

**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 June 29, 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: 000-19406

Zebra Technologies Corporation

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

36-2675536

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

3 Overlook Point, Lincolnshire, IL 60069

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(847) 634-6700**

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

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of exchange on which registered</u>
Class A Common Stock, par value \$.01 per share	ZBRA	The NASDAQ Stock Market, LLC

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

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

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

As of July 23, 2024, there were 51,580,365 shares of Class A Common Stock, \$.01 par value, outstanding.

ZEBRA TECHNOLOGIES CORPORATION AND SUBSIDIARIES
QUARTER ENDED JUNE 29, 2024
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PART I - FINANCIAL INFORMATION**Item 1. Consolidated Financial Statements**

ZEBRA TECHNOLOGIES CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In millions, except share data)

	June 29, 2024	December 31, 2023
	(Unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 411	\$ 137
Accounts receivable, net of allowances for doubtful accounts of \$1 each as of June 29, 2024 and December 31, 2023	701	521
Inventories, net	678	804
Income tax receivable	41	63
Prepaid expenses and other current assets	122	147
Total Current assets	1,953	1,672
Property, plant and equipment, net	297	309
Right-of-use lease assets	159	169
Goodwill	3,894	3,895
Other intangibles, net	476	527
Deferred income taxes	469	438
Other long-term assets	242	296
Total Assets	\$ 7,490	\$ 7,306
Liabilities and Stockholders' Equity		
Current liabilities:		
Current portion of long-term debt	\$ 89	\$ 173
Accounts payable	551	456
Accrued liabilities	426	504
Deferred revenue	447	458
Income taxes payable	9	7
Total Current liabilities	1,522	1,598
Long-term debt	2,080	2,047
Long-term lease liabilities	145	152
Deferred income taxes	66	67
Long-term deferred revenue	298	312
Other long-term liabilities	92	94
Total Liabilities	4,203	4,270
Stockholders' Equity:		
Preferred stock, \$.01 par value; authorized 10,000,000 shares; none issued	—	—
Class A common stock, \$.01 par value; authorized 150,000,000 shares; issued 72,151,857 shares	1	1
Additional paid-in capital	633	615
Treasury stock at cost, 20,581,866 and 20,772,995 shares as of June 29, 2024 and December 31, 2023, respectively	(1,855)	(1,858)
Retained earnings	4,560	4,332
Accumulated other comprehensive loss	(52)	(54)
Total Stockholders' Equity	3,287	3,036
Total Liabilities and Stockholders' Equity	\$ 7,490	\$ 7,306

See accompanying Notes to Consolidated Financial Statements.

ZEBRA TECHNOLOGIES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions, except share data)
(Unaudited)

	Three Months Ended		Six Months Ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
Net sales:				
Tangible products	\$ 983	\$ 986	\$ 1,912	\$ 2,156
Services and software	234	228	480	463
Total Net sales	1,217	1,214	2,392	2,619
Cost of sales:				
Tangible products	515	522	1,013	1,140
Services and software	113	111	227	231
Total Cost of sales	628	633	1,240	1,371
Gross profit	589	581	1,152	1,248
Operating expenses:				
Selling and marketing	150	146	298	307
Research and development	146	130	284	276
General and administrative	97	69	178	168
Amortization of intangible assets	25	26	51	52
Acquisition and integration costs	1	2	2	2
Exit and restructuring costs	3	14	13	24
Total Operating expenses	422	387	826	829
Operating income	167	194	326	419
Other income (loss), net:				
Foreign exchange (loss) gain	—	(5)	3	(4)
Interest expense, net	(23)	(16)	(40)	(53)
Other expense, net	(8)	(2)	(11)	(6)
Total Other expense, net	(31)	(23)	(48)	(63)
Income before income tax	136	171	278	356
Income tax expense	23	27	50	62
Net income	\$ 113	\$ 144	\$ 228	\$ 294
Basic earnings per share	\$ 2.19	\$ 2.80	\$ 4.43	\$ 5.72
Diluted earnings per share	\$ 2.17	\$ 2.78	\$ 4.40	\$ 5.68

See accompanying Notes to Consolidated Financial Statements.

ZEBRA TECHNOLOGIES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In millions)
(Unaudited)

	Three Months Ended		Six Months Ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
Net income	\$ 113	\$ 144	\$ 228	\$ 294
Other comprehensive income (loss), net of tax:				
Changes in unrealized gains on sales hedging	1	4	10	1
Foreign currency translation adjustment	(3)	2	(8)	5
Comprehensive income	\$ 111	\$ 150	\$ 230	\$ 300

See accompanying Notes to Consolidated Financial Statements.

ZEBRA TECHNOLOGIES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In millions, except share data)
(Unaudited)

	Class A Common Stock Shares	Class A Common Stock Value	Additional Paid-in Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Total
Balance at December 31, 2023	51,378,862	\$ 1	\$ 615	\$ (1,858)	\$ 4,332	\$ (54)	\$ 3,036
Issuances of treasury shares related to share-based compensation plans, net of forfeitures	21,312	—	(3)	—	—	—	(3)
Shares withheld to fund withholding tax obligations related to share-based compensation plans	(206)	—	—	—	—	—	—
Share-based compensation	—	—	17	—	—	—	17
Net income	—	—	—	—	115	—	115
Changes in unrealized gains and losses on sales hedging (net of income taxes)	—	—	—	—	—	9	9
Foreign currency translation adjustment	—	—	—	—	—	(5)	(5)
Balance at March 30, 2024	51,399,968	\$ 1	\$ 629	\$ (1,858)	\$ 4,447	\$ (50)	\$ 3,169
Issuances of treasury shares related to share-based compensation plans, net of forfeitures	170,023	—	(27)	3	—	—	(24)
Share-based compensation	—	—	31	—	—	—	31
Net income	—	—	—	—	113	—	113
Changes in unrealized gains and losses on sales hedging (net of income taxes)	—	—	—	—	—	1	1
Foreign currency translation adjustment	—	—	—	—	—	(3)	(3)
Balance at June 29, 2024	51,569,991	\$ 1	\$ 633	\$ (1,855)	\$ 4,560	\$ (52)	\$ 3,287

	Class A Common Stock Shares	Class A Common Stock Value	Additional Paid-in Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Total
Balance at December 31, 2022	51,451,500	\$ 1	\$ 561	\$ (1,799)	\$ 4,036	\$ (66)	\$ 2,733
Issuances of treasury shares related to share-based compensation plans, net of forfeitures	29,784	—	5	—	—	—	5
Shares withheld to fund withholding tax obligations related to share-based compensation plans	(504)	—	—	—	—	—	—
Share-based compensation	—	—	18	—	—	—	18
Repurchase of common stock	(55,811)	—	—	(15)	—	—	(15)
Net income	—	—	—	—	150	—	150
Changes in unrealized gains and losses on sales hedging (net of income taxes)	—	—	—	—	—	(3)	(3)
Foreign currency translation adjustment	—	—	—	—	—	3	3
Balance at April 1, 2023	51,424,969	\$ 1	\$ 584	\$ (1,814)	\$ 4,186	\$ (66)	\$ 2,891
Issuances of treasury shares related to share-based compensation plans, net of forfeitures	75,271	—	(6)	1	—	—	(5)
Shares withheld to fund withholding tax obligations related to share-based compensation plans	(28,795)	—	—	(9)	—	—	(9)
Share-based compensation	—	—	2	—	—	—	2
Repurchase of common stock	(138,508)	—	—	(37)	—	—	(37)
Net income	—	—	—	—	144	—	144
Changes in unrealized gains and losses on sales hedging (net of income taxes)	—	—	—	—	—	4	4
Foreign currency translation adjustment	—	—	—	—	—	2	2
Balance at July 1, 2023	51,332,937	\$ 1	\$ 580	\$ (1,859)	\$ 4,330	\$ (60)	\$ 2,992

See accompanying Notes to Consolidated Financial Statements.

ZEBRA TECHNOLOGIES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions)
(Unaudited)

	Six Months Ended	
	June 29, 2024	July 1, 2023
Cash flows from operating activities:		
Net income	\$ 228	\$ 294
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	85	88
Share-based compensation	48	20
Deferred income taxes	(36)	(29)
Unrealized gain on forward interest rate swaps	(31)	(11)
Other, net	7	2
Changes in operating assets and liabilities:		
Accounts receivable, net	(185)	105
Inventories, net	125	(3)
Other assets	(3)	(22)
Accounts payable	98	(273)
Accrued liabilities	23	(107)
Deferred revenue	(25)	16
Income taxes	38	(116)
Settlement liability	(45)	(90)
Cash receipts on forward interest rate swaps	86	12
Other operating activities	—	4
Net cash provided by (used in) operating activities	<u>413</u>	<u>(110)</u>
Cash flows from investing activities:		
Purchases of property, plant and equipment	(24)	(34)
Proceeds from sale of short-term investments	2	—
Purchases of long-term investments	(3)	(1)
Net cash used in investing activities	<u>(25)</u>	<u>(35)</u>
Cash flows from financing activities:		
Payment of debt issuance costs, extinguishment costs and discounts	(9)	—
Payments of debt	(694)	(183)
Proceeds from issuance of debt	651	368
Payments for repurchases of common stock	—	(52)
Net payments related to share-based compensation plans	(27)	(9)
Change in unremitted cash collections from servicing factored receivables	(38)	(27)
Other financing activities	2	—
Net cash (used in) provided by financing activities	<u>(115)</u>	<u>97</u>
Effect of exchange rate changes on cash and cash equivalents, including restricted cash	—	(1)
Net increase (decrease) in cash and cash equivalents, including restricted cash	273	(49)
Cash and cash equivalents, including restricted cash, at beginning of period	138	117
Cash and cash equivalents, including restricted cash, at end of period	<u>\$ 411</u>	<u>\$ 68</u>
Less restricted cash, included in Prepaid expenses and other current assets	—	—
Cash and cash equivalents at end of period	<u>\$ 411</u>	<u>\$ 68</u>
Supplemental disclosures of cash flow information:		
Income taxes paid	\$ 43	\$ 212
Interest (received) paid inclusive of forward interest rate swaps	\$ (17)	\$ 50

Certain prior period amounts included in Net cash provided by (used in) operating activities have been reclassified to conform with the current period presentation. See accompanying Notes to Consolidated Financial Statements.

