

REFINITIV

DELTA REPORT

10-Q

GTES - GATES INDUSTRIAL CORP PLC

10-Q - MARCH 30, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS 3566

█ CHANGES 285

█ DELETIONS 909

█ ADDITIONS 2372

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

FORM 10-Q

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

For the quarterly period ended **September 30, 2023** **March 30, 2024**

or

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

For the transition period from _____ to _____

Commission file number 001-38366

Gates Industrial Corporation plc

(Exact Name of Registrant as Specified in its Charter)

England and Wales

(State or other jurisdiction of incorporation or organization)

98-1395184

(I.R.S. Employer
Identification No.)

1144 Fifteenth Street, Denver, Colorado 80202

(Address of principal executive offices)

(Zip Code)

(303) 744-1911

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class

Trading Symbol(s)

Name of each exchange on which registered

Ordinary Shares, \$0.01 par value per share

GTES

New York Stock Exchange

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

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

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

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

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

As of **October 31, 2023** **April 29, 2024**, there were **264,108,781** **261,380,261** ordinary shares of \$0.01 par value outstanding.

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Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q (this "quarterly report" or "report") contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act") that reflect our current views with respect to, among other things, our operations and financial performance. Forward-looking statements include all statements that are not historical facts. In some cases, you can identify these forward-looking statements by the use of words such as "outlook," "believes," "expects," "potential," "continues," "may," "will," "should," "could," "seeks," "predicts," "intends," "trends," "plans," "estimates," "anticipates" or the negative version of these words or other comparable words. Such forward-looking statements are subject to various risks and uncertainties. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those expressed in or implied by our forward-looking statements, including but not limited to the factors described in Item 1A. "Risk Factors" in Part I of the Company's Annual Report on Form 10-K for the fiscal year ended **December 31, 2022** December 30, 2023 (the "annual report"), as filed with the Securities and Exchange Commission (the "SEC"), which include the following: economic, political and other risks associated with international operations; availability of raw materials or other manufacturing inputs at favorable prices in sufficient quantities, or at a given time; changes in our relationships with, or the financial condition, performance, purchasing power or inventory levels of, key channel partners; catastrophic events, including global pandemics; dependence on the continued operation of our manufacturing facilities, supply chains, distribution systems and information technology systems; our ability to forecast demand or meet significant increases in demand; our cost-reduction actions; market acceptance of new product introductions and innovations; longer lives of products used in our end markets may affect demand for some of our replacement products; development of the replacement market in emerging markets may limit our ability to grow; pursuit of strategic transactions, including acquisitions, divestitures, restructurings, joint ventures, strategic alliances or investments, which could create risks and present unforeseen integration obstacles or costs; our investments in joint ventures; loss or financial instability of any significant customer; societal responses to sustainability issues, including those related to climate change; the ability to maintain and enhance our strong brand; pricing pressures from customers; cyber-security vulnerabilities, threats, and more sophisticated and targeted computer crimes; failure of information systems; highly complex and rapidly evolving global privacy, data protection and data security requirements; existing or new laws and regulations, including but not limited to those relating to health, safety, and environmental concerns, and the sale of aftermarket products; **evolving corporate governance and public disclosure regulations and expectations could expose us to numerous risks**; failure to comply with anti-corruption laws and other laws governing our international operations; recalls, product liability claims or product warranties claims; failure to develop, obtain, enforce and protect our intellectual property rights in all jurisdictions throughout the world; infringement on the intellectual property of others; litigation, legal and regulatory proceedings and obligations, and the availability and coverage of insurance; loss of senior management or key personnel; work stoppages and other labor matters; potential requirement to make additional cash contributions to our defined benefit pension plans; change in our effective tax rates or additional tax liabilities; change in tax laws; tax authorities may no longer treat us as being exclusively a resident of the U.K. for tax purposes; our substantial leverage, including interest rate risk; and the significant influence of our Sponsor (as defined herein) over us, as such factors may be updated from time to time in the Company's periodic filings with the SEC. Investors are urged to consider carefully the disclosure in this report and our other filings with the SEC, which are accessible on the SEC's website at www.sec.gov. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this report and in our other periodic filings. Gates undertakes no obligation to update or supplement any forward-looking statements as a result of new information, future events or otherwise, except as required by law.

Website Disclosure

We use our website (www.gates.com) as a channel of distribution of company information. The information we post through this channel may be deemed material. Accordingly, investors should monitor this channel, in addition to following our press releases, SEC filings and public conference calls, and webcasts. In addition, you may automatically receive email alerts and other information about Gates Industrial Corporation when you enroll your email address by visiting the "Investor Resources—Email Alerts" section of our website at <https://investors.gates.com>. The contents of our website and any alerts are not, however, a part of this report.

ABOUT THIS QUARTERLY REPORT

Financial Statement Presentation

Gates Industrial Corporation plc is a public limited company that was incorporated under the Companies Act 2006 on September 25, 2017 and is registered in England and Wales.

Certain monetary amounts, percentages and other figures included elsewhere in this quarterly report have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables or charts may not be the arithmetic aggregation of the figures that precede them, and figures expressed as percentages in the text may not total 100% or, as applicable, when aggregated may not be the arithmetic aggregation of the percentages that precede them.

All amounts in this quarterly report are expressed in United States of America (the "U.S.") dollars, unless indicated otherwise.

Certain Definitions

As used in this quarterly report, unless otherwise noted or the context requires otherwise:

- "Gates," the "Company," "we," "us" and "our" refer to Gates Industrial Corporation plc and its consolidated subsidiaries; **and**
- "Blackstone" or "our Sponsor" refer to investment funds affiliated with Blackstone Inc., which together own approximately **43.0%** **27.6%** of our outstanding ordinary shares as of September 30, 2023. **March 30, 2024;** **and**
- "Board" refers to the board of directors of Gates Industrial Corporation plc.

PART I — FINANCIAL INFORMATION

Item 1: Financial Statements (unaudited) Gates Industrial Corporation plc

Unaudited Condensed Consolidated Statements of Operations

		Three months ended			Nine months ended	
		Three months ended				
		Three months ended				
		Three months ended				
(dollars in millions, except per share amounts)						
(dollars in millions, except per share amounts)						
(dollars in millions, except per share amounts)	(dollars in millions, except per share amounts)	September 30, 2023	October 1, 2022	September 30, 2023	October 1, 2022	
Net sales	Net sales	\$ 872.9	\$ 860.7	\$ 2,706.9	\$ 2,660.9	
Net sales						
Net sales						
Cost of sales						
Cost of sales						
Cost of sales	Cost of sales	529.5	551.2	1,685.7	1,720.3	
Gross profit	Gross profit	343.4	309.5	1,021.2	940.6	
Gross profit						
Gross profit						
Selling, general and administrative expenses						
Selling, general and administrative expenses						
Selling, general and administrative expenses	Selling, general and administrative expenses	213.4	199.7	666.2	644.0	

Transaction-related expenses	Transaction-related expenses	1.3	0.7	2.1	2.0
Asset impairments		0.1	0.5	0.1	1.1
Transaction-related expenses					
Transaction-related expenses					
Restructuring expenses	Restructuring expenses	2.6	4.7	10.3	8.4
Other operating expense		0.1	0.1	0.2	0.2
Restructuring expenses					
Restructuring expenses					
Operating income from continuing operations					
Operating income from continuing operations					
Operating income from continuing operations	Operating income from continuing operations	125.9	103.8	342.3	284.9
Interest expense	Interest expense	39.5	33.3	124.8	98.9
Other (income) expense		(0.2)	3.1	3.8	11.8
Interest expense					
Interest expense					
Other (income) expenses					
Other (income) expenses					
Other (income) expenses					
Income from continuing operations before taxes					
Income from continuing operations before taxes					
Income from continuing operations before taxes	Income from continuing operations before taxes	86.6	67.4	213.7	174.2
Income tax expense	Income tax expense	1.0	11.4	25.9	21.5
Income tax expense					
Income tax expense					
Net income from continuing operations	Net income from continuing operations	85.6	56.0	187.8	152.7
Loss on disposal of discontinued operations, net of tax, respectively, of \$0, \$0, \$0, and \$0		0.1	—	0.5	0.3
Net income from continuing operations					
Net income from continuing operations					
Loss on disposal of discontinued operations, net of tax, respectively, of \$0 and \$0					
Loss on disposal of discontinued operations, net of tax, respectively, of \$0 and \$0					
Loss on disposal of discontinued operations, net of tax, respectively, of \$0 and \$0					
Net income					
Net income					
Net income	Net income	85.5	56.0	187.3	152.4

Less: non-controlling interests	Less: non-controlling interests	6.8	4.1	17.3	16.5
Less: non-controlling interests					
Less: non-controlling interests					
Net income attributable to shareholders					
Net income attributable to shareholders					
Net income attributable to shareholders	Net income attributable to shareholders	\$ 78.7	\$ 51.9	\$ 170.0	\$ 135.9
Earnings per share	Earnings per share				
Earnings per share					
Earnings per share					
Basic					
Basic					
Earnings per share from continuing operations	Earnings per share from continuing operations	\$ 0.30	\$ 0.18	\$ 0.62	\$ 0.48
Earnings per share from continuing operations					
Earnings per share from continuing operations					
Earnings per share from discontinued operations	Earnings per share from discontinued operations	—	—	—	—
Earnings per share from discontinued operations					
Earnings per share from discontinued operations					
Earnings per share					
Earnings per share					
Earnings per share	Earnings per share	\$ 0.30	\$ 0.18	\$ 0.62	\$ 0.48
Diluted	Diluted				
Diluted					
Diluted					
Earnings per share from continuing operations					
Earnings per share from continuing operations					
Earnings per share from continuing operations	Earnings per share from continuing operations	\$ 0.29	\$ 0.18	\$ 0.61	\$ 0.47
Earnings per share from discontinued operations	Earnings per share from discontinued operations	—	—	—	—
Earnings per share from discontinued operations					
Earnings per share from discontinued operations					
Earnings per share	Earnings per share	\$ 0.29	\$ 0.18	\$ 0.61	\$ 0.47
Earnings per share					
Earnings per share					

The accompanying notes form an integral part of these condensed consolidated financial statements.

Gates Industrial Corporation plc

Unaudited Condensed Consolidated Statements of Comprehensive Income

Cash flow hedges (interest rate derivatives):	Cash flow hedges (interest rate derivatives):				
— Gain arising in the period, net of tax expense, respectively, of \$(2.9), \$(6.8), \$(6.3) and \$(15.6)	8.5	20.1	18.7	46.9	
—Reclassification to net income, net of tax benefit (expense), respectively, of \$2.2, \$(0.7), \$3.8 and \$(3.5)	(6.7)	2.3	(11.3)	10.5	
Cash flow hedges (interest rate derivatives):					
Cash flow hedges (interest rate derivatives):					
—Gain (loss) arising in the period, net of tax (expense) benefit, respectively, of \$(3.4) and \$2.5					
—Gain (loss) arising in the period, net of tax (expense) benefit, respectively, of \$(3.4) and \$2.5					
—Gain (loss) arising in the period, net of tax (expense) benefit, respectively, of \$(3.4) and \$2.5					
—Reclassification to net income, net of tax benefit, respectively, of \$2.2 and \$0.6					
—Reclassification to net income, net of tax benefit, respectively, of \$2.2 and \$0.6					
—Reclassification to net income, net of tax benefit, respectively, of \$2.2 and \$0.6					
Total cash flow hedges movements					
Total cash flow hedges movements					
Total cash flow hedges movements	Total cash flow hedges movements				
Post-retirement benefits:	Post-retirement benefits:	1.8	22.4	7.4	57.4
Post-retirement benefits:					
Post-retirement benefits:					
—Reclassification of prior year actuarial movements to net income, net of tax benefit, respectively, of \$0.3, \$0.1, \$0.7 and \$0.2	(0.6)	(0.1)	(1.9)	(0.5)	
—Reclassification of prior year actuarial movements to net income, net of tax benefit, respectively, of \$0.2 and \$0.2					
—Reclassification of prior year actuarial movements to net income, net of tax benefit, respectively, of \$0.2 and \$0.2					
—Reclassification of prior year actuarial movements to net income, net of tax benefit, respectively, of \$0.2 and \$0.2					
Total post-retirement benefits movements					
Total post-retirement benefits movements					
Total post- retirement benefits movements	Total post- retirement benefits movements				
Other comprehensive (loss) income	Other comprehensive (loss) income	(66.3)	(110.6)	2.0	(234.7)
Comprehensive income (loss) for the period	\$	19.2	\$	(54.6)	\$
Other comprehensive (loss) income					
Other comprehensive (loss) income					

Comprehensive (loss) income for the period							
Comprehensive (loss) income for the period							
Comprehensive (loss) income for the period							
Comprehensive income (loss) attributable to shareholders:							
—Income (loss) arising from continuing operations	\$ 18.3	\$ (31.1)	\$ 201.9	\$ (36.4)			
Comprehensive income attributable to shareholders:							
Comprehensive income attributable to shareholders:							
Comprehensive income attributable to shareholders:							
—Income arising from continuing operations							
—Income arising from continuing operations							
—Income arising from continuing operations							
—Loss arising from discontinued operations	—Loss arising from discontinued operations	(0.1)	—	(0.5)	(0.3)		
		18.2	(31.1)	201.4	(36.7)		
Comprehensive income (loss) attributable to non-controlling interests		1.0	(23.5)	(12.1)	(45.6)		
		\$ 19.2	\$ (54.6)	\$ 189.3	\$ (82.3)		
—Loss arising from discontinued operations							
—Loss arising from discontinued operations		2.6	2.6	2.6	2.6		
Comprehensive (loss) income attributable to non-controlling interests							
Comprehensive (loss) income attributable to non-controlling interests							
Comprehensive (loss) income attributable to non-controlling interests							
		\$	\$	\$	\$		
		=====	=====	=====	=====		
		\$	\$	\$	\$		
		=====	=====	=====	=====		

The accompanying notes form an integral part of these condensed consolidated financial statements.

Gates Industrial Corporation plc							
Unaudited Condensed Consolidated Balance Sheets							
(dollars in millions, except share numbers and per share amounts)		(dollars in millions, except share numbers and per share amounts)		(dollars in millions, except share numbers and per share amounts)			
Assets	Assets	As of September 30, 2023	As of December 31, 2022	As of	As of	As of	As of
Assets	Assets			March 30, 2024		March 30, 2024	December 30, 2023
Current assets	Current assets						
Current assets	Current assets						
Cash and cash equivalents							

Cash and cash equivalents					
Cash and cash equivalents	Cash and cash equivalents	\$ 556.8	\$ 578.4		
Trade accounts receivable, net	Trade accounts receivable, net	821.9	808.6		
Inventories	Inventories	646.1	656.2		
Taxes receivable	Taxes receivable	50.0	13.0		
Prepaid expenses and other assets	Prepaid expenses and other assets	243.1	221.2		
Total current assets	Total current assets	2,317.9	2,277.4		
Non-current assets	Non-current assets				
Property, plant and equipment, net					
Property, plant and equipment, net					
Property, plant and equipment, net	Property, plant and equipment, net	615.7	637.5		
Goodwill	Goodwill	1,984.3	1,981.1		
Pension surplus	Pension surplus	9.8	10.1		
Intangible assets, net	Intangible assets, net	1,399.6	1,490.4		
Right-of-use assets	Right-of-use assets	121.3	132.2		
Taxes receivable	Taxes receivable	15.1	15.1		
Deferred income taxes	Deferred income taxes	607.8	600.3		
Other non-current assets	Other non-current assets	37.8	47.5		
Total assets	Total assets	\$7,109.3	\$7,191.6		
Liabilities and equity	Liabilities and equity				
Current liabilities	Current liabilities				
Current liabilities					
Current liabilities					
Debt, current portion	Debt, current portion				
Debt, current portion	Debt, current portion				
Debt, current portion	Debt, current portion	\$ 27.7	\$ 36.6		
Trade accounts payable	Trade accounts payable	441.1	469.6		
Taxes payable	Taxes payable	68.3	23.5		
Accrued expenses and other current liabilities	Accrued expenses and other current liabilities	243.3	222.6		
Total current liabilities	Total current liabilities	780.4	752.3		

Non-current liabilities	Non-current liabilities		
Debt, less current portion			
Debt, less current portion			
Debt, less current portion	Debt, less current portion	2,417.7	2,426.4
Post-retirement benefit obligations	Post-retirement benefit obligations	72.3	76.2
Lease liabilities	Lease liabilities	111.9	121.9
Taxes payable	Taxes payable	65.0	79.5
Deferred income taxes	Deferred income taxes	165.5	192.0
Other non- current liabilities	Other non- current liabilities	84.2	99.7
Total liabilities	Total liabilities	3,697.0	3,748.0
Commitments and contingencies (Note 18)	Commitments and contingencies (Note 18)	Commitments and contingencies (Note 18)	
Shareholders' equity	Shareholders' equity		
—Shares, par value of \$0.01 each - authorized shares: 3,000,000,000; outstanding shares: 264,094,061 (December 31, 2022: authorized shares: 3,000,000,000; outstanding shares: 282,578,917)	2.6	2.8	
—Shares, par value of \$0.01 each - authorized shares: 3,000,000,000; outstanding shares: 261,244,776 (December 30, 2023: authorized shares: 3,000,000,000; outstanding shares: 264,259,788)			
—Shares, par value of \$0.01 each - authorized shares: 3,000,000,000; outstanding shares: 261,244,776 (December 30, 2023: authorized shares: 3,000,000,000; outstanding shares: 264,259,788)			
—Shares, par value of \$0.01 each - authorized shares: 3,000,000,000; outstanding shares: 261,244,776 (December 30, 2023: authorized shares: 3,000,000,000; outstanding shares: 264,259,788)			
—Additional paid-in capital	—Additional paid-in capital	2,575.7	2,542.1

—Accumulated other comprehensive loss	—Accumulated other comprehensive loss	(886.4)	(917.8)
—Retained earnings			
—Retained earnings			
—Retained earnings	—Retained earnings	1,399.3	1,482.9
Total shareholders' equity	Total shareholders' equity	3,091.2	3,110.0
Non-controlling interests	Non-controlling interests	321.1	333.6
Total equity	Total equity	3,412.3	3,443.6
Total liabilities and equity	Total liabilities and equity	\$7,109.3	\$7,191.6

The accompanying notes form an integral part of these condensed consolidated financial statements.

Gates Industrial Corporation plc
Unaudited Condensed Consolidated Statements of Cash Flows

		Three months ended
		Three months ended
		Three months ended
(dollars in millions)		
(dollars in millions)		
(dollars in millions)		
Cash flows from operating activities		
Cash flows from operating activities		
Cash flows from operating activities		
Net income		
Net income		
Net income		
Adjustments to reconcile net income to net cash provided by operating activities:		
Adjustments to reconcile net income to net cash provided by operating activities:		
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization		
Depreciation and amortization		
Depreciation and amortization		
Foreign exchange and other non-cash financing (income) expenses		
Foreign exchange and other non-cash financing (income) expenses		
Foreign exchange and other non-cash financing (income) expenses		
Nine months ended		
		September 30,
		2023
		October 1,
		2022
(dollars in millions)		
Cash flows from operating activities		
Net income	\$	187.3
	\$	152.4

Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization		162.5	164.1
Foreign exchange and other non-cash financing expenses		33.8	31.0
Share-based compensation expense			
Share-based compensation expense			
Share-based compensation expense	Share-based compensation expense	19.6	34.8
Decrease in post-employment benefit obligations, net	Decrease in post-employment benefit obligations, net	(7.0)	(11.5)
Decrease in post-employment benefit obligations, net			
Decrease in post-employment benefit obligations, net			
Deferred income taxes	Deferred income taxes	(39.2)	(53.2)
Asset impairments		0.1	1.4
Deferred income taxes			
Deferred income taxes			
Other operating activities			
Other operating activities			
Other operating activities	Other operating activities	4.0	4.7
Changes in operating assets and liabilities:	Changes in operating assets and liabilities:		
—Change in accounts receivable		(22.9)	(147.2)
—Change in inventories		12.0	(50.8)
—Change in accounts payable		(24.4)	(17.3)
—Change in prepaid expenses and other assets		12.8	(15.6)
—Change in taxes payable		(5.8)	(23.0)
—Change in other liabilities		(41.1)	(51.0)
Net cash provided by operating activities		291.7	18.8
Changes in operating assets and liabilities:			
Changes in operating assets and liabilities:			
—Accounts receivable			
—Accounts receivable			
—Accounts receivable			
—Inventories			
—Inventories			
—Inventories			
—Accounts payable			
—Accounts payable			
—Accounts payable			
—Prepaid expenses and other assets			
—Prepaid expenses and other assets			
—Prepaid expenses and other assets			
—Taxes payable			
—Taxes payable			
—Taxes payable			
—Other liabilities			
—Other liabilities			
—Other liabilities			
Net cash (used in) provided by operating activities			
Net cash (used in) provided by operating activities			
Net cash (used in) provided by operating activities			
Cash flows from investing activities			

Cash flows from investing activities			
Cash flows from investing activities	Cash flows from investing activities		
Purchases of property, plant and equipment	Purchases of property, plant and equipment	(39.6)	(59.0)
Purchases of property, plant and equipment			
Purchases of property, plant and equipment			
Purchases of intangible assets			
Purchases of intangible assets			
Purchases of intangible assets	Purchases of intangible assets	(7.6)	(6.7)
Cash paid under corporate-owned life insurance policies		(18.2)	(11.6)
Cash received under corporate-owned life insurance policies		6.6	4.6
Cash paid under company-owned life insurance policies			
Cash paid under company-owned life insurance policies			
Cash paid under company-owned life insurance policies			
Cash received under company-owned life insurance policies			
Cash received under company-owned life insurance policies			
Proceeds from the sale of property, plant and equipment			
Proceeds from the sale of property, plant and equipment			
Proceeds from the sale of property, plant and equipment	Proceeds from the sale of property, plant and equipment	0.8	—
Other investing activities		—	1.2
Net cash used in investing activities			
Net cash used in investing activities			
Net cash used in investing activities	Net cash used in investing activities		
Cash flows from financing activities	Cash flows from financing activities	(58.0)	(71.5)
Cash flows from financing activities			
Cash flows from financing activities			
Cash flows from financing activities			
Issuance of shares			
Issuance of shares			
Issuance of shares	Issuance of shares	17.5	15.1
Buy-back of shares		(251.7)	(175.8)
Proceeds from long-term debt		100.0	70.0
Repurchase of shares			
Repurchase of shares			
Repurchase of shares			
Payments of long-term debt			
Payments of long-term debt			
Payments of long-term debt	Payments of long-term debt	(114.7)	(45.5)
Debt issuance costs paid	Debt issuance costs paid	(0.4)	(0.3)
Dividends paid to non-controlling interests		(0.5)	(28.7)
Debt issuance costs paid			
Debt issuance costs paid			
Other financing activities			
Other financing activities			
Other financing activities	Other financing activities	8.1	(11.8)
Net cash used in financing activities	Net cash used in financing activities		
Net cash used in financing activities	Net cash used in financing activities	(241.7)	(177.0)

Net cash used in financing activities					
Net cash used in financing activities					
Effect of exchange rate changes on cash and cash equivalents and restricted cash	Effect of exchange rate changes on cash and cash equivalents and restricted cash		(13.3)		(32.8)
Net decrease in cash and cash equivalents and restricted cash		(21.3)			(262.5)
Effect of exchange rate changes on cash and cash equivalents and restricted cash					
Effect of exchange rate changes on cash and cash equivalents and restricted cash					
Net (decrease) increase in cash and cash equivalents and restricted cash					
Net (decrease) increase in cash and cash equivalents and restricted cash					
Net (decrease) increase in cash and cash equivalents and restricted cash					
Cash and cash equivalents and restricted cash at the beginning of the period					
Cash and cash equivalents and restricted cash at the beginning of the period					
Cash and cash equivalents and restricted cash at the beginning of the period	Cash and cash equivalents and restricted cash at the beginning of the period		581.4		660.9
Cash and cash equivalents and restricted cash at the end of the period	Cash and cash equivalents and restricted cash at the end of the period	\$	560.1	\$	398.4
Cash and cash equivalents and restricted cash at the end of the period					
Cash and cash equivalents and restricted cash at the end of the period					
Supplemental schedule of cash flow information					
Supplemental schedule of cash flow information					
Supplemental schedule of cash flow information	Supplemental schedule of cash flow information				
Interest paid	Interest paid	\$	125.8	\$	95.2
Interest paid					
Interest paid					
Income taxes paid	Income taxes paid	\$	70.9	\$	97.7
Income taxes paid					
Income taxes paid					
Accrued capital expenditures					
Accrued capital expenditures					
Accrued capital expenditures	Accrued capital expenditures	\$	1.4	\$	1.9

The accompanying notes form an integral part of these condensed consolidated financial statements.

	Gates Industrial Corporation plc
Unaudited Condensed Consolidated Statements of Shareholders' Equity	
	Three Months Ended March 30, 2024
	Three Months Ended March 30, 2024
	Three Months Ended March 30, 2024
(dollars in millions)	

(dollars in millions)

(dollars in millions)

As of December
30, 2023

Net income

Net income

Net income

Other
comprehensive
income

**Total
comprehensive
(loss) income**

Other changes in
equity:

—Issuance of
shares

—Issuance of
shares

—Issuance of
shares

—Shares withheld
for employee
taxes

—Repurchase
and cancellation
of shares

—Share-based
compensation

—Share-based
compensation

—Share-based
compensation

	Share capital	Additional paid-in capital	other loss	comprehensive earnings	Retained earnings	Total shareholders' equity	Non- controlling interests	Total equity
--	------------------	----------------------------------	---------------	---------------------------	----------------------	----------------------------------	----------------------------------	-----------------

Three months ended September 30, 2023

	Share capital	Additional paid-in capital	other loss	Total comprehensive earnings	Retained earnings	Total shareholders' equity	Non- controlling interests	Total equity
As of July 1, 2023	\$ 2.6	\$ 2,573.1	\$ (825.9)	\$ 1,320.6	\$ 3,070.4	\$ 320.6	\$ 3,391.0	
Net income	—	—	—	78.7	78.7	6.8	85.5	
Other comprehensive loss	—	—	(60.5)	—	(60.5)	(5.8)	(66.3)	
Total comprehensive (loss) income	—	—	(60.5)	78.7	18.2	1.0	19.2	
Other changes in equity:								
—Issuance of shares	—	0.1	—	—	0.1	—	0.1	
—Shares withheld for employee taxes	—	(1.5)	—	—	(1.5)	—	(1.5)	

As of March 30, 2024						
—Share-based compensation	—	4.0	—	—	4.0	—
As of March 30, 2024						
—Dividends paid to non- controlling interests	—	—	—	—	(0.5)	(0.5)
As of September 30, 2023	\$ 2.6	\$ 2,575.7	\$ (886.4)	\$ 1,399.3	\$ 3,091.2	\$ 321.1
						\$ 3,412.3
As of March 30, 2024						

	Three Months Ended April 1, 2023			Accumulated				
				Share capital	Additional paid-in capital	other comprehensive loss	Retained earnings	Total shareholders' equity
								Total equity
(dollars in millions)								
(dollars in millions)								
(dollars in millions)								
As of December 31, 2022								
Net income								
Net income								
Net income								
Other comprehensive income								
Total comprehensive income								
Other changes in equity:								
—Issuance of shares								
—Issuance of shares								
—Issuance of shares								
—Shares withheld for employee taxes								
—Share-based compensation								
—Share-based compensation								
—Share-based compensation								
	Three months ended October 1, 2022							

	Accumulated						
	Share capital	Additional paid-in capital	other comprehensive loss	Retained earnings	Total shareholders' equity	Non-controlling interests	Total equity
(dollars in millions)							
As of July 2, 2022	\$ 2.8	\$ 2,524.1	\$ (914.8)	\$ 1,346.1	\$ 2,958.2	\$ 345.1	\$ 3,303.3
Net income	—	—	—	51.9	51.9	4.1	56.0
Other comprehensive loss	—	—	(83.0)	—	(83.0)	(27.6)	(110.6)
Total comprehensive (loss) income	—	—	(83.0)	51.9	(31.1)	(23.5)	(54.6)
Other changes in equity:							
—Issuance of shares	—	1.2	—	—	1.2	—	1.2
—Shares withheld for employee taxes	—	(0.1)	—	—	(0.1)	—	(0.1)
As of April 1, 2023							
—Share-based compensation	—	7.8	—	—	7.8	0.1	7.9
As of April 1, 2023							
—Dividends paid to non-controlling interests	—	—	—	—	(14.2)	(14.2)	
As of October 1, 2022	\$ 2.8	\$ 2,533.0	\$ (997.8)	\$ 1,398.0	\$ 2,936.0	\$ 307.5	\$ 3,243.5
As of April 1, 2023							

	Nine months ended September 30, 2023							
	Share capital		Additional paid-in capital		other comprehensive loss		Total shareholders' equity	
(dollars in millions)								
As of December 31, 2022	\$ 2.8	\$ 2,542.1	\$ (917.8)	\$ 1,482.9	\$ 3,110.0	\$ 333.6	\$ 3,443.6	
Net income	—	—	—	170.0	170.0	17.3	187.3	
Other comprehensive income (loss)	—	—	31.4	—	31.4	(29.4)	2.0	
Total comprehensive income (loss)	—	—	31.4	170.0	201.4	(12.1)	189.3	
Other changes in equity:								
—Issuance of shares	—	17.5	—	—	17.5	—	17.5	
—Shares withheld for employee taxes	—	(3.2)	—	—	(3.2)	—	(3.2)	
—Buy-back and cancellation of shares	(0.2)	—	—	(253.6)	(253.8)	—	(253.8)	
—Share-based compensation	—	19.3	—	—	19.3	0.1	19.4	
—Dividends paid to non-controlling interests	—	—	—	—	—	(0.5)	(0.5)	
As of September 30, 2023	\$ 2.6	\$ 2,575.7	\$ (886.4)	\$ 1,399.3	\$ 3,091.2	\$ 321.1	\$ 3,412.3	
Nine months ended October 1, 2022								

(dollars in millions)	Accumulated						Total	Non-	Total
	Share capital	Additional paid-in capital	other comprehensive loss	Retained earnings	shareholders' equity	controlling interests			
As of January 1, 2022	\$ 2.9	\$ 2,484.1	\$ (825.2)	\$ 1,437.9	\$ 3,099.7	\$ 381.7	\$ 3,481.4		
Net income	—	—	—	135.9	135.9	16.5	152.4		
Other comprehensive loss	—	—	(172.6)	—	(172.6)	(62.1)	(234.7)		
Total comprehensive (loss) income	—	—	(172.6)	135.9	(36.7)	(45.6)	(82.3)		
Other changes in equity:									
—Issuance of shares	—	15.1	—	—	15.1	—	15.1		
—Shares withheld for employee taxes	—	(1.4)	—	—	(1.4)	—	(1.4)		
—Buy-back and cancellation of shares	(0.1)	—	—	(175.8)	(175.9)	—	(175.9)		
—Share-based compensation	—	35.2	—	—	35.2	0.1	35.3		
—Dividends paid to non-controlling interests	—	—	—	—	—	(28.7)	(28.7)		
As of October 1, 2022	\$ 2.8	\$ 2,533.0	\$ (997.8)	\$ 1,398.0	\$ 2,936.0	\$ 307.5	\$ 3,243.5		

The accompanying notes form an integral part of these condensed consolidated financial statements.

Gates Industrial Corporation plc

Notes to the Unaudited Condensed Consolidated Financial Statements

1. Introduction

A. Background

Gates Industrial Corporation plc (the "Company") is a public limited company that was registered in England and Wales on September 25, 2017.

In these condensed consolidated financial statements and related notes, all references to "Gates," "we," "us," and "our" refer, unless the context requires otherwise, to **Gates Industrial Corporation plc** the Company and its consolidated subsidiaries.

B. Accounting periods

The Company prepares its annual consolidated financial statements for the period ending on the Saturday nearest December 31. Accordingly, the condensed consolidated balance sheet is presented as of **September 30, 2023** **March 30, 2024** and **December 31, 2022**, **December 30, 2023** and the related condensed consolidated statements of operations, comprehensive income, cash flows, and shareholders' equity are presented, where relevant, for the 91-day period from **July 2, 2023** **December 31, 2023** to **September 30, 2023** **March 30, 2024**, with comparative information for the 91-day period from July 3, 2022 to October 1, 2022 and for the 273-day period from January 1, 2023 to **September 30, 2023**, with comparative information for the 273-day period from January 2, 2022 to October 1, 2022 **April 1, 2023**.

C. Basis of preparation

The condensed consolidated financial statements and related notes have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and are presented in U.S. dollars unless otherwise indicated. The condensed consolidated financial statements and related notes contain all adjustments (consisting of only normal recurring accruals) necessary to present fairly the Company's financial position as of **September 30, 2023** **March 30, 2024** and the results of its operations and cash flows for the periods ended **September 30, 2023** **March 30, 2024** and **October 1, 2022** **April 1, 2023**. Interim period results are not necessarily indicative of the results to be expected for the full fiscal year.

The preparation of consolidated financial statements under U.S. GAAP requires us to make assumptions and estimates concerning the future that affect the reported amounts of assets, liabilities, revenue and expenses. Estimates and assumptions are particularly important in accounting for items such as revenue, rebates, impairment of long-lived assets, intangible assets and goodwill, inventory valuation, financial instruments, expected credit losses, product warranties, income taxes and post-retirement benefits. Estimates and assumptions used are based on factors such as historical experience, observance of trends in the industries in which we operate and information available from our customers and other outside sources.

These condensed consolidated financial statements are unaudited and have been prepared on substantially the same basis as Gates' audited annual consolidated financial statements and related notes for the year ended **December 31, 2022** **December 30, 2023**. The condensed consolidated balance sheet as of **December 31, 2022** **December 30, 2023** has been derived from those audited financial statements.

During 2021, the Company implemented a program with an unrelated third party under which we may periodically sell trade accounts receivable from one of our aftermarket customers with whom we have extended payment terms as part of a commercial agreement. The purpose of using this program is to generally offset the working capital impact resulting from this terms extension. All eligible accounts receivable from this customer are covered by the program, and any factoring is solely at our option. Following the factoring of a qualifying receivable, because we maintain no continuing involvement in the underlying receivable, and collectability risk is fully transferred to the unrelated third party, we account for these transactions as a sale of a financial asset and derecognize the asset. Cash received under the program is classified as operating cash inflows in the consolidated statement of cash flows. As of **September 30, 2023** **March 30, 2024**, the collection of **\$85.9** **\$119.3** million of our trade accounts receivable had been accelerated under this program, compared to the accelerated collection of **\$108.2 million** **\$112.4 million** as of **December 31, 2022** **December 30, 2023**. During the three and nine months ended **September 30,**

2023 March 30, 2024, we incurred costs in respect of this program of \$2.1 \$3.2 million, and \$5.1 million, respectively, which are recorded under other (income) expense. expenses. During the three and nine months ended October 1, 2022, April 1, 2023 we incurred costs in respect of this program of \$1.5 million and \$2.9 million, respectively.

\$1.4 million.

These condensed consolidated financial statements should be read in conjunction with the audited annual consolidated financial statements and related notes for the year ended December 31, 2022 December 30, 2023 included in the Company's Annual Report on Form 10-K.

The accounting policies used in preparing these condensed consolidated financial statements are the same as those applied in the prior year.

2. Recent accounting pronouncements not yet adopted

None.

3. Segment information

A. Background

The segment information provided in these condensed consolidated financial statements reflects the information that is used by the chief operating decision maker for the purposes of making decisions about allocating resources and in assessing the performance of each segment. The chief executive officer ("CEO") of Gates serves as the chief operating decision maker. These decisions are based principally on net sales and Adjusted EBITDA (defined below).

B. Operating segments and segment assets

Gates manufactures a wide range of power transmission and fluid power products and components for a large variety of industrial and automotive applications, both in the aftermarket and first-fit channels, throughout the world.

Our reportable segments are identified on the basis of our primary product lines, as this is the basis on which information is provided to the CEO for the purposes of allocating resources and assessing the performance of Gates' businesses. Our operating and reporting segments are therefore Power Transmission and Fluid Power.

Segment asset information is not provided to the chief operating decision maker and therefore segment asset information has not been presented. Due to the nature of Gates' operations, cash generation and profitability are viewed as the key measures rather than an asset-based measure.

C. Segment net sales and disaggregated net sales

Sales between reporting segments and the impact of such sales on Adjusted EBITDA for each segment are not included in internal reports presented to the CEO and have therefore not been included below.

		Three months ended		Nine months ended	
		September 30, 2023	October 1, 2022	September 30, 2023	October 1, 2022
(dollars in millions)	(dollars in millions)				
Power	Power				
Transmission	Transmission	\$ 536.4	\$ 522.5	\$ 1,658.4	\$ 1,621.1
Power Transmission					
Power Transmission					
Fluid Power	Fluid Power				
Fluid Power	Fluid Power				
Fluid Power	Fluid Power	336.5	338.2	1,048.5	1,039.8
Continuing operations	Continuing operations	\$ 872.9	\$ 860.7	\$ 2,706.9	\$ 2,660.9
Continuing operations					
Continuing operations					

Our commercial function is organized by region and therefore, in addition to reviewing net sales by our reporting segments, the CEO also reviews net sales information disaggregated by region, including between emerging and developed markets.

The following table summarizes our net sales by key geographic region of origin:

		Three months ended			
		September 30, 2023		October 1, 2022	
		Power Transmission	Fluid Power	Power Transmission	Fluid Power
(dollars in millions)					
U.S.		\$ 150.3	\$ 179.3	\$ 150.2	\$ 189.6
North America, excluding U.S.		60.7	55.3	52.6	52.9
United Kingdom ("U.K.")		10.0	14.8	11.4	15.7
EMEA ⁽¹⁾ , excluding U.K.		145.4	50.9	132.8	40.9
East Asia and India		69.8	19.4	70.6	17.2
Greater China		72.0	5.8	81.4	8.7
South America		28.2	11.0	23.5	13.2
Net sales		\$ 536.4	\$ 336.5	\$ 522.5	\$ 338.2
Nine months ended					
		September 30, 2023		October 1, 2022	
		Three months ended March 30, 2024			
		Three months ended March 30, 2024			
		Three months ended March 30, 2024			
(dollars in millions)					
(dollars in millions)					
(dollars in millions)	(dollars in millions)	Power Transmission	Fluid Power	Power Transmission	Fluid Power
U.S.	U.S.	\$ 450.7	\$ 552.2	\$ 476.0	\$ 553.3
U.S.					
U.S.					
North America, excluding U.S.	North America, excluding U.S.	172.0	163.0	153.8	157.8
U.K.		34.3	54.9	34.1	50.0
North America, excluding U.S.					
North America, excluding U.S.					
United Kingdom ("U.K.")					
United Kingdom ("U.K.")					
United Kingdom ("U.K.")					
EMEA ⁽¹⁾ , excluding U.K.					
EMEA ⁽¹⁾ , excluding U.K.					
EMEA ⁽¹⁾ , excluding U.K.					
EMEA ⁽¹⁾ , excluding U.K.					
EMEA ⁽¹⁾ , excluding U.K.					
East Asia and India	East Asia and India	481.5	158.9	444.4	150.2
East Asia and India		214.5	59.4	218.9	57.2
East Asia and India					
East Asia and India					
Greater China					
Greater China	Greater China	222.4	27.6	226.2	33.2
South America	South America	83.0	32.5	67.7	38.1
South America					
South America					
Net sales	Net sales	\$ 1,658.4	\$ 1,048.5	\$ 1,621.1	\$ 1,039.8
Net sales					
Net sales					

⁽¹⁾ Europe, Middle East and Africa ("EMEA").

The following table **summarizes** our net sales into emerging and developed markets:

		Three months ended		Nine months ended	
		Three months ended			
		Three months ended			
		Three months ended			
<u>(dollars in millions)</u>					
<u>(dollars in millions)</u>					
		September 30, 2023	October 1, 2022	September 30, 2023	October 1, 2022
Developed	Developed	\$ 570.0	\$ 555.9	\$ 1,784.1	\$ 1,716.1
Developed					
Developed					
Emerging	Emerging	302.9	304.8	922.8	944.8
Net sales	Net sales	<u>\$ 872.9</u>	<u>\$ 860.7</u>	<u>\$ 2,706.9</u>	<u>\$ 2,660.9</u>
Net sales					
Net sales					

D. Measure of segment profit or loss

The CEO uses Adjusted EBITDA, as defined below, to measure the profitability of each segment. Adjusted EBITDA is, therefore, the measure of segment profit or loss presented in Gates' segment disclosures.

"EBITDA" represents net income **from continuing operations** for the period before net interest and other **(income)** expense, income taxes, depreciation and amortization.

Adjusted EBITDA represents EBITDA before certain items that are considered to hinder comparison of the performance of our businesses on a period-over-period basis or with other businesses. During the periods presented, the items excluded from EBITDA in computing Adjusted EBITDA primarily included:

- non-cash charges in relation to share-based compensation;
- transaction-related expenses incurred in relation to major corporate transactions, including the acquisition of businesses and related integration activities, and equity and debt transactions;
- **asset impairments;**
- restructuring expenses, including severance-related expenses;

- credit loss related to a customer bankruptcy;
- cybersecurity incident expenses; and
- inventory adjustments related to certain inventories accounted for on a Last-in First-out ("LIFO") basis.

Adjusted EBITDA by segment was as follows:

		Three months ended		Nine months ended	
		Three months ended			
		Three months ended			
		Three months ended			
<u>(dollars in millions)</u>					
<u>(dollars in millions)</u>					
		September 30, 2023	October 1, 2022	September 30, 2023	October 1, 2022
Power	Power	\$ 116.5	\$ 101.9	\$ 343.2	\$ 302.1
Transmission	Transmission				
Power Transmission					

Power Transmission					
Fluid Power					
Fluid Power					
Fluid Power	Fluid Power	72.9	75.8	218.0	212.5
Continuing operations	Continuing operations	\$ 189.4	\$ 177.7	\$ 561.2	\$ 514.6
Continuing operations					
Continuing operations					

Reconciliation of net income from continuing operations to Adjusted EBITDA:

		Three months ended		Nine months ended	
		Three months ended	Three months ended		
		Three months ended	Three months ended		
		Three months ended	Three months ended		
(dollars in millions)					
(dollars in millions)					
(dollars in millions)	(dollars in millions)	September 30, 2023	October 1, 2022	September 30, 2023	October 1, 2022
Net income from continuing operations	Net income from continuing operations	\$ 85.6	\$ 56.0	\$ 187.8	\$ 152.7
Net income from continuing operations					
Net income from continuing operations					
Income tax expense					
Income tax expense					
Income tax expense	Income tax expense	1.0	11.4	25.9	21.5
Income from continuing operations before taxes	Income from continuing operations before taxes	86.6	67.4	213.7	174.2
Income from continuing operations before taxes					
Income from continuing operations before taxes					
Interest expense	Interest expense	39.5	33.3	124.8	98.9
Other (income) expense	Other (income) expense	(0.2)	3.1	3.8	11.8
Interest expense	Interest expense				
Interest expense	Interest expense				
Other (income) expenses	Other (income) expenses				
Other (income) expenses	Other (income) expenses				
Other (income) expenses	Other (income) expenses				
Operating income from continuing operations					
Operating income from continuing operations					
Operating income from continuing operations	Operating income from continuing operations	125.9	103.8	342.3	284.9
Depreciation and amortization	Depreciation and amortization	54.0	53.2	162.5	164.1
Depreciation and amortization					
Depreciation and amortization					
Transaction-related expenses (1)	Transaction-related expenses (1)	1.3	0.7	2.1	2.0

Asset impairments		0.1	0.5	0.1	1.1
Transaction-related expenses ⁽¹⁾					
Transaction-related expenses ⁽¹⁾					
Restructuring expenses	Restructuring expenses	2.6	4.7	10.3	8.4
Restructuring expenses					
Restructuring expenses					
Share-based compensation expense					
Share-based compensation expense					
Share-based compensation expense	Share-based compensation expense	3.3	7.2	19.6	34.8
Inventory impairments and adjustments ⁽²⁾					
(included in cost of sales)		2.2	7.5	6.3	18.7
Inventory impairments and adjustments ⁽²⁾					
(included in cost of sales) ⁽²⁾					
Inventory impairments and adjustments ⁽²⁾					
(included in cost of sales) ⁽²⁾					
Severance expenses (included in cost of sales)					
Severance expenses (included in cost of sales)					
Severance expenses (included in cost of sales)	Severance expenses (included in cost of sales)	(0.1)	—	0.4	—
Severance expenses (included in SG&A)	Severance expenses (included in SG&A)	—	—	0.9	0.4
Severance expenses (included in SG&A)					
Severance expenses (included in SG&A)					
Credit loss related to customer bankruptcy (included in SG&A) ⁽³⁾					
Credit loss related to customer bankruptcy (included in SG&A) ⁽³⁾					
Credit loss related to customer bankruptcy (included in SG&A) ⁽³⁾	Credit loss related to customer bankruptcy (included in SG&A)	—	—	11.4	—
Cybersecurity incident expenses ⁽⁴⁾	Cybersecurity incident expenses ⁽⁴⁾	—	—	5.1	—
Other items not directly related to current operations		0.1	0.1	0.2	0.2
Cybersecurity incident expenses ⁽⁴⁾					
Cybersecurity incident expenses ⁽⁴⁾					
Adjusted EBITDA	Adjusted EBITDA	\$ 189.4	\$ 177.7	\$ 561.2	\$ 514.6
Adjusted EBITDA					
Adjusted EBITDA					

⁽¹⁾ Transaction-related expenses relate primarily to advisory fees and other costs recognized in respect of major corporate transactions, including the acquisition of businesses, and equity and debt transactions.

