participation in the Plan. Participant should consult with Participant's personal tax advisor for additional details.

Bulgaria

Exchange Control Information. If Participant is a Bulgarian resident, Participant will be required to file statistical forms with the Bulgarian National Bank annually regarding receivables in Participant's foreign bank accounts as well as securities held abroad (e.g., Shares acquired under the Plan) if the total sum of all such receivables and securities equals or exceeds BGN50,000 as of the previous calendar year-end. The reports are due by March 31. Participant understands that Participant should contact his or her bank in Bulgaria for additional information regarding these requirements.

Foreign Asset/Account Reporting Notification. Participant is required to report the acquisition of Shares under the Plan on Participant's annual tax return in the year of acquisition and in each subsequent annual tax return for as long as Participant holds the Shares.

Canada

No Payment via Existing Shares. Notwithstanding anything to the contrary in Section 4(d) of the Agreement, Participant may not exercise the Options by tendering existing Shares held by Participant as payment of the Option Price or any Tax-Related Items associated with the exercise of the Options.

Termination of Employment. For purposes of the Agreement, Participant's employment or service will be considered terminated as of the earlier of: (a) the date Participant terminates employment; (b) the date Participant receives notice of termination; or (c) the date on which Participant is no longer actively employed by or actively providing services, regardless of any notice period or period of pay in lieu of such notice required under applicable law (including, but not limited to, statutory law, regulatory law and/or common law). The Committee shall have the exclusive discretion to determine when Participant's

employment or service is terminated for purposes of the Agreement (including whether Participant may still be considered to be providing service while on a leave of absence).

Securities Law Notification. Participant is permitted to sell Shares acquired under the Plan through the designated broker appointed under the Plan, if any, provided that the resale of such shares takes place outside of Canada through the facilities of a national securities exchange on which the shares are listed (i.e., The New York Stock Exchange).

English Language Consent for Participants in Quebec. To the extent Participant resides in Quebec, the parties acknowledge that it is their express wish that the Plan, the Agreement and this Appendix A, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent avoir exigé la rédaction en anglais de cette convention («Plan, Agreement and Appendix A»), ainsi que de tous documents, avis et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou liés directement ou indirectement à, la présente convention.

Foreign Asset/Account Reporting Information. Foreign property, including Shares and other rights to acquire Shares (e.g., Options), of a non-Canadian company held by a Canadian resident employee must generally be reported annually on a Form T1135 (Foreign Income Verification Statement), if the total cost of Participant's foreign assets exceeds C\$100,000 at any time during the year. The Options must be reported, generally at nil cost, if the C\$100,000 threshold is exceeded because of other foreign property Participant holds. When Shares are acquired, their cost generally is the adjusted cost base ("**ACB**") of such shares, ordinarily equal to the Fair Market Value of the shares at the time of acquisition, but if Participant owns other Shares, the ACB may have to be averaged with the ACB of the other shares. Participant personally is responsible for ensuring compliance with any applicable reporting obligations and should consult with Participant's personal legal advisor for additional information about such obligations.

China

Options Settled Locally Only in Cash. Notwithstanding anything in the Agreement or the Plan to the contrary, any exercised Options shall be settled solely by means of a cash payment made directly to Participant by the Employer in China. The grant of Options does not provide any right for Participant to receive Shares.

Czech Republic

Exchange Control Information. The Czech National Bank may require Participant to fulfill certain notification duties in relation to the opening and maintenance of a foreign account. However, because exchange control regulations change frequently and without notice, Participant should consult with Participant's legal advisor prior to the sale of Shares to ensure compliance with current regulations. It is Participant's responsibility to comply with Czech exchange control laws, and neither the Company nor the Employer will be liable for any resulting fines or penalties.

France

Nature of Options. The Options are not granted under the French specific regime provided by Articles L. 225-177 to L. 225-186-1 of the French commercial code.

English Language Consent. The parties acknowledge that it is their express wish that the Plan, the Agreement and this Appendix A, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent avoir exigé la rédaction en anglais de cette convention («Plan, Agreement and Appendix A»), ainsi que de tous documents, avis et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou liés directement ou indirectement à, la présente convention.