ZEBRA TECHNOLOGIES CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1 Description of Business and Basis of Presentation

Zebra Technologies Corporation and its subsidiaries (“Zebra” or the “Company”) is a global leader providing innovative Enterprise Asset Intelligence (“EAI”) solutions in the automatic identification and data capture solutions industry. We design, manufacture, and sell a broad range of products and solutions, including cloud-based software subscriptions, that capture and move data. We also provide a full range of services, including maintenance, technical support, repair, managed and professional services. End-users of our products, solutions and services include those in retail and e-commerce, manufacturing, transportation and logistics, healthcare, public sector, and other industries. We provide our products, solutions and services globally through a direct sales force and an extensive network of channel partners.

Management prepared these unaudited interim consolidated financial statements according to the rules and regulations of the Securities and Exchange Commission for interim financial information and notes. As permitted under Article 10 of Regulation S-X and the instructions of Form 10-Q, these consolidated financial statements do not include all the information and notes required by United States Generally Accepted Accounting Principles (“GAAP”) for complete financial statements, although management believes that the disclosures made are adequate to make the information not misleading. These interim financial statements should be read in conjunction with the audited consolidated financial statements and notes included in the Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

In the opinion of the Company, these interim financial statements include all adjustments (of a normal, recurring nature) necessary to fairly present its Consolidated Balance Sheet as of June 29, 2024, the Consolidated Statements of Operations, Comprehensive Income and Stockholders’ Equity for the three and six months ended June 29, 2024 and July 1, 2023, and the Consolidated Statement of Cash Flows for the six months ended June 29, 2024 and July 1, 2023. These results, however, are not necessarily indicative of the results expected for the full fiscal year ending December 31, 2024.

Note 2 Significant Accounting Policies

For a discussion of our significant accounting policies, see Note 2, *Significant Accounting Policies* within Part II, Item 8. “Financial Statements and Supplementary Data” in the Annual Report on Form 10-K for the year ended December 31, 2023. There have been no changes to our significant accounting policies since our Annual Report on Form 10-K for the year ended December 31, 2023.

Note 3 Revenues

The Company recognizes revenue to depict the transfer of goods, solutions or services to a customer at an amount that reflects the consideration which it expects to receive for providing those goods, solutions or services.

Revenues for tangible products are generally recognized upon shipment, whereas revenues for services and solution offerings are generally recognized over time by using an output or time-based method, assuming all other criteria for revenue recognition have been met. Revenues for software are recognized either upon delivery or over time using a time-based method, depending on how control is transferred to the customer. In cases where a bundle of products, services, solutions and/or software are delivered to the customer, judgment is required to select the method of progress which best reflects the transfer of control.

Disaggregation of Revenue

The following table presents our Net sales disaggregated by product category for each of our segments (in millions):

Segment	Three Months Ended					
	June 29, 2024			July 1, 2023		
	Tangible Products	Services and Software	Total	Tangible Products	Services and Software	Total
AIT	\$ 368	\$ 29	\$ 397	\$ 432	\$ 27	\$ 459
EVM	615	205	820	554	201	755
Total	\$ 983	\$ 234	\$ 1,217	\$ 986	\$ 228	\$ 1,214

Segment	Six Months Ended					
	June 29, 2024			July 1, 2023		
	Tangible Products	Services and Software	Total	Tangible Products	Services and Software	Total
AIT	\$ 733	\$ 56	\$ 789	\$ 927	\$ 54	\$ 981
EVM	1,179	424	1,603	1,229	409	1,638
Total	\$ 1,912	\$ 480	\$ 2,392	\$ 2,156	\$ 463	\$ 2,619

In addition, refer to Note 17, *Segment Information & Geographic Data* for Net sales to customers by geographic region.

Performance Obligations

The Company's remaining performance obligations relate to repair and support services, as well as software solutions. The aggregated transaction price allocated to remaining performance obligations for arrangements with an original term exceeding one year was \$1,243 million and \$1,127 million, inclusive of deferred revenue, as of June 29, 2024 and December 31, 2023, respectively. On average, remaining performance obligations as of June 29, 2024 and December 31, 2023 are expected to be recognized over a period of approximately two years.

Contract Balances

Progress on satisfying performance obligations under contracts with customers related to billed revenues is reflected on the Consolidated Balance Sheets in Accounts receivable, net. Progress on satisfying performance obligations under contracts with customers related to unbilled revenues ("contract assets") is reflected on the Consolidated Balance Sheets as Prepaid expenses and other current assets for revenues expected to be billed within the next twelve months, and Other long-term assets for revenues expected to be billed thereafter. The total contract asset balances were \$16 million as of June 29, 2024 and also as of December 31, 2023. These contract assets result from timing differences between billing and satisfying performance obligations, as well as the impact from the allocation of the transaction price among performance obligations for contracts that include multiple performance obligations. Contract assets are evaluated for impairment and no impairment losses have been recognized during the three and six months ended June 29, 2024 and July 1, 2023, respectively.

Deferred revenue on the Consolidated Balance Sheets consists of payments and billings in advance of our performance. The combined short-term and long-term deferred revenue balances were \$745 million and \$770 million as of June 29, 2024 and December 31, 2023, respectively. During the three and six months ended June 29, 2024, the Company recognized \$121 million and \$267 million in revenue, which was previously included in the beginning balance of deferred revenue as of December 31, 2023. During the three and six months ended July 1, 2023, the Company recognized \$114 million and \$249 million in revenue, which was previously included in the beginning balance of deferred revenue as of December 31, 2022.

Note 4 Inventories

The categories of Inventories, net are as follows (in millions):

	June 29, 2024	December 31, 2023
Raw materials ⁽¹⁾	\$ 304	\$ 403
Work in process	4	4
Finished goods	370	397
Total Inventories, net	<u>\$ 678</u>	<u>\$ 804</u>

(1) Raw material inventories primarily consist of product components as well as supplies used in repair operations.

Note 5 Investments

The carrying value of the Company's long-term investments, which are included in Other long-term assets on the Consolidated Balance Sheets, was \$110 million and \$113 million as of June 29, 2024 and December 31, 2023.

During the six months ended June 29, 2024 and July 1, 2023, the Company paid \$3 million and \$1 million, respectively, for the purchase of long-term investments. Net gains and losses related to the Company's long-term investments are included within Other expense, net on the Consolidated Statements of Operations. The Company recognized net losses of \$6 million during the three and six months ended June 29, 2024. Net gains and losses were not significant for the three and six months ended July 1, 2023.

Note 6 Exit and Restructuring Costs

Total charges associated with the 2022 Productivity Plan, which was substantially completed in the current quarter, and the U.S. voluntary retirement plan, which was completed in 2023, were \$123 million incurred to date, including \$3 million and \$13 million recorded during the three and six months ended June 29, 2024. The costs of these plans are classified within Exit and restructuring on the Consolidated Statements of Operations. The Company's remaining payment obligations of \$6 million, are reflected within Accrued liabilities on the Consolidated Balance Sheets.

The Company's liability associated with Exit and restructuring activities are:

Balance as of December 31, 2023	\$	22
Exit and restructuring charges		13
Non-cash utilization		(3)
Cash payments		(26)
Balance as of June 29, 2024	<u>\$</u>	<u>6</u>

Note 7 Fair Value Measurements

Financial assets and liabilities are measured using inputs from three levels of the fair value hierarchy in accordance with Accounting Standards Codification ("ASC") Topic 820, *Fair Value Measurements*. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC Topic 820 established a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into the following three broad levels:

- Level 1: Quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs (e.g. U.S. Treasuries and money market funds).

- Level 2: Observable prices that are based on inputs not quoted in active markets but corroborated by market data.
- Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

In determining fair value, the Company utilizes valuation techniques that maximize the use of observable inputs. In addition, the Company considers counterparty credit risk in the assessment of fair value.

The Company's financial assets and liabilities carried at fair value as of June 29, 2024, are classified below (in millions):

	Level 1	Level 2	Level 3	Total
Assets:				
Foreign exchange contracts ⁽¹⁾	\$ 2	\$ 8	\$ —	\$ 10
Investments related to the deferred compensation plan	41	—	—	41
Total Assets at fair value	<u>\$ 43</u>	<u>\$ 8</u>	<u>\$ —</u>	<u>\$ 51</u>
Liabilities:				
Liabilities related to the deferred compensation plan	\$ 41	\$ —	\$ —	\$ 41
Total Liabilities at fair value	<u>\$ 41</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 41</u>

The Company's financial assets and liabilities carried at fair value as of December 31, 2023, are classified below (in millions):

	Level 1	Level 2	Level 3	Total
Assets:				
Forward interest rate swap contracts ⁽²⁾	\$ —	\$ 83	\$ —	\$ 83
Investments related to the deferred compensation plan	41	—	—	41
Total Assets at fair value	<u>\$ 41</u>	<u>\$ 83</u>	<u>\$ —</u>	<u>\$ 124</u>
Liabilities:				
Foreign exchange contracts ⁽¹⁾	\$ 1	\$ 6	\$ —	\$ 7
Forward interest rate swap contracts ⁽²⁾	—	28	—	28
Liabilities related to the deferred compensation plan	41	—	—	41
Total Liabilities at fair value	<u>\$ 42</u>	<u>\$ 34</u>	<u>\$ —</u>	<u>\$ 76</u>

(1) The fair value of the foreign exchange contracts is calculated as follows:

- Fair value of forward contracts associated with forecasted sales hedges is calculated using the period-end exchange rate adjusted for current forward points.
- Fair value of hedges against net assets denominated in foreign currencies is calculated at the period-end exchange rate adjusted for current forward points unless the hedge has been traded but not settled at period-end (Level 2). If this is the case, the fair value is calculated at the rate at which the hedge is being settled (Level 1).