(2) Inventory impairments and adjustments include the reversal of the adjustment to remeasure certain inventories on a LIFO basis. The recent inflationary environment has caused LIFO values to drop below First-in, First-out ("FIFO") values because LIFO measurement results in the more recent inflated costs being matched against current sales while historical, lower costs are retained in inventories.

(3) On January 31, 2023, one of our customers filed a voluntary petition for reorganization under Chapter 11 of the U.S. Bankruptcy Code. In connection with the bankruptcy proceedings, we preliminarily evaluated our potential risk and exposure relating to our outstanding pre-petition accounts receivable balance from the customer and recorded a \$11.4 million initial pre-tax charge during the nine months ended September 30, 2023 to reflect our estimated recovery. Based on further developments in the bankruptcy proceedings, we recorded an additional \$0.1 million pre-tax charge during the three months ended March 30, 2024. We will continue to monitor the circumstances surrounding the bankruptcy in determining whether adjustments to this recovery estimate are necessary.

(4) On February 11, 2023, Gates determined that it was the target of a malware attack. Cybersecurity incident expenses include legal, consulting, and other costs incurred as a direct result of this incident, some of which may be partially offset by insurance recoveries.

4. Restructuring and other strategic initiatives

Gates continues to undertake various restructuring and other strategic initiatives to drive increased productivity in all aspects of our operations. These actions include efforts to consolidate our manufacturing and distribution footprint, scale operations to current demand levels, streamline our selling, general and administrative ("SG&A") back-office functions and relocate certain operations to lower cost locations.

Overall costs associated with our restructuring and other strategic initiatives have been recognized in the condensed consolidated statements as set forth below. Expenses incurred in relation to certain of these actions qualify as restructuring expenses under U.S. GAAP.

	Three months ended		Nine months ended	
	September 30, 2023	October 1, 2022	September 30, 2023	October 1, 2022
(dollars in millions)				
Restructuring expenses:				
Restructuring expenses:				
Restructuring expenses:				
—Severance (income) expense				
—Severance (income) expense				
—Severance (income) expense				
—Non-severance labor and benefit expenses				
—Non-severance labor and benefit expenses				
—Non-severance labor and benefit expenses				
—Consulting expenses				
—Consulting expenses				
—Consulting expenses				
—Other net restructuring expenses				
—Other net restructuring expenses				
—Other net restructuring expenses				
	Three months ended		Nine months ended	
(dollars in millions)	September 30, 2023	October 1, 2022	September 30, 2023	October 1, 2022
Restructuring expenses:				
—Severance expenses	\$ —	\$ 2.6	\$ 4.4	\$ 4.9
—Non-severance labor and benefit expenses	0.3	0.3	1.1	0.5
—Consulting expenses	0.8	0.7	1.7	1.1

—Other net restructuring expenses	1.5	1.1	3.1	1.9
	2.6	4.7	10.3	8.4
Restructuring expenses in asset impairments:				
—Impairment of fixed and other assets	0.1	0.5	0.1	1.1
Restructuring expenses in cost of sales:				
—Impairment of inventory	0.1	—	0.1	0.3
Total restructuring expenses				
Total restructuring expenses				
Total restructuring expenses	\$ 2.8	\$ 5.2	\$ 10.5	\$ 9.8
Expenses related to other strategic initiatives:				
Expenses related to other strategic initiatives:				
—Severance expenses included in cost of sales				
—Severance expenses included in cost of sales				
—Severance expenses included in cost of sales	(0.1)	—	0.4	—
—Severance expenses included in SG&A	—	—	0.9	0.4
—Severance expenses included in SG&A				
—Severance expenses included in SG&A				
Total expenses related to other strategic initiatives	\$ (0.1)	\$ —	\$ 1.3	\$ 0.4
Total expenses related to other strategic initiatives				

Restructuring and other strategic initiatives during the three and nine months ended September 30, 2023 related primarily to severance and other non-labor costs related to relocating certain production activities in China, Mexico and Europe. During the three months ended September 30, 2023, we also incurred additional non-severance labor and benefit costs of \$0.3 million related to relocation and integration of certain support functions into our regional shared service center in Europe. Other restructuring costs incurred during the three months ended September 30, 2023 March 30, 2024 related to legal and consulting expenses, as well as relocation of certain production activities in Mexico, and other restructuring costs associated with prior period facility closures or relocations in several countries.

Restructuring and other strategic initiatives during the three and nine months ended October 1, 2022 April 1, 2023 related primarily to our ongoing European reorganization, including \$2.2 million of labor severance and severance other non-labor costs related to relocating certain production activities within Europe during the three months ended October 1, 2022, in addition to severance costs of \$2.3 million during the nine months ended October 1, 2022 related to relocation China, Mexico and integration of certain support functions into our regional shared service center. We also incurred \$1.4 million and \$2.7 million of costs, respectively, during the three and nine months ended October 1, 2022 in relation to the suspension of our operations in Russia, which included severance costs of \$0.7 million, an impairment of inventories of \$0.3 million (recognized in cost of sales), and an impairment of fixed and other assets of \$1.1 million (recognized in asset impairments) for the nine months ended October 1, 2022. Other restructuring costs incurred during the period related to non-severance and other labor and benefit costs, prior period facility closures or relocations in several countries.

Europe.

Restructuring activities

As indicated above, restructuring expenses, as defined under U.S. GAAP, form a subset of our total expenses related to restructuring and other strategic initiatives. These expenses include the impairment of inventory, which is recognized in cost of sales. Analyzed by segment, our restructuring expenses were as follows:

		Three months ended		Nine months ended	
		Three months ended			
		Three months ended			
		Three months ended			
(dollars in millions)					
(dollars in millions)					
(dollars in millions)	(dollars in millions)	September 30, 2023	October 1, 2022	September 30, 2023	October 1, 2022
Power	Power				
Transmission	Transmission	\$ 1.5	\$ 2.1	\$ 7.2	\$ 5.5
Power Transmission					
Power Transmission					
Fluid Power					
Fluid Power					
Fluid Power	Fluid Power	1.3	3.1	3.3	4.3
Continuing operations	Continuing operations	\$ 2.8	\$ 5.2	\$ 10.5	\$ 9.8
Continuing operations					
Continuing operations					

The following summarizes the reserve for restructuring expenses for the **nine** three months ended **September 30, 2023** **March 30, 2024** and **October 1, 2022** **April 1, 2023**, respectively:

		Nine months ended	
		Three months ended	
		Three months ended	
		Three months ended	
(dollars in millions)	(dollars in millions)		
Balance as of the beginning of the period	Balance as of the beginning of the period	\$ 7.5	\$ 6.5
Balance as of the beginning of the period			
Balance as of the beginning of the period			
Utilized during the period	Utilized during the period	(11.1)	(8.0)
Utilized during the period			
Utilized during the period	Utilized during the period	(11.1)	(8.0)
Charge for the period	Charge for the period	10.5	8.5
Charge for the period			
Charge for the period			
Released during the period	Released during the period	(0.2)	(0.1)
Released during the period			
Released during the period	Released during the period	(0.2)	(0.1)
Foreign currency translation	Foreign currency translation	(0.1)	(0.9)
Foreign currency translation			
Foreign currency translation			
Balance as of the end of the period	Balance as of the end of the period	\$ 6.6	\$ 6.0
Balance as of the end of the period			
Balance as of the end of the period			

Restructuring reserves, which are expected to be utilized during **2023 and 2024**, are included in the condensed consolidated balance sheet within the accrued expenses and other current liabilities line.

5. Income taxes

We compute the year-to-date income tax provision by applying our estimated annual effective tax rate to our year-to-date pre-tax income and adjust for discrete tax items in the period in which they occur.

For the three months ended **September 30, 2023** **March 30, 2024**, we had an income tax expense of **\$1.0** **\$34.5** million on pre-tax income of **\$86.6** **\$80.7** million, which resulted in an effective tax rate of **1.2%** **42.8%**, compared to an income tax expense of **\$11.4** million **\$15.3** million on pre-tax income of **\$67.4** **\$46.2** million, which resulted in an effective tax rate of **16.9%** **33.1%** for the three months ended **October 1, 2022** **April 1, 2023**.

For the three months ended **September 30, 2023** **March 30, 2024**, the effective tax rate was driven primarily by the jurisdictional mix of earnings and by discrete tax expenses of **\$11.7** million, of which **\$9.1** million related to changes in the realizability of certain deferred tax assets, **\$1.4** million related to net unrecognized tax benefits, and **\$1.2** million related to other net discrete expenses. For the three months ended April 1, 2023, the effective tax rate was driven primarily by discrete tax benefits expenses of **\$11.0** **\$6.4** million, of which **\$12.9** million related to unrecognized tax benefits due to audit closures offset by **\$1.9** million of other discrete expenses. For the three months ended October 1, 2022, the effective tax rate was driven primarily by a discrete tax benefit of **\$3.5** **\$2.6** million related to the partial release impacts of valuation allowance on deferred tax assets for U.S. law changes primarily in Turkey and Belgium, **\$1.9** million related to undistributed foreign tax credits, earnings, and **\$2.9** million related to other net discrete expenses, partially offset by **\$2.6** **\$1.0** million of other discrete expenses.

For the nine months ended September 30, 2023, we had an income tax expense of **\$25.9** million on pre-tax income of **\$213.7** million, which resulted in an effective tax rate of **12.1%**, compared to an income tax expense of **\$21.5** million on pre-tax income of **\$174.2** million, which resulted in an effective tax rate of **12.3%** for the nine months ended October 1, 2022.

For the nine months ended September 30, 2023, the effective tax rate was driven primarily by discrete benefits of **\$12.9** million related to net unrecognized tax benefits due to audit closures. For the nine months ended October 1, 2022, the effective tax rate was driven primarily by discrete benefits of **\$15.2** million related to the partial release of valuation allowance on deferred tax assets for U.S. foreign tax credits.

benefits.

Deferred Tax Assets and Liabilities

We recognize deferred tax assets and liabilities for future tax consequences arising from differences between the carrying amounts of existing assets and liabilities under U.S. GAAP and their respective tax bases, and for net operating loss carryforwards and tax credit carryforwards. We evaluate the recoverability of our deferred tax assets, weighing all positive and negative evidence, and are required to establish or maintain a valuation allowance for these assets if we determine that it is more likely than not that some or all of the deferred tax assets will not be realized.

As of each reporting date, we consider new evidence, both positive and negative, that could impact our view with regard to the future realization of deferred tax assets. We will maintain our positions with regard to future realization of deferred tax assets, including those with respect to which we continue maintaining valuation allowances, until there is sufficient new evidence to support a change in expectations. Such a change in expectations could arise due to many factors, including those impacting our forecasts of future earnings, as well as changes in the international tax laws under which we operate and tax planning. It is not reasonably possible to forecast any such changes at the present time, but it is possible that, should they arise, our view of their effect on the future realization of deferred tax assets may materially impact our financial statements.

After weighing all of the evidence, giving more weight to the evidence that was objectively verifiable, we determined during the three months ended September 30, 2023 that, as of March 30, 2024, that it is more likely than not that deferred tax assets in the U.S. U.S., Germany, and China totaling **\$2.4** **\$12.3** million are not realizable. Accordingly, we discretely recognized **\$9.1** million expense from deferred tax assets that are no longer realizable, none of which was discrete, while the remaining **\$3.2** million expense will be recognized during the year through the effective tax rate. As a result of changes in our Sponsor's ownership in us and estimates of future taxable profits against which the net operating losses and foreign tax credits can be utilized, our position and judgment changed regarding valuation allowances on the realizability of these deferred tax assets. assets changed.

6. Earnings per share

Basic earnings per share represents net income attributable to shareholders divided by the weighted average number of shares outstanding during the period. Diluted earnings per share considers the dilutive effect of potential shares, unless the inclusion of the potential shares would have an anti-dilutive effect. The treasury stock method is used to determine the potential dilutive shares resulting from assumed exercises of equity-related instruments.

The computation of earnings per share is presented below:

		Three months ended			Nine months ended
		Three months ended			
		Three months ended			
<u>(dollars in millions, except share numbers and per share amounts)</u>	<u>(dollars in millions, except share numbers and per share amounts)</u>				
		September 30, 2023	October 1, 2022	September 30, 2023	October 1, 2022

Net income attributable to shareholders							
Net income attributable to shareholders							
Net income attributable to shareholders	Net income attributable to shareholders	\$ 78.7	\$ 51.9	\$ 170.0	\$ 135.9		
Weighted average number of shares outstanding	Weighted average number of shares outstanding	263,984,434	282,332,159	274,460,054	284,586,267		
Weighted average number of shares outstanding							
Weighted average number of shares outstanding							
Dilutive effect of share-based awards							
Dilutive effect of share-based awards							
Dilutive effect of share-based awards	Dilutive effect of share-based awards	3,850,577	2,842,185	4,028,006	3,773,418		
Diluted weighted average number of shares outstanding	Diluted weighted average number of shares outstanding	267,835,011	285,174,344	278,488,060	288,359,685		
Diluted weighted average number of shares outstanding							
Diluted weighted average number of shares outstanding							
Number of anti-dilutive shares excluded from the diluted earnings per share calculation		3,934,925	6,571,553	5,065,975	6,878,458		
Number of anti-dilutive shares excluded from diluted earnings per share calculation							
Number of anti-dilutive shares excluded from diluted earnings per share calculation							
Number of anti-dilutive shares excluded from diluted earnings per share calculation							
Basic earnings per share							
Basic earnings per share							
Basic earnings per share	Basic earnings per share	\$ 0.30	\$ 0.18	\$ 0.62	\$ 0.48		
Diluted earnings per share	Diluted earnings per share	\$ 0.29	\$ 0.18	\$ 0.61	\$ 0.47		
Diluted earnings per share							
Diluted earnings per share							

7. Inventories

		As of September 30, 2023	As of December 31, 2022
(dollars in millions)			
Raw materials and supplies		\$ 181.8	\$ 195.9
Work in progress		43.5	42.3
Finished goods		420.8	418.0
Total inventories		\$ 646.1	\$ 656.2

(dollars in millions)	As of March 30, 2024		As of December 31, 2023	
Raw materials and supplies	\$ 187.3		\$ 168.2	
Work in progress	50.1		43.3	
Finished goods	439.8		435.7	
Total inventories	\$ 677.2		\$ 647.2	

8. Goodwill

(dollars in millions)	(dollars in millions)	Power	Fluid	Transmission	(dollars in millions)	Power	Fluid	Transmission	(dollars in millions)
		Transmission	Power	Total		Transmission	Power	Total	
Cost and carrying amount	Cost and carrying amount								
As of December 31, 2022	\$ 1,315.2	\$ 665.9	\$ 1,981.1						
As of December 30, 2023									
As of December 30, 2023									
As of December 30, 2023									
Foreign currency translation	Foreign currency translation	(16.5)	19.7	3.2					
As of September 30, 2023	\$ 1,298.7	\$ 685.6	\$ 1,984.3						
Foreign currency translation									
Foreign currency translation									
As of March 30, 2024									

9. Intangible assets

(dollars in millions)	As of September 30, 2023			As of December 31, 2022			As of March 30, 2024			As of December 31, 2023			
	(dollars in millions)	(dollars in millions)	Cost	Accumulated amortization and impairment	Net	(dollars in millions)	(dollars in millions)	Cost	Accumulated amortization and impairment	Net	(dollars in millions)	Cost	Accumulated amortization and impairment
Finite-lived:													
—Customer relationships	Finite-lived: Customer relationships	\$ 1,966.2	\$ (1,077.1)	\$ 889.1	\$ 1,973.7	\$ (993.2)	\$ 980.5						
—Customer relationships													
—Technology	Technology	90.4	(90.1)	0.3	90.4	(89.6)	0.8						
—Capitalized software	Capitalized software	113.1	(72.3)	40.8	105.4	(65.7)	39.7						
		2,169.7	(1,239.5)	930.2	2,169.5	(1,148.5)	1,021.0						
		2,193.1											

Indefinite-lived:	Indefinite-lived:
—Brands and trade names	—Brands and trade names 513.4 (44.0) 469.4 513.4 (44.0) 469.4
—Brands and trade names	
—Brands and trade names	
Total intangible assets	Total intangible assets \$2,683.1 \$ (1,283.5) \$1,399.6 \$2,682.9 \$ (1,192.5) \$1,490.4

During the three months ended **September 30, 2023** **March 30, 2024**, the amortization expense recognized in respect of intangible assets was **\$32.1** **\$32.5** million, compared to **\$31.6** **\$32.1** million for the three months ended **October 1, 2022** **April 1, 2023**. In addition, movements in foreign currency exchange rates resulted in a decrease in the net carrying value of total intangible assets of **\$10.3** **\$8.8** million for the three months ended **September 30, 2023** **March 30, 2024**, compared to a decrease an increase of **\$25.6** **\$9.2** million for the three months ended **October 1, 2022**.

During the nine months ended **September 30, 2023**, the amortization expense recognized in respect of intangible assets was **\$96.4** million, compared to **\$96.9** million for the nine months ended **October 1, 2022**. In addition, movements in foreign currency exchange rates resulted in a decrease in the net carrying value of total intangible assets of **\$3.0** million for the nine months ended **September 30, 2023**, compared to a decrease of **\$60.4** million for the nine months ended **October 1, 2022** **April 1, 2023**.

10. Derivative financial instruments

We are exposed to certain financial risks relating to our ongoing business operations. From time to time, we use derivative financial instruments, principally foreign currency swaps, forward foreign currency contracts, interest rate caps (options) and interest rate swaps, to reduce our exposure to foreign currency risk and interest rate risk. We do not hold or issue derivatives for speculative purposes and monitor closely the credit quality of the institutions with which we transact.

We recognize derivative instruments as either assets or liabilities in the condensed consolidated balance sheet. We designate certain of our currency swaps as net investment hedges and designate our interest rate caps and interest rate swaps as cash flow hedges. The gain or loss on the designated derivative instrument is recognized in other comprehensive income ("OCI") and reclassified into net income in the same period or periods during which the hedged transaction affects earnings.

Derivative instruments that have not been designated in an effective hedging relationship are considered economic hedges, and their change in fair value is recognized in net income in each period.

The period end fair values of derivative financial instruments were as follows:

		As of September 30, 2023						As of December 31, 2022						As of March 30, 2024					
		As of March 30, 2024																	
				Accrued				Accrued				Accrued				Accrued			
(dollars in millions)	(dollars in millions)	Prepaid expenses	Other non-current assets	Other current assets	Other liabilities	Net	Prepaid expenses	Other non-current assets	Other current assets	Other liabilities	Net	Prepaid expenses	Other non-current assets	Other current assets	Other liabilities	Net	Prepaid expenses	Other non-current assets	Other current assets
Derivatives designated as hedging instruments:	Derivatives designated as hedging instruments:																		
—Currency swaps	—Currency swaps	\$ 8.6	\$ —	\$ —	\$ (42.7)	\$ (34.1)	\$ 9.3	\$ —	\$ —	\$ (45.2)	\$ (35.9)								
—Currency swaps	—Currency swaps																		
—Interest rate swaps	—Interest rate swaps	39.5	21.2	(9.9)	(9.0)	41.8	33.3	32.7	(10.7)	(22.1)	33.2								
—Interest rate swaps	—Interest rate swaps																		
Derivatives not designated as hedging instruments:																			
Derivatives not designated as hedging instruments:																			

Derivatives not designated as hedging instruments:	Derivatives not designated as hedging instruments:
—Currency forward contracts	—Currency forward contracts
	2.0
	— (0.8)
	1.2
	2.2
	— (1.4)
	— 0.8
	\$ 50.1 \$ 21.2 \$ (10.7) \$ (51.7) \$ 8.9 \$ 44.8 \$ 32.7 \$ (12.1) \$ (67.3) \$ (1.9)
—Currency forward contracts	
—Currency forward contracts	
	\$ _____

A. Instruments designated as net investment hedges

We hold cross currency swaps that have been designated as net investment hedges of certain of our European and Chinese operations. In November 2023, we executed a USD to Chinese Yuan fixed-to-fixed cross currency swap with a notional principal amount of ¥1,784.0 million with a contract term from November 30, 2023 to November 30, 2026. This has been designated as a net investment hedge of certain of our Chinese operations. Concurrent with In May 2023, we amended our existing cross currency swaps to transition from a floating rate based on the refinancing transactions described in Note 12, London Interbank Offered Rate ("LIBOR") to a floating rate based on a term secured overnight financing rate ("Term SOFR"). During November 2022, we executed additional cross currency swaps that have been designated as net investment hedges of certain of our European operations, with the notional principal amount of €501.6 million and contract term from November 16, 2022 to November 16, 2027. During March 2022, we extended our cross currency swaps existing at that time, which originally matured in March 2022, to now mature on March 31, 2027. In May 2023, we amended our existing cross currency swaps to transition from a floating rate based on the London Interbank Offered Rate ("LIBOR") to a floating rate based on a term secured overnight financing rate ("Term SOFR"). As of September 30, 2023 both March 30, 2024 and December 31, 2022 December 30, 2023, the aggregated notional principal amount amounts of the cross currency swaps was €756.1 million. we

In addition, as of January 1, 2022, we had designated €147.0 or €756.1 million of our Euro-denominated debt as a net investment hedge of certain of our European operations. We subsequently reduced the designated amount to €25.0 million during the second quarter of 2022. On November 16, 2022, we extinguished our Euro-denominated term loan and replaced with new Dollar-denominated term loans, and as a result, the net investment hedging designated on our Euro-denominated debt no longer exists. ¥1,784.0 million.

The fair value gains gain (loss) before tax recognized in OCI in relation to the instruments designated as net investment hedging instruments were as follows:

(dollars in millions)	Three months ended		Nine months ended	
	September 30, 2023	October 1, 2022	September 30, 2023	October 1, 2022
Net fair value gains recognized in OCI in relation to:				
—Euro-denominated debt	\$ —	\$ 1.5	\$ —	\$ 12.2
—Designated cross currency swaps	23.9	15.3	1.8	36.8
Total net fair value gains	\$ 23.9	\$ 16.8	\$ 1.8	\$ 49.0

(dollars in millions)	Three months ended	
	March 30, 2024	April 1, 2023
Net fair value gain (loss) recognized in OCI in relation to:		
—Designated cross currency swaps	\$ 19.0	\$ (12.2)
Total net fair value gain (loss)	\$ 19.0	\$ (12.2)

During the three and nine months ended September 30, 2023 March 30, 2024, a net gain of \$2.5 \$3.2 million and \$8.0 million, respectively, was recognized in interest expense in relation to our cross currency swaps that have been designated as net investment hedges, compared to a net gain of \$1.7 \$3.0 million and \$3.3 million, respectively, during the three and nine months ended October 1, 2022 April 1, 2023.

B. Instruments designated as cash flow hedges

We use interest rate swaps and interest rate caps as part of our interest rate risk management strategy to add stability to interest expense and to manage our exposure to interest rate movements. These instruments are all designated as cash flow hedges. As of both September 30, 2023 March 30, 2024 and December 31, 2022 December 30, 2023, we held pay-fixed, receive-floating interest rate swaps with an aggregate notional amount of \$1,255.0 million. \$1,255.0 million. Interest rate swaps with a notional amount of \$870.0 million run have a contract term from June 30, 2020 through June 30, 2025, while interest rate swaps with a notional amount of \$385.0 million have the a contract term from November 16, 2022 to November 16, 2027.

In May 2023, we amended our then-existing interest rate swaps with a notional amount of \$870.0 million to transition from a LIBOR-based floating rate to a Term SOFR-based floating rate.

Our interest rate caps involve the receipt of variable rate payments from a counterparty if interest rates rise above the strike rate on the contract in exchange for a premium, covering the period from July 1, 2019 to June 30, 2023. During August 2022, we early terminated our interest rate caps. As of September 30, 2023 and December 31, 2022, there were no outstanding interest rate caps.

The movements before tax recognized in OCI in relation to our cash flow hedges were as follows:

	Three months ended		Nine months ended				
	Three months ended		Three months ended				
	September 30, 2023	October 1, 2022	September 30, 2023	October 1, 2022			
(dollars in millions)	(dollars in millions)				(dollars in millions)		
Movement recognized in OCI in relation to:	Movement recognized in OCI in relation to:					March 30, 2024	April 1, 2023
—Fair value gain on cash flow hedges		\$ 11.4	\$ 26.9	\$ 25.0	\$ 62.5		
—Fair value gain (loss) on cash flow hedges							
—Fair value gain (loss) on cash flow hedges							
—Fair value gain (loss) on cash flow hedges							
—Amortization to net income of prior period fair value losses	Amortization to net income of prior period fair value losses	—	4.5	8.9	13.4		
—Deferred OCI reclassified to net income		(8.9)	(1.5)	(24.0)	0.6		
—Reclassification from OCI to net income							
Total movement	Total movement	\$ 2.5	\$ 29.9	\$ 9.9	\$ 76.5		

C. Derivative instruments not designated as hedging instruments

We do not designate our currency forward contracts, which are used primarily in respect of operational currency exposures related to payables, receivables and material procurement, or the currency swap contracts that are used to manage the currency profile of Gates' cash, as hedging instruments for the purposes of hedge accounting.

As of **September 30, 2023** **March 30, 2024** and **December 31, 2022** **December 30, 2023**, there were no outstanding currency swaps.

As of **September 30, 2023** **March 30, 2024**, the notional amount of outstanding currency forward contracts that are used to manage operational foreign exchange exposures was **\$186.2 million** **\$164.1 million**, compared to **\$150.5 million** **\$140.8 million** as of **December 31, 2022** **December 30, 2023**.

The fair value (losses) gains gain recognized in net income in relation to derivative instruments that have not been designated as hedging instruments were as follows:

	Three months ended		Nine months ended			
	Three months ended		Three months ended			
	September 30, 2023	October 1, 2022	September 30, 2023	October 1, 2022		
	(dollars in millions)	(dollars in millions)			(dollars in millions)	

		Three months ended					
(dollars in millions)	(dollars in millions)	September 30, 2023	October 1, 2023	September 30, 2022	October 1, 2022	(dollars in millions)	
Fair value (losses) gains recognized in relation to:							
Fair value gain recognized in relation to:							
—Currency forward contracts recognized in SG&A							
—Currency forward contracts recognized in SG&A							
—Currency forward contracts recognized in SG&A	—Currency forward contracts recognized in SG&A	\$ (0.8)	\$ 1.8	\$ 3.3	\$ 6.8		
Total	Total	\$ (0.8)	\$ 1.8	\$ 3.3	\$ 6.8		
Total							
Total							

11. Fair value measurement

A. Fair value hierarchy

We account for certain assets and liabilities at fair value. Topic 820 *"Fair Value Measurements and Disclosures"* establishes the following hierarchy for the inputs that are used in fair value measurement:

- “Level 1” inputs are unadjusted quoted prices in active markets for identical assets or liabilities;
- “Level 2” inputs are those other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- “Level 3” inputs are not based on observable market data (unobservable inputs).

Assets and liabilities that are measured at fair value are categorized in one of the three levels on the basis of the lowest-level input that is significant to its valuation.

B. Financial instruments not held at fair value

Certain financial assets and liabilities are not measured at fair value; however, items such as cash and cash equivalents, restricted cash, drawings under revolving credit facilities and bank overdrafts generally attract interest at floating rates and accordingly their carrying amounts are considered to approximate fair value. Due to their short maturities, the carrying amounts of accounts receivable and accounts payable are also considered to approximate their fair values.

The carrying amount and fair value of our debt are set out below:

Debt is comprised principally of borrowings under the secured credit facilities and the unsecured senior notes. **Loans** The two dollar term loans under the secured credit facilities pay interest at floating rates, subject to a **0.75%** and **0.50%** Term SOFR (as defined in the credit agreement) floor of **0.50%** on the New Dollar Term Loans, and an **Adjusted Term SOFR** (defined in the credit agreement as Term SOFR with a credit spread adjustment of **0.10%**) floor of **0.75%** on the Existing Dollar Term Loans, each as further described in Note 12. The fair values of the term loans are derived from a market price, discounted for illiquidity. The unsecured senior notes have fixed interest rates, are traded by "Qualified Institutional Buyers" and certain other eligible investors, and their fair value is derived from their quoted market price.

C. Assets and liabilities measured at fair value on a recurring basis

The following table categorizes the assets and liabilities that are measured at fair value on a recurring basis:

(dollars in millions)	(dollars in millions)	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Total	(dollars in millions)	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Total
As of September 30, 2023								
Derivative assets								
Derivative assets	Derivative assets	\$ —	\$ 71.3	\$ 71.3				
Derivative liabilities	Derivative liabilities	\$ —	\$ (62.4)	\$(62.4)				
Cash equivalents								
As of December 31, 2022								
Derivative assets								
Derivative assets	Derivative assets	\$ —	\$ 77.5	\$ 77.5				
Derivative liabilities	Derivative liabilities	\$ —	\$ (79.4)	\$(79.4)				
Cash equivalents								

Derivative assets and liabilities included in Level 2 represent foreign currency exchange forward and swap contracts, and interest rate derivative contracts. **Cash equivalents** included in Level 1 represent treasury bills and money market funds, while Level 2 represent certificates of deposit and commercial paper.

We value our foreign currency exchange derivatives using models consistent with those used by a market participant that maximize the use of market observable inputs including forward prices for currencies.

We value our interest rate derivative contracts using a widely accepted discounted cash flow valuation methodology that reflects the contractual terms of each derivative, including the period to maturity. The methodology derives the fair values of the derivatives using the market standard methodology of netting the discounted future cash payments and the discounted expected receipts. The inputs used in the calculation are based on observable market-based inputs, including interest rate curves, implied volatilities and credit spreads.

We incorporate credit valuation adjustments, which consider the impact of any credit enhancements to the contracts, to appropriately reflect both our own nonperformance risk and the respective counterparty's nonperformance risk in the fair value measurements.

Transfers between levels of the fair value hierarchy

During the periods presented, there were no transfers between Levels 1 and 2, and Gates had no assets or liabilities measured at fair value on a recurring basis using Level 3 inputs.

D. Assets measured at fair value on a non-recurring basis

Gates has non-recurring fair value measurements related to certain assets, including goodwill, intangible assets, and property, plant, and equipment. During No significant impairment was recognized during the three and nine months ended September 30, 2023, an impairment of fixed and other assets of \$0.1 million was recognized. During the three and nine months ended October 1, 2022, an impairment of fixed and other assets of \$0.5 million and \$1.1 million, respectively, was recognized related to the suspension of our operations in Russia. March 30, 2024.

12. Debt

(dollars in millions)	(dollars in millions)	As of September 30, 2023	As of December 31, 2022	(dollars in millions)	As of March 30, 2024	As of December 30, 2023
Secured debt:	Secured debt:					
—Dollar Term Loans	—Dollar Term Loans					
Unsecured debt:	Unsecured debt:					
Unsecured debt:	Unsecured debt:					
—6.25% Dollar Senior Notes due 2026	—6.25% Dollar Senior Notes due 2026					
—6.25% Dollar Senior Notes due 2026	—6.25% Dollar Senior Notes due 2026					
—6.25% Dollar Senior Notes due 2026	—6.25% Dollar Senior Notes due 2026					
Total principal of debt	Total principal of debt					
Total principal of debt	Total principal of debt					
Total principal of debt	Total principal of debt	2,476.8	2,491.4			
Deferred issuance costs	Deferred issuance costs	(39.6)	(45.5)			
Accrued interest	Accrued interest	8.2	17.1			
Total carrying value of debt	Total carrying value of debt	2,445.4	2,463.0			
Debt, current portion	Debt, current portion	27.7	36.6			
Debt, less current portion	Debt, less current portion	\$2,417.7	\$2,426.4			

Gates' secured debt is jointly and severally, irrevocably and fully and unconditionally guaranteed by certain of its subsidiaries and is secured by liens on substantially all of their assets.

Gates is subject to covenants, representations and warranties under certain of its debt facilities. During the periods covered by these condensed consolidated financial statements, we were in compliance with the applicable financial covenants. Also under the agreements governing our debt facilities, our ability to engage in activities such as incurring certain additional indebtedness, making certain investments and paying certain dividends is dependent, in part, on our ability to satisfy tests based on measures determined under those agreements.

Debt issuances and redemptions

During February 2024, we made a voluntary principal debt repayment of \$100.0 million against our Existing Dollar Term Loans (as defined below). As a result of this repayment, we accelerated the recognition of \$1.0 million of deferred issuance costs (recognized in interest expense).

During May 2023, we drew \$100.0 million under our asset-backed revolving credit facility to partially fund the purchase of shares under our 2023 share repurchase program, as discussed further in Note 15 below. The balance on the asset-backed revolving credit facility was fully paid off during the three months ended September 30, 2023.

On November 16, 2022, we issued a new \$575.0 million tranche of dollar denominated term loans (the "New Dollar Term Loans") pursuant to an amendment to the credit agreement governing our term loan facilities, using the proceeds to extinguish the entire outstanding principal balance of €563.8 million under our Euro Term Loan facility (the "Euro Term Loan") plus €1.0 million accrued interest. The New Dollar Term Loans have substantially similar terms as the Existing Dollar Term Loans (as defined below), bearing interest at the borrower's option at either Term SOFR, subject to a 0.50% per annum Term SOFR floor, plus 3.50% margin per annum, or at the base rate, subject to a 1.50% per annum floor, plus 2.50% per annum. The New Dollar Term Loans require scheduled quarterly amortization payments of 1% per annum based on the initial aggregate principal amount and mature in November 2029. Issuance discount and costs totaling approximately \$23.2 million related to the issuance of the New Dollar Term Loans have been deferred and will be amortized to interest expense over the remaining term of the related borrowings using the effective interest method. The repayment of Euro Term Loan resulted in the accelerated recognition of \$2.2 million deferred financing costs (recognized in interest expense).

During March 2022, we drew \$70.0 million under our asset-backed revolving credit facility to partially fund the purchase of shares under our share repurchase program, as discussed further in Note 15 below. During Fiscal 2022, we paid down the borrowings on the asset-backed revolver and had no remaining balance outstanding borrowings as of December 31, 2022 March 30, 2024 and December 30, 2023.

Dollar and Euro Term Loans

Our secured credit facilities consist of two loans (collectively, the "Dollar Term Loans"), one of which was originally drawn on July 3, 2014 and refinanced on February 24, 2021 (the "Existing Dollar Term Loans"), and the New a new \$575.0 million tranche of dollar denominated term loans (the "New Dollar Term Loans") drawn on November 16, 2022 as described above. These term loan facilities bear interest at a floating rate, which for U.S. dollar debt can be either a base rate as defined in the credit agreement plus an applicable margin, or at our option, Term SOFR plus an applicable margin. The Existing Dollar Term Loans mature on March 31, 2027, while the New Dollar Term Loans mature on November 16, 2029.

The Existing Dollar Term Loans' interest rate is currently at Adjusted Term SOFR, subject to a floor of 0.75%, plus a margin of 2.60%, and as of September 30, 2023 March 30, 2024, borrowings under this facility bore interest at a rate of 7.92% 7.93% per annum. On March 1, 2023, Gates amended the Existing Dollar Term Loans' reference rate from LIBOR to Term SOFR, with a credit spread adjustment of 0.10%. The Existing Dollar Term Loans interest rate is currently re-set on the last business day of each month based on the election of one month interest periods.

The New Dollar Term Loans' interest rate as of September 30, 2023 was currently Term SOFR, subject to a floor of 0.50%, plus a margin of 3.50% 3.00%, and as of September 30, 2023 March 30, 2024, borrowings under this facility bore interest at a rate of 8.82% 8.33% per annum. The New Dollar Term Loans' interest rate is currently re-set on the last business day of each month based on the election of one month interest periods. On October 10, 2023, we amended the New Dollar Term Loans' interest rate to be, at our option, either Term SOFR, subject to a floor of 0.50%, plus a margin of 3.00% per annum, or the base rate, subject to a 1.50% per annum floor, plus 2.00% per annum.

Both Dollar Term Loans are subject to quarterly amortization payments of 0.25%, based on the original principal amount less certain repayments with the balance payable on maturity. During the nine months ended September 30, 2023 March 30, 2024, we made amortization payments against the Existing Dollar Term Loans and New Dollar Term Loans of \$10.3 \$3.5 million and \$4.3 million, respectively. During the nine months ended October 1, 2022, we made amortization payments against the Existing Dollar Term Loans and the Euro Term Loan of \$10.3 million and \$5.1 \$1.4 million, respectively.

Under the terms of the credit agreement, we are obliged to offer annually to the term loan lenders an "excess cash flow" amount as defined under the agreement, based on the preceding year's final results. Based on our 2022 2023 results, the leverage ratio as defined under the credit agreement was below the threshold above which payments are required, and therefore no excess cash flow payment is required to be made in 2023.

During the periods presented, foreign exchange gains were recognized in respect of the Euro Term Loans as summarized in the table below. As of October 1, 2022 a portion of the facility was designated as a net investment hedge of certain of our Euro investments, a corresponding portion of the foreign exchange gain were recognized in OCI. As of September 30, 2023, the Euro Term Loan, and the net investment hedging designation on the Euro Term Loan, no longer exist.

(dollars in millions)	Three months ended		Nine months ended	
	September 30, 2023	October 1, 2022	September 30, 2023	October 1, 2022
	\$	\$	\$	\$
Gain recognized in statement of operations	\$ —	\$ 32.2	\$ —	\$ 77.8
Gain recognized in OCI	—	1.5	—	12.2
Total gain	\$ —	\$ 33.7	\$ —	\$ 90.0

The above net foreign exchange gain recognized in the other (income) expense line of the condensed consolidated statement of operations have been substantially offset by net foreign exchange movements on Euro-denominated intercompany loans as part of our overall hedging strategy.

A wholly-owned U.S. subsidiary of Gates Global LLC (the term loan borrower and an indirect subsidiary of Gates Industrial Corporation plc) is the principal obligor under the term loans Dollar Term Loans for U.S. federal income tax purposes and makes the payments due on this tranche of debt. As a result, interest received by lenders of this tranche of debt is U.S. source income.

Unsecured Senior Notes

As of September 30, 2023 March 30, 2024, we had \$568.0 million of Dollar Senior Notes outstanding that were issued in November 2019. These notes are scheduled to mature on January 15, 2026 and bear interest at an annual fixed rate of 6.25% with semi-annual interest payments.

On and after January 15, 2022 As of January 15, 2024, we may redeem the Dollar Senior Notes, at our option, in whole at any time or in part from time to time, at the following redemption prices (expressed as a percentage 100% of the principal amount), amount, plus accrued and unpaid interest to the redemption date:

	Redemption price
During the year commencing:	
—2023	101.563 %
—2024 and thereafter	100.000 %

date. Upon the occurrence of a change of control or a certain qualifying asset sale, the holders of the notes will have the right to require us to make an offer to repurchase each holder's notes at a price equal to 101% (in the case of a change of control) or 100% (in the case of an asset sale) of their principal amount, plus accrued and unpaid interest.

Revolving credit facility

We have a secured revolving credit facility that provides for multi-currency revolving loans. On November 18, 2021, we amended the credit agreement governing this facility to, among other things, increase the size of the facility from \$185.0 million to \$250.0 million, extend the maturity date from January 29, 2023 to November 18, 2026 (subject to certain springing maturities related to our Unsecured Senior Notes if more than \$500.0 million is outstanding in respect of either such facility 91 days prior to their respective maturities) its maturity, and increase the letter of credit sub-facility from \$20.0 million to \$75.0 million.

As of both September 30, 2023 March 30, 2024 and December 31, 2022 December 30, 2023, there were no drawings for cash under the revolving credit facility and there were no letters of credit outstanding.

Debt under the revolving credit facility bears interest at a floating rate, which can be either a base rate as defined in the credit agreement plus an applicable margin or, at our option, the reference rate, plus an applicable margin. On March 1, 2023, Gates amended the secured revolving credit facility reference rate for borrowing in dollars from LIBOR to Term SOFR.

Asset-backed revolver

We also have a revolving credit facility backed by certain of our assets in North America. On November 18, 2021, we amended the credit agreement governing this facility to, among other things, reduce the maximum facility size from \$325.0 million to \$250.0 million (\$250.0 million as of September 30, 2023, compared to \$214.7 million as of December 31, 2022 March 30, 2024 and December 30, 2023, based on the values of the secured assets on those dates), and extended the maturity date from January 29, 2023 to November 18, 2026 (subject to certain springing maturities related to our Unsecured Senior Notes if more than \$500.0 million is outstanding in respect of either such facility 91 days prior to their respective maturities) its maturity). The facility also allows for a letter of credit sub-facility of \$150.0 million within the \$250.0 million maximum.

In connection with these amendments, we paid fees of \$1.3 million, which have been deferred and will, together with existing deferred issuance costs related to this facility, be amortized to interest expense over the new term of the facility on a straight-line basis.

As of September 30, 2023 March 30, 2024, there were no drawings for cash under this facility. The letters of credit outstanding under this facility were \$31.6 \$28.6 million and \$25.8 \$29.7 million as of September 30, 2023 March 30, 2024 and December 31, 2022 December 30, 2023, respectively.

Debt under the revolving credit facility bears interest at a floating rate, which can be either a base rate as defined in the credit agreement plus an applicable margin or, at our option, the reference rate, plus an applicable margin. On March 1, 2023, Gates amended our revolving credit facility reference rate for borrowing in dollars from LIBOR to Term SOFR.

13. Post-retirement benefits

Gates provides defined benefit pension plans in certain of the countries in which it operates, in particular, in the U.S. and U.K. All of the defined benefit pension plans are closed to new entrants. In addition to the funded defined benefit pension plans, Gates has unfunded defined benefit obligations to certain current and former employees.

Gates also provides other post-retirement benefits, principally health and life insurance coverage, on an unfunded basis to certain of its employees in the U.S. and Canada.

Net periodic benefit cost (income)

The components of the net periodic benefit cost (income) for pensions and other post-retirement benefits were as follows:

(dollars in millions)	Three months ended September 30, 2023			Three months ended October 1, 2022		
	Other post- retirement benefits			Other post- retirement benefits		
	Pensions	Total	Pensions	Total		
Reported in operating income:						
—Employer service cost	\$ 1.0	\$ —	\$ 1.0	\$ 0.8	\$ —	\$ 0.8
Reported outside of operating income:						
—Interest cost	6.3	0.4	6.7	3.7	0.3	4.0
—Expected return on plan assets	(6.5)	—	(6.5)	(5.4)	—	(5.4)
—Net amortization of prior period (gains) losses	—	(0.9)	(0.9)	0.3	(0.5)	(0.2)
Net periodic benefit cost (income)	\$ 0.8	\$ (0.5)	\$ 0.3	\$ (0.6)	\$ (0.2)	\$ (0.8)
Cash Contributions	\$ 1.6	\$ 0.6	\$ 2.2	\$ 4.5	\$ 1.6	\$ 6.1

(dollars in millions)	Nine months ended September 30, 2023			Nine months ended October 1, 2022		
	Three Months Ended March 30, 2024			Three Months Ended March 30, 2024		
	Other post- retirement benefits	Other post- retirement benefits	(dollars in millions)	Other post- retirement benefits	Other post- retirement benefits	(dollars in millions)
Reported in operating income:						
—Employer service cost	\$ 2.9	\$ —	\$ 2.9	\$ 2.5	\$ —	\$ 2.5
—Employer service cost	\$ 2.9	\$ —	\$ 2.9	\$ 2.5	\$ —	\$ 2.5
—Employer service cost	\$ 2.9	\$ —	\$ 2.9	\$ 2.5	\$ —	\$ 2.5
Reported outside of operating income:	Reported outside of operating income:	Reported outside of operating income:	Reported outside of operating income:	Reported outside of operating income:	Reported outside of operating income:	Reported outside of operating income:
—Interest cost	Interest cost	18.8	1.1	19.9	11.5	0.9
—Interest cost	Interest cost	18.8	1.1	19.9	11.5	0.9
—Interest cost	Interest cost	18.8	1.1	19.9	11.5	0.9
—Interest cost	Interest cost	18.8	1.1	19.9	11.5	0.9
—Expected return on plan assets	Expected return on plan assets	(19.5)	—	(19.5)	(16.5)	—
—Net amortization of prior period (gains) losses	Net amortization of prior period (gains) losses	(0.1)	(2.5)	(2.6)	0.9	(1.6)
Net periodic benefit cost (income)	Net periodic benefit cost (income)	\$ 2.1	\$ (1.4)	\$ 0.7	\$ (1.6)	\$ (0.7)
Net periodic benefit cost	Net periodic benefit cost	\$ 2.1	\$ (1.4)	\$ 0.7	\$ (1.6)	\$ (0.7)
Net periodic benefit cost	Net periodic benefit cost	\$ 2.1	\$ (1.4)	\$ 0.7	\$ (1.6)	\$ (0.7)
Cash Contributions	Cash Contributions	\$ 5.3	\$ 2.5	\$ 7.8	\$ 6.5	\$ 2.8
Cash Contributions	Cash Contributions	\$ 5.3	\$ 2.5	\$ 7.8	\$ 6.5	\$ 2.8
Cash Contributions	Cash Contributions	\$ 5.3	\$ 2.5	\$ 7.8	\$ 6.5	\$ 2.8

The components of the above net periodic benefit cost (income) for pensions and other post-retirement benefits that are reported outside of operating income are all included in the other (income) expense line in the condensed consolidated statement of operations.

