

**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 June 30, 2019

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

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

EnerSys

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

23-3058564
(I.R.S. Employer
Identification No.)

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

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, \$0.01 par value per share	ENS	New York Stock Exchange

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Securities Exchange Act of 1934.

Large Accelerated Filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

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

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

Common Stock outstanding at August 2, 2019: 42,481,886 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)

	June 30, 2019	March 31, 2019
Assets		
Current assets:		
Cash and cash equivalents	\$ 262,113	\$ 299,212
Accounts receivable, net of allowance for doubtful accounts: June 30, 2019 - \$12,477; March 31, 2019 - \$10,813	621,315	624,136
Inventories, net	520,115	503,869
Prepaid and other current assets	116,326	109,431
Total current assets	1,519,869	1,536,648
Property, plant, and equipment, net	414,957	409,439
Goodwill	656,424	656,399
Other intangible assets, net	454,875	462,316
Deferred taxes	41,091	40,466
Other assets	95,202	12,925
Total assets	\$ 3,182,418	\$ 3,118,193
Liabilities and Equity		
Current liabilities:		
Short-term debt	\$ 35,081	\$ 54,490
Accounts payable	302,808	292,449
Accrued expenses	260,999	265,994
Total current liabilities	598,888	612,933
Long-term debt, net of unamortized debt issuance costs	978,632	971,756
Deferred taxes	81,857	82,112
Other liabilities	226,468	165,375
Total liabilities	1,885,845	1,832,176
Commitments and contingencies		
Equity:		
Preferred Stock, \$0.01 par value, 1,000,000 shares authorized, no shares issued or outstanding at June 30, 2019 and at March 31, 2019	—	—
Common Stock, 0.01 par value per share, 135,000,000 shares authorized, 55,080,346 shares issued and 42,478,439 shares outstanding at June 30, 2019; 54,848,523 shares issued and 42,620,750 shares outstanding at March 31, 2019	551	548
Additional paid-in capital	510,577	512,696
Treasury stock at cost, 12,601,907 shares held as of June 30, 2019 and 12,227,773 shares held as of March 31, 2019	(553,789)	(530,760)
Retained earnings	1,491,329	1,450,325
Contra equity - indemnification receivable	(7,840)	(7,840)
Accumulated other comprehensive loss	(147,902)	(142,682)
Total EnerSys stockholders' equity	1,292,926	1,282,287
Nonredeemable noncontrolling interests	3,647	3,730
Total equity	1,296,573	1,286,017
Total liabilities and equity	\$ 3,182,418	\$ 3,118,193

See accompanying notes.

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

	Quarter ended	
	June 30, 2019	July 1, 2018
Net sales	\$ 780,230	\$ 670,930
Cost of goods sold	578,718	505,070
Inventory adjustment relating to exit activities	—	526
Gross profit	201,512	165,334
Operating expenses	130,804	99,416
Restructuring and other exit charges	2,372	1,739
Operating earnings	68,336	64,179
Interest expense	10,898	6,516
Other (income) expense, net	(1,152)	328
Earnings before income taxes	58,590	57,335
Income tax expense	9,954	11,315
Net earnings	48,636	46,020
Net earnings attributable to noncontrolling interests	—	160
Net earnings attributable to EnerSys stockholders	\$ 48,636	\$ 45,860
Net earnings per common share attributable to EnerSys stockholders:		
Basic	\$ 1.14	\$ 1.09
Diluted	\$ 1.13	\$ 1.08
Dividends per common share	\$ 0.175	\$ 0.175
Weighted-average number of common shares outstanding:		
Basic	42,656,339	42,012,546
Diluted	43,118,434	42,573,981

See accompanying notes.

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

	Quarter ended	
	June 30, 2019	July 1, 2018
Net earnings	\$ 48,636	\$ 46,020
Other comprehensive (loss) income:		
Net unrealized (loss) gain on derivative instruments, net of tax	(2,329)	1,005
Pension funded status adjustment, net of tax	237	300
Foreign currency translation adjustment	(3,211)	(72,163)
Total other comprehensive loss, net of tax	(5,303)	(70,858)
Total comprehensive income (loss)	43,333	(24,838)
Comprehensive loss attributable to noncontrolling interests	(83)	(339)
Comprehensive income (loss) attributable to EnerSys stockholders	\$ 43,416	\$ (24,499)

See accompanying notes.

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

	Quarter ended	
	June 30, 2019	July 1, 2018
Cash flows from operating activities		
Net earnings	\$ 48,636	\$ 46,020
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	20,725	13,696
Write-off of assets relating to exit activities	802	1,073
Derivatives not designated in hedging relationships:		
Net (gains) losses	(34)	718
Cash settlements	(376)	(699)
Provision for doubtful accounts	1,105	254
Deferred income taxes	37	(195)
Non-cash interest expense	378	313
Stock-based compensation	3,874	4,341
Loss (gain) on disposal of property, plant, and equipment	21	(5)
Changes in assets and liabilities, net of effects of acquisitions:		
Accounts receivable	2,097	3,284
Inventories	(18,937)	(20,345)
Prepaid and other current assets	(7,033)	488
Other assets	1,841	(334)
Accounts payable	(6,797)	(9,577)
Accrued expenses	(16,275)	(13,476)
Other liabilities	320	20
Net cash provided by operating activities	30,384	25,576
Cash flows from investing activities		
Capital expenditures	(17,315)	(15,539)
Proceeds from disposal of property, plant, and equipment	44	12
Net cash used in investing activities	(17,271)	(15,527)
Cash flows from financing activities		
Net (repayments) borrowings on short-term debt	(19,499)	2,953
Proceeds from 2017 Revolver borrowings	95,000	64,000
Repayments of 2017 Revolver borrowings	(85,000)	(54,500)
Repayments of 2017 Term Loan	(5,645)	—
Option proceeds	38	6,797
Payment of taxes related to net share settlement of equity awards	(6,081)	(3,453)
Purchase of treasury stock	(23,029)	—
Dividends paid to stockholders	(7,499)	(7,371)
Other	(27)	54
Net cash (used in) provided by financing activities	(51,742)	8,480
Effect of exchange rate changes on cash and cash equivalents	1,530	(28,184)
Net (decrease) increase in cash and cash equivalents	(37,099)	(9,655)
Cash and cash equivalents at beginning of period	299,212	522,118
Cash and cash equivalents at end of period	\$ 262,113	\$ 512,463

See accompanying notes.

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

1. Basis of Presentation

The accompanying unaudited consolidated condensed financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring adjustments except those otherwise described herein) considered necessary for a fair presentation have been included, unless otherwise disclosed. Operating results for the three months ended June 30, 2019 are not necessarily indicative of the results that may be expected for the fiscal year ending March 31, 2020.

The Consolidated Condensed Balance Sheet at March 31, 2019 has been derived from the audited consolidated financial statements at that date but does not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements.

The financial statements should be read in conjunction with the Consolidated Financial Statements and Notes thereto included in the Company's 2019 on Form 10-K (SEC File No. 001-32253), which was filed on May 29, 2019 (the "2019 Annual Report").

EnerSys (the "Company,") reports interim financial information for 13-week periods, except for the first quarter, which always begins on April 1, and the fourth quarter, which always ends on March 31. The four quarters in fiscal 2020 end on June 30, 2019, September 29, 2019, December 29, 2019, and March 31, 2020, respectively. The four quarters in fiscal 2019 ended on July 1, 2018, September 30, 2018, December 30, 2018, and March 31, 2019, 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.

Recently Adopted Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, "Leases (Topic 842)", which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e. lessees and lessors). This update requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase of the leased asset by the lessee. This classification will determine whether the lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases and operating leases. Effective April 1, 2019, the Company adopted the new standard under the modified retrospective approach, which resulted in no adjustment to the April 1, 2019 beginning Retained Earnings. There are optional practical expedients and policy elections made available to simplify the transition to the new standard. The Company has elected the following:

- to adopt the optional transition method defined within ASU 2018-11 and not restate comparative prior periods but instead recognize a cumulative effect adjustment to the opening balance of retained earnings in the period of adoption;
- the package of three practical expedients addressing whether a contract contains a lease, lease classification and initial direct costs;
- to combine lease and non-lease components as a single component for all asset classes;
- to use a portfolio approach to determine the incremental borrowing rate; and
- to apply the short-term lease exception to leases that, at the commencement date, has a lease term of 12 months or less and does not include an option to purchase the underlying asset that the lessee is reasonably certain to exercise.

Upon adoption, the Company recorded Right-of-use ("ROU") assets and lease liabilities of approximately \$84,878 and \$87,248, respectively. In addition, capital lease assets and liabilities are now classified as finance lease right-of-use assets and liabilities. The difference between the operating lease assets and lease liabilities primarily relates to unamortized lease incentives and deferred rent recorded in accordance with the previous lease guidance.

Apart from the aforementioned changes, the adoption of this standard did not have a significant impact on the Company's operating results, financial position or cash flows. The discount rates used to calculate the ROU assets and lease liabilities as of the effective date were based on the remaining lease terms as of the effective date. See Note 3, Leases for additional information.

In August 2017, the FASB issued ASU No. 2017-12, "Derivatives and Hedging (Topic 815)": Targeted Improvements to Accounting for Hedging Activities, which amends and simplifies existing guidance in order to allow companies to more accurately present the economic effects of risk management activities in the financial statements. The guidance eliminates the requirement to separately measure and report hedge ineffectiveness and generally requires the entire change in the fair value of a hedging instrument to be presented in the same income statement line as the hedged item. The Company adopted the standard effective April 1, 2019 and the adoption did not have any impact on the Company's operating results, financial position or cash flows.

In February 2018, the FASB issued ASU 2018-02, "Income Statement - Reporting Comprehensive Income (Topic 220)". The new standard will allow a reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the Tax Cuts and Jobs Act ("Tax Act"). The amendments eliminate the stranded tax effects resulting from the Tax Act and will improve the usefulness of information reported to financial statements users. However, because the amendment only relates to the reclassification of the income tax effects of the Tax Act, the underlying guidance that requires that the effect of a change in tax laws or rates be included in income from continuing operations is not affected. The Company adopted this standard effective April 1, 2019 with the election not to reclassify \$478 of stranded tax effects, primarily related to the Company's pension plans, from accumulated other comprehensive income ("AOCI") to retained earnings, as the amount was not material.

Accounting Pronouncements Issued But Not Adopted as of June 30, 2019

In June 2016, the FASB, issued ASU No. 2016-13, "Financial Instruments - Credit Losses (Topic 326)": Measurement of Credit Losses on Financial Instruments, which changes the recognition model for the impairment of financial instruments, including accounts receivable, loans and held-to-maturity debt securities, among others. The guidance is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. In contrast to current guidance, which considers current information and events and utilizes a probable threshold, (an "incurred loss" model), ASU 2016-13 mandates an "expected loss" model. The expected loss model: (i) estimates the risk of loss even when risk is remote, (ii) estimates losses over the contractual life, (iii) considers past events, current conditions and reasonable supported forecasts and (iv) has no recognition threshold. The Company is currently assessing the potential impact that the adoption will have on its consolidated financial statements.

2. Revenue Recognition

The Company adopted ASU No. 2014-09, "Revenue from Contracts with Customers (Topic 606)" on April 1, 2018 using the modified retrospective transition method. There was no cumulative effect of adopting the standard at the date of initial application in retained earnings.

The Company's revenues by reportable segments are presented in Note 17.

Service revenues related to the work performed for the Company's customers by its maintenance technicians generally represent a separate and distinct performance obligation. Control for these services passes to the customer as the services are performed. Service revenues for the first quarter of fiscal 2020 and fiscal 2019 amounted to \$60,718 and \$35,482, respectively.

A small portion of the Company's customer arrangements oblige the Company to create customized products for its customers that require the bundling of both products and services into a single performance obligation because the individual products and services that are required to fulfill the customer requirements do not meet the definition for a distinct performance obligation. These customized products generally have no alternative use to the Company and the terms and conditions of these arrangements give the Company the enforceable right to payment for performance completed to date, including a reasonable profit margin. For these arrangements, control transfers over time and the Company measures progress towards completion by selecting the input or output method that best depicts the transfer of control of the underlying goods and services to the customer for each respective arrangement. Methods used by the Company to measure progress toward completion include labor hours, costs incurred and units of production. Revenues recognized over time for the first quarter of fiscal 2020 and fiscal 2019 amounted to \$41,495 and \$18,404, respectively.

On June 30, 2019, the aggregate transaction price allocated to unsatisfied (or partially unsatisfied) performance obligations was approximately \$64,647, of which, the Company estimates that approximately \$50,030 will be recognized as revenue in fiscal 2020, \$14,033 in fiscal 2021, \$390 in fiscal 2022, \$16 in fiscal 2023 and \$178 in fiscal 2024.

Any payments that are received from a customer in advance, prior to the satisfaction of a related performance obligation and billings in excess of revenue recognized, are deferred and treated as a contract liability. Advance payments and billings in excess of revenue recognized are classified as current or non-current based on the timing of when recognition of revenue is expected. As of June 30, 2019, the current and non-current portion of contract liabilities were \$14,289 and \$6,821, respectively. As of March 31, 2019, the current and non-current portion of contract liabilities were \$15,162 and \$6,360, respectively. Revenues recognized during the first quarter of fiscal 2020 and fiscal 2019, that were included in the contract liability at the beginning of the quarter, amounted to \$4,467 and \$1,936, respectively.

Amounts representing work completed and not billed to customers represent contract assets and were \$42,520 and \$38,778 as of June 30, 2019 and March 31, 2019, respectively.

The Company uses historic customer product return data as a basis of estimation for customer returns and records the reduction of sales at the time revenue is recognized. At June 30, 2019, the right of return asset related to the value of inventory anticipated to be returned from customers was \$2,667 and refund liability representing amounts estimated to be refunded to customers was \$5,183.

3. Leases

The Company leases manufacturing facilities, distribution centers, office space, vehicles and other equipment under non-cancellable leases with initial terms typically ranging from 1 to 17 years. At contract inception, the Company reviews the terms of the arrangement to determine if the contract is or contains a lease. Guidance in Topic 842 is used to evaluate whether the contract has an identified asset; if the Company has the right to obtain substantially all economic benefits from the asset; and if it has the right to direct the use of the underlying asset. When determining if a contract has an identified asset, the Company considers both explicit and implicit assets, and whether the supplier has the right to substitute the asset. When determining if the Company has the right to obtain substantially all economic benefits from the asset, the Company considers the primary outputs of the identified asset throughout the period of use and determines if it receives greater than 90% of those benefits. When determining if it has the right to direct the use of an underlying asset, the Company considers if it has the right to direct how and for what purpose the asset is used throughout the period of use and if it controls the decision-making rights over the asset.

Lease terms may include options to extend or terminate the lease. The Company exercises its judgment to determine the term of those leases when extension or termination options are present and include such options in the calculation of the lease term when it is reasonably certain that the Company will exercise those options.

The Company has elected to include both lease and non-lease components in the determination of lease payments for all asset classes. Payments made to a lessor for items such as taxes, insurance, common area maintenance, or other costs commonly referred to as executory costs, are also included in lease payments if they are fixed. The fixed portion of these payments are included in the calculation of the lease liability, while any variable portion would be recognized as variable lease expenses, when incurred. Variable payments made to third parties for these, or similar costs, such as utilities, are not included in the calculation of lease payments.

Both finance and operating leases are reflected as liabilities on the commencement date of the lease based on the present value of the lease payments to be made over the lease term. As most of the leases do not provide an implicit rate, the Company has exercised judgment in electing the incremental borrowing rate based on the information available when the lease commences to determine the present value of future payments. Right-of-use assets are valued at the initial measurement of the lease liability, plus any initial direct costs or rent prepayments and reduced by any lease incentives and any deferred lease payments.

Operating lease expense is recognized on a straight-line basis over the lease term. Finance lease expense includes depreciation, which is recognized on a straight-line basis over the expected life of the leased asset, and interest expense, which is recognized following an effective interest rate method.

Short term leases with an initial term of 12 months or less are not presented on the balance sheet and expense is recognized as incurred.

The following table presents lease assets and liabilities and their balance sheet classification:

	Classification	June 30, 2019
Operating Leases:		
Right-of-use Assets	Other assets	\$ 81,627
Operating lease current liabilities	Accrued expenses	23,265
Operating lease non-current liabilities	Other liabilities	60,811
Finance Leases:		
Right-of-use Assets	Property, plant, and equipment, net	\$ 10,906
Finance lease current liabilities	Current portion of debt	10,383
Finance lease non-current liabilities	Non-current portion of debt	557

The components of lease expense for the quarter ended June 30, 2019 were as follows:

	Classification	Quarter ended June 30, 2019
Operating Leases:		
Operating lease cost	Operating expenses	\$ 7,295
Variable lease cost	Operating expenses	1,706
Short term lease cost	Operating expenses	2,184
Finance Leases:		
Depreciation	Operating expenses	\$ 143
Interest expense	Interest expense	12
Total		\$ 11,340

The following table presents the weighted average lease term and discount rates for our leases:

	Quarter ended June 30, 2019
Operating Leases:	
Weighted average remaining lease term (years)	5.2 years
Weighted average discount rate	5.41%
Finance Leases:	
Weighted average remaining lease term (years)	3.3 years
Weighted average discount rate	4.91%

The following table presents future payments due under leases reconciled to lease liabilities:

	Quarter ended June 30, 2019	
	Finance Leases	Operating Leases
Nine months ended March 31, 2020	\$ 10,360	\$ 20,759
Year ended March 31,		
2021	219	22,205
2022	197	16,510
2023	150	11,514
2024	107	7,692
Thereafter	26	18,144
Total undiscounted lease payments	11,059	96,824
Present value discount	119	12,748
Lease liability	\$ 10,940	\$ 84,076

The following tables present supplemental disclosures of cash flow information related to leases:

	Quarter ended June 30, 2019
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from finance leases	\$ 12
Operating cash flows from operating leases	7,213
Financing cash flows from finance leases	142
Supplemental non-cash information on lease liabilities arising from right-of-use assets:	
Right-of-use assets obtained in exchange for new finance lease liabilities	\$ —
Right-of-use assets obtained in exchange for new operating lease liabilities	2,628

4. Acquisition

On December 7, 2018, the Company completed the acquisition of all of the issued and outstanding common stock of Alpha Technologies Services, Inc. (“ATS”) and Alpha Technologies Ltd. (“ATL”), resulting in ATS and ATL becoming wholly-owned subsidiaries of the Company (the “share purchase”). Additionally, the Company acquired substantially all of the assets of Alpha Technologies Inc. and certain assets of Altair Advanced Industries, Inc. and other affiliates of ATS and ATL (all such sellers, together with ATS and ATL, “Alpha”), in each case in accordance with the terms and conditions of certain restructuring agreements (collectively, the “asset acquisition” and together with the share purchase, the “acquisition”). Based in Bellingham, Washington, Alpha is a global industry leader in comprehensive commercial-grade energy solutions for broadband, telecom, renewable, industrial and traffic customers around the world. The initial purchase consideration for the acquisition was \$750,000, of which \$650,000 was paid in cash and the balance was settled by issuing 1,177,630 shares of EnerSys common stock. These shares were issued out of the Company’s treasury stock and were valued at \$84.92 per share, which was based on the thirty-day volume weighted average stock price of the Company’s common stock at closing, in accordance with the purchase agreement. The 1,177,630 shares had a closing date fair value of \$93,268, based upon the December 7, 2018, closing date spot rate of \$79.20. The total purchase consideration, consisting of cash paid of \$650,000, shares valued at \$93,268 and an adjustment for working capital (due from seller of \$766) was \$742,502. The Company funded the cash portion of the acquisition with borrowings from the Amended Credit Facility as defined in Note 12. See Note 12 for additional information.

The acquisition expands the Company’s footprint in broadband and telecom markets. The goodwill recognized in connection with this transaction reflects the benefits the Company expects to realize from being able to provide a one-stop, fully integrated power solutions offering to its customers, as well as the benefit of cost synergies from alignment of the Alpha group within its own organizational structure.

The results of operations of Alpha have been included in the Company’s Americas segment.

The following table represents the fair values assigned to the assets acquired and liabilities assumed and resulting goodwill. The amounts recognized will be finalized as the information necessary to complete the analysis is obtained, but no later than one year from the acquisition date (“the measurement period”).

The acquired assets and assumed liabilities include the following:

Accounts receivable	\$	115,467
Inventories		84,297
Other current assets		6,822
Other intangible assets		332,000
Property, plant and equipment		20,987
Other assets		9,005
Total assets acquired	\$	568,578
Accounts payable		35,803
Accrued liabilities		41,918
Deferred income taxes		56,331
Other liabilities		12,642
Total liabilities assumed	\$	146,694
Net assets acquired	\$	421,884
Purchase price:		
Cash paid for net assets acquired	\$	650,000
Fair value of shares issued for net assets acquired		93,268
Working capital adjustment		(766)
Total purchase consideration		742,502
Less: Fair value of acquired identifiable assets and liabilities		421,884
Goodwill	\$	320,618

The following table summarizes the estimated fair value of Alpha's identifiable intangible assets and the initial assessment of their respective estimated lives:

	Type	Life in Years	Fair Value
Trademarks	Indefinite-lived	Indefinite	\$ 56,000
Customer relationships	Finite-lived	14	221,000
Technology	Finite-lived	10	55,000
Total identifiable intangible assets			\$ 332,000

The Company recorded the acquisition using the acquisition method of accounting and recognized the assets acquired and liabilities assumed at their fair values as of the date of the acquisition. The excess of the purchase price over the net tangible and intangible assets is recorded to goodwill. Estimated goodwill deductible for tax purposes is \$42,262. The measurement of the fair value of assets acquired and liabilities assumed is substantially complete. The Company continues to gather necessary information to finalize the accounting for income taxes associated with the acquisition, and as such the Company could record additional adjustments to the provisional amount recognized as this additional information is obtained.

The following unaudited summary information is presented on a consolidated pro forma basis as if the acquisition had occurred on April 1, 2017:

	Quarter ended July 1, 2018
Net sales	\$ 835,292
Net earnings attributable to EnerSys stockholders	58,665
Net earnings per share attributable to EnerSys stockholders - basic	1.36
Net earnings per share attributable to EnerSys stockholders - assuming dilution	1.34

The pro forma amounts include additional interest expense on the debt issued to finance the purchases, amortization and depreciation expense based on the estimated fair value and useful lives of intangible assets and plant assets, and related tax effects. The pro forma results are not necessarily indicative of the combined results had the Alpha acquisition been completed on April 1, 2017, nor are they indicative of future combined results. The remeasurement of Alpha's deferred taxes due to the Tax Act are being excluded in arriving at these pro forma results.

Other Intangible Assets

Information regarding the Company's other intangible assets are as follows:

	Balance as of					
	June 30, 2019			March 31, 2019		
	Gross Amount	Accumulated Amortization	Net Amount	Gross Amount	Accumulated Amortization	Net Amount
Indefinite-lived intangible assets:						
Trademarks	\$ 152,497	\$ (953)	\$ 151,544	\$ 152,484	\$ (953)	\$ 151,531
Finite-lived intangible assets:						
Customer relationships	286,552	(48,224)	238,328	286,664	(42,704)	243,960
Non-compete	3,015	(2,768)	247	3,025	(2,807)	218
Technology	77,755	(14,033)	63,722	77,779	(12,229)	65,550
Trademarks	2,003	(1,257)	746	2,003	(1,236)	767
Licenses	1,484	(1,196)	288	1,477	(1,187)	290
Total	\$ 523,306	\$ (68,431)	\$ 454,875	\$ 523,432	\$ (61,116)	\$ 462,316

The Company's amortization expense related to finite-lived intangible assets was \$7,316 and \$2,069, for the first quarter of fiscal 2020 and fiscal 2019, respectively. The expected amortization expense based on the finite-lived intangible assets as of June 30, 2019, is \$22,175 for the remainder of fiscal 2020, \$29,237 in fiscal 2021, \$28,993 in fiscal 2022, \$27,694 in fiscal 2023 and \$24,287 in fiscal 2024.

5. Inventories

Inventories, net consist of:

	June 30, 2019	March 31, 2019
Raw materials	\$ 138,886	\$ 138,718
Work-in-process	123,416	129,736
Finished goods	257,813	235,415
Total	<u>\$ 520,115</u>	<u>\$ 503,869</u>

6. Fair Value of Financial Instruments

Recurring Fair Value Measurements

The following tables represent the financial assets and (liabilities) measured at fair value on a recurring basis as of June 30, 2019 and March 31, 2019, and the basis for that measurement:

	Total Fair Value Measurement June 30, 2019	Quoted Price in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Lead forward contracts	\$ 223	\$ —	\$ 223	\$ —
Foreign currency forward contracts	170	—	170	—
Total derivatives	<u>\$ 393</u>	<u>\$ —</u>	<u>\$ 393</u>	<u>\$ —</u>

	Total Fair Value Measurement March 31, 2019	Quoted Price in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Lead forward contracts	\$ (902)	\$ —	\$ (902)	\$ —
Foreign currency forward contracts	(249)	—	(249)	—
Total derivatives	<u>\$ (1,151)</u>	<u>\$ —</u>	<u>\$ (1,151)</u>	<u>\$ —</u>

The fair values of lead forward contracts are calculated using observable prices for lead as quoted on the London Metal Exchange (“LME”) and, therefore, were classified as Level 2 within the fair value hierarchy, as described in Note 1, Summary of Significant Accounting Policies to the Company’s consolidated financial statements included in its 2019 Annual Report.

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 approximate carrying value due to their short maturities.

The fair value of the Company’s short-term debt and borrowings under the Amended Credit Facility (as defined in Note 12), 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 5.00% Senior Notes due 2023 (the “Notes”), with an original face value of \$300,000, were issued in April 2015. The fair value of the Notes represent the trading values based upon quoted market prices and are classified as Level 2. The Notes were trading at approximately 102% and 99% of face value on June 30, 2019 and March 31, 2019, respectively.

The carrying amounts and estimated fair values of the Company's derivatives and Notes at June 30, 2019 and March 31, 2019 were as follows:

	June 30, 2019		March 31, 2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets:				
Derivatives ⁽¹⁾	\$ 393	\$ 393	\$ —	\$ —
Financial liabilities:				
Notes ⁽²⁾	\$ 300,000	\$ 306,000	\$ 300,000	\$ 297,000
Derivatives ⁽¹⁾	—	—	1,151	1,151

(1) Represents lead and foreign currency forward contracts (see Note 7 for asset and liability positions of the lead and foreign currency forward contracts at June 30, 2019 and March 31, 2019).

(2) The fair value amount of the Notes at June 30, 2019 and March 31, 2019 represent the trading value of the instruments.

7. 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 Forward Contracts

The Company enters into lead forward contracts to fix the price for a portion of its lead purchases. Management considers the lead forward contracts to be effective against changes in the cash flows of the underlying lead purchases. The vast majority of such contracts are for a period not extending beyond one year. At June 30, 2019 and March 31, 2019, the Company has hedged the price to purchase approximately 38.0 million pounds and 42.0 million pounds of lead, respectively, for a total purchase price of \$33,012 and \$39,218, respectively.

Foreign Currency Forward Contracts

The Company uses foreign currency forward contracts and options to hedge a portion of the Company's foreign currency exposures for lead, as well as other foreign currency exposures so that gains and losses on these contracts offset changes in the underlying foreign currency denominated exposures. The vast majority of such contracts are for a period not extending beyond one year. As of June 30, 2019 and March 31, 2019, the Company had entered into a total of \$29,891 and \$42,318, respectively, of such contracts.