(2) The fair value of forward interest rate swaps is based upon a valuation model that uses relevant observable market inputs at the quoted intervals, such as forward yield curves, and is adjusted for the Company's credit risk and the interest rate swap terms.

Note 8 Derivative Instruments

In the normal course of business, the Company is exposed to global market risks, including the effects of changes in foreign currency exchange rates and interest rates. The Company uses derivative instruments to manage its exposure to such risks and may elect to designate certain derivatives as hedging instruments under ASC Topic 815, *Derivatives and Hedging* ("ASC 815"). The Company formally documents all relationships between designated hedging instruments and hedged items as well as its risk management objectives and strategies for undertaking hedge transactions. The Company does not hold or issue derivatives for trading or speculative purposes.

In accordance with ASC 815, the Company recognizes derivative instruments as either assets or liabilities on the Consolidated Balance Sheets and measures them at fair value. The following table presents the fair value of its derivative instruments (in millions):

	Balance Sheets Classification	Asset (Liability)	
		Fair Values as of	
		June 29, 2024	December 31, 2023
Derivative instruments designated as hedges:			
Foreign exchange contracts	Prepaid expenses and other current assets	\$ 8	\$ —
Foreign exchange contracts	Accrued liabilities	—	(6)
Total derivative instruments designated as hedges		\$ 8	\$ (6)
Derivative instruments not designated as hedges:			
Foreign exchange contracts	Prepaid expenses and other current assets	\$ 2	\$ —
Forward interest rate swaps	Prepaid expenses and other current assets	—	34
Forward interest rate swaps	Other long-term assets	—	49
Foreign exchange contracts	Accrued liabilities	—	(1)
Forward interest rate swaps	Accrued liabilities	—	(12)
Forward interest rate swaps	Other long-term liabilities	—	(16)
Total derivative instruments not designated as hedges		\$ 2	\$ 54
Total net derivative asset		\$ 10	\$ 48

The following table presents the net gains (losses) from changes in fair values of derivatives that are not designated as hedges (in millions):

	Statements of Operations Classification	Gains (Losses) Recognized in Income			
		Three Months Ended		Six Months Ended	
		June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
Derivative instruments not designated as hedges:					
Foreign exchange contracts	Foreign exchange (loss) gain	\$ 1	\$ 1	\$ 2	\$ (4)
Forward interest rate swaps	Interest expense, net	11	18	31	11
Total net gain recognized in income		\$ 12	\$ 19	\$ 33	\$ 7

Activities related to derivative instruments are reflected within Net cash provided by (used in) operating activities on the Consolidated Statements of Cash Flows.

Interest Rate Risk Management

The Company is exposed to market risk associated with interest rate payments on its borrowings under a term loan ("Term Loan A"), Revolving Credit Facility, and Receivables Financing Facilities, which bear interest at variable rates plus applicable margins. The Company manages its exposure to changes in interest rates by issuing both fixed and variable rate borrowings as well as utilizing interest rate swaps to economically hedge interest rate exposure based on current and projected market conditions.

In the current quarter, the Company terminated all of its interest rate swap agreements, none of which were designated as hedges, resulting in a \$77 million cash receipt that is classified within Cash flows from operating activities on the Consolidated Statements of Cash Flows. Total cash receipts for the six months ended June 29, 2024 were \$86 million. See Note 9, *Long-Term Debt* for further details related to the Company's borrowings and interest rate exposure.

Credit and Market Risk Management

Financial instruments, including derivatives, expose the Company to counterparty credit risk of nonperformance and to market risk related to currency exchange rate and interest rate fluctuations. The Company manages its exposure to counterparty credit risk by establishing minimum credit standards, diversifying its counterparties, and monitoring its concentrations of credit. The Company's counterparties are commercial banks with expertise in derivative financial instruments. The Company evaluates the impact of market risk on the fair value and cash flows of its derivative and other financial instruments by considering reasonably possible changes in interest rates and currency exchange rates. The Company continually monitors the creditworthiness of the customers to which it grants credit terms in the normal course of business. The terms and conditions of the Company's credit policies are designed to mitigate concentrations of credit risk.

The Company's master netting and other similar arrangements with the respective counterparties allow for net settlement under certain conditions, which are designed to reduce credit risk by permitting net settlement with the same counterparty. We present the assets and liabilities of our derivative financial instruments, for which we have net settlement agreements in place, on a net basis on the Consolidated Balance Sheets. If the derivative financial instruments had been presented gross on the Consolidated Balance Sheets, the asset and liability positions would have been unchanged as of June 29, 2024 and increased by \$1 million as of December 31, 2023.

Foreign Currency Exchange Risk Management

The Company conducts business on a multinational basis in a variety of foreign currencies. Exposure to market risk for changes in foreign currency exchange rates arises primarily from Euro-denominated external revenues, cross-border financing activities between subsidiaries, and foreign currency denominated monetary assets and liabilities. The Company manages its objective of preserving the economic value of non-functional currency denominated cash flows by initially hedging transaction exposures with natural offsets and, once these opportunities have been exhausted, through foreign exchange forward and option contracts, as deemed appropriate.

The Company manages the exchange rate risk of anticipated Euro-denominated sales using forward contracts, which typically mature within twelve months of execution. The Company designates these derivative contracts as cash flow hedges. Unrealized gains and losses on these contracts are deferred in Accumulated other comprehensive income (loss) ("AOCI") on the Consolidated Balance Sheets until the contract is settled and the hedged sale is realized. The realized gain or loss is then recorded as an adjustment to Net sales on the Consolidated Statements of Operations. Realized amounts reclassified to Net sales were \$5 million of gains and \$7 million of losses for the three months ended June 29, 2024 and July 1, 2023, respectively. Realized amounts reclassified to Net sales were \$6 million of gains and \$10 million of losses for the six months ended June 29, 2024 and July 1, 2023, respectively. As of June 29, 2024 and December 31, 2023, the notional amounts of the Company's foreign exchange cash flow hedges were €569 million and €485 million, respectively. The Company has reviewed its cash flow hedges for effectiveness and determined that they are highly effective.

The Company uses forward contracts, which are not designated as hedging instruments, to manage its exposures related to net assets denominated in foreign currencies. These forward contracts typically mature within one month after execution. Monetary gains and losses on these forward contracts are recorded in income and are generally offset by the transaction gains and losses related to their net asset positions. The notional values and the net fair values of these outstanding contracts were as follows (in millions):

	June 29, 2024	December 31, 2023
Notional balance of outstanding contracts:		
British Pound/U.S. Dollar	£ 3	£ 11
Euro/U.S. Dollar	€ 124	€ 80
Euro/Czech Koruna	€ 16	€ 17
Japanese Yen/U.S. Dollar	¥ 366	¥ 685
Singapore Dollar/U.S. Dollar	S\$ 22	S\$ 14
Mexican Peso/U.S. Dollar	Mex\$ 164	Mex\$ 144
Polish Zloty/U.S. Dollar	zł 28	zł 116
Net fair value of assets (liabilities) of outstanding contracts	\$ 2	\$ (1)

Note 9 Long-Term Debt

The following table shows the carrying value of the Company's debt (in millions):

	June 29, 2024	December 31, 2023
Term Loan A	\$ 1,575	\$ 1,684
Senior Notes	500	—
Revolving Credit Facility	—	413
Receivables Financing Facilities	108	129
Total debt	\$ 2,183	\$ 2,226
Less: Debt issuance costs	(11)	(2)
Less: Unamortized discounts	(3)	(4)
Less: Current portion of debt	(89)	(173)
Total long-term debt	\$ 2,080	\$ 2,047

As of June 29, 2024, the future maturities of debt are as follows (in millions):

2024 (6 months remaining)	\$ 89
2025	—
2026	88
2027	1,506
2028	—
Thereafter	500
Total future maturities of debt	\$ 2,183

All borrowings as of June 29, 2024 were denominated in U.S. Dollars.

The estimated fair value of the Company's debt approximated \$2.2 billion as of both June 29, 2024 and December 31, 2023, respectively. These fair value amounts, developed based on inputs classified as Level 2 within the fair value hierarchy, represent the estimated value at which the Company's lenders could trade its debt within the financial markets and do not represent the settlement value of these liabilities to the Company. The fair value of debt will continue to vary each period based on a number of factors, including fluctuations in market interest rates as well as changes to the Company's credit ratings.

Term Loan A

The principal on Term Loan A is due in quarterly installments, with the next quarterly installment due in the second quarter of 2026 and the majority due upon maturity in 2027. The Company may make prepayments in whole or in part, without premium or penalty, and would be required to prepay certain outstanding amounts in the event of certain circumstances or transactions. The Company made \$109 million of principal payments during the six months ended June 29, 2024, inclusive of prepayment of amounts due in 2024 and 2025. As of June 29, 2024, the Term Loan A interest rate was 6.69%. Interest payments are made monthly and are subject to variable rates plus an applicable margin.

Senior Notes

On May 28, 2024, the Company completed a private offering of \$500 million senior unsecured notes (the “Senior Notes”) with a 6.5% fixed interest rate. The net proceeds of the issuance, after deducting debt issuance costs which were deferred and will be amortized over the term of the Senior Notes, were approximately \$492 million. The proceeds were partially used to repay the outstanding debt under its Revolving Credit Facility, the Receivables Financing Facility that matured on May 13, 2024, and Term Loan A principal repayments. The Company intends to use the remaining net proceeds for general corporate purposes. The Senior Notes mature on June 1, 2032, and interest is payable semi-annually in arrears in June and December of each year, commencing on December 1, 2024. The Company has the option or could be required to prepay certain outstanding amounts in the event of certain circumstances or transactions.

The Senior Notes are fully and unconditionally guaranteed on a senior unsecured basis by certain of Zebra’s existing and future subsidiaries. The Senior Notes contain covenants that, among other things, limit the ability of Zebra to: (i) grant or incur liens; (ii) have its subsidiaries guarantee debt without becoming guarantors; and (iii) merge or consolidate with another company or sell all or substantially all of its assets.