For 2023/2024 as a whole, we expect to contribute approximately \$9.2 \$7.3 million to our defined benefit pension plans and approximately \$3.2 \$3.0 million to our other post-retirement benefit plans.

14. Share-based compensation

The Company operates a share-based incentive plan over its shares to provide incentives to Gates' senior executives and other eligible employees. During the three and nine months ended September 30, 2023 March 30, 2024, we recognized a charge of \$3.3 \$8.6 million, and \$19.6 million, respectively, compared to \$7.2 \$9.5 million and \$34.8 million, respectively, in the three and nine months ended October 1, 2022 April 1, 2023.

Awards issued under the 2014 Omaha Topco Ltd. Stock Incentive Plan (the "2014 Plan")

Gates has a number of share-based incentive awards issued under the 2014 Plan, which was assumed by the Company and renamed the Gates Industrial Corporation plc Stock Incentive Plan in connection with our initial public offering in January 2018 (our "IPO"). No new awards have been granted under this plan since 2017. The options granted prior to our IPO were split equally into four tiers, each with specific vesting conditions. Tier I options vest evenly over 5 years from the grant date, subject to the participant continuing to provide service to Gates on the vesting date. Tier II, III and IV options vest on achievement of specified investment returns by certain investment funds affiliated with Blackstone Inc. ("Blackstone" or our "Sponsor") at the time of a defined liquidity event, which is also subject to the participant's continued provision of service to Gates on the vesting date. The performance conditions associated with Tiers II, III and IV must have been achieved on or prior to July 3, 2022 in order for vesting to occur. All the options expire ten years after the date of grant.

During March 2022, a liquidity event as defined occurred following the sale by Blackstone of a certain portion of their interest in Gates and the Tier II and IV options vested as the specified investment returns related to these options had been met. In connection with this vesting, a one-time share-based compensation charge of \$16.1 million was recognized. On July 3, 2022, the performance period for the Tier III options expired and, as the specified investment returns were not achieved, all Tier III awards expired during Fiscal 2022.

Due to Chinese regulatory restrictions on foreign stock ownership, awards granted under this plan to Chinese employees have been issued as stock appreciation rights ("SARs"). The terms of these SARs are identical to those of the options described above with the exception that no share is issued on exercise; instead, cash equivalent to the increase in the value of the shares from the date of grant to the date of exercise is paid to the employee. These awards are therefore treated as liability awards under Topic 718 "Compensation - Stock Compensation" and are revalued to their fair value at each period end. The SARs include option awards with the same vesting terms as the Tier II, III and IV option awards described above, and, due to the vesting event described above, the SAR equivalents of the Tier II and IV awards also vested in March 2022, resulting in a share-based compensation charge of \$2.6 million. All Tier III SARs expired on July 3, 2022 as the specific performance hurdle was not achieved.

Changes in the awards granted under this plan are summarized in the tables below.

Awards issued under the Gates Industrial Corporation plc 2018 Omnibus Incentive Plan (the "2018 Plan")

In conjunction with the initial public offering in January 2018, Gates adopted the 2018 Plan, which is a market-based long-term incentive program that allows for the issue of a variety of equity-based and cash-based awards, including stock options, SARs and RSUs restricted stock units ("RSUs").

The SARs issued under this plan take the form of options, except that no share is issued on exercise; instead, cash equivalent to the increase in the value of the shares from the date of grant to the date of exercise is paid to the employee. These awards are therefore treated as liability awards under Topic 718 "Compensation - Stock Compensation" and are revalued to their fair value at each period end. The SARs and the majority of the share options issued under this plan vest evenly over either three years or four years from the grant date. The remainder of the options, the premium-priced options, vest evenly over a three-year period, starting two years from the grant date. All options vest subject to the participant's continued employment by Gates on the vesting date and expire ten years after the date of grant.

The RSUs issued under the plan consist of time-vesting RSUs and performance-based RSUs ("PRSUs"). The time-vesting RSUs vest evenly over either one or three years from the date of grant, subject to the participant's continued provision of service to Gates on the vesting date. The PRSUs issued prior to 2022 provide that 50% of the award will generally vest if Gates achieves a certain level of average annual adjusted return on invested capital as defined in the plan ("Adjusted ROIC") and the remaining 50% of the PRSUs will generally vest if Gates achieves certain relative total shareholder return ("Relative TSR") goals, in each case, measured over a three-year performance period and subject to the participant's continued employment through the end of the performance period. The total number of PRSUs that vest at the end of the performance period will range from 0% to 200% of the target based on actual performance against a pre-established scale. Starting in Fiscal 2022, the terms for PRSUs are identical, except that 75% of the award will generally vest based on the specified Adjusted ROIC achievement and the remaining 25% will generally vest based on Relative TSR goal attainment.

New awards and movements in existing awards granted under this plan are summarized in the tables below.

Summary of movements in options outstanding

Nine months ended September 30, 2023		
Plan	Number of options	Weighted average exercise price \$

				Three Months Ended March 30, 2024	
				Three Months Ended March 30, 2024	
				Three Months Ended March 30, 2024	
	Plan				
	Plan				
	Plan				
Outstanding at the beginning of the period:					
Outstanding at the beginning of the period:					
Outstanding at the beginning of the period: beginning of the period:					
—Tier I	—Tier I	2014 Plan	2,521,173	\$	6.89
—Tier I					
—Tier I					
—Tier II					
—Tier II					
—Tier II	—Tier II	2014 Plan	2,689,551	\$	6.97
—Tier IV	—Tier IV	2014 Plan	2,692,551	\$	10.46
—Tier IV					
—Tier IV					
—SARs					
—SARs					
—SARs	—SARs	Both plans	683,087	\$	10.22
—Share options	—Share options	2018 Plan	2,980,134	\$	14.86
—Share options					
—Share options					
—Premium-priced options	—Premium-priced options	2018 Plan	835,469	\$	18.88
			<u>12,401,965</u>	\$	<u>10.59</u>
—Premium-priced options					
—Premium-priced options					
			<u>9,726,970</u>		
			<u>9,726,970</u>		
			<u>9,726,970</u>		
Granted during the period:					
Granted during the period:					
Granted during the period:					
—SARs	—SARs	2018 Plan	38,800	\$	14.04
			<u>38,800</u>	\$	<u>14.04</u>
—SARs					
—SARs					
			<u>22,100</u>		
			<u>22,100</u>		
			<u>22,100</u>		
Forfeited during the period:					
Forfeited during the period:					
Forfeited during the period:					
—SARs	—SARs	2018 Plan	(1,668)	\$	15.76
—SARs					
—SARs					

			(3,001)		
			(3,001)		
			(3,001)		
Expired during the period:					
Expired during the period:					
Expired during the period:					
—Share options	—Share options	2018 Plan	(82,136)	\$	14.84
			(83,804)	\$	14.85
Expired during the period:					
—Tier I		2014 Plan	(2,000)	\$	6.56
—Tier II		2014 Plan	(2,000)	\$	6.56
—Tier IV		2014 Plan	(1,000)	\$	9.84
—SARs		Both Plans	(2,165)	\$	13.33
—Share options	—Share options	2018 Plan	(188,779)	\$	15.63
			(195,944)	\$	15.39
—Share options					
			(15,000)		
			(15,000)		
			(15,000)		
Exercised during the period:					
Exercised during the period:					
Exercised during the period:					
—Tier I	—Tier I	2014 Plan	(660,937)	\$	6.66
—Tier I					
—Tier I					
—Tier II					
—Tier II	—Tier II	2014 Plan	(634,901)	\$	6.84
—Tier IV	—Tier IV	2014 Plan	(643,244)	\$	10.10
—Tier IV					
—Tier IV					
—SARs					
—SARs					
—SARs					
—Share options					
—Share options					
—Share options	—Share options	2018 Plan	(181,087)	\$	12.56
			(423,509)		
			(2,120,169)	\$	8.26
			(423,509)		
			(423,509)		
Outstanding at the end of the period:					
Outstanding at the end of the period:					
Outstanding at the end of the period:					
—Tier I	—Tier I	2014 Plan	1,858,236	\$	6.97
—Tier I					
—Tier I					
—Tier II					

—Tier II						
—Tier II	—Tier II	2014 Plan	2,052,650	\$	7.01	
—Tier IV	—Tier IV	2014 Plan	2,048,307	\$	10.57	
—Tier IV						
—Tier IV						
—SARs						
—SARs						
—SARs	—SARs	Both plans	718,054	\$	10.40	
—Share options	—Share options	2018 Plan	2,528,132	\$	14.97	
—Share options						
—Share options						
—Premium-priced options	—Premium-priced options	2018 Plan	835,469	\$	18.88	
—Premium-priced options						
—Premium-priced options						
			<u>9,307,560</u>			
			<u>9,307,560</u>			
			<u>9,307,560</u>			
			<u>10,040,848</u>	\$	10.96	
Exercisable at the end of the period						
Exercisable at the end of the period						
Exercisable at the end of the period	Exercisable at the end of the period		9,491,978	\$	10.61	
Vested and expected to vest at the end of the period	Vested and expected to vest at the end of the period		10,040,081	\$	10.96	
Vested and expected to vest at the end of the period						
Vested and expected to vest at the end of the period						

As of **September 30, 2023** **March 30, 2024**, the aggregate intrinsic value of options that were exercisable was **\$22.5** **\$63.3** million, and these options had a weighted average remaining contractual term of **3.2** **2.9** years. As of **September 30, 2023** **March 30, 2024**, the aggregate intrinsic value of options that were vested or expected to vest was **\$22.5** **\$63.6** million, and these options had a weighted average remaining contractual term of **3.4** **2.9** years.

As of **September 30, 2023** **March 30, 2024**, the unrecognized compensation charge relating to the nonvested options was \$0.5 million, which is expected to be recognized over a weighted-average period of **0.6** **2.2** years.

During the three and nine months ended **September 30, 2023** **March 30, 2024**, cash of \$0.8 million and \$17.5 **\$2.5** million was received in relation to the exercise of vested options, respectively, compared to \$1.2 million and \$15.1 **\$11.3** million during the three and nine months ended **October 1, 2022**, respectively **April 1, 2023**. The aggregate intrinsic value of options exercised during the three and nine months ended **September 30, 2023** **March 30, 2024** was **\$0** **\$1.8** million, and \$5.0 million, respectively, compared to \$0.2 million and **\$0.8** **\$4.0** million during the three and nine months ended **October 1, 2022**, respectively **April 1, 2023**.

Summary of movements in RSUs and PRSUs outstanding

	Three Months Ended March 30, 2024
	Three Months Ended March 30, 2024
	Three Months Ended March 30, 2024
Number of awards	
Number of awards	
Number of awards	

Outstanding at the beginning of the period:**Outstanding at the beginning of the period:****Outstanding at the beginning of the period:**

—RSUs

—RSUs

—RSUs

—PRSUs

—PRSUs

—PRSUs

	<u>3,949,891</u>
	<u>3,949,891</u>
	<u>3,949,891</u>

Granted during the period:**Granted during the period:****Granted during the period:**

—RSUs

—RSUs

—RSUs

—PRSUs

—PRSUs

—PRSUs

	<u>1,578,359</u>
	<u>1,578,359</u>
	<u>1,578,359</u>

Forfeited during the period:**Forfeited during the period:****Forfeited during the period:**

—RSUs

—RSUs

—RSUs

—PRSUs

—PRSUs

—PRSUs

	<u>(101,881)</u>
	<u>(101,881)</u>
	<u>(101,881)</u>

Nine months ended September 30, 2023

	Number of awards	Weighted average grant date fair value	\$
Outstanding at the beginning of the period:			
—RSUs	3,491,259	\$	13.72
—PRSUs	1,076,560	\$	16.53
	<u>4,567,819</u>	\$	<u>14.38</u>
Granted during the period:			
—RSUs	1,303,462	\$	13.86
—PRSUs	405,954	\$	15.88
Vested during the period:			
	<u>1,709,416</u>	\$	<u>14.34</u>
Forfeited during the period:			
—RSUs	(366,933)	\$	14.20

—PRSUs		(421,809)	\$	16.05
		(788,742)	\$	15.19
Vested during the period:				
Vested during the period:	Vested during the period:			
—RSUs	—RSUs	(1,406,215)	\$	13.54
—RSUs				
—RSUs				
—PRSUs	—PRSUs	(143,044)		14.56
		(1,549,259)	\$	13.63
—PRSUs				
—PRSUs				
		(1,016,982)		
		(1,016,982)		
		(1,016,982)		
Outstanding at the end of the period:				
Outstanding at the end of the period:	Outstanding at the end of the period:			
—RSUs	—RSUs	3,021,573	\$	13.81
—RSUs				
—RSUs				
—PRSUs	—PRSUs	917,661	\$	16.77
		3,939,234	\$	14.50
—PRSUs				
—PRSUs				
		4,409,387		
		4,409,387		
		4,409,387		

As of **September 30, 2023** **March 30, 2024**, the unrecognized compensation charge relating to unvested RSUs and PRSUs was **\$20.7** **\$28.0** million, which is expected to be recognized over a weighted average period of **1.8** **2.0** years, subject, where relevant, to the achievement of the performance conditions described above. The total fair value of RSUs and PRSUs vested during the three and nine months ended **September 30, 2023** **March 30, 2024** was **\$5.8** **\$15.1** million, and **\$21.1** million, respectively, compared to **\$0.1** million and **\$12.2** **\$14.7** million during the three and nine months ended **October 1, 2022**, respectively **April 1, 2023**.

Valuation of awards granted during the period

The grant date fair value of the SARs are measured using a Black-Scholes valuation model. RSUs are valued at the share price on the date of grant. The Relative TSR component of the PRSUs were valued using Monte Carlo simulations. As Gates only has volatility data for its shares for the period since its **initial public offering**, **IPO**, this volatility has, where necessary, been weighted with the debt-levered volatility of a peer group of public companies in order to determine the expected volatility over the expected option life. The expected option life represents the period of time for which the options are expected to be outstanding and is based on consideration of the contractual life of the option, option vesting period, and historical exercise patterns. The weighted average fair values and relevant assumptions were as follows:

	Nine months ended			
	September 30,		October 1,	
	2023	2022	2023	2022
Weighted average grant date fair value:				
—SARs	\$	6.71	\$	6.94
—RSUs	\$	13.86	\$	13.68
—PRSUs	\$	15.88	\$	17.23
Inputs to the model:				
—Expected volatility — SARs			43.4 %	43.5 %

—Expected volatility — PRSUs	37.7 %	49.1 %
—Expected option life for SARs (years)	6.0	6.0
—Risk-free interest rate:		
SARs	4.13 %	1.91 %
PRSUs	4.60 %	1.72 %

	Three months ended			
	March 30,		April 1,	
	2024	2023		
Weighted average grant date fair value:				
—SARs	\$ 6.95	\$ 6.71		
—RSUs	\$ 14.87	\$ 14.06		
—PRSUs	\$ 16.37	\$ 15.88		
Inputs to the model:				
—Expected volatility — SARs	41.7 %	43.4 %		
—Expected volatility — PRSUs	31.6 %	37.7 %		
—Expected option life for SARs (years)	6.0	6.0		
—Risk-free interest rate:				
SARs	4.2 %	4.1 %		
PRSUs	4.4 %	4.6 %		

15. Equity

Movements in the Company's number of shares in issue for the **nine** **three** months ended **September 30, 2023** **March 30, 2024** and **October 1, 2022** **April 1, 2023**, respectively, were as follows:

	Nine months ended				Three months ended	
			September 30,	October 1,	(number of shares)	March 30,
	(number of shares)	(number of shares)	2023	2022		April 1,
Balance as of the beginning of the period	Balance as of the beginning of the period	282,578,917	291,282,137			2024
Exercise of share options	Exercise of share options	2,120,169	1,845,428			2023
Exercise of share options	Exercise of share options					
Vesting of restricted stock units, net of withholding taxes	Vesting of restricted stock units, net of withholding taxes	1,329,609	779,076			
Shares repurchased and cancelled	Shares repurchased and cancelled	(21,934,634)	(11,465,917)			
Balance as of the end of the period	Balance as of the end of the period	264,094,061	282,440,724			

The Company has one class of authorized and issued shares, with a par value of \$0.01, and each share has equal voting rights.

In November 2021, the Company established a repurchase program allowing for up to \$200 million in authorized share repurchases. On March 24, 2022, the Company, certain selling shareholders affiliated with Blackstone, and Citigroup Global Markets Inc. ("Citigroup") entered into an underwriting agreement pursuant to which the selling shareholders agreed to sell to Citigroup 5,000,000 ordinary shares of the Company at a price of \$15.14 per ordinary share (the "2022 Offering"). The selling shareholders also granted to Citigroup an option to purchase up to 750,000 additional ordinary shares of the Company; this option was exercised in full on March 25, 2022. The Company did not receive any proceeds from the sale of ordinary shares in the 2022 Offering, which closed on March 30, 2022. In connection with the 2022 Offering, the Company repurchased 8,000,000 ordinary shares through Citigroup from the same selling shareholders at a price of \$15.14 per ordinary share for an aggregate consideration of \$121.1 million (the "2022 Repurchase"), plus costs directly related to the transaction of \$0.8 million. This repurchase was funded by cash on hand and a borrowing of \$70.0 million under Gates' asset-backed revolving credit facility. All shares repurchased pursuant to the 2022 Repurchase have been cancelled and the original share repurchase program expired on December 31, 2022.

On April 28, 2023 February 7, 2024, the Company's Board of Directors approved another share repurchase program for up to \$250 \$100 million in authorized share repurchases, which expires on October 6, 2024. On May 17, 2023 February 12, 2024, the Company, certain selling shareholders affiliated with Blackstone, and the representatives of the several underwriters entered into an underwriting agreement pursuant to which the selling shareholders agreed to sell to the underwriters 22,500,000 17,500,000 ordinary shares of the Company at a price of \$11.3975 \$12.045 per ordinary share (the "May 2023 February 2024 Offering"). The selling shareholders also granted the underwriters an option to purchase up to 3,375,000 2,625,000 additional ordinary shares of the Company; this option was exercised in full on May 18, 2023 February 16, 2024. The Company did not receive any proceeds from the sale of ordinary shares in the May 2023 February 2024 Offering, which closed on May 23, 2023 February 16, 2024. In connection with the May 2023 February 2024 Offering, the Company repurchased 21,934,634 4,151,100 ordinary shares through Citigroup Global Markets Inc. from the same selling shareholders at a price of \$11.3975 \$12.045 per ordinary share for an aggregate consideration of approximately \$250.0 \$50.0 million (the "2023 2024 Repurchase"), plus costs paid directly related to the transaction of \$1.7 \$0.3 million. This repurchase was funded by cash on hand and a borrowing of \$100.0 million under Gates' asset-backed revolving credit facility. All shares repurchased pursuant to the 2023 2024 Repurchase have been cancelled. Following the May 2023 Offering and the 2023 Repurchase, shareholders affiliated with Blackstone no longer beneficially own a majority of our outstanding ordinary shares and therefore we are no longer considered a "controlled company" within the meaning of the NYSE corporate governance standards.

On August 8, 2023, the Company, certain selling shareholders affiliated with Blackstone, and the representatives of the several underwriters entered into another underwriting agreement pursuant to which the selling shareholders agreed to sell to the underwriters 15,000,000 ordinary shares of the Company at a price of \$11.57 per ordinary share (the "August 2023 Offering"), with an option to purchase up to 2,250,000 additional ordinary shares of the Company; this option was exercised in full on August 9, 2023. The Company did not receive any proceeds from the sale of ordinary shares in the August 2023 Offering, which closed on August 14, 2023.

16. Analysis of accumulated other comprehensive (loss) income

Changes in accumulated other comprehensive (loss) income by component, net of tax, were as follows:

		Accumulated OCI					
		Post-retirement benefits	Cumulative translation adjustment	Cash hedges	attributable to shareholders	Non-controlling interests	Accumulated OCI
(dollars in millions)		(dollars in millions)					
As of December 31, 2022							
		\$ 0.6	(\$950.0)	\$31.6	\$ (917.8)	\$ (64.6)	\$ (982.4)
(dollars in millions)							
As of December 30, 2023							
Foreign currency translation	Foreign currency translation	(1.3)	27.2	—	25.9	(29.4)	(3.5)
Cash flow hedges movements	Cash flow hedges movements	—	—	7.4	7.4	—	7.4
Post-retirement benefit movements	Post-retirement benefit movements	(1.9)	—	—	(1.9)	—	(1.9)
Other comprehensive (loss) income	Other comprehensive (loss) income	(3.2)	27.2	7.4	31.4	(29.4)	2.0
As of September 30, 2023		\$ (2.6)	(\$922.8)	\$39.0	\$ (886.4)	\$ (94.0)	\$ (980.4)

As of March
30, 2024

Accumulated OCI						
(dollars in millions)	(dollars in millions)	Post-retirement benefits	Cumulative translation adjustment	Cash flow hedges	attributable to shareholders	Non-controlling interests
As of January 1, 2022	\$ 36.6	\$ (836.7)	\$ (25.1)	\$ (825.2)	\$ (23.4)	\$ (848.6)
<i>(dollars in millions)</i>						
(dollars in millions)	(dollars in millions)	Post-retirement benefits	Cumulative translation adjustment	Cash flow hedges	attributable to shareholders	Non-controlling interests
As of December 31, 2022						
Foreign currency translation	Foreign currency translation	(1.8)	(227.7)	—	(229.5)	(62.1)
Cash flow hedges movements	Cash flow hedges movements	—	—	57.4	57.4	—
Post-retirement benefit movements	Post-retirement benefit movements	(0.5)	—	—	(0.5)	—
Other comprehensive (loss) income	Other (loss) income	(2.3)	(227.7)	57.4	(172.6)	(62.1)
As of October 1, 2022	\$ 34.3	\$ (1,064.4)	\$ 32.3	\$ (997.8)	\$ (85.5)	\$ (1,083.3)
As of April 1, 2023						

17. Related party transactions

A. Entities affiliated with Blackstone

In connection with the initial public offering of Gates, we entered into a Support and Services Agreement with Blackstone Management Partners L.L.C. ("BMP") under which the Company and certain of its direct and indirect subsidiaries reimburse BMP for customary support services provided by Blackstone's portfolio operations group to the Company at BMP's direction. BMP will invoice the Company for such services based on the time spent by the relevant personnel providing such services during the applicable period and Blackstone's allocated costs of such personnel. During the periods presented, no amounts were paid or were outstanding under this agreement. This agreement terminates on the date our Sponsor beneficially owns less than 5% of our ordinary shares and such shares have a fair market value of less than \$25.0 million, or such earlier date as may be chosen by Blackstone.

As described in Note 15, in March 2022, February 2024, the Company repurchased 8,000,000 4,151,100 ordinary shares through Citigroup Global Markets Inc. from certain shareholders affiliated with Blackstone for an aggregate consideration of \$121.1 million, plus costs directly related to the transaction of \$0.8 million. Additionally, in May 2023, the Company repurchased 21,934,633 ordinary shares through Citigroup from certain shareholders affiliated with Blackstone for an aggregate consideration of approximately \$250.0 \$50.0 million, plus costs paid directly related to the transaction of \$1.7 \$0.3 million.

B. Equity method investees

Sales to and purchases Purchases from equity method investees were as follows:

Three months ended						
(dollars in millions)	(dollars in millions)	(dollars in millions)	Three months ended	Three months ended	Three months ended	Three months ended
(dollars in millions)	(dollars in millions)	(dollars in millions)	September 30, 2023	October 1, 2022	September 30, 2023	October 1, 2022
Sales	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Purchases	Purchases	\$ (4.5)	\$ (3.7)	\$ (13.7)	\$ (11.9)	\$ (11.9)

Purchases

Purchases

Amounts outstanding in respect of these transactions were payables of \$0.4 \$1.1 million as of September 30, 2023 March 30, 2024, compared to \$2.4 payables of \$0.2 million as of December 31, 2022 December 30, 2023. No dividends were received from our equity method investees during the periods presented.

C. Non-Gates entities controlled by non-controlling shareholders

Sales to and purchases from non-Gates entities controlled by non-controlling shareholders were as follows:

		Three months ended		Nine months ended	
		Three months ended	Three months ended		
		Three months ended	Three months ended		
		Three months ended	Three months ended		
(dollars in millions)	(dollars in millions)				
(dollars in millions)	(dollars in millions)	September 30, 2023	October 1, 2022	September 30, 2023	October 1, 2022
Sales	Sales	\$ 9.7	\$ 13.5	\$ 34.8	\$ 45.8
Sales					
Sales					
Purchases	Purchases	\$ (3.4)	\$ (4.1)	\$ (11.8)	\$ (14.0)
Purchases					
Purchases					

Amounts outstanding in respect of these transactions were as follows:

(dollars in millions)	(dollars in millions)	As of September 30, 2023	As of December 31, 2022	(dollars in millions)	As of March 30, 2024	As of December 30, 2023
Receivables	Receivables	\$ 4.1	\$ 4.7			
Payables	Payables	\$ (2.6)	\$ (3.2)			

18. Commitments and contingencies

A. Performance bonds, letters of credit and bank guarantees

As of September 30, 2023 March 30, 2024, letters of credit totaling \$31.6 \$28.6 million were outstanding against the asset-backed revolving facility, compared to \$25.8 \$29.7 million as of December 31, 2022 December 30, 2023. Gates had additional outstanding performance bonds, letters of credit and bank guarantees amounting to \$8.3 \$8.6 million as of September 30, 2023 March 30, 2024, compared to \$8.7 \$8.4 million as of December 31, 2022 December 30, 2023.

B. Contingencies

Gates is, from time to time, party to general legal proceedings and claims, which arise in the ordinary course of business. Gates is also, from time to time, party to legal proceedings and claims in respect of environmental obligations, product liability, intellectual property, commercial and contractual disputes, employment matters and other matters which arise in the ordinary course of business and against which management believes Gates has meritorious defenses available. When appropriate, management consults with legal counsel and other appropriate experts to assess claims. If, in management's opinion, we have incurred a probable loss as set forth by U.S. GAAP, an estimate is made of the loss and the appropriate accrual is reflected in our consolidated financial statements. Currently, there are no material amounts accrued.

While it is not possible to quantify the financial impact or predict the outcome of all pending claims and litigation, management does not anticipate that the outcome of any current proceedings or known claims, either individually or in aggregate, will materially affect Gates' financial position, results of operations or cash flows.

C. Warranties

The following summarizes the movements in the warranty liability for the nine three months ended September 30, 2023 March 30, 2024 and October 1, 2022 April 1, 2023, respectively:

	Nine months ended	
	Three months ended	Three months ended

	September (dollars in millions)	October 30, 2023	1, 2022	(dollars in millions)	March 30, 2024	April 1, 2023
Balance as of the beginning of the period	Balance as of the beginning of the period	\$ 17.6	\$ 18.7			
Charge for the period	Charge for the period	3.7	8.1			
Payments made	Payments made	(5.7)	(7.5)			
Released during the period		(0.1)	(0.1)			
Foreign currency translation						
Foreign currency translation	Foreign currency translation	(0.4)	(0.9)			
Balance as of the end of the period	Balance as of the end of the period	\$ 15.1	\$ 18.3			

Item 2: Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with the condensed consolidated financial statements and related notes thereto included elsewhere in this quarterly report. In addition to historical information, this discussion contains forward-looking statements that involve risks, uncertainties and assumptions that could cause actual results to differ materially from management's expectations. Factors that could cause such differences are discussed in "Cautionary Note Regarding Forward-Looking Statements" above and Part I, Item 1A. "Risk Factors" in our annual report.

Our Company

We are a global manufacturer of innovative, highly engineered power transmission and fluid power solutions. We offer a broad portfolio of products to diverse replacement channel customers, and to original equipment manufacturers ("first-fit") manufacturers as specified components, with the majority of our revenue coming from replacement channels. Our products are used in applications across numerous end markets, including including: automotive replacement and first-fit; diversified industrial; industrial off-highway end markets such as construction and agriculture, off-highway; industrial on-highway end markets such as transportation, diversified industrial, energy and resources, automotive, on-highway; and personal mobility. Our net sales have historically been, and remain, highly correlated with industrial activity and utilization, and not with any single end market given the diversification of our business and high exposure to replacement markets. We sell our products globally under the Gates brand, which is recognized by distributors, equipment manufacturers, installers and end users as a premium brand for quality and technological innovation; this reputation has been built over more than 110 years since Gates' founding in 1911.

Within the diverse end markets we serve, our highly engineered products are often critical components in applications for which the cost of downtime is high relative to the cost of our products, resulting in the willingness of end users to pay a premium for superior performance and availability. These applications subject our products to normal wear and tear, resulting in natural, and often preventative, replacement cycles that drive high-margin, recurring revenue. Our product portfolio represents one of the broadest ranges of power transmission and fluid power products in the markets we serve, and we maintain long-standing relationships with a diversified group of blue-chip well-known customers throughout the world. As a leading designer, manufacturer and marketer of highly engineered, mission-critical products, we have become an industry leader across most of our end markets and the regions and end markets in which we operate.

Business Trends

Our net sales have historically been, and remain, highly correlated with industrial activity and utilization and not with any single end market given the diversification of our business and high exposure to replacement channels. This diversification limits our exposure to trends in any given end market. In addition, a majority of our sales are generated from customers in replacement channels, who serve primarily a large base of installed equipment that follows a natural maintenance cycle that is somewhat less susceptible to

various trends that affect our end markets. Such trends include infrastructure investment and construction activity, agricultural production and related commodity prices, commercial and passenger vehicle production, miles driven and fleet age, evolving regulatory requirements related to emissions and fuel economy and oil and gas prices and production. Key indicators of our performance include industrial production, industrial sales and manufacturer shipments.

During the **nine** **three** months ended **September 30, 2023** **March 30, 2024**, sales into replacement channels accounted for approximately **64%** **66%** of our total net sales. Our replacement sales cover a very broad range of applications and industries and, accordingly, are highly correlated with industrial activity and utilization and not a single end market. Replacement products are principally sold through distribution partners that may carry a very broad line of products or may specialize in products associated with a smaller set of end market applications.

During the **nine** **three** months ended **September 30, 2023** **March 30, 2024**, sales into first-fit channels accounted for approximately **36%** **34%** of our total net sales. First-fit sales are to a variety of industrial and automotive customers. Our industrial first-fit customers cover a diverse range of industries and applications and many of our largest first-fit customers manufacture construction and agricultural equipment.

During the **nine** **three** months ended **September 30, 2023** **March 30, 2024**, previous challenges related to supply chains, logistics, and inflation continued to ease, which improved our productivity and expanded our profitability. We continue to make progress on improving our inventory position and turnover to meet our customer demands. We expect our **inventory-focused** **enterprise** initiatives to continue **enhancing** **improving** our **working capital use** **profitability** and **cash conversion** **generation** through **Fiscal 2023**, **2024**.

Global conflicts, such as the conflict between Russia and Ukraine and the sanctions and counter-sanctions imposed in response to it, created increased economic uncertainty and operational complexity both in Europe, Middle East and Africa ("EMEA") and globally, the impacts of which we cannot fully predict. Gates had a single distribution center in Russia that sold primarily to customers based in Russia. In early July 2022, we suspended our operations in Russia. The Russia-Ukraine and other global conflicts did not have a significant adverse impact on our operating results during the three months ended **September 30, 2023** **March 30, 2024**. We will continue to monitor if the Russia-Ukraine and other conflicts impact global economic conditions or our business.

During 2022, our operations in China were impacted by the COVID-19 pandemic and related government actions, resulting in a modest loss of production, sales and profitability as well as decreased customer demand and labor availability. Although these conditions improved in 2023, we may experience future production or distribution disruptions associated with public health crises where individual locations are temporarily closed or productivity is reduced by government mandates or as a result of supply chain or labor disruptions, which could place further constraints on our ability to produce or deliver our products and meet customer demand or increase our costs. We may also continue to experience periods of inconsistency in customer demand as customers address their own supply chain constraints. Throughout the pandemic, we were able to maintain our ability to respond to changes in demand and we continue to fund key initiatives, which we believe will serve us well as our end markets continue to evolve.

Results for the three **and** **nine** months ended **September 30, 2023** **March 30, 2024** compared to the results for the three **and** **nine** months ended **October 1, 2022** **April 1, 2023**

Summary Gates Performance

		Three months ended		Nine months ended			
		Three months ended		Three months ended			
		September		September			
(dollars in millions)	(dollars in millions)	30, 2023	October 1, 2022	30, 2023	October 1, 2022	(dollars in millions)	
Net sales	Net sales	\$872.9	\$860.7	\$2,706.9	\$2,660.9		
Cost of sales	Cost of sales	529.5	551.2	1,685.7	1,720.3		
Gross profit	Gross profit	343.4	309.5	1,021.2	940.6		
Selling, general and administrative expenses	Selling, general and administrative expenses	213.4	199.7	666.2	644.0		
Transaction-related expenses	Transaction-related expenses	1.3	0.7	2.1	2.0		
Asset impairments		0.1	0.5	0.1	1.1		
Restructuring expenses	Restructuring expenses	2.6	4.7	10.3	8.4		
Other operating expense		0.1	0.1	0.2	0.2		

Restructuring expenses						
Restructuring expenses						
Operating income from continuing operations						
Operating income from continuing operations						
Operating income from continuing operations	Operating income from continuing operations	125.9	103.8	342.3	284.9	
Interest expense	Interest expense	39.5	33.3	124.8	98.9	
Other (income) expense	Other (income) expense	(0.2)	3.1	3.8	11.8	
Other (income) expenses						
Income from continuing operations before taxes	Income from continuing operations before taxes	86.6	67.4	213.7	174.2	
Income tax expense	Income tax expense	1.0	11.4	25.9	21.5	
Net income from continuing operations	Net income from continuing operations	\$ 85.6	\$ 56.0	\$ 187.8	\$ 152.7	
Operating income from continuing operations margin						
Operating income from continuing operations margin						
Operating income from continuing operations margin						
Adjusted EBITDA ⁽¹⁾	Adjusted EBITDA ⁽¹⁾	\$189.4	\$177.7	\$ 561.2	\$ 514.6	
Adjusted EBITDA margin	Adjusted EBITDA margin	21.7 %	20.6 %	20.7 %	19.3 %	Adjusted EBITDA margin
						13.5 %
						9.7 %
						22.7 %
						19.4 %

⁽¹⁾ See “—Non-GAAP Measures” for a reconciliation of Adjusted EBITDA to net income from continuing operations, the closest comparable GAAP measure, for each of the periods presented.

Net sales

Net sales during the three months ended **September 30, 2023** **March 30, 2024** were **\$872.9** **\$862.6** million, compared to **\$860.7** **\$897.7** million during the prior year period, **an increase a decrease of 1.4% 3.9%, or \$12.2 \$35.1 million.** **driven primarily by lower volumes, partially offset by a \$14.5 million benefit from pricing.** Our net sales for the three months ended September 30, 2023 were favorably impacted by movements in average currency exchange rates of \$16.2 million compared to the prior year period, principally due to the weakening of the U.S. dollar against a number of currencies, in particular the Euro and Mexican Peso. Excluding this impact, core sales decreased by \$4.0 million, or 0.5%, during the three months ended September 30, 2023 compared to the prior year period, driven primarily by the impact of lower sales volume, partially offset by a \$39.1 million benefit from pricing.

Core sales in our Power Transmission business increased by 1.2% while core sales in our Fluid Power business decreased by 3.0% for the three months ended September 30, 2023 compared to the prior year period. The overall decline in core sales was primarily driven by a 9.7% and 2.8% decline in sales to our industrial first fit and industrial replacement channels, respectively, for the three months ended September 30, 2023, primarily in North America, Greater China, and EMEA. Personal mobility, off-highway and diversified industrial end markets drove most of this decline from industrial sales for the three months ended September 30, 2023. These decreases were largely offset by increases in sales to our automotive replacement and automotive first-fit channels by 6.4% and 5.4%, respectively. The growth of the automotive replacement sales primarily came from EMEA and South America, while the increase of automotive first-fit sales was mostly driven by North America and East Asia & India.

Net sales during the nine months ended September 30, 2023 were \$2,706.9 million, compared to \$2,660.9 million during the prior year period, an increase of 1.7%, or \$46.0 million. Our net sales for the nine months ended September 30, 2023 March 30, 2024 were adversely impacted by movements in average currency exchange rates of \$20.4 \$2.8 million compared to the prior year period, period, principally due to the strengthening strengthening of the U.S. dollar against a number of currencies, in particular the primarily Chinese Renminbi, Turkish Lira and Canadian Dollar. Exc Japanese Yen, partially offset by the weakening of the U.S. dollar against the Mexican Peso and the Euro. As such, luding these impacts, core sales increased decreased by \$66.4 \$32.3 million, or 2.5% 3.6%, during the nine three months ended September 30, 2023 March 30, 2024 compared to the prior year period.

The overall core sales decline was driven primarily by a decrease in sales to customers in our industrial channels, which were 10.0% lower compared with the prior year period. Industrial first-fit and industrial replacement sales declined by 17.5% and 3.8%, respectively, during the three months ended March 30, 2024 compared to the prior year period. The majority of the sales decline in the industrial channel was from EMEA and North America, which declined by 19.7% and 7.9%, respectively. The industrial sales decline was primarily driven by off-highway and personal mobility end markets, with a 10.1% and 41.4% decline, respectively, compared to the prior year period. Sales from automotive channels increased by 4.2% during the three months ended March 30, 2024 compared to the prior year period, driven primarily by a \$166.0 million benefit from pricing, partially offset by the impact particularly in North America and EMEA with increases of lower volumes.

Core sales in our Power Transmission 4.7% and Fluid Power businesses increased by 3.8% and 0.4% 2.2%, respectively, for the nine months ended September 30, 2023 compared to the prior year period. These improvements were primarily driven by sales to customers in our automotive channel with an overall growth of 8.6%, primarily due to EMEA and North America with a year-over-year increase in core sales of 18.0% and 2.4%, respectively.

Cost of sales

Cost of sales for the three months ended September 30, 2023 March 30, 2024 was \$529.5 \$532.6 million, compared to \$551.2 \$572.6 million for the prior year period, a decrease of 3.9% 7.0%, or \$21.7 \$40.0 million. This The decrease was primarily attributable to a combined impact of lower volume volumes and improved fixed cost absorption of \$27.2 million. The decreases were partially offset by unfavorable movements in average currency exchange rates.

Cost of sales for the nine months ended September 30, 2023 was \$1,685.7 million, compared to \$1,720.3 enterprise initiatives which favorably impacted manufacturing performance, totaling \$37.3 million, for the three months ended March 30, 2024 compared to the prior year period, a decrease of 2.0%, or \$34.6 million. The decrease was primarily driven by favorable movements in average currency exchange rates of \$22.0 million and lower volume net of lower fixed cost absorption of \$13.9 million. This decrease was partially offset by higher inflation-related costs. period.

Gross profit

As a result of the factors described above, gross profit for the three months ended September 30, 2023 March 30, 2024 was \$343.4 \$330.0 million, compared to \$309.5 \$325.1 million for the prior year period, an increase of 11.0% 1.5% or \$33.9 \$4.9 million. Our gross profit margin improved by 330 210 basis points to 39.3% 38.3% for the three months ended September 30, 2023.

As a result of the factors described above, gross profit for the nine months ended September 30, 2023 was \$1,021.2 million, compared to \$940.6 million March 30, 2024, up from 36.2% for the prior year period, an increase of 8.6% or \$80.6 million. Our gross profit margin improved by 240 basis points to 37.7% for the nine months ended September 30, 2023. period.

Selling, general and administrative expenses

Selling, general and administrative ("SG&A") &A expenses for the three months ended September 30, 2023 March 30, 2024 were \$213.4 \$211.7 million compared to \$199.7 \$232.1 million for the prior year period. This increase decrease of \$13.7 \$20.4 million was primarily attributable to a \$10.6 million charge related to the credit loss due to a customer bankruptcy incurred during the prior year period. The decrease was also driven primarily by an increase in lower labor and benefits expense of \$17.5 expenditures and higher corporate-owned life insurance related income, totaling \$10.0 million and unfavorable movements in average currency exchange rates of \$7.5 million. The increases were partially offset by lower share-based compensation costs and decreased warranty expenditures. for the three months ended March 30, 2024.

SG&A Transaction-related expenses

Transaction-related expenses for the nine three months ended September 30, 2023 March 30, 2024 were \$666.2 \$0.4 million compared to \$644.0 \$0.2 million for the prior year period. This The increase of \$22.2 million was driven primarily by an increase of labor and benefits expense of \$34.4 million and an \$11.4 million charge to reflect an estimated credit loss due to a recent customer bankruptcy as further described in Note 3 to the condensed consolidated financial statements included elsewhere in this quarterly report. This increase was partially offset by lower share-based compensation costs of \$15.2 million, largely due to the March 2022 vesting of certain pre-IPO options as discussed further in Note 14 to the condensed consolidated financial statements included elsewhere in this report. Additional offsets were primarily due to decreased outbound freight and warranty expenditures.

Transaction-related expenses

Transaction-related expenses of \$1.3 million and \$2.1 million were incurred during the three and nine months ended September 30, 2023, respectively, related primarily to the accrued fees for amending the New Dollar Term Loans in October 2023 and certain other corporate transactions. Transaction-related expenses of \$0.7 million and \$2.0 million were incurred during the prior year three and nine months ended October 1, 2022, respectively, related primarily to the secondary offering completed in March 2022 and other corporate transactions.

during the three months ended March 30, 2024.

Restructuring expenses

Restructuring and other strategic initiatives during the three and nine months ended September 30, 2023 related primarily to severance and other non-labor costs related to relocating certain production activities in China, Mexico and Europe. During the three months ended September 30, 2023, we also incurred additional non-severance labor and benefit costs expenses of \$0.3 \$1.2 million related to relocation and integration of certain support functions into our regional shared service center in Europe. Other restructuring costs were incurred during the three months ended September 30, 2023 March 30, 2024, related to legal and consulting expenses, as well as relocation of certain production activities in Mexico, and other restructuring costs associated with prior period facility closures or relocations in several countries.

Restructuring and other strategic initiatives expenses of \$5.5 million were recognized during the three and nine months ended October 1, 2022 prior year period, related primarily to our ongoing European reorganization, including \$2.2 million of severance and non-severance labor costs and severance other costs related to relocating certain production activities within Europe during the three months ended October 1, 2022, in addition to severance costs of \$2.3 million during the nine months ended October 1, 2022 related to relocation and integration of certain support functions into our regional shared service center. We also incurred \$1.4 million and \$2.7 million of costs, respectively, during the three and nine months ended October 1, 2022 in relation to the suspension of our operations in Russia, which included severance costs of \$0.7 million, an impairment of inventories of \$0.3 million (recognized in cost of sales), and an impairment of fixed and other assets of \$1.1 million (recognized in asset impairments) for the nine months ended October 1, 2022. Other restructuring costs incurred during the period related to non-severance and other labor and benefit costs, prior period facility closures or relocations in several countries.

Interest expense

Our interest expense was as follows:

		Three months ended		Nine months ended		(dollars in millions)	March 30, 2024	April 1, 2023			
		Three months ended		Nine months ended							
		Three months ended		Nine months ended							
		Three months ended		Nine months ended							
(dollars in millions)	(dollars in millions)	September 30, 2023	October 1, 2022	September 30, 2023	October 1, 2022						
Debt:	Debt:										
Dollar Term Loans	Dollar Term Loans	\$ 26.9	\$ 17.0	\$ 87.5	\$ 47.8						
Euro Term Loan	Euro Term Loan	—	4.9	—	15.7						
Dollar Term Loans	Dollar Term Loans										
Dollar Senior Notes	Dollar Senior Notes										
Dollar Senior Notes	Dollar Senior Notes	8.7	8.8	26.6	26.6						
Asset-backed revolver	Asset-backed revolver	1.0	0.4	1.8	0.8						
		36.6	31.1	115.9	90.9						
		33.5									
		33.5									
		33.5									
Amortization of deferred issuance costs	Amortization of deferred issuance costs										
Other interest expense	Other interest expense	2.3	1.8	6.7	5.7						
		\$ 39.5	\$ 33.3	\$ 124.8	\$ 98.9						
		\$									

Details of our long-term debt are presented in Note 12 to the condensed consolidated financial statements included elsewhere in this report. Interest on debt increased by \$5.5 million for the three months ended September 30, 2023 and increased by \$25.0 million for the nine months ended September 30, 2023, March 30, 2024 decreased when compared to the respective equivalent prior year periods. The increase period, primarily due to the favorable impact of derivatives partially offset by higher interest rates applicable on the floating rate Dollar Term Loans. Amortization of deferred issuance costs during both the three and nine months ended September 30, 2023 was primarily driven by a higher interest rate on March 30, 2024 included the accelerated amortization of \$1.0 million due to the \$100.0 million repayment against our Existing Dollar Term Loans partially offset (as defined below) in February 2024.