Exchange Control Information. The value of any cash or securities imported to or exported from France without the use of a financial institution must be reported to the customs and excise authorities when the value of such cash or securities is equal to or greater than a certain amount. Participant personally is

responsible for ensuring compliance with any applicable reporting obligations and should consult with Participant's personal legal advisor for additional information about such obligations.

Germany

Exchange Control Information. Cross-border payments in connection with the purchase or sale of securities in excess of EUR 12,500 must be reported monthly by accessing the electronic General Statistics Reporting Portal (*Allgemeines Meldeportal Statistik*) via the Bundesbank's website (www.bundesbank.de). Participant personally is responsible for ensuring compliance with any applicable reporting obligations and should consult with Participant's personal legal advisor for additional information about such obligations.

India

Payment via Mandatory Cashless Exercise. Notwithstanding anything to the contrary in Section 4(d) of the Agreement, Participant may exercise the Options only by means of a Cashless Exercise whereby all of the Option Shares related to the Options being exercise shall be sold and Participant shall receive a cash payment in settlement of such exercised Options (for the sake of clarity, Participant shall not receive any actual Shares in connection with the Options being exercised). The Company reserves the right to eliminate the required use of the Cashless Exercise form of payment, in its sole discretion, and allow Participant to use another form of payment permitted under Section 4(d) of the Agreement.

Exchange Control Information. Participant must repatriate to India the proceeds resulting from a Cashless Exercise within 90 days after receipt. Participant must obtain evidence of the repatriation of funds in the form of a foreign inward remittance certificate (the "FIRC") from the bank where Participant deposited the foreign currency. Participant must retain the FIRC in Participant's records to present to the Reserve Bank of India or Participant's Employer in the event that proof of repatriation is requested. Participant personally is responsible for ensuring compliance with the local exchange control rules and should consult with Participant's personal legal advisor for additional information about such rules and obligations.

Foreign Assets Reporting Information. Participant is required to declare Participant's foreign bank accounts and any foreign financial assets (including Shares held outside India) in Participant's annual tax return. Participant personally is responsible for ensuring compliance with any applicable reporting obligations and should consult with Participant's personal legal advisor for additional information about such obligations.

Italy

Payment via Mandatory Cashless Exercise. Notwithstanding anything to the contrary in Section 4(d) of the Agreement, Participant may exercise the Options only by means of a Cashless Exercise whereby all of the Option Shares related to the Options being exercise shall be sold and Participant shall receive a cash payment in settlement of such exercised Options (for the sake of clarity, Participant shall not receive any actual Shares in connection with the Options being exercised). The Company reserves the right to eliminate the required use of the Cashless Exercise form of payment, in its sole discretion, and allow Participant to use another form of payment permitted under Section 4(d) of the Agreement.

Plan Document Acknowledgment. In accepting the grant of Options, Participant acknowledges that Participant has received a copy of the Plan, has reviewed the Plan and the Agreement in their entirety, and fully understands and accepts all provisions of the Plan and the Agreement. Participant further acknowledges that Participant has read and specifically and expressly approves the following Sections in the Agreement and Appendix A:

- Section 4 (Terms and Conditions)
- Section 5 (Wrongful Competition and Wrongful Solicitation)
- Section 6 (Confidential Information and Trade Secrets)

- Section 16 (Investment Representation)
- Section 18 (Entire Agreement; Language; Governing Law)
- Section 22(f) (Clawback Policy)
- Appendix A, Section I (Nature of Grant)
- Appendix A, Section I (Payment of Taxes)
- Appendix A, Section III (Data Privacy Notice)

Foreign Asset/Account Reporting Information. If Participant is an Italian resident and, during any fiscal year, holds investments or financial assets outside of Italy (e.g., cash, Shares) which may generate income taxable in Italy, Participant is required to report such investments or assets on Participant's annual tax return (on UNICO Form, RW Schedule, or on a special form if Participant is not required to file a tax return). These reporting obligations will apply to Participant if Participant is the beneficial owner of foreign financial assets under Italian money laundering provisions. Further, the value of the financial assets held outside of Italy (including Shares) by Italian residents is subject to a foreign asset tax. The taxable amount will be the fair market value of the financial assets (i.e., Shares acquired under the Plan) assessed at the end of the calendar year