Revolving Credit Facility

The Company has a Revolving Credit Facility that is available for working capital and other general business purposes, including letters of credit. As of June 29, 2024, the Company had letters of credit totaling \$10 million, which reduced funds available for borrowings under the Revolving Credit Facility from \$1,500 million to \$1,490 million. As of June 29, 2024, the Revolving Credit Facility had an average interest rate of 6.69%. Upon borrowing, interest payments are made monthly and are subject to variable rates plus an applicable margin. The Revolving Credit Facility matures on May 25, 2027.

Receivables Financing Facility

As of June 29, 2024, the Company has a Receivables Financing Facility with a borrowing limit of up to \$180 million. As collateral, the Company pledges perfected first-priority security interests in its U.S. domestically originated accounts receivable. The Company has accounted for transactions under this facility as secured borrowings. During the first quarter of 2024, the Company amended this facility to extend the maturity to March 19, 2027, but otherwise did not substantially change the terms of the facility. The Company’s additional facility, which allowed for borrowings of up to \$100 million, matured on May 13, 2024 and was not renewed.

As of June 29, 2024, the Company’s Consolidated Balance Sheets included \$537 million of gross receivables that were pledged under the facility. As of June 29, 2024, \$108 million had been borrowed, of which \$89 million was classified as current. Borrowings under the facility bear interest at a variable rate plus an applicable margin. As of June 29, 2024, the facility had an average interest rate of 6.39%. Interest is paid monthly on these borrowings.

The Company’s borrowings described above include terms and conditions that limit the incurrence of additional borrowings and require that certain financial ratios be maintained at designated levels.

As of June 29, 2024, the Company was in compliance with all debt covenants.

Note 10 Leases

During the six months ended June 29, 2024, the Company recorded an additional \$14 million of right-of-use ("ROU") assets obtained in exchange for lease obligations primarily related to the commencement of a new office facility lease as well as contract modifications that extended existing lease terms.

Future minimum lease payments under non-cancellable leases as of June 29, 2024 were as follows (in millions):

2024 (6 months remaining)	\$	27
2025		43
2026		36
2027		29
2028		25
Thereafter		66
Total future minimum lease payments	\$	226
Less: Interest		(40)
Present value of lease liabilities	\$	186
Reported as of June 29, 2024:		
Current portion of lease liabilities	\$	41
Long-term lease liabilities		145
Present value of lease liabilities	\$	186

The current portion of lease liabilities is included within Accrued liabilities on the Consolidated Balance Sheets.

Note 11 Accrued Liabilities, Commitments and Contingencies*Accrued Liabilities*

The components of Accrued liabilities are as follows (in millions):

	June 29, 2024	December 31, 2023
Incentive compensation	\$ 88	\$ 47
Unremitted cash collections due to banks on factored accounts receivable	74	112
Payroll and benefits	69	83
Customer rebates	50	40
Current portion of lease liabilities	41	42
Warranty	27	27
Freight and duty	13	10
Exit and restructuring	6	22
Settlement	—	45
Other	58	76
Accrued liabilities	\$ 426	\$ 504

Warranties

The following table is a summary of the Company's accrued warranty obligations (in millions):

	Six Months Ended	
	June 29, 2024	July 1, 2023
Balance at the beginning of the period	\$ 27	\$ 26
Warranty expense	13	13
Warranties fulfilled	(13)	(14)
Balance at the end of the period	<u>\$ 27</u>	<u>\$ 25</u>

Contingencies

The Company is subject to a variety of investigations, claims, suits, and other legal proceedings that arise from time to time in the ordinary course of business, including but not limited to, intellectual property, employment, tort, and breach of contract matters. The Company currently believes that the outcomes of such proceedings, individually and in the aggregate, will not have a material adverse impact on its business, cash flows, financial position, or results of operations. Any legal proceedings are subject to inherent uncertainties, and the Company's view of these matters and their potential effects may change in the future. The Company records a liability for contingencies when a loss is deemed to be probable and the loss can be reasonably estimated.

Note 12 Share-Based Compensation

The Company issues share-based compensation awards under the Zebra Technologies 2018 Long-Term Incentive Plan ("2018 Plan"), approved by shareholders in 2018 which superseded and replaced all prior share-based incentive plans. Outstanding awards issued prior to the 2018 Plan are governed by the provisions of those plans until such awards have been exercised, forfeited, cancelled, expired, or otherwise terminated in accordance with their terms. Awards available under the 2018 Plan include stock-settled awards, including stock-settled restricted stock units, stock-settled performance stock units, restricted stock awards, performance share awards, stock appreciation rights, incentive stock options, and non-qualified stock options. Awards available under the 2018 Plan also include cash-settled awards, including cash-settled stock appreciation rights, cash-settled restricted stock units, and cash-settled performance stock units. No awards remain available for future grants under previous plans.

The Company uses treasury shares as its source for issuing shares under the share-based compensation programs. As of June 29, 2024, the Company had 1,850,705 shares of Class A Common stock remaining available to be issued under the 2018 Plan.

The compensation expense from the Company's share-based compensation plans and associated income tax benefit, excluding the effects of excess tax benefits or shortfalls, were included in the Consolidated Statements of Operations as follows (in millions):

	Three Months Ended		Six Months Ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
Compensation costs and related income tax benefit				
Cost of sales	\$ 2	\$ 2	\$ 4	\$ 3
Selling and marketing	8	1	13	7
Research and development	12	6	18	13
General and administration	15	(6)	23	3
Total compensation expense	<u>\$ 37</u>	<u>\$ 3</u>	<u>\$ 58</u>	<u>\$ 26</u>
Income tax benefit	<u>\$ 6</u>	<u>\$ 3</u>	<u>\$ 10</u>	<u>\$ 7</u>

As of June 29, 2024, total unearned compensation cost related to the Company's share-based compensation plans was \$166 million, which will be recognized over the weighted average remaining service period of approximately 1.7 years.

The majority of the Company's share-based compensation awards are generally issued as part of its employee and non-employee director incentive program during the second quarter of each fiscal year. The Company also issues awards associated with business acquisitions or other off-cycle events. The majority of the Company's share-based compensation is comprised of stock-settled awards.

Stock-settled awards

Beginning in 2021, the Company began issuing stock-settled restricted stock units (“stock-settled RSUs”) and stock-settled performance share units (“stock-settled PSUs”) for the majority of its share-based compensation awards. Prior to 2021, the Company primarily awarded restricted stock awards (“RSAs”) and performance share awards (“PSAs”). The Company’s awards are typically time-vested with stock-settled RSUs and RSAs vesting ratably in three annual installments and stock-settled PSUs and PSAs vesting at the end of the three-year period. No RSAs or PSAs were issued to employees in the current year.

Vesting for each participant is subject to restrictions, such as continuous employment, except in certain cases as set forth in each stock agreement. Upon vesting, stock-settled RSUs and PSUs convert to shares of Class A Common Stock that are released to participants. RSAs and PSAs are considered participating securities, and as such, are included as part of the Company’s Class A Common Stock outstanding at the time of grant.

Compensation cost for the stock-settled RSUs, stock-settled PSUs, RSAs, and PSAs is expensed over each participant’s required service period. Compensation cost is calculated as the fair market value of the Company’s Class A Common Stock on the grant date multiplied by the number of units or awards granted, net of estimated forfeitures. The expected attainment of the performance goals for the stock-settled PSUs and PSAs is reviewed at the end of each reporting period, with adjustments recorded to compensation expense in the Consolidated Statements of Operations, as necessary.

The Company issues RSAs to non-employee directors. The number of shares granted to each non-employee director is determined by dividing the value of the annual grant by the price of a share of the Company’s Class A Common Stock. New directors in any fiscal year earn a prorated amount. During the first six months of 2024, there were 6,264 shares granted to non-employee directors compared to 6,640 shares during the first six months of 2023. The shares vest immediately upon grant.

A summary of the Company’s restricted and performance stock-settled awards for the six months ended June 29, 2024 is as follows:

	RSUs		PSUs		RSAs	
	Units	Weighted-Average Grant Date Fair Value	Units	Weighted-Average Grant Date Fair Value	Shares	Weighted-Average Grant Date Fair Value
Outstanding at beginning of period	437,379	\$ 299.19	195,932	\$ 334.59	433	\$ 477.74
Granted	271,704	308.89	88,029	309.05	6,264	319.95
Released	(176,502)	323.37	(35,597)	482.42	(6,697)	330.15
Forfeited	(7,971)	296.31	(1,428)	296.59	—	—
Outstanding at end of period	524,610	\$ 296.14	246,936	\$ 304.49	—	\$ —

Stock Appreciation Rights (“SARs”)

SARs were previously granted primarily as part of the Company’s annual share-based compensation incentive program. Beginning in 2021, the Company no longer included SARs in its annual share-based compensation award issuances.

	SARs	Weighted-Average Exercise Price
Outstanding at beginning of period	398,838	\$ 124.96
Exercised	(126,582)	100.02
Expired	(2)	86.80
Outstanding at end of period	272,254	\$ 136.48
Exercisable at end of period	270,999	\$ 135.42

The following table summarizes information about SARs outstanding as of June 29, 2024:

	Outstanding	Exercisable
Aggregate intrinsic value (in millions)	\$ 47	\$ 47
Weighted-average remaining contractual life (in years)	1.7	1.7

The intrinsic value of SARs exercised during the six months ended June 29, 2024 and July 1, 2023 was \$25 million and \$5 million, respectively. The total fair value of SARs that vested during the six months ended June 29, 2024 and July 1, 2023 was \$1 million and \$2 million, respectively.

