

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 September 28, 2014

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

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, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Securities Exchange Act of 1934.

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

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 October 31, 2014: 45,357,718 shares

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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)

Assets	September 28, 2014	March 31, 2014
Current assets:		
Cash and cash equivalents	\$ 239,900	\$ 240,103
Accounts receivable, net of allowance for doubtful accounts: September 28, 2014 - \$8,967; March 31, 2014 - \$9,446	563,852	564,584
Inventories, net	389,172	361,846
Deferred taxes	42,020	64,765
Prepaid and other current assets	72,999	69,402
Total current assets	1,307,943	1,300,700
Property, plant, and equipment, net	361,492	370,166
Goodwill	411,998	426,056
Other intangible assets, net	167,836	172,472
Other assets	46,760	52,464
Total assets	\$ 2,296,029	\$ 2,321,858
Liabilities and Equity		
Current liabilities:		
Short-term debt	\$ 25,537	\$ 33,814
Capital lease obligations	303	354
Accounts payable	260,395	259,484
Accrued expenses	203,277	287,751
Total current liabilities	489,512	581,403
Long-term debt and capital lease obligations	436,856	288,132
Deferred taxes	95,613	101,149
Other liabilities	78,177	81,225
Total liabilities	1,100,158	1,051,909
Commitments and contingencies	—	—
Redeemable noncontrolling interests	7,710	8,047
Redeemable equity component of Convertible Notes	5,558	9,613
Equity:		
Preferred Stock, \$0.01 par value, 1,000,000 shares authorized, no shares issued or outstanding at September 28, 2014 and at March 31, 2014	—	—
Common Stock, \$0.01 par value per share, 135,000,000 shares authorized; 53,626,832 shares issued and 45,450,544 shares outstanding at September 28, 2014; 53,263,348 shares issued and 46,942,126 shares outstanding at March 31, 2014	536	532
Additional paid-in capital	512,128	500,254
Treasury stock, at cost, 8,176,288 shares held as of September 28, 2014; 6,321,222 shares held as of March 31, 2014	(291,581)	(170,643)
Retained earnings	937,353	848,414
Accumulated other comprehensive income	18,392	67,845
Total EnerSys stockholders' equity	1,176,828	1,246,402
Nonredeemable noncontrolling interests	5,775	5,887
Total equity	1,182,603	1,252,289
Total liabilities and equity	\$ 2,296,029	\$ 2,321,858

See accompanying notes.

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

	Quarter ended	
	September 28, 2014	September 29, 2013
Net sales	\$ 629,927	\$ 568,847
Cost of goods sold	467,387	424,497
Gross profit	162,540	144,350
Operating expenses	96,910	82,226
Restructuring and other exit charges	1,810	1,119
Reversal of legal accrual, net of fees - See Note 9	(16,233)	—
Operating earnings	80,053	61,005
Interest expense	4,362	4,119
Other (income) expense, net	(3,407)	515
Earnings before income taxes	79,098	56,371
Income tax expense	22,548	15,220
Net earnings	56,550	41,151
Net earnings (losses) attributable to noncontrolling interests	234	(188)
Net earnings attributable to EnerSys stockholders	\$ 56,316	\$ 41,339
Net earnings per common share attributable to EnerSys stockholders:		
Basic	\$ 1.22	\$ 0.87
Diluted	\$ 1.16	\$ 0.84
Dividends per common share	\$ 0.175	\$ 0.125
Weighted-average number of common shares outstanding:		
Basic	46,133,637	47,573,496
Diluted	48,537,276	49,405,818

See accompanying notes.

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

	Six months ended	
	September 28, 2014	September 29, 2013
Net sales	\$ 1,264,037	\$ 1,166,144
Cost of goods sold	938,920	881,655
Gross profit	325,117	284,489
Operating expenses	185,969	159,336
Restructuring and other exit charges	3,639	1,540
Reversal of legal accrual, net of fees - See Note 9	(16,233)	—
Operating earnings	151,742	123,613
Interest expense	9,246	8,390
Other (income) expense, net	(2,379)	2,873
Earnings before income taxes	144,875	112,350
Income tax expense	39,210	30,782
Net earnings	105,665	81,568
Net earnings (losses) attributable to noncontrolling interests	180	(618)
Net earnings attributable to EnerSys stockholders	\$ 105,485	\$ 82,186
Net earnings per common share attributable to EnerSys stockholders:		
Basic	\$ 2.27	\$ 1.72
Diluted	\$ 2.15	\$ 1.67
Dividends per common share	\$ 0.35	\$ 0.25
Weighted-average number of common shares outstanding:		
Basic	46,516,470	47,721,239
Diluted	49,131,757	49,355,381

See accompanying notes.

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

	Quarter ended		Six months ended	
	September 28, 2014	September 29, 2013	September 28, 2014	September 29, 2013
Net earnings	\$ 56,550	\$ 41,151	\$ 105,665	\$ 81,568
Other comprehensive income (loss):				
Net unrealized gain on derivative instruments, net of tax	76	3,778	2,567	2,290
Pension funded status adjustment, net of tax	181	115	366	316
Foreign currency translation adjustment	(50,458)	24,601	(53,015)	22,667
Total other comprehensive income (loss), net of tax	(50,201)	28,494	(50,082)	25,273
Total comprehensive income	6,349	69,645	55,583	106,841
Comprehensive loss attributable to noncontrolling interests	(228)	(399)	(449)	(1,630)
Comprehensive income attributable to EnerSys stockholders	\$ 6,577	\$ 70,044	\$ 56,032	\$ 108,471

See accompanying notes.

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

	Six months ended	
	September 28, 2014	September 29, 2013
Cash flows from operating activities		
Net earnings	\$ 105,665	\$ 81,568
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	28,366	25,320
Write-off of assets relating to restructuring	547	—
Derivatives not designated in hedging relationships:		
Net (gains) losses	(364)	180
Cash proceeds (settlements)	198	(217)
Provision for doubtful accounts	567	612
Deferred income taxes	22,270	144
Reversal of legal accrual, net of fees - See Note 9	(16,233)	—
Gain on disposition of equity interest in Alteryx - See Note 9	(2,000)	—
Non-cash interest expense	4,655	4,404
Stock-based compensation	17,059	7,592
Gain on disposal of property, plant, and equipment	(58)	(310)
Changes in assets and liabilities:		
Accounts receivable	(17,429)	(15,508)
Inventories	(40,304)	4,104
Prepaid and other current assets	(3,910)	1,314
Other assets	1,163	858
Accounts payable	9,152	(18,936)
Accrued expenses	(67,909)	237
Other liabilities	9,130	(185)
Net cash provided by operating activities	50,565	91,177
Cash flows from investing activities		
Capital expenditures	(27,513)	(24,736)
Purchases of businesses	—	(856)
Proceeds from disposition of equity interest in Alteryx	2,000	—
Proceeds from disposal of property, plant, and equipment	103	1,263
Net cash used in investing activities	(25,410)	(24,329)
Cash flows from financing activities		
Net (decrease) increase in short-term debt	(7,534)	443
Proceeds from revolving credit borrowings	246,000	—
Repayments of revolving credit borrowings	(251,000)	—
Proceeds from long-term debt	150,000	—
Repurchase of Convertible Notes	(203)	—
Deferred financing costs	(1,076)	(823)
Capital lease obligations	(134)	(161)
Option proceeds (taxes paid related to net share settlement of equity awards), net	(12,664)	(7,947)
Excess tax benefits from exercise of stock options and vesting of equity awards	3,035	4,614
Purchase of treasury stock	(120,938)	(33,593)
Dividends paid to stockholders	(16,156)	(11,902)
Net cash used in financing activities	(10,670)	(49,369)
Effect of exchange rate changes on cash and cash equivalents	(14,688)	5,863
Net (decrease) increase in cash and cash equivalents	(203)	23,342
Cash and cash equivalents at beginning of period	240,103	249,348
Cash and cash equivalents at end of period	\$ 239,900	\$ 272,690

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 interim unaudited consolidated condensed financial statements of EnerSys (the "Company") have been prepared in accordance with accounting principles generally accepted in the United States 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 the information and notes required for complete financial statements. In the opinion of management, the unaudited consolidated condensed financial statements include all normal recurring adjustments considered necessary for the fair presentation of the financial position, results of operations, and cash flows for the interim periods presented. The financial statements should be read in conjunction with the Consolidated Financial Statements and Notes thereto included in the Company's 2014 Annual Report on Form 10-K (SEC File No. 001-32253), which was filed on May 28, 2014 (the "2014 Annual Report").

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 2015 end on June 29, 2014, September 28, 2014, December 28, 2014, and March 31, 2015, respectively. The four quarters in fiscal 2014 ended on June 30, 2013, September 29, 2013, December 29, 2013, and March 31, 2014, 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.

The Company also consolidates certain subsidiaries in which the noncontrolling interest party has within its control the right to require the Company to redeem all or a portion of its interest in the subsidiary. The redeemable noncontrolling interests are reported at their estimated redemption value, and the amount presented in temporary equity is not less than the initial amount reported in temporary equity. Any adjustment to the redemption value impacts retained earnings but does not impact net income or comprehensive income. Noncontrolling interests which are redeemable only upon future events, the occurrence of which is not currently probable, are recorded at carrying value.

Recently Issued Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606) providing guidance on revenue from contracts with customers that will supersede most current revenue recognition guidance, including industry-specific guidance. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The guidance is effective for the interim and annual periods beginning on or after December 15, 2016 (early adoption is not permitted). The guidance permits the use of either a full retrospective or modified retrospective transition method. The Company has not yet selected a transition method and is currently evaluating the impact of the amended guidance on the consolidated financial position, results of operations and related disclosures.

2. Acquisitions

In fiscal 2014, the Company completed the acquisitions of Purcell Systems, Inc. ("Purcell"), Quallion, LLC. ("Quallion"), and UTS Holdings Sdn. Bhd. and its subsidiaries ("UTS") and assigned values and useful lives to assets acquired based on preliminary valuations. During the first quarter of fiscal 2015, the Company completed purchase accounting for Purcell and based on final valuations performed, trademarks were valued at \$16,800, technology at \$7,900, customer relationships at \$35,700, and goodwill was recorded at \$50,889. The useful lives of technology and customer relationships were estimated at 10 and 9 years, respectively. Trademarks were considered to be indefinite-lived assets.

During the first quarter of fiscal 2015, the Company also completed purchase accounting for Quallion and based on final valuations performed, trademarks were valued at \$500, technology at \$4,400, customer relationships at \$3,400, and goodwill was recorded at \$13,502. The useful lives of technology and customer relationships were estimated at 20 and 14 years, respectively. Trademarks were considered to be indefinite-lived assets.

The Company expects to complete purchase accounting for UTS during fiscal 2015.

3. Inventories

Inventories, net consist of:

	September 28, 2014	March 31, 2014
Raw materials	\$ 104,291	\$ 87,469
Work-in-process	119,543	116,124
Finished goods	165,338	158,253
Total	<u>\$ 389,172</u>	<u>\$ 361,846</u>

4. Goodwill

The changes in the carrying amount of goodwill during the six months of fiscal 2015 by reportable segment are as follows:

	Six months ended September 28, 2014			
	Americas	EMEA	Asia	Total
Balance at beginning of year	\$ 215,630	\$ 177,586	\$ 32,840	\$ 426,056
Adjustments related to the finalization of purchase accounting for Purcell	(3,256)	—	—	(3,256)
Foreign currency translation adjustment	(484)	(10,549)	231	(10,802)
Balance at end of year	\$ 211,890	\$ 167,037	\$ 33,071	\$ 411,998

5. Fair Value of Financial Instruments

The following tables represent the financial assets and (liabilities) measured at fair value on a recurring basis as of September 28, 2014 and March 31, 2014:

	Total Fair Value Measurement September 28, 2014	Quoted Price in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Lead forward contracts	\$ (3,343)	\$ —	\$ (3,343)	\$ —
Foreign currency forward contracts	2,312	—	2,312	—
Total derivatives	\$ (1,031)	\$ —	\$ (1,031)	\$ —

	Total Fair Value Measurement March 31, 2014	Quoted Price in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Lead forward contracts	\$ (2,371)	\$ —	\$ (2,371)	\$ —
Foreign currency forward contracts	113	—	113	—
Total derivatives	\$ (2,258)	\$ —	\$ (2,258)	\$ —

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 the Company’s consolidated financial statements included in its 2014 Annual Report in Note 1, Summary of Significant Accounting Policies.

The fair values for foreign currency forward contracts 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.

Financial Instruments

The fair values of the Company’s cash and cash equivalents, accounts receivable and accounts payable approximate carrying value due to their short maturities.

The fair value of the Company’s short-term debt and borrowings under the 2011 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.

The Company’s 3.375% convertible senior notes due 2038 (“Convertible Notes”), with an original face value of \$172,500, were issued when the Company’s stock price was trading at \$30.19 per share. On September 28, 2014, the Company’s stock price closed at \$60.07 per share. The conversion rate of the Convertible Notes as of October 1, 2014, the date when the the holders were notified that they can submit the Convertible Notes for conversion, was 24.9692 shares of the Company’s common stock per one thousand dollars in principal amount of the Convertible Notes, which equated to \$40.05 per share. The conversion rate may be adjusted in accordance with the terms of the Convertible Notes and the indenture under which the Convertible Notes were issued. The fair value of these notes represent the trading values based upon quoted market prices and are classified as Level 2. The Convertible Notes were trading at 154% of face value on September 28, 2014 and at 175% of face value on March 31, 2014. See Note 11 for further details.

The carrying amounts and estimated fair values of the Company's derivatives and Convertible Notes at September 28, 2014 and March 31, 2014 were as follows:

	September 28, 2014		March 31, 2014	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets:				
Derivatives ⁽¹⁾	\$ 2,312	\$ 2,312	\$ 113	\$ 113
Financial liabilities:				
Convertible Notes	\$ 166,739 ⁽²⁾	\$ 265,337 ⁽³⁾	\$ 162,887 ⁽²⁾	\$ 301,875 ⁽³⁾
Derivatives ⁽¹⁾	3,343	3,343	2,371	2,371

⁽¹⁾ Represents lead and foreign currency hedges.

⁽²⁾ The carrying amounts of the Convertible Notes at September 28, 2014 and March 31, 2014 represent the \$172,297 and \$172,500 principal balance, less the unamortized debt discount (see Note 11 for further details).

⁽³⁾ The fair value amounts of the Convertible Notes at September 28, 2014 and March 31, 2014 represent the trading values of the Convertible Notes with a principal balance of \$172,297 and \$172,500, respectively.

6. Derivative Financial Instruments

The Company utilizes derivative instruments to reduce its exposure to fluctuations in commodity prices and foreign exchange rates 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 Hedge Forward Contracts

The Company enters into lead hedge forward contracts to fix the price for a portion of its lead purchases. Management considers the lead hedge 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 and the notional amounts at September 28, 2014 and March 31, 2014 were 95.4 million pounds and 89.9 million pounds, respectively.

Foreign Currency Forward Contracts

The Company uses foreign currency forward contracts and purchased 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 September 28, 2014 and March 31, 2014, the Company had entered into a total of \$71,141 and \$70,332, respectively, of such contracts.

In the coming twelve months, the Company anticipates that \$488 of pretax gain relating to lead and foreign currency forward contracts will be reclassified from accumulated other comprehensive income ("AOCI") as part of cost of goods sold. This amount represents the current net unrealized impact of hedging lead and foreign exchange rates, which will change as market rates change in the future, and will ultimately be realized in the statement of income as an offset to the corresponding actual changes in lead costs to be realized in connection with the variable lead cost and foreign exchange rates being 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 September 28, 2014 and March 31, 2014, the notional amount of these contracts was \$18,363 and \$22,461, 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
September 28, 2014 and March 31, 2014

	Derivatives and Hedging Activities Designated as Cash Flow Hedges		Derivatives and Hedging Activities Not Designated as Hedging Instruments	
	September 28, 2014	March 31, 2014	September 28, 2014	March 31, 2014
Prepaid and other current assets				
Foreign currency forward contracts	\$ 2,044	\$ 12	\$ 268	\$ 101
Total assets	<u>\$ 2,044</u>	<u>\$ 12</u>	<u>\$ 268</u>	<u>\$ 101</u>
Accrued expenses				
Lead hedge forward contracts	\$ 3,343	\$ 2,371	\$ —	\$ —
Total liabilities	<u>\$ 3,343</u>	<u>\$ 2,371</u>	<u>\$ —</u>	<u>\$ —</u>

The Effect of Derivative Instruments on the Consolidated Condensed Statements of Income
For the quarter ended September 28, 2014

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 hedge contracts	\$ (3,296)	Cost of goods sold	\$ (1,147)
Foreign currency forward contracts	2,222	Cost of goods sold	(48)
Total	<u>\$ (1,074)</u>		<u>\$ (1,195)</u>

Derivatives Not Designated as Hedging Instruments	Location of Gain (Loss) Recognized in Income on Derivative	Pretax Gain (Loss)
Foreign currency forward contracts	Other (income) expense, net	\$ 374
Total		<u>\$ 374</u>

The Effect of Derivative Instruments on the Consolidated Condensed Statements of Income
For the quarter ended September 29, 2013

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 hedge contracts	\$ 2,427	Cost of goods sold	\$ (3,661)
Foreign currency forward contracts	(492)	Cost of goods sold	(411)
Total	<u>\$ 1,935</u>		<u>\$ (4,072)</u>

Derivatives Not Designated as Hedging Instruments	Location of Gain (Loss) Recognized in Income on Derivative	Pretax Gain (Loss)
Foreign currency forward contracts	Other (income) expense, net	46
Total		<u>\$ 46</u>

The Effect of Derivative Instruments on the Consolidated Condensed Statements of Income
For the six months ended September 28, 2014

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 hedge contracts	\$ (260)	Cost of goods sold	\$ (1,675)
Foreign currency forward contracts	2,724	Cost of goods sold	72
Total	\$ 2,464		\$ (1,603)

Derivatives Not Designated as Hedging Instruments	Location of Gain (Loss) Recognized in Income on Derivative	Pretax Gain (Loss)
Foreign currency forward contracts	Other (income) expense, net	\$ 364
Total		\$ 364

The Effect of Derivative Instruments on the Consolidated Condensed Statements of Income
For the six months ended September 29, 2013

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 hedge contracts	\$ 2,124	Cost of goods sold	\$ (1,615)
Foreign currency forward contracts	(1,098)	Cost of goods sold	(1,002)
Total	\$ 1,026		\$ (2,617)

Derivatives Not Designated as Hedging Instruments	Location of Gain (Loss) Recognized in Income on Derivative	Pretax Gain (Loss)
Foreign currency forward contracts	Other (income) expense, net	\$ (180)
Total		\$ (180)

7. Income Taxes

The Company's income tax provision consists of federal, state and foreign income taxes. The tax provision for the second quarters of fiscal 2015 and 2014 were based on the estimated effective tax rates applicable for the full years ending March 31, 2015 and March 31, 2014, respectively, after giving effect to items specifically related to the interim periods. The Company's corporate 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 and the amount of the Company's consolidated income before taxes.

The worldwide effective income tax rates for the second quarters of fiscal 2015 and 2014 were 28.5% and 27.0%, respectively, and 27.1% and 27.4%, respectively, for the six months of fiscal 2015 and 2014. The rate increase in the second quarter of fiscal 2015 compared to the prior year period is primarily due to permanent tax differences increasing the Company's domestic income taxes. The rate decrease in the six months of fiscal 2015 compared to the prior year period is primarily due to a reduction in income taxes from the release of a valuation allowance against a state net operating loss deferred tax asset of a domestic subsidiary of the Company and changes in the mix of earnings among tax jurisdictions.

Foreign income as a percentage of worldwide income is estimated to be 54% for the six months of fiscal 2015. The foreign effective income tax rate for the six months of fiscal 2015 and 2014 were 15.5% and 15.9%, respectively, and the rate decrease compared to the prior year period is primarily due to a change in the mix of income between the foreign jurisdictions. Income from the Company's Swiss subsidiary comprised a substantial portion of the Company's overall foreign mix of income and is taxed at approximately 6%.

8. Warranties

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

	Quarter ended		Six months ended	
	September 28, 2014	September 29, 2013	September 28, 2014	September 29, 2013
Balance at beginning of period	\$ 41,316	\$ 42,202	\$ 40,426	\$ 42,591
Current period provisions	5,102	2,302	9,617	7,645
Costs incurred	(4,901)	(4,477)	(8,465)	(10,230)
Foreign currency translation adjustment	(999)	1,497	(1,060)	1,518
Balance at end of period	\$ 40,518	\$ 41,524	\$ 40,518	\$ 41,524

9. Commitments, Contingencies and Litigation*Litigation and Other Legal Matters*

The Company is involved in litigation incidental to the conduct of its business, the results of which, in the opinion of management, are not likely to be material to the Company's financial position, results of operations, or cash flows.

Alteryx

In the fourth quarter of fiscal 2014, the Company recorded a \$58,184 legal proceedings charge in connection with an adverse arbitration result involving disputes between the Company's wholly-owned subsidiary, EnerSys Delaware Inc. ("EDI"), and Alteryx Systems ("Alteryx"). EDI and Alteryx were parties to a Supply and Distribution Agreement (the "SDA") pursuant to which EDI was, among other things, granted the exclusive right to distribute and sell certain fuel cell products manufactured by Alteryx for various applications throughout the United States. Commencing in 2011, various disputes arose and, because of the mandatory arbitration provision in the SDA, an arbitration action was filed by EDI in November 2012 seeking arbitration of claims relating to the SDA. In February 2013, EDI terminated the SDA. Following unsuccessful attempts to resolve their disputes by mediation in July 2013, the parties moved forward with arbitration in August 2013, where each party asserted various claims against the other.

After discovery, a hearing and post-hearing submissions by each party, on May 13, 2014, the arbitration panel issued an award in favor of Alteryx. As a result, the arbitration panel concluded that Alteryx should recover \$58,184 in net money damages from EDI. On May 13, 2014, Alteryx filed a petition with the U.S. District Court for the Northern District of California (the "District Court") seeking to confirm the arbitration panel award as well as post-award, prejudgment interest at the rate of 5.75% and post-judgment interest at the applicable federal statutory rate.

On July 11, 2014, EDI filed a motion to vacate this award with the District Court. On August 12, 2014, prior to a hearing scheduled before the District Court in late September 2014, EDI, on behalf of itself and its affiliates, entered into a binding term sheet with Alteryx that resolved the outstanding legal challenges related to this award. In accordance with the term sheet, EDI and Alteryx entered into (a) a settlement agreement and release of claims pursuant to which EDI paid Alteryx \$40,000 in settlement of this award, a separate proceeding related to certain rights of EDI as a shareholder of Alteryx and related litigations and the parties granted the other a release and (b) a stock purchase agreement pursuant to which Alteryx paid EDI \$2,000 to purchase EDI's entire equity interest in Alteryx. These agreements were entered into on September 2, 2014, and September 5, 2014, respectively. On September 16, 2014, courts in the respective jurisdictions had issued orders ending all of the ongoing litigation between EDI and Alteryx. Since the full amount of the initial award of \$58,184 was recorded in the fourth quarter of fiscal 2014, the Company reversed approximately \$16,233, net of professional fees, from this previously recorded legal proceedings charge during the current quarter. The Company also included the \$2,000 received in exchange for of its equity interest in Alteryx in the Consolidated Condensed Statements of Income in Other (income) expense, net. The Company had previously written off the carrying value of the investment of \$5,000 in the third quarter of fiscal 2014.

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 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 is responsible for certain cleanup obligations at the former Yuasa battery facility in Sumter, South Carolina that predates its ownership of this facility. This manufacturing facility was closed in 2001 and is separate from the Company's current metal fabrication facility in Sumter. The Company has established a reserve for this facility. As of September 28, 2014 and March 31, 2014, the reserves related to this facility were \$2,902 and \$2,915, respectively. Based on current information, the Company's management believes these reserves are adequate to satisfy the Company's environmental liabilities at this facility.