Malaysia

Director Notification Obligation. If Participant is a director of a Malaysian Subsidiary or Affiliate, Participant is subject to certain notification requirements under the Malaysian Companies Act. Among these requirements is an obligation to notify the Malaysian Subsidiary or Affiliate in writing when Participant receives or dispose of an interest (e.g., an award under the Plan or Shares) in the Company or any related company. Such notifications must be made within 14 days of receiving or disposing of any interest in the Company or any related company.

Insider-Trading Information. Participant should be aware of the Malaysian insider-trading rules, which may impact Participant's acquisition or disposal of shares or rights to shares under the Plan. Under the Malaysian insider-trading rules, Participant is prohibited from acquiring or selling shares or rights to shares (e.g., an award under the Plan) when Participant is in possession of information which is not generally available and which Participant knows or should know will have a material effect on the price of shares once such information is generally available.

Mexico

Nature of Grant. The following provisions supplement Section I (Nature of Grant) of this Appendix A:

Acknowledgment of the Grant. In accepting the Options, Participant acknowledges that Participant has received a copy of the Plan and the Agreement, including this Appendix A, and that Participant has reviewed the Plan and the Agreement, including this Appendix A, in its entirety and fully understand and accept all provisions of the Plan and the Agreement, including this Appendix A. Participant further acknowledges that Participant has read and specifically and expressly approve the terms and conditions of Section I (Nature of Grant) of this Appendix A, in which the following is clearly described and established:

Participant's participation in the Plan does not constitute an acquired right.

The Plan and Participant's participation in the Plan are offered by the Company on a wholly discretionary basis.

Participant's participation in the Plan is voluntary.

Neither the Company nor any Subsidiary or Affiliate is responsible for any decrease in the value of the Options granted and/or the Shares issued under the Plan.

Securities Law Information. The Options and the Shares offered under the Plan have not been registered with the National Register of Securities maintained by the Mexican National Banking and Securities Commission and cannot be offered or sold publicly in Mexico. In addition, the Plan, the Agreement and any other document relating to the Options may not be publicly distributed in Mexico. These materials are addressed to Participant only because of Participant's existing relationship with the Company and the Subsidiary in Mexico that employs Participant, and these materials should not be reproduced or copied in any form. The offer contained in these materials does not constitute a public offering of securities but rather constitutes a private placement of securities addressed specifically to individuals who are present employees of the Subsidiary in Mexico made in accordance with the provisions of the Mexican Securities Market Law, and any rights under such offering shall not be assigned or transferred.

Labor Law Acknowledgment and Policy Statement. In accepting the Options, Participant expressly recognizes that the Company, with registered offices at 2366 Bernville Road, Reading, Pennsylvania 19605, United States of America, is solely responsible for the administration of the Plan and that Participant's participation in the Plan and acquisition of shares does not constitute an employment relationship between Participant and the Company since Participant is participating in the Plan on a wholly commercial basis and Participant's sole employer is EnerSys de Mexico, S.A. de CV, PowerSonic, S.A. de CV or Yecoltd, S de R.L. de CV (each, a "Mexican Subsidiary"). Based on the foregoing, Participant expressly recognizes that the Plan and the benefits that Participant may derive from participation in the Plan do not establish any rights between Participant and Participant's employer, a Mexican Subsidiary, and do not form part of the conditions of Participant's employment and/or benefits provided by such Mexican Subsidiary, and any modification of the Plan or its termination shall not constitute a change or impairment of the terms and conditions of Participant's employment.

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

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

Spanish Translation.