In the coming twelve months, the Company anticipates that \$3,097 of pretax loss relating to lead and foreign currency forward contracts will be reclassified from 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 Consolidated Condensed Statements 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 June 30, 2019 and March 31, 2019, the notional amount of these contracts was \$21,339 and \$22,201, 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
June 30, 2019 and March 31, 2019

	Derivatives and Hedging Activities Designated as Cash Flow Hedges		Derivatives and Hedging Activities Not Designated as Hedging Instruments	
	June 30, 2019	March 31, 2019	June 30, 2019	March 31, 2019
Prepaid and other current assets:				
Lead forward contracts	\$ 223	\$ —	\$ —	\$ —
Foreign currency forward contracts	—	—	170	—
Total assets	\$ 223	\$ —	\$ 170	\$ —
Accrued expenses:				
Lead forward contracts	\$ —	\$ 902	\$ —	\$ —
Foreign currency forward contracts	—	8	—	241
Total liabilities	\$ —	\$ 910	\$ —	\$ 241

The Effect of Derivative Instruments on the Consolidated Condensed Statements of Income
For the quarter ended June 30, 2019

Derivatives Designated as Cash Flow Hedges	Pretax Gain (Loss) Recognized in AOCI on Derivatives (Effective Portion)	Location of Gain (Loss) Reclassified from AOCI into Income (Effective Portion)	Pretax Gain (Loss) Reclassified from AOCI into Income (Effective Portion)
	Lead forward contracts	\$ (3,376)	Cost of goods sold
Foreign currency forward contracts	(331)	Cost of goods sold	(217)
Total	\$ (3,707)		\$ (658)

Derivatives Not Designated as Hedging Instruments	Location of Gain (Loss) Recognized in Income on Derivatives	Pretax Gain (Loss)
Foreign currency forward contracts	Other (income) expense, net	\$ 34
Total		\$ 34

The Effect of Derivative Instruments on the Consolidated Condensed Statements of Income
For the quarter ended July 1, 2018

Derivatives Designated as Cash Flow Hedges	Pretax Gain (Loss) Recognized in AOCI on Derivatives (Effective Portion)	Location of Gain (Loss) Reclassified from AOCI into Income (Effective Portion)	Pretax Gain (Loss) Reclassified from AOCI into Income (Effective Portion)
	Lead forward contracts	\$ 515	Cost of goods sold
Foreign currency forward contracts	582	Cost of goods sold	(1,237)
Total	\$ 1,097		\$ (214)

Derivatives Not Designated as Hedging Instruments	Location of Gain (Loss) Recognized in Income on Derivatives	Pretax Gain (Loss)
Foreign currency forward contracts	Other (income) expense, net	\$ (718)
Total		\$ (718)

8. Income Taxes

The Company's income tax provision consists of federal, state and foreign income taxes. The tax provision for the first quarter of fiscal 2020 and 2019 was based on the estimated effective tax rates applicable for the full years ending March 31, 2020 and March 31, 2019, respectively, after giving effect to items specifically related to the interim periods. The Company's effective income tax rate with respect to any period may be volatile based on the mix of income in the tax jurisdictions in which the Company operates, change in tax laws and the amount of the Company's consolidated income before taxes.

On December 22, 2017 the Tax Cuts and Jobs Act ("Tax Act") was signed into law. In fiscal 2019, the Company completed its accounting for the tax effects of enactment of the Tax Act and recognized a one-time transition tax of \$84,017, inclusive of uncertain tax positions.

On June 14, 2019 final regulations were issued for items relating to the Tax Act. As a result, in the first quarter of fiscal 2020, the Company recognized the uncertain tax position related to the one-time transition tax liability of \$11,462. This did not result in a change to the transition tax liability of \$84,017, previously recorded in fiscal 2019.

The consolidated effective income tax rates for the first quarter of fiscal 2020 and 2019 were 17.0% and 19.7%, respectively. The rate decrease in the first quarter of fiscal 2020 compared to the first quarter of fiscal 2019 is primarily due to changes in the mix of earnings among tax jurisdictions.

Foreign income as a percentage of worldwide income is estimated to be 64% for fiscal 2020 compared to 66% for fiscal 2019. The foreign effective income tax rates for the first quarter of fiscal 2020 and 2019 were 11.5% and 11.8%, respectively. The rate decrease compared to the prior year period is primarily due to changes in the mix of earnings among tax jurisdictions. Income from the Company's Swiss subsidiary comprised a substantial portion of the Company's overall foreign mix of income and was taxed at an effective income tax rate of approximately 6% in both the current and prior year quarter of fiscal 2020 and fiscal 2019.

9. Warranty

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

	Quarter ended	
	June 30, 2019	July 1, 2018
Balance at beginning of period	\$ 54,568	\$ 50,602
Current period provisions	7,519	4,836
Costs incurred	(5,948)	(4,381)
Foreign currency translation adjustment	40	(1,368)
Balance at end of period	\$ 56,179	\$ 49,689

10. Commitments, Contingencies and Litigation

Litigation and Other Legal Matters

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

European Competition Investigations

Certain of the Company's European subsidiaries had received subpoenas and requests for documents and, in some cases, interviews from, and have had on-site inspections conducted by, the competition authorities of Belgium, Germany and the Netherlands relating to conduct and anticompetitive practices of certain industrial battery participants.

The Company settled the Belgian regulatory proceeding in February 2016 by acknowledging certain anticompetitive practices and conduct and agreeing to pay a fine of \$1,962, which was paid in March 2016. During the first quarter of fiscal 2019, the Company paid \$1,272 towards certain aspects of this matter, which are under appeal. As of June 30, 2019 and March 31, 2019, the Company did not have a reserve balance.

In June 2017, the Company settled a portion of its previously disclosed proceeding involving the German competition authority relating to conduct involving the Company's motive power battery business and agreed to pay a fine of \$14,811, which was paid in July 2017. As of June 30, 2019 and March 31, 2019, the Company did not have a reserve balance relating to this matter. Also, in June 2017, the German competition authority issued a fining decision related to the Company's reserve power battery business, which constituted the remaining portion of the previously disclosed German proceeding. The Company appealed this decision. In March 2019, the Company settled this matter by agreeing to pay \$7,258, which was paid in April 2019. As of June 30, 2019 and March 31, 2019, the Company had a reserve balance of \$0 and \$7,258, respectively.

The foregoing estimate of losses is based upon currently available information for these proceedings. However, the precise scope, timing and time period at issue, as well as the final outcome of the investigations or customer claims, remain uncertain. Accordingly, the Company's estimate may change from time to time, and actual losses could vary.

Environmental Issues

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

The Company 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 the Company established a reserve for this facility, which was \$1,060 and \$1,081 as of June 30, 2019 and March 31, 2019, respectively. Based on current information, the Company's management believes this reserve is adequate to satisfy the Company's environmental liabilities at this facility. This facility is separate from the Company's current metal fabrication facility in Sumter.

Lead and Foreign Currency Forward Contracts

To stabilize its lead costs and reduce volatility from currency movements, the Company enters into contracts with financial institutions. The vast majority of such contracts are for a period not extending beyond one year. Please refer to Note 7 - Derivative Financial Instruments for more details.

11. Restructuring Plans

During fiscal 2018, the Company announced restructuring programs to improve efficiencies primarily related to supply chain and general operations in EMEA. The Company estimates that the total charges for these actions will amount to approximately \$7,400, primarily from cash charges for employee severance-related payments and other charges. The Company estimates that these actions will result in the reduction of approximately 80 employees upon completion. During fiscal 2018, the Company recorded non-cash restructuring charges of \$69 and cash charges of \$2,260 and an additional \$3,104 during fiscal 2019. The Company incurred \$1,350 in costs against the accrual in fiscal 2018 and an additional \$2,844 in fiscal 2019. During the first quarter of fiscal 2020, the Company recorded restructuring charges of \$14 and incurred \$189 in costs against the accrual. As of June 30, 2019, the reserve balance associated with these actions is \$894. The Company expects to be committed to an additional \$2,000 in restructuring charges related to this action, which it expects to complete in fiscal 2021.

During fiscal 2019, the Company announced restructuring programs to improve efficiencies of its operations in EMEA. The Company estimates that the total charges for these actions will amount to approximately \$2,500, from charges primarily for employee severance-related payments to approximately 35 employees. During fiscal 2019, the Company recorded restructuring charges of \$347 and incurred \$83 in costs against the accrual. During the first quarter of fiscal 2020, the Company recorded restructuring charges of \$557 and incurred \$379 in costs against the accrual. As of June 30, 2019, the reserve balance associated with these actions is \$439. The Company expects to complete these actions in fiscal 2021.

During fiscal 2019, the Company announced restructuring programs to improve efficiencies of its operations in the Americas. The Company estimates that the total charges for these actions will amount to approximately \$4,100, from cash and non-cash charges primarily for employee severance-related payments to approximately 100 employees. During fiscal 2019, the Company recorded restructuring charges of \$1,970, non-cash charges of \$2,095 and incurred \$1,480 in costs against the accrual. During the first quarter of fiscal 2020, the Company incurred \$340 in costs against the accrual. As of June 30, 2019, the reserve balance associated with this action is \$147. The Company expects to complete these actions in fiscal 2020.

During fiscal 2019, the Company announced a restructuring program to improve efficiencies of its operations in the Asia and to convert its India operations from mainly reserve power production to motive power production. The Company estimates that the total charges for these actions will amount to approximately \$5,300, from cash charges primarily for employee severance-related payments to approximately 150 employees and non-cash charges related to the write-off of fixed assets. During fiscal 2019, the Company recorded cash restructuring charges of \$2,772 and non-cash charges of \$771 and incurred \$1,683 in costs against the accrual. During the first quarter of fiscal 2020, the Company recorded restructuring charges of \$363 and incurred \$979 in costs against the accrual. As of June 30, 2019, the reserve balance associated with this action is \$521. The Company expects to complete this action in fiscal 2020.

During fiscal 2020, the Company announced a restructuring program to improve efficiencies of its operations in the Americas. The Company estimates that the total charges for these actions will amount to approximately \$900, from cash charges primarily for employee severance-related payments to approximately 50 employees. During the first quarter of fiscal 2020, the Company recorded restructuring charges of \$585 and incurred \$113 in costs against the accrual. As of June 30, 2019, the reserve balance associated with this action is \$472. The Company expects to complete this action in fiscal 2020.

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

	Employee Severance	Other	Total
Balance as of March 31, 2019	\$ 2,356	\$ 596	\$ 2,952
Accrued	1,346	173	1,519
Costs incurred	(1,589)	(411)	(2,000)
Foreign currency impact	4	(2)	2
Balance as of June 30, 2019	<u>\$ 2,117</u>	<u>\$ 356</u>	<u>\$ 2,473</u>

Other Exit Charges

During fiscal 2019, the Company committed to a plan to close its facility in Targovishte, Bulgaria, which produced diesel-electric submarine batteries. Management determined that the future demand for batteries of diesel-electric submarines was not sufficient given the number of competitors in the market. Of the estimated total charges of \$30,000 for all these actions, the Company had recorded charges amounting to \$20,242 in fiscal 2019, relating to severance and inventory and fixed asset write-offs. The Company recorded an additional \$672 relating to non-cash charges in the first quarter of fiscal 2020.

During the first quarter of fiscal 2019, in an effort to improve profitability, the Company converted its India operations from mainly reserve power production to motive power production. As a result of the Company's exit from reserve power, the Company recorded a non-cash write-off of reserve power inventories of \$526, which was reported in cost of goods sold. In addition, the Company recorded a \$547 write-off related to reserve power fixed assets in restructuring expenses.

12. Debt

The following summarizes the Company's long-term debt as of June 30, 2019 and March 31, 2019:

	June 30, 2019		March 31, 2019	
	Principal	Unamortized Issuance Costs	Principal	Unamortized Issuance Costs
5.00% Senior Notes due 2023	\$ 300,000	\$ 2,341	\$ 300,000	\$ 2,497
Amended Credit Facility, due 2022	683,813	2,840	677,315	3,062
	<u>\$ 983,813</u>	<u>\$ 5,181</u>	<u>\$ 977,315</u>	<u>\$ 5,559</u>
Less: Unamortized issuance costs	5,181		5,559	
Long-term debt, net of unamortized issuance costs	<u>\$ 978,632</u>		<u>\$ 971,756</u>	

5.00% Senior Notes

The Notes bear interest at a rate of 5.00% per annum and have an original face value of \$300,000. Interest is payable semiannually in arrears on April 30 and October 30 of each year and commenced on October 30, 2015. The Notes will mature on April 30, 2023, unless earlier redeemed or repurchased in full. The Notes are unsecured and unsubordinated obligations of the Company. The Notes are fully and unconditionally guaranteed (the "Guarantees"), jointly and severally, by certain of its subsidiaries that are guarantors (the "Guarantors") under the Amended 2017 Credit Facility. The Guarantees are unsecured and unsubordinated obligations of the Guarantors.

2017 Credit Facility and Subsequent Amendment

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

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

As of June 30, 2019, the Company had \$249,000 outstanding under the Amended 2017 Revolver and \$434,813 under the Amended 2017 Term Loan.

Subsequent to the amendment, the quarterly installments payable on the Amended 2017 Term Loan are \$5,645 beginning December 31, 2018, \$8,468 beginning December 31, 2019 and \$11,290 beginning December 31, 2020 with a final payment of \$320,000 on September 30, 2022. The Amended Credit Facility may be increased by an aggregate amount of \$325,000 in revolving commitments and / or one or more new tranches of term loans, under certain conditions. Both the Amended 2017 Revolver and the Amended 2017 Term Loan bear interest, at the Company's option, at a rate per annum equal to either (i) the London Interbank Offered Rate ("LIBOR") or Canadian Dollar Offered Rate ("CDOR") plus (i) LIBOR plus between 1.25% and 2.00% (currently 1.25% and based on the Company's consolidated net leverage ratio) or (ii) the U.S. Dollar Base Rate (which equals, for any day a fluctuating rate per annum equal to the highest of (a) the Federal Funds Effective Rate plus 0.50%, (b) Bank of America "Prime Rate" and (c) the Eurocurrency Base Rate plus 1%; provided that, if the Base Rate shall be less than zero, such rate shall be deemed zero) (iii) the CDOR Base Rate equal to the higher of (a) Bank of America "Prime Rate" and (b) average 30-day CDOR rate plus 0.50%. Obligations under the Amended Credit Facility are secured by substantially all of the Company's existing and future acquired assets, including substantially all of the capital stock of the Company's United States subsidiaries that are guarantors under the Credit Facility and up to 65% of the capital stock of certain of the Company's foreign subsidiaries that are owned by the Company's United States subsidiaries.

The Amended Credit Facility allows for up to two temporary increases in the maximum leverage ratio from 3.50x to 4.00x for a four quarter period following an acquisition larger than \$250,000. Effective December 7, 2018 through December 30, 2018, the maximum leverage ratio has been increased to 4.00x.

The current portion of the Amended 2017 Term Loan of \$31,049 is classified as long-term debt as the Company expects to refinance the future quarterly payments with revolver borrowings under the Amended Credit Facility.

Short-Term Debt

As of June 30, 2019 and March 31, 2019, the Company had \$35,081 and \$54,490, respectively, of short-term borrowings. The weighted average interest rate on these borrowings was approximately 3% and 4% at June 30, 2019 and March 31, 2019, respectively.

Letters of Credit

As of June 30, 2019 and March 31, 2019, the Company had standby letters of credit of \$3,822 and \$3,955, respectively.

Debt Issuance Costs

Amortization expense, relating to debt issuance costs, included in interest expense was \$378 and \$313, respectively, for the quarters ended June 30, 2019 and July 1, 2018. Debt issuance costs, net of accumulated amortization, totaled \$5,181 and \$5,559, respectively, at June 30, 2019 and March 31, 2019.

Available Lines of Credit

As of June 30, 2019 and March 31, 2019, the Company had available and undrawn, under all its lines of credit, \$567,941 and \$546,960, respectively, including \$119,066 and \$87,685, respectively, of uncommitted lines of credit as of June 30, 2019 and March 31, 2019.

13. 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	
	June 30, 2019	July 1, 2018	June 30, 2019	July 1, 2018
Service cost	\$ —	\$ —	\$ 235	\$ 255
Interest cost	154	159	376	470
Expected return on plan assets	(112)	(122)	(538)	(552)
Amortization and deferral	52	56	253	312
Net periodic benefit cost	\$ 94	\$ 93	\$ 326	\$ 485

14. Stock-Based Compensation

As of June 30, 2019, the Company maintains the 2017 Equity Incentive Plan ("2017 EIP"). The 2017 EIP reserved 4,173,554 shares of common stock for the grant of various classes of nonqualified stock options, restricted stock units, market condition-based ("TSR") and performance condition-based share units ("PSU") and other forms of equity-based compensation.

The Company recognized stock-based compensation expense associated with its equity incentive plans of \$3,874 for the first quarter of fiscal 2020 and \$4,341 for the first quarter of fiscal 2019. The Company recognizes compensation expense using the straight-line method over the vesting period of the awards.

During the first quarter of fiscal 2020, the Company granted to non-employee directors 2,276 restricted stock units, pursuant to the 2017 EIP. The awards vest immediately upon the date of grant and are settled in shares of common stock, six months after termination of service as a director.

Common stock activity during the first quarter of fiscal 2020 included the vesting of 154,836 restricted stock units, 171,920 TSRs and the exercise of 661 stock options.

As of June 30, 2019, there were 544,842 non-qualified stock options, 562,791 restricted stock units, 154,974 TSRs and 39,687 PSUs outstanding.

15. Stockholders' Equity and Noncontrolling Interests*Common Stock*

The following demonstrates the change in the number of shares of common stock outstanding during the first quarter ended June 30, 2019:

Shares outstanding as of March 31, 2019	42,620,750
Purchase of treasury stock	(376,343)
Shares issued towards equity-based compensation plans, net of equity awards surrendered for option price and taxes	234,032
Shares outstanding as of June 30, 2019	<u>42,478,439</u>

Treasury Stock

During the first quarter ended June 30, 2019, the Company purchased 376,343 shares for \$23,029. At June 30, 2019 and March 31, 2019, the Company held 12,601,907 and 12,227,773 shares as treasury stock, respectively.

Accumulated Other Comprehensive Income ("AOCI")

The components of AOCI, net of tax, as of June 30, 2019 and March 31, 2019, are as follows:

	<u>March 31, 2019</u>	<u>Before Reclassifications</u>	<u>Amounts Reclassified from AOCI</u>	<u>June 30, 2019</u>
Pension funded status adjustment	\$ (20,791)	\$ —	\$ 237	\$ (20,554)
Net unrealized (loss) gain on derivative instruments	(130)	(2,831)	502	(2,459)
Foreign currency translation adjustment	(121,761)	(3,128)	—	(124,889)
Accumulated other comprehensive (loss) income	<u>\$ (142,682)</u>	<u>\$ (5,959)</u>	<u>\$ 739</u>	<u>\$ (147,902)</u>

The following table presents reclassifications from AOCI during the first quarter ended June 30, 2019:

Components of AOCI	Amounts Reclassified from AOCI	Location of (Gain) Loss Recognized on Income Statement
Derivatives in cash flow hedging relationships:		
Net loss on cash flow hedging derivative instruments	\$ 658	Cost of goods sold
Tax benefit	(156)	
Net loss on derivative instruments, net of tax	<u>\$ 502</u>	
Defined benefit pension costs:		
Prior service costs and deferrals	\$ 305	Net periodic benefit cost, included in other (income) expense, net - See Note 13
Tax benefit	(68)	
Net periodic benefit cost, net of tax	<u>\$ 237</u>	

The following table presents reclassifications from AOCI during the first quarter ended July 1, 2018:

Components of AOCI	Amounts Reclassified from AOCI	Location of (Gain) Loss Recognized on Income Statement
Derivatives in cash flow hedging relationships:		
Net loss on cash flow hedging derivative instruments	\$ 214	Cost of goods sold
Tax benefit	(50)	
Net loss on derivative instruments, net of tax	<u>\$ 164</u>	
Defined benefit pension costs:		
Prior service costs and deferrals	\$ 368	Net periodic benefit cost, included in other (income) expense, net - See Note 13
Tax benefit	(68)	
Net periodic benefit cost, net of tax	<u>\$ 300</u>	

The following demonstrates the change in equity attributable to EnerSys stockholders and nonredeemable noncontrolling interests during the first quarter ended June 30, 2019:

<i>(In Thousands, Except Per Share Data)</i>	Preferred Stock	Common Stock	Additional Paid-in Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Contra-Equity	Total EnerSys Stockholders' Equity	Non-redeemable Non-Controlling Interests	Total Equity
Balance at March 31, 2019	\$ —	\$ 548	\$ 512,696	\$ (530,760)	\$ 1,450,325	\$ (142,682)	\$ (7,840)	\$ 1,282,287	\$ 3,730	\$ 1,286,017
Stock-based compensation	—	—	3,874	—	—	—	—	3,874	—	3,874
Exercise of stock options	—	3	35	—	—	—	—	38	—	38
Shares issued under equity awards (taxes paid related to net share settlement of equity awards), net	—	—	(6,081)	—	—	—	—	(6,081)	—	(6,081)
Purchase of common stock	—	—	—	(23,029)	—	—	—	(23,029)	—	(23,029)
Other	—	—	(80)	—	—	—	—	(80)	—	(80)
Net earnings	—	—	—	—	48,636	—	—	48,636	—	48,636
Dividends (\$0.175 per common share)	—	—	133	—	(7,632)	—	—	(7,499)	—	(7,499)
Other comprehensive income:										
Pension funded status adjustment (net of tax benefit of \$68)	—	—	—	—	—	237	—	237	—	237
Net unrealized gain (loss) on derivative instruments (net of tax benefit of \$720)	—	—	—	—	—	(2,329)	—	(2,329)	—	(2,329)
Foreign currency translation adjustment	—	—	—	—	—	(3,128)	—	(3,128)	(83)	(3,211)
Balance at June 30, 2019	<u>\$ —</u>	<u>\$ 551</u>	<u>\$ 510,577</u>	<u>\$ (553,789)</u>	<u>\$ 1,491,329</u>	<u>\$ (147,902)</u>	<u>\$ (7,840)</u>	<u>\$ 1,292,926</u>	<u>\$ 3,647</u>	<u>\$ 1,296,573</u>

The following demonstrates the change in equity attributable to EnerSys stockholders and nonredeemable noncontrolling interests during the three months ended July 1, 2018:

<i>(In Thousands, Except Per Share Data)</i>	Preferred Stock	Common Stock	Additional Paid-in Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Contra-Equity	Total EnerSys Stockholders' Equity	Non-redeemable Non-Controlling Interests	Total Equity
Balance at March 31, 2018	\$ —	\$ 546	\$ 477,288	\$ (560,991)	\$ 1,320,549	\$ (41,717)	\$ —	\$ 1,195,675	\$ 5,436	\$ 1,201,111
Stock-based compensation	—	—	4,341	—	—	—	—	4,341	—	4,341
Exercise of stock options	—	2	6,795	—	—	—	—	6,797	—	6,797
Shares issued under equity awards (taxes paid related to net share settlement of equity awards), net	—	—	(3,453)	—	—	—	—	(3,453)	—	(3,453)
Other	—	—	(152)	—	—	—	—	(152)	—	(152)
Net earnings	—	—	—	—	45,860	—	—	45,860	160	46,020
Dividends (\$0.175 per common share)	—	—	141	—	(7,512)	—	—	(7,371)	—	(7,371)
Other comprehensive income:										
Pension funded status adjustment (net of tax benefit of \$68)	—	—	—	—	—	300	—	300	—	300
Net unrealized gain (loss) on derivative instruments (net of tax expense of \$306)	—	—	—	—	—	1,005	—	1,005	—	1,005
Foreign currency translation adjustment	—	—	—	—	—	(71,664)	—	(71,664)	(499)	(72,163)
Balance at July 1, 2018	<u>\$ —</u>	<u>\$ 548</u>	<u>\$ 484,960</u>	<u>\$ (560,991)</u>	<u>\$ 1,358,897</u>	<u>\$ (112,076)</u>	<u>\$ —</u>	<u>\$ 1,171,338</u>	<u>\$ 5,097</u>	<u>\$ 1,176,435</u>

16. 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	
	June 30, 2019	July 1, 2018
Net earnings attributable to EnerSys stockholders	\$ 48,636	\$ 45,860
Weighted-average number of common shares outstanding:		
Basic	42,656,339	42,012,546
Dilutive effect of:		
Common shares from exercise and lapse of equity awards, net of shares assumed reacquired	462,095	561,435
Diluted weighted-average number of common shares outstanding	43,118,434	42,573,981
Basic earnings per common share attributable to EnerSys stockholders	\$ 1.14	\$ 1.09
Diluted earnings per common share attributable to EnerSys stockholders	\$ 1.13	\$ 1.08
Anti-dilutive equity awards not included in diluted weighted-average common shares	656,810	164,085

17. Business Segments

The Company's three reportable segments, based on lines of business, are 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 Zug, 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 first quarter ended June 30, 2019 and July 1, 2018 is shown below:

	Quarter ended	
	June 30, 2019	July 1, 2018
Net sales by segment to unaffiliated customers		
Americas	\$ 517,110	\$ 392,574
EMEA	203,198	210,494
Asia	59,922	67,862
Total net sales	\$ 780,230	\$ 670,930
Net sales by product line		
Reserve power	\$ 435,843	\$ 324,018
Motive power	344,387	346,912
Total net sales	\$ 780,230	\$ 670,930
Intersegment sales		
Americas	\$ 8,565	\$ 5,858
EMEA	36,881	32,087
Asia	6,957	7,614
Total intersegment sales ⁽¹⁾	\$ 52,403	\$ 45,559
Operating earnings by segment		
Americas	\$ 54,356	\$ 47,736
EMEA	15,711	17,203
Asia	641	1,505
Restructuring charges - Americas	(585)	—
Restructuring and other exit charges - EMEA	(1,294)	(1,192)
Restructuring charges - Asia	(493)	—
Inventory adjustment relating to exit activities - Asia	—	(526)
Fixed asset write-off relating to exit activities - Asia	—	(547)
Total operating earnings ⁽²⁾	\$ 68,336	\$ 64,179

⁽¹⁾ The Company does not allocate interest expense or other (income) expense to the reportable segments.

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

Goodwill

The changes in the carrying amount of goodwill by reportable segment during the first quarter of fiscal 2020 are as follows:

	Americas	EMEA	Asia	Total
Balance at March 31, 2019	\$ 470,194	\$ 143,269	\$ 42,936	\$ 656,399
Foreign currency translation adjustment	55	639	(669)	25
Balance as of June 30, 2019	\$ 470,249	\$ 143,908	\$ 42,267	\$ 656,424

18. Subsequent Events

On August 7, 2019, the Board of Directors approved a quarterly cash dividend of \$0.175 per share of common stock to be paid on September 27, 2019, to stockholders of record as of September 13, 2019.

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

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

The Private Securities Litigation Reform Act of 1995 (the "Reform Act") provides a safe harbor for forward-looking statements made by or on behalf of EnerSys. EnerSys and its representatives may, from time to time, make written or verbal forward-looking statements, including statements contained in EnerSys' filings with the Securities and Exchange Commission 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 2019 Annual Report on Form 10-K (the "2019 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 local currency exchange rate fluctuations;
- our ability to raise our selling prices to our customers when our product costs increase;
- the extent to which we are able to efficiently utilize our global manufacturing facilities and optimize our capacity;
- general economic conditions in the markets in which we operate;
- competitiveness of the battery markets and other energy solutions for industrial applications throughout the world;
- our timely development of competitive new products and product enhancements in a changing environment and the acceptance of such products and product enhancements by customers;
- our ability to adequately protect our proprietary intellectual property, technology and brand names;
- litigation and regulatory proceedings to which we might be subject;
- our expectations concerning indemnification obligations;
- changes in our market share in the 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, strategic gains, and cost savings may be significantly harder to achieve, if at all, or may take longer to achieve;
- potential goodwill impairment charges, future impairment charges and fluctuations in the fair values of reporting units or of assets in the event projected financial results are not achieved within expected time frames;
- our debt and debt service requirements which may restrict our operational and financial flexibility, as well as imposing unfavorable interest and financing costs;
- our ability to maintain our existing credit facilities or obtain satisfactory new credit facilities;
- 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” and “primary working capital percentage” 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 products such as battery chargers, power equipment, battery accessories, and outdoor cabinet enclosures. Additionally, we provide related aftermarket and customer-support services for our products. We market 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 the United States, and approximately 40% of our net sales were generated outside the United States. The Company currently has three reportable business segments based on geographic regions, defined as follows:

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

We did not change our reporting segments this quarter as previously disclosed. We are continuing to make our evaluation based on more current information.