Lead Contracts

To stabilize its costs, the Company has entered into contracts with financial institutions to fix the price of lead. The vast majority of such contracts are for a period not extending beyond one year. Under these contracts, at September 28, 2014 and March 31, 2014, the Company has hedged the price to purchase 95.4 million pounds and 89.9 million pounds of lead, respectively, for a total purchase price of \$93,502 and \$86,494, respectively.

Foreign Currency Forward Contracts

The Company quantifies and monitors its global foreign currency exposures. On a selective basis, the Company will enter into foreign currency forward and purchased option contracts to reduce the volatility from currency movements that affect the Company. The vast majority of such contracts are for a period not extending beyond one year. The Company's largest exposure is from the purchase and conversion of U.S. dollar based lead costs into local currencies in EMEA. Additionally, the Company has currency exposures from intercompany and third party trade transactions. To hedge these exposures, the Company has entered into a total of \$89,504 and \$92,793, respectively, of foreign currency forward and purchased option contracts with financial institutions as of September 28, 2014 and March 31, 2014.

10. Restructuring and Other Exit Charges

Restructuring Plans

During fiscal 2013, the Company announced a restructuring related to improving the efficiency of its manufacturing operations in EMEA. The Company estimates that the total charges for these actions will amount to approximately \$7,000, primarily from cash expenses for employee severance-related payments and non-cash expenses associated with the write-off of certain fixed assets and inventory. The Company estimates that these actions will result in the reduction of approximately 135 employees upon completion. The Company recorded restructuring charges of \$6,463 through fiscal 2014, consisting of non-cash charges of \$1,399 and cash charges of \$5,064 and recorded an additional charge of \$244 during the six months of fiscal 2015. The Company incurred \$3,700 of costs against the accrual through fiscal 2014, and incurred \$1,222 in costs against the accrual during the six months of fiscal 2015. As of September 28, 2014, the reserve balance associated with these actions is \$403. The Company expects to be committed to an additional \$300 of restructuring charges in fiscal 2015 related to these actions, and expects to complete the program during fiscal 2015.

During fiscal 2014, the Company announced further restructuring programs to improve the efficiency of its manufacturing, sales and engineering operations in EMEA including the restructuring of its manufacturing operations in Bulgaria. The restructuring of the Bulgaria operations was announced during the third quarter of fiscal 2014 and consists of the transfer of motive power and a portion of reserve power battery manufacturing to the Company's facilities in Western Europe. The Company estimates that the total charges for all actions announced during fiscal 2014 will amount to approximately \$23,700, primarily from non-cash charges related to the write-off of fixed assets and inventory of \$11,000, along with cash charges for employee severance-related payments and other charges of \$12,700. The Company estimates that these actions will result in the reduction of approximately 500 employees upon completion. During fiscal 2014, the Company recorded restructuring charges of \$19,039 consisting of non-cash charges of \$10,089 related to the write-off of fixed assets and inventory, and cash charges of \$8,950 related to employee severance. During the six months of fiscal 2015, the Company recorded an additional charge of \$2,291 consisting of non-cash charges of \$547 related to the write-off of inventory, and \$1,744 related to other cash charges. During fiscal 2014, the Company incurred \$2,130 in costs against the accrual and incurred an additional \$5,924 against the accrual during the six months of fiscal 2015. As of September 28, 2014, the reserve balance associated with these actions is \$2,517. The Company expects to be committed to an additional \$2,400 of restructuring charges in fiscal 2015 related to these actions, comprising of \$2,100 in severance and other charges and \$300 in non-cash charges and expects to complete the program during fiscal 2015.

A roll-forward of the restructuring reserve is as follows:

	Employee Severance	Other	Total
Balance as of March 31, 2014	\$ 7,312	\$ 1,102	\$ 8,414
Accrued	1,333	655	1,988
Costs incurred	(6,814)	(332)	(7,146)
Foreign currency impact and other	(229)	(107)	(336)
Balance as of September 28, 2014	\$ 1,602	\$ 1,318	\$ 2,920

Other Exit Charges

During the second quarter of fiscal 2015, the Company recorded cash exit charges of \$1,104 related to certain operations in Europe.

11. Debt

The following summarizes the Company's long-term debt including capital lease obligations as of September 28, 2014 and March 31, 2014:

	September 28, 2014	March 31, 2014
3.375% Convertible Notes, net of discount, due 2038	\$ 166,739	\$ 162,887
2011 Credit Facility, due 2018	270,000	125,000
Capital lease obligations and other	420	599
	437,159	288,486
Less current portion	303	354
Total long-term debt and capital lease obligations	\$ 436,856	\$ 288,132

3.375% Convertible Notes

The Convertible Notes will mature on June 1, 2038, unless earlier converted, redeemed or repurchased. Prior to maturity, the holders may convert their Convertible Notes into shares of the Company's common stock at any time after March 1, 2015, or prior to that date under certain circumstances. When issued, the initial conversion rate was 24.6305 shares of the Company's common stock per one thousand dollars in principal amount of Convertible Notes, which was equivalent to an initial conversion price of \$40.60 per share. The conversion rate as of October 1, 2014, the most recent date when the holders were notified that they can submit the Convertible Notes for conversion, was 24.9692 shares of the Company's common stock per one thousand dollars in principal amount of the Convertible Notes due to the cumulative impact of cash dividends paid on the Company's common stock. The conversion rate is subject to adjustment under certain circumstances. It is the Company's current intent to settle the principal amount of any conversions in cash, and any additional conversion consideration in cash, shares of the Company's common stock or a combination of cash and shares.

At any time, on or after June 6, 2015, the Company may at its option redeem the Convertible Notes, in whole or in part, in cash, at a redemption price equal to 100% of the principal amount of Convertible Notes to be redeemed, plus any accrued and unpaid interest.

Holders may convert their Convertible Notes prior to March 1, 2015, at the option of the holder, under the following circumstances: (i) during any calendar quarter (and only during such calendar quarter), if the last reported sale price (as defined in the indenture for the Convertible Notes) of a share of the Company's common stock for 20 or more trading days in a period of 30 consecutive trading days ending on the last trading day of the immediately preceding calendar quarter exceeds 130% of the applicable conversion price in effect for the Convertible Notes on the last trading day of the immediately preceding calendar quarter, (ii) upon the occurrence of specified corporate events, or (iii) during the five business-day period after any five consecutive trading day period (the "measurement period") in which the "trading price" (as defined in the indenture for the Convertible Notes) of the Convertible Notes for each day of the measurement period was less than 98% of the product of the "last reported sale price" (as defined in the indenture for the Convertible Notes) of a share of the Company's common stock and the applicable conversion rate on such day.

At September 30, 2014, the closing price of the Company's common stock exceeded 130% of the conversion price for more than 20 trading days during the period of 30 consecutive trading days ending September 30, 2014, thereby satisfying one of the early conversion events and as a result, the Convertible Notes became convertible on demand, and the holders were notified that they can elect to submit the Convertible Notes for conversion, between the notification date of October 1, 2014 and December 31, 2014. The carrying value of the Convertible Notes of \$166,739 continues to be reported as long-term debt on the Consolidated Condensed Balance Sheet as of September 28, 2014 as the Company intends to draw on the 2011 Credit Facility to settle, at a minimum, the principal amount of any such conversions in cash. No gain or loss was recognized when the Convertible Notes became convertible.

This optional conversion period is reset each calendar quarter and the Company will reassess on December 31, 2014. In addition, upon becoming convertible, a portion of the equity component that was recorded upon the issuance of the Convertible Notes was considered redeemable and that portion of the equity was reclassified to temporary equity in the Consolidated Condensed Balance Sheet. Such amount was determined based on the cash consideration to be paid upon conversion and the carrying amount of the debt. As the holders of the Convertible Notes will be paid in cash for the principal amount and issued shares or a combination of cash and shares for the remaining value of the Convertible Notes, the reclassification into temporary equity as of September 28, 2014 was \$5,558 based on the Convertible Notes principal of \$172,297 and the carrying value of \$166,739. If a conversion event takes place in the following quarter, this temporary equity balance will be recalculated based on the difference between the Convertible Notes principal and the debt carrying value. If the Convertible Notes are settled during the third quarter of fiscal 2015, an amount equal to the fair value of the liability component immediately prior to the settlement will be deducted from the fair value of the total settlement consideration transferred and allocated to the liability component. Any difference between the amount allocated to the liability and the net carrying amount of the Convertible Notes (including any unamortized debt issue costs and discount) will be recognized in earnings as a gain or loss on debt extinguishment. Any remaining consideration is allocated to the reacquisition of the equity component and will be recognized as a reduction of EnerSys stockholders' equity, including the amount classified as temporary equity.

The following represents the principal amount of the liability component, the unamortized discount, and the net carrying amount of the Convertible Notes as of September 28, 2014 and March 31, 2014:

	September 28, 2014	March 31, 2014
Principal	\$ 172,297	\$ 172,500
Unamortized discount	(5,558)	(9,613)
Net carrying amount	<u>\$ 166,739</u>	<u>\$ 162,887</u>

As of September 28, 2014, the remaining discount will be amortized over a period of 8 months. The conversion price of the \$172,297 in aggregate principal amount of the Convertible Notes as of October 1, 2014, equated to \$40.05 per share and the number of shares on which the aggregate consideration is to be delivered upon conversion is 4,302,047.

The effective interest rate on the liability component of the Convertible Notes is 8.50%. The amount of interest cost recognized for the amortization of the discount on the liability component of the Convertible Notes was \$2,049 and \$1,883, respectively, during the quarters ended September 28, 2014 and September 29, 2013 and was \$4,055 and \$3,727, respectively, during the six months ended September 28, 2014 and September 29, 2013.

2011 Credit Facility

The Company is party to a \$350,000 senior secured revolving credit facility (as amended, "2011 Credit Facility") and, on July 8, 2014, amended the credit facility while also entering into an Incremental Commitment Agreement pursuant to which certain banks agreed to provide incremental term loan commitments of \$150,000 and incremental revolving commitments of \$150,000. Pursuant to these changes, the 2011 Credit Facility is now comprised of a \$500,000 senior secured revolving credit facility and a \$150,000 senior secured incremental term loan ("Term Loan") which matures on September 30, 2018. The Term Loan is payable in quarterly installments of \$1,875 beginning June 30, 2015 and \$3,750 beginning June 30, 2016 with a final payment of \$108,750 on September 30, 2018. The 2011 Credit Facility may be increased by an aggregate amount of \$300,000 in revolving commitments and/or one or more new tranches of term loans, under certain conditions. Both revolving loans and term loans under the 2011 Credit Facility will bear interest, at the Company's option, at a rate per annum equal to either (i) the London Interbank Offered Rate ("LIBOR") plus between 1.25% and 1.75% (based on the Company's consolidated net leverage ratio) or (ii) the Base Rate (which is the highest of (a) the Bank of America prime rate, and (b) the Federal Funds Effective Rate) plus between 0.25% and 0.75% (based on the Company's consolidated net leverage ratio).

As of September 28, 2014, the Company had \$120,000 outstanding in revolver borrowings and \$150,000 under its term loan borrowings.

Short-Term Debt

As of September 28, 2014 and March 31, 2014, the Company had \$25,537 and \$33,814, respectively, of short-term borrowings. The weighted-average interest rates on these borrowings were approximately 12% and 7%, respectively.

Available Lines of Credit

As of September 28, 2014 and March 31, 2014, the Company had available and undrawn, under all its lines of credit, \$524,946 and \$360,275, respectively, including \$146,746 and \$136,525, of uncommitted lines of credit as of September 28, 2014 and March 31, 2014, respectively.

As of September 28, 2014 and March 31, 2014, the Company had \$3,897 and \$1,653, respectively, of standby letters 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	
	September 28, 2014	September 29, 2013	September 28, 2014	September 29, 2013
Service cost	\$ 102	\$ 90	\$ 202	\$ 206
Interest cost	168	156	662	596
Expected return on plan assets	(222)	(198)	(581)	(525)
Amortization and deferral	87	134	174	107
Net periodic benefit cost	\$ 135	\$ 182	\$ 457	\$ 384

	United States Plans		International Plans	
	Six months ended		Six months ended	
	September 28, 2014	September 29, 2013	September 28, 2014	September 29, 2013
Service cost	\$ 204	\$ 181	\$ 413	\$ 406
Interest cost	337	312	1,342	1,176
Expected return on plan assets	(443)	(397)	(1,173)	(1,036)
Amortization and deferral	174	267	352	211
Net periodic benefit cost	\$ 272	\$ 363	\$ 934	\$ 757

13. Stock-Based Compensation

As of September 28, 2014, the Company maintains the EnerSys 2010 Equity Incentive Plan ("2010 EIP"). The 2010 EIP reserved 3,177,477 shares of common stock for the grant of various types of equity awards including nonqualified stock options, restricted stock, restricted stock units, market share units and other forms of stock-based compensation.

The Company recognized stock-based compensation expense associated with its equity incentive plans of \$11,963 for the second quarter of fiscal 2015 and \$4,569 for the second quarter of fiscal 2014. Stock-based compensation expense was \$17,059 for the six months of fiscal 2015 and \$7,592 for the six months of fiscal 2014. The Company recognizes compensation expense using the straight-line method over the vesting period of the awards, except for awards issued to certain retirement-eligible participants, which are expensed on an accelerated basis.

During the six months ended September 28, 2014, the Company granted to non-employee directors 16,474 restricted stock units, pursuant to the EnerSys Deferred Compensation Plan for Non-Employee Directors.

During the six months ended September 28, 2014, the Company granted to management and other key employees 76,512 non-qualified stock options that vest three years from the date of grant, 118,312 restricted stock units that vest 25% each year over four years from the date of grant, and 152,300 market share units that vest three years from the date of grant.

Common stock activity during the six months ended September 28, 2014 included the vesting of 182,204 restricted stock units and 384,448 market share units.

As of September 28, 2014, there were 142,251 non-qualified stock options, 511,686 restricted stock units and 612,672 market share units 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 six months ended September 28, 2014:

Shares outstanding as of March 31, 2014	46,942,126
Purchase of treasury stock	(1,855,066)
Shares issued as part of equity-based compensation plans, net of equity awards surrendered for option price and taxes	363,484
Shares outstanding as of September 28, 2014	45,450,544

Treasury Stock

During the six months ended September 28, 2014, the Company purchased 1,855,066 shares of its common stock for \$120,938. At September 28, 2014 and March 31, 2014, the Company held 8,176,288 shares and 6,321,222 shares as treasury stock, respectively.

Accumulated Other Comprehensive Income ("AOCI")

The components of AOCI, net of tax, as of September 28, 2014 and March 31, 2014, are as follows:

	March 31, 2014	Before Reclassifications	Amounts Reclassified from AOCI	September 28, 2014
Pension funded status adjustment	\$ (15,207)	\$ —	\$ 366	\$ (14,841)
Net unrealized (loss) gain on derivative instruments	(2,253)	1,556	1,011	314
Foreign currency translation adjustment	85,305	(52,386)	—	32,919
Accumulated other comprehensive income	<u>\$ 67,845</u>	<u>\$ (50,830)</u>	<u>\$ 1,377</u>	<u>\$ 18,392</u>

The following table presents reclassifications from AOCI during the second quarter ended September 28, 2014:

Components of AOCI	Amounts Reclassified from AOCI	Location of Loss Recognized on Income Statement
Derivatives in Cash Flow Hedging Relationships:		
Net unrealized loss on derivative instruments	\$ 1,195	Cost of Goods Sold
Tax benefit	(441)	
Net unrealized loss on derivative instruments, net of tax	<u>\$ 754</u>	

Defined benefit pension costs:

Prior service costs and deferrals	\$ 261	Net periodic benefit cost, included in Cost of Goods Sold, Operating expenses - See Note 12
Tax benefit	(80)	
Net periodic benefit cost, net of tax	<u>\$ 181</u>	

The following table presents reclassifications from AOCI during the six months ended September 28, 2014:

Components of AOCI	Amounts Reclassified from AOCI	Location of Loss Recognized on Income Statement
Derivatives in Cash Flow Hedging Relationships:		
Net unrealized loss on derivative instruments	\$ 1,603	Cost of Goods Sold
Tax benefit	(592)	
Net unrealized loss on derivative instruments, net of tax	<u>\$ 1,011</u>	

Defined benefit pension costs:

Prior service costs and deferrals	\$ 526	Net periodic benefit cost, included in Cost of Goods Sold, Operating expenses - See Note 12
Tax benefit	(160)	
Net periodic benefit cost, net of tax	<u>\$ 366</u>	

The following table presents reclassifications from AOCI during the second quarter ended September 29, 2013:

Components of AOCI	Amounts Reclassified from AOCI	Location of (Gain) Loss Recognized on Income Statement
Derivatives in Cash Flow Hedging Relationships:		
Net unrealized loss on derivative instruments	\$ 4,072	Cost of Goods Sold
Tax benefit	(1,511)	
Net unrealized loss on derivative instruments, net of tax	<u>\$ 2,561</u>	
Defined benefit pension costs:		
Prior service costs and deferrals	\$ 235	Net periodic benefit cost, included in Cost of Goods Sold, Operating expenses - See Note 12
Tax benefit	(120)	
Net periodic benefit cost, net of tax	<u>\$ 115</u>	

The following table presents reclassifications from AOCI during the six months ended September 29, 2013:

Components of AOCI	Amounts Reclassified from AOCI	Location of (Gain) Loss Recognized on Income Statement
Derivatives in Cash Flow Hedging Relationships:		
Net unrealized loss on derivative instruments	\$ 2,617	Cost of Goods Sold
Tax benefit	(971)	
Net unrealized loss on derivative instruments, net of tax	<u>\$ 1,646</u>	
Defined benefit pension costs:		
Prior service costs and deferrals	\$ 472	Net periodic benefit cost, included in Cost of Goods Sold, Operating expenses - See Note 12
Tax benefit	(156)	
Net periodic benefit cost, net of tax	<u>\$ 316</u>	

The following demonstrates the change in equity attributable to EnerSys stockholders and nonredeemable noncontrolling interests during the six months ended September 28, 2014:

	Equity Attributable to EnerSys Stockholders	Nonredeemable Noncontrolling Interests	Total Equity
Balance as of March 31, 2014	\$ 1,246,402	\$ 5,887	\$ 1,252,289
Total comprehensive income:			
Net earnings	105,485	54	105,539
Net unrealized gain on derivative instruments, net of tax	2,567	—	2,567
Pension funded status adjustment, net of tax	366	—	366
Foreign currency translation adjustment	(52,386)	(166)	(52,552)
Total other comprehensive income (loss), net of tax	(49,453)	(166)	(49,619)
Total comprehensive income (loss)	56,032	(112)	55,920
Other changes in equity:			
Purchase of treasury stock	(120,938)	—	(120,938)
Cash dividends - common stock (\$0.35 per share)	(16,156)	—	(16,156)
Reclassification of redeemable equity component of Convertible Notes	4,055	—	4,055
Other, including activity related to equity awards	7,433	—	7,433
Balance as of September 28, 2014	\$ 1,176,828	\$ 5,775	\$ 1,182,603

The following demonstrates the change in redeemable noncontrolling interests during the six months ended September 28, 2014:

	Redeemable Noncontrolling Interests
Balance as of March 31, 2014	\$ 8,047
Net earnings	126
Foreign currency translation adjustment	(463)
Balance as of September 28, 2014	\$ 7,710

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		Six months ended	
	September 28, 2014	September 29, 2013	September 28, 2014	September 29, 2013
Net earnings attributable to EnerSys stockholders	\$ 56,316	\$ 41,339	\$ 105,485	\$ 82,186
Weighted-average number of common shares outstanding:				
Basic	46,133,637	47,573,496	46,516,470	47,721,239
Dilutive effect of:				
Common shares from exercise and lapse of equity awards, net of shares assumed reacquired	813,912	801,839	951,785	815,674
Convertible Notes	1,589,727	1,030,483	1,663,502	818,468
Diluted weighted-average number of common shares outstanding	48,537,276	49,405,818	49,131,757	49,355,381
Basic earnings per common share attributable to EnerSys stockholders	\$ 1.22	\$ 0.87	\$ 2.27	\$ 1.72
Diluted earnings per common share attributable to EnerSys stockholders	\$ 1.16	\$ 0.84	\$ 2.15	\$ 1.67
Anti-dilutive equity awards not included in diluted weighted-average common shares	—	11,010	207	13,321

The aggregate number of common shares that the Company could be obligated to issue upon conversion of its Convertible Notes, as of September 28, 2014, is 4,302,047. It is the Company's current intent to settle the principal amount of any conversions in cash, and any additional conversion consideration ("conversion premium") in cash, shares of the Company's common stock or a combination of cash and shares. During the second quarter of fiscal 2015, the average price of the Company's common stock of \$64.17 per share exceeded the conversion price of \$40.05 per share on the Convertible Notes. For the current quarter and six months ended September 28, 2014, 1,589,727 shares and 1,663,502 shares, respectively, relating to the conversion premium on the Convertible Notes were included in the diluted earnings per share using the "if converted" method.

16. Business Segments

The Company has three reportable business segments based on geographic regions, defined as follows:

- **Americas**, which includes North and South America, with segment headquarters in Reading, Pennsylvania, USA;
- **EMEA**, which includes Europe, the Middle East and Africa, with segment headquarters in Zurich, Switzerland; and
- **Asia**, which includes Asia, Australia and Oceania, with segment headquarters in Singapore.

Summarized financial information related to the Company's reportable segments for the quarters and six months ended September 28, 2014 and September 29, 2013 is shown below:

	Quarter ended		Six months ended	
	September 28, 2014	September 29, 2013	September 28, 2014	September 29, 2013
Net sales by segment to unaffiliated customers				
Americas	\$ 333,185	\$ 287,683	\$ 664,113	\$ 603,306
EMEA	233,340	223,374	475,275	454,341
Asia	63,402	57,790	124,649	108,497
Total net sales	<u>\$ 629,927</u>	<u>\$ 568,847</u>	<u>\$ 1,264,037</u>	<u>\$ 1,166,144</u>
Net sales by product line				
Reserve power	\$ 315,525	\$ 279,494	\$ 626,899	\$ 572,313
Motive power	314,402	289,353	637,138	593,831
Total net sales	<u>\$ 629,927</u>	<u>\$ 568,847</u>	<u>\$ 1,264,037</u>	<u>\$ 1,166,144</u>
Intersegment sales				
Americas	\$ 10,977	\$ 8,176	\$ 19,895	\$ 18,269
EMEA	17,192	18,276	34,891	36,573
Asia	9,125	10,052	20,584	17,763
Total intersegment sales ⁽¹⁾	<u>\$ 37,294</u>	<u>\$ 36,504</u>	<u>\$ 75,370</u>	<u>\$ 72,605</u>
Operating earnings by segment				
Americas	\$ 38,378	\$ 43,143	\$ 79,867	\$ 84,868
EMEA	23,439	15,243	52,040	31,326
Asia	3,813	3,738	7,241	8,959
Restructuring and other exit charges - EMEA	(1,810)	(1,119)	(3,639)	(1,540)
Reversal of legal accrual, net of fees - Americas	16,233	—	16,233	—
Total operating earnings ⁽²⁾	<u>\$ 80,053</u>	<u>\$ 61,005</u>	<u>\$ 151,742</u>	<u>\$ 123,613</u>

⁽¹⁾ Intersegment sales are presented on a cost-plus basis, which takes into consideration the effect of transfer prices between legal entities.

⁽²⁾ The Company does not allocate interest expense or other (income) expense to the reportable segments.