Cash-settled awards

The Company also issues cash-settled share-based compensation awards, including cash-settled restricted stock units and cash-settled performance stock units that are classified as liability awards. These awards are expensed over the vesting period of the related award, which is typically three years. Compensation cost is calculated as the fair value on grant date multiplied by the number of share-equivalents granted. The expected attainment of the performance goals for the cash-settled performance stock units is reviewed at the end of each reporting period, with adjustments recorded to compensation expense in the Consolidated Statements of Operations, as necessary. Cash settlement is based on the fair value of share equivalents at the time of vesting, which was \$11 million and \$8 million for the six months ended June 29, 2024 and July 1, 2023, respectively. Share-equivalents issued under these programs totaled 57,779 and 39,407 during the six months ended June 29, 2024 and July 1, 2023, respectively.

Employee Stock Purchase Plan

Eligible Zebra employees may purchase common stock at 95% of the fair market value at the date of purchase pursuant to the Zebra Technologies Corporation 2020 Employee Stock Purchase Plan ("2020 ESPP"). Employees may make purchases by cash or payroll deductions up to certain limits. The aggregate number of shares that may be purchased under the 2020 ESPP is 1,500,000 shares. As of June 29, 2024, 1,329,399 shares remained available for future purchase.

Note 13 Income Taxes

The Company's effective tax rate for the three and six months ended June 29, 2024 was 16.9% and 18.0%, respectively, compared to 15.8% and 17.4% for the three and six months ended July 1, 2023. In the current and prior periods, the variance from the 21% federal statutory rate was primarily due to the generation of tax credits and the favorable impacts of foreign earnings subject to U.S. taxation, partially offset by U.S. State income taxes and foreign rate differentials.

Note 14 Earnings Per Share

Basic net earnings per share is calculated by dividing net income by the weighted average number of common shares outstanding for the period. Diluted earnings per share is computed by dividing net income by the weighted average number of diluted common shares outstanding. Diluted common shares outstanding is computed using the Treasury Stock method and, in periods of income, reflects the additional shares that would be outstanding if dilutive share-based compensation awards were converted into common shares during the period.

Earnings per share (in millions, except share data):

	Three Months Ended		Six Months Ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
Basic:				
Net income	\$ 113	\$ 144	\$ 228	\$ 294
Weighted-average shares outstanding	51,489,735	51,377,064	51,444,179	51,395,062
Basic earnings per share	\$ 2.19	\$ 2.80	\$ 4.43	\$ 5.72
Diluted:				
Net income	\$ 113	\$ 144	\$ 228	\$ 294
Weighted-average shares outstanding	51,489,735	51,377,064	51,444,179	51,395,062
Dilutive shares	340,510	330,396	371,720	328,964
Diluted weighted-average shares outstanding	51,830,245	51,707,460	51,815,899	51,724,026
Diluted earnings per share	\$ 2.17	\$ 2.78	\$ 4.40	\$ 5.68

Anti-dilutive share-based compensation awards are excluded from diluted earnings per share calculations. There were 164,004 and 91,050 shares that were anti-dilutive for the three and six months ended June 29, 2024, respectively. There were 247,453 and 151,872 shares that were anti-dilutive for the three and six months ended July 1, 2023, respectively.

Note 15 Accumulated Other Comprehensive (Loss) Income

Stockholders' equity includes certain items classified as AOCI, including:

- **Unrealized gain (loss) on sales hedging** which relates to derivative instruments used to hedge the exposure related to currency exchange rates for forecasted Euro sales. These hedges are designated as cash flow hedges, and the Company defers income statement recognition of gains and losses until the hedged transaction occurs. See Note 8, *Derivative Instruments* for more details.
- **Foreign currency translation adjustments** which relates to the Company's non-U.S. subsidiary companies that have designated a functional currency other than the U.S. Dollar. The Company translates the subsidiary functional currency financial statements to U.S. Dollars using a combination of historical, period-end, and average foreign exchange rates. This combination of rates creates the foreign currency translation adjustment component of AOCI.

The changes in each component of AOCI during the six months ended June 29, 2024 and July 1, 2023 were as follows (in millions):

	Unrealized gain (loss) on sales hedging	Foreign currency translation adjustments	Total
Balance at December 31, 2022	\$ (11)	\$ (55)	\$ (66)
Other comprehensive (loss) income before reclassifications	(9)	5	(4)
Amounts reclassified from AOCI ⁽¹⁾	10	—	10
Other comprehensive income, net of tax	1	5	6
Balance at July 1, 2023	\$ (10)	\$ (50)	\$ (60)
Balance at December 31, 2023	\$ (5)	\$ (49)	\$ (54)
Other comprehensive income (loss) before reclassifications	20	(8)	12
Amounts reclassified from AOCI ⁽¹⁾	(6)	—	(6)
Tax effect	(4)	—	(4)
Other comprehensive income (loss), net of tax	10	(8)	2
Balance at June 29, 2024	\$ 5	\$ (57)	\$ (52)

(1) See Note 8, *Derivative Instruments* regarding the timing of reclassifications to operating results.

Note 16 Accounts Receivable Factoring

The Company transfers certain receivables to banks without recourse as part of its credit and cash management activities. Such transfers are accounted for as sales and the related receivables are removed from the Company's balance sheet. The Company does not maintain any beneficial interest in the receivables sold. The Company services the receivables on behalf of the banks, but otherwise maintains no significant continuing involvement with respect to the receivables. Sale proceeds that are representative of the fair value of factored receivables, less a factoring fee, are reflected in Cash flows from operating activities on the Consolidated Statements of Cash Flows, while sale proceeds in excess of the fair value of factored receivables are reflected in Cash flows from financing activities on the Consolidated Statements of Cash Flows.

The Company has two Receivables Factoring arrangements. The first arrangement was amended in the current quarter to limit the factoring of uncollected receivables originated from the EMEA and Asia-Pacific regions from €150 million to €75 million, which will revert to €150 million in the third quarter if not further amended. Otherwise, the amendment did not substantially change the terms of the arrangement. In the current quarter, the Company provided notice to terminate the second arrangement, which allowed for the factoring of uncollected receivables originated from the EMEA region up to \$50 million.

The Company may be required to maintain a portion of sales proceeds as deposits in a restricted cash account that is released to the Company as it satisfies its obligations as servicer of sold receivables, which totaled \$0 million and \$1 million as of June 29, 2024 and December 31, 2023, respectively, and is classified within Prepaid expenses and other current assets on the Consolidated Balance Sheets.

During the six months ended June 29, 2024 and July 1, 2023, the Company received cash proceeds of \$607 million and \$751 million, respectively, from the sales of accounts receivables under its factoring arrangements. As of June 29, 2024 and December 31, 2023, there were a total of \$7 million and \$56 million, respectively, of uncollected receivables that had been sold and removed from the Company's Consolidated Balance Sheets.

As servicer of sold receivables, the Company had \$74 million and \$112 million of obligations that were not yet remitted to banks as of June 29, 2024 and December 31, 2023, respectively. These obligations are included within Accrued liabilities on the Consolidated Balance Sheets, with changes in such obligations reflected within Cash flows from financing activities on the Consolidated Statements of Cash Flows.

Note 17 Segment Information & Geographic Data

The Company's operations consist of two reportable segments: Asset Intelligence & Tracking ("AIT") and Enterprise Visibility & Mobility ("EVM"). The reportable segments have been identified based on the financial data utilized by the Company's Chief Executive Officer (the chief operating decision maker or "CODM") to assess segment performance and allocate resources among the Company's segments. The CODM reviews adjusted operating income to assess segment profitability. To the extent applicable, segment operating income excludes business acquisition purchase accounting adjustments, amortization of intangible assets, acquisition and integration costs, impairment of goodwill and other intangibles, exit and restructuring costs, as well as certain other non-recurring costs. Segment assets are not reviewed by the Company's CODM and therefore are not disclosed below.

Financial information by segment is presented as follows (in millions):

	Three Months Ended		Six Months Ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
Net sales:				
AIT	\$ 397	\$ 459	\$ 789	\$ 981
EVM	820	755	1,603	1,638
Total Net sales	\$ 1,217	\$ 1,214	\$ 2,392	\$ 2,619
Operating income:				
AIT ⁽²⁾	\$ 73	\$ 114	\$ 149	\$ 243
EVM ⁽²⁾	123	122	243	255
Total segment operating income	196	236	392	498
Corporate ⁽¹⁾	(29)	(42)	(66)	(79)
Total Operating income	\$ 167	\$ 194	\$ 326	\$ 419

(1) To the extent applicable, amounts included in Corporate consist of business acquisition purchase accounting adjustments, amortization of intangible assets, acquisition and integration costs, impairment of goodwill and other intangibles, and exit and restructuring costs.

(2) AIT and EVM segment operating income includes depreciation and share-based compensation expense. The amounts of depreciation and share-based compensation expense are proportionate to each segment's Net sales.

Information regarding the Company's operations by geographic area is contained in the following tables. Net sales amounts are attributed to geographic area based on customer location.

Net sales by region were as follows (in millions):

	Three Months Ended		Six Months Ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
North America	\$ 599	\$ 642	\$ 1,211	\$ 1,367
EMEA	419	374	799	817
Asia-Pacific	118	122	230	276
Latin America	81	76	152	159
Total Net sales	\$ 1,217	\$ 1,214	\$ 2,392	\$ 2,619

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

Overview

We are a global leader in the Automatic Identification and Data Capture ("AIDC") industry. The AIDC market consists of mobile computing, data capture, radio frequency identification devices ("RFID"), barcode printing, and other workflow automation products and services. The Company's solutions are proven to help our customers and end-users digitize and automate their workflows to achieve their critical business objectives, including improved productivity and operational efficiency, optimized regulatory compliance, and better customer experiences.

We design, manufacture, and sell a broad range of AIDC products, including: mobile computers, barcode scanners and imagers, RFID readers, specialty printers for barcode labeling and personal identification, real-time location systems ("RTLS"), related accessories and supplies, such as labels and other consumables, and related software applications. We also provide machine vision and robotics automation solutions; a full range of services, including maintenance, technical support, repair, managed and professional services; as well as cloud-based software subscriptions. End-users of our products, solutions and services include those in the retail and e-commerce, manufacturing, transportation and logistics, healthcare, public sector, and other industries within North America; Europe, Middle East, and Africa ("EMEA"); Asia Pacific; and Latin America.