Alpha Acquisition

On December 7, 2018, the Company completed the acquisition of all of the issued and outstanding common stock of Alpha Technologies Services, Inc. (“ATS”) and Alpha Technologies Ltd. (“ATL”), resulting in ATS and ATL becoming wholly-owned subsidiaries of the Company (the “share purchase”). Additionally, the Company acquired substantially all of the assets of Alpha Technologies Inc. and certain assets of Altair Advanced Industries, Inc. and other affiliates of ATS and ATL (all such sellers, together with ATS and ATL, “Alpha”), in each case in accordance with the terms and conditions of certain restructuring agreements (collectively, the “asset acquisition” and together with the share purchase, the “acquisition”). Based in Bellingham, Washington, Alpha is a global industry leader in the comprehensive commercial-grade energy solutions for broadband, telecom, renewable, industrial and traffic customers around the world. The initial purchase consideration for the acquisition was \$750.0 million of which \$650.0 million was paid in cash and the balance was settled by issuing 1,177,630 shares of EnerSys common stock. These shares were issued out of the Company’s treasury stock and were valued at \$84.92 per share, which was based on the thirty-day volume weighted average stock price of the Company’s common stock at closing, in accordance with the purchase agreement. The 1,177,630 shares had a closing date fair value of \$93.3 million, based upon the December 7, 2018 closing date spot rate of \$79.20. The total purchase consideration, consisting of cash paid of \$650.0 million, shares valued at \$93.3 million and adjustment for working capital (due from seller of \$0.8 million) was \$742.5 million.

The results of operations of Alpha have been included in the Company’s Americas segment.

Economic Climate

Recent indicators continue to suggest a mixed trend in economic activity among the different geographical regions. North America’s experiencing moderate economic growth while EMEA’s economic growth is slow. Our Asia region continues to grow faster than any other region in which we do business.

Volatility of Commodities and Foreign Currencies

Our most significant commodity and foreign currency exposures are related to lead and the Euro, respectively. Historically, volatility of commodity costs and foreign currency exchange rates have caused large swings in our production costs. As the global economic climate changes, we anticipate that our commodity costs and foreign currency exposures may continue to fluctuate as they have in the past several years.

Customer Pricing

Our selling prices fluctuated during the last several years to offset the volatile cost of commodities. Approximately 30% of our revenue is currently subject to agreements that adjust pricing to a market-based index for lead. During fiscal 2019, our selling prices rose in response to increased lead and other commodity costs. Lead prices rose for the most part of fiscal 2018, peaked in the first quarter of fiscal 2019 and then declined sequentially in every quarter in fiscal 2019. Based on current commodity markets, we will likely see year over year benefits from declining commodity prices, with some related reduction in our selling prices in the upcoming year.

Liquidity and Capital Resources

We believe that our financial position is strong, and we have substantial liquidity with \$262 million of available cash and cash equivalents and available and undrawn credit lines of approximately \$568 million at June 30, 2019 to cover short-term liquidity requirements and anticipated growth in the foreseeable future.

In fiscal 2018, we entered into a new credit facility (“2017 Credit Facility”) that consisted of a \$600 million senior secured revolving credit facility (“2017 Revolver”) and a \$150 million senior secured term loan (“2017 Term Loan”) with a maturity date of September 30, 2022. In fiscal 2019, we amended the 2017 Credit Facility (as amended, the “Amended Credit Facility”). The Amended Credit Facility consists of \$449.1 million senior secured term loans (the “Amended 2017 Term Loan”), including a CAD 133.0 million (\$99.1 million) term loan and a \$700.0 million senior secured revolving credit facility (the “Amended 2017 Revolver”). The amendment resulted in an increase of the 2017 Term Loan and the 2017 Revolver by \$299.1 million and \$100.0 million, respectively.

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

We 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

Net sales increased \$109.3 million or 16.3% in the first quarter of fiscal 2020 as compared to the first quarter of fiscal 2019. This increase was the result of a 22% increase due to the Alpha acquisition, partially offset by a 3% decrease in organic volume, a 2% decrease in foreign currency translation impact and a 1% decrease in pricing.

Segment sales

	Quarter ended June 30, 2019		Quarter ended July 1, 2018		Increase (Decrease)	
	In Millions	Percentage of Total Net Sales	In Millions	Percentage of Total Net Sales	In Millions	%
Americas	\$ 517.1	66.3%	\$ 392.5	58.5%	\$ 124.6	31.7 %
EMEA	203.2	26.0	210.5	31.4	(7.3)	(3.5)
Asia	59.9	7.7	67.9	10.1	(8.0)	(11.7)
Total net sales	\$ 780.2	100.0%	\$ 670.9	100.0%	\$ 109.3	16.3 %

The Americas segment’s net sales increased \$124.6 million or 31.7% in the first quarter of fiscal 2020 as compared to the first quarter of fiscal 2019, primarily due to a 39% increase from the Alpha acquisition, partially offset by a 6% decrease in organic volume and a combined 1% decrease in pricing and foreign currency translation impact.

The EMEA segment’s net sales decreased \$7.3 million or 3.5% in the first quarter of fiscal 2020 as compared to the first quarter of fiscal 2019, primarily due to a 5% decrease due to foreign currency translation impact and a 2% decrease in pricing, partially offset by a 3% increase in organic volume.

The Asia segment’s net sales decreased \$8.0 million or 11.7% in the first quarter of fiscal 2020 as compared to the first quarter of fiscal 2019, primarily due to a 8% decrease in organic volume and a 4% decrease in foreign currency translation impact.

Product line sales

	Quarter ended June 30, 2019		Quarter ended July 1, 2018		Increase (Decrease)	
	In Millions	Percentage of Total Net Sales	In Millions	Percentage of Total Net Sales	In Millions	%
Reserve power	\$ 435.8	55.9%	\$ 324.0	48.3%	\$ 111.8	34.5 %
Motive power	344.4	44.1	346.9	51.7	(2.5)	(0.7)
Total net sales	\$ 780.2	100.0%	\$ 670.9	100.0%	\$ 109.3	16.3 %

Net sales of our reserve power products in the first quarter of fiscal 2020 increased \$111.8 million or 34.5% compared to the first quarter of fiscal 2019. The increase was primarily due to a 47% increase from the Alpha acquisition, partially offset by a 10% decrease in organic volume and a 2% decrease in foreign currency translation impact. The decrease in organic volume is primarily from the reclassification of sales made to Alpha as intercompany rather than external sales, in the prior year quarter, and the conclusion of a large enclosure order a year ago.

Net sales of our motive power products segment in the first quarter of fiscal 2020 decreased by \$2.5 million or 0.7% compared to the first quarter of fiscal 2019. The decrease was primarily due to a 2% decrease each in pricing and foreign currency translation impact, partially offset by a 3% increase in organic volume.

Gross Profit

	Quarter ended June 30, 2019		Quarter ended July 1, 2018		Increase (Decrease)	
	In Millions	Percentage of Total Net Sales	In Millions	Percentage of Total Net Sales	In Millions	%
Gross Profit	\$ 201.5	25.8%	\$ 165.3	24.6%	\$ 36.2	21.9%

Gross profit increased \$36.2 million or 21.9% in the first quarter of fiscal 2020 compared to the first quarter of fiscal 2019. Gross profit, as a percentage of net sales, increased 120 basis points in the first quarter of fiscal 2020 compared to the first quarter of fiscal 2019. This increase during the current quarter in the gross profit margin is largely a function of commodity costs relative to pricing, as well the impact of Alpha's higher margins, partially offset by higher manufacturing costs.

Operating Items

	Quarter ended June 30, 2019		Quarter ended July 1, 2018		Increase (Decrease)	
	In Millions	Percentage of Total Net Sales	In Millions	Percentage of Total Net Sales	In Millions	%
Operating expenses	\$ 130.8	16.7%	\$ 99.3	14.8%	\$ 31.5	31.6%
Restructuring charges	\$ 2.4	0.3%	\$ 1.8	0.3%	\$ 0.6	36.4%

Operating expenses, as a percentage of sales, increased 190 basis points in the first quarter of fiscal 2020, compared to the first quarter of fiscal 2019. Excluding the impact of the foreign currency translation, the increase in dollars reflects the inclusion of Alpha and the additional investments in new product development.

Selling expenses, our main component of operating expenses, were 45.1% of total operating expenses in the first quarter of fiscal 2020, compared to 49.5% of total operating expenses in the first quarter of fiscal 2019.

Restructuring and other exit charges

Included in our first quarter of fiscal 2020 operating results are restructuring charges of \$0.6 million in the Americas, \$0.6 million in EMEA and \$0.5 million in Asia, all of which relate to improving operational efficiencies in the respective regions. Also included in the first quarter of fiscal 2020 operating results are non-cash exit charges of \$0.7 million in EMEA, relating to the closure of our facility in Targovishte, Bulgaria.

Included in our first quarter of fiscal 2019 operating results are restructuring charges of \$1.2 million in EMEA and \$0.6 million in Asia. The charges in the EMEA relate to improving efficiencies of our general operations, while charges in Asia relate to a strategic shift in our India operations from reserve power production to motive power production.

Operating Earnings

	Quarter ended June 30, 2019		Quarter ended July 1, 2018		Increase (Decrease)	
	In Millions	Percentage of Total Net Sales ⁽¹⁾	In Millions	Percentage of Total Net Sales ⁽¹⁾	In Millions	%
Americas	\$ 54.4	10.5 %	\$ 47.8	12.2 %	\$ 6.6	13.9 %
EMEA	15.7	7.7	17.2	8.2	(1.5)	NM
Asia	0.6	1.1	1.5	2.2	(0.9)	(1.8)
Subtotal	70.7	9.1	66.5	9.9	4.2	6.4
Restructuring charges - Americas	(0.6)	(0.1)	—	—	(0.6)	NM
Restructuring and other exit charges - EMEA	(1.3)	(0.6)	(1.2)	(0.6)	(0.1)	NM
Inventory write-off relating to exit activities - Asia	—	—	(0.5)	(0.8)	0.5	NM
Restructuring charges - Asia	(0.5)	(0.8)	—	—	(0.5)	NM
Fixed asset write-off relating to exit activities - Asia	—	—	(0.6)	(0.8)	0.6	NM
Total operating earnings	\$ 68.3	8.8 %	\$ 64.2	9.5 %	\$ 4.1	6.5 %

NM = not meaningful

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

Operating earnings increased \$4.1 million or 6.5% in the first quarter of fiscal 2020, compared to the first quarter of fiscal 2019. Operating earnings, as a percentage of net sales, decreased 70 basis points in the first quarter of fiscal 2020, compared to the first quarter of fiscal 2019.

The Americas segment's operating earnings, excluding restructuring charges, decreased 170 basis points, in the first quarter of fiscal 2020, compared to the first quarter of fiscal 2019. The decrease in the first quarter is primarily due to our ERP execution challenges at our Richmond, Kentucky, facility which continued to result in missed sales opportunities and higher manufacturing costs. This negative impact was partially offset by the impact of lower commodity costs and Alpha's contribution to operating earnings of \$17 million or 11.4% of its sales.

The EMEA segment's operating earnings, excluding restructuring and other exit charges, decreased 50 basis points in the first quarter of fiscal 2020, compared to the first quarter of fiscal 2019. EMEA suffered from a decrease in pricing and unfavorable mix.

The Asia segment's operating earnings, excluding restructuring charges, decreased 110 basis points in the first quarter of fiscal 2020, compared to the first quarter of fiscal 2019 due to lower organic volume.

Interest Expense

	Quarter ended June 30, 2019		Quarter ended July 1, 2018		Increase (Decrease)	
	In Millions	Percentage of Total Net Sales	In Millions	Percentage of Total Net Sales	In Millions	%
Interest expense	\$ 10.9	1.4%	\$ 6.5	1.0%	\$ 4.4	67.3%

Interest expense of \$10.9 million in the first quarter of fiscal 2020 (net of interest income of \$0.5 million) was \$4.4 million higher than the interest expense of \$6.5 million in the first quarter of fiscal 2019 (net of interest income of \$0.5 million).

The increase in interest expense in the first quarter of fiscal 2020 was primarily due to higher interest rates and higher average debt. Our average debt outstanding was \$1,052.0 million in the first quarter of fiscal 2020 compared to \$612.6 million in the first quarter of fiscal 2019. The increased borrowings were primarily to fund the Alpha acquisition in the third quarter of fiscal 2019.

Included in interest expense are non-cash charges for deferred financing fees of \$0.4 million in the first quarter of fiscal 2020 compared to \$0.3 million, in the first quarter of fiscal 2019.

Other (Income) Expense, Net

	Quarter ended June 30, 2019		Quarter ended July 1, 2018		Increase (Decrease)	
	In Millions	Percentage of Total Net Sales	In Millions	Percentage of Total Net Sales	In Millions	%
Other (income) expense, net	\$ (1.2)	(0.1)%	\$ 0.4	—%	\$ (1.6)	NM

NM = not meaningful

Other (income) expense, net in the first quarter of fiscal 2020 was income of \$1.2 million compared to expense of \$0.4 million in the first quarter of fiscal 2019. Foreign currency impact resulted in a gain of \$1.3 million in the first quarter of fiscal 2020, compared to a foreign currency gain of \$0.4 million in the first quarter of fiscal 2019.

Earnings Before Income Taxes

	Quarter ended June 30, 2019		Quarter ended July 1, 2018		Increase (Decrease)	
	In Millions	Percentage of Total Net Sales	In Millions	Percentage of Total Net Sales	In Millions	%
Earnings before income taxes	\$ 58.6	7.5%	\$ 57.3	8.5%	\$ 1.3	2.2%

As a result of the above, earnings before income taxes in the first quarter of fiscal 2020 increased \$1.3 million, or 2.2%, compared to the first quarter of fiscal 2019.

Income Tax Expense

	Quarter ended June 30, 2019		Quarter ended July 1, 2018		Increase (Decrease)	
	In Millions	Percentage of Total Net Sales	In Millions	Percentage of Total Net Sales	In Millions	%
Income tax expense	\$ 10.0	1.3%	\$ 11.3	1.7%	\$ (1.3)	(12.0)%
Effective tax rate	17.0%		19.7%		(2.7)%	

The Company's income tax provision consists of federal, state and foreign income taxes. The tax provision for the first quarter of fiscal 2020 and 2019 was based on the estimated effective tax rates applicable for the full years ending March 31, 2020 and March 31, 2019, respectively, after giving effect to items specifically related to the interim periods. Our effective income tax rate with respect to any period may be volatile based on the mix of income in the tax jurisdictions in which we operate, change in tax laws and the amount of our consolidated income before taxes.

On December 22, 2017 the Tax Cuts and Jobs Act ("Tax Act") was signed into law. In fiscal 2019, we completed our accounting for the tax effects of enactment of the Tax Act and recognized a one-time transition tax of \$84.0 million, inclusive of uncertain tax positions. On June 14, 2019 final regulations were issued for items relating to the Tax Act. As a result, in the first quarter of fiscal 2020, we recognized the uncertain tax position related to the one-time transition tax liability of \$11.5 million. This did not result in a change to the transition tax liability of \$84.0 million, previously recorded in fiscal 2019.

The consolidated effective income tax rates for the first quarters of fiscal 2020 and 2019 were 17.0% and 19.7%, respectively. The rate decrease in the first quarter of fiscal 2020 compared to the first quarter of fiscal 2019 is primarily due to changes in the mix of earnings among tax jurisdictions.

Foreign income as a percentage of worldwide income is estimated to be 64% for fiscal 2020 compared to 66% for fiscal 2019. The foreign effective income tax rates for the first quarter of fiscal 2020 and 2019 were 11.5% and 11.8%, respectively. The rate decrease compared to the prior year period is primarily due to changes in the mix of earnings among tax jurisdictions. Income from the Company's Swiss subsidiary comprised a substantial portion of our overall foreign mix of income and is taxed at an effective income tax rate of approximately 6% in both the current and prior year quarter of fiscal 2020 and fiscal 2019.

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 2019 Annual

Report. The adoption of ASC 842 did not result in a material change to our current critical accounting estimates. See *Recently Adopted Accounting Pronouncements* in Note 1 - Basis of Presentation, to the Consolidated Condensed Financial Statements, for further information on the adoption of ASC 842.

Liquidity and Capital Resources

Operating activities provided cash of \$30.4 million in the first quarter of fiscal 2020 compared to \$25.6 million in the first quarter of fiscal 2019. In the first quarter of fiscal 2020, cash provided by operating activities was primarily from net earnings of \$48.6 million, depreciation and amortization of \$20.7 million, stock-based compensation of \$3.9 million and non-cash interest of \$0.4 million. Cash provided by earnings as adjusted for non-cash items were partially offset by the increase in primary working capital of \$23.6 million, net of currency translation changes. Accrued expenses decreased by \$16.3 million primarily for payments of \$7.3 million related to the German competition authority matter (See Note 10 to the Consolidated Condensed Financial Statements included in this Quarterly Report on Form 10-Q) and \$6.1 million paid to the seller in connection with the Alpha acquisition, for certain reimbursable pre-acquisition items.

In the first quarter of fiscal 2019, cash provided by operating activities was primarily from net earnings of \$46.0 million, depreciation and amortization of \$13.7 million, stock-based compensation of \$4.3 million, non-cash charges relating to write-off of assets of \$1.1 million, non-cash interest of \$0.3 million and provision for doubtful accounts of \$0.3 million. Cash provided by earnings as adjusted for non-cash items were partially offset by the increase in primary working capital of \$26.6 million, net of currency translation changes, and a decrease in accrued expenses of \$13.5 million, comprising primarily of incentives, interest, freight and professional services fees.

As explained in the discussion of our use of “non-GAAP financial measures,” we monitor the level and percentage of primary working capital to sales. 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 \$838.6 million (yielding a primary working capital percentage of 26.9%) at June 30, 2019, \$835.6 million (yielding a primary working capital percentage of 26.2%) at March 31, 2019 and \$672.6 million at July 1, 2018 (yielding a primary working capital percentage of 25.1%). The primary working capital percentage of 26.9% at June 30, 2019 is 70 basis points higher than that for March 31, 2019, and 180 basis points higher than that for the prior year period. The increase in primary working capital compared to the prior year period is primarily due to the inclusion of the Alpha primary working capital components, while the increase from March 31, 2019 is due primarily to the build up of inventories.

Primary working capital and primary working capital percentages at June 30, 2019, March 31, 2019 and July 1, 2018 are computed as follows:

(\$ in Millions)						
Balance At ⁽¹⁾	Trade Receivables	Inventory	Accounts Payable	Total	Quarter Revenue Annualized	Primary Working Capital %
June 30, 2019	\$ 621.3	\$ 520.1	\$ (302.8)	\$ 838.6	\$ 3,120.9	26.9%
March 31, 2019	624.1	503.9	(292.4)	835.6	3,186.4	26.2
July 1, 2018	518.3	394.2	(239.9)	672.6	2,683.7	25.1

(1) The Company acquired Alpha on December 7, 2018, as disclosed in Note 4 to the Consolidated Condensed Financial Statements included in this Quarterly Report on Form 10-Q. Therefore, the Primary working capital and related calculations as of July 1, 2018 do not include Alpha's primary working capital and its components.

Investing activities used cash of \$17.3 million in the first quarter of fiscal 2020 which primarily consisted of capital expenditures relating to plant improvements.

Investing activities used cash of \$15.5 million in the first quarter of fiscal 2019 and primarily consisted of capital expenditures.

Financing activities used cash of \$51.7 million in the first quarter of fiscal 2020. During the first quarter of fiscal 2020, we borrowed \$95.0 million under the Amended 2017 Revolver and repaid \$85.0 million of the Amended 2017 Revolver. Repayment on the Amended 2017 Term Loan was \$5.6 million and net payments on short-term debt were \$19.5 million. Treasury stock open market purchases were \$23.0 million, payment of cash dividends to our stockholders were \$7.5 million and payment of taxes related to net share settlement of equity awards were \$6.1 million.

Financing activities provided cash of \$8.5 million in the first quarter of fiscal 2019. During the first quarter of fiscal 2019, we borrowed \$64.0 million under the 2017 Revolver and repaid \$54.5 million. Payment of cash dividends to our stockholders were \$7.3 million and payment of taxes related to net share settlement of equity awards were \$3.5 million. Proceeds from stock options were \$6.8 million and net borrowings on short-term debt were \$3.0 million.

Currency translation had a positive impact of \$1.5 million on our cash balance in the first quarter of fiscal 2020 compared to a negative impact of \$28.2 million in the first quarter of fiscal 2019. In the first quarter of fiscal 2020, principal currencies in which we do business such as the Euro, Swiss franc, Polish zloty and Mexican peso strengthened versus the U.S. dollar.

As a result of the above, total cash and cash equivalents decreased by \$37.1 million to \$262.1 million, in the first quarter of fiscal 2020 compared to a decrease by \$9.6 million to \$512.5 million, in the first quarter of fiscal 2019.

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

We are in compliance with all covenants and conditions under our credit agreement and our 5.00% Senior Notes due 2023. 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 2019 Annual Report and Note 12 to the Consolidated Condensed Financial Statements included in this Quarterly Report on Form 10-Q for a detailed description of our debt.

Contractual Obligations and Commercial Commitments

A table of our obligations is contained in Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations — Contractual Obligations of our 2019 Annual Report for the year ended March 31, 2019. As of June 30, 2019, except for presentation changes resulting from the adoption of ASC 842 during the current quarter, we had no significant changes to our contractual obligations table contained in our 2019 Annual Report.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market Risks

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

Counterparty Risks

We have entered into lead forward purchase contracts and foreign exchange forward and purchased option contracts to manage the risk associated with our exposures to fluctuations resulting from changes in raw material costs and foreign currency exchange rates. The Company's agreements are with creditworthy financial institutions. Those contracts that result in a liability position at June 30, 2019 are \$0.6 million (pre-tax). Those contracts that result in an asset position at June 30, 2019 are \$1.0 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 credit agreements as well as short-term borrowings in our foreign subsidiaries.

A 100 basis point increase in interest rates would have increased interest expense, on an annualized basis, by approximately \$7.3 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)
June 30, 2019	\$ 33.0	38.0	\$ 0.87	6%
March 31, 2019	39.2	42.0	0.93	7
July 1, 2018	64.3	58.8	1.09	12

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

For the remaining three quarters of this fiscal year, we believe approximately 45% of the cost of our lead requirements is known. This takes into account the hedge contracts in place at June 30, 2019, lead purchased by June 30, 2019 that will be reflected in future costs under our FIFO accounting policy, and the benefit from our lead tolling program.

We estimate that a 10% increase in our cost of lead would have increased our cost of goods sold by approximately \$17 million in the first quarter of fiscal 2020.

Foreign Currency Exchange Rate Risks

We manufacture and assemble our products globally in the Americas, EMEA and Asia. Approximately 40% 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 intercompany and third party trade transactions. On a selective basis, we enter into foreign currency forward contracts and purchase option contracts to reduce the impact from the volatility of currency movements; however, we cannot be certain that foreign currency fluctuations will not impact our operations in the future.

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

Gains and losses resulting from hedging instruments offset the foreign exchange gains or losses on the underlying assets and liabilities being hedged. The maturities of the forward exchange contracts generally coincide with the settlement dates of the related transactions. Realized and unrealized gains and losses on these contracts are recognized in the same period as gains and losses on the hedged items. We also selectively hedge anticipated transactions that are subject to foreign exchange exposure, primarily with foreign currency exchange contracts, which are designated as cash flow hedges in accordance with Topic 815 - Derivatives and Hedging.

At June 30, 2019 and July 1, 2018, we estimate that an unfavorable 10% movement in the exchange rates would have adversely changed our hedge valuations by approximately \$2.7 million and \$0.9 million, respectively.

ITEM 4. CONTROLS AND PROCEDURES

(a) Disclosure Controls and Procedures. Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this report. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, our disclosure controls and procedures are effective. We completed the Alpha acquisition on December 7, 2018 and are in the process, but have not yet concluded our assessment of the effectiveness of our internal control over financial reporting including Alpha. Accordingly, pursuant to the SEC's general guidance that an assessment of a recently acquired business may be omitted from the scope of an assessment in the year of acquisition, the scope of our assessment of the effectiveness of our disclosure controls and procedures does not include Alpha. For the first quarter of fiscal 2020, Alpha accounted for \$151.1 million of our total net sales and as of June 30, 2019 had total assets of \$930.1 million.

(b) Internal Control Over Financial Reporting. The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, evaluated any change in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) and determined that there was no change in our internal control over financial reporting during the quarter to which this report relates that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II OTHER INFORMATION**Item 1. Legal Proceedings**

From time to time, we are involved in litigation incidental to the conduct of our business. See Litigation and Other Legal Matters in Note 10 - 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 2019 Annual Report for the year ended March 31, 2019, 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 condition-based share units may be satisfied by the surrender of shares of the Company's common stock.

Purchases of Equity Securities

Period	(a) Total number of shares (or units) purchased	(b) Average price paid per share (or unit)	(c) Total number of shares (or units) purchased as part of publicly announced plans or programs	(d) Maximum number (or approximate dollar value) of shares (or units) that may be purchased under the plans or programs (1) (2)
April 1 – April 28, 2019	—	\$ —	—	\$ 43,563,613
April 29 – May 26, 2019	92,254	62.81	—	43,563,613
May 27 – June 30, 2019	376,343	61.19	376,343	20,535,323
Total	468,597	\$ 61.51	376,343	

(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 2017 Equity Incentive Plan and the number of shares exercised through stock option awards during such fiscal year.

(2) On November 8, 2017, the Company announced the establishment of a \$100 million stock repurchase authorization, with no expiration date and a remaining authorization of \$68.6 million. The authorization is in addition to the existing stock repurchase programs.

Item 4. Mine Safety Disclosures

Not applicable.

ITEM 6. EXHIBITS

Exhibit Number	Description of Exhibit
2.1	Share Purchase Agreement, dated October 29, 2018, by and among EnerSys, AlphaTec Ltd., Alpha Innovations Ltd., Radiant Energy Systems Ltd. and Fortis Advisors LLC, as seller representative (incorporated by reference to Exhibit 2.1 to the Registrant's Current Report on Form 8-K (File No. 001-32253), filed October 29, 2018).
3.1	Fifth Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to Amendment No. 3 to the Company's Registration Statement on Form S-1 (File No. 333-115553) filed on July 13, 2004).
3.2	Third Amended and Restated Bylaws (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K (File No. 001-32253) filed on August 3, 2016).
10.1	Form of TSR Performance Share Unit Grant Agreement - Employees - 2017 Equity Incentive Plan (filed herewith).
10.2	Form of EPS Performance Share Unit Grant Agreement - Employees - 2017 Equity Incentive Plan (filed herewith).
10.3	Form of Restricted Stock Unit Grant Agreement - Employees - 2017 Equity Incentive Plan (filed herewith).
10.4	Form of Employee Stock Option Grant Agreement - Employees - 2017 Equity Incentive Plan (filed herewith).
31.1	Certification of Principal Executive Officer pursuant to Rule 13a-14(a)/15d-14(a) Under the Securities Exchange Act of 1934 (filed herewith).
31.2	Certification of Principal Financial Officer pursuant to Rule 13a-14(a)/15d-14(a) Under the Securities Exchange Act of 1934 (filed herewith).
32.1	Certification of the Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).
101.INS	XBRL Instance Document - The instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

SIGNATURES

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

ENERSYS (Registrant)

By /s/ Michael J. Schmidlein

Michael J. Schmidlein

Chief Financial Officer

Date: August 7, 2019

ENERSYS

AWARD AGREEMENT FOR EMPLOYEES – TSR PERFORMANCE SHARE UNITS

UNDER THE 2017 EQUITY INCENTIVE PLAN

THIS AWARD AGREEMENT FOR EMPLOYEES – TSR PERFORMANCE SHARE UNITS (this “Agreement”), dated as of _____, is between ENERSYS, a Delaware corporation (the “Company”), and the individual identified on the signature page hereof (the “Participant”).

BACKGROUND

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

B. The Company desires to (i) provide the Participant with an incentive to remain in the employ of the Company or one of its Subsidiaries, and (ii) increase the Participant’s interest in the success of the Company by granting Performance Share Units, a form of a Restricted Stock Unit under the Plan (the “Performance Share Units”), to the Participant.

C. This grant of Performance Share Units is (i) made pursuant to the 2017 Equity Incentive Plan (as amended from time to time, the “Plan”); (ii) made subject to the terms and conditions of this Agreement; and (iii) not employment compensation nor an employment right and is made in the sole discretion of the Compensation Committee.

AGREEMENT

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

1. **Definitions; Incorporation of Plan Terms.** Capitalized terms used in this Agreement without definition shall have the meanings assigned to them in the Plan. This Agreement and the Performance Share Units shall be subject to the Plan. The terms of the Plan, the Background provisions of this Agreement and Appendix A are hereby incorporated into this Agreement by reference and made a part hereof as if set forth in their entirety in this Section 1. If there is a conflict or an inconsistency between the Plan and this Agreement, the Plan shall govern.