Reconocimiento de la subvención. Al aceptar el fuentes, el participante reconoce que el participante ha recibido una copia del plan y el acuerdo, incluyendo este apéndice a, y que el participante ha revisado el plan y el acuerdo, incluyendo este apéndice a, en su totalidad y comprender y aceptar plenamente todas las disposiciones del plan y del acuerdo, incluido el presente Apéndice A. El participante reconoce además que el participante ha leído y aprobado expresa y explícitamente los términos y condiciones de la sección I (naturaleza de la concesión) del presente apéndice a, en el que se describen y establecen claramente los siguientes:

- (1) la participación del participante en el plan no constituye un derecho adquirido.
- (2) el plan y la participación del participante en el plan son ofrecidos por la compañía sobre una base totalmente discrecional.
- (3) la participación del participante en el plan es voluntaria.
- (4) ni la compañía ni ningún subsidiario o afiliado es responsable de cualquier disminución

Reconocimiento de la ley laboral y declaración de política. Al aceptar el fuentes, el participante reconoce expresamente que la compañía, con domicilio social en 2366 BERNVILLE Road, Reading, Pennsylvania 19605, Estados Unidos de América, es el único responsable de la administración del plan y que el La participación del participante en el plan y la adquisición de acciones no constituye una relación de empleo entre usted y la empresa, ya que el participante participa en el plan de manera totalmente comercial y el único empleador del participante es EnerSys de México, s.a. de CV, PowerSonic, s.a. de CV o Yecoltd, S de R.L. de CV (cada una, una "filial mexicana"). Basándose en lo anterior, el participante reconoce expresamente que el plan y los beneficios que el participante puede derivar de la participación en el plan no establecen ningún derecho entre el participante y el empleador del participante, una filial

mexicana, y no forman parte de las condiciones del empleo del participante y/o los beneficios proporcionados por dicha filial mexicana, y cualquier modificación del plan o su terminación no constituirá un cambio o deterioro de los términos y condiciones del Empleo.

El participante entiende además que la participación del participante en el plan es el resultado de una decisión unilateral y discrecional de la compañía; por lo tanto, la compañía se reserva el derecho absoluto de enmendar y/o suspender la participación del participante en el plan en cualquier momento, sin ninguna responsabilidad para con el participante.

Por último, el participante declara que el participante no se reserva a sí mismo ninguna acción o derecho de presentar reclamación alguna contra la compañía por cualquier indemnización o daño relacionado con cualquier disposición del plan o cualquier beneficio derivado del plan; por lo tanto, el participante otorga una liberación completa y amplia a la compañía, sus accionistas, oficiales, agentes, representantes legales y subsidiarias con respecto a cualquier reclamación que pueda surgir.

Netherlands

Waiver of Termination Rights. Participant waives any and all rights to compensation or damages as a result of any termination of employment for any reason whatsoever, insofar as those rights result or may result from (a) the loss or diminution in value of such rights or entitlements under the Plan, or (b) Participant's ceasing to have rights under, or ceasing to be entitled to any awards under the Plan as a result of such termination.

Poland

Exchange Control Information. Polish residents holding foreign securities (including Shares) and maintaining accounts abroad must report information to the National Bank of Poland on transactions and balances of the securities and cash deposited in such accounts if the value of such securities and cash (when combined with all other assets held abroad) exceeds PLN 7,000,000. If required, the reports must be filed on a quarterly basis on special forms available on the website of the National Bank of Poland. If Participant transfers funds in excess of €15,000 into Poland in connection with the sale of Shares under the Plan, the funds must be transferred via a bank account. Participant is required to retain the documents connected with a foreign exchange transaction for a period of five (5) years, as measured from the end of the year in which such transaction occurred. If Participant holds Shares acquired under the Plan and/or maintain a bank account abroad, Participant will have reporting duties to the National Bank of Poland. Participant personally is responsible for ensuring compliance with any applicable reporting obligations and should consult with Participant's personal legal advisor for additional information about such obligations.

Singapore

Sale Restriction. Participant expressly agrees that any Shares received upon exercise of the Options will not be offered for sale or sold in Singapore prior to the six (6) month anniversary of the Date of Grant, unless such sale or offer in is made after pursuant to the exemption under Part XIII Division (1) Subdivision (4) (other than Section 280) of the SFA (Chapter 289, 2006 Ed.) or pursuant to, and in accordance with the conditions of, any other applicable provision(s) of the SFA.