17. Subsequent Events

On October 30, 2014, the Company announced the declaration of a quarterly cash dividend of \$0.175 per share of common stock to be paid on December 26, 2014, to stockholders of record as of December 12, 2014.

On November 5, 2014, the Company also announced an authorization of an additional \$60,000 stock repurchase.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**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 the Company's filings with the Securities and Exchange Commission 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 2014 Annual Report on Form 10-K (the "2014 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:

- general cyclical patterns of the industries in which our customers operate;
- 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 certain hazardous substances in our products;
- risks involved in our operations such as disruption of markets, changes in import and export laws, environmental regulations, currency restrictions and 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;
- general economic conditions in the markets in which we operate;
- competitiveness of the battery markets 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;
- changes in our market share in the geographic 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 and cost savings within expected time frames;
- 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;
- 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;
- terrorist acts or acts of war, could cause damage or disruption to our operations, our suppliers, channels to market or customers, or could cause costs to increase, or create political or economic instability; 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.

In the following discussion and analysis of results of operations and financial condition, certain financial measures may be considered “non-GAAP financial measures” under Securities and Exchange Commission rules. These rules require supplemental explanation and reconciliation, which is provided in this Quarterly Report on Form 10-Q. EnerSys’ management uses the non-GAAP measures “primary working capital”, “primary working capital percentage” and capital expenditures in its evaluation of business segment cash flow and financial position performance. These disclosures have limitations as an analytical tool, should not be viewed as a substitute for cash flow determined in accordance with GAAP, and should not be considered in isolation or as a substitute for analysis of the Company’s results as reported under GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other companies. Management believes that this non-GAAP supplemental information is helpful in understanding the Company’s ongoing operating results.

Overview

EnerSys (the “Company,” “we,” or “us”) is the world’s largest manufacturer, marketer and distributor of industrial batteries. We also manufacture, market and distribute related products such as chargers, power equipment, outdoor cabinet enclosures and battery accessories, and we provide related after-market and customer-support services for industrial batteries. We market and sell our products globally to over 10,000 customers in more than 100 countries through a network of distributors, independent representatives and our internal sales force.

We operate and manage our business in three geographic regions of the world—Americas, EMEA and Asia, as described below. Our business is highly decentralized with manufacturing locations throughout the world. More than half of our manufacturing capacity is located outside of the United States, and approximately 60% of our net sales were generated outside of the United States. The Company has three reportable segments based on geographic regions, defined as follows:

- **Americas**, which includes North and South America, with our segment headquarters in Reading, Pennsylvania, USA;
- **EMEA**, which includes Europe, the Middle East and Africa, with our segment headquarters in Zurich, Switzerland; and
- **Asia**, which includes Asia, Australia and Oceania, with our segment headquarters in Singapore.

We have two primary product lines: reserve power and motive power products. Net sales classifications by product line are as follows:

- **Reserve power products** are used for backup power for the continuous operation of critical applications in telecommunications systems, uninterruptible power systems, or “UPS” applications for computer and computer-controlled systems, and other specialty power applications, including security systems, premium starting, lighting and ignition applications, in switchgear, electrical control systems used in electric utilities, large-scale energy storage, energy pipelines, in commercial aircraft, satellites, military aircraft, submarines, ships and tactical vehicles. Reserve power products also include thermally managed cabinets and enclosures for electronic equipment and batteries.
- **Motive power products** are used to provide power for electric industrial forklifts used in manufacturing, warehousing and other material handling applications as well as mining equipment, diesel locomotive starting and other rail equipment.

Economic Climate

Recent indicators continue to suggest a mixed trend in economic activity among the different geographical regions. Economic activity continues to strengthen in North America while South America is experiencing limited growth. Middle East and Africa are experiencing strong economic activity while Western European economies are experiencing limited growth. Our Asia region is experiencing the fastest economic growth.

Volatility of Commodities and Foreign Currencies

Our most significant commodity and foreign currency exposures are related to lead and the euro. Historically, volatility of commodity costs and foreign currency exchange rates have caused large swings in our production costs. As the global economic climate changes, we anticipate that our commodity costs may continue to fluctuate as they have in the past several years. Overall, on a consolidated basis, we have experienced stable trends more recently in our revenue and order rates, and commodity cost changes have not been substantial.

Customer Pricing

Our selling prices fluctuated during the last several years to offset the volatile cost of commodities. Approximately 35% of our revenue is currently subject to agreements that adjust pricing to a market-based index for lead. During the second quarter of fiscal 2015, our selling prices remained relatively flat, compared to the comparable prior year period.

Liquidity and Capital Resources

Our capital structure and liquidity remain strong. We amended our 2011 Credit Facility during the second quarter of fiscal 2015 to provide additional liquidity for flexibility in funding the expected conversion of the Convertible Notes in fiscal 2016. As of September 28, 2014, we had \$239.9 million of cash and cash equivalents and \$525 million undrawn and available under all our lines of credit, including approximately \$147 million of uncommitted credit lines. 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.

The Convertible Notes became convertible at the option of the holders effective January 2, 2014 and continue to remain convertible through December 31, 2014, as described in Note 11. Regardless of the foregoing circumstances, holders may, at their option, convert their Convertible Notes at any time on or after March 1, 2015 but prior to the close of business on the scheduled trading day immediately preceding June 1, 2038, the maturity date. If the Convertible Notes holders elect to exercise their conversion rights, we would pay the principal amount by drawing on our 2011 Credit Facility and, at our election, issue shares or pay cash for any remaining value. Beginning on June 6, 2015, we may redeem any or all of the Convertible Notes in cash at a redemption price equal to 100% of the accreted principal amount of the Convertible Notes being redeemed, plus accrued and unpaid interest.

Other than the 2011 Credit Facility and the Convertible Notes, we have no other significant amount of long-term debt maturing in the near future.

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

Results of Operations

Net Sales

	Quarter ended September 28, 2014		Quarter ended September 29, 2013		Increase (Decrease)	
	In Millions	Percentage of Total Net Sales	In Millions	Percentage of Total Net Sales	In Millions	%
<i>Current quarter by segment</i>						
Americas	\$ 333.2	52.9%	\$ 287.7	50.6%	\$ 45.5	15.8%
EMEA	233.3	37.0	223.3	39.3	10.0	4.5
Asia	63.4	10.1	57.8	10.1	5.6	9.7
Total net sales	\$ 629.9	100.0%	\$ 568.8	100.0%	\$ 61.1	10.7%

	Six months ended September 28, 2014		Six months ended September 29, 2013		Increase (Decrease)	
	In Millions	Percentage of Total Net Sales	In Millions	Percentage of Total Net Sales	In Millions	%
<i>Year to Date by segment</i>						
Americas	\$ 664.1	52.5%	\$ 603.3	51.7%	\$ 60.8	10.1%
EMEA	475.3	37.6	454.3	39.0	21.0	4.6
Asia	124.6	9.9	108.5	9.3	16.1	14.9
Total net sales	\$ 1,264.0	100.0%	\$ 1,166.1	100.0%	\$ 97.9	8.4%

Net sales increased \$61.1 million or 10.7% in the second quarter of fiscal 2015 from the comparable period in fiscal 2014. This increase for the quarter was the result of a 7% increase in organic volume and a 6% increase due to acquisitions, partially offset by a 2% decrease due to foreign currency translation impact.

Net sales increased \$97.9 million or 8.4% in the six months of fiscal 2015 from the comparable period in fiscal 2014. This increase for the six months was the result of a 6% increase due to acquisitions and a 2% increase due to organic volume.

Segment sales

The Americas segment's net sales increased \$45.5 million or 15.8% in the second quarter of fiscal 2015, as compared to the second quarter of fiscal 2014, primarily due to an increase of approximately 10% in organic volume and an 8% increase due to acquisitions, partially offset by a 1% decrease each in pricing and foreign currency translation impact. Net sales increased \$60.8 million or 10.1% in the six months of fiscal 2015, as compared to the six months of fiscal 2014, primarily due to an increase of approximately 8% due to acquisitions and 4% due to organic volume, partially offset by a 1% decrease each in pricing and foreign currency translation impact.

The EMEA segment's net sales increased \$10.0 million or 4.5% in the second quarter of fiscal 2015, as compared to the second quarter of fiscal 2014, primarily due to a 6% and 1% increase in organic volume and pricing, respectively, partially offset by a 3% decrease due to foreign currency translation impact. Net sales increased \$21.0 million or 4.6% in the six months of fiscal 2015, as compared to the six months of fiscal 2014, primarily due to an increase of approximately 3% due to organic volume and a 1% increase each in pricing and foreign currency translation impact.

The Asia segment's net sales increased \$5.6 million or 9.7% in the second quarter of fiscal 2015, as compared to the second quarter of fiscal 2014, primarily due to acquisitions of 17% and a 2% increase in pricing, partially offset by a decrease due to organic volume of approximately 9%. Net sales increased \$16.1 million or 14.9% in the six months of fiscal 2015, as compared to the six months of fiscal 2014, primarily due to an increase of approximately 19% due to acquisitions and a 2% increase due to pricing, partially offset by a decrease of 5% in organic volume and a 1% decrease due to foreign currency translation impact. The decrease in Asia's organic volume is due to lower sales to a major Chinese telecommunication company under a new tender program pursuant to which we participated at a lower volume.

Product line sales

	Quarter ended September 28, 2014		Quarter ended September 29, 2013		Increase (Decrease)	
	In Millions	Percentage of Total Net Sales	In Millions	Percentage of Total Net Sales	In Millions	%
Reserve power	\$ 315.5	50.1%	\$ 279.5	49.1%	\$ 36.0	12.9%
Motive power	314.4	49.9	289.3	50.9	25.1	8.7
Total net sales	\$ 629.9	100.0%	\$ 568.8	100.0%	\$ 61.1	10.7%

	Six months ended September 28, 2014		Six months ended September 29, 2013		Increase (Decrease)	
	In Millions	Percentage of Total Net Sales	In Millions	Percentage of Total Net Sales	In Millions	%
Reserve power	\$ 626.9	49.6%	\$ 572.3	49.1%	\$ 54.6	9.5%
Motive power	637.1	50.4	593.8	50.9	43.3	7.3
Total net sales	\$ 1,264.0	100.0%	\$ 1,166.1	100.0%	\$ 97.9	8.4%

Net sales of our reserve power products in the second quarter of fiscal 2015 increased \$36.0 million or 12.9% compared to the second quarter of fiscal 2014. Acquisitions and organic volume contributed to this improvement by approximately 9% and 6%, respectively, and were partially offset by a decrease due to foreign currency translation impact of 2%. Net sales increased \$54.6 million or 9.5% in the six months of fiscal 2015, as compared to the six months of fiscal 2014, primarily due to an increase of approximately 9% due to acquisitions and a 1% increase due to organic volume.

Net sales of our motive power products in the second quarter of fiscal 2015 increased by \$25.1 million or 8.7% compared to the second quarter of fiscal 2014. Organic volume, acquisitions and pricing contributed 7%, 3% and 1%, respectively, to this improvement and was partially offset by a 2% foreign currency translation impact in the second quarter of fiscal 2015. Net sales increased \$43.3 million or 7.3% in the six months of fiscal 2015, as compared to the six months of fiscal 2014, primarily due to an increase of approximately 4% and 3% due to organic volume and acquisitions, respectively.

Gross Profit

	Quarter ended September 28, 2014		Quarter ended September 29, 2013		Increase (Decrease)	
	In Millions	Percentage of Total Net Sales	In Millions	Percentage of Total Net Sales	In Millions	%
Gross Profit	\$ 162.5	25.8%	\$ 144.3	25.4%	\$ 18.2	12.6%

	Six months ended September 28, 2014		Six months ended September 29, 2013		Increase (Decrease)	
	In Millions	Percentage of Total Net Sales	In Millions	Percentage of Total Net Sales	In Millions	%
Gross Profit	\$ 325.1	25.7%	\$ 284.4	24.4%	\$ 40.7	14.3%

Gross profit increased \$18.2 million or 12.6% in the second quarter of fiscal 2015 and increased \$40.7 million or 14.3% compared to the comparable prior year periods. Gross profit, as a percentage of net sales, increased 40 basis points in the second quarter and increased 130 basis points in the six months when compared to the comparable prior year periods. The increase in the current quarter and six months compared to the prior year periods is primarily attributed to lower commodity costs and favorable mix combined with the benefits of restructuring programs in EMEA.

Operating Items

	Quarter ended September 28, 2014		Quarter ended September 29, 2013		Increase (Decrease)	
	In Millions	Percentage of Total Net Sales	In Millions	Percentage of Total Net Sales	In Millions	%
Operating expenses	\$ 96.9	15.4%	\$ 82.2	14.5%	\$ 14.7	17.9%
Restructuring and other exit charges	\$ 1.8	0.3%	\$ 1.1	0.2%	\$ 0.7	61.8%
Reversal of legal accrual, net of fees	\$ (16.2)	(2.6)%	\$ —	—%	\$ (16.2)	NM

	Six months ended September 28, 2014		Six months ended September 29, 2013		Increase (Decrease)	
	In Millions	Percentage of Total Net Sales	In Millions	Percentage of Total Net Sales	In Millions	%
Operating expenses	\$ 186.0	14.7%	\$ 159.3	13.7%	\$ 26.7	16.7%
Restructuring and other exit charges	\$ 3.6	0.3%	\$ 1.5	0.1%	\$ 2.1	NM
Reversal of legal accrual, net of fees	\$ (16.2)	(1.3)%	\$ —	—%	\$ (16.2)	NM

NM = not meaningful

Operating expenses as a percentage of net sales increased 90 basis points and 100 basis points in the second quarter and six months of fiscal 2015 compared to the comparable prior year periods of fiscal 2014. Operating expenses, excluding the effect of foreign currency translation, increased \$6.9 million or 8.5% in the second quarter of fiscal 2015 and increased \$7.1 million or 4.5% in the six months of fiscal 2015 compared to the comparable prior year periods of fiscal 2014. The increase in operating expenses in both the second quarter and six months is primarily due to increased sales volume, acquisitions and acquisition related fees, stock-based compensation, implementation costs for a new ERP system in the Americas, and payroll related expenses. Selling expenses, our main component of operating expenses, were 51.8% and 55.0% of total operating expenses in the second quarter and six months of fiscal 2015, respectively, compared to 56.8% and 58.7% of total operating expenses in the second quarter and six months of fiscal 2014, respectively.

Restructuring and other exit charges

Included in our second quarter and six months of fiscal 2015 operating results are \$1.8 million and \$3.6 million, respectively, of exit charges and other restructuring charges in EMEA. Included in our second quarter and six months of fiscal 2014 are \$1.1 million and \$1.5 million of restructuring charges, respectively, primarily for staff reductions in EMEA.

Reversal of legal accrual, net of fees

Included in our second quarter and six months of fiscal 2015 operating results is a reversal of legal accrual, net of fees, of \$16.2 million relating to the final settlement of the Alteryx matter. See Note 9 for more details.

Operating Earnings

	Quarter ended September 28, 2014		Quarter ended September 29, 2013		Increase (Decrease)	
	In Millions	Percentage of Total Net Sales ⁽¹⁾	In Millions	Percentage of Total Net Sales ⁽¹⁾	In Millions	%
Current quarter by segment						
Americas	\$ 38.4	11.5 %	\$ 43.2	15.0 %	\$ (4.8)	(11.0)%
EMEA	23.4	10.0	15.2	6.8	8.2	53.8
Asia	3.8	6.0	3.7	6.5	0.1	2.0
Subtotal	65.6	10.4	62.1	10.9	3.5	5.6
Restructuring charges - EMEA	(1.8)	(0.8)	(1.1)	(0.5)	(0.7)	61.8
Reversal of legal accrual, net of fees - Americas	16.2	4.9	—	—	16.2	NM
Total operating earnings	\$ 80.0	12.7 %	\$ 61.0	10.7 %	\$ 19.0	31.2 %

	Six months ended September 28, 2014		Six months ended September 29, 2013		Increase (Decrease)	
	In Millions	Percentage of Total Net Sales ⁽¹⁾	In Millions	Percentage of Total Net Sales ⁽¹⁾	In Millions	%
Year to date by segment						
Americas	\$ 79.9	12.0 %	\$ 84.9	14.1 %	\$ (5.0)	(5.9)%
EMEA	52.0	11.0	31.3	6.9	20.7	66.1
Asia	7.2	5.8	8.9	8.3	(1.7)	(19.2)
Subtotal	139.1	11.0	125.1	10.7	14.0	11.2
Restructuring charges - EMEA	(3.6)	(0.8)	(1.5)	(0.3)	(2.1)	NM
Reversal of legal accrual, net of fees - Americas	16.2	2.4	—	—	16.2	NM
Total operating earnings	\$ 151.7	12.0 %	\$ 123.6	10.6 %	\$ 28.1	22.8 %

⁽¹⁾ The percentages shown for the segments are computed as a percentage of the applicable segment's net sales.

NM = not meaningful

Operating earnings increased \$19.0 million or 31.2% in the second quarter and increased \$28.1 million or 22.8% in the six months of fiscal 2015 compared to the second quarter and six months of fiscal 2014. Operating earnings, as a percentage of net sales, increased 200 basis points in the second quarter of fiscal 2015 and increased 140 basis points in the six months of fiscal 2015 when compared to the second quarter and six months of fiscal 2014.

The Americas segment, excluding the reversal of legal accrual, had a decrease in operating earnings in the second quarter of fiscal 2015 compared to the second quarter of fiscal 2014, with the operating margin decreasing 350 basis points to 11.5%. The second quarter of fiscal 2014 was a record quarter for the Americas due to favorable product mix. Operating earnings decreased in the six months of fiscal 2015 in comparison to the comparable period in the prior year, with the operating margin decreasing 210 basis points to 12.0%. This decrease in the second quarter and six months of fiscal 2015 compared to the comparable prior year periods is attributable to stock-based compensation, reserve power pricing, our recent acquisition of Purcell, which has not delivered the accretion we had expected by this time, due primarily to the delay in capital spending in their enclosure programs by a large customer and implementation costs relating to a new ERP system. While we remain confident in Purcell's future contribution, we do not anticipate this accretion to occur in our upcoming third quarter of fiscal 2015.

The EMEA segment's operating earnings, excluding restructuring charges discussed above, increased in the second quarter of fiscal 2015 compared to the second quarter of fiscal 2014, with the operating margin increasing 320 basis points to 10.0%. Operating earnings increased in the six months of fiscal 2015 in comparison to the comparable period in the prior year, with the operating margin increasing 410 basis points to 11.0%. This improvement in EMEA earnings primarily reflects strong replacement and 4G Telecom sales, better customer mix, lower commodity costs and benefits of the restructuring programs, partially offset by stock-based compensation.

Operating earnings increased in the Asia segment in the second quarter and decreased in the six months of fiscal 2015 compared to the comparable prior year periods of fiscal 2014, with the operating margin decreasing by 50 basis points and 250 basis points, respectively, in the current quarter and six months to 6.0% and 5.8%, respectively, primarily due to lower operating results of our subsidiary in India and reduction in telecom sales in China.

Interest Expense

	Quarter ended September 28, 2014		Quarter ended September 29, 2013		Increase (Decrease)	
	In Millions	Percentage of Total Net Sales	In Millions	Percentage of Total Net Sales	In Millions	%
Interest expense	\$ 4.3	0.7%	\$ 4.1	0.7%	\$ 0.2	5.9%

	Six months ended September 28, 2014		Six months ended September 29, 2013		Increase (Decrease)	
	In Millions	Percentage of Total Net Sales	In Millions	Percentage of Total Net Sales	In Millions	%
Interest expense	\$ 9.2	0.7%	\$ 8.4	0.7%	\$ 0.8	10.2%

Interest expense of \$4.3 million in the second quarter of fiscal 2015 (net of interest income of \$0.3 million) was \$0.2 million higher than the interest expense of \$4.1 million in the second quarter of fiscal 2014 (net of interest income of \$0.1 million). Interest expense of \$9.2 million in the six months of fiscal 2015 (net of interest income of \$0.6 million) was \$0.8 million higher than the interest expense of \$8.4 million in the six months of fiscal 2014 (net of interest income of \$0.4 million).

The increase in interest expense in the second quarter and six months of fiscal 2015 compared to the comparable prior year periods of fiscal 2014 is primarily due to higher average debt outstanding.

Included in interest expense are non-cash charges for deferred financing fees of \$0.3 million and \$0.6 million, respectively, in the second quarter and six months of fiscal 2015 which was the same in the second quarter and six months of fiscal 2014.

Included in interest expense is non-cash, accreted interest on the Convertible Notes of \$2.1 million and \$4.1 million, respectively, in the second quarter and six months of fiscal 2015 and \$1.9 million and \$3.7 million, respectively, in the second quarter and six months of fiscal 2014. For more information, see Note 11 to the Consolidated Condensed Financial Statements.

Our average debt outstanding (reflecting the reduction of the Convertible Notes discount) was \$389.3 million and \$357.0 million in the second quarter and six months of fiscal 2015, respectively, compared to \$179.0 million and \$178.2 million in the second quarter and six months of fiscal 2014. The increase was mainly due to borrowings under our 2011 Credit Facility, which were used to fund increases in primary working capital from higher sales, purchase of treasury stock and payment of the Alteryx legal settlement. The average Convertible Notes discount excluded from our average debt outstanding was \$6.6 million and \$7.6 million, respectively, in the second quarter and six months of fiscal 2015 and \$14.5 million and \$15.4 million, respectively, in the second quarter and six months of fiscal 2014.

Other (Income) Expense, Net

	Quarter ended September 28, 2014		Quarter ended September 29, 2013		Increase (Decrease)	
	In Millions	Percentage of Total Net Sales	In Millions	Percentage of Total Net Sales	In Millions	%
Other (income) expense, net	\$ (3.4)	(0.5)%	\$ 0.5	0.1%	\$ (3.9)	NM

	Six months ended September 28, 2014		Six months ended September 29, 2013		Increase (Decrease)	
	In Millions	Percentage of Total Net Sales	In Millions	Percentage of Total Net Sales	In Millions	%
Other (income) expense, net	\$ (2.4)	(0.2)%	\$ 2.8	0.3%	\$ (5.2)	NM

Other (income) expense, net in the second quarter of fiscal 2015 was income of \$3.4 million compared to expense of \$0.5 million in the second quarter of fiscal 2014. Other (income) expense, net in the six months of fiscal 2015 was income of \$2.4 million compared to expense of \$2.8 million in the six months of fiscal 2014. The favorable impact in the second quarter and six months of fiscal 2015 is attributable to foreign currency gains of \$1.6 million and \$0.8 million in the second quarter and six months of fiscal 2015, respectively, compared to foreign currency losses of \$0.8 million and \$2.6 million, respectively, in the comparable prior year periods. Also contributing to the favorable impact in both the current quarter and six months of fiscal 2015 is the receipt of \$2.0 million towards our equity interest in Alteryx pursuant to the final legal settlement with Alteryx. Our investment in Alteryx of \$5.0 million was written off in the third quarter of fiscal 2014.

Earnings Before Income Taxes

	Quarter ended September 28, 2014		Quarter ended September 29, 2013		Increase (Decrease)	
	In Millions	Percentage of Total Net Sales	In Millions	Percentage of Total Net Sales	In Millions	%
Earnings before income taxes	\$ 79.1	12.5%	\$ 56.4	9.9%	\$ 22.7	40.3%

	Six months ended September 28, 2014		Six months ended September 29, 2013		Increase (Decrease)	
	In Millions	Percentage of Total Net Sales	In Millions	Percentage of Total Net Sales	In Millions	%
Earnings before income taxes	\$ 144.9	11.5%	\$ 112.4	9.6%	\$ 32.5	28.9%

As a result of the above, earnings before income taxes in the second quarter of fiscal 2015 increased \$22.7 million, or 40.3%, compared to the second quarter of fiscal 2014 and increased \$32.5 million, or 28.9%, in the six months of fiscal 2015 compared to the six months of fiscal 2014. Earnings before income taxes as a percentage of net sales were 12.5% for the second quarter of fiscal 2015 compared to 9.9% in the second quarter of fiscal 2014 and 11.5% for the six months of fiscal 2015 compared to 9.6% for the six months of fiscal 2014.