We continue to advance our Enterprise Asset Intelligence ("EAI") vision: every asset and front-line worker visible, connected, and fully optimized. Through continual innovation, we have expanded beyond the traditional AIDC market to transform activities such as factory production, packages moving through a supply chain, retail shopping, and the hospital patient journey. Data from enterprise assets, including status, condition, location, utilization, and preferences, is analyzed in the cloud to provide prioritized actionable insights. As a result, our solutions enable enterprises to "sense, analyze, and act" more effectively to optimize their activities.

The Company's operations consist of two reportable segments that provide complementary offerings to our customers: Asset Intelligence & Tracking ("AIT") and Enterprise Visibility & Mobility ("EVM").

- The AIT segment is an industry leader in barcode printing and asset tracking technologies. Its major product lines include barcode and card printers, RFID and RTLS offerings, and supplies, including temperature-monitoring labels, and services.
- The EVM segment is an industry leader in automatic information and data capture solutions. Its major product lines include mobile computing, data capture, fixed industrial scanning and machine vision, services, and workflow optimization solutions. Our workflow optimization solutions include cloud-based software subscriptions, retail solutions, and robotic automation solutions.

We are a market leader in our core businesses, which are generally considered to be comprised of our mobile computing and data capture products, printing products and supplies, as well as support and repair services. We continue to focus on growth opportunities within adjacent and expansion markets by scaling and integrating our recent business acquisitions.

Second Quarter 2024 Financial Summary and Other Recent Developments

- Net sales were \$1,217 million in the current quarter compared to \$1,214 million in the prior year.
- Operating income was \$167 million in the current quarter compared to \$194 million in the prior year.

- Net income was \$113 million, or \$2.17 per diluted share in the current quarter, compared to net income of \$144 million, or \$2.78 per diluted share in the prior year.
- Net cash provided by operating activities was \$413 million in the current year compared to net cash used in operating activities of \$110 million in the prior year.

In the current quarter distributor inventory levels remained relatively stable and, as expected, we saw a modest recovery in the demand trends particularly in our EVM segment's mobile computing business; however, our results continued to be impacted by weakness in certain of our end markets, most pronounced in our AIT segment. As discussed below, our second quarter results benefited from the actions taken under our 2022 Productivity Plan and the U.S. voluntary retirement plan. We expect revenues and profitability to improve both sequentially from the first half to the second half of the current year, and on a year-over-year basis in the second half of the year.

The Company substantially completed the actions under the 2022 Productivity Plan in the current quarter. Total charges associated with the 2022 Productivity Plan and the U.S. voluntary retirement plan, which was completed in 2023, were \$123 million to date, including \$3 million recorded in the current quarter. The costs of these actions are classified within Exit and restructuring on the Consolidated Statements of Operations. Together, these programs have impacted over 9% of our global employee base and are expected to result in annualized net cost savings of approximately \$120 million, primarily within Operating expenses. The Company has realized a total of \$100 million in annualized net savings to date, with \$50 million in 2023 and \$50 million in the first half of 2024, and estimates full calendar year 2024 total net savings to approximate \$60 million with the remainder expected to be realized in 2025.

During the current quarter, the Company completed a private offering of \$500 million senior unsecured notes (the "Senior Notes") with a 6.5% fixed interest rate; the proceeds of which, were partially used to repay the outstanding debt under its Revolving Credit Facility, the Receivables Financing Facility that matured on May 13, 2024, and Term Loan A principal repayments. Additionally, with the issuance of the fixed rate Senior Notes, the Company terminated its interest rate swap agreements which were intended to result in a fixed interest rate on a portion of our variable rate debt.

Results of Operations

Consolidated Results of Operations

(amounts in millions, except percentages)

	Three Months Ended				Six Months Ended			
	June 29, 2024	July 1, 2023	\$ Change	% Change	June 29, 2024	July 1, 2023	\$ Change	% Change
Net sales:								
Tangible products	\$ 983	\$ 986	\$ (3)	(0.3)%	\$ 1,912	\$ 2,156	\$ (244)	(11.3)%
Services and software	234	228	6	2.6 %	480	463	17	3.7 %
Total Net sales	1,217	1,214	3	0.2 %	2,392	2,619	(227)	(8.7)%
Gross profit	589	581	8	1.4 %	1,152	1,248	(96)	(7.7)%
Gross margin	48.4 %	47.9 %		50 bps	48.2 %	47.7 %		50 bps
Operating expenses	422	387	35	9.0 %	826	829	(3)	(0.4)%
Operating income	\$ 167	\$ 194	\$ (27)	(13.9)%	\$ 326	\$ 419	\$ (93)	(22.2)%

Net sales to customers by geographic region were as follows (amounts in millions, except percentages):

	Three Months Ended				Six Months Ended			
	June 29, 2024	July 1, 2023	\$ Change	% Change	June 29, 2024	July 1, 2023	\$ Change	% Change
North America	\$ 599	\$ 642	\$ (43)	(6.7)%	\$ 1,211	\$ 1,367	\$ (156)	(11.4)%
EMEA	419	374	45	12.0 %	799	817	(18)	(2.2)%
Asia-Pacific	118	122	(4)	(3.3)%	230	276	(46)	(16.7)%
Latin America	81	76	5	6.6 %	152	159	(7)	(4.4)%
Total Net sales	\$ 1,217	\$ 1,214	\$ 3	0.2 %	\$ 2,392	\$ 2,619	\$ (227)	(8.7)%

Operating expenses are summarized below (amounts in millions, except percentages):

	Three Months Ended				Six Months Ended			
	June 29, 2024	July 1, 2023	As a % of Net sales		June 29, 2024	July 1, 2023	As a % of Net sales	
			2024	2023			2024	2023
Selling and marketing	\$ 150	\$ 146	12.3 %	12.0 %	\$ 298	\$ 307	12.5 %	11.7 %
Research and development	146	130	12.0 %	10.7 %	284	276	11.9 %	10.5 %
General and administrative	97	69	8.0 %	5.7 %	178	168	7.4 %	6.4 %
Amortization of intangible assets	25	26	NM	NM	51	52	NM	NM
Acquisition and integration costs	1	2	NM	NM	2	2	NM	NM
Exit and restructuring costs	3	14	NM	NM	13	24	NM	NM
Total Operating expenses	\$ 422	\$ 387	34.7 %	31.9 %	\$ 826	\$ 829	34.5 %	31.7 %

Consolidated Organic Net sales decline:

	Three Months Ended June 29, 2024	Six Months Ended June 29, 2024
Reported GAAP Consolidated Net sales growth (decline)	0.2 %	(8.7)%
Adjustments:		
Impact of foreign currency translations ⁽¹⁾	(0.5)%	(0.5)%
Consolidated Organic Net sales decline ⁽²⁾	(0.3)%	(9.2)%

(1) Operating results reported in U.S. Dollars are affected by foreign currency exchange rate fluctuations. Foreign currency translation impact represents the difference in results that are attributable to fluctuations in the currency exchange rates used to convert the results for businesses where the functional currency is not the U.S. Dollar. This impact is calculated by translating the current period results at the currency exchange rates used in the comparable prior year period, inclusive of the Company's foreign currency hedging program.

(2) Consolidated Organic Net sales decline is a non-GAAP financial measure. See the *Non-GAAP Measures* section at the end of this item.

Second quarter 2024 compared to Second quarter 2023

Total Net sales increased slightly by \$3 million or 0.2% compared to the prior year as growth in our EVM segment was largely offset by a decline in our AIT segment. Excluding the effects of currency changes, Consolidated Organic Net sales decreased by 0.3%.

Gross margin increased to 48.4% for the current year compared to 47.9% for the prior year. As compared to the prior year, Gross margin was higher in our EVM segment and lower in our AIT segment.

Operating expenses for the quarters ended June 29, 2024 and July 1, 2023 were \$422 million and \$387 million, or 34.7% and 31.9% of Net sales, respectively. Current year Operating expenses were higher than the prior year primarily due to higher

incentive compensation, due in part to a significant reduction of incentive compensation expense in the prior year associated with the Company's performance target attainment assessment on certain performance-based compensation awards. The increase in incentive compensation was partially offset by cost savings largely attributed to our Exit and restructuring actions.

Operating income was \$167 million for the current year compared to \$194 million in the prior year. The decrease was primarily due to higher Operating expenses.

Net income decreased compared to the prior year primarily due to lower Operating income, as described above, and higher Other expense, net. The increase in Other expense, net was primarily due to lower interest rate swap gains and a long-term investment loss in the current year, partially offset by favorable changes in Foreign exchange gain (loss) as compared to the prior year.

The Company's effective tax rates for the three months ended June 29, 2024 and July 1, 2023 were 16.9% and 15.8%, respectively.

Diluted earnings per share decreased to \$2.17 as compared to \$2.78 in the prior year due to lower Net income.

Year to date 2024 compared to Year to date 2023

Total Net sales decreased \$227 million or 8.7% compared to the prior year reflecting declines in both of our segments. Excluding the effects of currency changes, Consolidated Organic Net sales decreased by 9.2%.

Gross margin increased to 48.2% for the current year compared to 47.7% for the prior year. As compared to the prior year, Gross margin was higher in our EVM segment and lower in our AIT segment. Gross margins of both segments benefited from lower freight rates and favorable changes in foreign currency rates compared to the prior year.

Operating expenses for the year ended June 29, 2024 and July 1, 2023 were \$826 million and \$829 million, or 34.5% and 31.7% of Net sales, respectively. Current year Operating expenses were slightly lower than the prior year primarily due to cost savings largely attributed to our Exit and restructuring actions, that were largely offset by higher incentive compensation. The increase as a percentage of Net sales over the prior year reflects the impact of expense deleveraging.

Operating income was \$326 million for the current year compared to \$419 million in the prior year. The decrease was primarily due to lower Gross profit.