Securities Law Information. The grant of Options is being made in reliance on Section 273(1)(f) of the SFA, under which it is exempt from the prospectus and registration requirements under the SFA and is not made to Participant with a view to the Shares being subsequently offered for sale to any other party. The Plan has not been lodged or registered as a prospectus with the Monetary Authority of Singapore.

Director Notification Obligation. If Participant is a director, alternate director, substitute director or shadow director of the Company's Singapore Subsidiary or Affiliate, Participant is subject to certain notification requirements under the Singapore Companies Act. Among these requirements is an obligation to notify the Company's Singapore Subsidiary or Affiliate in writing when Participant receives an interest (e.g., Options or Shares) in the Company or any Subsidiary or Affiliate. This notification must be made (a) within two (2) business days of acquiring or disposing of any interest in the Company or any Subsidiary or Affiliate, or becoming a director, associate director or shadow director, whichever occurs last, and (b) upon any change in a previously disclosed interest (e.g., sale of Shares issued upon exercise and settlement of the Options).

Switzerland

Securities Law Information. The offer of the Options is considered a private offering in Switzerland and therefore is not subject to securities registration in Switzerland. Neither this document nor any other materials relating to the Options (a) constitutes a prospectus as such term is understood pursuant to article 652a of the Swiss Code of Obligations, (b) may be publicly distributed or otherwise made publicly available in Switzerland or (c) has been or will be filed with, approved, or supervised by any Swiss regulatory authority (in particular, the Swiss Financial Market Supervisory Authority (FINMA)).

Turkey

Securities Law Notification. Participant is not permitted to sell any Shares acquired under the Plan in Turkey. The Shares are currently traded on the New York Stock Exchange, which is located outside Turkey, under the ticker symbol "ENS" and Shares acquired under the Plan may be sold through this exchange.

Exchange Control Notification. Turkish residents are permitted to purchase and sell securities or derivatives traded on exchanges abroad only through a financial intermediary licensed in Turkey. Therefore, Participant may be required to appoint a Turkish broker to assist Participant with the acquisition and sale of the Shares acquired under the Plan.

U.S. Virgin Islands

No country-specific provisions.

United Kingdom

Tax Withholding. The following provision supplements Section I (Payment of Taxes) of this Appendix A:

Participant expressly agrees that Participant is liable for all Tax-Related Items and hereby covenants to pay all such Tax-Related Items, as and when requested by the Company, the Employer and/or by Her Majesty's Revenue & Customs ("HMRC") (or any other tax authority or any other relevant authority). Participant also hereby agrees to indemnify and keep indemnified the Company and the Employer against any Tax-Related Items that they are required to pay or withhold or have paid or will pay on Participant's behalf to HMRC (or any other tax authority or any other relevant authority).

Notwithstanding the foregoing, if Participant is a director or executive officer of the Company (within the meaning of Section 13(k) of the Exchange Act) and the indemnification of the Company and the Employer is viewed as a loan, Participant will be ineligible for such a loan to cover income tax. In the event that Participant is a director or executive officer and income taxes are not collected from or paid by Participant within ninety (90) days after the end of the tax year in which the event giving rise to the income tax obligation arose, the amount of any uncollected income tax may constitute a benefit to Participant on which additional income tax and national insurance contributions ("NICs") may be payable. Participant acknowledges that Participant will be responsible for reporting any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for paying the Company or the Employer (as applicable) for any employee NICs due on this additional benefit which may be recovered from Participant by the Company or the Employer at any time thereafter by any of the means referred to herein.

ENERSYS

**AWARD AGREEMENT FOR NON-EMPLOYEE DIRECTORS
DEFERRED STOCK UNITS**

2023 EQUITY INCENTIVE PLAN

THIS AWARD AGREEMENT FOR NON-EMPLOYEE DIRECTORS –DSUs (this “Award Agreement”) is made as of _____ (the “Grant Date”) between EnerSys, a Delaware corporation (the “Company”), and the individual identified on the signature page hereof (the “Director”).