Income Tax Expense

	Quarter ended September 28, 2014		Quarter ended September 29, 2013		Increase (Decrease)	
	In Millions	Percentage of Total Net Sales	In Millions	Percentage of Total Net Sales	In Millions	%
Income tax expense	\$ 22.5	3.5%	\$ 15.2	2.7%	\$ 7.3	48.2%
Effective tax rate	28.5%		27.0%		1.5%	

	Six months ended September 28, 2014		Six months ended September 29, 2013		Increase (Decrease)	
	In Millions	Percentage of Total Net Sales	In Millions	Percentage of Total Net Sales	In Millions	%
Income tax expense	\$ 39.2	3.1%	\$ 30.8	2.6%	\$ 8.4	27.4%
Effective tax rate	27.1%		27.4%		(0.3)%	

The Company's income tax provision consists of federal, state and foreign income taxes. The tax provision for the second quarters of fiscal 2015 and 2014 were based on the estimated effective tax rates applicable for the full years ending March 31, 2015 and March 31, 2014, respectively, after giving effect to items specifically related to the interim periods. Our corporate 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 we operate and the amount of our consolidated income before taxes.

The worldwide effective income tax rates for the second quarters of fiscal 2015 and 2014 were 28.5% and 27.0%, respectively, and 27.1% and 27.4%, respectively, for the six months of fiscal 2015 and 2014. The rate increase in the second quarter of fiscal 2015 compared to the prior year period is primarily due to permanent tax differences increasing our domestic income taxes. The rate decrease in the six months of fiscal 2015 compared to the prior year period is primarily due to a reduction in income taxes from the release of a valuation allowance against a state net operating loss deferred tax asset related to one of our domestic subsidiaries and changes in the mix of earnings among tax jurisdictions.

Foreign income as a percentage of worldwide income is estimated to be 54% for the six months of fiscal 2015. The foreign effective income tax rate for the six months of fiscal 2015 and 2014 were 15.5% and 15.9%, respectively, and the rate decrease compared to the prior year period is primarily due to a change in the mix of income between the foreign jurisdictions. Income from our Swiss subsidiary comprised a substantial portion of our overall foreign mix of income and is taxed at approximately 6%.

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 2014 Annual Report. We are supplementing and restating our discussion regarding the specific valuation approach and methodology and significant assumptions used in our goodwill impairment test as follows:

In accordance with FASB ASC 350, “Intangibles – Goodwill and Other,” we perform goodwill impairment testing at least annually, unless indicators of impairment exist in interim periods.

We perform our annual goodwill impairment test on the first day of our fourth quarter for each of our reporting units based on the income approach, also known as the discounted cash flow (“DCF”) method, which utilizes the present value of future cash flows to estimate fair value. We also use the market approach, which utilizes market price data of companies engaged in the same or a similar line of business as that of our company, to estimate fair value. A reconciliation of the two methods is performed to assess the reasonableness of fair value of each of the reporting units.

The future cash flows used under the DCF method are derived from estimates of future revenues, operating income, working capital requirements and capital expenditures, which in turn reflect specific global, industry and market conditions. The discount rate developed for each of the reporting units is based on data and factors relevant to the economies in which the business operates and other risks associated with those cash flows, including the potential variability in the amount and timing of the cash flows. A terminal growth rate is applied to the final year of the projected period and reflects our estimate of stable growth to perpetuity. We then calculate the present value of the respective cash flows for each reporting unit to arrive at the fair value using the income approach and then determine the appropriate weighting between the fair value estimated using the income approach and the fair value estimated using the market approach. Finally, we compare the estimated fair value of each reporting unit to its respective carrying value in order to determine if the goodwill assigned to each reporting unit is potentially impaired. If the carrying amount of a reporting unit exceeds its fair value, we are required to perform a second step of the goodwill impairment test to measure the amount of impairment loss, if any.

Significant assumptions used include management’s estimates of future growth rates, the amount and timing of future operating cash flows, capital expenditures, discount rates as well as market and industry conditions and relevant comparable company multiples for the market approach. An adverse change in any of the assumptions could result in an impairment charge.

Liquidity and Capital Resources

Operating activities provided cash of \$50.6 million in the six months of fiscal 2015 compared to \$91.2 million in the comparable period of fiscal 2014. In the six months of fiscal 2015, net earnings of \$105.7 million, depreciation and amortization of \$28.4 million, non-cash charges relating to deferred taxes of \$22.3 million, stock-based compensation of \$17.1 million, interest of \$4.7 million, restructuring charges of \$0.5 million, were partially offset by non-cash credits relating to the reversal of the remaining legal accrual of \$16.2 million and gain of \$2.0 million on disposition of our equity interest in Alteryx. Also partially offsetting our cash provided from operating activities was the increase in primary working capital of \$48.6 million, net of currency translation changes and our payment of \$40.0 million towards the Alteryx award, pursuant to the final legal settlement of the Alteryx matter and income tax changes of \$22.5 million. In the six months of fiscal 2014, net earnings of \$81.6 million and depreciation and amortization of \$25.3 million were offset by cash used for the increase in primary working capital of \$30.3 million, net of currency translation changes.

Primary working capital for this purpose is trade accounts receivable, plus inventories, minus trade accounts payable. The resulting net amount is divided by the trailing three month net sales (annualized) to derive a primary working capital percentage. Primary working capital was \$692.7 million (yielding a primary working capital percentage of 27.5%) at September 28, 2014, \$666.9 million (yielding a primary working capital percentage of 25.1%) at March 31, 2014 and \$586.3 million at September 29, 2013 (yielding a primary working capital percentage of 25.8%). The primary working capital percentage of 27.5% at September 28, 2014 is 240 basis points higher than that for March 31, 2014, and is 170 basis points higher than that for the prior year period. Primary working capital increased during the six months of fiscal 2015 largely due to increase in inventories and trade receivables.

Primary working capital and primary working capital percentages at September 28, 2014, March 31, 2014 and September 29, 2013 are computed as follows:

(In Millions)						
Balance At	Trade Receivables	Inventory	Accounts Payable	Total	Quarter Revenue Annualized	Primary Working Capital %
September 28, 2014	\$ 563.9	\$ 389.2	\$ (260.4)	\$ 692.7	\$ 2,519.7	27.5%
March 31, 2014	564.6	361.8	(259.5)	666.9	2,661.0	25.1
September 29, 2013	467.7	352.1	(233.5)	586.3	2,275.4	25.8

Investing activities used cash of \$25.4 million in the six months of fiscal 2015 compared to \$24.3 million in the six months of fiscal 2014 and primarily comprised of capital expenditures. Proceeds from the disposition of our equity interest in Alteryx amounted to \$2.0 million in the six months of fiscal 2015.

Financing activities used cash of \$10.7 million in the six months of fiscal 2015 primarily due to revolver borrowings and repayments of \$246.0 million and \$251.0 million, respectively, and \$150.0 million incremental term loan borrowing under the 2011 Credit Facility, purchase of treasury stock for \$120.9 million and payment of cash dividends to our stockholders of \$16.2 million. Taxes paid related to net share settlement of equity awards, net of option proceeds and related tax benefits resulted in a net outflow of \$9.6 million. Net repayments on short-term debt were \$7.5 million. In the six months of fiscal 2014, financing activities used cash of \$49.4 million, primarily due to the repurchase of our common stock for \$33.6 million and payment of cash dividends to our stockholders of \$11.9 million. Taxes paid related to net share settlement of equity awards, net of option proceeds and related tax benefits resulted in a net outflow of \$3.3 million. Net borrowings on short-term debt were \$0.4 million.

As a result of the above, total cash and cash equivalents decreased by \$0.2 million to \$239.9 million, in the six months of fiscal 2015 compared to an increase of \$23.3 million to \$272.7 million, in the comparable period of fiscal 2014.

All obligations under our 2011 Credit Facility are secured by, among other things, substantially all of our U.S. assets. The 2011 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 credit agreement. 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 8 to the Consolidated Financial Statements included in our 2014 Annual Report and Note 11 to the Consolidated 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 2014 Annual Report for the year ended March 31, 2014. As of September 28, 2014, we had the following significant changes to our contractual obligations table contained in our 2014 Form 10-K:

We amended our 2011 Credit Facility while also entering into an Incremental Commitment Agreement pursuant to which certain banks agreed to provide incremental term loan commitments of \$150 million and incremental revolving commitments of \$150 million. Pursuant to these changes, the 2011 Credit Facility is now comprised of a \$500 million senior secured revolving credit facility and a \$150 million senior secured incremental term loan ("Term Loan") which matures on September 30, 2018. The Term Loan is payable in quarterly installments of \$1.9 million beginning June 30, 2015 and \$3.8 million beginning June 30, 2016 with a final payment of \$108.8 million on September 30, 2018.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market Risks

Our cash flows and earnings are subject to fluctuations resulting from changes in interest rates, foreign currency exchange rates and raw material costs. 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 and foreign exchange forward and purchased option contracts to manage the risk associated with our exposures to fluctuations resulting from changes in foreign currency exchange rates and raw material costs. The Company's agreements are with creditworthy financial institutions. Those contracts that result in a liability position at September 28, 2014 are \$3.7 million (pre-tax), therefore, there is minimal risk of nonperformance by these counterparties. Those contracts that result in an asset position at September 28, 2014 are \$2.7 million (pre-tax) and the vast majority of these will settle within one year. The impact on the Company due to nonperformance by the counterparties has been evaluated and not deemed material.

Interest Rate Risks

We are exposed to changes in variable U.S. interest rates on borrowings under our 2011 Credit Facility. On a selective basis, from time to time, we enter into interest rate swap agreements to reduce the negative impact that increases in interest rates could have on our outstanding variable rate debt. We had no interest rate swap agreements as of September 28, 2014 and March 31, 2014.

A 100 basis point increase in interest rates would have increased interest expense, on an annualized basis, by approximately \$3.0 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)
September 28, 2014	\$ 93.5	95.4	\$ 0.98	21%
March 31, 2014	86.5	89.9	0.96	19
September 29, 2013	88.5	94.2	0.94	19

(1) Based on approximate annual lead requirements for the periods then ended.

For the remaining two quarters of this fiscal year, we believe approximately 77% of the cost of our lead requirements is known. This takes into account the hedge contracts in place at September 28, 2014, lead purchased by September 28, 2014 that will be reflected in future costs under our FIFO accounting treatment, and the benefit from our lead tolling program.

We estimate that a 10% increase in our cost of lead would have increased our cost of goods sold by approximately \$16 million and \$31 million in the second quarter and six months of fiscal 2015, respectively.

Foreign Currency Exchange Rate Risks

We manufacture and assemble our products globally in the Americas, EMEA and Asia. Approximately 60% of our sales and 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 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 trade transactions. On a selective basis, we enter into foreign currency forward contracts and 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.

To hedge these exposures, we have entered into forward contracts and purchased options with financial institutions to fix the value at which we will buy or sell certain currencies. The vast majority of such contracts are for a period not extending beyond one year. Forward contracts outstanding as of September 28, 2014 and March 31, 2014 were \$89.5 million and \$92.8 million, respectively. The details of contracts outstanding as of September 28, 2014 were as follows:

Transactions Hedged	\$US Equivalent (in millions)	Average Rate Hedged	Approximate % of Annual Requirements (1)
Sell Euros for U.S. dollars	\$ 39.0	\$/€ 1.34	19%
Sell Euros for Polish zloty	22.2	PLN/€ 4.20	19
Sell Euros for British pounds	12.8	£/€ 0.81	29
Sell JPY for U.S. dollars	5.5	¥/\$ 107.57	59
Sell U.S. dollars for Mexican pesos	4.4	MXN/\$ 13.22	50
Sell Australian dollars for Euros	2.0	€/AUD 1.46	16
Sell Australian dollars for U.S. dollars	1.7	\$/AUD 0.92	19
Other	1.9		
Total	\$ 89.5		

(1) Based on the fiscal year currency requirements.

Foreign exchange translation adjustments are recorded in the Consolidated Condensed Statements of Comprehensive Income.

Based on changes in the timing and amount of interest rate and foreign currency exchange rate movements and our actual exposures and hedges, actual gains and losses in the future may differ from our historical results.

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. There have not been any changes 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) during the quarter to which this report relates that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we are involved in litigation incidental to the conduct of our business. See Litigation and Other Legal Matters in Note 9 - Commitments, Contingencies and Litigation to the Consolidated Condensed Financial Statements, which is incorporated herein by reference.

Item 1A. Risk Factors

In addition to the other information set forth in this Form 10-Q, you should carefully consider the factors discussed in Part I, Item 1A. Risk Factors in our 2014 Annual Report for the year ended March 31, 2014, 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 share units may be satisfied by the surrender of shares of the Company's common stock.

Purchases of Equity Securities

Period	(a) Total number of shares (or units) purchased	(b) Average price paid per share (or unit)	(c) Total number of shares (or units) purchased as part of publicly announced plans or programs	(d) Maximum number (or approximate dollar value) of shares (or units) that may be purchased under the plans or programs (1) (2)
June 30 – July 27, 2014	88,131	\$ 68.12	88,131	\$ 42,009,830
July 28 – August 24, 2014	544,545	61.73	544,545	68,396,777
August 25 – September 28, 2014	559,792	63.84	559,792	32,662,300
Total	<u>1,192,468</u>	<u>\$ 63.19</u>	<u>1,192,468</u>	

(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 award granted during such fiscal year under the 2010 Equity Incentive Plan and the number of shares exercised through stock option awards during such fiscal year. This repurchase program has been exhausted for fiscal 2015.

(2) The Company's Board of Directors authorized the Company to repurchase up to \$70 million of its common stock, which expires on March 31, 2015. Additionally, on August 5, 2014, the Company announced that its Board of Directors had authorized the Company to repurchase an additional \$60 million of its common stock. On November 5, 2014 the Company announced the authorization to repurchase an additional \$60 million of its common stock, bringing the total of repurchase programs expiring on March 31, 2015 to \$190 million.

Item 4. Mine Safety Disclosures

Not applicable.

ITEM 6. EXHIBITS

Exhibit Number	Description of Exhibit
3.1	Fifth Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to Amendment No. 3 to EnerSys' Registration Statement on Form S-1 (File No. 333-115553) filed on July 13, 2004).
3.2	Amended and Restated Bylaws (incorporated by reference to Exhibit 3.2 to EnerSys' Quarterly Report on Form 10-Q for the period ended December 30, 2012 (File No. 001-32253) filed on February 6, 2013).
3.3	Second Amended and Restated Bylaws of EnerSys.
10.1	Amended and Restated Credit Agreement, dated as of July 8, 2014, among EnerSys, Bank of America, N.A., as Administrative Agent, Wells Fargo Bank, National Association, as Syndication Agent, RB International Finance (USA) LLC and PNC Bank, National Association, as Co-Documentation Agents and Co-Managers and the various lending institutions party thereto (incorporated by reference to Annex A to Exhibit 10.1 to EnerSys' Current Report on Form 8-K (File No. 001-32253) filed on July 8, 2014).
10.2	Incremental Commitment Agreement, dated July 8, 2014, among EnerSys and certain financial institutions (incorporated by reference to Exhibit 10.2 to EnerSys' Current Report on Form 8-K (File No. 001-32253) filed on July 8, 2014).
10.3	Amended and Restated 2010 Equity Incentive Plan of EnerSys.
10.4	Side letter to Employment Agreement, dated October 10, 2014, between EnerSys and John D. Craig.
10.5	Employment Offer Letter, dated October 20, 2014, of EnerSys Delaware Inc. to David M. Shaffer.
10.6	Employment Contract, dated September 12, 2014, between EH Europe GmbH and Todd M. Sechrist.
10.7	Letter Agreement, dated September 12, 2014, between EnerSys and Todd M. Sechrist.
31.1	Certification of Principal Executive Officer pursuant to Rule 13a-14(a)/15d-14(a) Under the Securities Exchange Act of 1934 (filed herewith).
31.2	Certification of Principal Financial Officer pursuant to Rule 13a-14(a)/15d-14(a) Under the Securities Exchange Act of 1934 (filed herewith).
32.1	Certification of the Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).
101.INS	XBRL Instance Document
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/ Michael J. Schmidlein

Michael J. Schmidlein

Senior Vice President Finance & Chief Financial Officer

Date: November 5, 2014

EnerSys
EXHIBIT INDEX

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**SECOND AMENDED AND RESTATED
BYLAWS**

OF

ENERSYS

ARTICLE I

OFFICES

SECTION 1. *Registered Office.* The address of the registered office of EnerSys (the "Corporation") in the State of Delaware is Corporation Service Company, 2711 Centerville Road, Suite 400, in the City of Wilmington, County of New Castle. The name of the Corporation's registered agent at such address is Corporation Service Company.

SECTION 2. *Other Offices.* The Corporation may also have an office or offices at any other place or places within or without the State of Delaware.

ARTICLE II

MEETINGS OF STOCKHOLDERS

SECTION 1. *Annual Meetings.* The annual meeting of the stockholders for the election of directors, and for the transaction of such other business as may properly come before the meeting, shall be held at such place, either within or without the State of Delaware, on such date and at such hour as shall be fixed by resolution of the Board of Directors of the Corporation (the "Board") and designated in the notice or waiver of notice thereof.

SECTION 2. *Special Meetings.* A special meeting of the stockholders for any purpose or purposes may be called only by the Board or the Chairman of the Board of the Corporation, to be held at such place, within or without the State of Delaware, on such date and at such hour as shall be designated in the notice or waiver of notice thereof.

SECTION 3. *Notice of Meetings.* Written notice of all meetings of stockholders stating the place, date and time of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given in accordance with Article VIII. Unless otherwise required by applicable law, such notice shall be given not less than 10 nor more than 60 days before the date of the meeting to each stockholder of record entitled to vote at such meeting.

SECTION 4. *Fixing Date for Determination of Stockholders of Record.* In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board may fix, in advance, a record date, which shall not precede the date upon which the resolution fixing the record date is adopted by the Board and which shall not be more than 60, nor less than 10, days before the date of such meeting. If no record date is fixed by the Board, then the record date shall be as provided by applicable law. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board may fix a new record date for the adjourned meeting.

SECTION 5. *Organization.* Meetings of stockholders shall be presided over by such person as the Board may designate, or, in the absence of such a person, the Chairman of the Board. Such person shall be chairman of the meeting and shall determine the order of business and the procedure at the meeting, including such regulation of the manner of voting and the conduct of discussion as is determined by him to be in order. The Secretary of the

Corporation shall act as secretary of the meeting, but in such person's absence the chairman of the meeting may appoint any person to act as secretary of the meeting.

SECTION 6. *Adjournments.* When a meeting is adjourned to another date, hour or place, notice need not be given of the adjourned meeting if the date, hour and place thereof are announced at the meeting at which the adjournment is taken. If the adjournment is for more than 30 calendar days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the adjourned meeting. At the adjourned meeting, any business may be transacted that might have been transacted at the original meeting.

When any meeting is convened the presiding officer, if directed by the Board, may adjourn the meeting if (a) no quorum is present for the transaction of business, or (b) the Board determines that adjournment is necessary or appropriate to enable the stockholders (i) to consider fully information that the Board determines has not been made sufficiently or timely available to stockholders or (ii) otherwise to exercise effectively their voting rights.

SECTION 7. *Quorum.* Except as otherwise provided by law or the Certificate of Incorporation, whenever a class of stock of the Corporation is entitled to vote as a separate class, or whenever classes of stock of the Corporation are entitled to vote together as a single class, on any matter brought before any meeting of the stockholders, whether annual or special, holders of shares entitled to cast a majority of the votes entitled to be cast by all the holders of the shares of stock of such class voting as a separate class, or classes voting together as a single class, as the case may be, outstanding and entitled to vote thereat, present in person or by proxy, shall constitute a quorum at any such meeting of the stockholders. If, however, such quorum shall not be present or represented at any such meeting of the stockholders, the stockholders entitled to vote thereat may adjourn the meeting from time to time in accordance with Section 6 of this Article II until a quorum shall be present or represented. Shares of the Corporation's stock belonging to the Corporation (or to another corporation, if a majority of the shares entitled to vote in the election of directors of such other corporation are held, directly or indirectly, by the Corporation), shall neither be entitled to vote nor be counted for quorum purposes; *provided, however*, that the foregoing shall not limit the right of the Corporation or any other corporation to vote any shares of the Corporation's stock held by it in a fiduciary capacity.

SECTION 8. *Voting.* Except as provided in Section 4 of Article III, directors shall be elected by a plurality of the votes of the shares present in person or by proxy at a meeting and entitled to vote on the election of directors. Except as otherwise provided by law or the Certificate of Incorporation or these Bylaws, when a quorum is present with respect to any matter brought before any meeting of the stockholders, the vote of the holders of shares entitled to cast a majority of the votes entitled to be cast by all the holders of shares present in person or by proxy and entitled to vote on such matter shall decide any such matter (other than the election of directors). Except as otherwise provided by law or the Certificate of Incorporation or these Bylaws, each stockholder represented at a meeting of stockholders shall be entitled to cast one vote for each share of the capital stock entitled to vote thereat held by such stockholder.

SECTION 9. *Proxies.* Each stockholder entitled to vote at a meeting of stockholders may authorize another Person or Persons to act for such stockholder by proxy. Such proxy shall be filed with the Secretary before such meeting of stockholders, at such time as the Board may require. No proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period.

SECTION 10. *Notice of Stockholder Business; Nominations.*

(a) *Annual Meeting of Stockholders.*

(i) Nominations of persons for election to the Board at an annual meeting and the proposal of any other business to be considered by the stockholders at an annual meeting shall be made solely (A) as specified in the Corporation's notice of such meeting (or any supplement thereto), (B) otherwise by or at the direction of the Board (or any duly authorized committee thereof), or (C) by any stockholder of the Corporation that was a stockholder of record at the time of giving the notice provided for in this Section 10, who is entitled to vote at such meeting and who complies with the notice procedures set forth in this Section 10.