2. **Grant of Performance Share Units.**

(a) Subject to the provisions of this Agreement and pursuant to the provisions of the Plan, the Company hereby grants to the Participant the number of Performance Share Units specified on the signature page of this Agreement. The Company shall credit to a

bookkeeping account maintained by the Company, or a third party on behalf of the Company, for the Participant's benefit, the number of Performance Share Units granted hereunder, each of which shall be deemed to be the equivalent of one share of the Company's Common Stock.

(b) If the Company declares and pays a dividend or distribution on Common Stock in the form of cash, then a number of additional Performance Share Units shall be credited to the Participant as of the payment date for such dividend or distribution equal to the result of dividing (i) the product of the total number of Performance Share Units credited to the Participant as of the record date for such dividend or distribution (other than previously settled or forfeited Performance Share Units) times the per share amount of such dividend or distribution, by (ii) the Fair Market Value of one share of Common Stock as of the record date for such dividend or distribution. Any Performance Share Units credited to the Participant under this subsection shall: (A) be or become vested or forfeited (as appropriate) to the same extent as the underlying Performance Share Unit, (B) be settled as provided under Section 3(d) for such underlying Performance Share Unit, and (C) be subject to the TSR Performance Multiplier (as hereinafter defined) that applies to such underlying Performance Share Unit.

(c) If the Company declares and pays a dividend or distribution on Common Stock in the form of additional shares, or there occurs a forward split of Common Stock, then a number of additional Performance Share Units shall be credited to the Participant as of the payment date for such dividend or distribution or forward split equal to (i) the number of Performance Share Units credited to the Participant as of the record date for such dividend or distribution or split (other than previously settled or forfeited Performance Share Units), multiplied by (ii) the number of additional shares actually paid as a dividend or distribution or issued in such split in respect of each outstanding share of Common Stock. Any Performance Share Units credited to the Participant under this subsection shall: (A) be or become vested or forfeited (as appropriate) to the same extent as the underlying Performance Share Unit, (B) be settled as provided under Section 3(d) for such underlying Performance Share Unit, and (C) be subject to the TSR Performance Multiplier that applies to such underlying Performance Share Unit.

3. Terms and Conditions.

(a) Vesting and Number Earned. All of the Performance Share Units shall initially be unvested. The Performance Share Units shall be subject to the restrictions and conditions set forth herein. Except as otherwise provided in this Section 3, the vesting of the Performance Share Units is conditioned upon the Participant remaining continuously employed by the Company or a Subsidiary following the Date of Grant (as specified on the signature page of this Agreement) until the third (3rd) anniversary of the Date of Grant (the "Vesting Date").

(i) Subject to Sections 3(a)(iii), 3(a)(iv), 3(a)(v), 3(a)(vi), 3(b) and 3(c), the number of Performance Share Units that shall vest and become non-forfeitable (the "Earned Performance Share Units") shall equal the product of (A) the number of Performance Share Units granted to the Participant pursuant to this Agreement (as such number of Performance Share Units may be adjusted from time-to-time as provided in this Agreement or in the Plan) and (B) the TSR Performance Multiplier set forth in the chart below based on the Company's Actual

TSR Percentile for the Performance Period (as each such term is defined below); provided, however, that in no event shall the TSR Performance Multiplier exceed two hundred percent (200%):

Actual TSR Percentile	TSR Performance Multiplier
75th or higher	200%
50th	100%
25th	50%
Below 25th	0%

(ii) The TSR Performance Multiplier will be interpolated on a linear basis between the levels stated in the chart above. For example, if the Actual TSR Percentile for the Performance Period were the 60th percentile, then the TSR Performance Multiplier would be 140%. Any Performance Share Units that do not vest based on the performance requirements set forth in this Section 3(a) (and which have not previously terminated pursuant to the terms of this Agreement) will automatically terminate as of the Vesting Date. The number of Earned Performance Share Units that vest based on performance will be determined by the Compensation Committee following the end of the Performance Period and payment of vested Earned Performance Share Units will be made in the period provided for in Section 3(d). Any such determination by the Compensation Committee shall be final and binding.

For purposes of the Award, the following definitions shall apply:

“Actual TSR Percentile” means the percentile ranking of the Company’s TSR among the TSRs for the companies comprising the Comparator Peer Group on the last day of the Performance Period. For purposes of clarity, the Company’s TSR shall be ranked against the TSRs for such companies regardless of whether the Company is a member of the Comparator Peer Group at such time.

“Beginning Price” means, with respect to the Company and any other company in the Comparator Peer Group, the average of the closing market prices of such company’s common stock on the principal exchange on which such stock is traded for the sixty (60) consecutive calendar days ending with the first day of the Performance Period or, in the case of a company that is not traded on a stock exchange on the first day of the Performance Period, the average of the closing market prices of such company’s common stock on the principal exchange on which such stock is thereafter first admitted to trading for the sixty (60) consecutive calendar days commencing with the first day in the Performance Period on which such company’s common stock is so traded. In either case, as to a stock which goes ex-dividend during such 60-day period, the closing market prices as to such stock for the portion of the 60-day period

preceding the ex-dividend date shall be equitably adjusted to exclude the amount of the related dividend.

“Comparator Peer Group” means the companies that comprise the S&P SmallCap® 600 Industrials Index as of the date of the beginning of the Performance Period as published by Standard & Poor’s Financial Services LLC (or its successor), or if such index ceases to be published or is otherwise unavailable, an alternate index deemed comparable by the Compensation Committee.

“Ending Price” means, with respect to the Company and any other company in the Comparator Peer Group, the average of the closing market prices of such company’s common stock on the principal exchange on which such stock is traded for the sixty (60) consecutive calendar days ending with the last day of the Performance Period. As to a stock which goes ex-dividend during such 60-day period, the closing market prices as to such stock for the portion of the 60-day period preceding the ex-dividend date shall be equitably adjusted to exclude the amount of the related dividend.

“Performance Period” means the period commencing on the Date of Grant and ending on the Vesting Date.

“TSR” means total shareholder return and shall be determined with respect to the Company and any other company in the Comparator Peer Group by dividing: (A) the sum of (1) the difference obtained by subtracting the Beginning Price from the Ending Price plus (2) all amounts resulting from dividends and other distributions for which the ex-dividend date (or similar date in the case of a distribution other than a dividend) related to such dividend or other distribution occurs during the Performance Period (assuming same day reinvestment of the dividends in Common Stock at the closing price on the ex-dividend date) by (B) the Beginning Price. Any non-cash distributions shall be ascribed such dollar value as may be determined by or at the direction of the Compensation Committee.

“TSR Performance Multiplier” means the applicable percentage specified in the chart set forth in Section 3(a)(i) based on the Company’s Actual TSR Percentile.

(iii) Any Performance Share Units that fail to vest because the employment condition is not satisfied shall be forfeited, subject to the special provisions set forth in Sections 3(a)(iv) through 3(a)(vi).

(iv) In the event of a Change in Control prior to the Vesting Date where the holders of the Company’s Common Stock receive cash consideration for their Common Stock in consummation of the Change in Control, the Performance Share Units shall immediately become

vested. Any Performance Share Unit that vests as a result of a Change in Control under this subsection shall vest based on the TSR Performance Multiplier determined by substituting the date of such Change in Control for the Vesting Date. For purposes of this Section 3(a)(iv) and any acceleration of the Performance Share Units upon a Change in Control, a Change in Control shall be deemed to occur only if, in addition to the requirements set forth in the Plan, the Change in Control also meets the requirements of IRS Reg. §1.409A-3(i)(5), to the extent necessary to avoid the imposition of taxes thereunder.

(v) (A) If the Participant's employment terminates due to death or Permanent Disability, or (B) if, on or within two years after a Change in Control (other than a Change in Control described in Section 3(a)(iv)), the Participant (x) terminates employment for Good Reason, or (y) is terminated by the Company without Cause, Performance Share Units not previously vested shall immediately become vested based on the TSR Performance Multiplier determined by substituting the date of such termination of employment for the Vesting Date (provided, however, that in the event of a Change in Control under this subsection, the TSR Performance Multiplier shall be determined as of the date of such Change in Control.).

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

The number of Performance Share Units vesting pro-rata upon Retirement (absent action to the contrary by the Compensation Committee) described in the penultimate sentence of the foregoing paragraph of this Section 3(a)(vi) shall be calculated by multiplying (A) the quotient obtained by dividing the number of completed months that the Participant was employed by the Company or one of its Subsidiaries during the Performance Period by the number of months during the Performance Period, by (B) the total number of Performance Share Units awarded (rounding up to the nearest whole number). The number of Earned Performance Share Units upon Retirement shall be determined as of the end of the Performance Period and be based on the TSR Multiplier for the Performance Period.

(b) Restrictions on Transfer. Until the earlier of (i) the Settlement Date (as hereinafter defined), (ii) the date of a Change in Control described in Section 3(a)(iv), and (iii) the date of a termination of employment described in Section 3(a)(v), or as otherwise

provided in the Plan, no transfer of the Performance Share Units or any of the Participant's rights with respect to the Performance Share Units, whether voluntary or involuntary, by operation of law or otherwise, shall be permitted. Unless the Compensation Committee determines otherwise, upon any attempt to transfer any Performance Share Unit or any rights in respect of any Performance Share Units before the earlier of the Settlement Date, the date of a Change in Control described in Section 3(a)(iv), and the date of a termination of employment described in Section 3(a)(v), or as otherwise provided in the Plan, such Performance Share Unit, and all of the rights related to such Performance Share Unit, shall be immediately and automatically forfeited by the Participant without consideration of any kind.

(c) Forfeiture. Upon termination of the Participant's employment with the Company or a Subsidiary for any reason other than one of the reasons set forth in subsections (v) and (vi) of Section 3(a), the Participant shall forfeit any and all Performance Share Units which have not vested as of the date of such termination and such units shall revert to the Company without consideration of any kind.

(d) Settlement. Earned Performance Share Units not previously forfeited shall be settled on the earlier of (i) the Settlement Date, (ii) the date of a Change in Control described in Section 3(a)(iv), (iii) the date of a termination of employment due to death or Permanent Disability, and (iv) the date of a termination of employment on or within two years after a Change in Control described in Section 3(a)(v), by delivery of one share of Common Stock for each Earned Performance Share Unit being settled or, if determined by the Compensation Committee in its sole discretion, by a payment of cash equal to the Fair Market Value of one share of Common Stock for each Earned Performance Share Unit being settled. If the Participant dies following a Retirement described in Section 3(a)(vi) prior to the Vesting Date, in such case, the Company shall deliver one share of Common Stock for each Earned Performance Share Unit not previously forfeited and being settled or, if determined by the Compensation Committee in its sole discretion, by a payment of cash equal to the Fair Market Value of one share of Common Stock for each Earned Performance Share Unit being settled to the Participant's estate (or beneficiary) upon his or her death. The "Settlement Date" shall be the first anniversary of the Vesting Date.

(e) Payout Limit. In no event shall the total dollar value of the Earned Performance Share Units as of earlier of (i) the Vesting Date, (ii) the date of a Change in Control described in Section 3(a)(iv), (iii) the date of a termination of employment due to death or Permanent Disability, and (iv) the date of a termination of employment on or within two years after a Change in Control described in Section 3(a)(v) exceed the Payout Limit (as set forth on the signature page of this Agreement). Any Earned Performance Share Units resulting from dividends or distributions do not count toward the Payout Limit.

4. Noncompetition. The Participant agrees with the Company that, for as long as the Participant is employed by the Company or any of its Subsidiaries and continuing for twelve (12) months (or such longer period as may be provided in an employment or similar agreement between the Participant and the Company or one of its Subsidiaries or as provided in the last sentence of this Section 4) following a termination of such employment, the Participant shall not,

without the prior written consent of the Company, directly or indirectly, and whether as principal or investor or as an employee, officer, director, manager, partner, consultant, agent, or otherwise, alone or in association with any other person, firm, corporation, or other business organization, engage or otherwise become involved in a Competing Business in the Americas, Europe, Middle East or Asia, or in any other geographic area throughout the world (a) in which the Company or any of its Subsidiaries has engaged in any of the activities that comprise a Competing Business during the Participant's employment, or (b) in which the Participant has knowledge of the Company's plans to engage in any of the activities that comprise a Competing Business (including, without limitation, in any area in which any customer of the Company or any of its Subsidiaries may be located); provided, however, that the provisions of this Section 4 shall apply solely to those activities of a Competing Business, with which the Participant was personally involved or for which the Participant was responsible while employed by the Company or its Subsidiaries during the twelve (12) month period preceding termination of the Participant's employment. This Section 4 will not be violated, however, by the Participant's investment of up to US\$100,000 in the aggregate in one or more publicly-traded companies that engage in a Competing Business. The restrictions of this Section 4 shall also apply during any continued settlement period after Retirement described in Section 3(a)(vi).

5. Wrongful Solicitation. As a separate and independent covenant, the Participant agrees with the Company that, for so long as the Participant is employed by the Company or any of its Subsidiaries and continuing for twelve (12) months (or such longer period as may be provided in an employment or similar agreement between the Participant and the Company or one of its Subsidiaries or as provided in the last sentence of this Section 5) following a termination of such employment, the Participant shall not engage in any Wrongful Solicitation. The restrictions of this Section 5 shall also apply during any continued settlement period after Retirement described in Section 3(a)(vi).

6. Confidentiality; Specific Performance.

(a) The Participant agrees with the Company that the Participant shall not at any time, except in performance of the Participant's obligations to the Company hereunder or with the prior written consent of the Company, directly or indirectly, reveal to any person, entity, or other organization (other than the Company, or its employees, officers, directors, stockholders, or agents) or use for the Participant's own benefit any information deemed to be confidential by the Company or any of its Affiliates ("Confidential Information") relating to the assets, liabilities, employees, goodwill, business, or affairs of the Company or any of its Affiliates, including, without limitation, any information concerning past, present, or prospective customers, manufacturing processes, marketing, operating, or financial data, or other confidential information used by, or useful to, the Company or any of its Affiliates and known (whether or not known with the knowledge and permission of the Company or any of its Affiliates and whether or not at any time prior to the Date of Grant developed, devised, or otherwise created in whole or in part by the efforts of the Participant) to the Participant by reason of the Participant's employment with, equity holdings in, or other association with the Company or any of its Affiliates. The Participant further agrees that the Participant will retain all copies and extracts of any written Confidential Information acquired or developed by the Participant during any such

employment, equity holding, or association in trust for the sole benefit of the Company, its Affiliates, and their successors and assigns. The Participant further agrees that the Participant will not, without the prior written consent of the Company, remove or take from the Company's or any of its Affiliate's premises (or if previously removed or taken, the Participant will promptly return) any written Confidential Information or any copies or extracts thereof. Upon the request and at the expense of the Company, the Participant shall promptly make all disclosures, execute all instruments and papers, and perform all acts reasonably necessary to vest and confirm in the Company and its Affiliates, fully and completely, all rights created or contemplated by this Section 6. The term "Confidential Information" shall not include information that is or becomes generally available to the public other than as a result of a disclosure by, or at the direction of, the Participant.

(b) The Participant agrees that upon termination of the Participant's employment with the Company or any Subsidiary for any reason, the Participant will return to the Company immediately all memoranda, books, papers, plans, information, letters and other data, and all copies thereof or therefrom, in any way evidencing (in whole or in part) Confidential Information relating to the business of the Company and its Subsidiaries and Affiliates. The Participant further agrees that the Participant will not retain or use for the Participant's account at any time any trade names, trademark, or other proprietary business designation used or owned in connection with the business of the Company or its Subsidiaries or Affiliates.

(c) The Participant acknowledges and agrees that the Company's remedies at law for a breach or threatened breach of any of the provisions of this Section 6, or Section 4 or 5 above, would be inadequate and, in recognition of this fact, the Participant agrees that, in the event of such a breach or threatened breach, in addition to any remedies at law, the Company, without posting any bond (or other security other than any mandatory minimum or nominal bond or security), shall be entitled to obtain equitable relief in the form of specific performance, temporary restraining order, temporary or permanent injunction, or any other equitable remedy which may then be available.

7. Taxes.

(a) This Section 7(a) applies only to (i) all Participants who are U.S. employees, and (ii) to those Participants who are employed by a Subsidiary of the Company that is obligated under applicable local law to withhold taxes with respect to the settlement of the Performance Share Units. Such Participant shall pay to the Company or a designated Subsidiary, promptly upon request, and in any event at the time the Participant recognizes taxable income, or withholding of employment taxes is required, with respect to the Performance Share Units, an amount equal to the taxes the Company determines it is required to withhold under applicable tax laws with respect to the Performance Share Units. The Participant may satisfy the foregoing requirement by making a payment to the Company in cash or, in accordance with rules and regulations promulgated by the Compensation Committee, by delivering already owned unrestricted shares of Common Stock or by having the Company withhold a number of shares of Common Stock in which the Participant would otherwise become vested under this Agreement,

in each case, having a value equal to the maximum amount of tax permitted to be withheld that will not result in adverse financial accounting consequences to the Company. Such shares shall be valued at their Fair Market Value on the date as of which the amount of tax to be withheld is determined.

(b) The Participant acknowledges that the tax laws and regulations and financial accounting principles and guidance applicable to the Performance Share Units and the disposition of the shares following the settlement of Performance Share Units are complex and subject to change.

8. Securities Laws Requirements. The Company shall not be obligated to transfer any shares following the settlement of Performance Share Units to the Participant free of a restrictive legend if such transfer, in the opinion of counsel for the Company, would violate the Securities Act of 1933, as amended (the "Securities Act") (or any other federal or state statutes having similar requirements as may be in effect at that time).

9. No Obligation to Register. The Company shall be under no obligation to register any shares as a result of the settlement of the Performance Share Units pursuant to the Securities Act or any other federal or state securities laws.

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

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

12. Rights as a Stockholder. The Participant shall not possess the right to vote the shares underlying the Performance Share Units until the Performance Share Units have been settled in accordance with the provisions of this Agreement and the Plan.

13. Survival of Terms. This Agreement shall apply to and bind the Participant and the Company and their respective permitted assignees and transferees, heirs, legatees, executors, administrators and legal successors. The terms of Sections 4-7, 13, 14, 16, 18-21 and 23 shall expressly survive the forfeiture of the Performance Share Units and the termination of this Agreement.

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

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

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

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

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

19. Entire Agreement; Language; Governing Law. This Agreement and the Plan and the other related agreements expressly referred to herein set forth the entire agreement and understanding between the parties hereto and supersedes all prior agreements and understandings relating to the subject matter hereof. This Agreement may be executed in one or more

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

20. Severability; Judicial Reformation. Should any provision of this Agreement be held by a court of competent jurisdiction to be unenforceable, or enforceable only if modified, such holding shall not affect the validity of the remainder of this Agreement, the balance of which shall continue to be binding upon the parties hereto with any such modification (if any) to become a part hereof and treated as though contained in this original Agreement. Moreover, if one or more of the provisions contained in this Agreement shall for any reason be held to be excessively broad as to scope, activity, subject or otherwise so as to be unenforceable, in lieu of severing such unenforceable provision, such provision or provisions shall be construed by the appropriate judicial body by limiting or reducing it or them, so as to be enforceable to the maximum extent compatible with the applicable law as it shall then appear, and such determination by such judicial body shall not affect the enforceability of such provisions or provisions in any other jurisdiction.

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

22. Acceptance. The Participant hereby acknowledges receipt of a copy of the Plan and this Agreement. The Participant has read and understand the terms and provision thereof, and accepts the Performance Share Units subject to all the terms and conditions of the Plan and this Agreement. The Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Compensation Committee upon any questions arising under this Agreement.

23. Miscellaneous.

(a) No Rights to Grants or Continued Employment. The Participant acknowledges that the award granted under this Agreement is not employment compensation nor is it an employment right, and is being granted at the sole discretion of the Compensation Committee. The Participant shall not have any claim or right to receive grants of Awards under the Plan. Neither the Plan nor this Agreement, or any action taken or omitted to be taken

hereunder or thereunder, shall be deemed to create or confer on the Participant any right to be retained as an employee of the Company or any Subsidiary or other Affiliate thereof, or to interfere with or to limit in any way the right of the Company or any Affiliate or Subsidiary thereof to terminate the employment of the Participant at any time.

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

(c) Assignment. The Company shall have the right to assign any of its rights and to delegate any of its duties under this Agreement to any of its Affiliates. The terms and conditions of this Agreement shall be binding upon and shall inure to the benefit of the permitted successors and assigns of the Company (including any person or entity which acquires all or substantially all of the assets of the Company).

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

(e) Clawback Policy. The Performance Share Units and any cash or shares of Common Stock delivered in settlement of the Performance Share Units shall be subject to the terms of the clawback policy adopted by the Board of Directors (as such policy may be amended from time-to-time).

24. Code Section 409A. Notwithstanding anything in this Agreement to the contrary, the receipt of any benefits under this Agreement as a result of a termination of employment shall be subject to satisfaction of the condition precedent that 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 (6) 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 Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein.

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

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

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

ENERSYS

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

PARTICIPANT

By: _____
Name: _____
Address: _____

Date of Grant: _____

Number of Performance Share Units: _____

Payout Limit: \$_____

Appendix A
to
Award Agreement for Employees – TSR Performance Share Units
Under the 2017 Equity Incentive Plan

This Appendix A contains supplemental terms and conditions for awards of Performance Share Units (“PSUs”) granted as of the Date of Grant set forth in the Agreement under the EnerSys 2017 Equity Incentive Plan to Participants who reside outside the United States or who are otherwise subject to the laws of a country other than the United States.

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

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

This Appendix A may also include information regarding exchange controls, taxation of awards and certain other issues of which the Participant should be aware with respect to participation in the Plan. The information is based on the securities, exchange control, tax and other laws concerning PSUs in effect as of July 30, 2018. Such laws are often complex and change frequently; the information may be out of date at the time the Participant vests in the PSUs or sell shares acquired under the Plan. As a result, the Company strongly recommends that the Participant should not rely on the information noted herein as the only source of information relating to the consequences of the Participant’s participation in the Plan.

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

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

Section I. All Countries Outside the United States

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

1. the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;
2. the grant of the PSUs is voluntary and occasional and does not create any contractual or other right to receive future grants of PSUs, or benefits in lieu of PSUs, even if PSUs have been granted repeatedly in the past;
3. all decisions with respect to future grants, if any, will be at the sole discretion of Company;
4. the Participant is voluntarily participating in the Plan;
5. the PSUs and the underlying shares of Common Stock subject to the PSUs are extraordinary items that do not constitute compensation of any kind for services of any kind rendered to the Company or any Subsidiary or Affiliate, and which is outside the scope of the Participant's employment contract, if any;
6. the PSUs and the underlying shares of Common Stock subject to the PSUs are not intended to replace any pension rights, if any, or compensation;
7. the PSUs and the underlying shares of Common Stock subject to the PSUs, and the income and value of same, are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company or any Subsidiary or Affiliate;
8. the grant of the PSUs and the Participant's participation in the Plan will not be interpreted to form an employment contract or relationship with the Company or any Subsidiary or Affiliate;
9. the future value of the underlying shares of Common Stock is unknown and cannot be predicted with certainty;
10. if the Participant obtains shares of Common Stock upon settlement of the Participant's PSUs, the value of those shares acquired may increase or decrease in value;
11. in consideration of the grant of the PSUs, no claim or entitlement to compensation or damages shall arise from forfeiture of the PSUs resulting from termination of the Participant's employment with the Company or any Subsidiary or Affiliate (for any reason whatsoever and whether or not in breach of local labor laws) and the Participant irrevocably releases the

Company, the Subsidiaries and the Affiliates from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, the Participant will be deemed irrevocably to have waived the Participant's entitlement to pursue such claim;

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

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

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

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

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

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

i. Regardless of any action the Company or the Subsidiary/Affiliate that employs the Participant (the "Employer") takes with respect to any or all income tax, the Participant's portion of social insurance, payroll tax, payment on account or other tax-related items related to the Participant's participation in the Plan and legally applicable to the Participant ("Tax-Related Items"), the Participant acknowledges that the ultimate liability for all Tax-Related Items is and remains the Participant's responsibility and may exceed the amount actually withheld by the Company or the Employer.

ii. The Participant further acknowledges that the Company and/or the Employer (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in

connection with any aspect of the Award, including, but not limited to, the grant of the PSUs, the issuance of shares of Common Stock upon vesting/settlement of the PSUs, the subsequent sale of shares of Common Stock acquired pursuant to such issuance and the receipt of any dividends or dividend equivalents; and (2) do not commit to, and are under no obligation to, structure the terms of the grant or any aspect of the PSUs to reduce or eliminate the Participant's liability for Tax-Related Items or achieve any particular tax result.

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

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

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

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

3. Insider Trading Restrictions/Market Abuse Laws. The Participant acknowledges that, depending on the Participant's country of residence (and country of employment, if different), the Participant may be subject to insider trading restrictions and/or market abuse laws, which may affect the Participant's ability to acquire or sell shares of Common Stock or rights to shares of Common Stock (*e.g.*, PSUs) under the Plan during such times as the Participant is considered to have "inside information" (as defined by the laws in the applicable country). The insider trading and/or market abuse laws may be different from any Company Insider Trading Policy. The Participant personally is responsible for ensuring compliance with any applicable restrictions and should consult

with the Participant's personal legal advisor for additional information about any applicable restrictions and the Participant's obligations.

4. Foreign Asset/Account and Exchange Control Reporting. The Participant's country of residence (and country of employment, if different) may have certain exchange controls and foreign asset and/or account reporting requirements which may affect the Participant's ability to purchase or hold shares of Common Stock under the Plan or receive cash from the Participant's participation in the Plan (including from any dividends received or sale proceeds arising from the sale of shares of Common Stock) in a brokerage or bank account outside the Participant's country of residence (and country of employment, if different). The Participant may be required to report such accounts, assets or transactions to the tax or other authorities in the Participant's country of residence (and country of employment, if different). Further, the Participant may be required to repatriate the shares of Common Stock or proceeds acquired as a result of participating in the Plan to the Participant's country of residence (and country of employment, if different) through a designated bank/broker and/or within a certain time. The Participant personally is responsible for ensuring compliance with any applicable reporting obligations and should consult with the Participant's personal legal advisor for additional information about such obligations.

Section II. All Countries Excluding France, Germany, Italy, Netherlands, Poland and United Kingdom

Data Privacy Consent.

I hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of my personal data as described in this Agreement and any other Award grant materials by and among, as applicable, the employer, the Company and its subsidiaries and affiliates for the exclusive purpose of implementing, administering and managing my participation in the Plan (“Data”).

I understand that the Company and the employer may hold certain personal information about me, including, but not limited to, my name, home address and telephone number, email address, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all Awards or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in my favor, for the exclusive purpose of implementing, administering and managing the Plan.

I understand that Data will be transferred to a third party plan administrator, or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. I understand that the recipients of the Data may be located in the United States or elsewhere, and that the recipients’ country (e.g., the United States) may have different data privacy laws and protections than my country. I understand that if I reside outside the United States, I may request a list with the names and addresses of any potential recipients of the Data by contacting my local human resources representative. I authorize the Company, the third party administrator and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing my participation in the Plan. I understand that Data will be held only as long as is necessary to implement, administer and manage my participation in the Plan. I understand that if I reside outside the United States, I may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing my local human resources representative. Further, I understand that I am providing the consents herein on a purely voluntary basis. If I do not consent, or if I later seek to revoke my consent, my employment status or service and career with the employer will not be adversely affected; the only adverse consequence of refusing or withdrawing my consent is that the Company would not be able to grant me the Award or other awards or administer or maintain such awards. Therefore, I understand that refusing or withdrawing my consent may affect my ability to participate in the Plan. For more information on the consequences of my refusal to consent or withdrawal of consent, I understand that I may contact my local human resources representative.

Section III. France, Germany, Italy, Netherlands, Poland and United Kingdom

Data Privacy Notice.

You are hereby notified of the collection, use and transfer outside of the European Economic Area, as described in this Agreement, in electronic or other form, of your Personal Data (defined below) by and among, as applicable, the Company and certain of its Subsidiaries and/or Affiliates for the purpose of performing and satisfying its contractual obligations under the Agreement and for the necessary, exclusive and legitimate purpose of implementing, administering and managing your participation in the Plan.