WHEREAS, the Director is currently a non-employee director of the Company and, pursuant to the EnerSys 2023 Equity Incentive Plan (the “Plan”) and upon the terms and subject to the conditions hereinafter set forth, the Company desires to provide the Participant with an incentive to increase the Director’s interest in the success of the Company through the granting to the Director of deferred stock units (“DSUs”).

1. **Grant of Deferred Stock Units.** Subject to the provisions of this Award Agreement and pursuant to the provisions of the Plan, the Company hereby grants to the Director the number of DSUs specified on the signature page hereof.

2. **Terms Subject to the Plan.** This Award Agreement is subject to, and governed by, the provisions of the Plan and unless the context requires otherwise, terms used herein shall have the same meaning as in the Plan. In the event of a conflict between or among the provisions of the Plan and this Award Agreement, the Plan shall control.

3. **DSU Account.**

- a. The Company shall credit to a bookkeeping account (the “Account”) maintained by the Company, or a third party on behalf of the Company, for the Director’s benefit the DSUs, each of which shall be deemed to be the equivalent of one share of the Company’s common stock, par value \$.01 per share (each, a “Share”).
- b. Whenever any cash dividends are declared on the Shares, on the date such dividend is paid, the Company will credit to the Account a number of additional DSUs equal to the result of dividing (i) the product of the total number of DSUs credited to the Account on the record date for such dividend and the per Share amount of such dividend by (ii) the Fair Market Value of one Share on the date such dividend is paid by the Company to the holders of Shares.
- c. Whenever any dividends or distributions are declared on the Shares in the form of additional Shares, or there occurs a forward split of Shares, then a number of additional DSUs shall be credited to the Account as of the payment date for such dividend or distribution or forward split equal to (i) the number of DSUs credited to the Account as of the record date for such dividend or distribution or split, 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.
- d. Any additional DSUs credited under Sections 3(b) and (c) shall be or become vested to the same extent as the underlying DSUs and be settled and distributed on the same date as the underlying DSUs.

4. **Vesting.** The Director's rights with respect to the DSUs granted hereunder shall be 100% vested at all times.
5. **Forfeiture and Clawback.** If, at any time prior to the first anniversary of when the Director ceases service as a director of the Company for any reason, the Director engages in any activity in competition with any activity of the Company, or inimical, contrary or harmful to the interests of the Company, including, but not limited to: (i) conduct related to the Director's service as a director of the Company for which either criminal or civil penalties against the Director may be sought, (ii) material violation of the Company's policies, or (iii) disclosure or misuse of any confidential information or material concerning the Company, then (A) the DSUs shall be forfeited effective as of the date on which the Director enters into such activity, and (B) the Director shall within ten (10) days after written notice from the Company return to the Company the Shares paid by the Company to the Director with respect to the DSUs and, if the Director has previously sold all or a portion of the Shares paid to the Director by the Company, the Director shall pay the proceeds of such sale to the Company. The DSUs and any Shares paid pursuant to DSUs shall be subject to the terms of the clawback policy adopted by the Board of Directors (as such policy may be amended from time-to-time).
6. **Payment of DSUs.** Payment of the Director's Account shall be made as elected on the signature page hereof, or if no election is made, in one lump sum on the Payment Date(s) (as elected on the signature page herof), or, if no election is made, the Payment Date shall be the date that is six (6) months following the date of the Director's "separation from service" (within the meaning of Treas. Reg. § 1.409A-1(h)). If the New York Stock Exchange (or any successor exchange or stock market on which shares of the Company's common stock are traded) is not open on the Payment Date, then payment shall be made on the next day the New York Stock Exchange (or any successor exchange or stock market on which shares of the Company's common stock are traded) is open.
7. **Form of Payment.** Payments pursuant to Section 6 shall be made in Shares equal to the number of DSUs credited to the Account.
8. **Change in Control (Cash).** Notwithstanding the foregoing provisions of Section 6 and 7, in the event of a Change in Control where the holders of Shares receive cash consideration for their Shares in consummation of the Change in Control, the Payment Date shall be the date of such Change in Control and payment shall be in a single cash lump sum equal to the number of DSUs credited to the Account times the cash consideration received for a Share.
9. **Beneficiary.** In the event of the Director's death prior to payment of the DSUs credited to the Account, payment shall be made to the last beneficiary designated in writing that is received by the Company prior to the Director's death or, if no designated beneficiary survives the Director, such payment shall be made to the Director's estate.
10. **Source of Payments.** The Director's right to receive payment under this Award Agreement shall be an unfunded entitlement and shall be an unsecured claim against the general assets of the Company. The Director has only the status of a general unsecured creditor hereunder, and this Award Agreement constitutes only a promise by the Company to pay the value of the Account on the Payment Date.
11. **Nontransferability.** Except as permitted by the Plan, this Award Agreement shall not be assignable or transferable by the Director or by the Company (other than to successors of the Company) and no amounts payable under this Award Agreement, or any rights therein, shall be subject in any manner to any anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, levy, lien, attachment, garnishment, debt or other charge or disposition of any kind.