(ii) For nominations for director or any other business to be properly brought before an annual meeting by a stockholder pursuant to clause (C) of subparagraph (a)(i) of this Section 10, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation, and such proposed business, other than nominations of persons for election to the Board, must constitute a proper matter for stockholder action. To be timely, a stockholder's notice must be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the ninetieth day, nor earlier than the close of business on the one hundred twentieth day, prior to the anniversary of the next preceding annual meeting; provided, however, that in the event that the date of the annual meeting is more than 30 days before or after such anniversary date, to be timely notice by the stockholder must be so delivered not later than the close of business on the tenth day following the day on which public announcement of the date of such meeting is first made by the Corporation. In no event shall an adjournment or postponement of a meeting, or the public announcement thereof, commence a new time period (or extend any time period) of the giving of a stockholder's notice as described above. Such stockholder's notice shall set forth: (A) as to each person whom the stockholder proposes to nominate for election, or re-election, as a director, all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected; (B) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting and the reasons for conducting such business at such meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend the Bylaws of the Corporation, the language of the proposed amendment), the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made; and (C) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (1) the name and address of such stockholder, as they appear on the Corporation's books and records, and of such beneficial owner, (2) the class or series and number of shares of capital stock of the Corporation that are, directly or indirectly, owned beneficially and held of record by such stockholder and such beneficial owner, (3) any option, warrant, convertible security, stock appreciation right, or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of the Corporation or with a value derived in whole or in part from the value of any class or series of shares of the Corporation, whether or not such instrument or right shall be subject to settlement in the underlying class or series of capital stock of the Corporation or otherwise (a "Derivative Instrument") directly or indirectly owned beneficially by such stockholder or beneficial owner and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of the Corporation, (4) any proxy, contract, arrangement, understanding, or relationship pursuant to which such stockholder or beneficial owner has a right to vote any shares of any security of the Corporation, (5) any short interest of such stockholder or beneficial owner in any security of the Corporation (for purposes of this Bylaw a person shall be deemed to have a short interest in a security if such person directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has the opportunity to profit or share in any profit derived from any decrease in the value of the subject security), (6) any rights to dividends on the shares of the Corporation owned beneficially by such stockholder or beneficial owner that are separated or separable from the underlying shares of the Corporation, (7) any proportionate interest in shares of the Corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which such stockholder or beneficial owner is a general partner or, directly or indirectly, beneficially owns an interest in a general partner, (8) any performance-related fees (other than an asset-based fee) that such stockholder or beneficial owner is entitled to based on any increase or decrease in the value of shares of the Corporation or Derivative Instruments, if any, as of the date of such notice, including without limitation any such interests held by members of such stockholder's or beneficial owner's immediate family sharing the same household (which information shall be supplemented by such stockholder and beneficial owner not later than 10 days after the record date for the meeting to disclose such ownership as of the record date), (9) any other information relating to such stockholder and beneficial owner that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for, as applicable, the proposal and/or for the election of directors in a contested election pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder, (10) a representation that the stockholder is a holder of record of stock of the

Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such business or nomination, (11) a description of all agreements, arrangements or understandings between such stockholder and beneficial owner, if any, and any other Person or Persons (including their names) in connection with the proposal of such business by such stockholder and any material interest of such stockholder in such business, and (12) a representation whether the stockholder or the beneficial owner, if any, intends, or is, or intends to be part of a group that intends (x) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock required to approve or adopt the proposal or elect the nominee and/or (y) otherwise to solicit proxies from stockholders in support of such proposal or nomination. The Corporation may require any proposed nominee to furnish such other information as it may reasonably require to determine the eligibility of such proposed nominee to serve as a director of the Corporation.

(iii) Anything in the second sentence of subparagraph (a)(ii) of this Section 10 to the contrary notwithstanding, in the event that the number of directors to be elected to the Board is increased and there is no public announcement by the Corporation naming all the nominees for director or specifying the size of the increased Board at least 100 days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by this Section 10 shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary of the Corporation at the principal executive office of the Corporation not later than the close of business on the tenth day following the day on which such public announcement is first made by the Corporation.

(b) *Special Meetings of Stockholders.* Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of such meeting. Nominations of persons for election to the Board may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of such meeting solely (i) by or at the direction of the Board of Directors or (ii) provided that the Board has determined that directors shall be elected at such meeting, by any stockholder of the Corporation that was a stockholder of record at the time of giving the notice provided for in this Section 10, who shall be entitled to vote at the meeting and who complies with the notice procedures set forth in this Section 10. In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the Board, any such stockholder entitled to vote in such election of directors may nominate a person or persons (as the case may be), for election to such positions as specified in the Corporation's notice of meeting, if the stockholder's notice required by subparagraph (a)(ii) of this Section 10 shall be delivered to the Secretary of the Corporation at the principal executive offices of the Corporation not earlier than the one hundred twentieth day prior to such special meeting and not later than the close of business on the later of the ninetieth day prior to such special meeting or the tenth day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board to be elected at such meeting. In no event shall the public announcement of an adjournment or postponement of a special meeting commence a new time period (or extend any time period) of the giving of a stockholder's notice as described above.

(c) *General.*

(i) Only such persons who are nominated in accordance with the procedures set forth in this Section 10 shall be eligible to serve as directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section 10. Except as otherwise provided by law or these Bylaws, the chairman of the meeting shall have the power and duty to finally determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth in this Section 10 and, if any proposed nomination or business is not in compliance herewith, to declare that such defective proposal or nomination shall be disregarded.

(ii) For purposes of this Section 10, the term "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act, and the meaning of the term "group" shall be within the meaning ascribed to such term under Section 13(d)(3) of the Exchange Act.

(iii) Notwithstanding the foregoing provisions of this Section 10, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters

set forth in this Section 10. Nothing in this Section 10 shall be deemed to affect any rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act.

ARTICLE III

BOARD OF DIRECTORS

SECTION 1. *General Powers.* The business and affairs of the Corporation shall be managed by the Board, which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by law or by the Certificate of Incorporation directed or required to be exercised or done by the stockholders. No decrease in the authorized number of directors constituting the Board shall shorten the term of any incumbent director.

SECTION 2. *Number and Term of Office.* Subject to the rights, if any, of holders of preferred stock of the Corporation, the Board shall consist of not less than three nor more than eleven members, the exact number of which shall be fixed from time to time by the Board. The Board shall designate the directors to serve as initial Class I, Class II and Class III directors upon the effectiveness of the related provisions of the Fifth Restated Certificate of Incorporation. None of the directors need be stockholders of the Corporation. Except as provided in Section 3 of this Article, each director shall be elected by the vote of the majority of the votes cast with respect to the director at any meeting for the election of directors at which a quorum is present, provided that if, as of a date that is fourteen (14) days in advance of the date the Corporation files its definitive proxy statement (regardless of whether or not thereafter revised or supplemented) with the Securities and Exchange Commission, the number of nominees exceeds the number of directors to be elected, the directors shall be elected by the vote of a plurality of the shares represented in person or by proxy at any such meeting and entitled to vote on the election of directors. For purposes of this section, a majority of the votes cast means that the number of shares voted for a director must exceed the number of votes cast against that director. The Corporate Governance and Nominating Committee will establish procedures under which a director nominee shall tender his or her contingent resignation to the Nominating and Corporate Governance Committee in advance of an Annual Meeting. If the Director Nominee fails to receive a majority number of votes for re-election in an uncontested election at an Annual Meeting, the Nominating and Corporate Governance Committee will make a recommendation to the Board whether to accept or reject the resignation or whether other action shall be taken. The Board will act on the Committee's recommendation and publicly disclose its decision and the rationale behind it within 90 days from the date of the certification of the election results. The resignation becomes effective only if the director fails to receive a majority number of votes for re-election in an uncontested election at an Annual Meeting and the Board accepts the resignation.

SECTION 3. *Resignation; Vacancies; Removal.* Any director may resign at any time by giving written notice to the Board, the Chairman of the Board or the Secretary of the Corporation. Such resignation shall take effect at the time specified therein or, if the time is not specified, upon receipt by the Corporation thereof; and, unless otherwise specified therein, acceptance of such resignation shall not be necessary to make it effective.

Vacancies occurring in the Board for any reason and newly created directorships may be filled by a majority of the directors then in office, although less than a quorum, or by a sole remaining director. Any director elected to fill a vacancy shall hold office for a term that shall coincide with the term of the class to which such director shall have been elected.

Any director may be removed as provided in the DGCL or the Certificate of Incorporation.

SECTION 4. *Meetings.* (a) *Annual Meetings.* As soon as practicable after each annual election of directors, the Board shall meet for the purpose of organization and the transaction of other business, unless it shall have transacted all such business by written consent pursuant to Section 5 of this Article III.

(b) *Other Meetings.* Other meetings of the Board shall be held at such times as the Board or the Chairman of the Board shall from time to time determine.

(c) *Notice of Meetings.* The Secretary shall give notice to each director of each special meeting at least one business day prior thereto, which notice shall state the time, place and purpose of such meeting. Notice of each such meeting shall be given to each director prior to such meeting.

(d) *Place of Meetings.* The Board may hold its meetings at such place or places, within or without the State of Delaware, as the Board or the Chairman of the Board may from time to time determine, or as shall be designated in the respective notices or waivers of notice thereof.

(e) *Quorum and Manner of Acting.* A majority of the total number of directors (but not less than one) shall constitute a quorum for the transaction of business at any meeting of the Board, and the vote of a majority of those directors present at any such meeting at which a quorum is present shall be necessary for the passage of any resolution or act of the Board, except as otherwise expressly required by law or these Bylaws. In the absence of a quorum for any such meeting, a majority of the directors present thereat may adjourn such meeting from time to time until a quorum shall be present.

(f) *Organization.* At each meeting of the Board, one of the following shall act as chairman of the meeting and preside, in the following order of precedence:

- (i) the Chairman of the Board;
- (ii) the Lead Director of the Board; or
- (iii) any director chosen by a majority of the directors present.

The Secretary or, in the case of his absence, any person (who shall be an Assistant Secretary, if an Assistant Secretary is present) whom the chairman shall appoint shall act as secretary of such meeting and keep the minutes thereof.

SECTION 5. *Directors' Consent in Lieu of Meeting.* Any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting if all members of the Board or such committee, as the case may be, consent thereto in writing, and the writing or writings (including a true and correct copy of all documents referred to therein) are filed with the minutes of the proceedings of the Board or committee.

SECTION 6. *Action by Means of Telephone or Similar Communications Equipment.* Any one or more members of the Board, or of any committee thereof, may participate in a meeting of the Board or any such committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting by such means shall constitute presence in person at such meeting.

SECTION 7. *Committees.* The Board may, by resolution passed by a majority of the Board, designate one or more committees, each committee to consist of one or more directors of the Corporation. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of any such committee. In the absence or disqualification of a member of a committee, and in the absence of a designation by the Board of an alternate member to replace the absent or disqualified member, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in the place of any absent or disqualified member. Any committee, to the extent allowed by law and provided in the resolution establishing such committee or such other resolution as shall have been adopted by the Board, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Corporation. Each committee shall keep regular minutes and report to the Board when required.

SECTION 8. *Compensation of Directors.* Directors, as such, may receive, pursuant to a resolution of the Board, fees and other compensation for their services as directors, including, without limitation, their services as members of committees of the Board.

SECTION 9. *Reliance Upon Books and Records.* A member of the Board, or a member of any committee designated by the Board shall, in the performance of such person's duties, be fully protected in relying in good faith upon records of the Corporation and upon such information, opinions, reports or statements presented to the Corporation by any of the Corporation's officers or employees, or committees of the Board, or by any other person as to matters the member reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Corporation.

SECTION 10. *Lead Director of the Board.* In its sole discretion based on current circumstances, the Board shall annually designate one of its non-employee members to be the Lead Director of the Board, with such duties and responsibilities as the Board or the Chairman of the Board may prescribe. In the absence or disability of the Chairman of the Board, the Lead Director shall perform and exercise the powers of the Chairman of the Board.

ARTICLE IV

OFFICERS

SECTION 1. *Executive Officers.* The executive officers of the Corporation shall be a Chairman of the Board, a Chief Executive Officer, a Chief Financial Officer, a Treasurer and a Secretary and may include one or more Vice Presidents, one or more Assistant Secretaries and one or more Assistant Treasurers. Any two or more offices may be held by the same person.

SECTION 2. *Authority and Duties.* All officers, as between themselves and the Corporation, shall have such authority and perform such duties in the management of the Corporation as may be provided in these Bylaws or, to the extent not so provided, by resolution of the Board.

SECTION 3. *Term of Office, Resignation and Removal.* (a) All officers shall be elected or appointed by the Board and shall hold office for such term as may be determined by the Board. Each officer shall hold office until his successor has been elected or appointed and qualified or his earlier death or resignation or removal in the manner hereinafter provided. The Board may require any officer to give security for the faithful performance of his duties.

(b) Any officer may resign at any time by giving written notice to the Board or to the Chairman of the Board or the Secretary of the Corporation, and such resignation shall take effect at the time specified therein or, if the time when it shall become effective is not specified therein, at the time it is accepted by action of the Board. Except as aforesaid, acceptance of such resignation shall not be necessary to make it effective.

(c) All officers shall be subject to removal, with or without cause, at any time by the Board. The Board may, from time to time, delegate the powers and duties of any officer to any other officer or agent of the Corporation.

SECTION 4. *Vacancies.* Any vacancy occurring in any office of the Corporation, for any reason, shall be filled by action of the Board. Any officer appointed or elected by the Board to fill any vacancy shall serve only until such time as the unexpired term of his predecessor expires unless reelected or reappointed by the Board.

SECTION 5. *Chairman of the Board.* The Chairman of the Board shall have the power to call special meetings of the stockholders, to call special meetings of the Board and to preside at all meetings of the stockholders and all meetings of the Board.

SECTION 6. INTENTIONALLY OMITTED.

SECTION 7. *Chief Executive Officer.* The Chief Executive Officer shall be the chief executive officer of the Corporation and shall have general and active management and control of the business and affairs of the Corporation subject to the control of the Board, and shall see that all orders and resolutions of the Board are carried into effect.

SECTION 8. *Chief Financial Officer.* The Chief Financial Officer shall be the chief financial officer of the Corporation and shall perform such duties as the Board shall prescribe.

SECTION 9. *Vice Presidents.* Vice Presidents, if any, in order of their seniority or in any other order determined by the Board, shall generally assist the Chief Executive Officer and perform such other duties as the Board or the Chief Executive Officer shall prescribe, and in the absence or disability of the Chief Executive Officer, perform the duties and exercise the powers of the Chief Executive Officer.

SECTION 10. *Treasurer.* The Treasurer, if any, shall have the care and custody of all the funds of the Corporation and shall deposit the same in such banks or other depositories as the Board, or any officer or officers, or any officer and agent jointly, duly authorized by the Board, shall, from time to time, direct or approve. He shall disburse the funds of the Corporation under the direction of the Board or the Chief Executive Officer. He shall keep a full and accurate account of all moneys received and paid on account of the Corporation and shall render a statement of his accounts whenever the Board shall require. He shall perform all other necessary acts and duties in connection with the administration of the financial affairs of the Corporation and shall generally perform all the duties usually appertaining to the office of treasurer of a corporation.

SECTION 11. *Assistant Treasurers.* Assistant Treasurers, if any, in order of their seniority or in any other order determined by the Board, shall generally assist the Treasurer and perform such other duties as the Board or the Treasurer shall prescribe, and, in the absence or disability of the Treasurer, shall perform the duties and exercise the powers of the Treasurer.

SECTION 12. *Secretary.* The Secretary shall, to the extent requested by the Board, attend all meetings of the Board and all meetings of the stockholders and shall record all votes and the minutes of all proceedings in a book to be kept for that purpose, and shall perform like duties for any standing committees when required. He shall give or cause to be given notice of all meetings of the stockholders and of the Board, and shall perform such other duties as may be prescribed by the Board or the Chief Executive Officer, under whose supervision he shall act. He shall keep in safe custody the seal of the Corporation and affix the same to any duly authorized instrument requiring it and, when so affixed, it shall be attested by his signature or by the signature of the Treasurer or an Assistant Secretary, or an Assistant Treasurer. He shall keep in safe custody the certificate books and stockholder records and such other books and records as the Board may direct and shall perform all other duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or the Board.

SECTION 13. *Assistant Secretaries.* Assistant Secretaries, if any, in order of their seniority or in any other order determined by the Board, shall generally assist the Secretary and perform such other duties as the Board or the Secretary shall prescribe, and, in the absence or disability of the Secretary, shall perform the duties and exercise the powers of the Secretary.

ARTICLE V

INDEMNIFICATION

SECTION 1. *Indemnification.* (a) The Corporation shall, to the fullest extent permitted by the DGCL, indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonable incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the

best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

(b) The Corporation shall, to the fullest extent permitted by the DGCL, indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation, unless and only to the extent that the Court of Chancery of the State of Delaware or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

(c) The Corporation may (and shall, with respect to any director, officer or employee who is a beneficiary of any directors and officers insurance or indemnity policy maintained from time to time by the Corporation or any of its subsidiaries), to the fullest extent permitted by the DGCL, advance to any person who is or was a director, officer, employee or agent of the Corporation (or to the legal representative thereof) any and all expenses (including, without limitation, attorneys' fees and disbursements and court costs) reasonably incurred by such person in respect of any proceeding to which such person (or a person of whom such person is a legal representative) is made a party or threatened to be made a party by reason of the fact that such person is or was a director, officer, employee or agent of the Corporation or, while a director, officer, employee or agent of the Corporation, is or was serving at the request of the Corporation as a director, officer, trustee, partner, member, employee, other fiduciary or agent of another corporation or a partnership, joint venture, limited liability company, trust or other enterprise, including service with respect to employee benefit plans or public service or charitable organizations; *provided, however*, that, to the extent the DGCL requires, the payment of such expenses in advance of the final disposition of the proceeding shall be made only upon delivery to the Corporation of an undertaking, by or on behalf of such person, to repay all amounts so advanced if it shall ultimately be determined that such person is not entitled to be indemnified against such expense under this Article V or otherwise. The Corporation by provision in these Bylaws or by agreement may accord any such person the right to, or regulate the manner of providing to any such person, such advancement of expenses to the fullest extent permitted by the DGCL.

(d) The indemnification and advancement of expenses provided by or granted pursuant to the other subsections of this Article V shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under the Certificate of Incorporation, any other bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office.

(e) The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of the DGCL.

(f) For purposes of this Article V, references to "the Corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees or agents so that any person who is or was a director, officer, employee or agent of such constituent corporation or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same

position under the provisions of this Article V with respect to the resulting or surviving corporation as he would have with respect to such constituent corporation if its separate existence had continued.

(g) For purposes of this Article V, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to any employee benefit plan; and references to "serving at the request of the Corporation" shall include any service as a director, officer, employee or agent of the Corporation which imposes duties on, or involves service by, such director, officer, employee or agent with respect to an employee benefit plan, its participants, or beneficiaries; and a person who acted in good faith and in a manner he reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Corporation", as referred to in this Article V.

(h) The indemnification and advancement of expenses provided by, or granted pursuant to, this Article V shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

ARTICLE VI

CONTRACTS, CHECKS, DRAFTS, BANK ACCOUNTS, ETC.

SECTION 1. *Execution of Documents.* The Board (or any duly authorized committee thereof to the extent permitted by law) shall designate the officers, employees and agents of the Corporation who shall have power to execute and deliver deeds, contracts, mortgages, bonds, debentures, checks, drafts and other orders for the payment of money and other documents for and in the name of the Corporation, and each such officer, employee and agent, without further action by the Board, may delegate such power (including authority to redelegate) in writing, to other officers, employees or agents of the Corporation; and, unless so designated or expressly authorized by these Bylaws, no officer or agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable pecuniarily for any purpose or to any amount.

SECTION 2. *Deposits.* All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation or otherwise as the Board, or any officer of the Corporation to whom power in this respect shall have been given by the Board, shall direct.

SECTION 3. *Proxies in Respect of Stock or other Securities of Other Corporations.* The Board shall designate the officers of the Corporation who shall have authority from time to time to appoint an agent or agents of the Corporation to exercise in the name and on behalf of the Corporation the powers and rights that the Corporation may have as the holder of stock or other securities in any other corporation, and to vote or consent in respect of such stock or securities. Such designated officers may instruct the person or persons so appointed as to the manner of exercising such powers and rights, and such designated officers may execute or cause to be executed in the name and on behalf of the Corporation and under its corporate seal, or otherwise, such written proxies, powers of attorney or other instruments as they may deem necessary or proper in order that the Corporation may exercise such powers and rights.

ARTICLE VII

SHARES AND TRANSFER OF SHARES

SECTION 1. *Certificates for Shares.* Every owner of shares of stock of the Corporation shall be entitled to have a certificate certifying the number and class of shares of stock of the Corporation owned by him, which certificate shall be in such form as may be prescribed by the Board. Certificates shall be issued in consecutive order and shall be numbered in the order of their issue, and shall be signed by or in the name of, the Corporation by the Chairman of the Board, the Chief Executive or a Vice President and by the Secretary, Treasurer or an Assistant Secretary. Such signatures shall be in such form as may be prescribed by the Board.

SECTION 2. *Stock Ledger.* A stock ledger in one or more counterparts shall be kept, in which shall be recorded the name of each Person owning the shares evidenced by each certificate for stock of the Corporation issued, the number of shares of stock evidenced by each such certificate, the date thereof and, in the case of cancellation, the date of cancellation. Except as otherwise expressly required by law, the person in whose name shares of stock stand on the stock ledger of the Corporation shall be deemed the owner thereof for all purposes as regards the Corporation.

SECTION 3. *Transfer of Stock.* (a) The transfer of shares of stock and the certificates evidencing such shares of stock of the Corporation shall be governed by Article 8 of Subtitle I of Title 6 of the Delaware Code (the Uniform Commercial Code), as amended from time to time.

(b) Registration of transfers of shares of stock of the Corporation shall be made only on the books of the Corporation upon request of the registered holder thereof, or of his attorney thereunto authorized by power of attorney duly executed and filed with the Secretary of the Corporation, and upon the surrender of the certificate or certificates for such shares of stock properly endorsed or accompanied by a stock power duly executed.

SECTION 4. *Addresses of Stockholders.* Each stockholder shall designate to the Secretary of the Corporation an address at which notices of meetings and all other corporate notices may be given to it, and, if any stockholder shall fail to so designate such an address, corporate notices may be given to it at its post office address, if any, as the same appears on the share record books of the Corporation or at its last known post office address.

SECTION 5. *Lost, Destroyed and Mutilated Certificates.* A holder of any shares of stock of the Corporation shall promptly notify the Corporation of any loss, destruction or mutilation of any certificate or certificates evidencing all or any such shares of stock. The Board may, in its discretion, cause the Corporation to issue a new certificate in place of any certificate theretofore issued by it and alleged to have been mutilated, lost, stolen or destroyed, upon the surrender of the mutilated certificates or, in the case of loss or destruction of the certificate, upon satisfactory proof of such loss or destruction, and the Board may, in its discretion, require the owner of the lost or destroyed certificate or its legal representative to give the Corporation a bond sufficient to indemnify the Corporation against any claim made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.

SECTION 6. *Regulations.* The Board may make such rules and regulations as it may deem expedient, not inconsistent with these Bylaws, concerning the issue, transfer and registration of certificates for stock of the Corporation.

ARTICLE VIII

MISCELLANEOUS

SECTION 1. *Notice.* Except as otherwise required by law, all notices required to be given pursuant to these Bylaws shall be in writing and may be effectively given by hand delivery, first class mail (postage prepaid), prepaid overnight courier, facsimile transmission or electronic mail. Any such notice shall be addressed to the Person to whom notice is to be given at such Person's address as it appears on the records of the Corporation. The notice shall be deemed given (a) if by hand delivery, when received by the Person to whom notice is to be given or by any Person accepting such notice on behalf of such Person, (b) if by mail, on the fourth business day after being deposited in first class mail, (c) if by overnight courier, on the first business day after being dispatched, (d) if by facsimile transmission, when directed to a number at which the Person to whom notice is to be given has consented to receive notice by facsimile transmission; or (e) if by electronic mail, when directed to an electronic mail address at which the Person to whom notice is to be given has consented to receive notice by electronic mail. Without limiting the manner by which notice otherwise may be given effectively to stockholders, any notice to stockholders given by the Corporation under any provision of the DGCL, the Certificate of Incorporation or these Bylaws shall be effective if given by a form of facsimile transmission or electronic mail consented to by the stockholder to whom the notice is to be given. Any such consent shall be revocable by the stockholder by written notice to the Corporation. Any such consent shall be deemed revoked if (a) the Corporation is unable to deliver by facsimile transmission or electronic mail two consecutive notices given by the Corporation in accordance with such consent and (b) such inability becomes actually known to the Secretary or an Assistant Secretary of the Corporation or to the transfer agent, or other Person responsible for the giving of notice; *provided*, *however*, the inadvertent failure to treat such inability as a revocation shall not invalidate any meeting or other action. An affidavit of the Secretary or an Assistant Secretary of the Corporation or of the transfer agent or other agent of the Corporation that the notice has been given in writing or by a form of facsimile transmission or electronic mail shall, in the absence of fraud, be prima facie evidence of the facts stated therein.