Other (income) expenses

Our other expenses were as follows:

	Three months ended	
	March 30, 2024	April 1, 2023
(dollars in millions)		
Interest income on bank deposits	\$ (5.7)	\$ (2.0)
Foreign currency (gain) loss on net debt and hedging instruments	(0.8)	1.6
Net adjustments related to post-retirement benefits	(0.7)	(0.7)
Foreign currency loss on hyperinflation remeasurement	3.4	—
Other	2.3	1.4
	\$ (1.5)	\$ 0.3

Other income for the three months ended March 30, 2024 was \$1.5 million, compared to \$0.3 million expense in the prior year period. This change was driven primarily by the impact of derivatives. Interest expense during both higher interest income on bank deposits compared to the three and nine months ended September 30, 2023 also increased prior year period due to higher interest rates, and higher borrowing amounts under the asset-backed revolver. Amortization of deferred issuance costs increased during the three and nine months ended September 30, 2023 primarily due to the additional costs incurred from issuing the New Dollar Term Loans in November 2022.

Other (income) expense

Our other (income) expense was as follows:

	Three months ended		Nine months ended	
	September 30, 2023	October 1, 2022	September 30, 2023	October 1, 2022
(dollars in millions)				
Interest income on bank deposits	\$ (4.0)	\$ (0.6)	\$ (9.2)	\$ (2.1)
Foreign currency (gain) loss on net debt and hedging instruments	(1.4)	3.7	1.5	14.4
Net adjustments related to post-retirement benefits	(0.7)	(1.6)	(2.2)	(4.8)
Other	5.9	1.6	13.7	4.3
	\$ (0.2)	\$ 3.1	\$ 3.8	\$ 11.8

Other (income) expenses for the three and nine months ended September 30, 2023 were income of \$0.2 million and expense of \$3.8 million, respectively, compared to expenses of \$3.1 million and \$11.8 million, respectively, in the prior year periods. These changes were driven primarily by the impact of net movements in foreign currency exchange rates on net debt and hedging instruments and increased interest income on our bank deposits, instruments. The increase was partially offset by higher interest costs on post-retirement obligations based on the most recent actuarial valuations. In addition, the economies of Türkiye and Argentina are both designated as a highly inflationary economy under U.S. GAAP. The functional currency for a portion of our Türkiye operations and our Argentina operations were previously changed from their local currency to the U.S. dollar as a result of applying highly-inflationary accounting treatment. During the three and nine months ended September 30, 2023, we incurred a foreign currency remeasurement loss of \$3.7 million and \$8.5 million, respectively, due related to translation adjustments for these entities that operate in highly inflationary economies, compared specifically Argentina and Türkiye, and higher costs incurred in relation to a remeasurement loss of \$0.2 million and \$1.6 million during our trade accounts receivable factoring program due to an increase in the three and nine months ended October 1, 2022, respectively, discount rate.

Income tax expense (benefit)

We compute the year-to-date income tax provision by applying our estimated annual effective tax rate to our year-to-date pre-tax income and adjust for discrete tax items in the period in which they occur.

For the three months ended September 30, 2023 March 30, 2024, we had an income tax expense of \$1.0 \$34.5 million on pre-tax income of \$86.6 \$80.7 million, which resulted in an effective tax rate of 1.2% 42.8%, compared to an income tax expense of \$11.4 \$15.3 million on pre-tax income of \$67.4 \$46.2 million, which resulted in an effective tax rate of 16.9% 33.1% for the three months ended October 1, 2022 April 1, 2023.

For the three months ended September 30, 2023 March 30, 2024 the effective tax rate was driven primarily by the jurisdictional mix of earnings and by discrete expenses of \$11.7 million, of which \$9.1 million related to changes in the realizability of certain deferred tax assets, \$1.4 million related to net unrecognized tax benefits, and \$1.2 million related to other net discrete expenses. For the three months ended April 1, 2023, the effective tax rate was driven primarily by discrete tax benefits expenses of \$11.0 \$6.4 million, of which \$12.9 million related to unrecognized tax benefits due to audit closures offset by \$1.9 million of other discrete expenses. For the three months ended October 1, 2022, the effective tax rate was driven primarily by a discrete tax benefit of \$3.5 \$2.6 million related to the partial release impacts of valuation allowance on deferred tax assets for U.S. law changes primarily in Türkiye and Belgium, \$1.9 million related to undistributed foreign tax credits, earnings, and \$2.9 million related to other net discrete expenses, partially offset by \$2.6 \$1.0 million of other discrete expenses, net unrecognized tax benefits.

For Numerous foreign jurisdictions, including the nine months ended September 30, 2023 U.K., we had an income have enacted or are in the process of enacting legislation to adopt a minimum effective tax expense of \$25.9 million on pre-tax income of \$213.7 million, which resulted rate described in an the Global Anti-Base Erosion, or Pillar Two, model rules issued by the Organization for Economic Co-operation and Development, or OECD. Under such rules, a minimum effective tax rate of 12.1%, compared 15% would apply to an income tax expense of \$21.5 million on pre-tax income of \$174.2 million, which resulted in an multinational companies with consolidated revenue above €750 million. Under the Pillar Two rules, a company would be required to determine a combined effective tax rate of 12.3% for all entities located in a jurisdiction. If the nine months ended October 1, 2022.

For the nine months ended September 30, 2023 the jurisdictional effective tax rate was driven primarily by discrete benefits of \$12.9 million related to unrecognized determined under the Pillar Two rules is less than 15%, a top-up tax benefits will be due to audit closures. For the nine months ended October 1, 2022, the jurisdictional effective tax rate was driven primarily up to 15%. We are continuing to monitor the pending implementation of Pillar Two by discrete benefits individual countries and the potential effects of \$15.2 million related Pillar Two on our business. We do not expect the provisions effective in 2024 to the partial release have a materially adverse impact on our results of valuation allowance on deferred tax assets for U.S. foreign tax credits, operations, financial position or cash flows.

Deferred Tax Assets and Liabilities

We recognize deferred tax assets and liabilities for future tax consequences arising from differences between the carrying amounts of existing assets and liabilities under U.S. GAAP and their respective tax bases, and for net operating loss carryforwards and tax credit carryforwards. We evaluate the recoverability of our deferred tax assets, weighing all positive and negative evidence, and are required to establish or maintain a valuation allowance for these assets if we determine that it is more likely than not that some or all of the deferred tax assets will not be realized.

As of each reporting date, we consider new evidence, both positive and negative, that could impact our view with regard to the future realization of deferred tax assets. We will maintain our positions with regard to future realization of deferred tax assets, including those with respect to which we continue maintaining valuation allowances, until there is sufficient new evidence to support a change in expectations. Such a change in expectations could arise due to many factors, including those impacting our forecasts of future earnings, as well as changes in the international tax laws under which we operate and tax planning. It is not reasonably possible to forecast any such changes at the present time, but it is possible that, should they arise, our view of their effect on the future realization of deferred tax assets may materially impact our financial statements.

After weighing all of the evidence, giving more weight to the evidence that was objectively verifiable, we determined during the three months ended September 30, 2023 that, as of March 30, 2024, that it is more likely than not that deferred tax assets in the U.S., Germany, and China totaling \$2.4 \$12.3 million are not realizable. Accordingly, we discretely recognized \$9.1 million expense from deferred tax assets that are no longer realizable, none of which was discrete, while the remaining \$3.2 million will be recognized during the year through the effective tax rate. As a result of changes in our Sponsor's ownership in us and estimates of future taxable profits against which the net operating losses and foreign tax credits can be utilized, our position and judgment changed regarding valuation allowances on the realizability of these deferred tax assets, assets changed.

Adjusted EBITDA

Adjusted EBITDA for the three months ended September 30, 2023 March 30, 2024 was \$189.4 \$195.6 million, compared to \$177.7 \$174.5 million in for the prior year period, an increase of 6.6% 12.1% or \$11.7 \$21.1 million. Adjusted EBITDA margin was 21.7% 22.7% for the three months ended September 30, 2023 March 30, 2024, a 110 basis point increase from the prior year period margin of 20.6%. The increase in Adjusted EBITDA was driven primarily by the increase in gross profit of \$33.9 million, which was largely the result of favorable pricing, partially offset by lower volumes. The increase in Adjusted EBITDA was also partially offset by higher labor and benefit expenses during the three months ended September 30, 2023.

Adjusted EBITDA for the nine months ended September 30, 2023 was \$561.2 million, compared to \$514.6 million in the prior year period, an increase of 9.1% or \$46.6 million. Adjusted EBITDA margin was 20.7% for the nine months ended September 30, 2023, a 140 330 basis point improvement from the prior year period Adjusted EBITDA margin of 19.3% 19.4%. The drivers of the increase in Adjusted EBITDA were similar to those described above for was largely the three-month period, further result of enterprise initiatives which favorably impacted manufacturing performance, benefits from pricing and favorable movements in average currency exchange rates, partially offset by lower absorption of fixed costs and higher inflation costs during the nine months ended September 30, 2023 compared to the prior year period. volumes.

For a reconciliation of net income from continuing operations to Adjusted EBITDA for each of the periods presented and the calculation of the Adjusted EBITDA margin, see —Non-GAAP Measures.”

Analysis by Operating Segment

Power Transmission (61.5% and 61.3%, respectively, (61.8% of Gates' net sales for the three and nine months ended September 30, 2023 March 30, 2024)

		Three months ended				
		September 30,		October 1,		Period over period change
(dollars in millions)		2023	2022	2022	2023	
Net sales		\$ 536.4	\$ 522.5			2.7 %
Adjusted EBITDA		\$ 116.5	\$ 101.9			14.3 %
Adjusted EBITDA margin		21.7 %	19.5 %			
		Nine months ended				
		Three months ended				
(dollars in millions)						
		September				
		30,	October 1,	Period over		
(dollars in millions)		2023	2022	period change	2024	
Net sales	Net sales	\$ 1,658.4	\$ 1,621.1	2.3 %	Net sales	\$ 532.8
Adjusted EBITDA	Adjusted EBITDA	\$ 343.2	\$ 302.1	13.6 %	Adjusted EBITDA	\$ 119.0
						\$ 548.1 (2.8)
						107.7 10.5
						Period over Period Change (2.8 %) 10.5 %

Adjusted EBITDA margin	Adjusted EBITDA margin	20.7 %	18.6 %
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Net sales in Power Transmission for the three months ended September 30, 2023 increased March 30, 2024 decreased by 2.7% 2.8%, or \$13.9 million, compared to the prior year period. Excluding the favorable impact of movements in average currency exchange rates of \$7.8 million, core sales increased by 1.2%, or \$6.1 \$15.3 million, compared to the prior year period driven primarily by a \$23.5 \$17.8 million benefit decrease in volume, partially offset by \$8.4 million from favorable pricing.

Net In addition, Power Transmission's net sales in Power Transmission for the nine months ended September 30, 2023 increased were adversely impacted by 2.3%, or \$37.3 million, compared to the prior year period. Excluding the adverse impact of movements in average currency exchange rates of \$24.7 million, \$5.9 million. As such, core sales increased decreased by 3.8% 1.7%, or \$62.0 million, \$9.4 million.

Power Transmission's core sales decline was driven primarily by lower sales to customers in our industrial channels, which declined by 10.0% during the three months ended March 30, 2024 compared to the prior year period, period. The decline in industrial sales was primarily driven primarily by a \$96.1 million benefit from pricing, partially offset by the impact EMEA and North America, with sales declines of lower volumes.

Power Transmission's core sales to automotive customers grew by 6.4% 27.6% and 10.1% during the three and nine months ended September 30, 2023 4.5%, respectively, compared to the prior year periods. EMEA contributed most period. The personal mobility end market drove the majority of this growth particularly decline, with a 45.0% decrease in automotive replacement sales which grew by 12.8% and 20.2%, respectively, during the three and nine months ended September 30, 2023 compared to the prior year period. The growth of sales to our automotive customers was partially offset by a decline in industrial sales of 6.7% and 5.2% for the three and nine months ended September 30, 2023, respectively. The industrial sales decline was mostly driven by personal mobility and diversified industrial end market during both the three and nine months ended September 30, 2023, primarily from North America, EMEA, and East Asia & India.

Power Transmission Adjusted EBITDA for the three months ended September 30, 2023 increased by 14.3%, or \$14.6 million, compared to the prior year period, driven primarily in EMEA. Automotive channel sales increased by pricing, partially offset by lower volumes. As 3.7% globally compared to the prior year period, particularly in North America which saw a result, Adjusted EBITDA margin was 21.7%, a 220 basis point improvement from 4.9% increase in sales during the three months ended March 30, 2024 compared to the prior year period.

Power Transmission Adjusted EBITDA for the **nine** three months ended September 30, 2023 March 30, 2024 increased by 13.6% 10.5%, or \$41.1 \$11.3 million, compared to the prior year period. This increase was driven primarily by a combination of benefits from pricing, enterprise initiatives which favorably impacted manufacturing performance, and lower inflation costs, partially offset by lower volumes, lower absorption of fixed costs and higher inflation-related costs. The volume. As a result, Adjusted EBITDA margin for the three months ended March 30, 2024 was 22.3%, a 270 basis point increase resulted in an from the prior year period Adjusted EBITDA margin of 20.7%, a 210 basis point improvement compared to the prior year period, 19.6%.

Fluid Power (38.5% and 38.7%, respectively, (38.2% of Gates' net sales for the three and nine months ended September 30, 2023 March 30, 2024)

Three months ended									
Three months ended									
(dollars in millions)									
(dollars in millions)									
September									
(dollars in millions)	(dollars in millions)	30, 2023	October 1, 2022	Period over period change	March 30, 2024		April 1, 2023		Period over Period Change
Net sales	Net sales	\$336.5	\$338.2	(0.5 %)	Net sales	\$ 329.8	\$ 349.6	(5.7)	
Adjusted EBITDA	Adjusted EBITDA	\$ 72.9	\$ 75.8	(3.8 %)	Adjusted EBITDA	\$ 76.6	\$ 66.8	14.7	14.7 %
Adjusted EBITDA margin	Adjusted EBITDA margin	21.7 %	22.4 %						
Nine months ended									
(dollars in millions)									
Net sales					September 30, 2023		October 1, 2022		Period over period change
Adjusted EBITDA					\$ 1,048.5		\$ 1,039.8		0.8 %
Adjusted EBITDA margin					\$ 218.0		\$ 212.5		2.6 %
							20.8 %		20.4 %

Net sales in Fluid Power for the three months ended September 30, 2023 March 30, 2024 decreased by 0.5% 5.7%, or \$1.7 \$19.8 million driven primarily by lower volumes, partially offset by a \$6.1 million benefit from pricing. In addition, Fluid Power's net sales were favorably impacted by movements in average currency exchange rates of \$3.1 million. As such, core sales decreased by 6.6%, or \$22.9 million, compared to the prior year period. Excluding the favorable impact of movements in average currency exchange rates of \$8.4 million,

Fluid Power's core sales **decreased** decline in the three months ended March 30, 2024 was driven primarily by **3.0%** declines in sales to our industrial customers. Sales to our industrial first-fit and replacement customers declined by **15.8%** and **5.0%**, or **\$10.1 million**, respectively, compared to the prior year period, **driven primarily** predominately from North America and EMEA. Sales to the off-highway end markets, which drove the majority of this decrease, declined by a **decrease in volume**, partially offset by a **\$15.6 million** benefit from pricing.

Net sales in Fluid Power for **12.1%** globally during the **nine** three months ended **September 30, 2023** increased by **0.8%**, or **\$8.7 million**, **March 30, 2024** compared to the prior year period. **Excluding the favorable impact** This decline was partially offset by an increase of **movements** **6.3%** in average currency exchange rates of **\$4.3 million**, core sales increased by **0.4%**, or **\$4.4 million**, to automotive channel compared to the prior year period, driven primarily by a **\$69.9 million** benefit from pricing, partially offset by lower **volumes**.**period**.

Fluid Power's core sales to our industrial channel declined by **5.3%**, while sales to our automotive channel increased by **5.1%** during the three months ended **September 30, 2023**. The decline in the industrial channel was primarily driven by North America, while automotive growth arose from EMEA and North America. The off-highway end market drove most of the sales decline of **7.9%** during the three months ended **September 30, 2023** compared to prior year period. Fluid Power's core sales growth of **0.4%** during the **nine** months ended **September 30, 2023** was primarily attributable to a **2.2%** increase in the automotive channel sales compared to the prior year period, primarily driven by EMEA and North America. Sales to our energy end market grew **9.2%** for the **nine** months ended **September 30, 2023**, primarily driven by EMEA. This was partially offset by a **decline in** diversified industrial sales of **5.2%** during the **nine** months ended **September 30, 2023** compared to prior year period, primarily driven by EMEA and North America.

Fluid Power Adjusted EBITDA for the three months ended **September 30, 2023** decreased **March 30, 2024** increased by **3.8%** **14.7%**, or **\$2.9 million**, compared to the prior year period, driven primarily by lower volumes and increased labor and benefits costs, partially offset by pricing. As a result, the Adjusted EBITDA margin was **21.7%**, a **70 basis point** decline from the prior year period.

Fluid Power Adjusted EBITDA for the **nine** months ended **September 30, 2023** increased by **2.6%**, or **\$5.5** **\$9.8 million**, compared to the prior year period. **This** **The increase in** Adjusted EBITDA was driven primarily by a **combination of enterprise initiatives** which **favorably impacted** manufacturing performance, **benefits from pricing**, and **favorable movements in average currency exchange rates**, partially offset by lower **volume** and **absorption of fixed costs**, **increased labor and benefits costs**, and **higher inflation costs**, resulting in **volumes**. The Adjusted EBITDA margin of **20.8%**, **a 40** consequently increased by **410 basis points** improvement compared to the prior year period.

Liquidity and Capital Resources

Treasury Responsibilities and Philosophy

Our primary liquidity and capital resource needs are for working capital, debt service requirements, capital expenditures, share repurchases, facility expansions and acquisitions. We expect to finance our future cash requirements with cash on hand, cash flows from operations and, where necessary, borrowings under our revolving credit facilities. We have historically relied on our cash flow from operations and various debt and equity financings for liquidity.

From time to time, we enter into currency derivative contracts to manage currency transaction exposures. Similarly, from time to time, we may enter into interest rate derivatives to maintain the desired mix of floating and fixed rate debt.

As market conditions warrant, we **and** **and/or** our Sponsor may from time to time seek to repurchase securities that we have issued or loans that we have borrowed in privately negotiated or open market transactions, by tender offer or otherwise. Subject to any applicable limitations contained in the agreements governing our indebtedness, any such purchases may be funded by existing cash or by incurring new secured or unsecured debt, including borrowings under our credit facilities. The amounts involved in any such purchase transactions, individually or in the aggregate, may be material. Any such purchases may relate to a substantial amount of a particular tranche of debt, with a corresponding reduction, where relevant, in the trading liquidity of that debt. In addition, any such purchases made at prices below the "adjusted issue price" (as defined for U.S. federal income tax purposes) may result in taxable cancellation of indebtedness income to us, which may be material, and result in related adverse tax consequences to us.

It is our policy to retain sufficient liquidity throughout the capital expenditure cycle to maintain our financial flexibility. We do not have any meaningful debt maturities until 2026; however, we regularly evaluate market conditions, our liquidity profile, and various financing alternatives for opportunities to enhance our capital structure, and may refinance all or a portion of our indebtedness on or before maturity. We do not anticipate any material long-term deterioration in our overall liquidity position in the foreseeable future, and believe that we have adequate liquidity and capital resources for the next twelve months.

Cash Flow

Nine months ended September 30, 2023 **Three Months Ended March 30, 2024** compared to the **nine** **three months ended October 1, 2022** **April 1, 2023**

Cash provided by used in operating activities was **\$291.7** **\$21.0 million** during the **nine** **three** months ended **September 30, 2023** **March 30, 2024** compared to cash provided by operating activities of **\$18.8** **\$52.5 million** during the prior year period, driven primarily by an improvement increase of **\$180.0** **\$32.2 million** in trade working capital movement compared to the prior year period, combined with improved operating performance in the current year, an improvement in value-added tax recoveries increased amount of bonus payments compared to the prior year period, and a decrease an increase of **\$26.8** **\$9.2 million** in income taxes paid compared to the prior year period, partially offset by **\$30.6 million** higher cash paid for interest in the current year period.

Net cash used in investing activities during the **nine** **three** months ended **September 30, 2023** **March 30, 2024** was **\$58.0** **\$19.5 million**, compared to **\$71.5** **\$29.9 million** in the prior year period. The decrease of cash used in investing activities was primarily driven by decreased capital expenditures of **\$18.5** **a \$14.1 million** partially offset by a **\$4.6 million** increase decrease in net cash paid under corporate-owned company-owned life insurance policies, policies, partially offset by increased capital expenditures of **\$3.5 million**.

Net cash used in financing activities was **\$241.7** **\$148.9 million** during the **nine** **three** months ended **September 30, 2023** **March 30, 2024**, compared to **\$177.0** **\$2.1 million** in the prior year period. Current year outflows were primarily related to the **\$251.7** **\$104.9 million** debt repayment, and the **\$50.3 million** paid to acquire shares under our share repurchase

program, including shares repurchased through an intermediary from Blackstone as further described in Note 15 to the condensed consolidated financial statements included elsewhere in this report. The increase of cash outflow was partially offset by \$28.2 million in lower dividends paid to non-controlling interest shareholders in 2023.

Indebtedness

Our long-term debt, consisting principally of two secured term loans and the U.S. dollar denominated unsecured senior notes, was as follows:

We refer to the term loans denominated in U.S. dollars as the "Dollar Term Loans" and the unsecured senior notes denominated in U.S. dollars as the "Dollar Senior Notes". The Dollar Term Loans that were originally drawn on July 3, 2014 and refinanced on February 24, 2021 are referred to as the "Existing Dollar Term Loans", and the Dollar Term Loans that were issued on November 16, 2022 are referred to as the "New Dollar Term Loans." Details of our long-term debt are presented in Note 12 to the condensed consolidated financial statements included elsewhere in this quarterly report.

Debt drawings and redemptions

During February 2024, we made a voluntary principal debt repayment of \$100.0 million against our Existing Dollar Term Loans. As a result of this repayment, we accelerated the recognition of \$1.0 million of deferred issuance costs (recognized in interest expense).

During May 2023, we drew \$100.0 million under our asset-backed revolving credit facility to partially fund the purchase of shares under our 2023 share repurchase program. The balance During Fiscal 2023, we paid down the borrowings on the asset-backed revolving credit facility was fully paid off during the three months ended September 30, 2023 revolver and had no remaining outstanding balance as of March 30, 2024 and December 30, 2023, as discussed further in Note 12 to the condensed consolidated financial statements included elsewhere in this quarterly report.

On November 16, 2022, we issued a new \$575.0 million tranche of dollar denominated term loans (the "New Dollar Term Loans") pursuant to an amendment to the credit agreement governing our term loan facilities, using the proceeds to extinguish the entire outstanding principal balance of €563.8 million under our Euro Term Loan facility (the "Euro Term Loan") plus €1.0 million accrued interest. The New Dollar Term Loans have substantially similar terms as the dollar denominated term loans drawn on July 3, 2014 and refinanced on February 24, 2021 (the "Existing Dollar Term Loans"), bearing interest at the borrower's option at either Term SOFR (as defined in the credit agreement), subject to a 0.50% per annum Term SOFR floor, plus 3.50% margin per annum, or at the base rate, subject to a 1.50% per annum floor, plus 2.50% per annum. The New Dollar Term Loans require scheduled quarterly amortization payments of 1% per annum based on the initial aggregate principal amount and mature in November 2029. Issuance discount and costs totaling approximately \$23.2 million related to the issuance of the New Dollar Term Loans have been deferred and will be amortized to interest expense over the remaining term of the related borrowings using the effective interest method. The repayment of Euro Term Loan resulted in the accelerated recognition of \$2.2 million deferred financing costs (recognized in interest expense).

During March 2022, we drew \$70.0 million under our asset-backed revolving credit facility to partially fund the purchase of shares under our share repurchase program, as discussed further in Note 15 to the condensed consolidated financial statements included elsewhere in this report. During Fiscal 2022, we paid down the borrowings on the asset-backed revolver and had no remaining outstanding balance as of December 31, 2022.

Dollar Term Loan credit agreement amendments

On October 10, 2023, we amended the New Dollar Term Loans' interest rate to be, at our option, either Term SOFR, subject to a floor of 0.50%, plus a margin of 3.00% per annum, or the base rate, subject to a 1.50% per annum floor, plus 2.00% per annum.

On March 1, 2023, we amended the Existing Dollar Term Loans, revolving credit facility and asset-backed revolver, which bore interests at LIBOR plus an applicable margin. The amendments modified the reference rates for borrowings in dollar from LIBOR to Term SOFR or Adjusted Term SOFR, as applicable. For further information on the facilities, see Note 12 to the condensed consolidated financial statements included elsewhere in this quarterly report.

On November 16, 2022, we amended the credit agreement governing our term loan facilities to pay off and replace our Euro Term Loan with a new class of \$575.0 million of New Dollar Term Loans as described above.

Non-guarantor subsidiaries

The majority of the Company's U.S. subsidiaries are guarantors of the senior secured credit facilities.

For the twelve months ended **September 30, 2023** **March 30, 2024**, before intercompany eliminations, our non-guarantor subsidiaries represented approximately **73%** **75%** of our net sales and **72%** **74%** of our EBITDA as defined in the financial covenants attaching to the senior secured credit facilities. As of **September 30, 2023** **March 30, 2024**, before intercompany eliminations, our non-guarantor subsidiaries represented approximately **65%** **68%** of our total assets and approximately **23%** **26%** of our total liabilities.

Net Debt

Net Debt is a non-GAAP measure representing the principal amount of our debt less the carrying amount of cash and cash equivalents. During **Fiscal 2023**, the three months ended March 30, 2024, our Net Debt increased by **\$7.0** **\$93.5** million from **\$1,913.0** **\$1,751.3** million as of **December 31, 2022** **December 30, 2023** to **\$1,920.0** **\$1,844.8** million as of **September 30, 2023** **March 30, 2024**. Net Debt was impacted adversely by **\$13.3** **\$8.9** million due to movements in currency exchange rates. Excluding this impact, Net Debt decreased increased by **\$6.3** **\$84.6** million, which was driven primarily by **\$251.7** **\$50.3** million paid to acquire shares under our share repurchase program, **\$21.0** million of cash used in operating activities, and **\$47.2** **\$18.1** million of capital expenditures partially offset by cash provided by operating activities of **\$291.7** million during the **nine** three months ended **September 30, 2023** **March 30, 2024**.

Borrowing Headroom

As of **September 30, 2023** **March 30, 2024**, our asset-backed revolving credit facility had a borrowing base of \$250.0 million, being the maximum amount we can draw down based on the current value of the secured assets. During May 2023, we drew \$100.0 million under this facility to partially fund the purchase **As of** shares under our share repurchase program, all of which was repaid during the three months ended September 30, 2023 **March 30, 2024**, as discussed further in Note 15 to the condensed consolidated financial statements included elsewhere in this report. In addition, there were letters of credit outstanding against the facility amounting to \$31.6 million as of September 30, 2023, **\$28.6 million**. We also have a secured revolving credit facility that provides for multi-currency revolving loans up to an aggregate principal amount of \$250.0 million, with no amounts drawn as of **September 30, 2023** **March 30, 2024**.

In total, our committed borrowing headroom was **\$468.4** **\$471.4** million, in addition to cash and cash equivalents balances of **\$556.8** **\$522.2** million.

Non-GAAP Measures

EBITDA and Adjusted EBITDA

EBITDA is a non-GAAP measure that represents net income or loss from continuing operations for the period before the impact of income taxes, net interest and other expenses, depreciation and amortization. EBITDA is widely used by securities analysts, investors and other interested parties to evaluate the profitability of companies. EBITDA eliminates potential differences in performance caused by variations in capital structures (affecting net **interest and other expenses** **finance costs**), tax positions (such as the availability of net operating losses against which to relieve taxable profits), the cost and age of tangible assets (affecting relative depreciation expense) and the extent to which intangible assets are identifiable (affecting relative amortization expense).

Management uses Adjusted EBITDA as its key profitability measure. This is a non-GAAP measure that represents EBITDA before certain items that are considered to hinder comparison of the performance of our businesses on a period-over-period basis or with other businesses. We use Adjusted EBITDA as our measure of segment profitability to assess the performance of our businesses, and it is used for total Gates as well because we believe it is important to consider our profitability on a basis that is consistent with that of our operating segments, as well as that of our peer companies with a similar leveraged, private equity ownership history. We believe that Adjusted EBITDA should, therefore, be made available to securities analysts, investors and other interested parties to assist in their assessment of the performance of our businesses.

During the periods presented, the items excluded from EBITDA in computing Adjusted EBITDA primarily included:

- non-cash charges in relation to share-based compensation;

- transaction-related expenses incurred in relation to major corporate transactions, including the acquisition of businesses and related integration activities, and equity and debt transactions;
- asset impairments;**
- restructuring expenses, including severance-related expenses;
- credit loss related to a customer bankruptcy;
- cybersecurity incident expenses; and
- inventory adjustments related to certain inventories accounted for on **the Last-in-First-out ("LIFO") a LIFO basis.**

Differences exist among our businesses and from period to period in the extent to which their respective employees receive share-based compensation or a charge for such compensation is recognized. We therefore exclude from Adjusted EBITDA the non-cash charges in relation to share-based compensation in order to assess the relative performance of our businesses.

We exclude from Adjusted EBITDA acquisition-related costs that are required to be expensed in accordance with U.S. GAAP. We also exclude costs associated with major corporate transactions because we do not believe that they relate to our performance. Other items are excluded from Adjusted EBITDA because they are individually or collectively significant items that are not considered to be representative of the underlying performance of our businesses. During the periods presented, we excluded restructuring expenses and severance-related expenses that reflect specific, strategic actions taken by management to shutdown, downsize, or otherwise fundamentally reorganize areas of Gates' business; **credit loss related to a customer bankruptcy;** expenses related to a malware attack that occurred in February 2023; and changes in the LIFO inventory reserve recognized in cost of sales for certain inventories that are valued on a LIFO basis. During inflationary or deflationary pricing environments, LIFO adjustments can result in variability of the cost of sales recognized each period as the most recent costs are matched against current sales, while historical, typically lower, costs are retained in inventory. LIFO adjustments are determined based on published pricing indices, which often are not representative of the actual cost changes or timing of those changes as experienced by our business. Excluding the impact from the application of LIFO therefore improves the comparability of our financial performance from period to period and with the Company's peers, and more closely represents the physical flow of our inventory and how we manage the business.

EBITDA and Adjusted EBITDA exclude items that can have a significant effect on our profit or loss and should, therefore, be used in conjunction with, not as substitutes for, profit or loss for the period. Management compensates for these limitations by separately monitoring net income from continuing operations for the period.

The following table reconciles net income from continuing operations, the most directly comparable GAAP measure, to EBITDA and Adjusted EBITDA:

		Three months ended		Nine months ended	
		Three months ended	Three months ended	Three months ended	Three months ended
(dollars in millions)	(dollars in millions)	September 30, 2023	October 1, 2022	September 30, 2023	October 1, 2022
Net income from continuing operations	Net income from continuing operations	\$ 85.6	\$ 56.0	\$ 187.8	\$ 152.7
Net income from continuing operations	Net income from continuing operations				
Income tax expense	Income tax expense	1.0	11.4	25.9	21.5
Net interest and other expenses	Net interest and other expenses	39.3	36.4	128.6	110.7
Net interest and other expenses	Net interest and other expenses				
Depreciation and amortization	Depreciation and amortization	54.0	53.2	162.5	164.1
EBITDA	EBITDA	179.9	157.0	504.8	449.0
EBITDA	EBITDA				
Transaction-related expenses ⁽¹⁾	Transaction-related expenses ⁽¹⁾	1.3	0.7	2.1	2.0
Asset impairments	Asset impairments	0.1	0.5	0.1	1.1

Transaction-related expenses ⁽¹⁾					
Transaction-related expenses ⁽¹⁾					
Restructuring expenses	Restructuring expenses	2.6	4.7	10.3	8.4
Restructuring expenses					
Restructuring expenses					
Share-based compensation expense					
Share-based compensation expense					
Share-based compensation expense	Share-based compensation expense	3.3	7.2	19.6	34.8
Inventory impairments and adjustments ⁽²⁾ (included in cost of sales)		2.2	7.5	6.3	18.7
Inventory impairments and adjustments (included in cost of sales) ⁽²⁾					
Inventory impairments and adjustments (included in cost of sales) ⁽²⁾					
Inventory impairments and adjustments (included in cost of sales) ⁽²⁾					
Severance expenses (included in cost of sales)					
Severance expenses (included in cost of sales)					
Severance expenses (included in cost of sales) ⁽²⁾	Severance expenses (included in cost of sales)	(0.1)	—	0.4	—
Severance expenses (included in SG&A) ⁽²⁾	Severance expenses (included in SG&A)	—	—	0.9	0.4
Severance expenses (included in SG&A)					
Severance expenses (included in SG&A)					
Credit loss related to customer bankruptcy (included in SG&A) ⁽³⁾					
Credit loss related to customer bankruptcy (included in SG&A) ⁽³⁾					
Credit loss related to customer bankruptcy (included in SG&A) ⁽³⁾	Credit loss related to customer bankruptcy (included in SG&A) ⁽³⁾	—	—	11.4	—
Cybersecurity incident expenses ⁽⁴⁾	Cybersecurity incident expenses ⁽⁴⁾	—	—	5.1	—
Other items not directly related to current operations		0.1	0.1	0.2	0.2
Cybersecurity incident expenses ⁽⁴⁾					
Cybersecurity incident expenses ⁽⁴⁾					
Adjusted EBITDA	Adjusted EBITDA	\$ 189.4	\$ 177.7	\$ 561.2	\$ 514.6
Adjusted EBITDA					
Adjusted EBITDA					

⁽¹⁾ Transaction-related expenses relate primarily to advisory fees and other costs recognized in respect of major corporate transactions, including the acquisition of businesses, and equity and debt transactions.

(2) Inventory impairments and adjustments include the reversal of the adjustment to remeasure certain inventories on a LIFO basis. The recent inflationary environment has caused LIFO values to drop below First-in, First-out ("FIFO") values because LIFO measurement results in the more recent inflated costs being matched against current sales while historical, lower costs are retained in inventories.

(3) On January 31, 2023, one of our customers filed a voluntary petition for reorganization under Chapter 11 of the U.S. Bankruptcy Code. In connection with the bankruptcy proceedings, we preliminarily evaluated our potential risk and exposure relating to our outstanding pre-petition accounts receivable balance from the customer and recorded a \$11.4 million initial pre-tax charge during the nine months ended September 30, 2023 to reflect our estimated recovery. Based on further developments in the bankruptcy proceedings, we recorded an additional \$0.1 million pre-tax charge during the three months ended March 30, 2024. We will continue to monitor the circumstances surrounding the bankruptcy in determining whether adjustments to this recovery estimate are necessary.

(4) On February 11, 2023, Gates determined that it was the target of a malware attack. Cybersecurity incident expenses include legal, consulting, and other costs incurred as a direct result of this incident, some of which may be partially offset by insurance recoveries.

Adjusted EBITDA Margin

Adjusted EBITDA margin is a non-GAAP measure that represents Adjusted EBITDA expressed as a percentage of net sales. We use Adjusted EBITDA margin to measure the success of our businesses in managing our cost base and improving profitability.

(dollars in millions)	Three months ended				Nine months ended			
	September 30,		October 1,		September 30,		October 1,	
	2023	2022	2023	2022	2023	2022	2023	2022
Net sales	\$ 872.9	\$ 860.7	\$ 2,706.9	\$ 2,660.9				
Adjusted EBITDA	\$ 189.4	\$ 177.7	\$ 561.2	\$ 514.6				
Adjusted EBITDA margin	21.7 %	20.6 %	20.7 %	19.3 %				

(dollars in millions)	Three months ended			
	March 30, 2024		April 1, 2023	
	2024	2023	2024	2023
Net sales	\$ 862.6	\$ 897.7		
Adjusted EBITDA	\$ 195.6	\$ 174.5		
Adjusted EBITDA margin	22.7 %	19.4 %		

Core revenue growth reconciliations

Core revenue growth is a non-GAAP measure that represents net sales for the period excluding the impacts of movements in average currency exchange rates and the first-year impacts of acquisitions and disposals, when applicable. We present core revenue growth because it allows for a meaningful comparison of year-over-year performance without the volatility caused by foreign currency gains or losses or the incomparability that would be caused by impacts of acquisitions or disposals. Management believes that this measure is therefore useful for securities analysts, investors and other interested parties to assist in their assessment of the operating performance of our businesses. The closest GAAP measure is net sales.

(dollars in millions)	Three months ended September 30, 2023			
	Power Transmission		Fluid Power	
		Total		Total
Net sales for the three months ended September 30, 2023	\$ 536.4	\$ 336.5	\$ 872.9	\$ 872.9
Impact on net sales of movements in currency rates	(7.8)		(8.4)	(16.2)
Core revenue for the three months ended September 30, 2023	528.6		328.1	856.7
Net sales for the three months ended October 1, 2022	522.5		338.2	860.7
Increase (decrease) in net sales on a core basis (core revenue)	\$ 6.1	\$ (10.1)	\$ (4.0)	\$ (4.0)
Core revenue growth	1.2 %		(3.0) %	(0.5) %
Nine months ended September 30, 2023				
(dollars in millions)	Power Transmission		Fluid Power	
		Total		Total
	\$ 1,658.4	\$ 1,048.5	\$ 2,706.9	\$ 2,706.9
Net sales for the nine months ended September 30, 2023	24.7		(4.3)	20.4
Impact on net sales of movements in currency rates	1,683.1		1,044.2	2,727.3
Core revenue for the nine months ended September 30, 2023	1,621.1		1,039.8	2,660.9
Net sales for the nine months ended October 1, 2022	\$ 62.0	\$ 4.4	\$ 66.4	\$ 66.4
Increase in net sales on a core basis (core revenue)	3.8 %		0.4 %	2.5 %

	Three months ended March 30, 2024		
	Power Transmission	Fluid Power	Total
Net sales for the three months ended March 30, 2024	\$ 532.8	\$ 329.8	\$ 862.6
Impact on net sales of movements in currency rates	5.9	(3.1)	2.8
Core sales for the three months ended March 30, 2024	\$ 538.7	\$ 326.7	\$ 865.4
Net sales for the three months ended April 1, 2023	548.1	349.6	897.7
Decrease in net sales on a core basis (core sales)	\$ (9.4)	\$ (22.9)	\$ (32.3)
Core sales decline	(1.7 %)	(6.6 %)	(3.6 %)

Net Debt

Management uses Net Debt, rather than the narrower measure of cash and cash equivalents and restricted cash which forms the basis for the condensed consolidated statement of cash flows, as a measure of our liquidity and in assessing the strength of our balance sheet.

Management analyzes the key cash flow items driving the movement in net debt to better understand and assess Gates' cash performance and utilization in order to maximize the efficiency with which resources are allocated. The analysis of cash movements in Net Debt also allows management to more clearly identify the level of cash generated from operations that remains available for distribution after servicing our debt and post-employment benefit obligations and after the cash impacts of acquisitions and disposals.

Net Debt represents the net total of:

- the principal amount of our debt; and
- the carrying amount of cash and cash equivalents.

Net Debt was as follows:

		As of September 30, 2023	As of December 31, 2022		As of March 30, 2024	
(dollars in millions)	(dollars in millions)			(dollars in millions)		As of December 30, 2023
Principal amount of debt	Principal amount of debt	\$ 2,476.8	\$ 2,491.4			
Less: Cash and cash equivalents	Less: Cash and cash equivalents	(556.8)	(578.4)			
Net Debt	Net Debt	\$ 1,920.0	\$ 1,913.0			

The principal amount of debt is reconciled to the carrying amount of debt as follows:

		As of September 30, 2023	As of December 31, 2022		As of March 30, 2024	
(dollars in millions)	(dollars in millions)			(dollars in millions)		As of December 30, 2023
Principal amount of debt	Principal amount of debt	\$ 2,476.8	\$ 2,491.4			
Accrued interest	Accrued interest	8.2	17.1			
Deferred issuance costs	Deferred issuance costs	(39.6)	(45.5)			
Carrying amount of debt	Carrying amount of debt	\$ 2,445.4	\$ 2,463.0			

Adjusted EBITDA adjustments for ratio calculation purposes

The financial maintenance ratio in our **revolving** credit agreement and other ratios related to incurrence-based covenants (measured only upon the taking of certain actions, including the incurrence of additional indebtedness) under our **credit agreement** governing our **revolving credit facility** and our **term loan facility** and the **indenture** governing our

outstanding notes are calculated in part based on financial measures similar to Adjusted EBITDA as presented elsewhere in this report, which financial measures are determined at the Gates Global LLC level and adjust for certain additional items such as severance costs, the pro forma impacts of acquisitions and the pro forma impacts of cost-saving initiatives. These additional adjustments during the last 12 months, as calculated pursuant to such agreements, resulted in a net benefit to Adjusted EBITDA for ratio calculation purposes of **\$5.6** **\$4.2** million. Pursuant to the terms of the credit agreement governing our revolving credit facility and term loans, the Company may not, subject to certain exceptions, permit its Consolidated First Lien Net Leverage Ratio (as defined in the credit agreement) to exceed 5.75 to 1.00 as of the end of the test period if borrowings under the revolving credit facility exceed a certain threshold. Pursuant to the credit agreement, this ratio is defined as Consolidated First Lien Net Debt (as defined in the credit agreement) divided by Consolidated EBITDA (as defined in the credit agreement). For a description of the other material terms related to our debt agreements, please refer to Note 12 to the condensed consolidated financial statements included elsewhere in this report, and for a discussion of risks related to the compliance or non-compliance with the covenants described herein on the Company's financial condition and liquidity, please refer to the factors described in Item 1A, "Risk Factors—Risks Related to Our Indebtedness" in Part I of the annual report. During the periods covered by the condensed consolidated financial statements included in this report, we were in compliance with the financial covenant and had no borrowing on the revolving credit facility.

Gates Industrial Corporation plc is not an obligor under our revolving credit facility, our term loan facility or the indenture governing our outstanding notes. Gates Global LLC, an indirect subsidiary of Gates Industrial Corporation plc, is the borrower under our revolving credit facility and our term loan facility and the issuer of our outstanding notes. The only significant difference between the results of operations and net assets that would be shown in the consolidated financial statements of Gates Global LLC and those for the Company that are included elsewhere in this report is a payable of **\$342.3** **\$382.3** million due to Gates Global LLC and its subsidiaries from indirect parent entities of Gates Global LLC as of **September 30, 2023** **March 30, 2024** (compared to a payable of **\$117.3** **\$333.6** million due to Gates Global LLC and its subsidiaries as of **December 31, 2022** **December 30, 2023**) and additional cash and cash equivalents held by the Company and other indirect parent entities of Gates Global LLC of **\$11.3** **\$15.7** million and **\$6.4** **\$3.5** million as of **September 30, 2023** **March 30, 2024** and **December 31, 2022** **December 30, 2023**, respectively.

Critical Accounting Estimates and Judgments

Our management's discussion and analysis of financial condition and results of operations is based on our condensed consolidated financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of these condensed consolidated financial statements requires us to make estimates and assumptions concerning the future that affect the reported amounts of assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenue and expenses during the reported period.

Please refer to "Critical Accounting Estimates and Judgments" described in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II of the Company's Annual Report on Form 10-K for the fiscal year ended **December 31, 2022** **December 30, 2023**, as filed with the SEC, from which there have been no material changes.

Item 3: Quantitative and Qualitative Disclosures about Market Risk

Our market risk includes the potential loss arising from adverse changes in foreign currency exchange rates, interest rates and commodity prices, and the credit risk of our customers and third-party depository institutions that hold our cash and short term deposits. From time to time, we use derivative financial instruments, principally foreign currency swaps, forward foreign currency contracts, interest rate caps (options), and interest rate swaps to reduce our exposure to foreign currency risk and interest rate risk. We do not hold or issue derivatives for speculative purposes and monitor closely the credit quality of the institutions with which we transact. Our objective in managing these risks is to reduce fluctuations in earnings and cash flows associated with changes in foreign currency exchange rates and interest rate movements. For a discussion of quantitative and qualitative disclosures about market risk, please refer to our annual report from which our exposure to market risk has not materially changed.

Item 4: Controls and Procedures

Disclosure Controls and Procedures

The Company maintains a set of disclosure controls and procedures designed to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms. Any controls and procedures, no matter how well designed and operated, can provide only reasonable, not absolute, assurance of achieving the desired control objectives. The Company's management, with the participation of the Company's Chief Executive Officer and the Company's Chief Financial Officer, has evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q. Based upon that evaluation, the Company's Chief Executive Officer and the Company's Chief Financial Officer concluded that, as of **September 30, 2023** **March 30, 2024**, the Company's disclosure controls and procedures were effective to accomplish their objectives at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

There has been no change in our internal control over financial reporting during our most recent fiscal quarter 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

Information regarding legal proceedings is incorporated into this Part II, Item 1 from Note 18 of the notes to the condensed consolidated financial statements in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Item 1A: Risk Factors

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Item 1A. "Risk Factors" in Part I of the Company's annual report, which could materially affect the Company's business, financial condition, operating results or liquidity or future results. The risks described in the annual report are not the only risks facing the Company. Additional risks and uncertainties not currently known to the Company or that it currently deems to be immaterial also may materially adversely affect its results of operations, financial condition or liquidity. There have been no material changes to the risk factors disclosed in the annual report.