You understand that the Company and the Employer hold certain personal information about you, including, but not limited to, your name, home address and telephone number, email address, date of birth, social insurance, passport or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all entitlement to Shares awarded, canceled, vested, unvested or outstanding in your favor (“Personal Data”), for the purpose of implementing, administering and managing the Plan.

You understand that providing the Company with this Personal Data is necessary for the performance of this Agreement and that your refusal to provide the Personal Data would make it impossible for the Company to perform its contractual obligations and may affect your ability to participate in the Plan. Your Personal Data shall be accessible within the Company only by the persons specifically charged with Personal Data processing operations and by the persons that need to access the Personal Data because of their duties and position in relation to the performance of this Agreement.

The Personal Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You may, at any time and without cost, contact the EnerSys Legal Department at legal@enersys.com to enforce your rights under the data protection laws in your country, which may include the right to (i) request access to or copies of Personal Data subject to processing; (ii) request rectification of incorrect Personal Data; (iii) request deletion of Personal Data; (iv) request restriction on processing of Personal Data; (v) request portability of Personal Data; (vi) lodge complaints with competent authorities in your country; and/or (vii) request a list with the names and addresses of any potential recipients of Personal Data.

The Company provides appropriate safeguards for protecting Personal Data that it receives in the U.S. through its adherence to data transfer agreements (which include model contractual clauses) entered into between the Company and its Subsidiaries and Affiliates within the European Union.

Further, you are hereby notified that the Company and certain of its Subsidiaries and/or Affiliates will transfer Personal Data amongst themselves as necessary for the purpose of implementation, administration and management of your participation in the Plan. When transferring Personal Data to these recipients, the Company and its Subsidiaries and/or

Affiliates, as applicable, will provide appropriate safeguards in accordance with the data transfer agreements entered into between these parties.

The Company or its Subsidiaries or Affiliates may each further transfer Personal Data to Solium Capital LLC and/or such other third parties as may be selected by the Company, which are assisting the Company with the implementation, administration and management of the Plan. The Company may select a different service provider or additional service providers and share Personal Data with such other provider(s) serving in a similar manner. Solium Capital LLC is based in the United States. Your country or jurisdiction may have different data privacy laws and protections than the United States. Nonetheless, your Personal Data will be transferred to Solium Capital LLC for the exclusive purpose of administering your participation in the Plan. The Company's legal basis, where required, for the transfer of Personal Data to Solium Capital LLC is that such transfer is necessary for the purpose of performing and satisfying its contractual obligations under the Agreement.

Finally, you may choose to opt out of allowing the Company to share your Personal Data with Solium Capital LLC and others as described above, although execution of such choice may mean the Company cannot grant awards under the Plan to you. Please consult your local human resources representative, Privacy Champion, Data Protection Officer (if applicable), or the Legal Department, if you have any questions or comments concerning this choice and the processing of your data.

Section IV. Country-Specific Provisions

Argentina

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

Australia

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

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

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

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

Canada

PSUs Payable Only in Shares. Notwithstanding anything in the Agreement or the Plan to the contrary, the Participant’s PSUs shall be settled in shares of Common Stock only (and many not be settled in cash).

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

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

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

Data Privacy Consent. The following provision supplements Section II of this Appendix A.

You hereby authorize the Company or the Company's representatives to discuss with and obtain all relevant information regarding your participation in the Plan from all personnel, professional or not, involved in the administration and operation of the Plan. You further authorize the Company and any Subsidiary or Affiliate of the Company and the Compensation Committee to disclose and discuss your participation in the Plan with their advisors. You further authorize the Company and any Subsidiary or Affiliate of the Company to record such information and to keep such information in your file.

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

China

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

France

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

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

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

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

Germany

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

India

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

Exchange Control Information. The Participant must repatriate to India the proceeds from the sale of shares acquired at vesting and any dividends received in relation to the shares within 90 days after receipt. The Participant must obtain evidence of the repatriation of funds in the form of a foreign inward remittance certificate (the "FIRC") from the bank where the Participant deposited the foreign currency. The Participant must retain the FIRC in the Participant's records to present to the Reserve Bank of India or the Participant's Employer in the event that proof of

repatriation is requested. The Participant personally is responsible for ensuring compliance with the local exchange control rules and should consult with the Participant's personal legal advisor for additional information about such rules and obligations.

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

Italy

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

- Section 3 (Terms and Conditions)
- Section 4 (Noncompetition)
- Section 5 (Wrongful Solicitation)
- Section 6 (Confidentiality; Specific Performance)
- Section 18 (Investment Representation)
- Section 19 (Entire Agreement; Language; Governing Law)
- Section 23(e) (Clawback Policy)
- Appendix A, Section I (Nature of Grant)
- Appendix A, Section I (Payment of Taxes)
- Appendix A, Section III (Data Privacy Notice)

Malaysia

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

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

Data Privacy Consent. The following provision replaces Section II of this Appendix A.

I hereby explicitly, voluntarily and unambiguously consent to the collection, use and transfer, in electronic or other form, of my personal data as described in this Agreement and Appendix and any other Plan grant materials by and among, as applicable, the Employer, the Company and any of its other Subsidiaries or Affiliates or any third parties authorized by the same in assisting in the implementation, administration and management of my participation in the Plan.

I may have previously provided the Company and the Employer with, and the Company and the Employer may hold, certain personal information about me, including, but not limited to, my name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, the fact and conditions of my participation in the Plan, details of all PSUs or any other entitlement to Shares awarded, cancelled, exercised, vested, unvested or outstanding in my favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan.

I also authorize any transfer of Data, as may be required, to any external stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan and/or with whom any shares acquired upon vesting of PSUs are deposited. I acknowledge that these recipients may be located in my country or elsewhere, and that the recipient's country (e.g., the United States) may have different data privacy laws and protections to my country, which may not give the same level of protection to Data. I understand that I may request a list with the names and addresses of any potential recipients of Data by contacting my local human resources representative. I authorize the Company, the external stock plan service provider and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing my participation in the Plan to receive, possess, use, retain and transfer Data, in electronic or other form, for the sole purpose of implementing, administering and managing my participation in the Plan. I understand that Data will be held only as long as is necessary to implement, administer and manage my participation in the Plan. I understand that I may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case, without cost, by contacting in writing my local human resources representative, whose contact details are Cheng Liang Heng, cl.heng@enersys.com.sg. Further, I understand that I am providing the consents herein on a purely voluntary basis. If I do not consent, or if I later seek to revoke my consent, my employment status or service and career with the Employer will not be adversely affected; the only adverse consequence of refusing or withdrawing my consent is that the Company would not be able to grant future PSUs or other equity awards to me or administer or maintain such awards. Therefore, I understand that refusing or withdrawing my consent may affect my ability to participate in the Plan. For more information on the consequences of my refusal to consent or withdrawal of consent, I understand that I may contact my local human resources representative.

Saya dengan ini secara eksplisit, secara sukarela dan tanpa sebarang keraguan mengizinkan pengumpulan, penggunaan dan pemindahan, dalam bentuk elektronik atau lain-lain, data peribadi saya seperti yang dinyatakan dalam Perjanjian dan Lampiran ini dan apa-apa bahan geran Pelan oleh dan di antara, seperti mana yang terpakai, Majikan, Syarikat dan mana-mana Anak Syarikat yang lain atau Syarikat Sekutu kami atau mana-mana pihak ketiga yang diberi kuasa oleh yang sama untuk membantu dalam pelaksanaan, pentadbiran dan pengurusan penyertaan saya dalam Pelan.

Sebelum ini, saya mungkin telah membekalkan Syarikat dan Majikan dengan, dan Syarikat dan Majikan mungkin memegang, maklumat peribadi tertentu tentang saya, termasuk, tetapi tidak terhad kepada, nama saya, alamat rumah dan nombor telefon, tarikh lahir, nombor insurans sosial atau nombor pengenalan lain, gaji, kewarganegaraan, jawatan, apa-apa saham atau jawatan pengarah yang dipegang dalam Syarikat, fakta dan syarat-syarat penyertaan saya dalam Pelan, butir-butir semua PSU atau apa-apa hak lain untuk Saham yang dianugerahkan, dibatalkan, dilaksanakan, terletak hak, tidak diletak hak ataupun yang belum dijelaskan bagi faedah saya ("Data"), untuk tujuan yang eksklusif bagi melaksanakan, mentadbir dan menguruskan Pelan.

Saya juga memberi kuasa untuk membuat apa-apa pemindahan Data, sebagaimana yang diperlukan, kepada pembekal perkhidmatan pelan saham luar yang lain sebagaimana yang mungkin dipilih oleh Syarikat pada masa depan, yang membantu Syarikat dalam pelaksanaan, pentadbiran dan pengurusan Pelan dan/atau dengan sesiapa yang mendepositkan apa-apa saham yang diperolehi apabila PSU terletak hak. Saya mengakui bahawa penerima-penerima ini mungkin berada di negara saya atau di tempat lain, dan bahawa negara penerima (contohnya, Amerika Syarikat) mungkin mempunyai undang-undang privasi data dan perlindungan yang berbeza daripada negara saya, yang mungkin tidak boleh memberi tahap perlindungan yang sama kepada Data. Saya faham bahawa saya boleh meminta senarai nama dan alamat mana-mana penerima Data yang berpotensi dengan menghubungi wakil sumber manusia tempatan saya. Saya memberi kuasa kepada Syarikat, pembekal perkhidmatan pelan saham luar dan mana-mana penerima lain yang mungkin membantu Syarikat (masa sekarang atau pada masa depan) untuk melaksanakan, mentadbir dan menguruskan penyertaan saya dalam Pelan untuk menerima, memiliki, menggunakan, mengekalkan dan memindahkan Data, dalam bentuk elektronik atau lain-lain, semata-mata dengan tujuan untuk melaksanakan, mentadbir dan menguruskan penyertaan saya dalam Pelan. Saya faham bahawa Data akan dipegang hanya untuk tempoh yang diperlukan untuk melaksanakan, mentadbir dan menguruskan penyertaan saya dalam Pelan. Saya faham bahawa saya boleh, pada bila-bila masa, melihat Data, meminta maklumat tambahan mengenai penyimpanan dan pemprosesan Data, meminta bahawa pindaan-pindaan dilaksanakan ke atas Data atau menolak atau menarik balik persetujuan dalam ini, dalam mana-mana kes, tanpa kos, dengan menghubungi secara bertulis wakil sumber manusia tempatan saya, di mana butir-butir hubungannya adalah Cheng Liang Heng, cl.heng@enersys.com.sg. Selanjutnya, saya memahami bahawa saya memberikan persetujuan di sini secara sukarela. Jika saya tidak bersetuju, atau jika saya kemudian membatalkan persetujuan saya, status pekerjaan atau perkhidmatan dan kerjaya saya dengan Majikan tidak akan terjejas; satunya akibat buruk jika saya tidak bersetuju atau menarik balik persetujuan saya adalah bahawa Syarikat tidak akan dapat memberikan PSU pada masa depan atau anugerah ekuiti lain kepada saya atau mentadbir atau mengekalkan anugerah tersebut. Oleh itu, saya faham bahawa keengganan atau penarikan balik persetujuan saya boleh menjejaskan keupayaan saya untuk mengambil bahagian dalam Pelan. Untuk maklumat lanjut mengenai akibat keengganan saya untuk memberikan keizinan atau penarikan balik keizinan, saya fahami bahawa saya boleh menghubungi wakil sumber manusia tempatan saya.

Mexico

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

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

- (1) The Participant's participation in the Plan does not constitute an acquired right.
- (2) The Plan and the Participant's participation in the Plan are offered by the Company on a wholly discretionary basis.
- (3) The Participant's participation in the Plan is voluntary.
- (4) Neither the Company nor any Subsidiary or Affiliate is responsible for any decrease in the value of the PSUs granted and/or the shares issued under the Plan.

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

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

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

Spanish Translation.

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

(1) la participación del participante en el plan no constituye un derecho adquirido.

(2) el plan y la participación del participante en el plan son ofrecidos por la compañía sobre una base totalmente discrecional.

(3) la participación del participante en el plan es voluntaria.

(4) ni la compañía ni ningún subsidiario o afiliado es responsable de cualquier disminución

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

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

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

Netherlands

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

Poland

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

Singapore

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

Securities Law Information. The grant of PSUs is being made in reliance on Section 273(1)(f) of the SFA, under which it is exempt from the prospectus and registration requirements under the SFA and is not made to the Participant with a view to the shares of Common Stock being

subsequently offered for sale to any other party. The Plan has not been lodged or registered as a prospectus with the Monetary Authority of Singapore.

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

Switzerland

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

United Kingdom

PSUs Payable Only in Shares. Notwithstanding anything in the Agreement or the Plan to the contrary, the Participant’s PSUs shall be settled in shares of Common Stock only (and many not be settled in cash).

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

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

Notwithstanding the foregoing, if the Participant is a director or executive officer of the Company (within the meaning of Section 13(k) of the Exchange Act) and the indemnification of the Company and the Employer is viewed as a loan, the Participant will be ineligible for such a loan to cover income tax. In the event that the Participant is a director or executive officer and

income taxes are not collected from or paid by the Participant within ninety (90) days after the end of the tax year in which the event giving rise to the income tax obligation arose, the amount of any uncollected income tax may constitute a benefit to the Participant on which additional income tax and national insurance contributions (“NICs”) may be payable. The Participant acknowledges that the Participant will be responsible for reporting any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for paying the Company or the Employer (as applicable) for any employee NICs due on this additional benefit which may be recovered from the Participant by the Company or the Employer at any time thereafter by any of the means referred to herein.

Exhibit 10.2

ENERSYS

**AWARD AGREEMENT FOR EMPLOYEES –
EPS PERFORMANCE SHARE UNITS**

UNDER THE 2017 EQUITY INCENTIVE PLAN

THIS AWARD AGREEMENT FOR EMPLOYEES – EPS PERFORMANCE SHARE UNITS (this “Agreement”), dated as of _____ is between ENERSYS, a Delaware corporation (the “Company”), and the individual identified on the signature page hereof (the “Participant”).

BACKGROUND

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

B. The Company desires to (i) provide the Participant with an incentive to remain in the employ of the Company or one of its Subsidiaries, and (ii) increase the Participant’s interest in the success of the Company by granting Performance Share Units, a form of a Restricted Stock Unit under the Plan (the “Performance Share Units”), to the Participant.

C. This grant of Performance Share Units is (i) made pursuant to the EnerSys 2017 Equity Incentive Plan (as amended from time to time, the “Plan”); (ii) made subject to the terms and conditions of this Agreement; and (iii) not employment compensation nor an employment right and is made in the sole discretion of the Compensation Committee.

AGREEMENT

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

1. Definitions; Incorporation of Plan Terms. Capitalized terms used in this Agreement without definition shall have the meanings assigned to them in the Plan. This Agreement and the Performance Share Units shall be subject to the Plan. The terms of the Plan, the Background provisions of this Agreement and Appendix A are hereby incorporated into this Agreement by reference and made a part hereof as if set forth in their entirety in this Section 1. If there is a conflict or an inconsistency between the Plan and this Agreement, the Plan shall govern.

2. Grant of Performance Share Units.

(a) Subject to the provisions of this Agreement and pursuant to the provisions of the Plan, the Company hereby grants to the Participant the number of Performance Share Units specified on the signature page of this Agreement. The Company shall credit to a bookkeeping account maintained by the Company, or a third party on behalf of the Company, for

the Participant's benefit, the number of Performance Share Units granted hereunder, each of which shall be deemed to be the equivalent of one share of the Company's Common Stock.

(b) If the Company declares and pays a dividend or distribution on Common Stock in the form of cash, then a number of additional Performance Share Units shall be credited to the Participant as of the payment date for such dividend or distribution equal to the result of dividing (i) the product of the total number of Performance Share Units credited to the Participant as of the record date for such dividend or distribution (other than previously settled or forfeited Performance Share Units) times the per share amount of such dividend or distribution, by (ii) the Fair Market Value of one share of Common Stock as of the record date for such dividend or distribution. Any Performance Share Units credited to the Participant under this subsection shall: (A) be or become vested or forfeited (as appropriate) to the same extent as the underlying Performance Share Unit, (B) be settled as provided under Section 3(d) for such underlying Performance Share Unit, and (C) be subject to the EPS Performance Multiplier (as hereinafter defined) that applies to such underlying Performance Share Unit.

(c) If the Company declares and pays a dividend or distribution on Common Stock in the form of additional shares, or there occurs a forward split of Common Stock, then a number of additional Performance Share Units shall be credited to the Participant as of the payment date for such dividend or distribution or forward split equal to (i) the number of Performance Share Units credited to the Participant as of the record date for such dividend or distribution or split (other than previously settled or forfeited Performance Share Units), multiplied by (ii) the number of additional shares actually paid as a dividend or distribution or issued in such split in respect of each outstanding share of Common Stock. Any Performance Share Units credited to the Participant under this subsection shall: (A) be or become vested or forfeited (as appropriate) to the same extent as the underlying Performance Share Unit, (B) be settled as provided under Section 3(d) for such underlying Performance Share Unit, and (C) be subject to the EPS Performance Multiplier that applies to such underlying Performance Share Unit.

3. Terms and Conditions.

(a) Vesting and Number Earned. All of the Performance Share Units shall initially be unvested. The Performance Share Units shall be subject to the restrictions and conditions set forth herein. Except as otherwise provided in this Section 3, the vesting of the Performance Share Units is conditioned upon the Participant remaining continuously employed by the Company or a Subsidiary following the Date of Grant (as specified on the signature page of this Agreement) until the third (3rd) anniversary of the Date of Grant (the "Vesting Date") with such three-year period, the "Vesting Period".

(i) Subject to Sections 3(a)(iii), 3(a)(iv), 3(a)(v), 3(a)(vi), 3(b) and 3(c), the number of Performance Share Units that shall vest and become non-forfeitable (the "Earned Performance Share Units") shall equal the product of (A) the number of Performance Share Units granted to the Participant pursuant to this Agreement (as such number of Performance Share Units may be adjusted from time-to-time as provided in this Agreement or in the Plan) and (B) the EPS Performance Multiplier set forth in the chart below based on the Company's

Cumulative Adjusted EPS for the Performance Period (as each such term is defined below); provided, however, that in no event shall the EPS Performance Multiplier exceed two hundred percent (200%):

	EPS Performance Multiplier
Maximum (goal = 120% of Target Cumulative Adjusted EPS)	200%
Target Cumulative Adjusted EPS	100%
Threshold (goal = 80% of Target Cumulative Adjusted EPS)	50%
Below threshold	0%

(ii) The EPS Performance Multiplier will be interpolated on a linear basis between the levels stated in the chart above. For example, if the Cumulative Adjusted EPS for the Performance Period were the 110% of Target, then the EPS Performance Multiplier would be 150%. Any Performance Share Units that do not vest based on the performance requirements set forth in this Section 3(a) (and which have not previously terminated pursuant to the terms of this Agreement) will automatically terminate as of the Vesting Date. The number of Earned Performance Share Units that vest based on performance will be determined by the Compensation Committee following the end of the Performance Period and payment of vested Earned Performance Share Units will be made in the period provided for in Section 3(d). Any such determination by the Compensation Committee (including, but not limited to, a determination to reduce the number of Earned Performance Share Units that vest) shall be final and binding.

For purposes of the Award, the following definitions shall apply:

“Cumulative Adjusted EPS” means the sum of the Adjusted EPS for each fiscal year in Performance Period.

“Adjusted EPS” means, for each fiscal year in the Performance Period, a dollar amount equal to Adjusted Net Income for such fiscal year divided by Diluted Weighted Average Common Shares Outstanding for such fiscal year.

“Adjusted Net Income” means, determined cumulatively for the Performance Period, Net Income (as reported in the audited financial statements of the Company for the years ending during the Performance Period), excluding the following extraordinary items as determined by the Compensation Committee: merger and acquisition-related costs, an acquisition’s operating results in the fiscal year in which the acquisition is completed, gains and losses on divestitures and sales of certain assets, changes in accounting standards, changes in tax laws, restructuring

charges, goodwill and intangible asset impairment charges, legal settlements, and foreign exchange rate fluctuations.

“Diluted Weighted Average Common Shares Outstanding” means such amount as determined on the last day of each fiscal year in the Performance Period (as set forth in the audited financial statements included in the Company’s Annual Report on Form 10-K with respect to the relevant fiscal year), less any shares of Common Stock or securities convertible into, derivative of, Common Stock issued, during such fiscal year in the Performance Period, as consideration in connection with any merger, acquisition, or other transaction by the Company, calculated on weighted average shares outstanding basis using the same methodology set forth in the audited financial statements included in the Company’s Annual Report on Form 10-K with respect to the relevant fiscal year.

“Performance Period” means the period commencing April 1, 2019 and ending March 31, 2022.

“Target Cumulative Adjusted EPS” means the dollar amount set forth on the signature page

(iii) Any Performance Share Units that fail to vest because the employment condition is not satisfied shall be forfeited, subject to the special provisions set forth in Sections 3(a)(iv) through 3(a)(vi).

(iv) In the event of a Change in Control prior to the Vesting Date where the holders of the Company’s Common Stock receive cash consideration for their Common Stock in consummation of the Change in Control, the Performance Share Units shall immediately become vested. Any Performance Share Unit that vests as a result of a Change in Control under this subsection shall vest based on Cumulative EPS as of the date of such Change in Control with the EPS Performance Multiplier determined by the Compensation Committee. For purposes of this Section 3(a)(iv) and any acceleration of the Performance Share Units upon a Change in Control, a Change in Control shall be deemed to occur only if, in addition to the requirements set forth in the Plan, the Change in Control also meets the requirements of IRS Reg. §1.409A-3(i)(5), to the extent necessary to avoid the imposition of taxes thereunder.

(v) (A) If the Participant’s employment terminates due to death or Permanent Disability, or (B) if, on or within two years after a Change in Control (other than a Change in Control described in Section 3(a)(iv)), the Participant (x) terminates employment for Good Reason, or (y) is terminated by the Company without Cause, Performance Share Units not previously vested shall immediately become vested based on Cumulative EPS as of the date of such termination of employment with the EPS Performance Multiplier determined by the Compensation Committee (provided, however, that in the event of a Change in Control under this subsection, the Cumulative EPS shall be determined as of the Change in Control with the EPS Performance Multiplier determined by the Compensation Committee).

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

The number of Performance Share Units vesting pro-rata upon Retirement (absent action to the contrary by the Compensation Committee) described in the penultimate sentence of the foregoing paragraph of this Section 3(a)(vi) shall be calculated by multiplying (A) the quotient obtained by dividing the number of completed months that the Participant was employed by the Company or one of its Subsidiaries during the Vesting Period by the number of months during the Vesting Period, by (B) the total number of Performance Share Units awarded (rounding up to the nearest whole number). The number of Earned Performance Share Units upon Retirement shall be determined as of the end of the Performance Period and be based on the EPS Performance Multiplier for the Performance Period.

(b) Restrictions on Transfer. Until the earlier of (i) the Settlement Date (as hereinafter defined), (ii) the date of a Change in Control described in Section 3(a)(iv), and (iii) the date of a termination of employment described in Section 3(a)(v), or as otherwise provided in the Plan, no transfer of the Performance Share Units or any of the Participant's rights with respect to the Performance Share Units, whether voluntary or involuntary, by operation of law or otherwise, shall be permitted. Unless the Compensation Committee determines otherwise, upon any attempt to transfer any Performance Share Unit or any rights in respect of any Performance Share Units before the earlier of the Settlement Date, the date of a Change in Control described in Section 3(a)(iv), and the date of a termination of employment described in Section 3(a)(v), or as otherwise provided in the Plan, such Performance Share Unit, and all of the rights related to such Performance Share Unit, shall be immediately and automatically forfeited by the Participant without consideration of any kind.

(c) Forfeiture. Upon termination of the Participant's employment with the Company or a Subsidiary for any reason other than one of the reasons set forth in subsections (v) and (vi) of Section 3(a), the Participant shall forfeit any and all Performance Share Units which have not vested as of the date of such termination and such units shall revert to the Company without consideration of any kind.

(d) Settlement. Earned Performance Share Units not previously forfeited shall be settled on the earlier of (i) the Settlement Date, (ii) the date of a Change in Control described in Section 3(a)(iv), (iii) the date of a termination of employment due to death or Permanent Disability, and (iv) the date of a termination of employment on or within two years after a Change in Control described in Section 3(a)(v), by delivery of one share of Common Stock for each Earned Performance Share Unit being settled or, if determined by the Compensation Committee in its sole discretion, by a payment of cash equal to the Fair Market Value of one share of Common Stock for each Earned Performance Share Unit being settled. If the Participant dies following a Retirement described in Section 3(a)(vi) prior to the Vesting Date, in such case, the Company shall deliver one share of Common Stock for each Earned Performance Share Unit not previously forfeited and being settled or, if determined by the Compensation Committee in its sole discretion, by a payment of cash equal to the Fair Market Value of one share of Common Stock for each Earned Performance Share Unit being settled to the Participant's estate (or beneficiary) upon his or her death. The "Settlement Date" shall be the first anniversary of the Vesting Date.

4. Noncompetition. The Participant agrees with the Company that, for as long as the Participant is employed by the Company or any of its Subsidiaries and continuing for twelve (12) months (or such longer period as may be provided in an employment or similar agreement between the Participant and the Company or one of its Subsidiaries or as provided in the last sentence of this Section 4) following a termination of such employment, the Participant shall not, without the prior written consent of the Company, directly or indirectly, and whether as principal or investor or as an employee, officer, director, manager, partner, consultant, agent, or otherwise, alone or in association with any other person, firm, corporation, or other business organization, engage or otherwise become involved in a Competing Business in the Americas, Europe, Middle East or Asia, or in any other geographic area throughout the world (a) in which the Company or any of its Subsidiaries has engaged in any of the activities that comprise a Competing Business during the Participant's employment, or (b) in which the Participant has knowledge of the Company's plans to engage in any of the activities that comprise a Competing Business (including, without limitation, in any area in which any customer of the Company or any of its Subsidiaries may be located); provided, however, that the provisions of this Section 4 shall apply solely to those activities of a Competing Business, with which the Participant was personally involved or for which the Participant was responsible while employed by the Company or its Subsidiaries during the twelve (12) month period preceding termination of the Participant's employment. This Section 4 will not be violated, however, by the Participant's investment of up to US\$100,000 in the aggregate in one or more publicly-traded companies that engage in a Competing Business. The restrictions of this Section 4 shall also apply during any continued settlement period after Retirement described in Section 3(a)(vi).

5. Wrongful Solicitation. As a separate and independent covenant, the Participant agrees with the Company that, for so long as the Participant is employed by the Company or any of its Subsidiaries and continuing for twelve (12) months (or such longer period as may be provided in an employment or similar agreement between the Participant and the Company or one of its Subsidiaries or as provided in the last sentence of this Section 5) following a termination of such employment, the Participant shall not engage in any Wrongful Solicitation.

The restrictions of this Section 5 shall also apply during any continued settlement period after Retirement described in Section 3(a) (vi).

6. Confidentiality; Specific Performance.

(a) The Participant agrees with the Company that the Participant shall not at any time, except in performance of the Participant's obligations to the Company hereunder or with the prior written consent of the Company, directly or indirectly, reveal to any person, entity, or other organization (other than the Company, or its employees, officers, directors, stockholders, or agents) or use for the Participant's own benefit any information deemed to be confidential by the Company or any of its Affiliates ("Confidential Information") relating to the assets, liabilities, employees, goodwill, business, or affairs of the Company or any of its Affiliates, including, without limitation, any information concerning past, present, or prospective customers, manufacturing processes, marketing, operating, or financial data, or other confidential information used by, or useful to, the Company or any of its Affiliates and known (whether or not known with the knowledge and permission of the Company or any of its Affiliates and whether or not at any time prior to the Date of Grant developed, devised, or otherwise created in whole or in part by the efforts of the Participant) to the Participant by reason of the Participant's employment with, equity holdings in, or other association with the Company or any of its Affiliates. The Participant further agrees that the Participant will retain all copies and extracts of any written Confidential Information acquired or developed by the Participant during any such employment, equity holding, or association in trust for the sole benefit of the Company, its Affiliates, and their successors and assigns. The Participant further agrees that the Participant will not, without the prior written consent of the Company, remove or take from the Company's or any of its Affiliate's premises (or if previously removed or taken, the Participant will promptly return) any written Confidential Information or any copies or extracts thereof. Upon the request and at the expense of the Company, the Participant shall promptly make all disclosures, execute all instruments and papers, and perform all acts reasonably necessary to vest and confirm in the Company and its Affiliates, fully and completely, all rights created or contemplated by this Section 6. The term "Confidential Information" shall not include information that is or becomes generally available to the public other than as a result of a disclosure by, or at the direction of, the Participant.