SECTION 2. *Waiver of Notice.* Whenever notice is required to be given under any provision of these Bylaws, a written waiver of notice, signed by the Person entitled to notice, or waiver by facsimile transmission or electronic mail by such Person, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a Person at a meeting shall constitute a waiver of notice of such meeting, except when the Person attends a meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders, directors or members of a committee of directors need be specified in any written waiver of notice.

SECTION 3. *Seal.* The Board may provide a corporate seal, which shall be in the form of a circle and shall bear the full name of the Corporation and the words and figures "CORPORATE SEAL 2000 DELAWARE".

SECTION 4. *Fiscal Year.* The fiscal year of the Corporation shall end on March 31 of each year, unless changed by resolution of the Board.

SECTION 5. *Definition.* For purposes of these Bylaws:

"Person" means an individual, a partnership, a joint venture, a corporation, an association, a trust, an estate or other entity or organization, including a government or any department or agency thereof.

ARTICLE IX

AMENDMENTS

These Bylaws may be altered, amended or repealed, in whole or in part, or new Bylaws may be adopted, either by the Board or by the stockholders of the Corporation upon the affirmative vote of the holders of at least $66\frac{2}{3}\%$ of the outstanding capital stock entitled to vote thereon.

ENERSYS

**AMENDED AND RESTATED
2010 EQUITY INCENTIVE PLAN**1. Purpose.

The EnerSys 2010 Equity Incentive Plan (the "Plan") is intended to provide an incentive to employees and non-employee directors of EnerSys, a Delaware corporation (the "Company"), and its Subsidiaries to remain in the service of the Company and its Subsidiaries and to align their interest in the success of the Company with the long-term interests of the Company's stockholders. The Plan seeks to promote the highest level of performance by providing an economic interest in the long-term performance of the Company.

2. Definitions.

For purposes of the Plan, the following terms have the following meanings:

"Affiliate" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by or under common control with, such Person. For purposes of this definition, "control" (including with correlative meanings, the terms "controlling," "controlled by," or "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or by contract or otherwise.

"Agreement" means an agreement between the Company and an Eligible Person providing for the grant of an Award hereunder.

"Award" means any Option, Stock Appreciation Right, Restricted Shares, Bonus Stock, Stock Unit, Performance Share, or other incentive payable in cash or in shares of Common Stock as may be designated by the Compensation Committee from time to time under the Plan.

"Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Act.

"Beneficiary" or "Beneficiaries" means the person(s) designated by a Participant or such Participant's Permitted Transferee in writing to the Company to receive payments or other distributions or rights pursuant to the Plan upon the death of such Participant or such Participant's Permitted Transferee. If no Beneficiary is so designated or if no Beneficiary is living at the time a payment, distribution, or right becomes payable or distributable pursuant to the Plan, such payment, distribution, or right shall be made to the estate of the Participant or a Permitted Transferee thereof. The Participant or Permitted Transferee, as the case may be, shall have the right to change the designated Beneficiaries from time to time by written instrument filed with the Compensation Committee in accordance with such rules as may be specified by the Compensation Committee.

“Board of Directors” means the Board of Directors of the Company.

“Bonus Shares” mean an Award of shares of Common Stock granted under Section 9 that are fully vested when granted.

“Cashless Exercise” means an exercise of Vested Options outstanding under the Plan through (a) the delivery of irrevocable instructions to a broker to make a sale of a number of Option Shares that results in proceeds thereon in an amount required to pay the aggregate exercise price for all the shares underlying such Vested Options being so exercised (and any required withholding tax) and to deliver such proceeds to the Company in satisfaction of such aggregate exercise price (and any required withholding tax) or (b) any other surrender to the Company of Option Shares or Vested Options outstanding under the Plan to satisfy the applicable aggregate exercise price (and any withholding tax) required to be paid upon such exercise.

“Cause” means, with respect to any Participant, (a) “cause” as defined in an employment agreement applicable to the Participant (so long as any act or omission constituting “cause” for such purpose was willful), or (b) in the case of a Participant who does not have an employment agreement that defines “cause”: (i) any act or omission that constitutes a material breach by the Participant of any of such Participant’s obligations under such Participant’s employment agreement (if any) with the Company or any of its Subsidiaries, the applicable Agreement or any other agreement with the Company or any of its Subsidiaries; (ii) the willful and continued failure or refusal of the Participant substantially to perform the duties required of such Participant as an employee of the Company or any of its Subsidiaries, or performance significantly below the level required or expected of the Participant, as determined by the Compensation Committee; (iii) any willful violation by the Participant of any federal or state law or regulation applicable to the business of the Company or any of its Subsidiaries or Affiliates, or the Participant’s commission of any felony or other crime involving moral turpitude, or any willful perpetration by the Participant of a common law fraud; or (iv) any other misconduct by the Participant that is materially injurious to the financial condition or business reputation of, or is otherwise materially injurious to, the Company or any of its Subsidiaries or Affiliates.

“Change in Control” means the occurrence of any one of the following:

(a) any Person, including any “group,” as defined in Section 13(d)(3) of 1934 Act, (other than any stockholder at the 2004 Closing or Metalmark Capital LLC, a Delaware limited liability company) is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing a majority of the combined voting power of the Company’s then Outstanding securities, excluding any Person who becomes such a Beneficial Owner in connection with a Qualifying Business Combination described in paragraph (c) below or who becomes such a Beneficial Owner as a result of a change in ownership percentage resulting solely from an acquisition of securities by the Company; or

(b) the following individuals cease for any reason to constitute a majority of the number of directors then serving on the Board of Directors: individuals who, as of the 2004 Closing, constitute the Board of Directors and any new director whose appointment or election by the Board of Directors or nomination for election by the Company’s stockholders was

approved or recommended by a vote of at least 66-2/3% of the directors then still in office who either were directors at the 2004 Closing or whose appointment, election or nomination for election was previously so approved or recommended; or

(c) there is consummated a reorganization, merger or consolidation of the Company with, or sale or other disposition of at least 80% of the assets of the Company in one or a series of related transactions to, any other Person (a "Business Combination"), other than a Business Combination that would result in the voting securities of the Company Outstanding immediately prior to such Business Combination continuing to represent (either by remaining Outstanding or by being converted into voting securities of the surviving entity or any parent thereof) more than 50% of the combined voting power of the securities of the Company or such surviving entity or any parent thereof Outstanding immediately after such Business Combination (a "Qualifying Business Combination"); or

(d) the stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, more than 50% of the combined voting power of the Outstanding securities of which is owned by stockholders of the Company in substantially the same proportions as their ownership of the Company immediately prior to such sale.

"Code" means the Internal Revenue Code of 1986, as amended, including the rules and regulations promulgated thereunder.

"Common Stock" means shares of Common Stock, par value \$0.01 per share, of the Company.

"Compensation Committee" means the Compensation Committee of the Board of Directors.

"Competing Business" means a business or enterprise (other than the Company and its direct or indirect Subsidiaries and other Affiliates) that is engaged in any or all of the following activities: the design, manufacture, importing, development, distribution, marketing, or sale of:

(a) motive power batteries and chargers (including, without limitation, batteries, chargers and accessories for industrial forklift trucks, other materials handling equipment, and other commercial electric powered vehicles);

(b) reserve power batteries, chargers 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); or

(c) any other product of any kind or type which the Company or any of its Affiliates (i) now makes or (ii) hereafter makes or researches or develops at any time during the Participant's employment hereunder or with the Company, such as, for example, lithium-ion, nickel-zinc cells or batteries, enclosures or lithium products such as those used in space or medical applications.

"Competing Business" also includes the design, engineering, installation or service of stationary and DC power systems, and any consulting and/or turnkey services relating thereto.

"Date of Grant" means the date of grant of an Award as set forth in the applicable Agreement.

"Delay Period" shall have the meaning set forth in Section 24.

"Effective Date" shall have the meaning set forth in Section 25.

"Eligible Persons" means employees and non-employee directors of the Company and its Subsidiaries.

"Fair Market Value" means, with respect to a share of Common Stock on any relevant day, (a) if such Common Stock is traded on a national securities exchange, the closing price on such day, or if the Common Stock did not trade on such day, the closing price on the most recent preceding day on which there was a trade, (b) if such Common Stock is quoted on an automated quotation system, the closing price on such day, or if the Common Stock did not trade on such day, the mean between the closing bid and asked prices on such day, or (c) in all other cases, the "fair market value" as determined by the Compensation Committee in good faith and using such financial sources as it deems relevant and reliable (but in any event not less than fair market value within the meaning of Code Section 409A).

"Good Reason" means, with respect to any Participant, (a) "good reason" as defined in an employment agreement applicable to such Participant, or (b) in the case of a Participant who does not have an employment agreement that defines "good reason," a failure by the Company to pay material compensation due and payable to the Participant in connection with such Participant's employment.

"Incentive Stock Option" means an Option granted with the intention that it qualify as an "incentive stock option" as that term is defined in Code Section 422 or any successor provision.

"1933 Act" means the Securities Act of 1933, as amended, and the rules and regulations of the Commission thereunder.

"1934 Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission thereunder.

"Nonqualified Stock Option" means an Option other than an Incentive Stock Option.

"Option" means a right to purchase Common Stock granted pursuant to Section 8.

“Option Price” means, with respect to any Option, the exercise price per share of Common Stock to which it relates.

“Option Shares” means the shares of Common Stock acquired by a Participant upon exercise of an Option.

“Outstanding,” with respect to any share of Common Stock, means, as of any date of determination, all shares that have been issued on or prior to such date, other than shares repurchased or otherwise reacquired by the Company or any Affiliate thereof, on or prior to such date.

“Participant” means any Eligible Person who has been granted an Award.

“Performance Share” has the meaning set forth in Section 12.

“Permanent Disability,” with respect to any Participant who is an employee of the Company or any of its Subsidiaries, shall be defined in the same manner as such term or a similar term is defined in an employment agreement applicable to the Participant or, in the case of a Participant who does not have an employment agreement that defines such term or a similar term, means that the Participant is unable to perform substantially all such Participant’s duties as an employee of the Company or any of its Subsidiaries by reason of illness or incapacity for a period of more than six months, or six months in the aggregate during any 12-month period, established by medical evidence reasonably satisfactory to the Compensation Committee.

“Permitted Transferee” means, (a) with respect to outstanding shares of Common Stock held by any Participant, any Person with respect to which the Board of Directors shall have adopted a resolution stating that the Board of Directors has no objection if a transfer of shares is made to such Person, and (b) with respect to Awards, or any other share of Common Stock issued as or pursuant to any Award, held by any Participant, (i) any Person to whom such Awards or other shares are transferred by will or the laws of descent and distribution or (ii) the Company.

“Person” means an individual, a partnership, a joint venture, a corporation, an association, a trust, an estate or other entity or organization, including a government or any department or agency thereof.

“Qualifying Performance Criteria” has the meaning set forth in Section 14(a) of the Plan.

“Restricted Shares” mean shares of Common Stock awarded to a Participant subject to the terms and conditions of the Plan under Section 9, the rights of ownership of which are subject to restrictions prescribed by the Compensation Committee.

“Retirement,” with respect to any Participant who is an employee of the Company or any of its Subsidiaries, means resignation or termination of employment (other than termination for Cause) upon the first to occur of the Participant’s attaining (a) age 65 or (b) age 60 with 10 years of service with the Company or a Subsidiary (including years of service granted by the Company or a Subsidiary as a result of a merger, acquisition, or other transaction); further provided that the

Compensation Committee may determine in its sole discretion that a resignation or termination of employment under other circumstances shall be considered "Retirement" for purposes of the Plan.

"Stock Appreciation Right" means a right that entitles the Participant to receive, in cash or Common Stock (as determined by the Compensation Committee in its sole discretion) value equal to or otherwise based on the excess of (a) the Fair Market Value of a specified number of shares of Common Stock at the time of exercise over (b) the exercise price of the right, as established by the Compensation Committee on the Date of Grant.

"Stock Unit" means an Award granted under Section 11 denominated in units of Common Stock.

"Subsidiary," means any corporation in which more than 50% of the total combined voting power of all classes of stock is owned, either directly or indirectly, by the Company or another Subsidiary.

"2004 Closing" means the closing of the Company's initial Public Offering.

"Vested Options" means, as of any date of determination, Options that by their terms have vested and are exercisable on such date.

"Vested Restricted Shares" means, as of any date of determination, Restricted Shares that by their terms have vested as of such date.

A "Wrongful Solicitation" shall be deemed to occur when a Participant or former Participant directly or indirectly (except in the course of such Participant's employment with the Company), for the purpose of conducting or engaging in a Competing Business, calls upon, solicits, advises or otherwise does, or attempts to do, business with any Person who is, or was, during the then most recent 12-month period, a customer of the Company or any of its Affiliates, or takes away or interferes or attempts to take away or interfere with any custom, trade, business, patronage or affairs of the Company or any of its Affiliates, or hires or attempts to hire any Person who is, or was during the most recent 12-month period, an employee, officer, representative or agent of the Company or any of its Affiliates, or solicits, induces, or attempts to solicit or induce any person who is an employee, officer, representative or agent of the Company or any of its Affiliates to leave the employ of the Company or any of its Affiliates, or violate the terms of their contract, or any employment agreement, with it.

3. Administration of the Plan.

(a) Members of the Compensation Committee. The Plan shall be administered, and Awards shall be granted hereunder, by the Compensation Committee.

(b) Authority of the Compensation Committee. Subject to Section 3(a), the Compensation Committee shall have full discretionary power and authority, subject to such

resolutions not inconsistent with the provisions of the Plan or applicable law as may from time to time be adopted by the Board, to (a) interpret and administer the Plan and any instrument or agreement entered into under the Plan, (b) establish such rules and regulations and appoint such agents as it shall deem appropriate for the proper administration of the Plan, and (c) make any determination and take any other action that the Compensation Committee deems necessary or desirable for administration of the Plan. All questions of interpretation, administration, and application of the Plan shall be determined in good faith by a majority of the members of the Compensation Committee then in office, except that the Compensation Committee may authorize any one or more of its members, or any officer of the Company, to execute and deliver documents on behalf of the Compensation Committee, and the determination of such majority shall be final and binding in all matters relating to the Plan.

4. Number of Shares Issuable in Connection with Awards.

(a) Limit. The maximum aggregate number of shares of Common Stock that may be issued in connection with Awards granted under the Plan is 2,200,000 shares, plus any shares that remain available for future grant in the EnerSys Amended and Restated 2006 Equity Incentive Plan and the EnerSys 2004 Equity Incentive Plan (collectively, the "Prior Plans") as of the Effective Date. Upon the Effective Date, no further awards may be made from the Prior Plans. Notwithstanding the foregoing, shares subject to a tandem SAR shall be charged against the authorized shares only once for the overall number of shares subject thereto and not for both the number of shares subject to the tandem SAR portion of the Award and the number of shares subject to the Option portion of the Award. The provisions of the preceding sentence shall apply whether an exercised tandem SAR is settled in cash or stock, or partly in both. The maximum number of shares that may be granted as Stock Options or SARs under the Plan to any Participant who is an employee during any calendar year shall not exceed 300,000 shares.

(b) Replenishment Provisions. Shares subject to any Awards that expire without being exercised or that are forfeited (and shares subject to awards made prior to the Effective Date under a Prior Plan that expire or are forfeited) shall again be available for future grants of Awards, provided that shares subject to a tandem SAR shall be replenished only once for the overall number of shares subject thereto and not for both the number of shares subject to the tandem SAR portion of the Award and the number of shares subject to the Option portion of the Award. Shares subject to Awards that have been retained by the Company in payment or satisfaction of the purchase price or tax withholding obligation of an Award shall not count against the limit set forth in paragraph (a) above. The Company shall not be under any obligation, however, to make any such future Awards.

(c) Substitute Awards. Substitute Awards issued by the Company in connection with an acquisition or other corporate transaction shall not count against the limitation set forth in paragraph (a) above.

(d) Adjustments. The limits provided for in this Section 4 shall be subject to adjustment as provided in Section 16(a).

5. Eligible Persons.

Awards may be granted or offered only to Eligible Persons. The Compensation Committee shall have the authority to select the individual Participants to whom Awards may be granted from among such class of Eligible Persons and to determine the number and form of Awards to be granted to each Participant.

6. Agreement.

The terms and conditions of each grant or sale of Awards shall be embodied in an Agreement in a form approved by the Compensation Committee, which shall contain terms and conditions not inconsistent with the Plan and which shall incorporate the Plan by reference. Each Agreement shall: (a) state the date as of which the Award was granted or sold, and (i) in the case of Options and Stock Appreciation Rights, set forth the number of Options and Stock Appreciation Rights being granted to the Participant and the applicable Option Price and/or exercise price (for Stock Appreciation Rights) and expiration date(s), and (ii) in the case of Restricted Shares and other Awards, set forth the number of Restricted Shares or other Awards being granted or offered to the Participant and, if applicable, the purchase price or other consideration for such Restricted Shares or other Awards; (b) set forth the vesting schedule (if any); (c) set forth any other terms and conditions established by the Compensation Committee; (d) be signed by the recipient of the Award and a person designated by the Compensation Committee; and (e) be delivered to the recipient of the Award.

7. Restrictions on Transfer.

(a) Restrictions on Transfer. No Restricted Share, Bonus Stock, Performance Share, or Option Share or other share of Common Stock issued as or pursuant to any Award may be sold, transferred, assigned, pledged, or otherwise encumbered or disposed of (or made the subject of any derivative transaction) to or with any third party (other than a Permitted Transferee); provided, however, that any such restriction on transfer shall terminate as to any such share when such share is no longer subject to any term, condition or other restriction under the Plan (other than Section 7(b)). No Option, Stock Appreciation Right, Stock Unit, or other Award not in the form of a share of Common Stock may be sold, transferred, assigned, pledged, or otherwise encumbered or disposed of (or made the subject of any derivative transaction) to or with any third party other than a Permitted Transferee. Each Permitted Transferee (other than the Company) by will or the laws of descent and distribution or otherwise, of any Award (or share issued in respect thereof) shall, as a condition to the transfer thereof to such Permitted Transferee, execute an agreement pursuant to which it shall become a party to the Agreement applicable to the transferor.

(b) No Participant will, directly or indirectly, offer, sell, assign, transfer, grant or sell a participation in, create any encumbrance on or otherwise dispose of any Award or any Shares with respect thereto (or solicit any offers to buy or otherwise acquire, or take a pledge of, any Award or any Shares with respect thereto), in any manner that would conflict with or violate the 1933 Act.

8. Options.

(a) Terms of Options Generally. The Compensation Committee may grant Options designated as Incentive Stock Options or Nonqualified Stock Options. Options may be granted to any Eligible Person. Each Option shall entitle the Participant to whom such Option was granted to purchase, upon payment of the relevant Option Price, one share of Common Stock. Options granted under the Plan shall comply with the following terms and conditions:

(i) Option Price.

A. The Option Price for shares purchased under an Option shall be as determined by the Compensation Committee, but shall not be less than the Fair Market Value of the Common Stock as of the Date of Grant, except in the case of substitute awards issued by the Company in connection with an acquisition or other corporate transaction.

B. The Option Price for shares purchased under an Option shall be paid in full to the Company 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 this 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:

(1) cash;

(2) check or wire transfer;

(3) tendering (either actually or by attestation) shares of Common Stock already owned by the 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;

(4) to the extent permitted by applicable law, Cashless Exercise; or

(5) 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 such Participant pursuant to a Cashless Exercise without any prior approval or consent of the Compensation Committee.

(ii) Vesting of Options. Each Option shall vest and become exercisable on such terms and conditions as shall be prescribed by the Compensation Committee.

(iii) Duration of Options. Subject to earlier termination in accordance with the terms of the Plan and the instrument evidencing the Option, the maximum term of an Option shall be as established for that Option by the Compensation Committee but in no event shall be greater than ten years from the Date of Grant.

(iv) Exercise Following Termination of Employment. Upon termination of a Participant's employment with the Company and its Subsidiaries, unless otherwise determined by the Compensation Committee in its sole discretion, the following terms and conditions shall apply:

A. if the Participant's employment is terminated by the Company other than for Cause, or as a result of the Participant's resignation for Good Reason, or as a result of death, Permanent Disability or Retirement, the Participant (or, in the case of the Participant's death, such Participant's Beneficiary) may exercise any Options, to the extent vested as of the date of such termination, at any time until the earlier of (I) 60 days (three years, in the case of Retirement) following the date of such termination of employment, and (II) the expiration of the Option under the provisions of clause (iii) above; and

B. if the Participant's employment is terminated by the Company for Cause, or as a result of the Participant's resignation other than for Good Reason or Retirement, all of the Participant's Options (whether or not vested) shall expire and be canceled without any payment therefor as of the date of such termination.

Any Options not exercised within the applicable time period specified above shall expire at the end of such period and be canceled without any payment therefor.

(v) Certain Restrictions. Options granted hereunder shall be exercisable during the Participant's lifetime only by the Participant.

(vi) Stockholder Rights; Option and Share Adjustments. A Participant shall have no rights as a stockholder with respect to any shares of Common Stock issuable upon exercise of an Option until a certificate or certificates evidencing such shares shall have been issued to such Participant. Except as otherwise provided by the Board of Directors, no adjustment (including an adjustment of an Option's exercise price) shall be made with respect to (A) outstanding Options for dividends or other distributions, whether made with respect to Common Stock or otherwise, or (B) dividends, distributions or other rights in respect of any share of Common Stock for which the record date is prior to the date upon which the Participant shall become the holder of record thereof.

(vii) Dividends and Distributions. Any shares of Common Stock or other securities of the Company received by the 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.

(viii) Incentive Stock Options. Incentive Stock Options granted under this Plan shall be subject to the following additional conditions, limitations, and restrictions:

A. Incentive Stock Options may be granted only to employees of the Company or a Subsidiary or parent corporation of the Company, within the meaning of Code Section 424.

B. No Incentive Stock Option may be granted under this Plan after the 10-year anniversary of the date on which the Plan is adopted by the Board or, if earlier, the date on which the Plan is approved by the Company's stockholders.

C. The aggregate Fair Market Value (as of the Date of Grant) of the Common Stock with respect to which the Incentive Stock Options awarded to any Participant first become exercisable during any calendar year may not exceed \$100,000. For purposes of the \$100,000 limit, the Participant's Incentive Stock Options under this Plan and all other plans maintained by the Company and its Subsidiaries will be aggregated. To the extent any Incentive Stock Option would exceed the \$100,000 limit, the Incentive Stock Option will thereafter be treated as a Nonqualified Stock Option for all purposes. No Incentive Stock Option may be granted to any individual who owns stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or any Subsidiary.

D. If the Compensation Committee exercises its discretion to permit an Incentive Stock Option to be exercised by a Participant more than three months after the termination of a Participant's employment for any reason (or more than 12 months if the Participant is permanently and totally disabled, within the meaning of Code Section 22(e)), the Incentive Stock Option will thereafter be treated as a Nonqualified Stock Option for all purposes. For purposes of this subclause D, a Participant's employment relationship will be treated as continuing uninterrupted during any period that the Participant is on military leave, sick leave or another Approved Leave of Absence if the period of leave does not exceed 90 consecutive days, or a longer period to the extent that the Participant's right to reemployment with the Company or a Subsidiary is guaranteed by statute or by contract. If the period of leave exceeds 90 consecutive days and the Participant's right to reemployment is not guaranteed by statute or contract, the employment relationship will be deemed to have ceased on the 91st day of the leave.

(ix) Additional Terms and Conditions. Each Option granted hereunder, and any shares of Common Stock issued in connection with such Option, shall be subject to such additional terms and conditions not inconsistent with the Plan as are prescribed by the Compensation Committee and set forth in the applicable Agreement.