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

The following table sets forth information regarding our purchases of our ordinary shares during the three months ended March 30, 2024:

Period	Total number of shares purchased	Average price paid per share ⁽¹⁾	Total number of shares purchased as part of publicly announced plans or programs ⁽²⁾	Maximum dollar value of shares that may yet be purchased under the plans or programs (\$ million)
1/31/2024 - 1/27/2024	— \$	—	— \$	100.0
1/28/2024 - 2/24/2024	4,151,100 \$	12.0450	4,151,100 \$	50.0
2/25/2024 - 3/30/2024	— \$	—	— \$	50.0
Total	4,151,100 \$	12.0450	4,151,100 \$	50.0

⁽¹⁾ Does not include commissions or other costs paid to repurchase shares. All shares repurchased were cancelled by the end of the quarter ended March 30, 2024.

⁽²⁾ The share repurchase program was established in February 2024, allowing for up to \$100 million in authorized share repurchases of our ordinary shares, exclusive of commissions, through October 2024. Under this publicly announced program, we were authorized to repurchase ordinary shares using a variety of methods, including but not limited to open market purchases and privately negotiated transactions, all in compliance with the rules and regulations of the SEC and other applicable legal requirements. In February 2024, we repurchased approximately \$50 million of our ordinary shares under the share repurchase program pursuant to a share repurchase contract with Citigroup Global Markets Inc. and no additional shares are authorized for repurchase under the program.

Item 5. Other Information

Section 13(r) Disclosure

Pursuant to Section 219 of the Iran Threat Reduction and Syria Human Rights Act of 2012, which added Section 13(r) of the Exchange Act, we hereby incorporate by reference herein Exhibit 99.1 of this report, which includes disclosures regarding activities at Mundys S.p.A. (formerly Atlantia S.p.A.), which may be, or may have been at the time considered to be, an affiliate of Blackstone and, therefore, our affiliate.

Trading Arrangements

During the three months ended **September 30, 2023** **March 30, 2024**, no director or officer (as defined in Rule 16a-1(f) of the Exchange Act) of the Company informed us of the adoption or termination of a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Item 6: Exhibits

Exhibit No.	Description
3.1	Certificate of Incorporation of Gates Industrial Corporation plc (incorporated by reference from Exhibit 3.1 to the registrant's Amendment No. 1 to its Registration Statement on Form S-1, filed on January 8, 2018 (File No. 333-222310))
3.2	Articles of Association of Gates Industrial Corporation plc, effective October 7, 2019 (incorporated by reference from Exhibit 3.2 to the registrant's Quarterly Report on Form 10-Q, filed on November 6, 2019)
10.1	Amendment No. 8, dated as Form of Octob Time-Based Restricted Stock Unit Agreement under the Gates Industrial Corporation plc 2018 Omnibus Incentive Plan (U.S. Employee), effective January 1, 2024*
10.2	10Form of Global Time-Based Restricted Stock Unit Agreement under the Gates Industrial Corporation plc 2018 Omnibus Incentive Plan (Non-U.S. Employee), 2023, to effective January 1, 2024*
10.3	Form of Time-Based Restricted Stock Unit Agreement under the Credit Gates Industrial Corporation plc 2018 Omnibus Incentive Plan (Executive Officer), effective January 1, 2024*
10.4	Form of Performance-Based Restricted Stock Unit Agreement dated as under the Gates Industrial Corporation plc 2018 Omnibus Incentive Plan (U.S. Employee), effective January 1, 2024*
10.5	Form of July 3, 2014 among Omaha Holdings LLC, Global Performance-Based Restricted Stock Unit Agreement under the Gates Industrial Corporation plc 2018 Omnibus Incentive Plan (Non-U.S. Employee), effective January 1, 2024*
10.6	Form of Global LLC, Stock Appreciation Right Agreement under the Gates Industrial Corporation the guarantors party thereto, Credit Suisse AG, Cayman Islands Branch, as administrative agent and collateral agent, and the lenders party thereto, plc 2018 Omnibus Incentive Plan, effective January 1, 2024*
31.1	Certification by the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
31.2	Certification by the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
32.1	Certification by the Chief Executive Officer and Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**
99.1	Section 13(r) Disclosure*
101	The following financial information from Gates Industrial Corporation's Quarterly Report on Form 10-Q for the three and nine months ended September 30, 2023 March 30, 2024, formatted in inline Extensible Business Reporting Language (iXBRL): (i) Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2023 March 30, 2024 and October 1, 2022 April 1, 2023, (ii) Condensed Consolidated Statements of Comprehensive Income for the three and nine months ended September 30, 2023 March 30, 2024 and October 1, 2022 April 1, 2023, (iii) Condensed Consolidated Balance Sheets as of September 30, 2023 March 30, 2024 and December 31, 2022 December 30, 2023, (iv) Condensed Consolidated Statements of Cash Flows for the nine three months ended September 30, 2023 March 30, 2024 and October 1, 2022 April 1, 2023, (v) Condensed Consolidated Statements of Shareholders' Equity for the three and nine months ended September 30, 2023 March 30, 2024 and October 1, 2022 April 1, 2023, and (vi) Notes to the Condensed Consolidated Financial Statements*
104	Cover Page Interactive Data File (Embedded within the Inline XBRL document and included in Exhibit 101)

* Filed herewith.

** Furnished herewith.

The agreements and other documents filed as exhibits to this report are not intended to provide factual information or other disclosure other than with respect to the terms of the agreements or other documents themselves, and you should not rely on them for that purpose. In particular, any representations and warranties made by us in these agreements or other documents were made solely within the specific context of the relevant agreement or document and may not describe the actual state of affairs as of the date they were made or at any other time.

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.

GATES INDUSTRIAL CORPORATION PLC
(Registrant)

By: /s/ L. Brooks Mallard

Name: L. Brooks Mallard

Title: Chief Financial Officer

(On behalf of the Registrant and as Principal Financial
Officer)

Date: November 3, 2023 May 1, 2024

4740

Exhibit 10.1

Execution Version

**AMENDMENT NO. 8 TO CREDIT AGREEMENT RESTRICTED STOCK UNIT GRANT NOTICE
UNDER THE
GATES INDUSTRIAL CORPORATION PLC
2018 OMNIBUS INCENTIVE PLAN
TIME-BASED VESTING AWARD
(Employee)**

AMENDMENT NO. 8 TO CREDIT AGREEMENT, dated as of October 10, 2023 (this Gates Industrial Corporation plc (the "Amendment Company"), among OMAHA HOLDINGS LLC, a Delaware limited liability company ("pursuant to its 2018 Omnibus Incentive Plan, as it may be amended and restated from time to time (the "Holdings Plan"), GATES GLOBAL LLC (the "Borrower"), GATES CORPORATION (the "Co-Borrower"), each hereby grants to the Participant set forth below, the number of Restricted Stock Units set forth below. The Restricted Stock Units are subject to all of the Guarantors party hereto, CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH, terms and conditions as administrative agent and collateral agent (in such capacity and including any permitted successor or assign, the "Administrative Agent") for the Lenders (as defined set forth herein, in the Credit Restricted Stock Unit Agreement referred to below) (attached hereto), and in the Lenders party hereto and CITIBANK, N.A., as the New Lender (as defined below).

WITNESSETH:

WHEREAS, Holdings, the Borrower, the Lenders, the Administrative Agent and certain other parties entered into a Credit Agreement dated as of July 3, 2014 (as amended by Amendment No. 1 dated as of April 7, 2017, as amended by Amendment No. 2 dated as of November 22, 2017, as amended by Amendment No. 3 dated as of January 24, 2018, as amended by Amendment No. 4 dated as of February 24, 2021, as amended by Amendment No. 5 dated as of November 18, 2021, as amended by Amendment No. 6 dated as of November 16, 2022, as amended by Amendment No. 7 dated as of March 1, 2023 and as further amended, supplemented or otherwise modified through the date hereof, the "Credit Agreement"; capitalized which are incorporated herein in their entirety. Capitalized terms used herein but not otherwise defined herein shall have the meanings given such terms meaning set forth in the Credit Agreement Plan.

Participant: [Insert Participant Name]

Date of Grant: [Insert Date of Grant]

Number of

Restricted Stock Units: [Insert No. of Restricted Stock Units Granted]

Vesting Schedule: Provided the Participant has not undergone a Termination at the time of each applicable vesting date (or event):

- 1/3 of the Restricted Stock Units will vest on [Insert Date];

WHEREAS, Holdings and the Borrower have requested an amendment to the Credit Agreement pursuant to which certain provisions• 1/3 of the Credit Agreement Restricted Stock Units will be amended as set forth herein;

WHEREAS, vest on [Section 10.01 Insert Date of the Credit Agreement provides that the parties hereto may amend the Credit Agreement for the purposes set forth herein;

WHEREAS, Citigroup Global Markets, Inc., Credit Suisse Loan Funding LLC, Morgan Stanley Senior Funding, Inc., Barclays Bank PLC, Goldman Sachs Bank USA, Santander Bank, N.A., CIBC World Markets Corp. and JPMorgan Chase Bank, N.A. are joint lead arrangers for this Amendment (the "Amendment No. 8 Arrangers"); and

WHEREAS, each Lender holding Initial B-4 Dollar Term Loans (the “• Existing Term B-4 Loans the remaining unvested Restricted Stock Units will vest on [Insert Date]; provided, and the Lenders with Existing Term B-4 Loans, the “Existing Term B-4 Lenders however”) and each other Lender, that executes and delivers a consent (a “Consent”) in the form event that (i) prior to a Change in Control, the Participant undergoes a Termination as a result of Exhibit A to this Amendment such Participant’s death or Disability, or (ii) on or following a Change in Control, such Participant undergoes a Termination by 5:00 p.m., New York City time on Thursday, September 28, 2023 (the “Consent Deadline”) will have agreed the Service Recipient without Cause, or as a result of such Participant’s death or Disability, such Participant shall fully vest in such Participant’s Restricted Stock Units to the terms of this Amendment upon the effectiveness of this Amendment on the Amendment No. 8 Effective Date (as defined below), extent not then vested or previously forfeited or cancelled.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

* * *

GATES INDUSTRIAL CORPORATION PLC

By: Gwen Montgomery

ARTICLE I

Title: EVP, Chief Human Resources Amendments Officer

[Signature Page to Restricted Stock Unit Award (Employee)]

THE UNDERSIGNED PARTICIPANT ACKNOWLEDGES RECEIPT OF THIS RESTRICTED STOCK UNIT GRANT NOTICE, THE RESTRICTED STOCK UNIT AGREEMENT AND THE PLAN, AND, AS AN EXPRESS CONDITION TO THE GRANT OF RESTRICTED STOCK UNITS HEREUNDER, AGREES TO BE BOUND BY THE TERMS OF THIS RESTRICTED STOCK UNIT GRANT NOTICE, THE RESTRICTED STOCK UNIT AGREEMENT AND THE PLAN.

PARTICIPANT

¹ To the extent that the Company has established, either itself or through a third-party plan administrator, the ability to accept this award electronically, such acceptance shall constitute the Participant’s signature hereto.

[Signature Page to Restricted Stock Unit Award -Employee)]

TIME-BASED RESTRICTED STOCK UNIT AGREEMENT
UNDER THE
GATES INDUSTRIAL CORPORATION PLC
2018 OMNIBUS INCENTIVE PLAN
(Employee)

Pursuant to the Restricted Stock Unit Grant Notice (the "Grant Notice") delivered to the Participant (as defined in the Grant Notice), and subject to the terms of this Restricted Stock Unit Agreement (this "Restricted Stock Unit Agreement") and the Gates Industrial Corporation plc 2018 Omnibus Incentive Plan, as it may be amended and restated from time to time (the "Plan"), Gates Industrial Corporation plc (the "Company") and the Participant agree as follows. Capitalized terms not otherwise defined herein shall have the same meaning as set forth in the Plan.

1. **Grant of Restricted Stock Units.** Subject to the terms and conditions set forth herein and in the Plan, the Company hereby grants to the Participant the number of Restricted Stock Units provided in the Grant Notice (with each Restricted Stock Unit representing an unfunded, unsecured right to receive one Ordinary Share). The Company reserves all rights with respect to the granting of additional Restricted Stock Units hereunder and makes no implied promise to grant additional Restricted Stock Units.
2. **Vesting.** Subject to the conditions contained herein and in the Plan, the Restricted Stock Units shall vest as provided in the Grant Notice.
3. **Settlement of Restricted Stock Units.** The Company will procure delivery to the Participant as soon as reasonably practicable (and, in any event, within two and one-half months) following the applicable vesting date, either one Ordinary Share or the cash value of one Ordinary Share for each Restricted Stock Unit (as adjusted under the Plan, as applicable, and subject to Section 8 below) which becomes vested hereunder and such vested Restricted Stock Unit shall be cancelled upon such delivery. Notwithstanding anything in this Restricted Stock Unit Agreement is, effective to the contrary, the Company shall have no obligation to issue or transfer any Ordinary Shares as contemplated by this Restricted Stock Unit Agreement unless and until such issuance or transfer complies with all relevant provisions of law and the requirements of any stock exchange on which the Ordinary Shares are listed for trading. Such compliance shall include the requirement for the Participant to pay the par value of each Ordinary Share for each Restricted Stock Unit which has become vested hereunder.
4. **Treatment of Restricted Stock Units Upon Termination.** The provisions of Section 9(c)(ii) of the Amendment No. 8 Effective Date, hereby amended Plan are incorporated herein by reference and made a part hereof. Unless otherwise provided by the Committee, in the event of a Participant's Termination for any reason (other than as follows: set forth in the Grant Notice) prior to the time that such Participant's Restricted Stock Units have vested, (a) all vesting with respect to such Participant's Restricted Stock Units shall cease and (b) immediately following such Termination, all unvested Restricted Stock Units shall be forfeited to the Company.
5. **Participant.** Whenever the word "Participant" is used in any provision of this Restricted Stock Unit Agreement under circumstances where the provision should logically be construed to apply to the executors, the administrators, or the person or persons to whom the Restricted Stock Units may be transferred by will or by the laws of descent and distribution, the word "Participant" shall be deemed to include such person or persons.
6. **Non-Transferability.** The Restricted Stock Units may not be assigned, alienated, pledged, attached, sold, or otherwise transferred or encumbered by the Participant, unless such transfer is by will, by the laws of descent and distribution or other applicable law, or specifically required pursuant to a domestic relations order, and any such purported assignment, alienation, pledge, attachment, sale, transfer, or encumbrance shall be void and unenforceable against the Company or any other member of the Company Group; provided, that the designation of a beneficiary shall not constitute an assignment, alienation, pledge, attachment, sale, transfer, or encumbrance.
7. **Rights as Shareholder; Dividend Equivalents.** The Participant or a permitted transferee in accordance with Section 13(b) of the Plan shall have no rights as a shareholder with respect to any Ordinary Share underlying a Restricted Stock Unit (including no rights with respect to voting or to receive dividends or dividend equivalents) unless and until the Participant shall have become the holder of record or the beneficial owner of such Ordinary Share, and no adjustment shall be made for dividends or distributions or other rights in respect of such Ordinary Share for which the record date is prior to the date upon which the Participant shall become the holder of record or the beneficial owner thereof. The Restricted Stock Units shall be entitled to be credited with dividend equivalent payments upon the payment by the Company of dividends on Ordinary Shares. Such dividend equivalents will be provided in Ordinary Shares having a Fair Market Value on the date that the Restricted Stock Units are settled equal to the amount of such applicable dividends, and shall be payable at the same time as the Restricted Stock Units are settled in accordance with Section 4 below. In the event that any Restricted Stock Unit is forfeited by its terms, the Participant shall have no right to dividend equivalent payments in respect of such forfeited Restricted Stock Units.

8. **Tax Withholding and Payment of Par Value.** The provisions of Section 13(d) of the Plan are incorporated herein by reference and made a part hereof. The Participant shall satisfy such Participant's withholding liability, if any, referred to in Section 13(d) of the Plan by way of a settlement procedure effected by the settlement of the Award in a combination of: (i) Ordinary Shares; and (ii) cash (based on the Fair Market Value of the Ordinary Shares on the day prior to vesting), where the amount of cash is sufficient to pay (A) the par value of each Ordinary Share delivered pursuant to the award, and (B) all applicable required minimum income, employment, and/or other applicable taxes and employee and, if applicable, employer social security contributions that are statutorily required to be withheld with respect to an Award.

9. **Nature of Grant.** By accepting the Restricted Stock Units, the Participant acknowledges, understands and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

(b) the grant of the Restricted Stock Units is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of restricted stock units, or benefits in lieu of restricted stock units, even if restricted stock units have been granted in the past;

(c) all decisions with respect to future restricted stock unit or other grants, if any, will be at the sole discretion of the Company;

(d) the Participant is voluntarily participating in the Plan;

(e) the Restricted Stock Units, any Ordinary Shares acquired under the Plan, and the income from and value of same are not intended to replace any pension rights or compensation;

(f) the Restricted Stock Units, any Ordinary Shares acquired under the Plan, and the income from and value of same, are not part of normal or expected compensation for purposes of, including but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, holiday pay, pension or retirement or welfare benefits or similar mandatory payments;

(g) the future value of the Ordinary Shares underlying the Restricted Stock Units is unknown, indeterminable, and cannot be predicted with certainty;

(h) no claim or entitlement to compensation or damages shall arise from forfeiture of the Restricted Stock Units resulting from the Participant's Termination (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is a service provider or the terms of the Participant's employment or service agreement, if any);

(i) unless otherwise agreed with the Company in writing, the Restricted Stock Units, any Ordinary Shares acquired under the Plan, and the income from and value of same, are not granted as consideration for, or in connection with the service Participant may provide as a director of any Subsidiary or Affiliate; and

(j) neither the Company nor the Service Recipient 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 Restricted Stock Units or of any amounts due to the Participant pursuant to the vesting of the Restricted Stock Units or the subsequent sale of any Ordinary Shares acquired upon vesting.

10. **No Advice Regarding Grant.** The following new defined 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 the underlying Ordinary Shares. The Participant should consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

11. **Notice.** Every notice or other communication relating to this Restricted Stock Unit Agreement between the Company and the Participant shall be in writing, and shall be mailed to or delivered to the party for whom it is intended at such address as may from time to time be designated by such party in a notice mailed or delivered to the other party as herein provided; *provided* that, unless and until some other address be so designated, all notices or communications by the Participant to the Company shall be mailed or delivered to the Company at its principal executive office, to the attention of the Company's General Counsel, and all notices or communications by the Company to the Participant may be given to the Participant personally or may be mailed to the Participant at the Participant's last known address, as reflected in the Company's records. Notwithstanding the above, all notices and communications between the Participant and any third-party plan administrator shall be mailed, delivered, transmitted or sent in accordance with the procedures established by such third-party plan administrator and communicated to the Participant from time to time.

12. **No Right to Continued Service.** This Restricted Stock Unit Agreement does not confer upon the Participant any right to continue as an employee or service provider to the Service Recipient.

13. **Binding Effect.** This Restricted Stock Unit Agreement shall be binding upon the heirs, executors, administrators and successors of the parties hereto.

14. **Waiver and Amendments.** Except as otherwise set forth in Section 12 of the Plan, any waiver, alteration, amendment or modification of any of the terms of this Restricted Stock Unit Agreement shall be valid only if made in writing and signed by the parties hereto; *provided, however,* that any such waiver, alteration, amendment or modification is consented to on the Company's behalf by the Committee. No waiver by either of the parties hereto of their rights hereunder shall be deemed to constitute a waiver with respect to any subsequent occurrences or transactions hereunder unless such waiver specifically states that it is to be construed as a continuing waiver.

15. **Governing Law/Venue.** This Restricted Stock Unit Agreement shall be construed and interpreted in accordance with the laws of the State of Colorado, without regard to the principles of conflicts of law thereof. Notwithstanding anything contained in this Restricted Stock Unit Agreement, the Grant Notice or the Plan to the contrary, if any suit or claim is instituted by the Participant or the Company relating to this Restricted Stock Unit Agreement, the Grant Notice or the Plan, the Participant hereby submits to the exclusive jurisdiction of and venue in the courts of Colorado.

16. **Plan.** The terms and provisions of the Plan are added to incorporated herein by reference. In the event of a conflict or inconsistency between the terms and provisions of the Plan and the provisions of this Restricted Stock Unit Agreement (including the Grant Notice), the Plan shall govern and control.

17. **Section 1.01 409A.** It is intended that the Restricted Stock Units granted hereunder shall be exempt from Section 409A of the Credit Agreement Code pursuant to the "short-term deferral" rule applicable to such section, as set forth in appropriate alphabetical order: the regulations or other guidance published by the Internal Revenue Service thereunder.

18. **Amendment No. 8 Insider Trading Restrictions/Market Abuse Laws** means Amendment No. 8. The Participant acknowledges that, depending on his or her country or the broker's country or where the Ordinary Shares are listed, the Participant may be subject to insider-trading restrictions and/or market-abuse laws, which may affect his or her ability to accept, acquire, sell or otherwise dispose of Ordinary Shares or rights to Ordinary Shares (e.g., the Restricted Stock Units) or rights linked to the value of Ordinary Shares under the Plan during such times as the Participant is considered to have "inside information" regarding the Company (as defined by laws or regulations in the applicable jurisdictions). Further, the Participant acknowledges that local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Participant placed before he or she possessed inside information and that the Participant may be prohibited from disclosing inside information to any third party and "tipping" third parties or causing them to otherwise buy or sell securities. Third parties includes fellow employees. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under the Company's insider-trading policy. The Participant is responsible for ensuring compliance with any applicable restrictions and should consult his or her personal legal advisor on this Agreement dated as of October 10, 2023. matter.

19. **Foreign Asset/Account Reporting; Exchange Control and Tax Reporting and Other Requirements.** Depending on the Participant's country, the Participant may be subject to foreign asset/account, exchange control and/or tax reporting requirements as a result of the vesting of the

Restricted Stock Units, the acquisition, holding and/or transfer of Ordinary Shares or cash resulting from participation in the Plan and/or the opening and maintaining of a brokerage or bank account in connection with the Plan. The Participant may be required to report such assets, accounts, account balances and values, and/or related transactions to the applicable authorities in his or her country. The Participant may also be required to repatriate sale proceeds or other funds received as a result of his or her participation in the Plan to his or her country through a designated bank or broker and/or within a certain time after receipt. The Participant acknowledges that he or she is responsible for ensuring compliance with any applicable foreign asset/account, exchange control and tax reporting and other requirements. The Participant further understands that he or she should consult the Participant's personal tax and legal advisors, as applicable on these matters.

GLOBAL RESTRICTED STOCK UNIT GRANT NOTICE
UNDER THE
GATES INDUSTRIAL CORPORATION PLC
2018 OMNIBUS INCENTIVE PLAN
TIME-BASED VESTING AWARD
(Employee)

Gates Industrial Corporation plc (the "Amendment No. 8 Arrangers Company" has), pursuant to its 2018 Omnibus Incentive Plan, as it may be amended and restated from time to time (the "Plan"), hereby grants to the Participant set forth below, the number of Restricted Stock Units set forth below. The Restricted Stock Units are subject to all of the terms and conditions as set forth herein, in the Plan, in the Global Restricted Stock Unit Agreement (attached hereto), and in the Country-Specific Provisions for Non-U.S. Participants (attached as Exhibit A to the Global Restricted Stock Unit Agreement), all of which are incorporated

herein in their entirety. The Global Restricted Stock Unit Agreement and the Country-Specific Provisions for Non-U.S. Participants are referred to collectively as the **“Agreement.”** Capitalized terms not otherwise defined herein shall have the meaning set forth in Amendment No. 8. the Plan.

Participant Amendment: [Insert Participant Name]

Date of Grant: [Insert Date of Grant]

Number of

Restricted Stock Units: [Insert No. 8 Effective of Restricted Stock Units Granted]

Vesting Schedule: Provided the Participant has not undergone a Termination at the time of each applicable vesting date (or event):

- 1/3 of the Restricted Stock Units will vest on [Insert Date] means October 10, 2023.];

(b) The definition • 1/3 of “the Restricted Stock Units will vest on [Applicable Rate Insert Date] in Section 1.01 of the Credit Agreement is amended by replacing clause (a)(ii) thereof with the following:

“(i) with respect to Initial B-4 Dollar Term Loans, a percentage per annum equal to (1) for Term SOFR Loans, 3.00%; and (2) for Base Rate Loans, 2.00%;

(c) The definition of “Lead Arrangers” in Section 1.01 of the Credit Agreement is amended by adding the following sentence after the last sentence thereof:

“With respect to Amendment No. 8, the Lead Arrangers shall be the Amendment No. 8 Arrangers.”

(d) The definition of “Loan Documents” in Section 1.01 of the Credit Agreement is amended and restated in its entirety to read as follows:

- Loan Documents the remaining unvested Restricted Stock Units will vest on [“ means, collectively, Insert Date];

provided, however, that in the event that (i) this Agreement, prior to a Change in Control, the Participant undergoes a Termination as a result of such Participant's death or Disability, or (ii) Amendment No. 1, (iii) Amendment No. 2, (iv) Amendment No. 3, (v) Amendment No. 4, (vi) Amendment No. 5, (vii) Amendment No. 6, (viii) Amendment No. 7, (ix) Amendment No. 8, (x) on or following a Change in Control, such Participant undergoes a Termination by the Notes, (xi) the Collateral Documents, (xii) each Intercreditor Agreement Service Recipient without Cause, or as a result of such Participant's death or Disability, such Participant shall fully vest in such Participant's Restricted Stock Units to the extent not then in effect, (xiii) each Letter of Credit Issuance Request and (xiv) any Refinancing Amendment, Incremental Amendment vested or Extension Amendment previously forfeited or cancelled.

(e) Section 2.05(a)(iv) of the Credit Agreement is amended by deleting both references to “on or prior to the six-month anniversary of the Amendment No. 6 Effective Date” and replacing such references with “on or prior to the six-month anniversary of the Amendment No. 8 Effective Date.”

ARTICLE II

Conditions to Effectiveness

Section 2.1. This Amendment shall become effective on the date (the “Amendment No. 8 Effective Date”) on which:

(a) The Administrative Agent (or its counsel) shall have received from (i) the Administrative Agent, (ii) the New Lender and (iii) each Loan Party, (x) a counterpart of this Amendment signed on behalf of such party or (y) written evidence satisfactory to the Administrative Agent (which may include a telecopy or other electronic transmission of a signed signature page of this Amendment) that such party has signed a counterpart of this Amendment. * * *

-a-

GATES INDUSTRIAL CORPORATION PLC

By: Gwen Montgomery
Title: EVP, Chief Human Resources Officer

[Signature Page to Restricted Stock Unit Award (Employee)]

(b) The Administrative Agent THE UNDERSIGNED PARTICIPANT ACKNOWLEDGES RECEIPT OF THIS GLOBAL RESTRICTED STOCK UNIT GRANT NOTICE, THE AGREEMENT AND THE PLAN, AND, AS AN EXPRESS CONDITION TO THE GRANT OF RESTRICTED STOCK UNITS HEREUNDER, AGREES TO BE BOUND BY THE TERMS OF THIS GLOBAL RESTRICTED STOCK UNIT GRANT NOTICE, THE AGREEMENT AND THE PLAN.

PARTICIPANT₁

¹ To the extent that the Company has established, either itself or through a third-party plan administrator, the ability to accept this award electronically, such acceptance shall constitute the Participant's signature hereto.

[Signature Page to Restricted Stock Unit Award -Employee)]

GLOBAL TIME-BASED RESTRICTED STOCK UNIT AGREEMENT
UNDER THE
GATES INDUSTRIAL CORPORATION PLC
2018 OMNIBUS INCENTIVE PLAN
(Employee)

Pursuant to the Global Restricted Stock Unit Grant Notice (the "Grant Notice") delivered to the Participant (as defined in the Grant Notice), and subject to the terms of this Global Restricted Stock Unit Agreement, including the Country-Specific Provisions for Non-U.S. Participants attached hereto as [Exhibit A](#) (together, this "Agreement") and the Gates Industrial Corporation plc 2018 Omnibus Incentive Plan, as it may be amended and restated from time to time (the "Plan"), Gates Industrial Corporation plc (the "Company") and the Participant agree as follows. Capitalized terms not otherwise defined herein shall have received a Consent the same meaning as set forth in the [Plan](#).

1. Grant of Exhibit A Restricted Stock Units. Subject to the terms and conditions set forth herein and in the Plan, the Company hereby grants to the Participant the number of Restricted Stock Units provided in the Grant Notice (with each Restricted Stock Unit representing an unfunded, unsecured right to receive one Ordinary Share). The Company reserves all rights with respect to the granting of additional Restricted Stock Units hereunder and makes no implied promise to grant additional Restricted Stock Units.

2. Vesting. Subject to the conditions contained herein and in the Plan, the Restricted Stock Units shall vest as provided in the Grant Notice.

3. Settlement of Restricted Stock Units. The Company will procure delivery to the Participant as soon as reasonably practicable (and, in any event, within two and one-half months) following the applicable vesting date, either one Ordinary Share or the cash value of one Ordinary Share for each Restricted Stock Unit (as adjusted under the Plan, as applicable, and subject to Section 8 below) which becomes vested hereunder and such vested Restricted Stock Unit shall be cancelled upon such delivery. Notwithstanding anything in this [Amendment](#), duly executed Global Restricted Stock Unit Agreement to the contrary, the Company shall have no obligation to issue or transfer any Ordinary Shares as contemplated by each Existing Term B-4 Lender (excluding this Global Restricted Stock Unit Agreement unless and until such issuance or transfer complies with all relevant provisions of law and the requirements of any Non-Consenting Lender (as defined below)) and other Lenders representing stock exchange on which the Required Facility Lenders Ordinary Shares are listed for trading. Such compliance shall include

the requirement for the **Initial B-4 Dollar Term Loans** **immediately** Participant to pay the par value of each Ordinary Share for each Restricted Stock Unit which has become vested hereunder, including through the use of the tax withholding methods set forth in Section 8, as determined by the Company.

4. Treatment of Restricted Stock Units Upon Termination. The provisions of Section 9(c)(ii) of the Plan are incorporated herein by reference and made a part hereof. Unless otherwise provided by the Committee, in the event of a Participant's Termination for any reason (other than as set forth in the Grant Notice) prior to the **Amendment No. 8 Effective Date**, in each case, by the Consent Deadline.

(c) The Borrower **time** that such Participant's Restricted Stock Units have vested, (a) all vesting with respect to such Participant's Restricted Stock Units shall **have paid** cease and (b) immediately following such Termination, all unvested Restricted Stock Units shall be forfeited to the **Administrative Agent** all fees and expenses due to the **Administrative Agent** and **Citigroup Global Markets, Inc.**, as separately agreed in writing, on the **Amendment No. 8 Effective Date**. All out-of-pocket and documented reasonable costs and expenses (including, without limitation, the reasonable fees, charges and disbursements of counsel for the **Administrative Agent** Company).

For purposes of the **Administrative Agent** and the **Amendment No. 8** **Arrangers** in connection with this **Amendment** and the transactions contemplated hereby shall have been paid, **Restricted Stock Units**, a Participant's Termination will be deemed to the extent invoiced.

(d) The representations and warranties of each **Loan Party** set forth in Article V of the Credit Agreement and in each other **Loan Document** shall be true and correct in all material respects (except that any representation and warranty that is qualified as to "materiality" or "Material Adverse Effect" shall be true and correct in all respects as so qualified) on and **occur** as of the date the **Participant** is no longer actively providing services to the **Company** or the **Service Recipient** (regardless of the reason for such Termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the **Participant** is a service provider or the terms of the **Participant's** employment or service agreement, if any), and unless otherwise expressly provided in

this **Amendment** with **Agreement** or determined by the same effect as though made on and **Committee**, (i) a Participant's right to vest in the Restricted Stock Units under the Plan, if any, will terminate as of such date **except** and will not be extended by any notice period (e.g., a Participant's period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where Participant is a service provider or the Participant's employment or service agreement, if any); and (ii) the period (if any) during which a Participant may vest in the Restricted Stock Units after such Termination will commence on the date Participant ceases to actively provide services and will not be extended by any notice period or the terms of the Participant's employment or service agreement, if any; the Committee shall have the exclusive discretion to determine when a Participant is no longer actively providing services for purposes of his or her Restricted Stock Units (including whether a Participant may still be considered to be providing services while on a leave of absence).

5. Participant. Whenever the word "Participant" is used in any provision of this Global Restricted Stock Unit Agreement under circumstances where the provision should logically be construed to apply to the executors, the administrators, or the person or persons to whom the Restricted Stock Units may be transferred by will or by the laws of descent and distribution, the word "Participant" shall be deemed to include such person or persons.

6. Non-Transferability. The Restricted Stock Units may not be assigned, alienated, pledged, attached, sold, or otherwise transferred or encumbered by the Participant, unless such transfer is by will, by the laws of descent and distribution or other applicable law, or specifically required pursuant to a domestic relations order, and any such purported assignment, alienation, pledge, attachment, sale, transfer, or encumbrance shall be void and unenforceable against the Company or any other member of the Company Group; *provided*, that the designation of a beneficiary shall not constitute an assignment, alienation, pledge, attachment, sale, transfer, or encumbrance.

Further, notwithstanding Section 13(h) of the Plan, the Committee may restrict Participants outside the United States from designating a beneficiary who shall be entitled to receive the amounts payable with respect to the Restricted Stock Units, if any, due under the Plan upon the Participant's death.

7. Rights as Shareholder; Dividend Equivalents. The Participant or a permitted transferee in accordance with Section 13(b) of the Plan shall have no rights as a shareholder with respect to any Ordinary Share underlying a Restricted Stock Unit (including no rights with respect to voting or to receive dividends or dividend equivalents) unless and until the Participant shall have become the holder of record or the beneficial owner of such Ordinary Share, and no adjustment shall be made for dividends or distributions or other rights in respect of such Ordinary Share for which the record date is prior to the date upon which the Participant shall become the holder of record or the beneficial owner thereof. The Restricted Stock Units shall be entitled to be credited with dividend equivalent payments upon the payment by the Company of dividends on Ordinary Shares. Such dividend equivalents will be provided in Ordinary Shares having a Fair Market Value on the date that the Restricted Stock Units are settled equal to the amount of such applicable dividends, and shall be payable at the same time as the Restricted Stock Units are settled in accordance with Section 3 above. In the event that any Restricted Stock Unit is forfeited by its terms, the Participant shall have no right to dividend equivalent payments in respect of such forfeited Restricted Stock Units.

8. Tax Withholding.

(a) **Responsibility for Taxes.** The Participant acknowledges that, regardless of any action taken by the Company or the Service Recipient, the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account, and other tax-related items related to the Participant's participation in the Plan and legally applicable to the Participant ("**Tax-Related Items**"), is and remains the Participant's responsibility and may exceed the amount, if

any, actually withheld by the Company or the Service Recipient. The Participant further acknowledges that the Company and/or the Service Recipient (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Restricted Stock Units, including, but not limited to, the grant or vesting of the Restricted Stock Units, the subsequent sale of Ordinary Shares acquired pursuant to such vesting and the receipt of any dividend equivalents, dividends or other distributions paid on the Ordinary Shares, and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Restricted Stock Units to reduce or eliminate the Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if the Participant is subject to Tax-Related Items in more than one jurisdiction, the Participant acknowledges that the Company and/or the Service Recipient (or former service recipient, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) **Withholding of Taxes.** Prior to any relevant taxable or tax withholding event, as applicable, the Participant agrees to make arrangements satisfactory to the Company and the Service Recipient to satisfy any withholding obligations the Company or the Service Recipient may have for Tax-Related Items. In this regard, Participant authorizes the Company or the Service Recipient, as applicable, and their respective agents, at their discretion, to satisfy any withholding obligation for Tax-Related Items by one or a combination of the following:

- (i). withholding from Participant's wages or other cash compensation payable to Participant by the Company or the Service Recipient;
- (ii). requiring Participant to tender a cash payment to the Company or the Service Recipient;
- (iii). withholding from proceeds of the sale of Ordinary Shares to be issued upon vesting of the Restricted Stock Units either through a voluntary sale or through a mandatory sale arranged by the Company (on the Participant's behalf pursuant to this authorization without further consent); and
- (iv). any other method acceptable to the Company and permitted under the Plan and applicable laws.

The Company may withhold or account for Tax-Related Items by considering minimum statutory withholding rates or other applicable withholding rates, including up to the maximum applicable rate for Participant's jurisdiction(s). If the maximum applicable rate for Participant's jurisdiction(s) is used, Participant may receive a refund of any over-withheld amount in cash and will have no entitlement to the equivalent amount in Ordinary Shares.

The Company may refuse to deliver the Ordinary Shares or the proceeds of the sale of Ordinary Shares, if the Participant fails to comply with the Participant's obligations for Tax-Related Items.

9. Nature of Grant. By accepting the Restricted Stock Units, the Participant acknowledges, understands and agrees that:

- (a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent such representations permitted by the Plan;
- (b) the grant of the Restricted Stock Units is exceptional, voluntary and **warranties expressly relate** occasional and does not create any contractual or other right to receive future grants of restricted stock units, or benefits in lieu of restricted stock units, even if restricted stock units have been granted in the past;
- (c) all decisions with respect to restricted stock unit or other grants, if any, will be at the sole discretion of the Company;
- (d) the Participant is voluntarily participating in the Plan;
- (e) the Restricted Stock Units, any Ordinary Shares acquired under the Plan, and the income from and value of same are not intended to replace any pension rights or compensation;
- (f) the Restricted Stock Units, any Ordinary Shares acquired under the Plan, and the income from and value of same, are not part of normal or expected compensation for purposes of, including but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, holiday pay, pension or retirement or welfare benefits or similar mandatory payments;
- (g) the future value of the Ordinary Shares underlying the Restricted Stock Units is unknown, indeterminable, and cannot be predicted with certainty;
- (h) no claim or entitlement to compensation or damages shall arise from forfeiture of the Restricted Stock Units resulting from the Participant's Termination (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is a service provider or the terms of the Participant's employment or service agreement, if any);
- (i) unless otherwise agreed with the Company in writing, the Restricted Stock Units, any Ordinary Shares acquired under the Plan, and the income from and value of same, are not granted as consideration for, or in connection with the service Participant may provide as a director of any Subsidiary or Affiliate; and
- (j) neither the Company nor the Service Recipient 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 Restricted Stock Units or of any amounts due to the Participant pursuant to the vesting of the

Restricted Stock Units or the subsequent sale of any Ordinary Shares acquired upon vesting.

10. No Advice Regarding Grant. 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 the underlying Ordinary Shares. The Participant should consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

11. Data Privacy Information and Consent. By accepting the Restricted Stock Units and indicating consent via the Company's acceptance procedure, the Participant is declaring that he or she agrees with the data processing practices described herein and consents to the collection, processing and use of Data (as defined below) by the Company and the transfer of Data to the recipients mentioned herein, including recipients located in countries which do not adduce an adequate level of protection from a European (or other non-U.S.) data protection law perspective, for the purposes described herein.

(a) Data Collection and Usage. The Company and the Service Recipient may collect, process and use certain personal information about the Participant, including, but not limited to, the Participant's name, home address and telephone number, email address, date of birth, social insurance number, passport number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all Restricted Stock Units or any other entitlement to Ordinary Shares or equivalent benefits awarded, canceled, exercised, vested, unvested or outstanding in the Participant's favor ("Data"), for the purposes of implementing, administering and managing the Plan. The legal basis, where required, for the processing of Data is the Participant's consent.

(b) Stock Plan Administration Service Providers. The Participant understands that Data may be transferred to an earlier date, escrow agent, transfer agent, trustee, broker (i.e., Charles Schwab) or such stock plan service provider or other third party selected by the Company to assist the Company with the implementation, administration and management of the Plan, presently or in which case they the future. The Company may select a different service provider or additional service providers and share Data with such other provider serving in a similar manner. The Participant may be asked to agree on separate terms and data processing practices with the service provider, with such agreement being a condition to the ability to participate in the Plan.

(c) International Data Transfers. The Company and its service providers are based in the United States. The Participant's country or jurisdiction may have different data privacy laws and protections than the United States. The Company's legal basis, where required, for the transfer of Data is the Participant's consent.

(d) Data Retention. The Company will hold and use the Data only as long as is necessary to implement, administer and manage the Participant's participation in the Plan, or as required to comply with legal or regulatory obligations, including under tax and security laws.

(e) Voluntariness and Consequences of Consent Denial or Withdrawal. Participation in the Plan is voluntary and the Participant is providing the consents herein on a purely voluntary basis. If the Participant does not consent, or if the Participant later seeks to revoke the Participant's consent, the Participant's salary from or employment and career with the Service Recipient will not be affected; the only consequence of refusing or withdrawing the Participant's consent is that the Company would not be able to grant these Restricted Stock Units or other equity awards to the Participant or administer or maintain such awards.

(f) Data Subject Rights. Participant may have a number of rights under data privacy laws in the Participant's jurisdiction. Depending on where the Participant is based, such rights may include the right to (i) request access or copies of Data the Company processes, (ii) request rectification of incorrect Data, (iii) delete Data, (iv) restrict processing of Data, (v) portability of Data, (vi) lodge complaints with competent authorities in the Participant's jurisdiction, and/or (vii) receive a

list with the names and addresses of any potential recipients of Data. To receive clarification regarding these rights or to exercise these rights, the Participant can contact his or her local human resources representative.

(g) Alternate Basis and Additional Consents. Finally, the Participant understands that the Company may rely on a different basis for the processing or transfer of Data in the future and/or request that Participant provide another data privacy consent. If applicable, the Participant agrees that upon request of the Company or the Service Recipient, the Participant will provide an executed acknowledgment or data privacy consent form (or any other agreements or consents) that the Company and/or the Service Recipient may deem necessary to obtain from the Participant for the purpose of administering the Participant's participation in the Plan in compliance with the data privacy laws in the Participant's country, either now or in the future. The Participant understands and agrees that he or she will not be able to participate in the Plan if he or she fails to provide any such consent or agreement requested by the Company and/or the Service Recipient.

12. Notice. Every notice or other communication relating to this Agreement between the Company and the Participant shall be true in writing, and correct in all material respects (except that any representation and warranty that is qualified as to "materiality" or "Material Adverse Effect" shall be true mailed to or delivered to the party for whom it is intended at such address as may from time to time be designated by such party in a notice mailed or delivered to the other party as herein provided; provided that, unless and correct in until some other address be so designated, all respects as so qualified) as of such earlier date.

(e) At notices or communications by the time of and immediately after giving effect to this Amendment, no Default shall be mailed or Event of Default shall exist or would result from this Amendment or from delivery to the application Company at its principal executive office, to the attention of the Company's General Counsel, and all notices or communications by the Company to the Participant may be given to the Participant personally or may be mailed to the Participant at the Participant's last known address, as reflected in the Company's records. Notwithstanding the above, all notices and communications between the Participant and any third-party plan administrator shall be mailed, delivered, transmitted or sent in accordance with the procedures established by such third-party plan administrator and communicated to the Participant from time to time.

(f) The Administrative Agent 13. **No Right to Continued Service.** This Agreement does not confer upon the Participant any right to continue as an employee or service provider to the Service Recipient.

14. **Binding Effect.** This Agreement shall have received a certificate, dated be binding upon the Amendment No. 8 Effective Date heirs, executors, administrators and successors of the parties hereto.

15. **Waiver and Amendments.** Except as otherwise set forth in Section 12 of the Plan, any waiver, alteration, amendment or modification of any of the terms of this Agreement shall be valid only if made in writing and signed by a Responsible Officer the parties hereto; provided, however, that any such waiver, alteration, amendment or modification is consented to on the Company's behalf by the Committee. No waiver by either of the Borrower, confirming compliance parties hereto of their rights hereunder shall be deemed to constitute a waiver with the conditions set forth in paragraphs (d) and (e) of this Section 2.1.

(g) The Borrower shall have paid respect to the Administrative Agent all accrued and unpaid interest on the Initial B-4 Dollar Term Loans any subsequent occurrences or transactions hereunder unless such waiver specifically states that it is to but not including, the Amendment No. 8 Effective Date.

ARTICLE III

Representations and Warranties. be construed as a continuing waiver.

Section 3.1.16. **Each Loan Party represents and warrants that:**

(a) **Organization; Power/Governing Law/Venue.** Each Loan Party (i) is duly organized or incorporated, validly existing This Agreement shall be construed and to the extent such concept is applicable interpreted in the corresponding jurisdiction, in good standing under accordance with the laws of the State of Colorado, without regard to the principles of conflicts of law thereof. Notwithstanding anything contained in this Agreement, the Grant Notice or the Plan to the contrary, if any suit or claim is instituted by the Participant or the Company relating to this Agreement, the Grant Notice or the Plan, the Participant hereby submits to the exclusive jurisdiction of and venue in the courts of Colorado.

17. **Plan.** The terms and provisions of the Plan are incorporated herein by reference. In the event of a conflict or inconsistency between the terms and provisions of the Plan and the provisions of this Global Restricted Stock Unit Agreement (including the Grant Notice), the Plan shall govern and control.

18. **Section 409A.** It is intended that the Restricted Stock Units granted hereunder shall be exempt from Section 409A of the Code pursuant to the "short-term deferral" rule applicable to such section, as set forth in the regulations or other guidance published by the U.S. Internal Revenue Service thereunder.

19. **Electronic Delivery and Acceptance.** The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means or request the Participant's consent to participate in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through any on-line or electronic system established and maintained by the Company or another third party designated by the Company.