(b) The Participant agrees that upon termination of the Participant's employment with the Company or any Subsidiary for any reason, the Participant will return to the Company immediately all memoranda, books, papers, plans, information, letters and other data, and all copies thereof or therefrom, in any way evidencing (in whole or in part) Confidential Information relating to the business of the Company and its Subsidiaries and Affiliates. The Participant further agrees that the Participant will not retain or use for the Participant's account at any time any trade names, trademark, or other proprietary business designation used or owned in connection with the business of the Company or its Subsidiaries or Affiliates.

(c) The Participant acknowledges and agrees that the Company's remedies at law for a breach or threatened breach of any of the provisions of this Section 6, or Section 4 or 5

above, would be inadequate and, in recognition of this fact, the Participant agrees that, in the event of such a breach or threatened breach, in addition to any remedies at law, the Company, without posting any bond (or other security other than any mandatory minimum or nominal bond or security), shall be entitled to obtain equitable relief in the form of specific performance, temporary restraining order, temporary or permanent injunction, or any other equitable remedy which may then be available.

7. Taxes.

(a) This Section 7(a) applies only to (i) all Participants who are U.S. employees, and (ii) to those Participants who are employed by a Subsidiary of the Company that is obligated under applicable local law to withhold taxes with respect to the settlement of the Performance Share Units. Such Participant shall pay to the Company or a designated Subsidiary, promptly upon request, and in any event at the time the Participant recognizes taxable income, or withholding of employment taxes is required, with respect to the Performance Share Units, an amount equal to the taxes the Company determines it is required to withhold under applicable tax laws with respect to the Performance Share Units. The Participant may satisfy the foregoing requirement by making a payment to the Company in cash or, in accordance with rules and regulations promulgated by the Compensation Committee, by delivering already owned unrestricted shares of Common Stock or by having the Company withhold a number of shares of Common Stock in which the Participant would otherwise become vested under this Agreement, in each case, having a value equal to the maximum amount of tax permitted to be withheld that will not result in adverse financial accounting consequences to the Company. Such shares shall be valued at their Fair Market Value on the date as of which the amount of tax to be withheld is determined.

(b) The Participant acknowledges that the tax laws and regulations and financial accounting principles and guidance applicable to the Performance Share Units and the disposition of the shares following the settlement of Performance Share Units are complex and subject to change.

8. Securities Laws Requirements. The Company shall not be obligated to transfer any shares following the settlement of Performance Share Units to the Participant free of a restrictive legend if such transfer, in the opinion of counsel for the Company, would violate the Securities Act of 1933, as amended (the "Securities Act") (or any other federal or state statutes having similar requirements as may be in effect at that time).

9. No Obligation to Register. The Company shall be under no obligation to register any shares as a result of the settlement of the Performance Share Units pursuant to the Securities Act or any other federal or state securities laws.

10. Market Stand-Off. In connection with any underwritten public offering by the Company of its equity securities pursuant to an effective registration statement filed under the Securities Act for such period as the Company or its underwriters may request (such period not to exceed 180 days following the date of the applicable offering), the Participant shall not, directly or indirectly, sell, make any short sale of, loan, hypothecate, pledge, offer, grant or sell

any option or other contract for the purchase of, purchase any option or other contract for the sale of, or otherwise dispose of or transfer, or agree to engage in any of the foregoing transactions with respect to, any of the Performance Share Units granted under this Agreement or any shares resulting the settlement thereof without the prior written consent of the Company or its underwriters.

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

12. Rights as a Stockholder. The Participant shall not possess the right to vote the shares underlying the Performance Share Units until the Performance Share Units have been settled in accordance with the provisions of this Agreement and the Plan.

13. Survival of Terms. This Agreement shall apply to and bind the Participant and the Company and their respective permitted assignees and transferees, heirs, legatees, executors, administrators and legal successors. The terms of Sections 4-7, 13, 14, 16, 18-21 and 23 shall expressly survive the forfeiture of the Performance Share Units and the termination of this Agreement.

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

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

16. Authority of the Administrator. The Compensation Committee shall have full authority to interpret and construe the terms of the Plan and this Agreement, including, but not limited to, making all determinations regarding eligibility, vesting, forfeiture and the calculation of the number of Performance Share Units awarded or credited under this Agreement. The

determination of the Compensation Committee as to any such matter of interpretation, construction or calculation shall be final, binding and conclusive.

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

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

19. Entire Agreement; Language; Governing Law. This Agreement and the Plan and the other related agreements expressly referred to herein set forth the entire agreement and understanding between the parties hereto and supersedes all prior agreements and understandings relating to the subject matter hereof. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same agreement. The headings of sections and subsections herein are included solely for convenience of reference and shall not affect the meaning of any of the provisions of this Agreement. This Agreement has been prepared in English and may be translated into one or more other languages. If there is a discrepancy between or among any of these versions, the English version shall prevail. Unless otherwise restricted by applicable law, this Agreement may be executed electronically. This Agreement shall be governed by, and construed in accordance with, the laws of the Commonwealth of Pennsylvania, USA.

20. Severability; Judicial Reformation. Should any provision of this Agreement be held by a court of competent jurisdiction to be unenforceable, or enforceable only if modified, such holding shall not affect the validity of the remainder of this Agreement, the balance of which shall continue to be binding upon the parties hereto with any such modification (if any) to become a part hereof and treated as though contained in this original Agreement. Moreover, if one or more of the provisions contained in this Agreement shall for any reason be held to be excessively broad as to scope, activity, subject or otherwise so as to be unenforceable, in lieu of severing such unenforceable provision, such provision or provisions shall be construed by the appropriate judicial body by limiting or reducing it or them, so as to be enforceable to the maximum extent compatible with the applicable law as it shall then appear, and such determination by such judicial body shall not affect the enforceability of such provisions or provisions in any other jurisdiction.

21. Amendments; Construction. The Compensation Committee may amend the terms of this Agreement prospectively or retroactively at any time, but (unless otherwise provided under Section 18 of the Plan) no such amendment shall impair the rights of the Participant

hereunder without his or her consent. To the extent the terms of Section 4 conflict with any prior agreement between the parties related to such subject matter, the terms of Section 4, to the extent more restrictive, shall supersede such conflicting terms and control. Headings to Sections of this Agreement are intended for convenience of reference only, are not part of this Agreement and shall have no effect on the interpretation hereof.

22. Acceptance. The Participant hereby acknowledges receipt of a copy of the Plan and this Agreement. The Participant has read and understand the terms and provision thereof, and accepts the Performance Share Units subject to all the terms and conditions of the Plan and this Agreement. The Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Compensation Committee upon any questions arising under this Agreement.

23. Miscellaneous.

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

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

(c) Assignment. The Company shall have the right to assign any of its rights and to delegate any of its duties under this Agreement to any of its Affiliates. The terms and conditions of this Agreement shall be binding upon and shall inure to the benefit of the permitted successors and assigns of the Company (including any person or entity which acquires all or substantially all of the assets of the Company).

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

(e) Clawback Policy. The Performance Share Units and any cash or shares of Common Stock delivered in settlement of the Performance Share Units shall be subject to the terms of the clawback policy adopted by the Board of Directors (as such policy may be amended from time-to-time).

24. Code Section 409A. Notwithstanding anything in this Agreement to the contrary, the receipt of any benefits under this Agreement as a result of a termination of employment shall be subject to satisfaction of the condition precedent that 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 (6) 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 Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein.

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

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

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

ENERSYS

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

PARTICIPANT

By: _____
Name: _____
Address: _____

Date of Grant: _____

Number of Performance Share Units: _____

Target Cumulative Adjusted EPS: \$ _____

Appendix A
to
Award Agreement for Employees – EPS Performance Share Units
Under the 2017 Equity Incentive Plan

This Appendix A contains supplemental terms and conditions for awards of Performance Share Units (“PSUs”) granted as of the Date of Grant set forth in the Agreement under the EnerSys 2017 Equity Incentive Plan to Participants who reside outside the United States or who are otherwise subject to the laws of a country other than the United States.

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

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

This Appendix A may also include information regarding exchange controls, taxation of awards and certain other issues of which the Participant should be aware with respect to participation in the Plan. The information is based on the securities, exchange control, tax and other laws concerning PSUs in effect as of July 30, 2018. Such laws are often complex and change frequently; the information may be out of date at the time the Participant vests in the PSUs or sell shares acquired under the Plan. As a result, the Company strongly recommends that the Participant should not rely on the information noted herein as the only source of information relating to the consequences of the Participant’s participation in the Plan.

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

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

Section I. All Countries Outside the United States

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

- (a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;
- (b) the grant of the PSUs is voluntary and occasional and does not create any contractual or other right to receive future grants of PSUs, or benefits in lieu of PSUs, even if PSUs have been granted repeatedly in the past;
- (c) all decisions with respect to future grants, if any, will be at the sole discretion of Company;
- (d) the Participant is voluntarily participating in the Plan;
- (e) the PSUs and the underlying shares of Common Stock subject to the PSUs are extraordinary items that do not constitute compensation of any kind for services of any kind rendered to the Company or any Subsidiary or Affiliate, and which is outside the scope of the Participant's employment contract, if any;
- (f) the PSUs and the underlying shares of Common Stock subject to the PSUs are not intended to replace any pension rights, if any, or compensation;
- (g) the PSUs and the underlying shares of Common Stock subject to the PSUs, and the income and value of same, are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company or any Subsidiary or Affiliate;
- (h) the grant of the PSUs and the Participant's participation in the Plan will not be interpreted to form an employment contract or relationship with the Company or any Subsidiary or Affiliate;
- (i) the future value of the underlying shares of Common Stock is unknown and cannot be predicted with certainty;
- (j) if the Participant obtains shares of Common Stock upon settlement of the Participant's PSUs, the value of those shares acquired may increase or decrease in value;
- (k) in consideration of the grant of the PSUs, no claim or entitlement to compensation or damages shall arise from forfeiture of the PSUs resulting from

termination of the Participant's employment with the Company or any Subsidiary or Affiliate (for any reason whatsoever and whether or not in breach of local labor laws) and the Participant irrevocably releases the Company, the Subsidiaries and the Affiliates from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, the Participant will be deemed irrevocably to have waived the Participant's entitlement to pursue such claim;

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

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

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

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

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

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

(a) Regardless of any action the Company or the Subsidiary/Affiliate that employs the Participant (the “Employer”) takes with respect to any or all income tax, the Participant’s portion of social insurance, payroll tax, payment on account or other tax-related items related to the Participant’s participation in the Plan and legally applicable to the Participant (“Tax-Related Items”), the Participant acknowledges that the ultimate liability for all Tax-Related Items is and remains the Participant’s responsibility and may exceed the amount actually withheld by the Company or the Employer.

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

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

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

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

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

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

Section II. All Countries Excluding France, Germany, Italy, Netherlands, Poland and United Kingdom

Data Privacy Consent.

I hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of my personal data as described in this Agreement and any other Award grant materials by and among, as applicable, the employer, the Company and its subsidiaries and affiliates for the exclusive purpose of implementing, administering and managing my participation in the Plan (“Data”).

I understand that the Company and the employer may hold certain personal information about me, including, but not limited to, my name, home address and telephone number, email address, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all Awards or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in my favor, for the exclusive purpose of implementing, administering and managing the Plan.

I understand that Data will be transferred to a third party plan administrator, or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. I understand that the recipients of the Data may be located in the United States or elsewhere, and that the recipients’ country (e.g., the United States) may have different data privacy laws and protections than my country. I understand that if I reside outside the United States, I may request a list with the names and addresses of any potential recipients of the Data by contacting my local human resources representative. I authorize the Company, the third party administrator and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing my participation in the Plan. I understand that Data will be held only as long as is necessary to implement, administer and manage my participation in the Plan. I understand that if I reside outside the United States, I may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing my local human resources representative. Further, I understand that I am providing the consents herein on a purely voluntary basis. If I do not consent, or if I later seek to revoke my consent, my employment status or service and career with the employer will not be adversely affected; the only adverse consequence of refusing or withdrawing my consent is that the Company would not be able to grant me the Award or other awards or administer or maintain such awards. Therefore, I understand that refusing or withdrawing my consent may affect my ability to participate in the Plan. For more information on the consequences of my refusal to consent or withdrawal of consent, I understand that I may contact my local human resources representative.

Section III. France, Germany, Italy, Netherlands, Poland and United Kingdom

Data Privacy Notice.

You are hereby notified of the collection, use and transfer outside of the European Economic Area, as described in this Agreement, in electronic or other form, of your Personal Data (defined below) by and among, as applicable, the Company and certain of its Subsidiaries and/or Affiliates for the purpose of performing and satisfying its contractual obligations under the Agreement and for the necessary, exclusive and legitimate purpose of implementing, administering and managing your participation in the Plan.

You understand that the Company and the Employer hold certain personal information about you, including, but not limited to, your name, home address and telephone number, email address, date of birth, social insurance, passport or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all entitlement to Shares awarded, canceled, vested, unvested or outstanding in your favor (“Personal Data”), for the purpose of implementing, administering and managing the Plan.

You understand that providing the Company with this Personal Data is necessary for the performance of this Agreement and that your refusal to provide the Personal Data would make it impossible for the Company to perform its contractual obligations and may affect your ability to participate in the Plan. Your Personal Data shall be accessible within the Company only by the persons specifically charged with Personal Data processing operations and by the persons that need to access the Personal Data because of their duties and position in relation to the performance of this Agreement.

The Personal Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You may, at any time and without cost, contact the EnerSys Legal Department at legal@enersys.com to enforce your rights under the data protection laws in your country, which may include the right to (i) request access to or copies of Personal Data subject to processing; (ii) request rectification of incorrect Personal Data; (iii) request deletion of Personal Data; (iv) request restriction on processing of Personal Data; (v) request portability of Personal Data; (vi) lodge complaints with competent authorities in your country; and/or (vii) request a list with the names and addresses of any potential recipients of Personal Data.

The Company provides appropriate safeguards for protecting Personal Data that it receives in the U.S. through its adherence to data transfer agreements (which include model contractual clauses) entered into between the Company and its Subsidiaries and Affiliates within the European Union.

Further, you are hereby notified that the Company and certain of its Subsidiaries and/or Affiliates will transfer Personal Data amongst themselves as necessary for the purpose of implementation, administration and management of your participation in the Plan. When transferring Personal Data to these recipients, the Company and its Subsidiaries and/or

Affiliates, as applicable, will provide appropriate safeguards in accordance with the data transfer agreements entered into between these parties.

The Company or its Subsidiaries or Affiliates may each further transfer Personal Data to Solium Capital LLC and/or such other third parties as may be selected by the Company, which are assisting the Company with the implementation, administration and management of the Plan. The Company may select a different service provider or additional service providers and share Personal Data with such other provider(s) serving in a similar manner. Solium Capital LLC is based in the United States. Your country or jurisdiction may have different data privacy laws and protections than the United States. Nonetheless, your Personal Data will be transferred to Solium Capital LLC for the exclusive purpose of administering your participation in the Plan. The Company's legal basis, where required, for the transfer of Personal Data to Solium Capital LLC is that such transfer is necessary for the purpose of performing and satisfying its contractual obligations under the Agreement.

Finally, you may choose to opt out of allowing the Company to share your Personal Data with Solium Capital LLC and others as described above, although execution of such choice may mean the Company cannot grant awards under the Plan to you. Please consult your local human resources representative, Privacy Champion, Data Protection Officer (if applicable), or the Legal Department, if you have any questions or comments concerning this choice and the processing of your data.

Section IV. Country-Specific Provisions

Argentina

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

Australia

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

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

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

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

Canada

PSUs Payable Only in Shares. Notwithstanding anything in the Agreement or the Plan to the contrary, the Participant’s PSUs shall be settled in shares of Common Stock only (and many not be settled in cash).

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

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

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

Data Privacy Consent. The following provision supplements Section II of this Appendix A.

You hereby authorize the Company or the Company’s representatives to discuss with and obtain all relevant information regarding your participation in the Plan from all personnel, professional or not, involved in the administration and operation of the Plan. You further authorize the Company and any Subsidiary or Affiliate of the Company and the Compensation Committee to disclose and discuss your participation in the Plan with their advisors. You further authorize the Company and any Subsidiary or Affiliate of the Company to record such information and to keep such information in your file.

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

China

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

France

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

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

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

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

Germany

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

India

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

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

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

Italy

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

- Section 3 (Terms and Conditions)
- Section 4 (Noncompetition)
- Section 5 (Wrongful Solicitation)
- Section 6 (Confidentiality; Specific Performance)
- Section 18 (Investment Representation)
- Section 19 (Entire Agreement; Language; Governing Law)
- Section 23(e) (Clawback Policy)
- Appendix A, Section I (Nature of Grant)
- Appendix A, Section I (Payment of Taxes)
- Appendix A, Section III (Data Privacy Notice)

Malaysia

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

Insider-Trading Information. The Participant should be aware of the Malaysian insider-trading rules, which may impact the Participant's acquisition or disposal of shares or rights to shares under the Plan. Under the Malaysian insider-trading rules, the Participant is prohibited from

acquiring or selling shares or rights to shares (e.g., an award under the Plan) when the Participant is in possession of information which is not generally available and which the Participant knows or should know will have a material effect on the price of shares once such information is generally available.

Data Privacy Consent. The following provision replaces Section II of this Appendix A.

I hereby explicitly, voluntarily and unambiguously consent to the collection, use and transfer, in electronic or other form, of my personal data as described in this Agreement and Appendix and any other Plan grant materials by and among, as applicable, the Employer, the Company and any of its other Subsidiaries or Affiliates or any third parties authorized by the same in assisting in the implementation, administration and management of my participation in the Plan.

I may have previously provided the Company and the Employer with, and the Company and the Employer may hold, certain personal information about me, including, but not limited to, my name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, the fact and conditions of my participation in the Plan, details of all PSUs or any other entitlement to Shares awarded, cancelled, exercised, vested, unvested or outstanding in my favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan.

I also authorize any transfer of Data, as may be required, to any external stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan and/or with whom any shares acquired upon vesting of PSUs are deposited. I acknowledge that these recipients may be located in my country or elsewhere, and that the recipient's country (e.g., the United States) may have different data privacy laws and protections to my country, which may not give the same level of protection to Data. I understand that I may request a list with the names and addresses of any potential recipients of Data by contacting my local human resources representative. I authorize the Company, the external stock plan service provider and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing my participation in the Plan to receive, possess, use, retain and transfer Data, in electronic or other form, for the sole purpose of implementing, administering and managing my participation in the Plan. I understand that Data will be held only as long as is necessary to implement, administer and manage my participation in the Plan. I understand that I may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case, without cost, by contacting in writing my local human resources representative, whose contact details are Cheng Liang Heng, cl.heng@enersys.com.sg. Further, I understand that I am providing the consents herein on a purely voluntary basis. If I do not consent, or if I later seek to revoke my consent, my employment status or service and career with the Employer will not be adversely affected; the only adverse consequence of refusing or withdrawing my consent is that the Company would not be able to grant future PSUs or other equity awards to me or administer or maintain such awards. Therefore, I understand that refusing or withdrawing my consent may affect my ability to participate in the Plan. For more information on the consequences of my refusal to consent or withdrawal of consent, I understand that I may contact my local human resources representative.

Saya dengan ini secara eksplisit, secara sukarela dan tanpa sebarang keraguan mengizinkan pengumpulan, penggunaan dan pemindahan, dalam bentuk elektronik atau lain-lain, data peribadi saya seperti yang dinyatakan dalam Perjanjian dan Lampiran ini dan apa-apa bahan geran Pelan oleh dan di antara, seperti mana yang terpakai, Majikan, Syarikat dan mana-mana Anak Syarikat yang lain atau Syarikat Sekutu kami atau mana-mana pihak ketiga yang diberi kuasa oleh yang sama untuk membantu dalam pelaksanaan, pentadbiran dan pengurusan penyertaan saya dalam Pelan.

Sebelum ini, saya mungkin telah membekalkan Syarikat dan Majikan dengan, dan Syarikat dan Majikan mungkin memegang, maklumat peribadi tertentu tentang saya, termasuk, tetapi tidak terhad kepada, nama saya, alamat rumah dan nombor telefon, tarikh lahir, nombor insurans sosial atau nombor pengenalan lain, gaji, kewarganegaraan, jawatan, apa-apa saham atau jawatan pengarah yang dipegang dalam Syarikat, fakta dan syarat-syarat penyertaan saya dalam Pelan, butir-butir semua PSU atau apa-apa hak lain untuk Saham yang dianugerahkan, dibatalkan, dilaksanakan, terletak hak, tidak diletak hak ataupun yang belum dijelaskan bagi faedah saya ("Data"), untuk tujuan yang eksklusif bagi melaksanakan, mentadbir dan menguruskan Pelan.

Saya juga memberi kuasa untuk membuat apa-apa pemindahan Data, sebagaimana yang diperlukan, kepada pembekal perkhidmatan pelan saham luar yang lain sebagaimana yang mungkin dipilih oleh Syarikat pada masa depan, yang membantu Syarikat dalam pelaksanaan, pentadbiran dan pengurusan Pelan dan/atau dengan sesiapa yang menandatangani apa-apa saham yang diperolehi apabila PSU terletak hak. Saya mengakui bahawa penerima-penerima ini mungkin berada di negara saya atau di tempat lain, dan bahawa negara penerima (contohnya, Amerika Syarikat) mungkin mempunyai undang-undang privasi data dan perlindungan yang berbeza daripada negara saya, yang mungkin tidak boleh memberi tahap perlindungan yang sama kepada Data. Saya faham bahawa saya boleh meminta senarai nama dan alamat mana-mana penerima Data yang berpotensi dengan menghubungi wakil sumber manusia tempatan saya. Saya memberi kuasa kepada Syarikat, pembekal perkhidmatan pelan saham luar dan mana-mana penerima lain yang mungkin membantu Syarikat (masa sekarang atau pada masa depan) untuk melaksanakan, mentadbir dan menguruskan penyertaan saya dalam Pelan untuk menerima, memiliki, menggunakan, mengekalkan dan memindahkan Data, dalam bentuk elektronik atau lain-lain, semata-mata dengan tujuan untuk melaksanakan, mentadbir dan menguruskan penyertaan saya dalam Pelan. Saya faham bahawa Data akan dipegang hanya untuk tempoh yang diperlukan untuk melaksanakan, mentadbir dan menguruskan penyertaan saya dalam Pelan. Saya faham bahawa saya boleh, pada bila-bila masa, melihat Data, meminta maklumat tambahan mengenai penyimpanan dan pemrosesan Data, meminta bahawa pindaan-pindaan dilaksanakan ke atas Data atau menolak atau menarik balik persetujuan dalam ini, dalam mana-mana kes, tanpa kos, dengan menghubungi secara bertulis wakil sumber manusia tempatan saya, di mana butir-butir hubungannya adalah Cheng Liang Heng, cl.heng@enersys.com.sg. Selanjutnya, saya memahami bahawa saya memberikan persetujuan di sini secara sukarela. Jika saya tidak bersetuju, atau jika saya kemudian membatalkan persetujuan saya, status pekerjaan atau perkhidmatan dan kerjaya saya dengan Majikan tidak akan terjejas; satunya akibat buruk jika saya tidak bersetuju atau menarik balik persetujuan saya adalah bahawa Syarikat tidak akan dapat memberikan PSU pada masa depan atau anugerah ekuiti lain kepada saya atau mentadbir atau mengekalkan anugerah tersebut. Oleh itu, saya faham bahawa keengganan atau penarikan balik persetujuan saya boleh menjejaskan keupayaan saya untuk mengambil bahagian dalam Pelan. Untuk maklumat lanjut mengenai akibat keengganan saya untuk memberikan keizinan atau penarikan balik keizinan, saya fahami bahawa saya boleh menghubungi wakil sumber manusia tempatan saya.

Mexico

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

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

- (1) The Participant's participation in the Plan does not constitute an acquired right.
- (2) The Plan and the Participant's participation in the Plan are offered by the Company on a wholly discretionary basis.
- (3) The Participant's participation in the Plan is voluntary.
- (4) Neither the Company nor any Subsidiary or Affiliate is responsible for any decrease in the value of the PSUs granted and/or the shares issued under the Plan.

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

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

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

Spanish Translation.

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

(1) la participación del participante en el plan no constituye un derecho adquirido.

(2) el plan y la participación del participante en el plan son ofrecidos por la compañía sobre una base totalmente discrecional.

(3) la participación del participante en el plan es voluntaria.

(4) ni la compañía ni ningún subsidiario o afiliado es responsable de cualquier disminución

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

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

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

Netherlands

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

Poland

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

Singapore

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

Securities Law Information. The grant of PSUs is being made in reliance on Section 273(1)(f) of the SFA, under which it is exempt from the prospectus and registration requirements under the SFA and is not made to the Participant with a view to the shares of Common Stock being

subsequently offered for sale to any other party. The Plan has not been lodged or registered as a prospectus with the Monetary Authority of Singapore.

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

Switzerland

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

United Kingdom

PSUs Payable Only in Shares. Notwithstanding anything in the Agreement or the Plan to the contrary, the Participant’s PSUs shall be settled in shares of Common Stock only (and many not be settled in cash).

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

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

Notwithstanding the foregoing, if the Participant is a director or executive officer of the Company (within the meaning of Section 13(k) of the Exchange Act) and the indemnification of the Company and the Employer is viewed as a loan, the Participant will be ineligible for such a loan to cover income tax. In the event that the Participant is a director or executive officer and

income taxes are not collected from or paid by the Participant within ninety (90) days after the end of the tax year in which the event giving rise to the income tax obligation arose, the amount of any uncollected income tax may constitute a benefit to the Participant on which additional income tax and national insurance contributions (“NICs”) may be payable. The Participant acknowledges that the Participant will be responsible for reporting any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for paying the Company or the Employer (as applicable) for any employee NICs due on this additional benefit which may be recovered from the Participant by the Company or the Employer at any time thereafter by any of the means referred to herein.

ENERSYS

AWARD AGREEMENT FOR EMPLOYEES – RESTRICTED STOCK UNITS

UNDER THE
2017 EQUITY INCENTIVE PLAN

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

BACKGROUND

- A. The Participant is currently an employee of the Company or one of its Subsidiaries.
- B. The Company desires to (i) provide the Participant with an incentive to remain in the employ of the Company or one of its Subsidiaries, and (ii) increase the Participant’s interest in the success of the Company by granting restricted Stock Units (the “Restricted Stock Units”) to the Participant.
- C. This grant of the Restricted Stock Units is (i) made pursuant to the EnerSys 2017 Equity Incentive Plan (as amended from time to time, the “Plan”); (ii) made subject to the terms and conditions of this Agreement; and (iii) not employment compensation nor an employment right and is made in the sole discretion of the Compensation Committee.

AGREEMENT

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

- 1. Definitions; Incorporation of Plan Terms. Capitalized terms used in this Agreement without definition shall have the meanings assigned to them in the Plan. This Agreement and the Restricted Stock Units shall be subject to the Plan. The terms of the Plan, the Background provisions of this Agreement and Appendix A are hereby incorporated into this Agreement by reference and made a part hereof as if set forth in their entirety in this Section 1. If there is a conflict or an inconsistency between the Plan and this Agreement, the Plan shall govern.
- 2. Grant of Restricted Stock Units.

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

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

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

3. Terms and Conditions.

(a) Vesting. All of the Restricted Stock Units shall initially be unvested. Twenty-five percent (25%) of the Restricted Stock Units (rounded up to the nearest whole number) shall vest on the first anniversary of the date of this Agreement and on each of the next three (3) successive anniversaries thereof (each such anniversary, a "Vesting Date") unless previously vested or forfeited in accordance with the Plan or this Agreement (the "Normal Vesting Schedule").