(b) Unvested Options. Upon termination of a Participant's employment or service with the Company and its Subsidiaries, all Options granted to such Participant that have not theretofore vested (and which do not vest by reason of such termination of employment or service) shall terminate and be canceled without any payment therefor.

9. Restricted Shares and Bonus Shares.

(a) Terms of Restricted Shares and Bonus Shares Generally. Restricted Shares and Bonus Shares awarded by the Compensation Committee shall not require payment of any consideration by Participants, except as otherwise determined by the Compensation Committee in its sole discretion.

(b) Restricted Shares and Bonus Shares shall comply with the following terms and conditions:

(i) Vesting. Any Awards of Restricted Shares shall vest in accordance with a vesting schedule to be specified by the Compensation Committee. Except (A) with respect to grants to the Company's non-employee directors, or (B) as vesting may be accelerated pursuant to the terms of the Plan, such restrictions shall not fully terminate prior to three years after the Date of Grant. Bonus Shares shall be fully vested when granted.

(ii) Stockholder Rights. Unless otherwise determined by the Compensation Committee in its sole discretion, a Participant shall have all rights of a stockholder as to the Restricted Shares and Bonus Shares awarded to such Participant, including the right to receive dividends and the right to vote in accordance with the Company's Certificate of Incorporation, subject to the restrictions set forth in the Plan and the applicable Agreement.

(iii) Dividends and Distributions. Any shares of Common Stock or other securities of the Company received by a Participant as a result of a stock distribution to holders of Restricted Shares or as a stock dividend on Restricted Shares shall be subject to the same restrictions as such Restricted Shares or Bonus Shares and all references to Restricted Shares or Bonus Shares hereunder shall be deemed to include such shares of Common Stock or other securities.

(iv) Additional Terms and Conditions. Each Restricted Share and Bonus Share granted or offered for sale hereunder shall be subject to such additional terms and conditions not inconsistent with the Plan as are prescribed by the Compensation Committee and set forth in the applicable Agreement.

(c) Unvested Restricted Shares. Unless otherwise determined by the Compensation Committee in its sole discretion, upon termination of a Participant's employment or service with the Company and its Subsidiaries, all Restricted Shares granted or sold to such Participant that have not theretofore vested (and that do not vest by reason of such termination of employment) shall terminate and be canceled without any payment therefor.

10. Stock Appreciation Rights.

Stock Appreciation Rights may be granted to Participants either alone ("freestanding") or in addition to or in tandem with other Awards granted under the Plan and may, but need not, relate to a specific Option granted hereunder. The provisions of Stock Appreciation Rights need not be the same with respect to each grant or each recipient. Any Stock Appreciation Right granted in tandem with an Option may be granted at the same time such Option is granted or at any time thereafter before exercise or expiration of such Option. All Stock Appreciation Rights granted under the Plan shall be granted subject to the same terms and conditions applicable to Nonqualified Stock Options as set forth in Section 8(a); provided, however, that Stock Appreciation Rights granted in tandem with a previously granted Option shall have the terms and conditions as such Option. Subject to the provisions of Section 8, the Compensation Committee may impose such other conditions or restrictions on any Stock Appreciation Right as it shall

deem appropriate. Stock Appreciation Rights may be settled in Common Stock or cash as determined by the Compensation Committee in its sole discretion.

11. Stock Units.

The Compensation Committee may also grant Awards of Stock Units under the Plan. With respect to each grant of Stock Units, the Compensation Committee shall determine in its sole discretion the period or periods, including any conditions for determining such period or periods, during which any restrictions on full vesting shall apply, provided that in no event, other than in connection with a termination of employment, or with respect to grants to non-employee directors, shall such period or periods be less than three years (the "Unit Restriction Period"). The Compensation Committee may also make any Award of Stock Units subject to the satisfaction of other conditions, including the attainment of performance goals, or contingencies ("Unit Vesting Condition"), in order for a Participant to receive payment of such Stock Unit Award, which shall be established by the Compensation Committee at the Date of Grant thereof. The Compensation Committee may specify that the grant, vesting, or retention of any or all Stock Units shall be a measure based on one or more Qualifying Performance Criteria selected by the Compensation Committee and specified at the Date of Grant thereof. If required by Code Section 162(m), the Compensation Committee shall certify the extent to which any Qualifying Performance Criteria have been satisfied, and the amount payable as a result thereof, prior to payment of any Stock Units that are intended to satisfy the requirements for "performance-based compensation" under Code Section 162(m). Awards of Stock Units shall be payable in Common Stock or cash as determined by the Compensation Committee in its sole discretion. The Compensation Committee may permit a Participant to elect to defer receipt of payment of all or part of any Award of Stock Units pursuant to rules and regulations adopted by the Compensation Committee. Unless the Compensation Committee provides otherwise at the Date of Grant of an Award of Stock Units, the provisions of Section 9 of this Plan relating to the vesting of Restricted Shares shall apply during the Unit Restriction Period or prior to the satisfaction of any Unit Vesting Condition for such Award.

12. Performance Shares.

The Compensation Committee may grant Awards of Performance Shares and designate the Participants to whom Performance Shares are to be awarded and determine the number of Performance Shares, the length of the performance period and the other terms and conditions of each such Award. Each Award of Performance Shares shall entitle the Participant to a payment in the form of shares of Common Stock upon the attainment of performance goals (which may be Qualifying Performance Criteria) and other terms and conditions specified by the Compensation Committee. Notwithstanding satisfaction of any performance goals, the number of shares issued under an Award of Performance Shares may be adjusted on the basis of such further considerations as the Compensation Committee shall determine, in its sole discretion. However, the Compensation Committee may not, in any event, increase the number of shares earned upon satisfaction of any performance goal by any Participant subject to Code Section 162(m) to the extent such Section is applicable. The Compensation Committee, in its sole discretion, may

make a cash payment equal to the Fair Market Value of the Common Stock otherwise required to be issued to a Participant pursuant to an Award of Performance Shares.

13. Other Stock-Based Awards.

In addition to the Awards described in Sections 8 through 12, and subject to the terms of the Plan, the Compensation Committee may grant other Awards payable in shares of Common Stock under the Plan as it determines to be in the best interests of the Company and subject to such other terms and conditions as it deems appropriate.

14. Performance-Based Awards.

(a) Qualifying Performance Criteria. Awards of Options, Restricted Shares, Stock Units, Performance Shares, and other Awards made pursuant to the Plan may be made subject to the attainment of performance goals relating to one or more business criteria. For purposes of the Plan, such business criteria shall mean any one or more of the following performance criteria, either individually, alternatively or in any combination: (a) cash flow; (b) earnings (including, without limitation, gross margin, earnings before interest and taxes, earnings before taxes, earnings before interest, taxes, depreciation and amortization, and net earnings); (c) earnings per share; (d) growth in earnings or earnings per share; (e) stock price; (f) return on equity or average stockholders' equity; (g) total stockholder return; (h) return on capital; (i) return on assets or net assets; (j) return on investment; (k) sales, growth in sales or return on sales; (l) income or net income; (m) operating income or net operating income; (n) operating profit or net operating profit; (o) operating margin; (p) return on operating revenue; (q) economic profit, (r) market share; (s) overhead or other expense reduction; (t) growth in stockholder value relative to various indices, including, without limitation, the S&P 500 Index or the Russell 2000 Index, (u) strategic plan development and implementation, (v) net debt, (w) working capital (including components thereof), and (x) during the "reliance period" (as defined in Treasury Regulation section 1.162-27(f)(2)), any other similar objective financial performance metric selected by the Compensation Committee in its sole discretion (collectively, the "Qualifying Performance Criteria"). To the extent required by or consistent with Code Section 162(m), the Compensation Committee may appropriately adjust any evaluation of performance under a Qualifying Performance Criteria to exclude any of the following events that occur during a performance period: (z) asset write-downs or write-ups, (aa) litigation, claims, judgments or settlements, (bb) the effect of changes in tax law, accounting principles or other such laws or provisions affecting reported results, (cc) accruals for reorganization and restructuring programs, (dd) any extraordinary, unusual or non-recurring items as described in Accounting Standards Codification (ASC) 225 and/or in management's discussion and analysis of financial condition and results of operations appearing in the Company's Annual Report to stockholders for the applicable year, and (ee) amounts paid in reimbursement to stockholders pursuant to agreements in place at the 2004 Closing.

(b) Any Qualifying Performance Criteria may be used to measure the performance of the Company as a whole or with respect to any business unit, subsidiary or business segment of the Company, either individually, alternatively or in any combination, and may be measured either annually or cumulatively over a period of years, on an absolute basis or

relative to a pre-established target, to previous period results or to a designated comparison group, in each case as specified by the Compensation Committee in the Award. To the extent required by Code Section 162(m), prior to the payment of any compensation under an Award intended to qualify as “performance-based compensation” under Code Section 162(m), the Compensation Committee shall certify the extent to which any such Qualifying Performance Criteria and any other material terms under such Award have been satisfied (other than in cases where such relate solely to the increase in the value of the Common Stock). To the extent Code Section 162(m) is applicable, the Compensation Committee may not in any event increase the amount of compensation payable to a Participant subject to Code Section 162(m) upon the satisfaction of any Qualifying Performance Criteria.

(c) To the extent an Award is intended to qualify under Code Section 162(m), any language in the Award agreement, Compensation Committee resolutions, or other agreements and actions in connection with the Award, to the extent inconsistent with Section 162(m) shall be deemed interpreted and modified to the minimum extent necessary so that such Awards are compliant with Code Section 162(m).

15. Certain Forfeitures.

In the event a Participant or former Participant engages in a Competing Business or in Wrongful Solicitation while in the employ of the Company or a Subsidiary, or during the period of 13 months immediately following termination of such employment, the following rules shall apply:

(a) all Awards then held by the Participant (whether vested or not) shall be forthwith forfeited without payment or other compensation of any kind; provided, however, that the Company shall remit to the Participant the lesser of (i) the amount (if any) such Participant paid for forfeited Awards and (ii) in the case of Restricted Shares or Performance Shares, the Fair Market Value of such Restricted Shares as of the date of termination;

(b) notwithstanding subclause (a), in the event Vested Restricted Shares or vested Performance Shares were disposed of (for or without receipt of value) during the period commencing one year prior to the initial engagement in a Competing Business or in Wrongful Solicitation through the 13-month anniversary of the Participant’s termination of employment with the Company or a Subsidiary, then, upon written demand by the Company, the Participant or former Participant, as the case may be, shall forthwith remit to the Company the Fair Market Value of such Vested Restricted Shares or vested Performance Shares, as determined on the date of disposition, less the amount (if any) paid by the Participant for such shares; and

(c) in the event Option Shares, Shares obtained pursuant to the exercise of a Stock Appreciation Right or other Shares obtained pursuant to Awards under the Plan (and not described in subparagraph (b)) were disposed of (for or without receipt of value) during the period commencing one year prior to the initial engagement in a Competing Business or in Wrongful Solicitation through the 13-month anniversary of the Participant’s termination of employment with the Company or a Subsidiary, then, upon written demand by the Company, the Participant or former Participant, as the case may be, shall forthwith remit to the Company the

Fair Market Value of such Shares, as determined on the date of disposition, less the Option Price or other amount (if any) paid therefor.

16. Effect of Certain Corporate Changes and Changes in Control.

(a) Dilution and Other Adjustments. If the Outstanding shares of Common Stock or other securities of the Company, or both, for which the Award is then exercisable or as to which the Award is to be settled shall at any time be changed or exchanged by declaration of a stock dividend, stock split, combination of shares, extraordinary dividend of cash and/or assets, recapitalization, or reorganization, the Compensation Committee may, and if such event occurs after a Change of Control, the Compensation Committee shall, appropriately and equitably adjust the number and kind of shares of Common Stock or other securities that are subject to the Plan or subject to any Awards theretofore granted, and the exercise or settlement prices of such Awards, so as to maintain the proportionate number of shares of Common Stock or other securities without changing the aggregate exercise or settlement price.

(b) Change in Control. Unless otherwise provided by the Committee either by the terms of the Award agreement applicable to any Award or by resolution adopted prior to the occurrence of a Change in Control, (i) 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, Awards not previously vested shall immediately become vested; or (ii) in the event a Participant terminates employment for Good Reason, or is terminated by the Company without Cause on or within two years after a Change in Control not described in subsection (i), Awards not previously vested shall immediately become vested. Unless otherwise provided by the Committee either by the terms of the Award agreement applicable to any Award or by resolution adopted prior to the occurrence of a Change in Control, (i) 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, any vested and outstanding Award shall, upon the occurrence of such Change in Control, be cancelled in exchange for a payment in cash in an amount based on the Fair Market Value of the shares of Common Stock subject to the Award, less any Option Price, which amount may be zero if applicable; or (ii) in the event of a Change in Control not described in subsection (i) above, any outstanding Award shall, upon the occurrence of such Change in Control, be assumed and continued or an equivalent award substituted by the Company's successor or a parent or subsidiary of such successor.

17. Miscellaneous.

(a) No Rights to Grants or Continued Employment or Engagement. No Participant shall have any claim or right to receive grants of Awards under the Plan. Neither the Plan nor any action taken or omitted to be taken hereunder shall be deemed to create or confer on any Participant any right to be retained in the employ or as a director 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 Subsidiary or other Affiliate thereof to terminate the employment or other retention of such Participant at any time.

(b) Right of Company to Assign Rights and Delegate Duties. The Company shall have the right to assign any of its rights and delegate any of its duties hereunder to any of its Affiliates. The terms and conditions of any Award under the Plan shall be binding upon and shall inure to the benefit of the personal representatives, heirs, legatees, and permitted successors and assigns of the relevant Participant and the Company.

(c) Tax Withholding. The Company and its Subsidiaries may require the Participant to pay to the Company the amount of any taxes that the Company is required by applicable federal, state, local or other law to withhold with respect to the grant, vesting, or exercise of an Award. The Company shall not be required to issue any shares of Common Stock under the Plan until such obligations are satisfied in full. The Compensation Committee may in its sole discretion permit or require a Participant to satisfy all or part of such Participant's tax withholding obligations by (1) paying cash to the Company, (2) having the Company withhold a number of shares of Common Stock that would otherwise be issued to the Participant (or become vested in the case of Restricted Shares), having a Fair Market Value equal to the tax withholding obligations, (3) surrendering a number of shares of Common Stock the Participant already owns, having a Fair Market Value equal to the tax withholding obligations, or (4) entering into such other arrangement as is acceptable to the Compensation Committee in its sole discretion. The value of any shares withheld or surrendered may not exceed the employer's minimum tax withholding obligation and, to the extent such shares were acquired by the Participant from the Company as compensation, the shares must 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. The Company and its Subsidiaries shall also have the right to deduct from any and all cash payments otherwise owed to a Participant any federal, state, local or other taxes required to be withheld with respect to the Participant's participation in the Plan.

(d) No Restriction on Right of Company to Effect Corporate Changes. The Plan shall not 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 that 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 its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

(e) 1934 Act. Notwithstanding anything contained in the Plan or any Agreement to the contrary, if the consummation of any transaction under the Plan would result in the possible imposition of liability on a Participant pursuant to Section 16(b) of the 1934 Act, the Compensation Committee shall have the right, in its sole discretion, but shall not be obligated, to defer such transaction to the extent necessary to avoid such liability.

(f) Securities Laws. Notwithstanding any other provision of the Plan, the Company shall have no obligation to issue or deliver any shares of Common Stock under the Plan or make any other distribution of benefits under the Plan unless, in the judgment of the

Compensation Committee, such issuance, delivery or distribution would comply with all applicable laws (including, without limitation, the requirements of the 1933 Act and 1934 Act or the laws of any state or foreign jurisdiction) and the applicable requirements of any securities exchange or similar entity.

(g) Severability. If any provision of the Plan or any Award is determined to be invalid, illegal or unenforceable in any jurisdiction, or as to any Person, or would disqualify the Plan or any Award under any law deemed applicable by the Compensation Committee, such provision shall be construed or deemed amended to conform to applicable laws, or, if it cannot be so construed or deemed amended without, in the Compensation Committee's determination, materially altering the intent of the Plan or the Award, such provision shall be stricken as to such jurisdiction, person or Award, and the remainder of the Plan and any such Award shall remain in full force and effect.

(h) Vesting.

(i) Notwithstanding anything to the contrary contained in the Plan, the minimum period over which full-value, performance-based awards and full-value, tenure-based awards granted under the Plan may entirely vest shall be one (1) year and three (3) years, respectively; provided, however, that up to 10% of the shares authorized under the Plan shall not be subject to such restrictions; and, provided, further, that such restrictions shall not affect or otherwise limit any acceleration of vesting pursuant to the Plan or set forth in the applicable Agreement.

(ii) Notwithstanding anything to the contrary contained in the Plan, but subject to Section 15, unless otherwise provided in an applicable Agreement, a Participant's termination of employment or service by reason of Retirement or Good Reason, such Participant's then unvested awards shall automatically become vested, and in the case of Options or SARs, exercisable.

18. Amendment.

The Board of Directors may at any time and from time to time alter, amend, suspend, or terminate the Plan in whole or in part. No termination or amendment of the Plan may, without the consent of the Participant to whom any Awards shall previously have been granted, adversely affect the rights of such Participant in such Awards. In addition, no amendment of the Plan shall, without the approval of the stockholders of the Company:

- (a) change the class of individuals eligible for awards under the Plan;
- (b) increase the maximum number of shares of Common Stock for which Awards may be granted under this Plan;
- (c) reduce the price at which Options may be granted below the price provided for in Section 8(a) hereof;

(d) reduce the Option Price of outstanding Options;

(e) cancel an Option or Stock Appreciation Right in exchange for cash when the exercise or grant price per share exceeds the Fair Market Value of one share of Common Stock or take any action with respect to an Option or Stock Appreciation Right that would be treated as a repricing under the rules and regulations of the principal securities exchange on which the Common Stock is traded; or

(f) extend the term of this Plan.

19. Termination of the Plan.

The Plan shall continue until terminated by the Board of Directors pursuant to Section 18 or as otherwise set forth in this Plan, and no further Awards shall be made hereunder after the date of such termination. Unless earlier terminated, the Plan shall terminate ten (10) years after the Effective Date (provided the awards granted before that date shall continue in accordance with their terms).

20. Conditions to Issuance of Shares.

(a) The Company shall be under no obligation to any Participant to register for offering or resale or to qualify for exemption under the 1933 Act, or to register or qualify under the laws of any state or foreign jurisdiction, any shares of Common Stock, security or interest in a security paid or issued under, or created by, the Plan, or to continue in effect any such registrations or qualifications if made. The Company may issue certificates for shares with such legends and subject to such restrictions on transfer and stop-transfer instructions as the Compensation Committee deems necessary or desirable for compliance by the Company with federal, state, and foreign securities laws. The Company may also require such other action or agreement by the Participants as may from time to time be necessary to comply with applicable securities laws.

(b) To the extent the Plan or any instrument evidencing an Award provides for issuance of stock certificates to reflect the issuance of shares of Common Stock, the issuance may be effected on a noncertificated basis, to the extent not prohibited by applicable law or the applicable rules of any stock exchange.

21. Headings; Number; Gender.

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 the Plan.

Words used herein in the singular form shall be construed as being used in the plural form, as appropriate in the relevant context, and vice versa. Pronouns used herein of one gender shall be construed as referring to either or both genders, as appropriate in the relevant context.

22. Limited Waiver.

The waiver by the Company of any of its rights under the Plan with respect to any Participant, whether express or implied, shall not operate or be construed as a waiver of any other rights the Company has with respect to such Participant or of any of its rights with respect to any other Participant.

23. Governing Law.

The Plan and all rights hereunder shall be governed by and construed in accordance with the laws of the State of Delaware without reference to rules relating to conflicts of law.

24. Compliance with Code Section 409A.

(a) This Plan is intended to comply and shall be administered in a manner that is intended to comply with Code Section 409A and shall be construed and interpreted in accordance with such intent. To the extent that an Award or the payment, settlement, or deferral thereof is subject to Code Section 409A, the Award shall be granted, paid, settled, or deferred in a manner that will comply with Code Section 409A, including regulations or other guidance issued with respect thereto, except as otherwise determined by the Compensation Committee. Any provision of this Plan that would cause the grant of an Award or the payment, settlement, or deferral thereof to fail to satisfy Code Section 409A shall be amended to comply with Code Section 409A on a timely basis, which may be made on a retroactive basis, in accordance with regulations and other guidance issued under Code Section 409A.

(b) Notwithstanding anything in the Plan to the contrary, the receipt of any benefits under this Plan as a result of a termination of employment shall be subject to satisfaction of the condition precedent that the 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 month period measured from the date of the Participant’s “separation from service” (as such term is defined in Treas. Reg. § 1.409A-1(h)), or (ii) the date of the 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 the Participant in a lump sum, and any remaining payments and benefits due under this Plan shall be paid or provided in accordance with the normal payment dates specified for them herein.

25. Effective Date.

The Plan shall become effective (the “Effective Date”) upon approval by the stockholders of the Company.



Exhibit 10.4

October 30, 2014

John D. Craig
<Address>
<City, State, Zip Code>

Re: Employment Agreement dated November 9, 2000 between Yuasa, Inc. and John D. Craig (together with the amendments thereto, the "Employment Agreement")

Dear John:

This letter agreement serves to amend the Employment Agreement in accordance with Section 10.4 thereof. All capitalized terms in this letter agreement shall have the same meaning as in the Employment Agreement, except as provided herein.

The Executive presented the management succession plan to the Company's Board of Directors and recommended its approval. Based upon the approval of the foregoing by the Company's Board of Directors, effective immediately prior to the appointment of David M. Shaffer as President and Chief Operating Officer of the Company on November 1, 2014, (a) solely for purposes of Section 2.1 and the definition of "Good Reason" contained in Section 5.4 of the Employment Agreement, the Executive shall no longer be the President of the Company, and (b) for valuable consideration, the receipt and sufficiency of which are hereby acknowledge, the parties hereby agree that the first sentence of Section 2.1 of the Employment Agreement is hereby amended by replacing it in its entirety with the following text:

The Company hereby employs the Executive, and the Executive agrees to serve, as the Chairman and Chief Executive Officer of the Company, upon the terms and conditions herein contained.

The Company acknowledges that "Good Reason" under the Employment Agreement includes, among other things, "a material diminution of the authority, responsibilities or positions of the Executive from those set forth in Section 2.1 (including the failure of the Executive to be elected a director or Chairman of the Board)", and that the Executive may, absent the Executive's prior written consent, terminate employment for Good Reason following the effective date of the change in position mentioned above. The Executive, by signing below, hereby irrevocably waives the

Executive's right to claim Good Reason solely as a consequence of the changes provided above. This waiver is a onetime waiver of the Executive's right under the Employment Agreement and shall not be binding on the Executive in any other respect.

This waiver was approved by the Compensation Committee of the Board of Directors on October 14, 2014.

Sincerely,

ENERSYS

/s/ Richard W. Zuidema

Richard W. Zuidema
Executive Vice President

By signing on the line below, the Executive expressly agrees to the change in position and waives the Executive's right to claim "Good Reason" under the Employment Agreement with respect to such change

By: /s/ John D. Craig

John D. Craig



October 20, 2014

Mr. David M. Shaffer
<Address>
<City, State, Zip Code>

Re: Appointment as President and Chief Operating Officer of EnerSys

Dear Dave:

As has been previously discussed with you, we are pleased to offer you the position of President and Chief Operating Officer (collectively, the "Positions") of EnerSys (the "Company"). Your employment in the Positions will be at-will and will be subject to the terms and conditions of this letter agreement.

1. Title. You will serve as the Company's President and Chief Operating Officer and, in such capacity, will report directly to the Company's Chief Executive Officer (the "CEO"). In addition, you will have such duties and responsibilities that are commensurate with the Positions, as determined from time-to-time by the CEO.