20. **Language.** The Participant acknowledges that he or she is sufficiently proficient in English, or has consulted with an advisor who is sufficiently proficient in English, so as to allow the Participant to understand the terms and conditions of this Agreement. Furthermore, if the Participant has received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

21. **Country-Specific Provisions.** The Restricted Stock Units shall be subject to any additional terms and conditions set forth for the Participant's country in Exhibit A. Moreover, if the Participant relocates to one of the countries included in Exhibit A, the terms and conditions for such country will apply to the Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. Exhibit A constitutes part of this Agreement.

22. **Insider Trading Restrictions/Market Abuse Laws.** The Participant acknowledges that, depending on his or her country or the broker's country or where the Ordinary Shares are listed, the Participant may be subject to insider-trading restrictions and/or market-abuse laws, which may affect his or her ability to accept, acquire, sell or otherwise dispose of Ordinary Shares or rights to Ordinary Shares (e.g., the Restricted Stock Units) or rights linked to the value of Ordinary Shares under the Plan during such times as the Participant is considered to have "inside information" regarding the Company (as defined by laws or regulations in the applicable jurisdictions). Further, the Participant acknowledges that local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Participant placed before he or she possessed inside information and that the Participant may be prohibited from disclosing inside

information to any third party and "tipping" third parties or causing them to otherwise buy or sell securities. Third parties includes fellow employees. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under the Company's insider-trading policy. The Participant is responsible for ensuring compliance with any applicable restrictions and should consult his or her personal legal advisor on this matter.

23. **Foreign Asset/Account Reporting; Exchange Control and Tax Reporting and Other Requirements.** Depending on the Participant's country, the Participant may be subject to foreign asset/account, exchange control and/or tax reporting requirements as a result of the vesting of the

Restricted Stock Units, the acquisition, holding and/or transfer of Ordinary Shares or cash resulting from participation in the Plan and/or the opening and maintaining of a brokerage or bank account in connection with the Plan. The Participant may be required to report such assets, accounts, account balances and values, and/or related transactions to the applicable authorities in his or her country. The Participant may also be required to repatriate sale proceeds or other funds received as a result of his or her participation in the Plan to his or her country through a designated bank or broker and/or within a certain time after receipt. The Participant acknowledges that he or she is responsible for ensuring compliance with any applicable foreign asset/account, exchange control and tax reporting and other requirements. The Participant further understands that he or she should consult the Participant's personal tax and legal advisors, as applicable on these matters.

EXHIBIT A

COUNTRY-SPECIFIC PROVISIONS FOR NON-U.S. PARTICIPANTS

Terms and Conditions

This Exhibit A includes additional (or, if so indicated, different) terms and conditions that govern the Restricted Stock Units granted to the Participant if the Participant is in one of the countries listed herein.

If the Participant is a citizen or resident of a country (or if the Participant is considered as such for local law purposes) other than the one in which the Participant is currently residing and/or working, or if the Participant transfers employment and/or residency to another country after being granted the Restricted Stock Units, the Company will, in its discretion, determine the extent to which the terms and conditions contained herein will be applicable to the Participant.

Capitalized terms used but not defined herein shall have the same meanings as set forth in the Plan or the Global Restricted Stock Unit Agreement, as applicable.

Notifications

This Exhibit A also includes information regarding certain issues of which the Participant should be aware with respect to his or her participation in the Plan. The information is based on securities, exchange control and other laws in effect in the respective countries as of January 2024. Such laws are often complex and change frequently. As a result, the Participant should not rely on the information in this Exhibit A as the only source of information relating to the consequences of participation in the Plan because the information may be out of date at the time the Restricted Stock Units vest or the Participant sells Ordinary Shares acquired under the Plan.

In addition, the information contained herein is general in nature and may not apply to the Participant's particular situation, and the Company is not in a position to assure the Participant of a particular result. Accordingly, the Participant should seek appropriate professional advice as to how the relevant laws in his or her country may apply to the Participant's individual situation.

Finally, if the Participant is a citizen or resident of a country (or if the Participant is considered as such for local law purposes) other than the one in which the Participant is currently residing and/or working, or if the Participant transfers employment and/or residency to another country after being granted the Restricted Stock Units, the information contained herein may not be applicable in the same manner.

ARGENTINA

Terms and Conditions

Labor Law Acknowledgement. In accepting the Restricted Stock Unit, the Participant acknowledges and agrees that the grant of the Restricted Stock Unit is made by the Company (and not the Service Recipient) in its sole discretion, and that the value of the Restricted Stock Unit or any Ordinary Shares acquired under the Plan shall not constitute salary or wages for any purpose under Argentine labor law, including, but not limited to, the calculation of (a) any labor benefits including, without limitation, vacation pay, thirteenth salary, compensation in lieu of notice, annual bonus, disability, and leave of absence payments,

etc., or (b) any termination or severance indemnities or similar payments. If, notwithstanding the foregoing, any benefits under the Plan are considered as salary or wages for any purpose under Argentine labor law, Participant acknowledges and agrees that such benefits shall not accrue more frequently than on the relevant Vesting Date(s). Further, the Participant acknowledges and agrees that, for all legal purposes, the Restricted Stock Unit and the underlying Ordinary Shares are the result of commercial transactions unrelated to the Participant's employment and are not part of the terms and conditions of the Participant's employment.

Notifications

Securities Law Information. Neither the Restricted Stock Unit nor the underlying Ordinary Shares are 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*, "CNV"). Neither this Exhibit A nor any other offering material related to the Restricted Stock Unit nor the underlying Ordinary Shares may be utilized in connection with any general offering to the public in Argentina.

Exchange Control Information. Exchange control regulations in Argentina are subject to frequent change. The Participant is solely responsible for complying with any and all Argentine currency exchange restrictions, approvals and reporting requirements in connection with the vesting and settlement of the Restricted Stock Unit, the subsequent sale of any Ordinary Shares acquired pursuant to the Restricted Stock Unit and the receipt of any dividends paid on such Ordinary Shares. The Participant should consult with the Participant's personal advisor(s) regarding any personal legal, regulatory or foreign exchange obligations the Participant may have in connection with the Participant's participation in the Plan.

Foreign Asset/Account Reporting Information. If the Participant holds the Ordinary Shares as of December 31 of any year, the Participant is personally required to report the holding of the Ordinary Shares on the Participant's personal tax return for the relevant year. The Participant should consult with the Participant's personal tax advisor to determine the Participant's personal reporting obligations.

AUSTRALIA

Notifications

Nature of Plan. Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) applies to Restricted Stock Units granted under the Plan, such that the Restricted Stock Units are intended to be subject to deferred taxation.

Securities Law Information. The offer of Restricted Stock Units is being made pursuant to Division 1A, Part 7.12 of the Corporations Act 2001 (Cth).

Exchange Control Information. Exchange control reporting is required for cash transactions exceeding AUD10,000 and for international fund transfers. If an Australian bank is assisting with the transaction, the bank will file the report on behalf of the Participant. If there is no Australian bank involved in the transfer, the Participant will be required to file the report.

AUSTRIA

Notifications

Exchange Control Information. If the Participant holds securities (including Ordinary Shares acquired under the Plan) or cash (including proceeds from the sale of Ordinary Shares) outside Austria, the Participant may be subject to reporting obligations to the Austrian National Bank. If the value of the shares meets or exceeds a certain threshold, the Participant must report the securities held on a quarterly basis to the Austrian National Bank as of the last day of the quarter, on or before the 15th day of the month following the end of the calendar quarter. Where the cash amounts held outside Austria meets or exceeds a certain threshold, monthly reporting obligations apply as explained below.

If the Participant sells the Ordinary Shares, or receive any cash dividends, the Participant may have exchange control obligations if the Participant holds the cash proceeds outside Austria. If the transaction volume of all the Participant's accounts abroad meets or exceeds a certain threshold, the Participant must report to the Austrian National Bank the movements and balances of all accounts on a monthly basis, as of the last day of the month, on or before the 15th day of the following month, on the prescribed forms.

The Participant should consult with a personal tax advisor to determine the Participant's personal reporting obligations.

BELGIUM

Notifications

Foreign Asset/Account Reporting Information. Belgian residents are required to report any security (e.g., Ordinary Shares acquired under the Plan) or bank account held outside of Belgium on their annual tax return. In a separate report, they will be required to provide the National Bank of Belgium with certain details regarding such foreign accounts (including the account number, bank name and country in which the account was opened). The forms to complete the report are available on the National Bank of Belgium website.

Stock Exchange Tax Information. A stock exchange tax applies to transactions executed by a Belgian resident through a non-Belgian financial intermediary, such as a U.S. broker. The stock exchange tax may apply when Ordinary Shares acquired under the Plan are sold. Belgian residents should consult with a personal tax or financial advisor for additional details on their obligations with respect to the stock exchange tax.

Annual Securities Account Tax Information. An annual securities accounts tax may be payable if the total value of securities held in a Belgian or foreign securities account (e.g., Ordinary Shares acquired under the Plan) exceeds a certain threshold on four reference dates within the relevant reporting period (i.e., December 31, March 31, June 30 and September 30). In such case, the tax will be due on the value of the qualifying securities held in such account. The Participant should consult with a personal tax or financial advisor for additional details on the Participant's obligations with respect to the annual securities account tax.

BRAZIL

Terms and Conditions

Compliance with Law. By accepting the Restricted Stock Units, the Participant acknowledges and agrees to comply with applicable Brazilian laws and to pay any and all applicable taxes associated with the vesting of the Restricted Stock Units, the receipt of any dividends, and the sale of Ordinary Shares acquired under the Plan.

Labor Law Acknowledgment. By accepting the Restricted Stock Units, the Participant agrees that (i) the grant of the Restricted Stock Units is not part of normal or expected compensation for any reason whatsoever and will have no impact on the Participant's employment relationship with the Service Recipient, and (ii) ~~has all requisite organizational~~ the value of the underlying Ordinary Shares is not fixed and may increase or ~~constitutional power~~ decrease in value without compensation.

Notifications

Exchange Control Information. If the Participant is a Brazilian resident, the Participant must submit an annual or quarterly declaration of assets and ~~authority~~ rights held outside of Brazil to ~~execute~~ the Central Bank of Brazil if the aggregate value of such assets and ~~deliver this Amendment~~ rights exceeds certain thresholds. Assets and ~~perform its obligations~~ rights that must be reported include Ordinary Shares acquired under the ~~Credit Agreement as amended by this Amendment~~, Plan.

Tax on Financial Transaction (IOF). Repatriation of funds into Brazil and the conversion between BRL and USD associated with such fund transfers may be subject to the Tax on Financial Transactions. The Participant is responsible for complying with any applicable Tax on Financial Transactions arising from the Participant's participation in the Plan. The Participant should consult with his or her personal tax advisor for additional details.

CANADA

Terms and Conditions

Settlement of Restricted Stock. Notwithstanding the discretion contained in Section 3 of the Global Restricted Stock Unit Agreement, the Restricted Stock Units will be settled only in Ordinary Shares.

Vesting of Restricted Stock Units Following Termination. The following provision replaces Section 4(c) of the Global Restricted Stock Unit Agreement:

For purposes of the Restricted Stock Units, a Participant's Termination will occur as of the date the Participant is no longer actually employed or otherwise rendering services to the Company or the Service Recipient (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment or other ~~Loan Documents~~ laws or otherwise rendering services or the terms of the Participant's employment or other service agreement, if any). Unless otherwise provided in the Agreement or extended by the Company, the Participant's right to ~~which it vest~~ in the Restricted Stock Units under the Plan, if any, will terminate as of such date (the "Termination Date"). The Termination Date will not be extended by any common law notice period. Notwithstanding the foregoing, however, if applicable employment standards legislation specifically requires continued entitlement to vesting during a statutory notice period, the Participant's right to vest in the Restricted Stock Units under the Plan, if any will be allowed to continue for that minimum notice period but then immediately terminate effective as of the last day of the Participant's minimum statutory notice period. In the event the date the Participant is no longer providing actual service cannot be reasonably determined under the terms of the Agreement and/or the Plan, the Committee or its delegate shall have the exclusive discretion to determine when the Participant is no longer actively providing services for purposes of the Restricted Stock Units (including whether the Participant may still be considered to be providing services while on a party, except, leave of absence). Unless the applicable employment standards legislation specifically requires, in the case of ~~clauses (i) and (ii)~~, where the ~~failure~~ Participant, the Participant will not earn or be entitled to ~~do so~~, individually or in any pro-rated vesting for that portion of time before the ~~aggregate~~, would not reasonably date on which his service relationship is terminated (as determined under this provision) nor will the Participant be ~~expected~~ entitled to result in a Material Adverse Effect. ~~any compensation for lost vesting.~~

Notifications

(b) Authorization; Enforceability. This Amendment has been duly authorized by all necessary corporate, shareholder or other organizational action by each Loan Party and constitutes a legal, valid and binding obligation of such Loan Party, as applicable, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

-a-

(c) Loan Document Representations and Warranties Securities Law Information. The representations and warranties Participant will not be permitted to sell or otherwise dispose of any Ordinary Shares acquired upon vesting of the Borrower and each other Loan Party contained in Article V Restricted Stock Units within Canada. The Participant will only be permitted to sell or dispose of any Ordinary Shares acquired under the Plan if such sale or disposal takes place outside of Canada on the facilities of a stock exchange on which such Ordinary Shares are traded.

Foreign Asset/Account Reporting Information. Specified foreign property, including Ordinary Shares, of a non-Canadian company held by a Canadian resident employee generally must be reported annually on a Form T1135 (Foreign Income Verification Statement) if the total cost of the Credit Agreement or employee's specified foreign property exceeds C\$100,000 at any other Loan Document are true and correct in all material respects (except that any representation and warranty that is qualified as to "materiality" or "Material Adverse Effect" shall time during the year. The form must be true and correct in all respects as so qualified) on and as filed by April 30 of the Amendment No. 8 Effective Date and except that following year. The Restricted Stock Units must be reported - generally at nil cost if the representations and warranties which by C\$100,000 threshold is exceeded because of other specified foreign property the Participant holds. If Ordinary Shares are acquired, their terms are made as of an earlier date are true and correct in all material respects (except that any representation and warranty that cost generally is qualified as to "materiality" or "Material Adverse Effect" shall be true and correct in all respects as so qualified) only as of such specified date.

(d) the adjusted cost base ("No Default. At the time of and immediately after giving effect to this Amendment, no Default or Event of Default has occurred and is continuing.

ARTICLE IV

Section 4.1. New Lenders and Non-Consenting Lenders.

(a) If any Existing Term B-4 Lender (each, a "Non-Consenting Lender ACB") declines of the Shares. The ACB would normally equal the fair market value of the Ordinary Shares at vesting, but if the Participant owns other shares, this ACB may have to be averaged with the ACB of the other shares. The Participant should consult with his or fails her personal legal advisor to consent to ensure compliance with applicable reporting obligations.

FRANCE

Terms and Conditions

French Language Provision. By accepting the Restricted Stock Units, the Participant confirms having read and understood the Agreement, including this Amendment by failing to return an executed Consent to Exhibit A, and the Administrative Agent prior to the Consent Deadline or elects to assign its Existing Term B-4 Loans as Plan, including all terms and conditions included therein, which were provided in its executed Consent, then pursuant to and in compliance with the English language. The Participant accepts the terms of those documents accordingly.

En acceptant les droits sur des actions assujettis à restrictions (« Restricted Stock Units »), le Participant confirme avoir lu et compris, le Contrat d'Attribution, y compris la présente Annexe A, et le Plan, incluant tous leurs termes et conditions, qui ont été transmis en langue anglaise. Le Participant accepte les termes de ces documents en connaissance de cause.

Notifications

Tax InformationSection 3.07(a). Participant understands that the Restricted Stock Units are not intended to be French tax-qualified pursuant to Articles L. 225-197-1 to L. 225-197-5 and Articles L. 22-10-59 to L. 22-10-60 of the Credit Agreement, French Commercial Code, as amended.

Exchange Control Information. The Participant must declare to the customs and excise authorities any cash or securities he or she imports or exports without the use of a financial institution when the value of the cash or securities is equal to or exceeds €10,000.

Foreign Asset/Account Reporting Information. The Participant must report annually any Ordinary Shares and bank accounts Participant holds outside France, including the accounts that were opened, used and/or

closed during the tax year, to the French tax authorities, on an annual basis on a special Form N° 3916, together with the Participant's personal income tax return. Failure to report triggers a significant penalty.

GERMANY

Notifications

Exchange Control Information. Cross-border payments in connection with the sale of securities in excess of €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) or via such Non-Consenting Lender other method (e.g., by email or telephone) as is permitted or required by Bundesbank. In addition, you may be replaced and all required to report the acquisition of its interests, rights and obligations securities if the value of the securities acquired exceeds €12,500 to the Bundesbank via email or telephone and/or if the Company withholds or sells shares with a value in excess of €12,500 to satisfy any Tax-Related Items.

HUNGARY

There are no country-specific provisions.

INDIA

Notifications

Exchange Control Information. The Participant must repatriate any proceeds from the sale of Ordinary Shares acquired under the Credit Agreement Plan or any dividends paid on such Ordinary Shares to India within such period of time as will be required under applicable regulations. The Participant should obtain a foreign inward remittance certificate ("FIRC") from the bank where the Participant deposits the foreign currency and maintain the related Loan Documents with respect to its Existing Term B-4 Loans FIRC as evidence of the repatriation of funds in the event the Reserve Bank of India, the Company, or the Service Recipient requests proof of repatriation. The Participant also may be purchased required to provide information regarding funds received from participation in the Plan to the Company and/or the Service Recipient to enable them to comply with reporting requirements under exchange control laws in India.

It is the Participant's responsibility to comply with exchange control laws in India, and assumed neither the Company nor the Service Recipient will be liable for any fines or penalties resulting from failure to comply with applicable laws. The Participant also agrees to provide any information that may be required by either the Company or the Service Recipient to make any applicable filings under exchange control laws in India.

Foreign Asset/Account Reporting Information. Indian residents are required to declare any foreign bank accounts and any foreign financial assets (including Ordinary Shares held outside India) in their annual tax return.

Tax Information. The amount subject to tax at vesting will partially be dependent upon a new lender valuation that the Company will obtain from a Category 1 SEBI licensed Merchant Banker registered with the Securities and Exchange Board of India. The Company has no responsibility or an existing Lender obligation to obtain the most favorable valuation possible nor obtain valuations more frequently than required under Indian tax law.

LUXEMBOURG

Notifications

Exchange Control Information. The Participant acknowledges and agrees that the Participant must report any inward remittance of funds associated with the Award to the Banque Central de Luxembourg and/or the Service Central de La Statistique et des Études Économiques within fifteen (15) working days following the month during which the transaction occurred. If a Luxembourg financial institution is willing to execute involved in the Consent. As transaction, such financial institution typically will fulfill the reporting obligation on behalf of the Amendment No. 8 Effective Date, each Non-Consenting Lender will be deemed to have executed an Assignment and Assumption Agreement ("Assignment Agreement") Participant. However, if the Luxembourg financial institution does not report the transaction, the Participant personally is responsible for all of its then outstanding Existing Term B-4 Loans and will be deemed to have assigned all of its then outstanding Existing Term B-4 Loans to Citibank, N.A. (the "New Lender"), in each case pursuant to and in compliance satisfying the reporting obligation. The Participant should consult with the terms of Participant's personal advisor(s) regarding any personal legal, regulatory or foreign exchange obligations the Participant may have in connection with the Participant's participation in the Plan.

MEXICO

Terms and Conditions

Section 3.07(b) Acknowledgment of the Credit Agreement. Agreement

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

Labor Law Policy and Acknowledgment. By participating in the Plan, the Participant expressly recognizes that the Company, with registered offices at 1144 Fifteenth Street, Denver, CO 80202, 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 Ordinary Shares does not constitute an employment relationship between the Participant and the Company since the Participant is participating in the Plan on a wholly commercial basis. Based on the foregoing, the Participant expressly recognizes that the Plan and the benefits that the Participant may derive from participation in the Plan do not establish any rights between the Participant and the Company and do not form part of the employment conditions and/or benefits provided by the Company and any modification of the Plan or its termination shall not constitute a change or impairment of the terms and conditions of the Participant's employment.

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

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

Términos y Condiciones

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

Política de Legislación Laboral y Reconocimiento. Al participar en el Plan, usted reconoce expresamente que la Compañía, con oficinas registradas en 1144 Fifteenth Street, Denver, CO 80202, Estados Unidos de América, es la única responsable por la administración del Plan, y que su participación en el Plan, así como la adquisición de las Acciones Ordinarias, no constituye una relación laboral entre usted y la Compañía, debido a que usted participa en el plan sobre una base completamente mercantil. Con base en lo anterior, usted reconoce expresamente que el Plan y los beneficios que pudiera obtener por su participación en el Plan, no establecen derecho alguno entre usted y la Compañía, y no forman parte de las condiciones y/o prestaciones laborales que la Compañía ofrece, y que las modificaciones al Plan o su terminación, no constituirán un cambio ni afectarán los términos y condiciones de su relación laboral.

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

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

Notifications

Securities Law Information. The Restricted Stock Unit and any Ordinary Shares acquired under the Plan have not been registered with the National Register of Securities maintained by the Mexican National Banking and Securities Commission and cannot be offered or sold publicly in Mexico. In addition, the Plan, the Agreement and any other document relating to the other Loan Documents and Restricted Stock Unit may not be publicly distributed in Mexico. These materials are addressed to the exhibits thereto, together with copies Participant because of the financial statements referred Participant's existing relationship with the Company or one of the Companies subsidiaries or affiliates, and these materials should not be reproduced or copied in any form. The offer contained in these materials does not constitute a public offering of securities, but rather constitutes a private placement of securities addressed specifically to therein individuals who are present employees of the Company or one of its subsidiaries or affiliates made in accordance with the provisions of the Mexican Securities Market Law, and any rights under such offering shall not be assigned or transferred.

POLAND

Notifications

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

Exchange Control Information. The transfer of funds in excess of a certain threshold (currently €15,000, unless the transfer is connected with the business activity of an entrepreneur, in which case a lower threshold may apply) into Poland must be made through a bank account in Poland. The Participant understands that he or she is required to store all documents connected with any foreign exchange transactions for a period of five years, as measured from the end of the year in which such transaction occurred.

The Participant should consult with his or her personal legal advisor to determine what he or she must do to fulfill any applicable reporting/exchange control duties.

SINGAPORE

Notifications

Restriction on Sale of Ordinary Shares. Ordinary Shares acquired under the Plan may not be sold or otherwise offered for sale in Singapore prior to the six (6) month anniversary of the Date of Grant, unless such sale or offer in Singapore is made pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other

than Section 280) of the Singapore Securities and Futures Act (Chapter 289, 2006 Ed.) ("SFA") or pursuant to, and accordance with the conditions of, any other documents applicable provision(s) of the SFA.

Securities Law Information. The grant of the Restricted Stock Units is being made pursuant to the "Qualifying Person" exemption under section 273(1)(f) of the SFA under which it is exempt from the prospectus and information registration requirements and is not made with a view to the underlying Ordinary Shares being subsequently offered for sale to any other party. The Plan has not been, nor will it be, lodged or registered as a prospectus with the Monetary Authority of Singapore.

Director Notification Requirement. The directors, associate directors or shadow directors of a Singapore Subsidiary are subject to certain notification requirements under the Singapore Companies Act. The directors, associate directors or shadow directors must notify the Singapore Subsidiary in writing of an interest (e.g., the Restricted Stock Units, Ordinary Shares, etc.) in the Company or any related company within two (2) business days of (i) its acquisition or disposal, (ii) any change in a previously-disclosed interest (e.g., upon issuance of the Ordinary Shares or when Ordinary Shares acquired under the Plan are subsequently sold), or (iii) becoming a director, associate director or shadow director if the director, associate director or shadow director holds such an interest at that time. The above notification requirements also may apply to the Chief Executive Officer of a Singapore Subsidiary.

SOUTH KOREA

Notifications

Domestic Broker Requirement. By accepting the award, the Participant acknowledges that if the Participant wishes to sell Ordinary Shares received upon vesting of the Restricted Stock Units, applicable law may require the Participant to transfer the shares to a domestic investment broker in Korea and to effect the sale through such broker. The Participant agrees that the Participant is solely responsible for engaging a domestic broker, to the extent required. Because applicable law and regulations may change without notice, the Participant understands and agrees that the Participant should consult with a legal advisor to ensure compliance with applicable law as it relates to the Participant's participation in the Plan.

Exchange Control Information. If the Participant realizes US\$500,000 or more from the sale of Ordinary Shares or the receipt of any dividends with respect to Restricted Stock Units granted prior to July 18, 2017, Korean exchange control laws may require the Participant to repatriate the proceeds back to Korea within three (3) years of the sale/receipt. The Participant should consult with the Participant's personal advisor(s) regarding any personal legal, regulatory or foreign exchange obligations the Participant may have in connection with the Participant's participation in the Plan.

Foreign Asset/Account Reporting Information. Korean residents must declare all foreign financial accounts (i.e., non-Korean bank accounts, brokerage accounts, etc.) to the Korean tax authority and file a report with respect to such accounts if the value of such accounts exceeds KRW 500 million (or an equivalent amount in foreign currency) on any month-end date during a calendar year. The Participant should consult with his or her personal tax advisor to determine his or her personal reporting obligations.

SPAIN

Terms and Conditions

Nature of Grant. The following provision supplements Section 9 of the Global Restricted Stock Unit Agreement:

In accepting the grant of Restricted Stock Units, the Participant consents to participation in the Plan and acknowledges having received a copy of the Plan.

The Participant understands that the Company has deemed appropriate unilaterally, gratuitously and in its sole discretion decided to make its own credit analysis and grant Restricted Stock Units under the Plan to individuals who may be eligible to receive a Restricted Stock Unit under the Plan. This decision to enter is a limited decision that is entered into this Amendment, (ii) agrees that it will, independently and without reliance upon the Administrative Agent express assumption and condition that any grant will not bind the Company or any other Lender member of the Company Group other than as expressly set forth in this Agreement. Consequently, the Participant understands that the Restricted Stock Units are granted on the assumption and based on such documents condition that the Restricted Stock Units and information as it any Ordinary Shares issued upon settlement of the Restricted Stock Units are not a part of any employment or service contract with the Service Recipient and shall deem appropriate at not be considered a mandatory benefit, salary for any purpose (including severance compensation) or any other right whatsoever.

Further, the time, continue Participant understands and agrees that the unvested Restricted Stock Units will be cancelled immediately without entitlement to make its own credit decisions in taking any Ordinary Shares underlying the Restricted Stock Units if the Participant's service is terminated for any reason, including, but not limited to: resignation, retirement, disciplinary dismissal adjudged to be with cause, disciplinary dismissal adjudged or

recognized to be without cause (i.e., subject to a "despido improcedente"), material modification of the terms of employment under Article 41 of the Workers' Statute, relocation under Article 40 of the Workers' Statute, Article 50 of the Workers' Statute, or under Article 10.3 of Royal Decree 1382/1985.

In addition, the Participant understands that this grant would not taking action under the Credit Agreement, (iii) appoints and authorizes the Administrative Agent to take such actions as agent on its behalf and to exercise such powers under the Credit Agreement and the other Loan Documents as are delegated be made to the

Administrative Agent by Participant but for the terms thereof, together with such powers as are reasonably incidental thereto assumptions and (iv) agrees conditions referred to above; thus, the Participant acknowledges and freely accepts that, it will perform in accordance with their terms should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then any grant of, or right to, the Restricted Stock Units shall be null and void.

Notifications

Securities Law Information. No "offer of securities to the public," as defined under Spanish law, has taken place or will take place in the Spanish territory in connection with the grant of Restricted Stock Units under the Plan. Neither the Plan nor the Agreement have been nor will they be registered with the *Comisión Nacional del Mercado de Valores* (Spanish Securities Exchange Commission), and they do not constitute a public offering prospectus.

Exchange Control Information. The Participant must declare the acquisition, ownership and disposition of Ordinary Shares to the Spanish *Dirección General de Comercio Inversiones* (the "DGCI") of the Ministry of Industry, Trade and Tourism on a Form D-6. Generally, the declaration must be made in January for Ordinary Shares owned as of December 31 of the prior year and/or Ordinary Shares acquired or disposed of during the prior year; however, if the value of Ordinary Shares acquired or disposed of or the amount of the sale proceeds exceeds €1,502,530 (or if the Participant holds 10% or more of the share capital of the company), the declaration must be filed within one month of the acquisition or disposition, as applicable.

In addition, the Participant may be required to electronically declare to the Bank of Spain any foreign accounts (including brokerage accounts held abroad), any foreign instruments (including Ordinary Shares acquired under the Plan), and any transactions with non-Spanish residents (including any payments of shares made pursuant to the Plan), depending on the balances in such accounts together with the value of such instruments as of December 31 of the relevant year, or the volume of transactions with non-Spanish residents during the relevant year.

Foreign Asset / Account Reporting Information. To the extent the Participant holds rights or assets (e.g., cash or Ordinary Shares held in a bank or brokerage account) outside Spain with a value in excess of €50,000 per type of right or asset as of December 31 each year (or at any time during the year in which Participant sells or disposes of such right or asset), the Participant is required to report information on such rights and assets on his or her tax return for such year. After such rights or assets are initially reported, the reporting obligation will only apply for subsequent years if the value of any previously-reported rights or assets increases by more than €20,000. The Participant should consult with his or her personal tax advisor to ensure compliance with applicable reporting requirements.

TÜRKİYE

Notifications

Securities Law Information. Under Turkish law, the Participant is not permitted to sell any Ordinary Shares acquired under the Plan in Türkiye. The Ordinary Shares are currently traded on the New York Stock Exchange, which is located outside of Türkiye, under the ticker symbol "GTES" and the Ordinary Shares may be sold through this exchange.

Financial Intermediary Obligation. Any activity related to investments in foreign securities (e.g., the sale of Ordinary Shares) should be conducted through a bank or financial intermediary institution licensed by the Turkey Capital Markets Board and should be reported to the Turkish Capital Markets Board. The Participant is solely responsible for complying with this requirement and should consult with a personal legal advisor for further information regarding any obligations in this respect.

UNITED ARAB EMIRATES

Notifications

Acknowledgement of Nature of Plan and Restricted Stock Units and Dividend Equivalents. The Participant acknowledges that the Restricted Stock Units and dividend equivalents and related benefits do not constitute a component of the Participant's "wages" for any legal purpose. Therefore, the Restricted Stock Units and dividend equivalents and related benefits will not be included and/or considered for purposes of calculating any and all labor benefits such as social insurance contributions and/or any other labor-related amounts which may be payable.

Securities Law Information. The offer of the Restricted Stock Units is available only for select employees of the Company and/or other member of the Company Group and is in the nature of providing employee incentives in the United Arab Emirates. The Plan and the Agreement are intended for distribution only to such employees and must not be delivered to, or relied on, by any other person. Prospective purchasers of securities should conduct their own due diligence.

The Emirates Securities and Commodities Authority has no responsibility for reviewing or verifying any documents in connection with this statement, including the Plan and the Agreement, or any other incidental communication materials distributed in connection with the Restricted Stock Unit. Further, neither the Ministry of Economy nor the Dubai Department of Economic Development has approved this statement nor taken steps to verify the information set out in it, and has no responsibility for it. Residents of the United Arab Emirates who have any questions regarding the contents of the Plan and the Agreement should obtain independent professional advice.

UNITED KINGDOM

Terms and Conditions

Tax Withholding. This section supplements Section 8 of the Global Restricted Stock Unit Agreement:

Without limitation to Section 8 of the Global Restricted Stock Unit Agreement, the Participant 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 or the Service Recipient or by HM Revenue and Customs ("HMRC") (or any other tax authority or any other relevant authority). The Participant also agrees to indemnify and keep indemnified the Company and the Service Recipient against any Tax-Related Items that they are required to pay or withhold or have paid or will pay to HMRC (or any other tax authority or any other relevant authority) on the Participant's behalf.

Notwithstanding the foregoing, if the Participant is a director or executive officer (within the meaning of Section 13(k) of the Exchange Act), the terms of the Credit Agreement are required to be performed by it as immediately foregoing provision will not apply. In the event that the Participant is a Lender.

(c) The Administrative Agent hereby (i) consents to this Amendment director or executive officer and consents to the assignment of the then outstanding Existing Term B-4 Loans of each Non-Consenting Lender to the New Lender in accordance with Section 10.07 of the Credit Agreement and (ii) agrees that no assignment fees specified in Section 10.07 shall be required to be income tax due is not collected from or paid by the Borrower Participant within ninety (90) days of the U.K. tax year in connection with such assignment, which an event giving rise to the indemnification described above occurs, the amount of any uncollected tax may constitute a benefit to the

Participant on which additional income tax and National Insurance contributions ("NICs") may be payable. The Participant understands that he or she will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for paying to the Company and/or the Service Recipient (as appropriate) the amount of any NICs due on this additional benefit, which may also be recovered from the Participant by any of the means referred to in Section 8 of the Global Restricted Stock Unit Agreement.

A-13

RESTRICTED STOCK UNIT GRANT NOTICE
UNDER THE
GATES INDUSTRIAL CORPORATION PLC
2018 OMNIBUS INCENTIVE PLAN
TIME-BASED VESTING AWARD
(Employee)

Gates Industrial Corporation plc (the "Company"), pursuant to its 2018 Omnibus Incentive Plan, as it may be amended and restated from time to time (the "Plan"), hereby grants to the Participant set forth below, the number of Restricted Stock Units set forth below. The Restricted Stock Units are subject to all of the terms and conditions as set forth herein, in the Restricted Stock Unit Agreement (attached hereto), and in the Plan, all of which are incorporated herein in their entirety. Capitalized terms not otherwise defined herein shall have the meaning set forth in the Plan.

(d) **This Amendment Participant:** [Insert Participant Name]

Date of Grant: [Insert Date of Grant]

Number of

Restricted Stock Units: [Insert No. of Restricted Stock Units Granted]

Vesting Schedule: Provided the Participant has not undergone a Termination at the time of each applicable vesting date (or event):

- 1/3 of the Restricted Stock Units will vest on [Insert Date];
- 1/3 of the Restricted Stock Units will vest on [Insert Date]; and
- the remaining unvested Restricted Stock Units will vest on [Insert Date];

provided, however, that in the event that (i) prior to a Change in Control, the Participant undergoes a Termination as a result of such Participant's death or Disability, or (ii) on or following a Change in Control, such Participant undergoes a Termination by the Service Recipient without Cause, by such Participant by reason of Constructive Termination (as defined in the Company's Executive Change in Control Plan), or as a result of such Participant's death or Disability, such

Participant shall fully vest in such Participant's Restricted Stock Units to the extent not then vested or previously forfeited or cancelled.

* * *

GATES INDUSTRIAL CORPORATION PLC

By: Gwen Montgomery
Title: EVP, Chief Human Resources Officer

[Signature Page to Restricted Stock Unit Award (Executive Officer)]

THE UNDERSIGNED PARTICIPANT ACKNOWLEDGES RECEIPT OF THIS RESTRICTED STOCK UNIT GRANT NOTICE, THE RESTRICTED STOCK UNIT AGREEMENT AND THE PLAN, AND, AS AN EXPRESS CONDITION TO THE GRANT OF RESTRICTED STOCK UNITS HEREUNDER, AGREES TO BE BOUND BY THE TERMS OF THIS RESTRICTED STOCK UNIT GRANT NOTICE, THE RESTRICTED STOCK UNIT AGREEMENT AND THE PLAN.

PARTICIPANT₁

¹ To the extent that the Company has established, either itself or through a third-party plan administrator, the ability to accept this award electronically, such acceptance shall constitute the notice required under Section 3.07(a) of the Credit Agreement, Participant's signature hereto.

(e) For

[Signature Page to Restricted Stock Unit Award –Executive Officer)]

TIME-BASED RESTRICTED STOCK UNIT AGREEMENT
UNDER THE
GATES INDUSTRIAL CORPORATION PLC
2018 OMNIBUS INCENTIVE PLAN
(Employee)

Pursuant to the avoidance of doubt, all Existing Term B-4 Loans shall continue Restricted Stock Unit Grant Notice (the "Grant Notice") delivered to be outstanding as Initial B-4 Dollar Term Loans under the Credit Agreement Participant (as amended hereby) defined in the Grant Notice, and after the Amendment No. 8 Effective Date, subject to the terms of this Amendment, Restricted Stock Unit Agreement (this "Restricted Stock Unit Agreement") and the Gates Industrial Corporation plc 2018 Omnibus Incentive Plan, as it may be amended and restated from time to time (the "Plan"), Gates Industrial Corporation plc (the "Company") and the Participant agree as follows. Capitalized terms not otherwise defined herein shall have the same meaning as set forth in the Plan.

-a-

1. Grant of Restricted Stock Units. Subject to the terms and conditions set forth herein and in the Plan, the Company hereby grants to the Participant the number of Restricted Stock Units provided in the Grant Notice (with each Restricted Stock Unit representing an unfunded, unsecured right to receive one Ordinary Share). The Company reserves all rights with respect to the granting of additional Restricted Stock Units hereunder and makes no implied promise to grant additional Restricted Stock Units.

2. Vesting. Subject to the conditions contained herein and in the Plan, the Restricted Stock Units shall vest as provided in the Grant Notice.

3. Settlement of Restricted Stock Units. The Company will procure delivery to the Participant as soon as reasonably practicable (and, in any event, within two and one-half months) following the applicable vesting date, either one Ordinary Share or the cash value of one Ordinary Share for each Restricted Stock Unit (as adjusted under the Plan, as applicable, and subject to Section 8 below) which becomes vested hereunder and such vested Restricted Stock Unit shall be cancelled upon such delivery. Notwithstanding anything in this Restricted Stock Unit Agreement to the contrary, the Company shall have no obligation to issue or transfer any Ordinary Shares as contemplated by this Restricted Stock Unit Agreement unless and until such issuance or transfer complies with all relevant provisions of law and the requirements of any stock exchange on which the Ordinary Shares are listed for trading. Such compliance shall include the requirement for the avoidance Participant to pay the par value of doubt each Ordinary Share for each Restricted Stock Unit which has become vested hereunder.

4. Treatment of Restricted Stock Units Upon Termination. The provisions of Section 9(c)(ii) of the Initial B-4 Dollar Term Loans Plan are incorporated herein by reference and made a part hereof. Unless otherwise provided by the Committee, in the event of a Participant's Termination for any reason (other than as set forth in the Grant Notice) prior to the time that such Participant's Restricted Stock Units have vested, (a) all vesting with respect to such Participant's Restricted Stock Units shall continue cease and (b) immediately following such Termination, all unvested Restricted Stock Units shall be forfeited to the Company.

5. Participant. Whenever the word "Participant" is used in any provision of this Restricted Stock Unit Agreement under circumstances where the provision should logically be construed to apply to the executors, the administrators, or the person or persons to whom the Restricted Stock Units may be transferred by will or by the laws of descent and distribution, the word "Participant" shall be deemed to include such person or persons.

6. Non-Transferability. The Restricted Stock Units may not be assigned, alienated, pledged, attached, sold, or otherwise transferred or encumbered by the Participant, unless such transfer is by will, by the laws of descent and distribution or other applicable law, or specifically required pursuant to a domestic relations order, and any such purported assignment, alienation, pledge, attachment, sale, transfer, or encumbrance shall be void and unenforceable against the Company or any other member of the Company Group; provided, that the designation of a beneficiary shall not constitute an assignment, alienation, pledge, attachment, sale, transfer, or encumbrance.

7. Rights as Shareholder; Dividend Equivalents. The Participant or a Permitted Transferee in accordance with Section 13(b) of the Plan shall have no rights as a shareholder with respect to any Ordinary Share underlying a Restricted Stock Unit (including no rights with respect to voting or to receive dividends or dividend equivalents) unless and until the Participant shall have become the holder of record or the beneficial owner of such Ordinary Share, and no adjustment shall be made for dividends or distributions or other rights in respect of such Ordinary Share for which the record date is prior to the date upon which the Participant shall become the holder of record or the beneficial owner thereof. The Restricted Stock Units shall be entitled to be credited with dividend equivalent payments upon the payment by the Company of dividends on Ordinary Shares. Such dividend equivalents will be provided in Ordinary Shares having a Fair Market Value on the date that the Restricted Stock Units are settled equal to the amount of such applicable dividends, and shall be payable at the same time as the same Class Restricted Stock Units are settled in accordance with Section 4 below. In the event that any Restricted Stock Unit is forfeited by its terms, the Participant shall have no right to dividend equivalent payments in respect of Term Loans for all purposes under the Credit Agreement.

ARTICLE V

Miscellaneous such forfeited Restricted Stock Units.

Section 5.1.8. Effect Tax Withholding and Payment of Amendment Par Value.

(a) On The provisions of Section 13(d) of the Plan are incorporated herein by reference and after made a part hereof. The Participant shall satisfy such Participant's withholding liability, if any, referred to in Section 13(d) of the date hereof, Plan by way of a settlement procedure effected by the settlement of the Award in a combination of: (i) Ordinary Shares; and (ii) cash (based on the Fair Market Value of the Ordinary Shares on the day prior to vesting), where the amount of cash is sufficient to pay (A) the par value of each reference in the Credit Agreement to "this Agreement", "hereunder", "hereof" or words of like import referring to the Credit Agreement, and each reference in the other Loan Documents to the "Credit Agreement", "thereunder", "thereof"

or words of like import referring to the Credit Agreement, mean and are a reference to the Credit Agreement as modified by this Amendment. This Amendment is a Loan Document executed Ordinary Share delivered pursuant to the Credit award, and (B) all applicable required minimum income, employment, and/or other applicable taxes and employee and, if applicable, employer social security contributions that are statutorily required to be withheld with respect to an Award.

9. **Notice.** Every notice or other communication relating to this Restricted Stock Unit Agreement between the Company and the Participant shall be in writing, and shall be construed, administered mailed to or delivered to the party for whom it is intended at such address as may from time to time be designated by such party in a notice mailed or delivered to the other party as herein provided; provided that, unless and applied until some other address be so designated, all notices or communications by the Participant to the Company shall be mailed or delivered to the Company at its principal executive office, to the attention of the Company's General Counsel, and all notices or communications by the Company to the Participant may be given to the Participant personally or may be mailed to the Participant at the Participant's last known address, as reflected in the Company's records. Notwithstanding the above, all notices and communications between the Participant and any third-party plan administrator shall be mailed, delivered, transmitted or sent in accordance with the terms procedures established by such third-party plan administrator and provisions thereof, communicated to the Participant from time to time.

(b) **The Credit Agreement, as specifically** 10. **Nature of Grant.** By accepting the Restricted Stock Units, the Participant acknowledges, understands and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by this Amendment, and each the Company at any time, to the extent permitted by the Plan;

(b) the grant of the Restricted Stock Units is exceptional, voluntary and occasional and does not create any contractual or other Loan Documents right to receive future grants of restricted stock units, or benefits in lieu of restricted stock units, even if restricted stock units have been granted in the past;

(c) all decisions with respect to future restricted stock unit or other grants, if any, will be at the sole discretion of the Company;

(d) the Participant is voluntarily participating in the Plan;

(e) the Restricted Stock Units, any Ordinary Shares acquired under the Plan, and the income from and value of same are not intended to replace any pension rights or compensation;

(f) the Restricted Stock Units, any Ordinary Shares acquired under the Plan, and the income from and value of same, are not part of normal or expected compensation for purposes of, including but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, holiday pay, pension or retirement or welfare benefits or similar mandatory payments;

(g) the future value of the Ordinary Shares underlying the Restricted Stock Units is unknown, indeterminable, and cannot be predicted with certainty;

(h) no claim or entitlement to compensation or damages shall continue arise from forfeiture of the Restricted Stock Units resulting from the Participant's Termination (for any reason whatsoever, whether or not later found to be invalid or in full force and effect and are hereby breach of employment laws in all respects ratified and confirmed. Without limiting the generality jurisdiction where the Participant is a service provider or the terms of the foregoing, Participant's employment or service agreement, if any);

(i) unless otherwise agreed with the Collateral Documents Company in writing, the Restricted Stock Units, any Ordinary Shares acquired under the Plan, and all the income from and value of same, are not granted as consideration for, or in connection with the service Participant may provide as a director of any Subsidiary or Affiliate; and

(j) neither the Company nor the Service Recipient 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 Collateral described therein do and shall continue Restricted Stock Units or of any amounts due to secure the payment of all Participant pursuant to the vesting of the respective Obligations Restricted Stock Units or the subsequent sale of Holdings any Ordinary Shares acquired upon vesting.

11. **No Advice Regarding Grant.** 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 the underlying Ordinary Shares. The Participant should consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Borrower under Plan before taking any action related to the Loan Documents, in each case as the Credit Plan.

12. **No Right to Continued Service.** This Restricted Stock Unit Agreement is amended by this Amendment.

(c) The execution, delivery and effectiveness of this Amendment does not except as expressly provided herein, operate as a waiver of confer upon the Participant any right power to continue as an employee or remedy of any Lender or service provider to the Administrative Agent under any Service

Recipient.

13. **Binding Effect.** This Restricted Stock Unit Agreement shall be binding upon the heirs, executors, administrators and successors of the Loan Documents nor constitute a parties hereto.

14. **Waiver and Amendments.** Except as otherwise set forth in Section 12 of the Plan, any waiver, of any provision alteration, amendment or modification of any of the Loan Documents. This Amendment terms of this Restricted Stock Unit Agreement shall not constitute a novation of the Credit Agreement.