Net income decreased compared to the prior year primarily due to lower Operating income, as described above, partially offset by lower Other expense, net. The decrease in Other expense, net was primarily due to higher interest rate swap gains in the current year compared to the prior year, partially offset by higher interest expense associated with higher interest rates in the current year.

The Company's effective tax rates for the six months ended June 29, 2024 and July 1, 2023 were 18.0% and 17.4%, respectively.

Diluted earnings per share decreased to \$4.40 as compared to \$5.68 in the prior year due to lower Net income.

Results of Operations by Segment

The following commentary should be read in conjunction with the financial results of each reportable business segment as detailed in Note 17, *Segment Information & Geographic Data* in the Notes to Consolidated Financial Statements. To the extent applicable, segment operating income excludes business acquisition purchase accounting adjustments, amortization of intangible assets, acquisition and integration costs, impairment of goodwill and other intangibles, exit and restructuring costs, as well as certain other non-recurring costs.

Asset Intelligence & Tracking Segment ("AIT")

(amounts in millions, except percentages)

	Three Months Ended				Six Months Ended			
	June 29, 2024	July 1, 2023	\$ Change	% Change	June 29, 2024	July 1, 2023	\$ Change	% Change
Net sales:								
Tangible products	\$ 368	\$ 432	\$ (64)	(14.8)%	\$ 733	\$ 927	\$ (194)	(20.9)%
Services and software	29	27	2	7.4 %	56	54	2	3.7 %
Total Net sales	397	459	(62)	(13.5)%	789	981	(192)	(19.6)%
Gross profit	187	225	(38)	(16.9)%	371	483	(112)	(23.2)%
Gross margin	47.1 %	49.0 %		(190) bps	47.0 %	49.2 %		(220) bps
Operating expenses	114	111	3	2.7 %	222	240	(18)	(7.5)%
Operating income	\$ 73	\$ 114	\$ (41)	(36.0)%	\$ 149	\$ 243	\$ (94)	(38.7)%

AIT Organic Net sales decline:

	Three Months Ended June 29, 2024	Six Months Ended June 29, 2024
AIT Reported GAAP Net sales decline	(13.5)%	(19.6)%
Adjustments:		
Impact of foreign currency translations ⁽¹⁾	(0.9)%	(0.6)%
AIT Organic Net sales decline ⁽²⁾	(14.4)%	(20.2)%

(1) Operating results reported in U.S. Dollars are affected by foreign currency exchange rate fluctuations. Foreign currency translation impact represents the difference in results that are attributable to fluctuations in the currency exchange rates used to convert the results for businesses where the functional currency is not the U.S. Dollar. This impact is calculated by translating the current period results at the currency exchange rates used in the comparable prior year period, inclusive of the Company's foreign currency hedging program.

(2) AIT Organic Net sales decline is a non-GAAP financial measure. See the *Non-GAAP Measures* section at the end of this item.

Second quarter 2024 compared to Second quarter 2023

Total Net sales for AIT decreased \$62 million or 13.5% compared to the prior year primarily due to lower sales of printing and RFID products. Excluding the impact of foreign currency changes, AIT Organic Net sales decreased by 14.4%.

Gross margin decreased to 47.1% in the current year compared to 49.0% for the prior year primarily due to higher inventory-related charges, volume deleveraging and unfavorable business mix, partially offset by favorable changes in foreign currency rates.

Operating income decreased 36.0% in the current year compared to the prior year primarily due to lower Gross profit.

Year to date 2024 compared to Year to date 2023

Total Net sales for AIT decreased \$192 million or 19.6% compared to the prior year primarily due to lower sales of printing products. Excluding the impact of foreign currency changes, AIT Organic Net sales decreased by 20.2%.

Gross margin decreased to 47.0% in the current year compared to 49.2% for the prior year primarily due to unfavorable business mix, volume deleveraging, and higher inventory-related charges, partially offset by lower freight rates and favorable changes in foreign currency rates.

Operating income decreased 38.7% in the current year compared to the prior year due to lower Gross profit, partially offset by lower Operating expenses.

Enterprise Visibility & Mobility Segment (“EVM”)

(amounts in millions, except percentages)

	Three Months Ended				Six Months Ended			
	June 29, 2024	July 1, 2023	\$ Change	% Change	June 29, 2024	July 1, 2023	\$ Change	% Change
Net sales:								
Tangible products	\$ 615	\$ 554	\$ 61	11.0 %	\$ 1,179	\$ 1,229	\$ (50)	(4.1)%
Services and software	205	201	4	2.0 %	424	409	15	3.7 %
Total Net sales	820	755	65	8.6 %	1,603	1,638	(35)	(2.1)%
Gross profit	402	356	46	12.9 %	781	765	16	2.1 %
Gross margin	49.0 %	47.2 %		180 bps	48.7 %	46.7 %		200 bps
Operating expenses	279	234	45	19.2 %	538	510	28	5.5 %
Operating income	\$ 123	\$ 122	\$ 1	0.8 %	\$ 243	\$ 255	\$ (12)	(4.7)%

EVM Organic Net sales growth (decline):

	Three Months Ended June 29, 2024	Six Months Ended June 29, 2024
EVM Reported GAAP Net sales growth (decline)	8.6 %	(2.1)%
Adjustments:		
Impact of foreign currency translations ⁽¹⁾	(0.4)%	(0.4)%
EVM Organic Net sales growth (decline) ⁽²⁾	8.2 %	(2.5)%

(1) Operating results reported in U.S. Dollars are affected by foreign currency exchange rate fluctuations. Foreign currency translation impact represents the difference in results that are attributable to fluctuations in the currency exchange rates used to convert the results for businesses where the functional currency is not the U.S. Dollar. This impact is calculated by translating the current period results at the currency exchange rates used in the comparable prior year period, inclusive of the Company’s foreign currency hedging program.

(2) EVM Organic Net sales growth (decline) is a non-GAAP financial measure. See the *Non-GAAP Measures* section at the end of this item.

Second quarter 2024 compared to Second quarter 2023

Total Net sales for EVM increased \$65 million or 8.6% compared to the prior year primarily due to higher sales of mobile computing products, partially offset by lower sales of data capture products. Excluding the impacts of foreign currency changes, EVM Organic Net sales increased by 8.2%.

Gross margin increased to 49.0% in the current year compared to 47.2% for the prior year primarily due to lower inventory-related charges, volume leverage, lower freight rates, and favorable changes in foreign currency rates.

Operating income for the current year increased by 0.8% compared to the prior year due to higher Gross profit, largely offset by higher Operating expenses.

Year to date 2024 compared to Year to date 2023

Total Net sales for EVM decreased \$35 million or 2.1% compared to the prior year primarily due to lower sales of data capture products, partially offset by higher sales of mobile computing products, and services and software. Excluding the impacts of foreign currency changes, EVM Organic Net sales decreased by 2.5%.

Gross margin increased to 48.7% in the current year compared to 46.7% for the prior year primarily due to higher service and software margins, lower freight rates, and favorable changes in foreign currency rates.

Operating income for the current year decreased by 4.7% compared to the prior year due to higher Operating expenses, partially offset by higher Gross profit.

Liquidity and Capital Resources

The primary factors that influence our liquidity include the amount and timing of cash collections from our customers, cash payments to our suppliers, capital expenditures, acquisitions, and share repurchases. Management believes that our existing capital resources, inclusive of available borrowing capacity on debt and other financing facilities and funds generated from operations, are sufficient to meet anticipated capital requirements and service our indebtedness. The following table summarizes our cash flow activities for the periods indicated (in millions):

	Six Months Ended		
	June 29, 2024	July 1, 2023	\$ Change
Cash flow provided by (used in):			
Operating activities	\$ 413	\$ (110)	\$ 523
Investing activities	(25)	(35)	10
Financing activities	(115)	97	(212)
Effect of exchange rates on cash balances	—	(1)	1
Net change in cash and cash equivalents, including restricted cash	\$ 273	\$ (49)	\$ 322

The change in our cash and cash equivalents balance during the six months ended June 29, 2024 compared to the prior year is primarily due to the following:

- \$523 million change in operating activities primarily due to lower cash payments for inventory purchases and the reduction of overall inventory levels, lower income tax payments, higher cash receipts on interest rate swaps attributed to the termination of those agreements, as well as lower employee incentive compensation and legal settlement payments, partially offset by unfavorable timing of customer collections, including reduced accounts receivable factoring activity.
- \$212 million change in financing activities primarily due to current year net debt repayments as a portion of the recently issued Senior Notes was utilized to reduce total debt, compared to net borrowings and common stock repurchases in the prior year.

Company Debt

The following table shows the carrying value of the Company's debt (in millions):

	June 29, 2024	December 31, 2023
Term Loan A	\$ 1,575	\$ 1,684
Senior Notes	500	—
Revolving Credit Facility	—	413
Receivables Financing Facilities	108	129
Total debt	\$ 2,183	\$ 2,226
Less: Debt issuance costs	(11)	(2)
Less: Unamortized discounts	(3)	(4)
Less: Current portion of debt	(89)	(173)
Total long-term debt	\$ 2,080	\$ 2,047

Term Loan A

The principal on Term Loan A is due in quarterly installments, with the next quarterly installment due in the second quarter of 2026 and the majority due upon maturity in 2027. The Company may make prepayments in whole or in part, without premium or penalty, and would be required to prepay certain outstanding amounts in the event of certain circumstances or transactions. The Company made \$109 million of principal payments during the six months ended June 29, 2024, inclusive of prepayment of amounts due in 2024 and 2025. As of June 29, 2024, the Term Loan A interest rate was 6.69%. Interest payments are made monthly and are subject to variable rates plus an applicable margin.