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

(ii) (A) If the Participant's employment terminates due to death or Permanent Disability or (B) if, in the event of a Change in Control where the holders of the Company's Common Stock receive cash consideration for their Common Stock in consummation of the Change in Control, Restricted Stock Units not previously vested shall immediately become vested. With respect to any of the Restricted Stock Units that constitute "deferred compensation" as defined under Code Section 409A, for purposes of this Section 3(a)(ii) and any acceleration of the Restricted Stock Units upon a Change in Control, a Change in Control shall be deemed to occur only if, in addition to the requirements set forth in the Plan, the Change in Control also meets the requirements of IRS Reg. §1.409A-3(i)(5), to the extent necessary to avoid the imposition of taxes thereunder.

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

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

The number of unvested Restricted Stock Units that shall vest pro-rata upon Retirement (absent action to the contrary by the Compensation Committee) described in the penultimate sentence of the foregoing paragraph of this Section 3(a)(iv) shall be calculated by multiplying (A) the quotient obtained by dividing the number of completed months that the Participant was employed by the Company or one of its Subsidiaries since the most recent Vesting Date by 48, by (B) the number of Restricted Stock Units subject to this Agreement.

(b) Restrictions on Transfer. Until the earlier of the applicable vesting date under the Normal Vesting Schedule, the date of a termination of employment due to death or Permanent Disability, the date of a Change in Control described in Section 3(a)(ii), or the date of a termination of employment on or within two years after a Change in Control described in Section 3(a)(iii), or as otherwise provided in the Plan, no transfer of the Restricted Stock Units or any of the Participant's rights with respect to the Restricted

Stock Units, whether voluntary or involuntary, by operation of law or otherwise, shall be permitted. Unless the Compensation Committee determines otherwise, upon any attempt to transfer any Restricted Stock Units or any rights in respect of the Restricted Stock Units before the earlier of the applicable vesting date under the Normal Vesting Schedule, the date of a termination of employment due to death or Permanent Disability, the date of a Change in Control described in Section 3(a)(ii), or the date of a termination of employment on or within two years after a Change in Control described in Section 3(a)(iii), such unit, and all of the rights related to such unit, shall be immediately and automatically forfeited by the Participant without consideration of any kind.

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

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

4. Noncompetition. The Participant agrees with the Company that, for as long as the Participant is employed by the Company or any of its Subsidiaries and continuing for twelve (12) months (or such longer period as may be provided in an employment or similar agreement between the Participant and the Company or one of its Subsidiaries) following a termination of such employment, the Participant shall not, without the prior written consent of the Company, directly or indirectly, and whether as principal or investor or as an employee, officer, director, manager, partner, consultant, agent, or otherwise, alone or in association with any other person, firm, corporation, or other business organization, engage or otherwise become involved in a Competing Business in the Americas, Europe, Middle East or Asia, or in any other geographic area throughout the world (a) in which the Company or any of its Subsidiaries has engaged in any of the activities that comprise a Competing Business during the Participant's employment, or (b) in which the Participant has knowledge of the Company's plans to engage in any of the activities that comprise a Competing Business (including, without limitation, in any area in which any customer of the Company or any of its Subsidiaries may be located); provided, however, that the provisions of this Section 4 shall apply solely to those activities of a Competing Business, with which the Participant was personally involved or for which the Participant was responsible while employed by the

Company or its Subsidiaries during the twelve (12) month period preceding termination of the Participant's employment. This Section 4 will not be violated, however, by the Participant's investment of up to US\$100,000 in the aggregate in one or more publicly-traded companies that engage in a Competing Business.

5. Wrongful Solicitation. As a separate and independent covenant, the Participant agrees with the Company that, for as long as the Participant is employed by the Company or any of its Subsidiaries and continuing for twelve (12) months (or such longer period as may be provided in an employment or similar agreement between the Participant and the Company or one of its Subsidiaries) following a termination of such employment, the Participant shall not engage in any Wrongful Solicitation.

6. Confidentiality; Specific Performance.

(a) The Participant agrees with the Company that the Participant shall not at any time, except in performance of the Participant's obligations to the Company hereunder or with the prior written consent of the Company, directly or indirectly, reveal to any person, entity, or other organization (other than the Company, or its employees, officers, directors, stockholders, or agents) or use for the Participant's own benefit any information deemed to be confidential by the Company or any of its Affiliates ("Confidential Information") relating to the assets, liabilities, employees, goodwill, business, or affairs of the Company or any of its Affiliates, including, without limitation, any information concerning past, present, or prospective customers, manufacturing processes, marketing, operating, or financial data, or other confidential information used by, or useful to, the Company or any of its Affiliates and known (whether or not known with the knowledge and permission of the Company or any of its Affiliates and whether or not at any time prior to the Date of Grant developed, devised, or otherwise created in whole or in part by the efforts of the Participant) to the Participant by reason of the Participant's employment with, equity holdings in, or other association with the Company or any of its Affiliates. The Participant further agrees that the Participant will retain all copies and extracts of any written Confidential Information acquired or developed by the Participant during any such employment, equity holding, or association in trust for the sole benefit of the Company, its Affiliates, and their successors and assigns. The Participant further agrees that the Participant will not, without the prior written consent of the Company, remove or take from the Company's or any of its Affiliate's premises (or if previously removed or taken, the Participant will promptly return) any written Confidential Information or any copies or extracts thereof. Upon the request and at the expense of the Company, the Participant shall promptly make all disclosures, execute all instruments and papers, and perform all acts reasonably necessary to vest and confirm in the Company and its Affiliates, fully and completely, all rights created or contemplated by this Section 6. The term "Confidential Information" shall not include information that is or becomes generally available to the public other than as a result of a disclosure by, or at the direction of, the Participant.

(b) The Participant agrees that upon termination of the Participant's employment with the Company or any Subsidiary for any reason, the Participant will return to the Company immediately all memoranda, books, papers, plans, information, letters and other data, and all copies thereof or therefrom, in any way evidencing (in whole or in part) Confidential Information relating to the business of the Company and its Subsidiaries and Affiliates. The Participant further agrees that the Participant will not retain or use for the Participant's account at any time any trade names, trademark, or other proprietary business designation used or owned in connection with the business of the Company or its Subsidiaries or Affiliates.

(c) The Participant acknowledges and agrees that the Company's remedies at law for a breach or threatened breach of any of the provisions of this Section 6, or Section 4 or 5 above, would be inadequate and, in recognition of this fact, the

Participant agrees that, in the event of such a breach or threatened breach, in addition to any remedies at law, the Company, without posting any bond (or other security other than any mandatory minimum or nominal bond or security), shall be entitled to obtain equitable relief in the form of specific performance, temporary restraining order, temporary or permanent injunction, or any other equitable remedy which may then be available.

7. Taxes.

(a) This Section 7(a) applies only to (i) all Participants who are U.S. employees, and (ii) to those Participants who are employed by a Subsidiary of the Company that is obligated under applicable local law to withhold taxes with respect to the settlement of the Restricted Stock Units. Such Participant shall pay to the Company or a designated Subsidiary, promptly upon request, and in any event at the time the Participant recognizes taxable income, or withholding of employment taxes is required, with respect to the Restricted Stock Units, an amount equal to the taxes the Company determines it is required to withhold under applicable tax laws with respect to the Restricted Stock Units. The Participant may satisfy the foregoing requirement by making a payment to the Company in cash or, in accordance with rules and regulations promulgated by the Compensation Committee, by delivering already owned unrestricted shares of Common Stock or by having the Company withhold a number of shares of Common Stock in which the Participant would otherwise become vested under this Agreement, in each case, having a value equal to the maximum amount of tax permitted to be withheld that will not result in adverse financial accounting consequences to the Company. Such shares shall be valued at their Fair Market Value on the date as of which the amount of tax to be withheld is determined.

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

8. Securities Laws Requirements. The Company shall not be obligated to transfer any shares following the settlement of Restricted Stock Units to the Participant free of a restrictive legend if such transfer, in the opinion of counsel for the Company, would violate the Securities Act of 1933, as amended (the "Securities Act") (or any other federal or state statutes having similar requirements as may be in effect at that time).

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

10. Market Stand-Off. In connection with any underwritten public offering by the Company of its equity securities pursuant to an effective registration statement filed under the Securities Act for such period as the Company or its underwriters may request (such period not to exceed 180 days following the date of the applicable offering), the

Participant shall not, directly or indirectly, sell, make any short sale of, loan, hypothecate, pledge, offer, grant or sell any option or other contract for the purchase of, purchase any option or other contract for the sale of, or otherwise dispose of or transfer, or agree to engage in any of the foregoing transactions with respect to, any of the Restricted Stock Units granted under this Agreement or any shares resulting the settlement thereof without the prior written consent of the Company or its underwriters.

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

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

13. Survival of Terms. This Agreement shall apply to and bind the Participant and the Company and their respective permitted assignees and transferees, heirs, legatees, executors, administrators and legal successors. The terms of Sections 4-7,13, 14, 16, 18-21 and 23 shall expressly survive the forfeiture of the Restricted Stock Units and the termination of this Agreement.

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

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

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

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

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

19. Entire Agreement; Language; Governing Law. This Agreement and the Plan and the other related agreements expressly referred to herein set forth the entire agreement and understanding between the parties hereto and supersedes all prior agreements and understandings relating to the subject matter hereof. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same agreement. The headings of sections and subsections herein are included solely for convenience of reference and shall not affect the meaning of any of the provisions of this Agreement. This Agreement has been prepared in English and may be translated into one or more other languages. If there is a discrepancy between or among any of these versions, the English version shall prevail. Unless otherwise restricted by applicable law, this Agreement may be executed electronically. This Agreement shall be governed by, and construed in accordance with, the laws of the Commonwealth of Pennsylvania, USA, other than its conflicts of laws principles.

20. Severability; Judicial Reformation. Should any provision of this Agreement be held by a court of competent jurisdiction to be unenforceable, or enforceable only if modified, such holding shall not affect the validity of the remainder of this Agreement, the balance of which shall continue to be binding upon the parties hereto with any such modification (if any) to become a part hereof and treated as though contained in this original Agreement. Moreover, if one or more of the provisions contained in this Agreement shall for any reason be held to be excessively broad as to

scope, activity, subject or otherwise so as to be unenforceable, in lieu of severing such unenforceable provision, such provision or provisions shall be construed by the appropriate judicial body by limiting or reducing it or them, so as to be enforceable to the maximum extent compatible with the applicable law as it shall then appear, and such determination by such judicial body shall not affect the enforceability of such provisions or provisions in any other jurisdiction.

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

22. Acceptance. The Participant hereby acknowledges receipt of a copy of the Plan and this Agreement. The Participant has read and understand the terms and provision thereof, and accepts the shares of Restricted Stock Units subject to all the terms and conditions of the Plan and this Agreement. The Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Compensation Committee upon any questions arising under this Agreement.

23. Miscellaneous.

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

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

assets or business of the Company, or any other corporate act or proceeding, whether of a similar character or otherwise.

(c) Assignment. The Company shall have the right to assign any of its rights and to delegate any of its duties under this Agreement to any of its Affiliates. The terms and conditions of this Agreement shall be binding upon and shall inure to the benefit of the permitted successors and assigns of the Company (including any person or entity which acquires all or substantially all of the assets of the Company).

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

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

24. Code Section 409A. Notwithstanding anything in this Agreement to the contrary, the receipt of any benefits under this Agreement as a result of a termination of employment shall be subject to satisfaction of the condition precedent that 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 (6) 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 Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein.

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

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

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

ENERSYS

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

PARTICIPANT

Name: _____
Address: _____

Date of Grant: _____

Number of Restricted Stock Units: _____

APPENDIX A
to
Award Agreement for Employees – Restricted Stock Units
Under the 2017 Equity Incentive Plan

This Appendix A contains supplemental terms and conditions for awards of Restricted Stock Units (“RSUs”) granted as of the Date of Grant set forth in the Agreement under the EnerSys 2017 Equity Incentive Plan to Participants who reside outside the United States or who are otherwise subject to the laws of a country other than the United States.

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

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

This Appendix A may also include information regarding exchange controls, taxation of awards and certain other issues of which the Participant should be aware with respect to participation in the Plan. The information is based on the securities, exchange control, tax and other laws concerning RSUs in effect as of July 30, 2018. Such laws are often complex and change frequently; the information may be out of date at the time the Participant vests in the RSUs or sell shares acquired under the Plan. As a result, the Company strongly recommends that the Participant should not rely on the information noted herein as the only source of information relating to the consequences of the Participant’s participation in the Plan.

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

Finally, if the Participant is a citizen or resident of a country other than the one in which the Participant is currently working, transferred employment after the Award was granted or is considered a resident of another country for local law purposes, the

information contained herein may not be applicable to the Participant in the same manner. In addition, the Company shall, in its sole discretion, determine to what extent the terms and conditions contained herein will apply under these circumstances.

Section I. All Countries Outside the United States

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

- (a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;
- (b) the grant of the RSUs is voluntary and occasional and does not create any contractual or other right to receive future grants of RSUs, or benefits in lieu of RSUs, even if RSUs have been granted repeatedly in the past;
- (c) all decisions with respect to future grants, if any, will be at the sole discretion of Company;
- (d) the Participant is voluntarily participating in the Plan;
- (e) the RSUs and the underlying shares of Common Stock subject to the RSUs are extraordinary items that do not constitute compensation of any kind for services of any kind rendered to the Company or any Subsidiary or Affiliate, and which is outside the scope of the Participant's employment contract, if any;
- (f) the RSUs and the underlying shares of Common Stock subject to the RSUs are not intended to replace any pension rights, if any, or compensation;
- (g) the RSUs and the underlying shares of Common Stock subject to the RSUs, and the income and value of same, are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company or any Subsidiary or Affiliate;
- (h) the grant of the RSUs and the Participant's participation in the Plan will not be interpreted to form an employment contract or relationship with the Company or any Subsidiary or Affiliate;
- (i) the future value of the underlying shares of Common Stock is unknown and cannot be predicted with certainty;

- (j) if the Participant obtains shares of Common Stock upon settlement of the Participant's RSUs, the value of those shares acquired may increase or decrease in value;
- (k) in consideration of the grant of the RSUs, no claim or entitlement to compensation or damages shall arise from forfeiture of the RSUs resulting from termination of the Participant's employment with the Company or any Subsidiary or Affiliate (for any reason whatsoever and whether or not in breach of local labor laws) and the Participant irrevocably releases the Company, the Subsidiaries and the Affiliates from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, the Participant will be deemed irrevocably to have waived the Participant's entitlement to pursue such claim;
- (l) in the event of termination of the Participant's employment (whether or not in breach of local labor laws), the Participant's right to vest in the RSUs under the Plan, if any, will terminate effective as of the date that the Participant is no longer actively employed and will not be extended by any notice period mandated under local law (*e.g.*, active employment would not include a period of "garden leave" or similar period pursuant to local law); the Compensation Committee shall have the exclusive discretion to determine when the Participant is no longer actively employed for purposes of the Participant's Award;
- (m) the Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Participant's participation in the Plan, or the Participant's acquisition or sale of Common Stock;
- (n) the Participant is hereby advised to consult with the Participant's personal tax, legal and financial advisors regarding participation in the Plan before taking any action related to the Plan;
- (o) unless otherwise provided in the Plan or by the Company in its discretion, the RSUs and the benefits evidenced by this Agreement do not create any entitlement to have the RSUs or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the shares of the Company; and
- (p) neither the Company, any Subsidiary nor any Affiliate of the Company shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the United States Dollar that may affect the value of the RSUs or of any amounts due to the Participant pursuant to

the settlement of the RSUs or the subsequent sale of any shares acquired upon settlement.

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

- (a) Regardless of any action the Company or the Subsidiary/Affiliate that employs the Participant (the “Employer”) takes with respect to any or all income tax, the Participant’s portion of social insurance, payroll tax, payment on account or other tax-related items related to the Participant’s participation in the Plan and legally applicable to the Participant (“Tax-Related Items”), the Participant acknowledges that the ultimate liability for all Tax-Related Items is and remains the Participant’s responsibility and may exceed the amount actually withheld by the Company or the Employer.
- (b) The Participant further acknowledges that the Company and/or the Employer (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award, including, but not limited to, the grant of the RSUs, the issuance of shares of Common Stock upon vesting/settlement of the RSUs, the subsequent sale of shares of Common Stock acquired pursuant to such issuance and the receipt of any dividends or dividend equivalents; and (2) do not commit to, and are under no obligation to, structure the terms of the grant or any aspect of the RSUs to reduce or eliminate the Participant’s liability for Tax-Related Items or achieve any particular tax result.
- (c) Further, if the Participant becomes subject to tax in more than one jurisdiction between the Date of Grant and the date of any relevant taxable event, the Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.
- (d) The Participant authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following: (1) withholding in shares of Common Stock to be issued or cash distributed upon vesting/settlement of the RSUs; (2) withholding from the Participant’s wages or other cash compensation paid to the Participant by the Company and/or the Employer; (3) withholding from the proceeds of the sale of shares of Common Stock acquired upon vesting/settlement of the RSUs either through a voluntary sale or through a mandatory sale arranged by the Company (on the Participant’s behalf pursuant to this authorization).
- (e) To avoid negative accounting treatment, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates. If the obligation for Tax-Related Items is satisfied by withholding in shares of Common Stock, for tax purposes,

the Participant shall be deemed to have been issued the full number of shares of Common Stock subject to the vested RSUs, notwithstanding that a number of the shares of Common Stock are held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of the Participant's participation in the Plan.

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

3. Insider Trading Restrictions/Market Abuse Laws. The Participant acknowledges that, depending on the Participant's country of residence (and country of employment, if different), the Participant may be subject to insider trading restrictions and/or market abuse laws, which may affect the Participant's ability to acquire or sell shares of Common Stock or rights to shares of Common Stock (e.g., RSUs) under the Plan during such times as the Participant is considered to have "inside information" (as defined by the laws in the applicable country). The insider trading and/or market abuse laws may be different from any Company Insider Trading Policy. The Participant personally is responsible for ensuring compliance with any applicable restrictions and should consult with the Participant's personal legal advisor for additional information about any applicable restrictions and the Participant's obligations.

4. Foreign Asset/Account and Exchange Control Reporting. The Participant's country of residence (and country of employment, if different) may have certain exchange controls and foreign asset and/or account reporting requirements which may affect the Participant's ability to purchase or hold shares of Common Stock under the Plan or receive cash from the Participant's participation in the Plan (including from any dividends received or sale proceeds arising from the sale of shares of Common Stock) in a brokerage or bank account outside the Participant's country of residence (and country of employment, if different). The Participant may be required to report such accounts, assets or transactions to the tax or other authorities in the Participant's country of residence (and country of employment, if different). Further, the Participant may be required to repatriate the shares of Common Stock or proceeds acquired as a result of participating in the Plan to the Participant's country of residence (and country of employment, if different) through a designated bank/broker and/or within a certain time. The Participant personally is responsible for ensuring compliance with any applicable reporting obligations and should consult with the Participant's personal legal advisor for additional information about such obligations.

Section II. All Countries Excluding France, Germany, Italy, Netherlands, Poland and United Kingdom

Data Privacy Consent.

I hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of my personal data as described in this Agreement and any other Award grant materials by and among, as applicable, the employer, the Company and its subsidiaries and affiliates for the exclusive purpose of implementing, administering and managing my participation in the Plan (“Data”).

I understand that the Company and the employer may hold certain personal information about me, including, but not limited to, my name, home address and telephone number, email address, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all Awards or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in my favor, for the exclusive purpose of implementing, administering and managing the Plan.

I understand that Data will be transferred to a third party plan administrator, or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. I understand that the recipients of the Data may be located in the United States or elsewhere, and that the recipients’ country (e.g., the United States) may have different data privacy laws and protections than my country. I understand that if I reside outside the United States, I may request a list with the names and addresses of any potential recipients of the Data by contacting my local human resources representative. I authorize the Company, the third party administrator and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing my participation in the Plan. I understand that Data will be held only as long as is necessary to implement, administer and manage my participation in the Plan. I understand that if I reside outside the United States, I may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing my local human resources representative. Further, I understand that I am providing the consents herein on a purely voluntary basis. If I do not consent, or if I later seek to revoke my consent, my employment status or service and career with the employer will not be adversely affected; the only adverse consequence of refusing or withdrawing my consent is that the Company would not be able to grant me the Award or other awards or administer or maintain such awards. Therefore, I understand that refusing or withdrawing my consent may affect my ability to participate in the Plan. For more

information on the consequences of my refusal to consent or withdrawal of consent, I understand that I may contact my local human resources representative.

Section III. France, Germany, Italy, Netherlands, Poland and United Kingdom

Data Privacy Notice.

You are hereby notified of the collection, use and transfer outside of the European Economic Area, as described in this Agreement, in electronic or other form, of your Personal Data (defined below) by and among, as applicable, the Company and certain of its Subsidiaries and/or Affiliates for the purpose of performing and satisfying its contractual obligations under the Agreement and for the necessary, exclusive and legitimate purpose of implementing, administering and managing your participation in the Plan.

You understand that the Company and the Employer hold certain personal information about you, including, but not limited to, your name, home address and telephone number, email address, date of birth, social insurance, passport or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all entitlement to Shares awarded, canceled, vested, unvested or outstanding in your favor (“Personal Data”), for the purpose of implementing, administering and managing the Plan.

You understand that providing the Company with this Personal Data is necessary for the performance of this Agreement and that your refusal to provide the Personal Data would make it impossible for the Company to perform its contractual obligations and may affect your ability to participate in the Plan. Your Personal Data shall be accessible within the Company only by the persons specifically charged with Personal Data processing operations and by the persons that need to access the Personal Data because of their duties and position in relation to the performance of this Agreement.

The Personal Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You may, at any time and without cost, contact the EnerSys Legal Department at legal@enersys.com to enforce your rights under the data protection laws in your country, which may include the right to (i) request access to or copies of Personal Data subject to processing; (ii) request rectification of incorrect Personal Data; (iii) request deletion of Personal Data; (iv) request restriction on processing of Personal Data; (v) request portability of Personal Data; (vi) lodge complaints with competent authorities in your country; and/or (vii) request a list with the names and addresses of any potential recipients of Personal Data.

The Company provides appropriate safeguards for protecting Personal Data that it receives in the U.S. through its adherence to data transfer agreements (which include

model contractual clauses) entered into between the Company and its Subsidiaries and Affiliates within the European Union.

Further, you are hereby notified that the Company and certain of its Subsidiaries and/or Affiliates will transfer Personal Data amongst themselves as necessary for the purpose of implementation, administration and management of your participation in the Plan. When transferring Personal Data to these recipients, the Company and its Subsidiaries and/or Affiliates, as applicable, will provide appropriate safeguards in accordance with the data transfer agreements entered into between these parties.

The Company or its Subsidiaries or Affiliates may each further transfer Personal Data to Solium Capital LLC, 60 E. Rio Salado Parkway, Suite 510, Tempe, AZ 85281 and/or such other third parties as may be selected by the Company, which are assisting the Company with the implementation, administration and management of the Plan. The Company may select a different service provider or additional service providers and share Personal Data with such other provider(s) serving in a similar manner. Solium Capital LLC, is based in the United States. Your country or jurisdiction may have different data privacy laws and protections than the United States. Nonetheless, your Personal Data will be transferred to Solium Capital LLC for the exclusive purpose of administering your participation in the Plan. The Company's legal basis, where required, for the transfer of Personal Data to Solium Capital LLC, is that such transfer is necessary for the purpose of performing and satisfying its contractual obligations under the Agreement.

Finally, you may choose to opt out of allowing the Company to share your Personal Data with Solium Capital LLC and others as described above, although execution of such choice may mean the Company cannot grant awards under the Plan to you. For questions about this choice or to make this choice, you should contact the EnerSys Legal Department at legal@enersys.com.

Section IV. Country-Specific Provisions

Argentina

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

Australia

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

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

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

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

Canada

RSUs Payable Only in Shares. Notwithstanding anything in the Agreement or the Plan to the contrary, the Participant’s RSUs shall be settled in shares of Common Stock only (and many not be settled in cash).

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

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

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

Data Privacy Consent. The following provision supplements Section II of this Appendix A.

You hereby authorize the Company or the Company’s representatives to discuss with and obtain all relevant information regarding your participation in the Plan from all personnel, professional or not, involved in the administration and operation of the Plan. You further authorize the Company and any Subsidiary or Affiliate of the Company and the Compensation Committee to disclose and discuss your participation in the Plan with their advisors. You further authorize the Company and any Subsidiary or Affiliate of the Company to record such information and to keep such information in your file.

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

China

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

France

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

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

Les parties reconnaissent avoir exigé la rédaction en anglais de cette convention («Plan, Agreement and Appendix A»), ainsi que de tous

documents, avis et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou liés directement ou indirectement à, la présente convention.

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

Germany

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

India

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

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

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

Italy

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

Section 3 (Terms and Conditions)

Section 4 (Noncompetition)

Section 5 (Wrongful Solicitation)

Section 6 (Confidentiality; Specific Performance)

Section 18 (Investment Representation)

Section 19 (Entire Agreement; Language; Governing Law)

Section 23(e) (Clawback Policy)

Appendix A, Section I (Nature of Grant)

Appendix A, Section I (Payment of Taxes)

Appendix A, Section III (Data Privacy Notice)

Malaysia

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

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

Data Privacy Consent. The following provision replaces Section II of this Appendix A.

I hereby explicitly, voluntarily and unambiguously consent to the collection, use and transfer, in electronic or other form, of my personal data as described in this Agreement and Appendix and any other Plan grant materials by and among, as applicable, the Employer, the Company and any of its other Subsidiaries or Affiliates or any third parties authorized by the same in assisting in the implementation, administration and management of my participation in the Plan.

I may have previously provided the Company and the Employer with, and the Company and the Employer may hold, certain personal information about me, including, but not limited to, my name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, the fact and conditions of my participation in the Plan, details of all RSUs or any other entitlement to Shares awarded, cancelled, exercised, vested, unvested or outstanding in my favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan.

I also authorize any transfer of Data, as may be required, to any external stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan and/or with whom any shares acquired upon vesting of RSUs are deposited. I acknowledge that these recipients may be located in my country or elsewhere, and that the recipient's country (e.g., the United States) may have different data privacy laws and protections to my country, which may not give the same level of protection to Data. I understand that I may request a list with the names and addresses of any potential recipients of Data by contacting my local human resources representative. I authorize the Company, the external stock plan service provider and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing my participation in the Plan to receive, possess, use, retain and transfer Data, in electronic or other form, for the sole purpose of implementing, administering and managing my participation in the Plan. I understand that Data will be held only as long as is necessary to implement, administer and manage my participation in the Plan. I understand that I may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case, without cost, by contacting in writing my local human resources representative, whose contact details are Cheng Liang Heng, cl.heng@enersys.com.sg. Further, I understand that I am providing the consents herein on a purely voluntary basis. If I do not consent, or if I later seek to revoke my consent, my employment status or service and career with the Employer will not be adversely affected; the only adverse consequence of refusing or withdrawing my consent is that the Company would not be able to grant future RSUs or other equity awards to me or administer or maintain such awards. Therefore, I understand that refusing or withdrawing my consent may affect my ability to participate in the Plan. For more information on the consequences of my refusal to consent or withdrawal of consent, I understand that I may contact my local human resources representative.

Saya dengan ini secara eksplisit, secara sukarela dan tanpa sebarang keraguan mengizinkan pengumpulan, penggunaan dan pemindahan, dalam bentuk elektronik atau lain-lain, data peribadi saya seperti yang dinyatakan dalam Perjanjian dan Lampiran ini dan apa-apa bahan geran Pelan oleh dan di antara, seperti mana yang terpakai, Majikan, Syarikat dan mana-mana Anak Syarikat yang lain atau Syarikat Sekutu kami atau mana-mana pihak ketiga yang diberi kuasa oleh yang sama untuk membantu dalam pelaksanaan, pentadbiran dan pengurusan penyertaan saya dalam Pelan.

Sebelum ini, saya mungkin telah membekalkan Syarikat dan Majikan dengan, dan Syarikat dan Majikan mungkin memegang, maklumat peribadi tertentu tentang saya, termasuk, tetapi tidak terhad kepada, nama saya, alamat rumah dan nombor telefon, tarikh lahir, nombor insurans sosial atau nombor pengenalan lain, gaji, kewarganegaraan, jawatan, apa-apa saham atau jawatan pengarah yang dipegang dalam Syarikat, fakta dan syarat-syarat penyertaan saya dalam Pelan, butir-butir semua RSU atau apa-apa hak lain untuk Saham yang dianugerahkan, dibatalkan, dilaksanakan, terletak hak, tidak diletak hak ataupun yang belum dijelaskan bagi faedah saya ("Data"), untuk tujuan yang eksklusif bagi melaksanakan, mentadbir dan menguruskan Pelan.