Section 5.2.Counterparts. This Amendment may be executed valid only if made in counterparts (and writing and signed by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Amendment constitutes the entire contract among the parties relating hereto; provided, however, that any such waiver, alteration, amendment or modification is consented to on the subject matter hereof and supersedes any and all previous agreements and understandings, oral or written, relating to Company's behalf by the subject matter hereof. This Amendment shall be binding upon and inure to the benefit Committee. No waiver by either of the parties hereto and to the other Loan Documents and of their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Amendment by facsimile or electronic transmission shall be effective as delivery of an original executed counterpart of this Amendment. Any signature to this Amendment may be delivered by facsimile, electronic mail (including pdf) or any electronic signature complying with the U.S. federal ESIGN Act of 2000 or the New York Electronic Signature and Records Act or other transmission method and any counterpart so delivered rights hereunder shall be deemed to have been duly constitute a waiver with respect to any subsequent occurrences or transactions hereunder unless such waiver specifically states that it is to be construed as a continuing waiver.

15. **Governing Law/Venue.** This Restricted Stock Unit Agreement shall be construed and validly delivered and be valid and effective for all purposes interpreted in accordance with the laws of the State of Colorado, without regard to the fullest extent permitted principles of conflicts of law thereof. Notwithstanding anything contained in this Restricted Stock Unit Agreement, the Grant Notice or the Plan to the contrary, if any suit or claim is instituted by applicable law, the Participant or the Company relating to this Restricted Stock Unit Agreement, the Grant Notice or the Plan, the Participant hereby submits to the exclusive jurisdiction of and venue in the courts of Colorado.

Section 5.3.16. **GOVERNING LAW, ETC Plan.** THIS AMENDMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAW OF THE STATE OF NEW YORK. The terms and provisions of the Plan are incorporated herein by reference. In the event of a conflict or inconsistency between the terms and provisions of the Plan and the provisions of this Restricted Stock Unit Agreement (including the Grant Notice), the Plan shall govern and control.

17. **Sections 10.15(b) Section 409A.** It is intended that the Restricted Stock Units granted hereunder shall be exempt from Section 409A of the Code pursuant to the "short-term deferral" rule applicable to such section, as set forth in the regulations or other guidance published by the Internal Revenue Service thereunder.

18. **Insider Trading Restrictions/Market Abuse Laws.** The Participant acknowledges that, depending on his or her country or the broker's country or where the Ordinary Shares are listed, the Participant may be subject to insider-trading restrictions and/or market-abuse laws, which may affect his or her ability to accept, acquire, sell or otherwise dispose of Ordinary Shares or rights to Ordinary Shares (e.g., the Restricted Stock Units) or rights linked to the value of Ordinary Shares under the Plan during such times as the Participant is considered to have "inside information" regarding the Company (as defined by laws or regulations in the applicable jurisdictions). Further, the Participant acknowledges that local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Participant placed before he or she possessed inside information and that the Participant may be prohibited from disclosing inside information to any third party and "tipping" third parties or causing them to otherwise buy or sell securities. Third parties includes fellow employees. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under the Company's insider-trading policy. The Participant is responsible for ensuring compliance with any applicable restrictions and should consult his or her personal legal advisor on this matter

19. **10.16 Foreign Asset/Account Reporting; Exchange Control and Tax Reporting and Other Requirements.** Depending on the Participant's country, the Participant may be subject to foreign asset/account, exchange control and/or tax reporting requirements as a result of the vesting of the

Restricted Stock Units, the acquisition, holding and/or transfer of Ordinary Shares or cash resulting from participation in the Plan and/or the opening and maintaining of a brokerage or bank account in connection with the Plan. The Participant may be required to report such assets, accounts, account balances and values, and/or related transactions to the applicable authorities in his or her country. The Participant may also be required to repatriate sale proceeds or other funds received as a result of his or her participation in the Plan to his or her country through a designated bank or broker and/or within a certain time after receipt. The Participant acknowledges that he or she is responsible for ensuring compliance with any applicable foreign asset/account, exchange control and tax reporting and other requirements. The Participant further understands that he or she should consult the Participant's personal tax and legal advisors, as applicable on these matters.

PERFORMANCE-BASED RESTRICTED STOCK UNIT GRANT NOTICE
UNDER THE
GATES INDUSTRIAL CORPORATION PLC
2018 OMNIBUS INCENTIVE PLAN

Gates Industrial Corporation plc (the "Company"), pursuant to its 2018 Omnibus Incentive Plan, as it may be amended and restated from time to time (the "Plan"), hereby grants to the Participant set forth below the "Maximum Number of Restricted Stock Units" set forth below. The Restricted Stock Units are subject to all of the terms and conditions as set forth herein, in the Performance-Based Restricted Stock Unit Agreement (attached hereto), the Vesting Schedule attached hereto as Exhibit A, and in the Plan, all of which are incorporated herein in their entirety. Capitalized terms not otherwise defined herein shall have the meaning set forth in the Plan.

Participant: [Insert Participant Name]

Date of Grant: [Insert Date of Grant]

Performance Period: The three-year period commencing on [Insert Date] and ending on [Insert Date].

Target Number of Restricted Stock

Units: [Insert Target No. of Restricted Stock Units Granted]

Maximum Number of Restricted

Stock Units: [Insert Maximum No. of Restricted Stock Units at Maximum Level of Performance]¹

Vesting Schedule: The Restricted Stock Units shall vest at such times and in such amounts as set forth in Exhibit A of the Credit Agreement are incorporated herein and apply to this Amendment *mutatis mutandis*. Performance-Based Restricted Stock Unit Agreement.

* * *

Section 5.4.1 Headings Note. Article and Section headings used herein are for convenience: The Maximum Number of reference only, are not part Restricted Stock Units will equal 200% of this Amendment and are not to affect the construction of, or be taken into consideration in interpreting, this Amendment. target award.

[signature pages follow]

a

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed and delivered by their respective duly authorized officers as of the date first above written.

GATES GLOBAL LLC,
as Borrower

By: /s/ Nathan Rogers
Name: Nathan Rogers Title: Authorized Representative

GATES INDUSTRIAL CORPORATION,
as Co-Borrower

By: /s/ Nathan Rogers
Name: Nathan Rogers Title: Authorized Representative

OMAHA HOLDINGS LLC,
as Holdings

By: /s/ Nathan Rogers
Name: Nathan Rogers Title: Authorized Representative

GATES GLOBAL CO.
OMAHA ACQUISITION INC.
GATES INVESTMENTS, LLC
GATES ADMINISTRATION CORP.
PHILIPS HOLDING CORPORATION
TOMKINS BP US HOLDING CORP.
GATES E&S NORTH AMERICA, INC.
GATES TPU, INC.
GATES INTERNATIONAL HOLDINGS, LLC
ATLAS HYDRAULICS INC.
GATES HOLDINGS 1 LLC PLC

each as a Guarantor

By: /s/ Nathan Rogers
Name: Nathan Rogers Title: Authorized Representative

By: Gwen Montgomery
Title: EVP, Chief Human Resources Officer

[Signature Page to Amendment No. 8] Performance-Based Restricted Stock Award]

Accepted and Acknowledged:

THE UNDERSIGNED PARTICIPANT ACKNOWLEDGES RECEIPT OF THIS PERFORMANCE-BASED RESTRICTED STOCK UNIT GRANT NOTICE, THE PERFORMANCE-BASED RESTRICTED STOCK UNIT AGREEMENT AND THE PLAN, AND, AS AN EXPRESS CONDITION TO THE GRANT OF RESTRICTED STOCK UNITS HEREUNDER, AGREES TO BE BOUND BY THE TERMS OF THIS PERFORMANCE-BASED RESTRICTED STOCK UNIT GRANT NOTICE, THE PERFORMANCE-BASED RESTRICTED STOCK UNIT AGREEMENT AND THE PLAN.

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH, as Administrative Agent

/s/ Vipul Dhadda

Name: Vipul Dhadda
Title: Authorized Signatory/PARTICIPANT₂

/s/ Cassandra Droogan

Name: Cassandra Droogan

Title: Authorized Signatory

[Redacted] To the extent that the Company has established, either itself or through a third-party plan administrator, the ability to accept this award electronically, such acceptance shall constitute the Participant's signature hereto.

[Signature Page to Amendment No. 8]

CITIBANK, N.A. Performance-Based Restricted Stock Award, as New Lender]

[Redacted]

Name: Caesar Wyszomirski
Title: Director & Vice President

[Signature Page to Amendment No. 8]

EXHIBIT A

PERFORMANCE-BASED RESTRICTED STOCK UNIT AGREEMENT
CONSENT TO AMENDMENT NO. 8 UNDER THE
GATES INDUSTRIAL CORPORATION PLC
2018 OMNIBUS INCENTIVE PLAN

CONSENT Pursuant to the Restricted Stock Unit Grant Notice (the "Grant Notice") delivered to the Participant (as defined in the Grant Notice), and subject to the terms of this Performance-Based Restricted Stock Unit Agreement (this "Consent Performance-Based Restricted Stock Unit Agreement") **TO AMENDMENT NO. 8** and the Gates Industrial Corporation plc 2018 Omnibus Incentive Plan, as it may be amended and restated from time to time (the "Amendment") to the Credit Agreement, dated as of July 3, 2014 (as amended by Amendment No. 1 dated as of April 7, 2017, as amended by Amendment No. 2 dated as of November 22, 2017, as amended by Amendment No. 3 dated as of January 24, 2018, as amended by Amendment No. 4 dated as of February 24, 2021, as amended by Amendment No. 5 dated as of November 18, 2021, as amended by Amendment No. 6 dated as of November 16, 2022, as amended by Amendment No. 7 dated as of March 1, 2023 and as further amended, supplemented or otherwise modified through the date hereof, the "Credit Agreement"), among Omaha Holdings LLC, a Delaware limited liability company ("Holdings Plan"), Gates Global LLC Industrial Corporation plc (the "Borrower Company") and the Participant agree as follows. Capitalized terms not otherwise defined herein shall have the same meaning as set forth in the Plan.

1. Grant of Restricted Stock Units. Subject to the terms and conditions set forth herein and in the Plan, the Company hereby grants to the Participant the number of Restricted Stock Units equal to the "Maximum Number of Restricted Stock Units" provided in the Grant Notice (with each Restricted Stock Unit representing an unfunded, unsecured right to receive one Ordinary Share). The Company reserves all rights with respect to the granting of additional Restricted Stock Units hereunder and makes no implied promise to grant additional Restricted Stock Units.

2. Vesting. Subject to the conditions contained herein and in the Plan, the Restricted Stock Units shall vest and the restrictions on such Restricted Stock Units shall lapse as provided in Exhibit A, attached hereto. With respect to any Restricted Stock Unit, the period of time that such Restricted Stock

Unit remains subject to vesting shall be its Restricted Period.

3. **Settlement of Restricted Stock Units** The Company will procure delivery to the Participant as soon as reasonably practicable (and, in any event, within two and one-half months) following the applicable vesting date, either one Ordinary Share or the cash value of one Ordinary Share for each Restricted Stock Unit (as adjusted under the Plan, as applicable, and subject to Section 8 below) which becomes vested hereunder and such vested Restricted Stock Unit shall be cancelled upon such delivery. Notwithstanding anything in this Restricted Stock Unit Agreement to the contrary, the Company shall have no obligation to issue or transfer any Ordinary Shares as contemplated by this Restricted Stock Unit Agreement unless and until such issuance or transfer complies with all relevant provisions of law and the requirements of any stock exchange on which the Ordinary Shares are listed for trading. Such compliance shall include the requirement for the Participant to pay the par value of each Ordinary Share for each Restricted Stock Unit which has become vested hereunder.

4. **Treatment of Restricted Stock Units Upon Termination.** Unless otherwise provided in Exhibit A, attached hereto, the provisions of Section 9(c)(ii) of the Guarantors party thereto, Plan are incorporated herein by reference and made a part hereof.

5. **Participant.** Whenever the Lenders word "Participant" is used in any provision of this Performance-Based Restricted Stock Unit Agreement under circumstances where the provision should logically be construed to apply to the executors, the administrators, or the person or persons to whom the Restricted Stock Units may be transferred by will or by the laws of descent and distribution, the word "Participant" shall be deemed to include such person or persons.

6. **Non-Transferability.** The Restricted Stock Units may not be assigned, alienated, pledged, attached, sold, or otherwise transferred or encumbered by the Participant, unless such transfer is by will, by the laws of descent and distribution or other financial institutions applicable law, or entities specifically required

pursuant to a domestic relations order, and any such purported assignment, alienation, pledge, attachment, sale, transfer, or encumbrance shall be void and unenforceable against the Company or any other member of the Company Group; provided, that the designation of a beneficiary shall not constitute an assignment, alienation, pledge, attachment, sale, transfer, or encumbrance.

7. **Rights as Shareholder; Dividend Equivalents.** The Participant or a permitted transferee in accordance with Section 13(b) of the Plan shall have no rights as a shareholder with respect to any Ordinary Share underlying a Restricted Stock Unit (including no rights with respect to voting or to receive dividends or dividend equivalents) unless and until the Participant shall have become the holder of record or the beneficial owner of such Ordinary Share, and no adjustment shall be made for dividends or distributions or other rights in respect of such Ordinary Share for which the record date is prior to the date upon which the Participant shall become the holder of record or the beneficial owner thereof. The Restricted Stock Units shall be entitled to be credited with dividend equivalent payments upon the payment by the Company of dividends on Ordinary Shares. Such dividend equivalents will be provided in Ordinary Shares having a Fair Market Value on the date that the Restricted Stock Units are settled equal to the amount of such applicable dividends, and shall be payable at the same time as the Restricted Stock Units are settled in accordance with Section 3 above. In the event that any Restricted Stock Unit is forfeited by its terms, the Participant shall have no right to dividend equivalent payments in respect of such forfeited Restricted Stock Units.

8. **Tax Withholding and Payment of Par Value.** The provisions of Section 13(d) of the Plan are incorporated herein by reference and made a part hereof. The Participant shall satisfy such Participant's withholding liability, if any, referred to in Section 13(d) of the Plan by way of a settlement procedure effected by the settlement of the Award in a combination of: (i) Ordinary Shares; and (ii) cash (based on the Fair Market Value of the Ordinary Shares on the day prior to vesting), where the amount of cash is sufficient to pay (A) the par value of each Ordinary Share delivered pursuant to the award, and (B) all applicable required minimum income, employment, and/or other applicable taxes and employee and, if applicable, employer social security contributions that are statutorily required to be withheld with respect to an Award.

9. **Notice.** Every notice or other communication relating to this Performance-Based Restricted Stock Unit Agreement between the Company and the Participant shall be in writing, and shall be mailed to or delivered to the party for whom it is intended at such address as may from time to time be designated by such party thereto in a notice mailed or delivered to the other party as herein provided; provided that, unless and Credit Suisse AG, Cayman Islands Branch, until some other address be so designated, all notices or communications by the Participant to the Company shall be mailed or delivered to the Company at its principal executive office, to the attention of the Company's General Counsel, and all notices or communications by the Company to the Participant may be given to the Participant personally or may be mailed to the Participant at the Participant's last known address, as Administrative Agent (the "Administrative Agent"). Unless otherwise defined herein, terms defined reflected in the Credit Agreement Company's records. Notwithstanding the above, all notices and used herein communications between the Participant and any third-party plan administrator shall have been mailed, delivered, transmitted or sent in accordance with the respective meanings given procedures established by such third-party plan administrator and communicated to such terms the Participant from time to time.

10. **Nature of Grant.** By accepting the Restricted Stock Units, the Participant acknowledges, understands and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Amendment Company at any time, to the extent permitted by the Plan;

Initial B-4 (b) the grant of the Restricted Stock Units is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of restricted stock units, or benefits in lieu of restricted stock units, even if restricted stock units have been granted in the past;

- (c) all decisions with respect to future restricted stock unit or other grants, if any, will be at the sole discretion of the Company;
- (d) the Participant is voluntarily participating in the Plan;
- (e) the Restricted Stock Units, any Ordinary Shares acquired under the Plan, and the income from and value of same are not intended to replace any pension rights or compensation;
- (f) the Restricted Stock Units, any Ordinary Shares acquired under the Plan, and the income from and value of same, are not part of normal or expected compensation for purposes of, including but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, holiday pay, pension or retirement or welfare benefits or similar mandatory payments;
- (g) the future value of the Ordinary Shares underlying the Restricted Stock Units is unknown, indeterminable, and cannot be predicted with certainty;
- (h) no claim or entitlement to compensation or damages shall arise from forfeiture of the Restricted Stock Units resulting from the Participant's Termination (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is a service provider or the terms of the Participant's employment or service agreement, if any);
- (i) unless otherwise agreed with the Company in writing, the Restricted Stock Units, any Ordinary Shares acquired under the Plan, and the income from and value of same, are not granted as consideration for, or in connection with the service Participant may provide as a director of any Subsidiary or Affiliate; and
- (j) neither the Company nor the Service Recipient shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the United States Dollar **Term Lenders Only** that may affect the value of the Restricted Stock Units or of any amounts due to the Participant pursuant to the vesting of the Restricted Stock Units or the subsequent sale of any Ordinary Shares acquired upon vesting.

Check11. **No Advice Regarding Grant.** 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 the underlying Ordinary Shares. The Participant should consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

12. No Right to Continued Service. This Performance-Based Restricted Stock Unit Agreement does not confer upon the Participant any right to continue as an employee or service provider to the Service Provider.

13. Binding Effect. This Performance-Based Restricted Stock Unit Agreement shall be binding upon the heirs, executors, administrators and successors of the parties hereto.

14. Waiver and Amendments. Except as otherwise set forth in Section 12 of the Plan, any waiver, alteration, amendment or modification of any of the terms of this Performance-Based Restricted Stock Unit Agreement shall be valid only if made in writing and signed by the parties hereto; provided, however, that any such waiver, alteration, amendment or modification is consented to on the Company's behalf by the Committee. No waiver by either of the parties hereto of their rights hereunder shall be deemed to constitute a waiver with respect to any subsequent occurrences or transactions hereunder unless such waiver specifically states that it is to be construed as a continuing waiver.

15. Governing Law/Venue. This Performance-Based Restricted Stock Unit Agreement shall be construed and interpreted in accordance with the laws of the State of Colorado, without regard to the principles of conflicts of law thereof. Notwithstanding anything contained in this Performance-Based Restricted Stock Unit Agreement, the Grant Notice or the Plan to the contrary, if any suit or claim is instituted by the Participant or the Company relating to this Performance-Based Restricted Stock Unit Agreement, the Grant Notice or the Plan, the Participant hereby submits to the exclusive jurisdiction of and venue in the courts of Colorado.

16. Plan. The terms and provisions of the Plan are incorporated herein by reference. In the event of a conflict or inconsistency between the terms and provisions of the Plan and the provisions of this Performance-Based Restricted Stock Unit Agreement (including the Grant Notice), the Plan shall govern and control.

17. Section 409A. It is intended that the Restricted Stock Units granted hereunder shall be exempt from Section 409A of the Code pursuant to the "short-term deferral" rule applicable to such section, as set forth in the regulations or other guidance published by the U.S. Internal Revenue Service thereunder.

18. Electronic Delivery and Acceptance. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means or request the Participant's consent to participate in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through any on-line or electronic system established and maintained by the Company or another third party designated by the Company.

19. **Language.** The Participant acknowledges that he or she is sufficiently proficient in English, or has consulted with an advisor who is sufficiently proficient in English, so as to allow the Participant to understand the terms and conditions of this Agreement. Furthermore, if the Participant has received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

20. **Insider Trading Restrictions/Market Abuse Laws.** The Participant acknowledges that, depending on his or her country or the broker's country or where the Ordinary Shares are listed, the Participant may be subject to insider-trading restrictions and/or market-abuse laws, which may affect his or her ability to accept, acquire, sell or otherwise dispose of Ordinary Shares or rights to Ordinary Shares (e.g., the Restricted Stock Units) or rights linked to the value of Ordinary Shares under the Plan during such times as the Participant is considered to have "inside information" regarding the

Company (as defined by laws or regulations in the applicable jurisdictions). Further, the Participant acknowledges that local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Participant placed before he or she possessed inside information and that the Participant may be prohibited from disclosing inside information to any third party and "tipping" third parties or causing them to otherwise buy or sell securities. Third parties includes fellow employees. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under the Company's insider-trading policy. The Participant is responsible for ensuring compliance with any applicable restrictions and should consult his or her personal legal advisor on this matter.

21. **Foreign Asset/Account Reporting; Exchange Control and Tax Reporting and Other Requirements.** Depending on the Participant's country, the Participant may be subject to foreign asset/account, exchange control and/or tax reporting requirements as a result of the vesting of the Restricted Stock Units, the acquisition, holding and/or transfer of Ordinary Shares or cash resulting from participation in the Plan and/or the opening and maintaining of a brokerage or bank account in connection with the Plan. The Participant may be required to report such assets, accounts, account balances and values, and/or related transactions to the applicable authorities in his or her country. The Participant may also be required to repatriate sale proceeds or other funds received as a result of his or her participation in the Plan to his or her country through a designated bank or broker and/or within a certain time after receipt. The Participant acknowledges that he or she is responsible for ensuring compliance with any applicable foreign asset/account, exchange control and tax reporting and other requirements. The Participant further understands that he or she should consult the Participant's personal tax and legal advisors, as applicable on these matters.

Exhibit A

1. **Normal Vesting of Restricted Stock Units.**

(a) The Total Earned Amount of the Restricted Stock Units, if any, for the Performance Period shall be determined as follows: 25% shall be based on relative TSR and 75% shall be based on achievement of Adjusted ROIC, as set forth in Sections 2 and 3 of this Exhibit A.

(b) Subject to Section 2 of this Exhibit A, provided the Participant has not undergone a Termination on or prior to the last day of the Performance Period, a number of Restricted Stock Units equal to the Total Earned Amount (as calculated below) shall vest and the restrictions on such Restricted Stock Units shall lapse on the date on which the Committee certifies the achievement of the applicable performance targets set forth herein (the "Regular Vesting Date"). Any remaining Restricted Stock Units that do not vest in accordance with the preceding sentence shall immediately be forfeited by the Participant and the Participant shall transfer such shares of unvested Restricted Stock to such person (including but not limited to the Trustee) as the Company shall direct for no consideration therefor on the Regular Vesting Date.

(c) Notwithstanding anything in Section 9(c)(ii) of the Plan to the contrary, in the event that the Participant undergoes a Termination as a result of such Participant's death or Disability prior to the Regular Vesting Date, such Participant shall vest in a number of Restricted Stock Units equal to (i) a fraction, the numerator of which equals the number of elapsed calendar days from the first day of the Performance Period through the date of such Participant's Termination, and the denominator of which equals the total number of calendar days during the Performance Period, multiplied by (ii) the Total Earned Amount, determined on the Regular Vesting Date. Any remaining shares of unvested Restricted Stock that do not vest in accordance with the preceding sentence shall immediately be forfeited by the Participant and the Participant shall transfer such shares of unvested Restricted Stock to such person (including but not limited to the Trustee) as the Company shall direct for no consideration therefor on the Regular Vesting Date.

2. **Calculating Relative TSR and Adjusted ROIC.**

(a) Following the last day of the Performance Period, the Committee shall determine relative TSR in its sole discretion and no Restricted Stock Units shall vest, and the restrictions on such Restricted Stock Units shall not lapse, until the Committee determines such relative TSR performance, pursuant to Section 1(b) of this Exhibit A. Relative TSR shall be calculated and the relative comparison, expressed in terms of relative percentile ranking, shall be applied to all of the companies in the S&P 400 Capital Goods Industry Index at the start of the performance period; provided, that (i) only companies in the S&P 400 Capital Goods Industry Index that are publicly traded throughout the entire Performance Period shall be included for purposes of calculating relative TSR and (ii) companies in the S&P 400 Capital Goods Industry Index that are in reorganization under Chapter 11 of the Bankruptcy Code at any time during the Performance Period shall be deemed to be at the bottom of the S&P 400 Capital Goods Industry Index for purposes of calculating relative TSR. If the S&P 400 Capital Goods Industry Index is not in existence at the end of the Performance Period, the Committee will construct a new peer group based on the companies that were last in that index. For purposes of calculating relative TSR, the Company's TSR performance shall be expressed as a percentage (rounded to the nearest whole

percentage), in the value per Ordinary Share during the Performance Period due to the appreciation or second box depreciation in the price per Ordinary Share.

(b) Following the last day of the Performance Period, the Committee shall determine the Company's Adjusted ROIC in its sole discretion and no Restricted Stock Units shall vest, and the restrictions on such Restricted Stock Units shall not lapse, until the Committee certifies such Adjusted ROIC performance, pursuant to Section 1(b) of this Exhibit A.

3. **Calculating Total Earned Amount.** The resulting value of the Restricted Stock Units that shall vest, subject to Sections 1(b) and 2 of this Exhibit A based on actual performance of the Company during the Performance Period, as calculated by the tables set forth below in this Section 3 shall be hereinafter referred to as the "Total Earned Amount."

(a) The total number of Restricted Stock Units that shall vest based on the achievement of relative TSR performance levels shall equal the product of (i) 25% multiplied by (ii) the Target Number of Restricted Stock Units multiplied by (iii) the Applicable Percentage, as determined in the below table, and rounded down to the nearest whole share:

Performance Level	Relative TSR Position	Applicable Percentage
Threshold	Consent 25 th percentile The undersigned Lender (including any New Lender) hereby irrevocably and unconditionally approves of and consents to the Amendment with respect to all Existing Term B-4 Loans held by such Lender. All Existing Term B-4 Loans held by such Lender will be amended on a cashless basis to reflect the new terms of the Amendment.	50%
Target	Post-Close Settle 50 th percentile	100%
Maximum	The undersigned Lender (including any New Lender) hereby irrevocably and unconditionally approves of and consents to the Amendment with respect to all Existing Term B-4 Loans held by such Lender. The undersigned Lender hereby elects to have all Existing Term B-4 Loans held by such Lender be assigned on the Amendment No. 8 Effective Date to the New Lender (and is hereby deemed to execute the Assignment Agreement). 75 th percentile	200%

Performance between the relative TSR positions is interpolated on a straight-line basis and performance rank is rounded to the nearest whole percentile

Notwithstanding anything to the contrary herein, in the event the Company's TSR for the Performance Period is negative, then the Applicable Percentage with respect to relative TSR shall not exceed 100%.

(b) The total number of Restricted Stock Units that shall vest based on the achievement of Adjusted ROIC levels shall equal the product of (i) 75% multiplied by (ii) the Target Number of Restricted Stock Units multiplied by (iii) the Applicable Percentage, as determined in the below table, and rounded down to the nearest whole share:

Performance Level	Adjusted ROIC	Applicable Percentage
Threshold	15.0%	50%
Target	20.0%	100%

Maximum	25.0%	200%
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Performance between the Adjusted ROIC levels is interpolated on a straight-line basis and Adjusted ROIC in each year is rounded to the nearest tenth of a percentage.

4. Treatment of Restricted Stock Units Upon a Change in Control.

(a) Notwithstanding Section 1 of this Exhibit A, in the event of a Change in Control during the Participant's employment and prior to the completion of the Performance Period, the number of Restricted Stock Units that shall equal the Total Earned Amount, as determined on the date of such Change in Control by the Committee in its sole discretion, shall be calculated as follows:

(i) the relative TSR as measured through the date of the Change in Control based on the closing price of an Ordinary Share of the Company on the last trading day immediately prior to the Change in Control (or, in the event the Company's Ordinary Shares are not publicly traded immediately prior to the Change in Control, based on the value of an Ordinary Share of the Company as determined by the Committee based on the actual or implied price paid in the Change in Control) relative to the performance criteria set forth in this Exhibit A; and

(ii) the Adjusted ROIC measured through the most recently completed fiscal quarter relative to the performance criteria set forth in this Exhibit A;

provided, however, that if a Change in Control occurs within the first six months of a Performance Period, the Total Earned Amount shall equal the Target Number of Restricted Stock Units.

The number of Restricted Stock Units equal to the Total Earned Amount in accordance with the foregoing (the "CIC Earned Restricted Shares") shall not be prorated based on the number of completed calendar days in the Performance Period. Any Restricted Stock Units that become CIC Earned Restricted Shares shall become vested as to 50% of such CIC Earned Restricted Shares as of the date of the Change in Control, and as to the remaining 50% of the CIC Earned Restricted Shares on the first anniversary of the date of such Change in Control; provided, however, that if Participant undergoes a Termination by the Service Recipient without Cause before such first anniversary, Participant shall fully vest in such remaining 50% immediately prior to Termination.

(b) Notwithstanding the foregoing, in the event of a Change in Control during the Participant's employment and prior to the completion of the Performance Period, the Participant shall fully vest in such Participant's Target Number of Restricted Stock Units if the Restricted Stock Units are not continued, converted, assumed, or replaced by the Company, a member of the Company Group or a successor entity thereto.

5. Definitions.

(a) "**Adjusted EBITDA**" will be as reported in Gates' external filings with the U.S. Securities and Exchange Commission.

(b) "**Adjusted ROIC**"³ shall equal the three-year average of the annual: ((Adjusted EBITDA-depreciation and amortization)⁴ x (1 - 25% tax rate)) divided by 5-quarter average of (total assets⁵ - non-restricted cash - accounts payable - goodwill and other intangible assets that arose from the acquisition of Gates by Blackstone in 2014).

(c) "**Applicable Percentage**" shall mean the "Applicable Percentage" specified with respect to the "Threshold," "Target" and "Maximum" levels for each Performance Metric, or to the extent that the Company's actual performance falls between two levels set forth on the tables above, straight-line interpolation (and rounded to the nearest whole percentage point for TSR, and rounded to the nearest tenth of a percentage in each year for Adjusted ROIC) shall apply between such numbers. In the event that the Company's actual performance does not meet the "Threshold" requirements for a Performance Metric in the tables above, no award shall be earned with respect to such Performance Metric. In the event that the Company's performance exceeds the "Maximum" for a Performance Metric, such Performance Metric shall be capped at the "Maximum" amount.

(d) "**Beginning Share Price**" with respect to any Performance Period shall mean the 20-day trailing average closing price of an Ordinary Share of the Company as of (but excluding) the beginning of a Performance Period (subject to adjustment in accordance with Section 11 of the Plan). All closing prices shall be the principal stock exchange or quotation system closing prices on the date in question.

(e) "**Ending Share Price**" with respect to any Performance Period shall mean the 20-day trailing average closing price of an Ordinary Share of the Company through (and including) the last day of a Performance Period (plus the value of any dividends declared on any share of such Ordinary Share during the Performance Period, assuming such dividends are reinvested in Ordinary Shares on their respective ex-dividend dates). All closing prices shall be the principal stock exchange or quotation system closing prices on the date in question.

(f) "**TSR**," or total shareholder return, shall mean the quotient of (i)(A) Ending Share Price minus (B) Beginning Share Price divided by (ii) Beginning Share Price, in each case with such adjustments as are necessary in the judgment of the Committee to equitably calculate TSR in light of any stock splits, reverse stock splits, stock dividends, and other extraordinary transactions or other changes in the capital structure of the Company.

³Actual results and/or performance targets may be adjusted to exclude impact of acquisitions or divestitures completed during the Performance Period.

⁴Depreciation and Amortization deduction excludes the amortization of intangible assets arising from the acquisition of Gates by Blackstone in 2014.

⁵Total Assets to exclude Income Tax and Deferred Tax Assets.

GLOBAL PERFORMANCE-BASED RESTRICTED STOCK UNIT GRANT NOTICE
UNDER THE
GATES INDUSTRIAL CORPORATION PLC
2018 OMNIBUS INCENTIVE PLAN

Gates Industrial Corporation plc (the "Company"), pursuant to its 2018 Omnibus Incentive Plan, as it may be amended and restated from time to time (the "Plan"), hereby grants to the Participant set forth below the "Maximum Number of Restricted Stock Units" set forth below. The Restricted Stock Units are subject to all of the terms and conditions as set forth herein, in the Global Performance-Based Restricted Stock Unit Agreement (attached hereto), the Vesting Schedule attached hereto as Exhibit A, in the Country-Specific Provisions for Non-U.S. Participants attached hereto as Exhibit B, and in the Plan, all of which are incorporated herein in their entirety. The Global Performance-Based Restricted Stock Unit Agreement, Exhibit A and Exhibit B are referred to collectively as the "Agreement." Capitalized terms not otherwise defined herein shall have the meaning set forth in the Plan.

Participant: [Insert Participant Name]

Date of Grant: [Insert Date of Grant]

Performance Period: The three-year period commencing on [Insert Date] and ending on [Insert Date].

Target Number of Restricted Stock

Units: [Insert Target No. of Restricted Stock Units Granted]

Maximum Number of Restricted

Stock Units: [Insert Maximum No. of Restricted Stock Units at Maximum Level of Performance]¹

Vesting Schedule: The Restricted Stock Units shall vest at such times and in such amounts as set forth in Exhibit A of the Global Performance-Based Restricted Stock Unit Agreement.

* * *

¹Note: The Maximum Number of Restricted Stock Units will equal 200% of the target award.

GATES INDUSTRIAL CORPORATION PLC

By: Gwen Montgomery
Title: EVP, Chief Human Resources Officer

[Signature Page to Performance-Based Restricted Stock Award]

THE UNDERSIGNED PARTICIPANT ACKNOWLEDGES RECEIPT OF THIS GLOBAL PERFORMANCE-BASED RESTRICTED STOCK UNIT GRANT NOTICE, THE AGREEMENT AND THE PLAN, AND, AS AN EXPRESS CONDITION TO THE GRANT OF RESTRICTED STOCK UNITS HEREUNDER, AGREES TO BE BOUND BY THE TERMS OF THIS GLOBAL PERFORMANCE-BASED RESTRICTED STOCK UNIT GRANT NOTICE, THE AGREEMENT AND THE PLAN.

PARTICIPANT₂

² To the extent that the Company has established, either itself or through a third-party plan administrator, the ability to accept this award electronically, such acceptance shall constitute the Participant's signature hereto.

[Signature Page to Performance-Based Restricted Stock Award]

**GLOBAL PERFORMANCE-BASED RESTRICTED STOCK UNIT AGREEMENT
UNDER THE
GATES INDUSTRIAL CORPORATION PLC
2018 OMNIBUS INCENTIVE PLAN**

Pursuant to the Global Restricted Stock Unit Grant Notice (the "Grant Notice") delivered to the Participant (as defined in the Grant Notice), and subject to the terms of this Global Performance-Based Restricted Stock Unit Agreement, including Exhibit A and Exhibit B (together, this "Agreement") and the Gates Industrial Corporation plc 2018 Omnibus Incentive Plan, as it may be amended and restated from time to time (the "Plan"), Gates Industrial Corporation plc (the "Company") and the Participant agree as follows. Capitalized terms not otherwise defined herein shall have the same meaning as set forth in the Plan.

1. Grant of Restricted Stock Units. Subject to the terms and conditions set forth herein and in the Plan, the Company hereby grants to the Participant the number of Restricted Stock Units equal to the "Maximum Number of Restricted Stock Units" provided in the Grant Notice (with each Restricted Stock Unit representing an unfunded, unsecured right to receive one Ordinary Share). The Company reserves all rights with respect to the granting of additional Restricted Stock Units hereunder and makes no implied promise to grant additional Restricted Stock Units.

2. Vesting. Subject to the conditions contained herein and in the Plan, the Restricted Stock Units shall vest and the restrictions on such Restricted Stock Units shall lapse as provided in Exhibit A, attached hereto. With respect to any Restricted Stock Unit, the period of time that such Restricted Stock Unit remains subject to vesting shall be its Restricted Period.

3. Settlement of Restricted Stock Units The Company will procure delivery to the Participant as soon as reasonably practicable (and, in any event, within two and one-half months) following the applicable vesting date, either one Ordinary Share or the cash value of one Ordinary Share for each Restricted Stock Unit (as adjusted under the Plan, as applicable, and subject to Section 8 below) which becomes vested hereunder and such vested Restricted Stock Unit shall be cancelled upon such delivery. Notwithstanding anything in this Global Restricted Stock Unit Agreement to the contrary, the Company shall have no obligation to issue or transfer any Ordinary Shares as contemplated by this Global Restricted Stock Unit Agreement unless and until such issuance or transfer complies with all relevant provisions of law and the requirements of any stock exchange on which the Ordinary Shares are listed for trading. Such compliance shall include the requirement for the Participant to pay the par value of each Ordinary Share for each Restricted Stock Unit which has become vested hereunder, including through the use of the tax withholding methods set forth in Section 8, as determined by the Company.

4. Treatment of Restricted Stock Units Upon Termination. Unless otherwise provided in *Exhibit A*, attached hereto, the provisions of Section 9(c) (ii) of the Plan are incorporated herein by reference and made a part hereof.

For purposes of the Restricted Stock Units, a Participant's Termination will be deemed to occur as of the date the Participant is no longer actively providing services to the Company or the Service Recipient (regardless of the reason for such Termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is a service provider or the terms of the Participant's employment or service agreement, if any), and unless otherwise expressly provided in this Agreement or determined by the Committee, (i) a Participant's right to vest in the Restricted Stock Units under the Plan, if any, will terminate as of such date and will not be extended by any notice period

(e.g., a Participant's period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where Participant is a service provider or the Participant's employment or service agreement, if any); and (ii) the period (if any) during which a Participant may vest in the Restricted Stock Units after such Termination will commence on the date Participant ceases to actively provide services and will not be extended by any notice period or the terms of the Participant's employment or service agreement, if any; the Committee shall have the exclusive discretion to determine when a Participant is no longer actively providing services for purposes of his or her Restricted Stock Units (including whether a Participant may still be considered to be providing services while on a leave of absence).

5. Participant. Whenever the word "Participant" is used in any provision of this Global Performance-Based Restricted Stock Unit Agreement under circumstances where the provision should logically be construed to apply to the executors, the administrators, or the person or persons to whom the Restricted Stock Units may be transferred by will or by the laws of descent and distribution, the word "Participant" shall be deemed to include such person or persons.

6. Non-Transferability. The Restricted Stock Units may not be assigned, alienated, pledged, attached, sold, or otherwise transferred or encumbered by the Participant, unless such transfer is by will, by the laws of descent and distribution or other applicable law, or specifically required pursuant to a domestic relations order, and any such purported assignment, alienation, pledge, attachment, sale, transfer, or encumbrance shall be void and unenforceable against the Company or any other member of the Company Group; provided, that the designation of a beneficiary shall not constitute an assignment, alienation, pledge, attachment, sale, transfer, or encumbrance.

Further, notwithstanding Section 13(h) of the Plan, the Committee may restrict Participants outside the United States from designating a beneficiary who shall be entitled to receive the amounts payable with respect to the Restricted Stock Units, if any, due under the Plan upon the Participant's death.

7. Rights as Shareholder; Dividend Equivalents. The Participant or a permitted transferee in accordance with Section 13(b) of the Plan shall have no rights as a shareholder with respect to any Ordinary Share underlying a Restricted Stock Unit (including no rights with respect to voting or to receive dividends or dividend equivalents) unless and until the Participant shall have become the holder of record or the beneficial owner of such Ordinary Share, and no adjustment shall be made for dividends or distributions or other rights in respect of such Ordinary Share for which the record date is prior to the date upon which the Participant shall become the holder of record or the beneficial owner thereof. The Restricted Stock Units shall be entitled to be credited with dividend equivalent payments upon the payment by the Company of dividends on Ordinary Shares. Such dividend equivalents will be provided in Ordinary Shares having a Fair Market Value on the date that the Restricted Stock Units are settled equal to the amount of such applicable dividends, and shall be payable at the same time as the Restricted Stock Units are settled in accordance with Section 3 above. In the event that any Restricted Stock Unit is forfeited by its terms, the Participant shall have no right to dividend equivalent payments in respect of such forfeited Restricted Stock Units.

8. Tax Withholding.

(a) **Responsibility for Taxes.** The Participant acknowledges that, regardless of any action taken by the Company or the Service Recipient, the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account, and other tax-related items related to the

Participant's participation in the Plan and legally applicable to the Participant ("Tax-Related Items"), is and remains the Participant's responsibility and may exceed the amount, if any, actually withheld by the Company or the Service Recipient. The Participant further acknowledges that the Company and/or the Service Recipient (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Restricted Stock Units, including, but not limited to, the grant or vesting of the Restricted Stock Units, the subsequent sale of Ordinary Shares acquired pursuant to such vesting and the receipt of any dividend equivalents, dividends or other distributions paid on the Ordinary Shares, and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Restricted Stock Units to reduce or eliminate the Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if the Participant is subject to Tax-Related Items in more than one jurisdiction, the Participant acknowledges that the Company and/or the Service Recipient (or former service recipient, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) **Withholding of Taxes.** Prior to any relevant taxable or tax withholding event, as applicable, the Participant agrees to make arrangements satisfactory to the Company and the Service Recipient to satisfy any withholding obligations the Company or the Service Recipient may have for Tax-Related Items. In this regard, Participant authorizes the Company or the Service Recipient, as applicable, and their respective agents, at their discretion, to satisfy any withholding obligation for Tax-Related Items by one or a combination of the following:

(i). withholding from Participant's wages or other cash compensation payable to Participant by the Company or the Service Recipient;

- (ii). requiring Participant to tender a cash payment to the Company or the Service Recipient;
- (iii). withholding from proceeds of the sale of Ordinary Shares to be issued upon vesting of the Restricted Stock Units either through a voluntary sale or through a mandatory sale arranged by the Company (on the Participant's behalf pursuant to this authorization without further consent); and
- (iv). any other method acceptable to the Company and permitted under the Plan and applicable laws.

The Company may withhold or account for Tax-Related Items by considering minimum statutory withholding rates or other applicable withholding rates, including up to the maximum applicable rate for Participant's jurisdiction(s). If the maximum applicable rate for Participant's jurisdiction(s) is used, Participant may receive a refund of any over-withheld amount in cash and will have no entitlement to the equivalent amount in Ordinary Shares.

The Company may refuse to deliver the Ordinary Shares or the proceeds of the sale of Ordinary Shares, if the Participant fails to comply with the Participant's obligations for Tax-Related Items.

9. Nature of Grant. By accepting the Restricted Stock Units, the Participant acknowledges, understands and agrees that:

- (a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;
- (b) the grant of the Restricted Stock Units is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of restricted stock units, or benefits in lieu of restricted stock units, even if restricted stock units have been granted in the past;
- (c) all decisions with respect to restricted stock unit or other grants, if any, will be at the sole discretion of the Company;
- (d) the Participant is voluntarily participating in the Plan;
- (e) the Restricted Stock Units, any Ordinary Shares acquired under the Plan, and the income from and value of same are not intended to replace any pension rights or compensation;
- (f) the Restricted Stock Units, any Ordinary Shares acquired under the Plan, and the income from and value of same, are not part of normal or expected compensation for purposes of, including but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, holiday pay, pension or retirement or welfare benefits or similar mandatory payments;
- (g) the future value of the Ordinary Shares underlying the Restricted Stock Units is unknown, indeterminable, and cannot be predicted with certainty;
- (h) no claim or entitlement to compensation or damages shall arise from forfeiture of the Restricted Stock Units resulting from the Participant's Termination (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is a service provider or the terms of the Participant's employment or service agreement, if any);
- (i) unless otherwise agreed with the Company in writing, the Restricted Stock Units, any Ordinary Shares acquired under the Plan, and the income from and value of same, are not granted as consideration for, or in connection with the service Participant may provide as a director of any Subsidiary or Affiliate; and
- (j) neither the Company nor the Service Recipient 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 Restricted Stock Units or of any amounts due to the Participant pursuant to the vesting of the Restricted Stock Units or the subsequent sale of any Ordinary Shares acquired upon vesting.

10. No Advice Regarding Grant. 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 the underlying Ordinary Shares. The Participant should consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

11. Data Privacy Information and Consent. By accepting the Restricted Stock Units and indicating consent via the Company's acceptance procedure, the Participant is declaring that he or

she agrees with the data processing practices described herein and consents to the collection, processing and use of Data (as defined below) by the Company and the transfer of Data to the recipients mentioned herein, including recipients located in countries which do not adduce an adequate level of protection from a European (or other non-U.S.) data protection law perspective, for the purposes described herein.

(a) Data Collection and Usage. The Company and the Service Recipient may collect, process and use certain personal information about the Participant, including, but not limited to, the Participant's name, home address and telephone number, email address, date of birth, social insurance number, passport number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all Restricted Stock Units or any other entitlement to Ordinary Shares or equivalent benefits awarded, canceled, exercised, vested, unvested or outstanding in the Participant's favor ("Data"), for the purposes of implementing, administering and managing the Plan. The legal basis, where required, for the processing of Data is the Participant's consent.

(b) Stock Plan Administration Service Providers. The Participant understands that Data may be transferred to an escrow agent, transfer agent, trustee, broker (i.e., Charles Schwab) or such stock plan service provider or other third party selected by the Company to assist the Company with the implementation, administration and management of the Plan, presently or in the future. The Company may select a different service provider or additional service providers and share Data with such other provider serving in a similar manner. The Participant may be asked to agree on separate terms and data processing practices with the service provider, with such agreement being a condition to the ability to participate in the Plan.

(c) International Data Transfers. The Company and its service providers are based in the United States. The Participant's country or jurisdiction may have different data privacy laws and protections than the United States. The Company's legal basis, where required, for the transfer of Data is the Participant's consent.

(d) Data Retention. The Company will hold and use the Data only as long as is necessary to implement, administer and manage the Participant's participation in the Plan, or as required to comply with legal or regulatory obligations, including under tax and security laws.