2. Nature of Employment; Time Commitment. Your employment in the Positions will commence effective as of November 1, 2014 (the "Effective Date"). So long as you are employed by the Company, you shall devote substantially all of your business time and energy and your best efforts to the performance of your duties as an employee of the Company and shall faithfully and diligently serve the Company in accordance with this letter agreement and the guidelines, policies and procedures of the Company as in effect from time-to-time. This obligation, however, shall not preclude you from engaging in appropriate civic, charitable or religious activities or, with the consent of the Company's CEO and in compliance with the Company's policies, from serving on the boards of directors of companies that are not competitors to the Company, as long as such activities do not materially interfere or conflict with your responsibilities to, or your ability to perform your duties of employment for, the Company.

3. Compensation; Benefits. During your employment with the Company:

(a) Base Salary. The Company shall pay you an annual base salary of \$460,000.00, subject to annual review and adjustment by the Compensation Committee of the Board (the "Compensation Committee").

(b) MIP. You will be eligible to participate in the EnerSys Management Incentive Plan as such plan may be in effect from time-to-time.

(c) Reimbursement of Business Expenses. You will be reimbursed for reasonable customary and necessary out-of-pocket business expenses in accordance with the rules and policies of the Company as in effect from time-to-time.

(d) Reimbursement of Certain Relocation Expenses. The Company will reimburse you reasonable amounts, approved by the Company in advance, that you are required to pay to ship personal effects from your residence in Switzerland to Pennsylvania, provided that you submit receipts documenting these expenses.

(e) Benefits. You will receive medical, fringe and related employee benefits made generally available to eligible members of senior management of the Company based in the United States in accordance with, and subject to, plan terms and documents (and conditions thereof) as in effect from time-to-time.

(f) Equity-Based Awards. Subject to approval of the Board or the Compensation Committee, you will be eligible to receive equity-based awards subject to the terms and conditions of the Company's applicable equity incentive plan as may be in effect at the time of grant, and an agreement between you and the Company in the form approved by the Board or the Compensation Committee.

4. Swiss Contract Acknowledgment. You hereby acknowledge and agree that:

(a) you are a party to a certain letter agreement, dated January 21, 2013, with the Company (the "Swiss Letter Agreement"), and to a certain employment contract, dated January 21, 2013, with the Company's affiliate, EH Europe GmbH (the "Swiss Employment Contract" and together with the Swiss Letter Agreement, collectively, the "Swiss Employment Agreement"); and

(b) your employment with EH Europe GmbH and the Term (as defined in the Swiss Letter Agreement) shall automatically terminate effective as of the close of business on the day immediately preceding the Effective Date, and, at such time (including, but not limited to, Section 3 of the Swiss Letter Agreement), the Swiss Employment Agreement shall forthwith become void and have no further force or effect, except for (i) the provisions of Section 2(f) of the Swiss Letter Agreement (pertaining to tax return preparation and tax equalization in connection with your employment with EH Europe GmbH during the Term) and, to the extent necessary to effectuate

such Section 2(f), Sections 5, 6 and 7 of the Swiss Letter Agreement and (ii) the provisions of Sections 5, 6 and 8 and the first sentence of Section 9 of the Swiss Employment Contract which, by their terms, relate to post-Term rights or obligations, all of which provisions shall survive such termination and remain in full force and effect in accordance with their respective terms.

5. Termination: Either party can terminate your employment with the Company at any time for any reason or no reason upon giving the other party advance written notice of termination. In the event of such termination, you shall receive (a) all accrued unpaid base salary through the date of termination, (b) reimbursement of expenses through the date of termination and reimbursable pursuant to Section 5(c) above (provided that reimbursement is requested and properly documented within 60 days of termination), and (c) medical and related employee benefits pursuant to plan terms and conditions and as otherwise required pursuant to applicable law.

6. Miscellaneous.

(a) This letter agreement contains the entire understanding and agreement between you and the Company with respect to your employment in the Positions, except for (i) a certain severance benefits letter agreement, dated June 7, 2013, between you and the Company with respect to certain severance and termination benefits and (ii) the award agreements between you and the Company executed pursuant to the respective Equity Incentive Plans (as hereinafter defined in this Section 7(a)). Except as set forth herein, this letter agreement supersedes any previous oral and written negotiations, agreements, commitments and writings, except that the “Noncompetition,” “Wrongful Solicitation” and “Confidentiality/Specific Performance” sections in the EnerSys 2004 Equity Incentive Plan, the EnerSys 2006 Equity Incentive Plan, the EnerSys 2010 Equity Incentive Plan (collectively, the “Equity Incentive Plans”) and award agreements between you and the Company thereunder shall survive the execution of this letter agreement.

(b) This letter agreement may not be modified in any manner, except by an instrument in writing and signed by the parties.

(c) This letter agreement shall be binding upon and inure to the benefit of you and your heirs and beneficiaries, and it shall be binding upon and inure to the benefit of the Company and its successors and assigns.

(d) This letter agreement may be executed in two or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument. In the event that any signature is delivered by facsimile transmission or by an e-mail which contains a portable document format (.pdf) file of an executed signature page, such signature page shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such signature page were an original thereof.

(e) This letter agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, without giving effect to the choice of law or conflicts of law rules and laws of such jurisdiction.

(f) You agree that any action brought to enforce this letter agreement, or to test the enforceability of any of its provisions, shall be brought exclusively in either the United States District Court of the Eastern District of Pennsylvania or the Court of Common Pleas of Berks County. You hereby voluntarily consent to personal jurisdiction in the Commonwealth of Pennsylvania and waive any right you may otherwise have to contest the assertion of jurisdiction over you in Pennsylvania.

7. Acceptance of Employment. If you are in agreement with the terms and conditions of this letter agreement, please sign this letter agreement where indicated below.

ENERSYS DELAWARE INC.

By /s/ Richard W. Zuidema

Name: Richard W. Zuidema

Title: President

I have read and understood this letter agreement and hereby acknowledge, accept and agree to the terms as set forth above and further acknowledge that no other commitments were made to me as part of my employment offer except as specifically set forth herein.

/s/ David M. Shaffer

David M. Shaffer

Dated: October 20, 2014

Employment Contract Exhibit 10.6

dated September 12, 2014

between **EH Europe GmbH**

Löwenstrasse 32

CH-8001 Zürich
Switzerland

hereinafter: "**Employer**"

and **Todd Sechrist**

<Address>

<City, State Zip Code>

hereinafter: "**Executive**"

* * * * *

Recitals

Executive has been working for EnerSys as President -Americas since 2012. Executive will now take on the position of President EnerSys EMEA. In this function, Executive will be formally employed by Employer, and the purpose of this employment contract is to formalize the terms and conditions of such employment relationship.

1 Function, Scope of Employment and Duties

Executive is employed for the position and function of the Managing Director (*Vorsitzender der Geschäftsführung*) of Employer. In this position, Executive will also assume responsibility for EnerSys' operations in Europe, the Middle East and Africa (EnerSys EMEA). Executive's functional title shall be "President EnerSys EMEA".

Executive shall take on all the duties and obligations that are commensurate with the position of President EnerSys EMEA and shall directly report to the President and Chief Operating Officer of EnerSys. He shall carefully perform the work within his responsibility and devote all of his efforts and time to work for Employer. He shall spend the time which is required for the careful performance of his duties and obligations without being restricted by regular business working hours.

2 Start of Work, Employment Term

The employment relationship under this employment contract shall start on 1 November 2014. The statutory notice periods apply. There is no probation period.

3 Remuneration

3.1 Base Salary

Executive shall be entitled to a fixed gross salary of USD 400,000 (in words: US Dollars four hundred thousand) per year (the "**Base Salary**"), from which shall be deducted Executive's contributions to the social insurances and pension plans under applicable Swiss laws and regulations and the relevant pension plans. The Base Salary will be paid to Executive in twelve identical installments at the end of each calendar month.

The Base Salary includes the full remuneration for any extra hours necessary for the carrying out of the duties and obligations of Executive's position and function as defined in Section 1.

3.2 Other Payments and Benefits

Any additional payments and benefits to which Executive may be entitled as President EnerSys EMEA are defined in, and governed by, the Letter Agreement between Executive and EnerSys.

4 Vacation

Executive shall be entitled to 20 (in words: twenty) working days as paid vacation per calendar year, to be taken at times to be determined in agreement with Employer.

5 Social Security, Pension and Insurance

Employer will insure Executive with Swiss social security and insurance (occupational and non-occupational accident) institutions and pension funds, if and to the extent as mandatorily required by Swiss law and applicable treaties.

6 Intellectual Property Rights

All computer-programs, inventions, designs, creations, data, findings, works, methods, documents and the like which Executive solely or jointly with others, makes, conceives or contributes to during his activities under his employment contract (collectively the "**Work Results**") belong exclusively to Employer, regardless of whether or not they are protected under applicable laws and regulations. To the extent the rights in any Work Results do not already vest in Employer by virtue of Art. 332 para. 1 of the Swiss Code of Obligations ("**CO**") or Art. 17 of the Swiss Copyright Act, Executive hereby assigns and transfers any and all rights to and in connection with the Work Results to Employer. Employer is free to exploit, change, modify and use the Work Results at its own discretion without referring to Executive as the creator or author of the Work Results. Subject only to Art. 332 para. 4 CO, Executive is not entitled to any additional remuneration for the Work Results and the assignment of his rights therein.

7 Prohibition to Compete and to Solicit

Due to the fact that in his function Executive has access to the clientele and to the manufacturing and business secrets of Employer and EnerSys, Executive undertakes, during his employment relationship with Employer and for a period of 1 (one) year after its termination (regardless of whether such termination occurs during or after the Term), not to directly or indirectly, and whether as principal or investor or as employee, officer, director, manager, partner, consultant, agent, or otherwise, alone or in association with

any other person, firm, corporation, or other business organization, become involved in a Competing Business (as defined below) in the Americas, Europe or Asia, or in any geographic area in which Employer or EnerSys or any of their affiliated companies has engaged during the 12 (twelve) months immediately preceding the date of termination of this employment contract in any of the activities that comprise a Competing Business, or in which Executive has knowledge of Employer's or the EnerSys' plans to engage in any of the activities that comprise a Competing Business (including, without limitation, any area in which any customer of Employer or EnerSys or any of their affiliated companies may be located). This Section 7 para. 1 will not be violated, however, by your investment of up to USD 100,000 in the aggregate in one or several publicly-traded companies that engage in a Competing Business.

Executive further undertakes, for a period of one year after the termination of his employment with Employer (regardless of whether such termination occurs during or after the Term), that he will not, for the purpose of conducting or engaging in a Competing Business, (i) call upon, solicit, advise, or otherwise do or attempt to do, business with any person or company who is, or was, during the most recent 12-month period, a customer of Employer or EnerSys or any of their affiliated companies, (ii) take away or interfere or attempt to take away or interfere with any custom, trade, business, patronage, or affairs of Employer or EnerSys or any of their affiliated companies, (iii) hire or attempt to hire any person who is, or was during the most recent 12-month period an employee, officer, representative or agent of Employer or EnerSys or any of their affiliated companies, or (iv) solicit, induce, or attempt to solicit or induce any person who is an employee, officer, representative or agent of Employer or EnerSys or any of their affiliated companies to leave the employ of Employer or EnerSys or any of their affiliated companies, or violate the terms of their contract, or any other employment agreement, with it.

For the purposes of this Section 7, "**Competing Business**" means a business or enterprise (other than EnerSys and its direct or indirect subsidiaries and other affiliates) that is engaged in any or all of the following activities: the design, development, manufacture, importing, distribution, marketing or sale of (a) motive power batteries and chargers (including, without limitation, batteries and chargers for industrial forklift trucks and other materials handling equipment). (b) stationary batteries and chargers (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/or (c) any other product of any kind or type which EnerSys or any of its affiliates (i) now makes or (ii) hereafter makes or researches or develops at any time during the Executive's employment hereunder or with EnerSys, such as, for example, lithium-ion, nickel-zinc cells or batteries, enclosures or lithium products such as those used in space or medical applications. "**Competing Business**" also includes the design, engineering, installation or service of stationary and DC power systems, and any consulting and/or turnkey services relating thereto.

If Executive breaches his obligations in this Section 7, Employer has the right to ask for an injunction restraining Executive to start or continue activities which are contrary to his non-competition and non-solicitation obligations and, in particular, to force Executive to abandon the new occupation in accordance with the principles set out in Art. 340b para. 3 CO.

8 Data Protection

Executive acknowledges that Employer holds personal information about him, including details of his name, address, salary and other benefits, work records and next of kin information for administrative purposes in connection with his employment. Executive understands that this information may be made available to other companies within the EnerSys' group of companies. By signing this employment contract, Executive expressly consents to the collection and use of such information in accordance with this Section.

9 Applicable Law, Jurisdiction

This Agreement shall be governed by Swiss Law.

Any disputes arising out of this Agreement shall be submitted to the courts at the domicile or seat of the defendant or at the place where Executive usually carries out his work.

Signatures

Reading, PA, USA this 12th day of September 2014

EH Europe GmbH

/s/ Richard W. Zuidema

Name: Richard W. Zuidema

Title: Director

Reading, PA, USA, this 12th day of September 2014

/s/ Todd M. Sechrist

Todd Sechrist



September 12, 2014

Todd Sechrist
<Address>
<City, State Zip Code>

Re: Appointment as President EMEA

Dear Todd:

We are pleased to offer you ("Employee") the position of Managing Director of EH Europe GmbH ("Employer") and President EnerSys EMEA (collectively, "the Positions"). Your employment in the Positions will be at-will, and will be subject to the terms and conditions of this Letter Agreement and a separate employment contract between you and Employer, which contains provisions required by Swiss law ("the Employment Contract").

1. Duties.

(a) You will have such duties and responsibilities that are commensurate with the Positions, as determined from time to time by the President and Chief Operating Officer of EnerSys ("the Company"). These duties and responsibilities will include overall and daily management and direction of Employer's and the Company's operations in Europe, the Middle East, and Africa. You will report directly to the Company's President and Chief Operating Officer. You also may be assigned duties from time-to-time that are not related to operations in Europe, the Middle East or Africa.

(b) Your employment in the Positions will commence on November 1, 2014 or as soon as all appropriate legal work approvals are obtained in

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Switzerland. This temporary assignment to Switzerland is limited for a maximum term of three years and will expire October 31, 2017. (The period of time you are employed as in the Positions will be referred to in this Letter Agreement as “the Term.”)

2. Compensation and Benefits.

During the Term, you will be entitled to the following compensation and benefits:

- (a) Salary. You will be paid salary at the rate of \$400,000.00 per annum, payable in accordance with the Company’s standard payroll practices for salaried employees (“Base Salary”).
- (b) COLA. You will receive a cost of living supplement in the amount of CHF 55,000 per annum, which will be paid in 12 equal monthly payments.
- (c) MIP. You will participate in the then-current EnerSys Management Incentive Plan.
- (d) Car Allowance. The Company will lease a car for Employee in an amount not to exceed CHF 1,800 per month. It is understood that the car being leased for Employee is the car previously leased for the prior President EMEA. Such lease agreement will be in compliance with all Company car policies.
- (e) Housing. The Company will lease housing for the Employee, subject to such lease and its terms being approved by the Company’s Vice President of Human Resources, in an amount not to exceed CHF 8,500 per month.
- (f) Tax Return Preparation and Tax Equalization. The Company will pay GTN to prepare all U.S. and Swiss tax returns for you. In conjunction with the preparation of your tax returns, GTN will also provide tax equalization and reconciliation calculations, and the Company will reimburse you for any amounts to which you are entitled based on the reconciliation of any applicable tax equalization adjustments which the Company deems necessary, in accordance with the Company’s customary practices, procedures and policies.

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(g) Airline Reimbursement. The Company will reimburse you for the cost of a total of four roundtrip, business class airline tickets during each of calendar year for travel between the United States and Switzerland to be used for you, your wife or daughter.

(h) Health Insurance. You will be provided with health insurance comparable to that which is currently provided to you.

(i) Vacation. You will be entitled to 20 days paid vacation per year and all Swiss "Bank" holidays.

3. Termination Payment. Employer will seek to obtain the approval of the Company's Compensation Committee for continued payment of Employee's base salary for one year after the effective date of termination without "Cause" (as that term is defined in paragraph 8). If approved by the Compensation Committee such payments shall be subject to the terms and conditions set by the Compensation Committee, including but not limited to, the Employee executing a general release in favor of the Company.

4. Post-Termination Covenants.

(a) Non-Competition. In consideration for the salary, payments, and welfare and other benefits provided in this Letter Agreement, you agree that, for one year following the termination of your employment with the Company (regardless of whether such termination occurs during or after the Term), you will not, without the prior written consent of the Company, directly or indirectly, and whether as principal or investor or as employee, officer, director, manager, partner, consultant, agent, or otherwise, alone or in association with any other person, firm, corporation, or other business organization, become involved in a Competing Business (as defined below) in the Americas, Europe or Asia, or in any geographic area in which Employer or the Company or any of their subsidiaries has engaged during the 12 months immediately preceding your termination date in any of the activities that comprise a Competing Business, or in which you have knowledge of Employer's or the Company's plans to engage in any of the activities that

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comprise a Competing Business (including, without limitation, any area in which any customer of the Company or any of its subsidiaries may be located). This Section 3(a) will not be violated, however, by your investment of up to \$100,000 in the aggregate in one or several publicly-traded companies that engage in a competing business.

(b) Wrongful Solicitation. You agree that for one year after the termination of your employment with the Company (regardless of whether such termination occurs during or after the Term), you will not, for the purpose of conducting or engaging in a Competing Business, (i) call upon, solicit, advise, or otherwise do or attempt to do, business with any person or company who is, or was, during the most recent 12-month period, a customer of Employer or the Company or any of its affiliated companies, (ii) take away or interfere or attempt to take away or interfere with any custom, trade, business, patronage, or affairs of Employer or the Company or any of their affiliated companies, (iii) hire or attempt to hire any person who is, or was during the most recent 12-month period an employee, officer, representative or agent of Employer or the Company or any of their affiliated companies, or (iv) solicit, induce, or attempt to solicit or induce any person who is an employee, officer, representative or agent of Employer or the Company or any of its affiliated companies to leave the employ of Employer or the Company or any of their affiliated companies, or violate the terms of their contract, or any other employment agreement, with it.-

(c) Competing Business. For the purposes of this Letter Agreement, "Competing Business" means a business or enterprise (other than the Company and its direct or indirect subsidiaries and other Affiliates) that is engaged in any or all of the following activities: the design, development, manufacture, importing, distribution, marketing or sale of (a) motive power batteries and chargers (including, without limitation, batteries and chargers for industrial forklift trucks and other materials handling equipment) (b) stationary batteries and chargers (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/or (c) any other product of any kind or type which the Company or any of its Affiliates (i) now

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makes or (ii) hereafter makes or researches or develops at any time during the Employment Term, such as, for example, lithium-ion or nickel-zinc cells or batteries, enclosures or lithium products such as those used in space or medical applications. "Competing Business" also includes the design, engineering, installation or service of stationary and DC power systems, and any consulting and/or turnkey services relating thereto.

5. Remedies. You acknowledge that you have carefully read and considered all the terms and conditions of this Letter Agreement, including the restraints imposed upon you pursuant to Section 4. You agree that these restraints are necessary for the reasonable and proper protection of Employer and the Company and their successors and assigns and that each of the restraints is reasonable in respect to subject matter, length of time and geographic area. You further acknowledge that, were you to breach any of the covenants contained in Section 4, the damage to Employer and the Company would be irreparable. You therefore agree that Employer and the Company, in addition to any other remedies available to it, shall be entitled to preliminary and permanent injunctive relief against any breach or threatened breach by you of any of the covenants herein. You further agree that, in the event that any provision of Section 4, shall be determined by any court of competent jurisdiction to be unenforceable by reason of its being extended over too great a time, too large a geographic area or too great a range of activities, such provision shall be deemed to be modified to permit its enforcement to the maximum extent permitted by law.

6. Governing Law. This Letter Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania with out regard to its law or conflict of laws.

7. Venue. You agree that any action brought to enforce this Letter Agreement or to test the enforceability of any of its provisions, shall be brought exclusively in either the United States District Court for the Eastern District of Pennsylvania or the Court of Common Pleas of Berks County. You hereby voluntarily consent to personal jurisdiction in the Commonwealth of Pennsylvania and waive any right you may otherwise have to contest the assertion of jurisdiction over you in Pennsylvania.

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8. Travel Reimbursement in the Event of Termination. In the event the Employee's employment with the Company is terminated without "Cause" (as defined below) Company will reimburse Employee for pre-approved documented reasonable costs of relocating him and his family and the entire reasonable personal effects to a single location in the United States, but only if such costs are incurred within nine months after the date of termination and only to the extent that another company does not directly or indirectly bear such relocation costs on Employee's behalf. In the event the Employee's employment is terminated by the Company for "Cause" all such expenses shall be borne by the Employee. "Cause" means any of the following:

- a. Any act or omission which constitutes a breach of any of Employee's obligations under this Letter Agreement or Employee's Swiss Employment Contract or any other agreement;
- b. Any willful violation by Employee of any law, rule or regulation applicable to the business of the Company or any of its subsidiaries or affiliates;
- c. commission of any felony or other crime involving moral turpitude;
- d. knowing and intentional fraud;
- e. any act or omission that is materially injurious to the financial condition or business reputation of, or is otherwise materially injurious to, Company or any other subsidiary or affiliate of EnerSys, unless Employee believed in good faith that he was acting in the best interest of Company and EnerSys; and/or
- f. willful and continued failure or refusal of Employee to substantially perform the duties required of him or performance significantly below the level required or expected of the Employee.

9. Reimbursement of United States Home Expenses. Company will reimburse Employee the pre-approved reasonable documented expenses for the mowing of

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the grass and the plowing of the driveway of Employee's United States Home during the Term of this Agreement.

10. Entire Agreement and Amendment. This Letter Agreement contains the entire understanding and agreement between you and Employer and the Company with respect to your employment as in the Positions, except the Employment Contract. This Letter Agreement supersedes any previous oral and written negotiations, agreements, commitments and writings, except that the "Noncompetition", "Wrongful Solicitation" and "Confidentiality/Specific Performance" sections in the EnerSys 2004 Equity Incentive Plan, the EnerSys 2006 Equity Incentive Plan, the EnerSys 2010 Equity Incentive Plan and the Severance Agreement dated June 7, 2013 and the Indemnification Agreement dated July 21, 2014 shall survive the execution of this Letter Agreement. This Letter Agreement does not supersede the Employment Contract. However, in the event of a conflict between any of the terms of the Employment Contract and this Letter Agreement, the conflicting terms of this Letter Agreement will govern, except as required by Swiss law. This Letter Agreement may not be modified in any manner, except by an instrument in writing and signed by a duly authorized representative of both parties. This Letter Agreement is for the benefit of and is binding upon you and your heirs, administrators, representatives, executors, successors, beneficiaries and assigns.

INTENDING TO BE LEGALLY BOUND, you and the Company agree to and sign this Letter Agreement on this 12th day of September, 2014

ENERSYS

By: /s/ Richard W. Zuidema _

Richard W. Zuidema

Executive Vice President

/s/ Todd M. Sechrist
Todd Sechrist

Witness: /a/ A.K. Wissmann

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

I, John D. Craig, certify that:

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

ENERSYS

By /s/ John D. Craig

John D. Craig
Chairman and Chief Executive Officer

Date: November 5, 2014

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

I, Michael J. Schmidlein, certify that:

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

ENERSYS

By /s/ Michael J. Schmidlein

Michael J. Schmidlein
Senior Vice President Finance & Chief Financial Officer

Date: November 5, 2014