Saya juga memberi kuasa untuk membuat apa-apa pemindahan Data, sebagaimana yang diperlukan, kepada pembekal perkhidmatan pelan saham luar yang lain sebagaimana yang mungkin dipilih oleh Syarikat pada masa depan, yang membantu Syarikat dalam pelaksanaan, pentadbiran dan pengurusan Pelan dan/atau dengan sesiapa yang menandatangani apa-apa saham yang diperolehi apabila RSU terletak hak. Saya mengakui bahawa penerima-penerima ini mungkin berada di negara saya atau di tempat lain, dan bahawa negara penerima (contohnya, Amerika Syarikat) mungkin mempunyai undang-undang privasi data dan perlindungan yang berbeza daripada negara saya, yang mungkin tidak boleh memberi tahap perlindungan yang sama kepada Data. Saya faham bahawa saya boleh meminta senarai nama dan alamat mana-mana penerima Data yang berpotensi dengan menghubungi wakil sumber manusia tempatan saya. Saya memberi kuasa kepada Syarikat, pembekal perkhidmatan pelan saham luar dan mana-mana penerima lain yang mungkin membantu Syarikat (masa sekarang atau pada masa depan) untuk melaksanakan, mentadbir dan menguruskan penyertaan saya dalam Pelan untuk menerima, memiliki, menggunakan, mengekalkan dan memindahkan Data, dalam bentuk elektronik atau lain-lain, semata-mata dengan tujuan untuk melaksanakan, mentadbir dan menguruskan penyertaan saya dalam Pelan. Saya faham bahawa Data akan dipegang hanya untuk tempoh yang diperlukan untuk melaksanakan, mentadbir dan menguruskan penyertaan saya dalam Pelan. Saya faham bahawa saya boleh, pada bila-bila masa, melihat Data, meminta maklumat tambahan mengenai penyimpanan dan pemrosesan Data, meminta bahawa pindaan-pindaan dilaksanakan ke atas Data atau menolak atau menarik balik persetujuan dalam ini, dalam mana-mana kes, tanpa kos, dengan menghubungi secara bertulis wakil sumber manusia tempatan saya, di mana butir-butir hubungannya adalah Cheng Liang Heng, cl.heng@enersys.com.sg. Selanjutnya, saya memahami bahawa saya memberikan persetujuan di sini secara sukarela. Jika saya tidak bersetuju, atau jika saya kemudian membatalkan persetujuan saya, status pekerjaan atau perkhidmatan dan kerjaya saya dengan Majikan tidak akan terjejas; satunya akibat buruk jika saya tidak bersetuju atau menarik balik persetujuan saya adalah bahawa Syarikat tidak akan dapat memberikan RSU pada masa depan atau anugerah ekuiti lain kepada saya atau mentadbir atau mengekalkan anugerah tersebut. Oleh itu, saya faham bahawa keengganan atau penarikan balik persetujuan saya boleh menjejaskan keupayaan saya untuk mengambil bahagian dalam Pelan. Untuk maklumat lanjut mengenai akibat keengganan saya untuk memberikan keizinan atau penarikan balik keizinan, saya fahami bahawa saya boleh menghubungi wakil sumber manusia tempatan saya.

Mexico

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

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

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

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

The Participant's participation in the Plan is voluntary.

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

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

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

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

Spanish Translation.

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

(1) la participación del participante en el plan no constituye un derecho adquirido.

(2) el plan y la participación del participante en el plan son ofrecidos por la compañía sobre una base totalmente discrecional.

(3) la participación del participante en el plan es voluntaria.

(4) ni la compañía ni ningún subsidiario o afiliado es responsable de cualquier disminución

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

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

participante en el plan en cualquier momento, sin ninguna responsabilidad para con el participante.

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

Netherlands

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

Poland

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

Singapore

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

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

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

Switzerland

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

United Kingdom

RSUs Payable Only in Shares. Notwithstanding anything in the Agreement or the Plan to the contrary, the Participant’s RSUs shall be settled in shares of Common Stock only (and many not be settled in cash).

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

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

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

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Exhibit 10.4

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

2017 EQUITY INCENTIVE PLAN

THIS EMPLOYEE STOCK OPTION AGREEMENT (this “Agreement”), dated as of _____, is between ENERSYS, a Delaware corporation (the “Company”), and the individual identified on the signature page hereof (the “Participant”).

BACKGROUND

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

B. The Company desires to (i) provide the Participant with an incentive to remain in the employ of the Company or one of its Subsidiaries, and (ii) increase the Participant’s interest in the success of the Company by granting to the Participant nonqualified stock options (the “Options”) to purchase shares of the Company’s common stock, par value \$0.01 per share (the “Common Stock”).

C. The grant of the Options is (i) made pursuant to the 2017 Equity Incentive Plan (as amended from time to time, the “Plan”); (ii) made subject to the terms and conditions of this Agreement; and (iii) not employment compensation nor an employment right and is made in the sole discretion of the Company’s Compensation Committee.

AGREEMENT

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

1. Definitions; Incorporation of Plan Terms. Capitalized terms used in this Agreement without definition shall have the meanings assigned to them in the Plan. This Agreement and the Options shall be subject to the Plan. The terms of the Plan and the Background provisions of this Agreement and Appendix A are hereby incorporated into this Agreement by reference and made a part hereof as if set forth in their entirety in this Section 1. If there is a conflict or an inconsistency between the Plan and this Agreement, the Plan shall govern.

2. Restrictions on Transfer. Except as otherwise expressly provided in the Plan, none of the Options may be sold, transferred, assigned, pledged, or otherwise encumbered or disposed of (or made the subject of a derivative transaction) to or with

any third party otherwise than by will or the laws of descent and distribution and the Options shall be exercisable during the Participant's lifetime only by the Participant.

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

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

(a) Vesting. The Options shall vest and become exercisable as follows: one-third (1/3) of the Options shall vest and become exercisable on each of the first three anniversaries of the Date of Grant (each such one-third (1/3) of the Options which vest on each such anniversary shall be referred to herein as a "Tranche" and each such anniversary a Vesting Date) unless previously vested or forfeited in accordance with the Plan or this Agreement; provided, however, that to the extent then unvested, the Options shall immediately become vested and exercisable if:

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

Further, provided, in the event of the Participant's Retirement, a separate pro-rata portion of the Tranche of Options (to the extent then unvested) during which the Retirement occurs shall immediately become vested. The number of unvested Options that shall vest pro-rata upon Retirement shall be calculated by multiplying (A) the quotient obtained by dividing the number of completed months that the Participant was employed by the Company or one of its Subsidiaries since the most recent Vesting Date by 36, by (B) the number of Options subject to this Agreement (rounding up to the nearest whole number), provided however, that, the pro-rata portion that vests shall only become exercisable on the date the applicable portion of each such Tranche would have otherwise become vested under the schedule described above in this Section 4(a) absent such Retirement.

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

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

(i) if the Participant's employment terminates due to death or, Permanent Disability or on or after a Change in Control without Cause or for Good Reason, the Participant may exercise the Options, to the extent then vested, at any time until the earlier of (A) one year following termination of employment and (B) the expiration date of the Options specified in this Section 4(b);

(ii) if the Participant's employment is terminated due to Retirement, the Participant may exercise the Options, to the extent then vested and exercisable, at any time until the expiration date of the Options specified in this Section 4(b);

(iii) if the Participant's employment is terminated by the Company without Cause prior to a Change in Control, the Participant may exercise the Options, to the extent then vested, at any time until the earlier of (A) ninety (90) days following termination of employment and (B) the expiration date of the Options specified in this Section 4(b);

(iv) if the Participant voluntarily terminates employment with the Company, the Participant may exercise the Options, to the extent then vested, at any time until the earlier of (A) sixty (60) days following termination of employment and (B) the expiration date of the Options specified in this Section 4(b); or

(v) in the event of any other termination of the Participant's employment (including a termination by the Company for Cause), all of the Options (whether or not vested at the time of termination) shall, without any action on the part of any Person, immediately expire and be canceled without payment therefor.

Except as provided in Section 4(a) hereof or in the case of automatic vesting in connection with such termination event, upon termination of the Participant's employment with the Company or a Subsidiary for any reason, all Options which

have not theretofore vested shall, without any action on the part of any Person, immediately expire and be canceled without any payment therefor.

(b) Exercise. Subject to the Company's Policy on Insider Trading, and Sections 4(d), 4(f), and 8 hereof, the Participant may exercise any or all of the Options, to the extent vested and not forfeited. The date of exercise of an Option shall be the date on which the conditions provided in Sections 4(d), 4(f), and 8 hereof are satisfied.

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

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

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

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

(g) 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, and all references to Option Shares hereunder shall be deemed to include such shares of Common Stock or other securities.

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

5. Noncompetition. The Participant agrees with the Company that, for so long as the Participant is employed by the Company or any of its Subsidiaries and continuing for twelve (12) months (or such longer period as may be provided in an employment or similar agreement between the Participant and the Company or one of its Subsidiaries or as provided in the last sentence of this Section 5) following a termination of such employment, the Participant shall not, without the prior written consent of the Company, directly or indirectly, and whether as principal or investor or as an employee, officer, director, manager, partner, consultant, agent, or otherwise, alone or in association with any other person, firm, corporation, or other business organization, engage or otherwise become involved in a Competing Business in the Americas, Europe, Middle East or Asia or in any other geographic area throughout the world (a) in which the Company or any of its Subsidiaries has engaged in any of the activities that comprise a Competing Business during the Participant’s employment, or (b) in which the Participant has knowledge of the Company’s plans to engage in any of the activities that comprise a Competing Business (including, without limitation, in any area in which any customer of the Company or any of its Subsidiaries may be located); provided, however, that the provisions of this Section 5 shall apply solely to those activities of a Competing Business, with which the Participant was personally involved or for which the Participant was responsible while employed by the Company or its Subsidiaries during the twelve (12) month period preceding termination of the Participant’s employment. This Section 5 will not be violated, however, by the Participant’s investment of up to US\$100,000 in the aggregate in one or more publicly-traded companies that engage in a Competing Business. The restrictions of this Section 5 shall also apply during the period after Retirement until vested Options become exercisable described in Section 4(a).

6. Wrongful Solicitation. As a separate and independent covenant, the Participant agrees with the Company that, for as long as the Participant is employed by the Company or any of its Subsidiaries and continuing for twelve (12) months (or such longer period as may be provided in an employment or similar agreement between the Participant and the Company or one of its Subsidiaries or as provided in the last sentence of this Section 6) following a termination of such employment, the Participant shall not

engage in any Wrongful Solicitation. The restrictions of this Section 6 shall also apply during the period after Retirement until vested Options become exercisable described in Section 4(a).

7. Confidentiality; Specific Performance.

(a) The Participant agrees with the Company that the Participant shall not at any time, except in performance of the Participant's obligations to the Company hereunder or with the prior written consent of the Company, directly or indirectly, reveal to any person, entity, or other organization (other than the Company, or its employees, officers, directors, stockholders, or agents) or use for the Participant's own benefit any information deemed to be confidential by the Company or any of its Affiliates ("Confidential Information") relating to the assets, liabilities, employees, goodwill, business, or affairs of the Company or any of its Affiliates, including, without limitation, any information concerning past, present, or prospective customers, manufacturing processes, marketing, operating, or financial data, or other confidential information used by, or useful to, the Company or any of its Affiliates and known (whether or not known with the knowledge and permission of the Company or any of its Affiliates and whether or not at any time prior to the Date of Grant developed, devised, or otherwise created in whole or in part by the efforts of the Participant) to the Participant by reason of the Participant's employment with, equity holdings in, or other association with the Company or any of its Affiliates. The Participant further agrees that the Participant will retain all copies and extracts of any written Confidential Information acquired or developed by the Participant during any such employment, equity holding, or association in trust for the sole benefit of the Company, its Affiliates, and their successors and assigns. The Participant further agrees that the Participant will not, without the prior written consent of the Company, remove or take from the Company's or any of its Affiliate's premises (or if previously removed or taken, the Participant will promptly return) any written Confidential Information or any copies or extracts thereof. Upon the request and at the expense of the Company, the Participant shall promptly make all disclosures, execute all instruments and papers, and perform all acts reasonably necessary to vest and confirm in the Company and its Affiliates, fully and completely, all rights created or contemplated by this Section 7. The term "Confidential Information" shall not include information that is or becomes generally available to the public other than as a result of a disclosure by, or at the direction of, the Participant.

(b) The Participant agrees that upon termination of the Participant's employment with the Company or any Subsidiary for any reason, the Participant will return to the Company immediately all memoranda, books, papers, plans, information, letters and other data, and all copies thereof or therefrom, in any way evidencing (in whole or in part) Confidential Information relating to the business of the Company and its Subsidiaries and Affiliates. The

Participant further agrees that the Participant will not retain or use for the Participant's account at any time any trade names, trademark, or other proprietary business designation used or owned in connection with the business of the Company or its Subsidiaries or Affiliates.

(c) The Participant acknowledges and agrees that the Company's remedies at law for a breach or threatened breach of any of the provisions of this Section 7, or Section 5 or 6 above, would be inadequate and, in recognition of this fact, the Participant agrees that, in the event of such a breach or threatened breach, in addition to any remedies at law, the Company, without posting any bond (or other security other than any mandatory minimum or nominal bond or security), shall be entitled to obtain equitable relief in the form of specific performance, temporary restraining order, temporary or permanent injunction, or any other equitable remedy which may then be available.

1. Taxes. This Section 8 applies only to (a) those Participants who are U.S. employees, and (b) those Participants who are employed by a Subsidiary of the Company that is obligated under applicable local law to withhold taxes with respect to the vesting or exercise of the Options. The Company or a designated Subsidiary of the Company shall have the right, prior to the delivery of any certificates evidencing shares of Common Stock to be issued pursuant to this Agreement, to require the Participant to remit to the Company or such Subsidiary any amount sufficient to satisfy any applicable (federal, foreign, state, or local) tax withholding requirements. Prior to the Company's or the designated Subsidiary's determination of such withholding liability, the Participant may make an irrevocable election to satisfy, in whole or in part, such obligation to remit taxes by directing the Company or such Subsidiary to withhold shares of Common Stock that would otherwise be received by the Participant (up to the maximum amount of tax permitted to be withheld that will not result in adverse financial accounting consequences to the Company). Such election may be denied by the Compensation Committee in its discretion, or may be made subject to certain conditions specified by the Compensation Committee. The Company or its designated Subsidiary shall also have the right to deduct from all cash payments made pursuant to or in connection with any Award any applicable federal, foreign, state, or local taxes required to be withheld with respect to such payments.

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

3. Market Stand-Off. In connection with any underwritten public offering by the Company of its equity securities pursuant to an effective registration statement filed under the Securities Act for such period as the Company or its underwriters may request (such period not to exceed 180 days following the date of the applicable offering), the Participant shall not, directly or indirectly, sell, make any short sale of, loan, hypothecate, pledge, offer, grant or sell any option or other contract for the

purchase of, purchase any option or other contract for the sale of, or otherwise dispose of or transfer, or agree to engage in any of the foregoing transactions with respect to, any of the Options granted under this Agreement or any Option Shares resulting the exercise thereof without the prior written consent of the Company or its underwriters.

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

5. Survival. This Agreement shall apply to and bind the Participant and the Company and their respective permitted assignees and transferees, heirs, legatees, executors, administrators and legal successors. All agreements, representations, and warranties made herein and in the certificates delivered pursuant hereto shall survive the issuance to the Participant of the Options and any Option Shares and shall continue in full force and effect. The terms of Section 5-8, 12, 13, 15, 17-20, and 22 shall expressly survive the forfeiture of any Options and the termination of this Agreement.

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

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

8. Authority of the Administrator. The Compensation Committee shall have the full authority to interpret and construe the terms of the Plan and this Agreement including, but not limited to, making all determinations regarding eligibility, vesting, forfeiture and the calculation of the number of Options or Option Shares awarded or credited under this Agreement. The determination of the Compensation Committee as to

any such matter of interpretation, construction or calculation shall be final, binding and conclusive.

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

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

1. Entire Agreement; Language; Governing Law. This Agreement and the Plan and the other related agreements expressly referred to herein set forth the entire agreement and understanding between the parties hereto and supersedes all prior agreements and understandings relating to the subject matter hereof. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same agreement. The headings of sections and subsections herein are included solely for convenience of reference and shall not affect the meaning of any of the provisions of this Agreement. This Agreement has been prepared in English and may be translated into one or more other languages. If there is a discrepancy between or among any of these versions, the English version shall prevail. Unless otherwise restricted by applicable law, this Agreement may be executed electronically. This Agreement shall be governed by, and construed in accordance with, the laws of the Commonwealth of Pennsylvania, USA, other than its conflicts of laws principles.

2. Severability; Judicial Reformation. Should any provision of this Agreement be held by a court of competent jurisdiction to be unenforceable, or enforceable only if modified, such holding shall not affect the validity of the remainder of this Agreement, the balance of which shall continue to be binding upon the parties hereto with any such modification (if any) to become a part hereof and treated as though contained in this original Agreement. Moreover, if one or more of the provisions contained in this Agreement shall for any reason be held to be excessively broad as to scope, activity, subject or otherwise so as to be unenforceable, in lieu of severing such unenforceable provision, such provision or provisions shall be construed by the appropriate judicial body by limiting or reducing it or them, so as to be enforceable to the maximum extent compatible with the applicable law as it shall then appear, and such

determination by such judicial body shall not affect the enforceability of such provisions or provisions in any other jurisdiction.

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

4. Acceptance. The Participant hereby acknowledges receipt of a copy of the Plan and this Agreement. The Participant has read and understand the terms and provision thereof, and accepts the Options subject to all the terms and conditions of the Plan and this Agreement. The Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Compensation Committee upon any questions arising under this Agreement.

5. Miscellaneous.

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

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

(c) Assignment. The Company shall have the right to assign any or all of its rights and to delegate any or all of its duties under this Agreement to any of its Affiliates. The terms and conditions of this Agreement shall be binding upon and shall inure to the benefit of the permitted successors and assigns of the Company (including any person or entity which acquires all or substantially all of the assets of the Company).

(d) Adjustments. The Options shall be adjusted or terminated as contemplated by Section 16(a) of the Plan.

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

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

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

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

ENERSYS

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

PARTICIPANT

Name:
Address:

Date Of Grant: _____

Number of Options: _____ Option Price: \$ _____

Appendix A
to
Employee Stock Option Agreement
Under the 2017 Equity Incentive Plan

This Appendix A contains supplemental terms and conditions for awards of nonqualified stock options (“Options”) granted as of the Date of Grant set forth in the Agreement under the EnerSys 2017 Equity Incentive Plan (the “Plan”) to Participants who reside outside the United States or who are otherwise subject to the laws of a country other than the United States.

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

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

This Appendix A may also include information regarding exchange controls, taxation of awards and certain other issues of which the Participant should be aware with respect to participation in the Plan. The information is based on the securities, exchange control, tax and other laws concerning Options in effect as of July 30, 2018. Such laws are often complex and change frequently; the information may be out of date at the time the Participant vests in or exercises the Options or sells shares acquired under the Plan. As a result, the Company strongly recommends that the Participant should not rely on the information noted herein as the only source of information relating to the consequences of the Participant's participation in the Plan.

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

Finally, if the Participant is a citizen or resident of a country other than the one in which the Participant is currently working, transferred employment after the Award was

granted or is considered a resident of another country for local law purposes, the information contained herein may not be applicable to the Participant in the same manner. In addition, the Company shall, in its sole discretion, determine to what extent the terms and conditions contained herein will apply under these circumstances.

Section I. All Countries Outside the United States

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

- (a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;
- (b) the grant of the Options is voluntary and occasional and does not create any contractual or other right to receive future grants of Options, or benefits in lieu of Options, even if Options have been granted repeatedly in the past;
- (c) all decisions with respect to future grants, if any, will be at the sole discretion of Company;
- (d) the Participant is voluntarily participating in the Plan;
- (e) the Options and the underlying shares of Common Stock subject to the Options are extraordinary items that do not constitute compensation of any kind for services of any kind rendered to the Company or any Subsidiary or Affiliate, and which is outside the scope of the Participant's employment contract, if any;
- (f) the Options and the underlying shares of Common Stock subject to the Options are not intended to replace any pension rights, if any, or compensation;
- (g) the Options and the underlying shares of Common Stock subject to the Options, and the income and value of same, are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company or any Subsidiary or Affiliate;
- (h) the grant of the Options and the Participant's participation in the Plan will not be interpreted to form an employment contract or relationship with the Company or any Subsidiary or Affiliate;
- (i) the future value of the underlying shares of Common Stock is unknown and cannot be predicted with certainty;

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

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

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

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

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

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

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

2. Payment of Taxes. The following provisions supplement Section 8 of the Agreement entitled "Taxes."

i. Regardless of any action the Company or the Subsidiary/Affiliate that employs the Participant (the "Employer") takes with respect to any or all income tax, the Participant's portion of social insurance, payroll tax, payment

on account or other tax-related items related to the Participant's participation in the Plan and legally applicable to the Participant ("Tax-Related Items"), the Participant acknowledges that the ultimate liability for all Tax-Related Items is and remains the Participant's responsibility and may exceed the amount actually withheld by the Company or the Employer.

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

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

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

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

vi. The Participant shall pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of the Participant's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to

issue or deliver the shares of Common Stock or the proceeds of the sale of shares of Common Stock, if the Participant fails to comply with this obligation.

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

Section II. All Countries excluding France, Germany, Italy and the United Kingdom

Data Privacy Consent.

I hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of my personal data as described in this Agreement and any other Award grant materials by and among, as applicable, the employer, the Company and its subsidiaries and affiliates for the exclusive purpose of implementing, administering and managing my participation in the Plan ("Data").

I understand that the Company and the employer may hold certain personal information about me, including, but not limited to, my name, home address and

telephone number, email address, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all Awards or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in my favor, for the exclusive purpose of implementing, administering and managing the Plan.

I understand that Data will be transferred to a third party plan administrator, or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. I understand that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than my country. I understand that if I reside outside the United States, I may request a list with the names and addresses of any potential recipients of the Data by contacting my local human resources representative. I authorize the Company, the third party administrator and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing my participation in the Plan. I understand that Data will be held only as long as is necessary to implement, administer and manage my participation in the Plan. I understand that if I reside outside the United States, I may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing my local human resources representative. Further, I understand that I am providing the consents herein on a purely voluntary basis. If I do not consent, or if I later seek to revoke my consent, my employment status or service and career with the employer will not be adversely affected; the only adverse consequence of refusing or withdrawing my consent is that the Company would not be able to grant me the Award or other awards or administer or maintain such awards. Therefore, I understand that refusing or withdrawing my consent may affect my ability to participate in the Plan.

I understand that I will consult my local human resources representative, Privacy Champion, Data Protection Officer (if applicable), or the Legal Department, if I have any questions or comments concerning the processing of my data.

Section III. France, Germany, Italy and the United Kingdom

Data Privacy Notice.

You are hereby notified of the collection, use and transfer outside of the European Economic Area, as described in this Agreement, in electronic or other form, of your Personal Data (defined below) by and among, as applicable, the Company and certain of its Subsidiaries and/or Affiliates for the purpose of performing and satisfying its contractual obligations under the Agreement and for the necessary, exclusive and

legitimate purpose of implementing, administering and managing your participation in the Plan.

You understand that the Company and the Employer hold certain personal information about you, including, but not limited to, your name, home address and telephone number, email address, date of birth, social insurance, passport or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all entitlement to Shares awarded, canceled, vested, unvested or outstanding in your favor (“Personal Data”), for the purpose of implementing, administering and managing the Plan.

You understand that providing the Company with this Personal Data is necessary for the performance of this Agreement and that your refusal to provide the Personal Data would make it impossible for the Company to perform its contractual obligations and may affect your ability to participate in the Plan. Your Personal Data shall be accessible within the Company only by the persons specifically charged with Personal Data processing operations and by the persons that need to access the Personal Data because of their duties and position in relation to the performance of this Agreement.

The Personal Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You may, at any time and without cost, contact Solium Capital LLC, 60 E. Rio Salado Parkway, Suite 510, Tempe AZ 85281 to enforce your rights under the data protection laws in your country, which may include the right to (i) request access to or copies of Personal Data subject to processing; (ii) request rectification of incorrect Personal Data; (iii) request deletion of Personal Data; (iv) request restriction on processing of Personal Data; (v) request portability of Personal Data; (vi) lodge complaints with competent authorities in your country; and/or (vii) request a list with the names and addresses of any potential recipients of Personal Data.

The Company provides appropriate safeguards for protecting Personal Data that it receives in the U.S. through its adherence to data transfer agreements (which include model contractual clauses) entered into between the Company and its Subsidiaries and Affiliates within the European Union.

Further, you are hereby notified that the Company and certain of its Subsidiaries and/or Affiliates will transfer Personal Data amongst themselves as necessary for the purpose of implementation, administration and management of your participation in the Plan. When transferring Personal Data to these recipients, the Company and its Subsidiaries and/or Affiliates, as applicable, will provide appropriate safeguards in accordance with the data transfer agreements entered into between these parties.

The Company or its Subsidiaries or Affiliates may each further transfer Personal Data to Solium Capital LLC and/or such other third parties as may be

selected by the Company, which are assisting the Company with the implementation, administration and management of the Plan. The Company may select a different service provider or additional service providers and share Personal Data with such other provider(s) serving in a similar manner. Solium Capital LLC is based in the United States. Your country or jurisdiction may have different data privacy laws and protections than the United States. Nonetheless, your Personal Data will be transferred to Solium Capital LLC for the exclusive purpose of administering your participation in the Plan. The Company's legal basis, where required, for the transfer of Personal Data to Solium Capital LLC is that such transfer is necessary for the purpose of performing and satisfying its contractual obligations under the Agreement.

Finally, you may choose to opt out of allowing the Company to share your Personal Data with Solium Capital LLC and others as described above, although execution of such choice may mean the Company cannot grant awards under the Plan to you. For questions about this choice or to make this choice, you should contact the EnerSys legal department at legal.enersys.com.

Section IV. Country-Specific Provisions

China

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

France

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

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

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

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

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

Germany

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

Italy

Options Exercisable by Cashless Exercise Only. Notwithstanding anything in the Agreement or the Plan to the contrary, the Participant may exercise the Options only by means of a full Cashless Exercise, such that the Participant will deliver a properly executed notice together with irrevocable instructions to a broker in a form acceptable to the Company providing for the assignment to the Company of the proceeds of a sale with respect to all of the shares of Common Stock acquired upon the exercise of the Options pursuant to a program or procedure approved by the Company. The cash proceeds from the sale of the shares of Common Stock, less the Option Price, any Tax-Related Items that are required to be withheld and broker's fees or commissions, will be paid to the Participant. The Company reserves the right to eliminate the required use of the Cashless Exercise form of payment, in its sole discretion, and allow the Participant to use another form of payment permitted under Section 4(d) of the Agreement.

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

- Section 4 (Terms and Conditions)
- Section 5 (Noncompetition)
- Section 6 (Wrongful Solicitation)
- Section 7 (Confidentiality; Specific Performance)
- Section 17 (Investment Representation)
- Section 18 (Entire Agreement; Language; Governing Law)

- Section 22(e) (Clawback Policy)
- Appendix A, Section I (Nature of Grant)
- Appendix A, Section I (Payment of Taxes)
- Appendix A, Section III (Data Privacy Notice)

Singapore

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

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

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

Switzerland

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

United Kingdom

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

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

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

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

I, David M. Shaffer, certify that:

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

By /s/ David M. Shaffer

David M. Shaffer
Chief Executive Officer

Date: August 7, 2019

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.

By /s/ Michael J. Schmidlein

Michael J. Schmidlein
Chief Financial Officer

Date: August 7, 2019

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

I certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of EnerSys on Form 10-Q for the quarterly period ended June 30, 2019, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of EnerSys.

By /s/ David M. Shaffer

David M. Shaffer
Chief Executive Officer

By /s/ Michael J. Schmidlein

Michael J. Schmidlein
Chief Financial Officer

Date: August 7, 2019