(e) Voluntariness and Consequences of Consent Denial or Withdrawal. Participation in the Plan is voluntary and the Participant is providing the consents herein on a purely voluntary basis. If the Participant does not consent, or if the Participant later seeks to revoke the Participant's consent, the Participant's salary from or employment and career with the Service Recipient will not be affected; the only consequence of refusing or withdrawing the Participant's consent is that the Company would not be able to grant these Restricted Stock Units or other equity awards to the Participant or administer or maintain such awards.

(f) Data Subject Rights. Participant may have a number of rights under data privacy laws in the Participant's jurisdiction. Depending on where the Participant is based, such rights may include the right to (i) request access or copies of Data the Company processes, (ii) request rectification of incorrect Data, (iii) delete Data, (iv) restrict processing of Data, (v) portability of Data, (vi) lodge complaints with competent authorities in the Participant's jurisdiction, and/or (vii) receive a list with the names and addresses of any potential recipients of Data. To receive clarification

regarding these rights or to exercise these rights, the Participant can contact his or her local human resources representative.

(g) Alternate Basis and Additional Consents. Finally, the Participant understands that the Company may rely on a different basis for the processing or transfer of Data in the future and/or request that Participant provide another data privacy consent. If applicable, the Participant agrees that upon request of the Company or the Service Recipient, the Participant will provide an executed acknowledgment or data privacy consent form (or any other agreements or consents) that the Company and/or the Service Recipient may deem necessary to obtain from the Participant for the purpose of administering the Participant's participation in the Plan in compliance with the data privacy laws in the Participant's country, either now or in the future. The Participant understands and agrees that he or she will not be able to participate in the Plan if he or she fails to provide any such consent or agreement requested by the Company and/or the Service Recipient.

12. Notice. Every notice or other communication relating to this Agreement between the Company and the Participant shall be in writing, and shall be mailed to or delivered to the party for whom it is intended at such address as may from time to time be designated by such party in a notice mailed or delivered to the other party as herein provided; provided that, unless and until some other address be so designated, all notices or communications by the Participant to the Company shall be mailed or delivered to the Company at its principal executive office, to the attention of the Company's General Counsel, and all notices or communications by the Company to the Participant may be given to the Participant personally or may be mailed to the Participant at the Participant's last known address, as reflected in the Company's records. Notwithstanding the above, all notices and communications between the Participant and any third-party plan administrator shall be mailed, delivered, transmitted or sent in accordance with the procedures established by such third-party plan administrator and communicated to the Participant from time to time.

13. No Right to Continued Service. This Agreement does not confer upon the Participant any right to continue as an employee or service provider to the Service Recipient.

14. Binding Effect. This Agreement shall be binding upon the heirs, executors, administrators and successors of the parties hereto.

15. Waiver and Amendments. Except as otherwise set forth in Section 12 of the Plan, any waiver, alteration, amendment or modification of any of the terms of this Agreement shall be valid only if made in writing and signed by the parties hereto; provided, however, that any such waiver, alteration, amendment or modification is consented to on the Company's behalf by the Committee. No waiver by either of the parties hereto of their rights hereunder shall be deemed to constitute a waiver with respect to any subsequent occurrences or transactions hereunder unless such waiver specifically states that it is to be construed as a continuing waiver.

16. **Governing Law/Venue.** This Agreement shall be construed and interpreted in accordance with the laws of the State of Colorado, without regard to the principles of conflicts of law thereof. Notwithstanding anything contained in this Agreement, the Grant Notice or the Plan to the contrary, if any suit or claim is instituted by the Participant or the Company relating to this Agreement, the Grant Notice or the Plan, the Participant hereby submits to the exclusive jurisdiction of and venue in the courts of Colorado.

17. **Plan.** The terms and provisions of the Plan are incorporated herein by reference. In the event of a conflict or inconsistency between the terms and provisions of the Plan and the provisions of this Global Performance-Based Restricted Stock Unit Agreement (including the Grant Notice), the Plan shall govern and control.

18. **Section 409A.** It is intended that the Restricted Stock Units granted hereunder shall be exempt from Section 409A of the Code pursuant to the "short-term deferral" rule applicable to such section, as set forth in the regulations or other guidance published by the U.S. Internal Revenue Service thereunder.

19. **Electronic Delivery and Acceptance.** The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means or request the Participant's consent to participate in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through any on-line or electronic system established and maintained by the Company or another third party designated by the Company.

20. **Language.** The Participant acknowledges that he or she is sufficiently proficient in English, or has consulted with an advisor who is sufficiently proficient in English, so as to allow the Participant to understand the terms and conditions of this Agreement. Furthermore, if the Participant has received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

21. **Country-Specific Provisions.** The Restricted Stock Units shall be subject to any additional terms and conditions set forth for the Participant's country in Exhibit A. Moreover, if the Participant relocates to one of the countries included in Exhibit A, the terms and conditions for such country will apply to the Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. Exhibit A constitutes part of this Agreement.

22. **Insider Trading Restrictions/Market Abuse Laws.** The Participant acknowledges that, depending on his or her country or the broker's country or where the Ordinary Shares are listed, the Participant may be subject to insider-trading restrictions and/or market-abuse laws, which may affect his or her ability to accept, acquire, sell or otherwise dispose of Ordinary Shares or rights to Ordinary Shares (e.g., the Restricted Stock Units) or rights linked to the value of Ordinary Shares under the Plan during such times as the Participant is considered to have "inside information" regarding the Company (as defined by laws or regulations in the applicable jurisdictions). Further, the Participant acknowledges that local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Participant placed before he or she possessed inside information and that the Participant may be prohibited from disclosing inside information to any third party and "tipping" third parties or causing them to otherwise buy or sell securities. Third parties includes fellow employees. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under the Company's insider-trading policy. The Participant is responsible for ensuring compliance with any applicable restrictions and should consult his or her personal legal advisor on this matter.

Foreign Asset/Account Reporting; Exchange Control and Tax Reporting and Other Requirements. Depending on the Participant's country, the Participant may be subject to foreign asset/account, exchange control and/or tax reporting requirements as a result of the vesting of the Restricted

Stock Units, the acquisition, holding and/or transfer of Ordinary Shares or cash resulting from participation in the Plan and/or the opening and maintaining of a brokerage or bank account in connection with the Plan. The Participant may be required to report such assets, accounts, account balances and values, and/or related transactions to the applicable authorities in his or her country. The Participant may also be required to repatriate sale proceeds or other funds received as a result of his or her participation in the Plan to his or her country through a designated bank or broker and/or within a certain time after receipt. The Participant acknowledges that he or she is responsible for ensuring compliance with any applicable foreign asset/account, exchange control and tax reporting and other requirements. The Participant further understands that he or she should consult the Participant's personal tax and legal advisors, as applicable on these matters.

Exhibit A

1. **Normal Vesting of Restricted Stock Units.**

(a) The Total Earned Amount of the Restricted Stock Units, if any, for the Performance Period shall be determined as follows: 25% shall be based on relative TSR and 75% shall be based on achievement of Adjusted ROIC, as set forth in Sections 2 and 3 of this Exhibit A.

(b) Subject to Section 2 of this Exhibit A, provided the Participant has not undergone a Termination on or prior to the last day of the Performance Period, a number of Restricted Stock Units equal to the Total Earned Amount (as calculated below) shall vest and the restrictions on such Restricted Stock Units shall lapse on the date on which the Committee certifies the achievement of the applicable performance targets set forth herein (the "Regular Vesting Date"). Any remaining Restricted Stock Units that do not vest in accordance with the preceding sentence shall immediately be forfeited by the Participant and the Participant

shall transfer such shares of unvested Restricted Stock to such person (including but not limited to the Trustee) as the Company shall direct for no consideration therefor on the Regular Vesting Date.

(c) Notwithstanding anything in Section 9(c)(ii) of the Plan to the contrary, in the event that the Participant undergoes a Termination as a result of such Participant's death or Disability prior to the Regular Vesting Date, such Participant shall vest in a number of Restricted Stock Units equal to (i) a fraction, the numerator of which equals the number of elapsed calendar days from the first day of the Performance Period through the date of such Participant's Termination, and the denominator of which equals the total number of calendar days during the Performance Period, multiplied by (ii) the Total Earned Amount, determined on the Regular Vesting Date. Any remaining shares of unvested Restricted Stock that do not vest in accordance with the preceding sentence shall immediately be forfeited by the Participant and the Participant shall transfer such shares of unvested Restricted Stock to such person (including but not limited to the Trustee) as the Company shall direct for no consideration therefor on the Regular Vesting Date.

2. **Calculating Relative TSR and Adjusted ROIC.**

(a) Following the last day of the Performance Period, the Committee shall determine relative TSR in its sole discretion and no Restricted Stock Units shall vest, and the restrictions on such Restricted Stock Units shall not lapse, until the Committee determines such relative TSR performance, pursuant to Section 1(b) of this Exhibit A. Relative TSR shall be calculated and the relative comparison, expressed in terms of relative percentile ranking, shall be applied to all of the companies in the S&P 400 Capital Goods Industry Index at the start of the performance period; provided, that (i) only companies in the S&P 400 Capital Goods Industry Index that are publicly traded throughout the entire Performance Period shall be included for purposes of calculating relative TSR and (ii) companies in the S&P 400 Capital Goods Industry Index that are in reorganization under Chapter 11 of the Bankruptcy Code at any time during the Performance Period shall be deemed to be at the bottom of the S&P 400 Capital Goods Industry Index for purposes of calculating relative TSR. If the S&P 400 Capital Goods Industry Index is not in existence at the end of the Performance Period, the Committee will construct a new peer group based on the companies that were last in that index. For purposes of calculating relative TSR, the Company's TSR performance shall be expressed as a percentage (rounded to the nearest whole percentage), in the value per Ordinary Share during the Performance Period due to the appreciation or depreciation in the price per Ordinary Share.

(b) Following the last day of the Performance Period, the Committee shall determine the Company's Adjusted ROIC in its sole discretion and no Restricted Stock Units shall vest, and the restrictions on such Restricted Stock Units shall not lapse, until the Committee certifies such Adjusted ROIC performance, pursuant to Section 1(b) of this Exhibit A.

3. **Calculating Total Earned Amount.** The resulting value of the Restricted Stock Units that shall vest, subject to Sections 1(b) and 2 of this Exhibit A based on actual performance of the Company during the Performance Period, as calculated by the tables set forth below in this Section 3 shall be hereinafter referred to as the "Total Earned Amount."

(a) The total number of Restricted Stock Units that shall vest based on the achievement of relative TSR performance levels shall equal the product of (i) 25% multiplied by (ii) the Target Number of Restricted Stock Units multiplied by (iii) the Applicable Percentage, as determined in the below table, and rounded down to the nearest whole share:

Name of
Lender:

by

Name:
Title:

Performance Level	Relative TSR For any Institution requiring a second signature line: Position	Applicable Percentage
Threshold	by 25 Name: Title: th percentile	50%
Target	50th percentile	100%
Maximum	75th percentile	200%

Performance between the relative TSR positions is interpolated on a straight-line basis and performance rank is rounded to the nearest whole percentile

Notwithstanding anything to the contrary herein, in the event the Company's TSR for the Performance Period is negative, then the Applicable Percentage with respect to relative TSR shall not exceed 100%.

(b) The total number of Restricted Stock Units that shall vest based on the achievement of Adjusted ROIC levels shall equal the product of (i) 75% multiplied by (ii) the Target Number of Restricted Stock Units multiplied by (iii) the Applicable Percentage, as determined in the below table, and rounded down to the nearest whole share:

Performance Level	Adjusted ROIC	Applicable Percentage
Threshold	15.0%	50%
Target	20.0%	100%
Maximum	25.0%	200%

Performance between the Adjusted ROIC levels is interpolated on a straight-line basis and adjusted ROIC in each year is rounded to the nearest tenth of a percentage.

4. Treatment of Restricted Stock Units Upon a Change in Control.

(a) Notwithstanding Section 1 of this Exhibit A, in the event of a Change in Control during the Participant's employment and prior to the completion of the Performance Period, the number of Restricted Stock Units that shall equal the Total Earned Amount, as determined on the date of such Change in Control by the Committee in its sole discretion, shall be calculated as follows:

(i) the relative TSR as measured through the date of the Change in Control based on the closing price of an Ordinary Share of the Company on the last trading day immediately prior to the Change in Control (or, in the event the Company's Ordinary Shares are not publicly traded immediately prior to the Change in Control, based on the value of an Ordinary Share of the Company as determined by the Committee based on the actual or implied price paid in the Change in Control) relative to the performance criteria set forth in this Exhibit A; and

(ii) the Adjusted ROIC measured through the most recently completed fiscal quarter relative to the performance criteria set forth in this Exhibit A;

provided, however, that if a Change in Control occurs within the first six months of a Performance Period, the Total Earned Amount shall equal the Target Number of Restricted Stock Units.

The number of Restricted Stock Units equal to the Total Earned Amount in accordance with the foregoing (the "CIC Earned Restricted Shares") shall not be prorated based on the number of completed calendar days in the Performance Period. Any Restricted Stock Units that become CIC Earned Restricted Shares shall become vested as to 50% of such CIC Earned Restricted Shares as of the date of the Change in Control, and as to the remaining 50% of the CIC Earned Restricted Shares on the first anniversary of the date of such Change in Control; provided, however, that if Participant undergoes a Termination by the Service Recipient without Cause before such first anniversary, Participant shall fully vest in such remaining 50% immediately prior to Termination.

(b) Notwithstanding the foregoing, in the event of a Change in Control during the Participant's employment and prior to the completion of the Performance Period, the Participant shall fully vest in such Participant's Target Number of Restricted Stock Units if the Restricted Stock Units are not continued, converted, assumed, or replaced by the Company, a member of the Company Group or a successor entity thereto.

5. Definitions.

(a) "Adjusted EBITDA" will be as reported in Gates' external filings with the U.S. Securities and Exchange Commission.

(b) "Adjusted ROIC"³ shall equal the three-year average of the annual: ((Adjusted EBITDA-depreciation and amortization)⁴ x (1 - 25% tax rate)) divided by 5-quarter average of (total assets⁵ - non-rest

³Actual results and/or performance targets may be adjusted to exclude impact of acquisitions or divestitures completed during the Performance Period.

⁴Depreciation and Amortization deduction excludes the amortization of intangible assets arising from the acquisition of Gates by Blackstone in 2014.

⁵Total Assets to exclude Income Tax and Deferred Tax Assets.

stricted cash – accounts payable – goodwill and other intangible assets that arose from the acquisition of Gates by Blackstone in 2014).

(c) "Applicable Percentage" shall mean the "Applicable Percentage" specified with respect to the "Threshold," "Target" and "Maximum" levels for each Performance Metric, or to the extent that the Company's actual performance falls between two levels set forth on the tables above, straight-line interpolation

(and rounded to the nearest whole percentage point for TSR, and rounded to the nearest tenth of a percentage in each year for Adjusted ROIC) shall apply between such numbers. In the event that the Company's actual performance does not meet the "Threshold" requirements for a Performance Metric in the tables above, no award shall be earned with respect to such Performance Metric. In the event that the Company's performance exceeds the "Maximum" for a Performance Metric, such Performance Metric shall be capped at the "Maximum" amount.

(d) **"Beginning Share Price"** with respect to any Performance Period shall mean the 20-day trailing average closing price of an Ordinary Share of the Company as of (but excluding) the beginning of a Performance Period (subject to adjustment in accordance with Section 11 of the Plan). All closing prices shall be the principal stock exchange or quotation system closing prices on the date in question.

(e) **"Ending Share Price"** with respect to any Performance Period shall mean the 20-day trailing average closing price of an Ordinary Share of the Company through (and including) the last day of a Performance Period (plus the value of any dividends declared on any share of such Ordinary Share during the Performance Period, assuming such dividends are reinvested in Ordinary Shares on their respective ex-dividend dates). All closing prices shall be the principal stock exchange or quotation system closing prices on the date in question.

(f) **"TSR,"** or total shareholder return, shall mean the quotient of (i)(A) Ending Share Price minus (B) Beginning Share Price divided by (ii) Beginning Share Price, in each case with such adjustments as are necessary in the judgment of the Committee to equitably calculate TSR in light of any stock splits, reverse stock splits, stock dividends, and other extraordinary transactions or other changes in the capital structure of the Company.

Exhibit B

COUNTRY-SPECIFIC PROVISIONS FOR NON-U.S. PARTICIPANTS

Terms and Conditions

This Exhibit B includes additional (or, if so indicated, different) terms and conditions that govern the Restricted Stock Units granted to the Participant if the Participant is in one of the countries listed herein.

If the Participant is a citizen or resident of a country (or if the Participant is considered as such for local law purposes) other than the one in which the Participant is currently residing and/or working, or if the Participant transfers employment and/or residency to another country after being granted the Restricted Stock Units, the Company will, in its discretion, determine the extent to which the terms and conditions contained herein will be applicable to the Participant.

Capitalized terms used but not defined herein shall have the same meanings as set forth in the Plan or the Global Performance-Based Restricted Stock Unit Agreement, as applicable.

Notifications

This Exhibit B also includes information regarding certain issues of which the Participant should be aware with respect to his or her participation in the Plan. The information is based on securities, exchange control and other laws in effect in the respective countries as of January 2024. Such laws are often complex and change frequently. As a result, the Participant should not rely on the information in this Exhibit B as the only source of information relating to the consequences of participation in the Plan because the information may be out of date at the time the Restricted Stock Units vest or the Participant sells Ordinary Shares acquired under the Plan.

In addition, the information contained herein is general in nature and may not apply to the Participant's particular situation, and the Company is not in a position to assure the Participant of a particular result. Accordingly, the Participant should seek appropriate professional advice as to how the relevant laws in his or her country may apply to the Participant's individual situation.

Finally, if the Participant is a citizen or resident of a country (or if the Participant is considered as such for local law purposes) other than the one in which the Participant is currently residing and/or working, or if the Participant transfers employment and/or residency to another country after being granted the Restricted Stock Units, the information contained herein may not be applicable in the same manner.

LUXEMBOURG

Notifications

Exchange Control Information. The Participant acknowledges and agrees that the Participant must report any inward remittance of funds associated with the Award to the Banque Central de Luxembourg and/or the Service Central de La Statistique et des Études Économiques within fifteen (15) working days following the month during which the transaction occurred. If a Luxembourg financial institution is involved in the transaction, such financial institution typically will fulfill the reporting obligation on behalf of the Participant. However, if the Luxembourg financial institution does not report the transaction, the Participant personally is responsible for satisfying the reporting obligation. The Participant should consult with the Participant's personal advisor(s) regarding any personal legal, regulatory or foreign exchange obligations the Participant may have in connection with the Participant's participation in the Plan.

GLOBAL STOCK APPRECIATION RIGHT GRANT NOTICE
UNDER THE
GATES INDUSTRIAL CORPORATION PLC
2018 OMNIBUS INCENTIVE PLAN

Gates Industrial Corporation plc (the "Company"), pursuant to its 2018 Omnibus Incentive Plan, as it may be amended and restated from time to time (the "Plan"), hereby grants to the Participant set forth below the number of Stock Appreciation Rights in respect of the number of Ordinary Shares set forth below, at a Strike Price per share set forth below. The Stock Appreciation Rights are subject to all of the terms and conditions as set forth herein, in the Plan, in the Global Stock Appreciation Right Agreement (attached hereto), and in the Country-Specific Provisions for Non-U.S. Participants (attached as Exhibit A to the Global Stock Appreciation Right Agreement), all of which are incorporated herein in their entirety. The Global Stock Appreciation Right Agreement and the Country-Specific Provisions for Non-U.S. Participants are referred to collectively as the "Agreement." Capitalized terms not otherwise defined herein shall have the meaning set forth in the Plan.

Participant: [Insert Participant Name]

Date of Grant: [Insert Grant Date]

Number of Stock Appreciation Rights: [Insert Number of Stock Appreciation Rights]

Strike Price: [Insert Strike Price]

SAR Period Expiration Date: [Insert Expiration Date]

Vesting Schedule: Provided that the Participant has not undergone a Termination prior to the time of each applicable vesting date (or event):

- 1/3 of the Stock Appreciation Rights will vest on [Insert Date];
- 1/3 of the Stock Appreciation Rights will vest on [Insert Date]; and
- the remaining unvested Stock Appreciation Rights will vest on [Insert Date];

provided, however, that in the event that (i) prior to a Change in Control, the Participant undergoes a Termination as a result of such Participant's death or Disability, or (ii) on or following a Change in Control, such Participant undergoes a Termination by the Service Recipient without Cause, or as a result of such Participant's death or Disability, such Participant shall fully vest in such Participant's Stock Appreciation Rights to the extent not then vested or previously forfeited or cancelled.

* * *

GATES INDUSTRIAL CORPORATION PLC

By: Gwen Montgomery

Title: *EVP, Chief Human Resources Officer*

[Signature Page Stock Appreciation Right Award]

THE UNDERSIGNED PARTICIPANT ACKNOWLEDGES RECEIPT OF THIS GLOBAL STOCK APPRECIATION RIGHT GRANT NOTICE, THE AGREEMENT AND THE PLAN, AND, AS AN EXPRESS CONDITION TO THE GRANT OF STOCK APPRECIATION RIGHTS HEREUNDER, AGREES TO BE BOUND BY THE TERMS OF THIS GLOBAL STOCK APPRECIATION RIGHT GRANT NOTICE, THE AGREEMENT AND THE PLAN.

PARTICIPANT₁

¹ To the extent that the Company has established, either itself or through a third-party plan administrator, the ability to Amendment No. 8] accept this award electronically, such acceptance shall constitute the Participant's signature hereto.

[Signature Page Stock Appreciation Right Award]

GLOBAL STOCK APPRECIATION RIGHT AGREEMENT

UNDER THE

GATES INDUSTRIAL CORPORATION PLC
2018 OMNIBUS INCENTIVE PLAN

Pursuant to the Stock Appreciation Right Grant Notice (the “**Grant Notice**”) delivered to the Participant (as defined in the Grant Notice), and subject to the terms of this Global Stock Appreciation Right Agreement, including the Country-Specific Provisions for Non-U.S. Participants attached hereto as Exhibit A (together, this “**Agreement**”) and the Gates Industrial Corporation plc 2018 Omnibus Incentive Plan, as it may be amended and restated from time to time (the “**Plan**”), Gates Industrial Corporation plc (the “**Company**”) and the Participant agree as follows. Capitalized terms not otherwise defined herein shall have the same meaning as set forth in the **Plan**.

1. Grant of Stock Appreciation Rights. Subject to the terms and conditions set forth herein and in the Plan, the Company hereby grants to the Participant the number of Stock Appreciation Rights provided in the Grant Notice (in respect of the number of Ordinary Shares as provided in the Grant Notice), at a Strike Price per share as provided in the Grant Notice. The Company reserves all rights with respect to the granting of additional Stock Appreciation Rights hereunder and makes no implied promise to grant additional Stock Appreciation Rights.

2. Vesting. Subject to the conditions contained herein and in the Plan, the Stock Appreciation Rights shall vest as provided in the Grant Notice.

3. Exercise of Stock Appreciation Rights Following Termination. Unless otherwise provided by the Committee, in the event of: (a) a Participant's Termination by the Service Recipient for Cause, all outstanding Stock Appreciation Rights granted to such Participant shall immediately terminate and expire; (b) a Participant's Termination due to death or Disability, each outstanding unvested Stock Appreciation Right granted to such Participant shall immediately fully vest and become exercisable, and each outstanding vested Stock Appreciation Right shall remain exercisable for one year thereafter (but in no event beyond the expiration of the SAR Period); (c) a Participant's voluntary Termination, each outstanding unvested Stock Appreciation Right granted to such Participant shall immediately

terminate and expire, and each outstanding vested Stock Appreciation Right shall remain exercisable for 60 days thereafter (but in no event beyond the expiration of the SAR Period); (d) a Participant's Termination by the Service Recipient without Cause following a Change in Control, each outstanding unvested Stock Appreciation Right granted to such Participant shall immediately fully vest and become exercisable, and each outstanding vested Stock Appreciation Right shall remain exercisable for 90 days after the date of Termination, but in no event beyond the expiration of the SAR Period; and (e) a Participant's Termination for any other reason, each outstanding unvested Stock Appreciation Right granted to such Participant shall immediately terminate and expire, and each outstanding vested Stock Appreciation Right shall remain exercisable for 90 days thereafter (but in no event beyond the expiration of the SAR Period).

For purposes of the Stock Appreciation Rights, a Participant's Termination will be deemed to occur as of the date the Participant is no longer actively providing services to the Service Recipient (regardless of the reason for such Termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is a service provider or the terms of the Participant's employment or service agreement, if any), and unless otherwise expressly provided in this Agreement or determined by the Committee, (i) a Participant's right to vest in the Stock Appreciation Rights under the Plan, if any, will terminate as of such date and will not be extended by any notice period (e.g., a Participant's period of service would not include any contractual notice period or any period of

"garden leave" or similar period mandated under employment laws in the jurisdiction where Participant is a service provider or the Participant's employment or service agreement, if any); and (ii) the period (if any) during which a Participant may exercise the Stock Appreciation Rights after such Termination will commence on the date Participant ceases to actively provide services and will not be extended by any notice period or the terms of the Participant's employment or service agreement, if any; the Committee shall have the exclusive discretion to determine when a Participant is no longer actively providing services for purposes of his or her Stock Appreciation Rights (including whether a Participant may still be considered to be providing services while on a leave of absence).

4. Method of Exercising Stock Appreciation Rights. The Stock Appreciation Rights may be exercised by the delivery of notice of the number of Stock Appreciation Rights that are being exercised. Such notice shall be delivered either (a) in writing to the Company at its principal office or at such other address as may be established by the Committee, to the attention of the Company's General Counsel; or (b) to a third-party plan administrator as may be arranged for by the Company or the Committee from time to time for purposes of the administration of outstanding Stock Appreciation Rights under the Plan, in the case of either (a) or (b), as communicated to the Participant by the Company from time to time.

5. Settlement of Stock Appreciation Rights. Following the exercise of a Stock Appreciation Right hereunder, as promptly as practicable after receipt of such notification, the Stock Appreciation Rights will be settled, by delivery to the Participant of an amount in cash or its equivalent (i.e., by check) equal to the product of (a) the number of Ordinary Shares in respect of such exercised Stock Appreciation Right and (b) the excess, if any, of (i) the Fair Market Value of one Ordinary Share on the date of the exercise notice over (ii) the Strike Price of such Stock Appreciation Rights, subject to Section 9 of this Agreement.

6. Participant. Whenever the word "Participant" is used in any provision of this Stock Appreciation Right Agreement under circumstances where the provision should logically be construed to apply to the executors, the administrators, or the person or persons to whom the Stock Appreciation Rights may be transferred by will or by the laws of descent and distribution, the word "Participant" shall be deemed to include such person or persons.

7. Non-Transferability. The Stock Appreciation Rights are not transferable by the Participant except to Permitted Transferees in accordance with Section 13(b) of the Plan. Except as otherwise provided herein, no assignment or transfer of the Stock Appreciation Rights, or of the rights represented thereby, whether voluntary or involuntary, by operation of law or otherwise, shall vest in the assignee or transferee any interest or right herein whatsoever, but immediately upon such assignment or transfer the Stock Appreciation Rights shall terminate and become of no further effect.

Further, notwithstanding Section 13(h) of the Plan, the Committee may restrict Participants outside the United States from designating a beneficiary who shall be entitled to receive the amounts payable with respect to the Stock Appreciation Rights, if any, due under the Plan upon the Participant's death.

8. No Rights as Shareholder. The Participant or a Permitted Transferee of the Stock Appreciation Rights shall have no rights as a shareholder with respect to any Ordinary Share covered by a Stock Appreciation Right and shall have none of the rights or privileges of a shareholder of the Company (including the right to vote or receive dividends) in respect of Stock Appreciation Rights subject to the Grant Notice.

9. Tax Withholding.

(a) **Responsibility for Taxes.** The Participant acknowledges that, regardless of any action taken by the Company or the Service Recipient, the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account, and other tax-related items related to the Participant's participation in the Plan and legally applicable to the Participant ("Tax-Related Items"), is and remains the Participant's responsibility and may exceed the amount, if any, actually withheld by the Company or the Service Recipient. The Participant further acknowledges that the Company and/or the Service Recipient (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Stock Appreciation Rights, including, but not limited to, the grant, vesting or exercise of the Stock Appreciation Rights, and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Stock Appreciation Rights to reduce or eliminate the Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if the Participant is subject to Tax-Related Items in more than one jurisdiction, the Participant acknowledges that the Company and/or the Service Recipient (or former service recipient, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) Withholding of Taxes. Prior to any relevant taxable or tax withholding event, as applicable, the Participant agrees to make arrangements satisfactory to the Company and the Service Recipient to satisfy any withholding obligations the Company or the Service Recipient may have for Tax-Related Items. In this regard, Participant authorizes the Company or the Service Recipient, as applicable, and their respective agents, at their discretion, to satisfy any withholding obligation for Tax-Related Items by one or a combination of the following:

- (i). withholding from Participant's wages or other cash compensation payable to Participant by the Company or the Service Recipient;
- (ii). requiring Participant to tender a cash payment to the Company or the Service Recipient;
- (iii). any other method acceptable to the Company and permitted under the Plan and applicable laws.

The Company may withhold or account for Tax-Related Items by considering minimum statutory withholding rates or other applicable withholding rates, including up to the maximum applicable rate for Participant's jurisdiction(s). If the maximum applicable rate for Participant's jurisdiction(s) is used, Participant may receive a refund of any over-withheld amount in cash.

The Company may refuse to deliver the cash payment at exercise, if the Participant fails to comply with the Participant's obligations for Tax-Related Items.

10. Nature of Grant. By accepting the Stock Appreciation Rights, the Participant acknowledges, understands and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

(b) the grant of the Stock Appreciation Rights is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of stock appreciation

rights, or benefits in lieu of stock appreciation rights, even if stock appreciation rights have been granted in the past;

(c) all decisions with respect to stock appreciation right or other grants, if any, will be at the sole discretion of the Company;

(d) the Participant is voluntarily participating in the Plan;

(e) the Stock Appreciation Rights, and the income from and value of same, are not intended to replace any pension rights or compensation;

(f) the Stock Appreciation Rights, and the income from and value of same, are not part of normal or expected compensation for purposes of, including but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, holiday pay, pension or retirement or welfare benefits or similar mandatory payments;

(g) the future value of the Ordinary Shares subject to the Stock Appreciation Rights is unknown, indeterminable, and cannot be predicted with certainty;

(h) if the underlying Ordinary Shares subject to the Stock Appreciation Rights do not increase in value, the Stock Appreciation Rights will have no value;

(i) no claim or entitlement to compensation or damages shall arise from forfeiture of the Stock Appreciation Rights resulting from the Participant's Termination (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is a service provider or the terms of the Participant's employment or service agreement, if any);

(j) unless otherwise agreed with the Company in writing, the Stock Appreciation Rights, and the income from and value of same, are not granted as consideration for, or in connection with the service Participant may provide as a director of any Subsidiary or Affiliate; and

(k) neither the Company nor the Service Recipient 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 Stock Appreciation Rights or of any amounts due to the Participant pursuant to the exercise of the Stock Appreciation Rights.

11. No Advice Regarding Grant. 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. The Participant should consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

12. Data Privacy Information and Consent. By accepting the Stock Appreciation Rights and indicating consent via the Company's acceptance procedure, the Participant is declaring that he or she agrees with the data processing practices described herein and consents to the collection, processing and use of Data (as defined below) by the Company and the transfer of Data to the recipients mentioned herein, including recipients located in countries which do not adduce an adequate level of protection from a European (or other non-U.S.) data protection law perspective, for the purposes described herein.

(a) Data Collection and Usage. The Company and the Service Recipient may collect, process and use certain personal information about the Participant, including, but not limited to, the Participant's name, home address and telephone number, email address, date of birth, social insurance number, passport number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all Stock Appreciation Rights or any other entitlement to Ordinary Shares or equivalent benefits awarded, canceled, exercised, vested, unvested or outstanding in the Participant's favor ("Data"), for the purposes of implementing, administering and managing the Plan. The legal basis, where required, for the processing of Data is the Participant's consent.

(b) Stock Plan Administration Service Providers. The Participant understands that Data may be transferred to an escrow agent, transfer agent, trustee, broker (i.e., Charles Schwab & Co., Inc.) or such stock plan service provider or other third party selected by the Company to assist the Company with the implementation, administration and management of the Plan, presently or in the future. The Company may select a different service provider or additional service providers and share Data with such other provider serving in a similar manner. The Participant may be asked to agree on separate terms and data processing practices with the service provider, with such agreement being a condition to the ability to participate in the Plan.

(c) International Data Transfers. The Company and its service providers are based in the United States. The Participant's country or jurisdiction may have different data privacy laws and protections than the United States. The Company's legal basis, where required, for the transfer of Data is the Participant's consent.

(d) Data Retention. The Company will hold and use the Data only as long as is necessary to implement, administer and manage the Participant's participation in the Plan, or as required to comply with legal or regulatory obligations, including under tax and security laws.

(e) Voluntariness and Consequences of Consent Denial or Withdrawal. Participation in the Plan is voluntary and the Participant is providing the consents herein on a purely voluntary basis. If the Participant does not consent, or if the Participant later seeks to revoke the Participant's consent, the Participant's salary from or employment and career with the Service Recipient will not be affected; the only consequence of refusing or withdrawing the Participant's consent is that the Company would not be able to grant these Stock Appreciation Rights or other equity awards to the Participant or administer or maintain such awards.

(f) Data Subject Rights. Participant may have a number of rights under data privacy laws in the Participant's jurisdiction. Depending on where the Participant is based, such rights may include the right to (i) request access or copies of Data the Company processes, (ii) request rectification of incorrect Data, (iii) delete Data, (iv) restrict processing of Data, (v) portability of Data, (vi) lodge complaints with competent authorities in the Participant's jurisdiction, and/or (vii) receive a list with the names and addresses of any potential recipients of Data. To receive clarification regarding these rights or to exercise these rights, the Participant can contact his or her local human resources representative.

(g) Alternate Basis and Additional Consents. Finally, the Participant understands that the Company may rely on a different basis for the processing or transfer of Data in the future and/or request that Participant provide another data privacy consent. If applicable, the Participant agrees that upon request of the Company or the Service Recipient, the Participant will provide an executed

acknowledgment or data privacy consent form (or any other agreements or consents) that the Company and/or the Service Recipient may deem necessary to obtain from the Participant for the purpose of administering the Participant's participation in the Plan in compliance with the data privacy laws in the Participant's country, either now or in the future. The Participant understands and agrees that he or she will not be able to participate in the Plan if he or she fails to provide any such consent or agreement requested by the Company and/or the Service Recipient.

13. Notice. Every notice or other communication relating to this Agreement between the Company and the Participant shall be in writing, and shall be mailed to or delivered to the party for whom it is intended at such address as may from time to time be designated by such party in a notice mailed or delivered to the other party as herein provided; provided that, unless and until some other address be so designated, all notices or communications by the Participant to the Company shall be mailed or delivered to the Company at its principal executive office, to the attention of the Company's General Counsel, and all notices or communications by the Company to the Participant may be given to the Participant personally or may be mailed to the Participant at the Participant's last known address, as reflected in the Company's records. Notwithstanding the above, all notices and communications between the Participant and any third-party plan administrator shall be mailed, delivered, transmitted or sent in accordance with the procedures established by such third-party plan administrator and communicated to the Participant from time to time.

14. No Right to Continued Service. This Agreement does not confer upon the Participant any right to continue as an employee or service provider to the Service Recipient.

15. Binding Effect. This Agreement shall be binding upon the heirs, executors, administrators and successors of the parties hereto.

16. Waiver and Amendments. Except as otherwise set forth in Section 12 of the Plan, any waiver, alteration, amendment or modification of any of the terms of this Agreement shall be valid only if made in writing and signed by the parties hereto; provided, however, that any such waiver, alteration, amendment or modification is consented to on the Company's behalf by the Committee. No waiver by either of the parties hereto of their rights hereunder shall be deemed to

constitute a waiver with respect to any subsequent occurrences or transactions hereunder unless such waiver specifically states that it is to be construed as a continuing waiver.

17. Governing Law/Venue. This Agreement shall be construed and interpreted in accordance with the laws of the State of Colorado, without regard to the principles of conflicts of law thereof. Notwithstanding anything contained in this Agreement, the Grant Notice or the Plan to the contrary, if any suit or claim is instituted by the Participant or the Company relating to this Agreement, the Grant Notice or the Plan, the Participant hereby submits to the exclusive jurisdiction of and venue in the courts of Colorado.

18. Plan. The terms and provisions of the Plan are incorporated herein by reference. In the event of a conflict or inconsistency between the terms and provisions of the Plan and the provisions of this Agreement (including the Grant Notice), the Plan shall govern and control.

19. Electronic Delivery and Acceptance. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means or request the Participant's consent to participate in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through

any on-line or electronic system established and maintained by the Company or another third party designated by the Company.

20. Language. The Participant acknowledges that he or she is sufficiently proficient in English, or has consulted with an advisor who is sufficiently proficient in English, so as to allow the Participant to understand the terms and conditions of this Agreement. Furthermore, if the Participant has received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

21. Country-Specific Provisions. The Stock Appreciation Rights shall be subject to any additional terms and conditions set forth for the Participant's country in Exhibit A. Moreover, if the Participant relocates to one of the countries included in Exhibit A, the terms and conditions for such country will apply to the Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. Exhibit A constitutes part of this Agreement.

22. Insider Trading Restrictions/Market Abuse Laws. The Participant acknowledges that, depending on his or her country or the broker's country or where the Ordinary Shares are listed, the Participant may be subject to insider-trading restrictions and/or market-abuse laws, which may affect his or her ability to accept, acquire, sell or otherwise dispose of Ordinary Shares or rights to Ordinary Shares (e.g., the Stock Appreciation Rights) or rights linked to the value of Ordinary Shares under the Plan during such times as the Participant is considered to have "inside information" regarding the Company (as defined by laws or regulations in the applicable jurisdictions). Further, the Participant acknowledges that local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Participant placed before he or she possessed inside information and that the Participant may be prohibited from disclosing inside information to any third party and "tipping" third parties or causing them to otherwise buy or sell securities. Third parties includes fellow employees. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under the Company's insider-trading policy. The Participant is responsible for ensuring compliance with any applicable restrictions and should consult his or her personal legal advisor on this matter.

23. Foreign Asset/Account Reporting; Exchange Control and Tax Reporting and Other Requirements. Depending on the Participant's country, the Participant may be subject to foreign asset/account, exchange control and/or tax reporting requirements as a result of the exercise of the Stock Appreciation Rights, the acquisition, holding and/or transfer of cash resulting from participation in the Plan and/or the opening and maintaining of a brokerage or bank account in connection with the Plan. The Participant may be required to report such assets, accounts, account balances and values, and/or related transactions to the applicable authorities in his or her country. The Participant may also be required to repatriate funds received as a result of his or her participation in the Plan to his or her country through a designated bank or broker and/or within a certain time after receipt. The Participant acknowledges that he or she is responsible for ensuring compliance with any applicable foreign asset/account, exchange control and tax reporting and other requirements. The Participant further understands that he or she should consult the Participant's personal tax and legal advisors, as applicable on these matters.

EXHIBIT A

COUNTRY-SPECIFIC PROVISIONS FOR NON-U.S. PARTICIPANTS

Terms and Conditions

This Exhibit A includes additional (or, if so indicated, different) terms and conditions that govern the Stock Appreciation Rights granted to the Participant if the Participant is in one of the countries listed herein.

If the Participant is a citizen or resident of a country (or if the Participant is considered as such for local law purposes) other than the one in which the Participant is currently residing and/or working, or if the Participant transfers employment and/or residency to another country after being granted the Stock Appreciation Rights, the Company will, in its discretion, determine the extent to which the terms and conditions contained herein will be applicable to the Participant.

Capitalized terms used but not defined herein shall have the same meanings as set forth in the Plan or the Global Stock Appreciation Right Agreement, as applicable.

Notifications

This Exhibit A also includes information regarding certain issues of which the Participant should be aware with respect to his or her participation in the Plan. The information is based on securities, exchange control and other laws in effect in the respective country listed as of January 2024. Such laws are often complex and change frequently. As a result, the Participant should not rely on the information in this Exhibit A as the only source of information relating to the consequences of participation in the Plan because the information may be out of date at the time the Participant exercises the Stock Appreciation Rights.

In addition, the information contained herein is general in nature and may not apply to the Participant's particular situation, and the Company is not in a position to assure the Participant of a particular result. Accordingly, the Participant should seek appropriate professional advice as to how the relevant laws in his or her country may apply to the Participant's individual situation.

Finally, if the Participant is a citizen or resident of a country (or if the Participant is considered as such for local law purposes) other than the one in which the Participant is currently residing and/or working, or if the Participant transfers employment and/or residency to another country after being granted the Stock Appreciation Rights, the information contained herein may not be applicable in the same manner.

CHINA

The following provisions apply only if the Participant is subject to exchange control restrictions or regulations in the People's Republic of China (the "PRC"), as determined by the Company in its sole discretion:

Terms and Conditions

Payment of Cash Proceeds. Notwithstanding any terms and conditions of the Agreement or the Plan, any cash payment made in settlement of the Stock Appreciation Rights will be delivered to the Participant by

the Service Recipient through local payroll, subject to any obligation to satisfy Tax-Related Items. In no event will payments be made to the Participant into an account outside of the PRC.

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Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Ivo Jurek, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 March 30, 2024 of Gates Industrial Corporation plc (the "Registrant");
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.

Date: **November 3, 2023** **May 1, 2024**

/s/ Ivo Jurek

Ivo Jurek

Chief Executive Officer

(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, L. Brooks Mallard, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended **September 30, 2023** **March 30, 2024** of Gates Industrial Corporation plc (the "registrant");
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.

Date: **November 3, 2023** **May 1, 2024**

/s/ L. Brooks Mallard

L. Brooks Mallard

Chief Financial Officer

(Principal Financial Officer)

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Certification pursuant to
18 U.S.C. Section 1350,
as adopted pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q of Gates Industrial Corporation plc (the "Company") for the period ended **September 30, 2023** **March 30, 2024**, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned certifies, in his capacity as an officer of the Company and pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of his knowledge:

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

/s/ Ivo Jurek

Ivo Jurek

Chief Executive Officer

(Principal Executive Officer)

Date: **November 3, 2023** **May 1, 2024**

/s/ L. Brooks Mallard

L. Brooks Mallard

Chief Financial Officer

(Principal Financial Officer)

Date: **November 3, 2023** **May 1, 2024**

A signed original of this certification required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signatures that appear in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request. The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

Section 13(r) Disclosure

After Gates Industrial Corporation plc ("Gates") filed its Form **10-Q** **10-K** for the **quarter** **fiscal year** ended **July 1, 2023** **December 30, 2023** with the Securities and Exchange Commission (the "SEC"), Blackstone Inc. ("Blackstone") filed the disclosure reproduced below with respect to its **quarter** **fiscal year** ended **June 30, 2023** **December 31, 2023**, in accordance with Section 13(r) of the Securities Exchange Act of 1934, as amended, in regard to Mundys S.p.A. (formerly, Atlantia S.p.A.). Mundys S.p.A. may be, or may have been at the time considered to be, an affiliate of Blackstone, and therefore an affiliate of Gates. As of the date Gates filed its Form 10-Q for the quarter ended **September 30, 2023** **March 30, 2024** with the SEC, Blackstone had not yet filed its Form 10-Q for its quarter ended **September 30, 2023** **March 31, 2024**. Therefore, the disclosure reproduced below does not include any information for the quarter ended **September 30, 2023** **March 30, 2024**. Gates did not independently verify or participate in the preparation of the disclosure reproduced below.

Blackstone included the following disclosure in its Form 10-Q 10-K for the period ended **June 30, 2023** **December 31, 2023**:

Mundys S.p.A. (formerly "Atlantia S.p.A.") provided the disclosure reproduced below in connection with activities during the **quarter** fiscal year ended **June 30, 2023** **December 31, 2023**. We have not independently verified or participated in the preparation of this disclosure.

"Disclosure pursuant to Section 13(r) of the Securities Exchange Act of 1934. Funds affiliated with Blackstone first invested in Mundys S.p.A. on November 18, 2022 in connection with the voluntary public tender offer by Schema Alfa S.p.A. for all of the shares of Mundys S.p.A., pursuant to which such funds obtained a minority non-controlling interest in Mundys S.p.A. Mundys S.p.A. owns and controls Aeroporti di Roma S.p.A. ("ADR"), an operator of airports in Italy including Leonardo da Vinci-Fiumicino Airport. Iran Air has historically operated periodic flights to and from Leonardo da Vinci-Fiumicino Airport as authorized, from time to time, by an aviation-related bilateral agreement between Italy and Iran, scheduled in compliance with European Regulation 95/93, and approved by the Italian Civil Aviation Authority. ADR, as airport operator, is under a mandatory obligation to provide airport services to all air carriers (including Iran Air) authorized by the applicable Italian authority. The relevant turnover attributable to these activities (whose consideration is calculated on the basis of general tariffs determined by such independent Italian authority) in the **quarter** fiscal year ended **June 30, 2023** **December 31, 2023** was less than **€50,000**, **€210,000**. Mundys S.p.A. does not track profits specifically attributable to these activities."

DISCLAIMER

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