12. **No Guarantee of Membership.** The award of DSUs by the Company under this Award Agreement to the Director shall not be deemed to be a contract between the Company and the Director to retain his or her position as a director of the Company.

13. **Taxes.** The Director shall be solely responsible for all applicable income and self-employment taxes and other wage deductions incurred in connection with the vesting and settlement of the DSUs subject to this Award Agreement. Unless required to do so by applicable law, the Company and its affiliates shall not pay or withhold any Federal, state, local, foreign or other taxes of any kind with respect thereto. Neither the Company nor any of its affiliates shall have any obligation to indemnify or otherwise hold the Director harmless from any or all such taxes.

14. **Notices.** All notices required or permitted under this Award Agreement shall be in writing and shall be delivered personally or by mailing the same by registered or certified mail postage prepaid, to the other party. Notice given by mail shall be deemed delivered at the time and on the date the same is postmarked.

Notices to the Company should be addressed to:

EnerSys
2366 Bernville Rd.
Reading, PA 19605
Attention: Chief Legal & Compliance Officer

Notices to the Director should be addressed to the Director at the Director's address as it appears on the Company's records. The Company or the Director may by writing to the other party, designate a different address for notices.

15. **Successors and Assigns.** This Award Agreement shall inure to the benefit of and be binding upon the heirs, legatees, distributees, executors and administrators of the Director and the successors and assigns of the Company.

16. **Governing Law.** This Award Agreement shall be governed by, and interpreted in accordance with, the laws of the Commonwealth of Pennsylvania, other than its conflicts of laws principles.

17. **Entire Agreement; Modification.** This Award Agreement and the Plan constitute the entire agreement between the parties relative to the subject matter hereof, and supersede all proposals, written or oral, and all other communications between the parties relating to the subject matter of this Award Agreement. This Award Agreement may be modified, amended or rescinded only by a written agreement executed by both parties.

18. **Severability.** The invalidity, illegality or unenforceability of any provision of this Award Agreement shall in no way affect the validity, legality or enforceability of any other provision.

IN WITNESS WHEREOF, this Award Agreement has been executed by the Company and the Director, effective as of the date on the first page of this Award Agreement.

ENERSYS

By: _____
David M. Shaffer President & Chief Executive Officer

_____, Director

Date of Grant:

Number of DSUs: _____

Payment Date(s):

___ I elect to commence to receive payment of my Director Account on the _____ anniversary of my “separation from service” (within the meaning of Treas. Reg. § 1.409A-1(h)) as a Director. **[NOTE: In no event can the election be for a period that is less than six (6) months after “separation from service”. If no election is made, payment will commence on the date that is six (6) months following the date of the Director’s “separation from service”.]**

___ I elect to receive payment of my Director Account in the form of:

___ a lump sum payment.

___ annual installments over ___ years with each installment paid on the anniversary of my separation from service as a Director.

**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 2, 2023, 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/ David M. Shaffer
David M. Shaffer
Chief Executive Officer

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

Date: August 9, 2023