Senior Notes

On May 28, 2024, the Company completed a private offering of \$500 million senior unsecured notes (the "Senior Notes") with a 6.5% fixed interest rate. The net proceeds of the issuance, after deducting debt issuance costs which were deferred and will be amortized over the term of the Senior Notes, were approximately \$492 million. The proceeds were partially used to repay the outstanding debt under its Revolving Credit Facility, the Receivables Financing Facility that matured on May 13, 2024, and Term Loan A principal repayments. The Company intends to use the remaining net proceeds for general corporate purposes. The Senior Notes mature on June 1, 2032, and interest is payable semi-annually in arrears in June and December of each year, commencing on December 1, 2024. The Company has the option or could be required to prepay certain outstanding amounts in the event of certain circumstances or transactions.

With the issuance of the fixed rate Senior Notes, the Company terminated its interest rate swap agreements, which were intended to result in a fixed interest rate on a portion of its variable rate debt.

The Senior Notes are fully and unconditionally guaranteed on a senior unsecured basis by certain of Zebra's existing and future subsidiaries. The Senior Notes contain covenants that, among other things, limit the ability of Zebra to: (i) grant or incur liens; (ii) have its subsidiaries guarantee debt without becoming guarantors; and (iii) merge or consolidate with another company or sell all or substantially all of its assets.

Revolving Credit Facility

The Company has a Revolving Credit Facility that is available for working capital and other general business purposes, including letters of credit. As of June 29, 2024, the Company had letters of credit totaling \$10 million, which reduced funds available for borrowings under the Revolving Credit Facility from \$1,500 million to \$1,490 million. As of June 29, 2024, the Revolving Credit Facility had an average interest rate of 6.69%. Upon borrowing, interest payments are made monthly and are subject to variable rates plus an applicable margin. The Revolving Credit Facility matures on May 25, 2027.

Receivables Financing Facility

As of June 29, 2024, the Company has a Receivables Financing Facility with a borrowing limit of up to \$180 million. As collateral, the Company pledges perfected first-priority security interests in its U.S. domestically originated accounts receivable. The Company has accounted for transactions under this facility as secured borrowings. During the first quarter of 2024, the Company amended this facility to extend the maturity to March 19, 2027, but otherwise did not substantially change the terms of the facility. The Company's additional facility, which allowed for borrowings of up to \$100 million, matured on May 13, 2024 and was not renewed.

As of June 29, 2024, the Company's Consolidated Balance Sheets included \$537 million of gross receivables that were pledged under the facility. As of June 29, 2024, \$108 million had been borrowed, of which \$89 million was classified as current.

Borrowings under the facility bear interest at a variable rate plus an applicable margin. As of June 29, 2024, the facility had an average interest rate of 6.39%. Interest is paid monthly on these borrowings.

See Note 9, *Long-Term Debt* in the Notes to Consolidated Financial Statements for further details related to the Company's debt instruments.

Receivables Factoring

The Company transfers certain receivables to banks without recourse as part of its credit and cash management activities. Such transfers are accounted for as sales and the related receivables are removed from the Company's balance sheet. The Company does not maintain any beneficial interest in the receivables sold. The Company services the receivables on behalf of the banks, but otherwise maintains no significant continuing involvement with respect to the receivables. Sale proceeds that are representative of the fair value of factored receivables, less a factoring fee, are reflected in Cash flows from operating activities on the Consolidated Statements of Cash Flows, while sale proceeds in excess of the fair value of factored receivables are reflected in Cash flows from financing activities on the Consolidated Statements of Cash Flows.

As of June 29, 2024 and December 31, 2023, there were a total of \$7 million and \$56 million, respectively, of uncollected receivables that had been sold and removed from the Company's Consolidated Balance Sheets.

As servicer of sold receivables, the Company had \$74 million and \$112 million of obligations that were not yet remitted to banks as of June 29, 2024 and December 31, 2023, respectively. These obligations are included within Accrued liabilities on the Consolidated Balance Sheets, with changes in such obligations reflected within Cash flows from financing activities on the Consolidated Statements of Cash Flows.

See Note 16, *Accounts Receivable Factoring* in the Notes to Consolidated Financial Statements for further details.

Share Repurchases

On May 17, 2022, the Company announced that its Board of Directors authorized a share repurchase program for up to an incremental \$1 billion of its outstanding shares of common stock. This authorization augments the previous \$1 billion share repurchase authorization which was announced on July 30, 2019. The May 2022 share repurchase program does not have a stated expiration date. The level of the Company's repurchases depends on a number of factors, including its financial condition, capital requirements, cash flows, results of operations, future business prospects and other factors its management may deem relevant. The timing, volume, and nature of repurchases are subject to market conditions, applicable securities laws and other factors and may be amended, suspended or discontinued at any time. Repurchases may be affected from time to time through open market purchases, including pursuant to a pre-set trading plan meeting the requirements of Rule 10b5-1(c) of the Securities Exchange Act of 1934. In the fourth quarter of 2022, the Company completed its original authorization of \$1 billion in share repurchases. During the first six months of 2024, the Company did not repurchase shares of common stock. As of June 29, 2024, the Company has cumulatively repurchased 409,014 shares of common stock for approximately \$107 million, resulting in a remaining amount of share repurchases authorized under the May 2022 program of \$893 million.

Significant Customers

End-users of our products, solutions and services are diversified across a wide variety of industries. We have three customers, who are distributors of the Company's products and solutions, that individually accounted for more than 10% of our Net sales for the periods presented. In the aggregate, the approximate percentage of our segment and Company total Net sales was as follows:

	Six Months Ended					
	June 29, 2024			July 1, 2023		
	AIT	EVM	Total	AIT	EVM	Total
Significant customers as a % of Net sales	18 %	37 %	55 %	18 %	33 %	51 %

These customers accounted for 52% of accounts receivable as of June 29, 2024. No other customer accounted for more than 10% of total Net sales during the period ended June 29, 2024.

Safe Harbor

Forward-looking statements contained in this filing are subject to the safe harbor created by the Private Securities Litigation Reform Act of 1995 and are highly dependent upon a variety of important factors, which could cause actual results to differ materially from those expressed or implied in such forward-looking statements. When used in this document and documents referenced, the words “anticipate,” “believe,” “intend,” “estimate,” “will,” and “expect” and similar expressions as they relate to the Company or its management are intended to identify such forward-looking statements but are not the exclusive means of identifying these statements. The forward-looking statements include, but are not limited to, the Company’s financial outlook for full year of 2024. These forward-looking statements are based on current expectations, forecasts and assumptions, and are subject to the risks and uncertainties inherent in the Company’s industry, market conditions, general domestic and international economic conditions, and other factors. These factors include:

- Market acceptance of the Company’s products, services and solution offerings and competitors’ offerings and the potential effects of emerging technologies and changes in customer requirements,
- The effect of global market conditions, including the North America; EMEA; Latin America; and Asia-Pacific regions in which we do business,
- The impact of changes in foreign exchange rates, customs duties and trade policies due to the large percentage of our sales and operations being outside the U.S.,
- Our ability to control manufacturing and operating costs,
- Risks related to the manufacturing of the Company’s products and conducting business operations in non-U.S. countries, including the risk of depending on key suppliers who are also in non-U.S. countries,
- The Company’s ability to purchase sufficient materials, parts, and components, our ability to provide services, software, and products to meet customer demand, particularly in light of global economic conditions,
- The availability of credit and the volatility of capital markets, which may affect our suppliers, customers, and ourselves,
- Success of integrating acquisitions,
- Our ability to attract, retain, develop, and motivate key personnel,
- Interest rate and financial market conditions,
- Access to cash and cash equivalents held outside the U.S.,
- The effect of natural disasters, man-made disasters, public health issues (including pandemics), and cybersecurity incidents on our business,
- The impact of changes in foreign and domestic governmental policies, laws, or regulations,
- The outcome of litigation in which the Company may be involved, particularly litigation or claims related to infringement of third-party intellectual property rights, and
- The outcome of any future tax matters or tax law changes.

We encourage readers of this report to review Part II, Item 1A, “Risk Factors” in this report for further discussion of issues that could affect the Company’s future results. We undertake no obligation, other than as may be required by law, to publicly update or revise any forward-looking statements, whether as a result of new information, future events, changed circumstances, or any other reason after the date of this report.

New Accounting Pronouncements

We do not expect any recently issued accounting pronouncements to have a material impact on our consolidated financial statements.

Non-GAAP Measures

The Company has provided reconciliations of the supplemental non-GAAP financial measures, as defined under the rules of the Securities and Exchange Commission, presented herein to the most directly comparable financial measures calculated and presented in accordance with GAAP.

These supplemental non-GAAP financial measures – Consolidated Organic Net sales decline, AIT Organic Net sales decline, and EVM Organic Net sales growth (decline) – are presented because our management evaluates our financial results both including and excluding the effects of business acquisitions and foreign currency translation, as applicable. Management believes that the supplemental non-GAAP financial measures presented provide additional perspective and insights when analyzing the core operating performance of our business from period to period and trends in our historical operating results. These supplemental non-GAAP financial measures should not be considered superior to, as a substitute for, or as an alternative to, and should be considered in conjunction with the GAAP financial measures presented.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There were no material changes in the Company's market risk during the quarter ended June 29, 2024. For additional information on market risk, refer to Item 7A, "Quantitative and Qualitative Disclosures About Market Risk" in the Annual Report on Form 10-K for the year ended December 31, 2023.

Item 4. Controls and Procedures

Management's Report on Disclosure Controls

Our management is responsible for establishing and maintaining adequate disclosure controls as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission rules and forms and (ii) accumulated and communicated to the Company's management, including its principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure. Our management assessed the effectiveness of our disclosure controls as of June 29, 2024. Based on this assessment and those criteria, our management believes that, as of June 29, 2024, our disclosure controls were effective.

Changes in Internal Control over Financial Reporting

During the quarter ended June 29, 2024, there have been no changes in our internal controls that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on the Effectiveness of Controls

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or our internal controls will prevent or detect all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within Zebra have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Projections of any evaluation of controls effectiveness to future periods are subject to risks. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

See Note 11, *Accrued Liabilities, Commitments and Contingencies* in the Notes to Consolidated Financial Statements included in this report.

Item 1A. Risk Factors

In addition to the other information included in this report, you should carefully consider the factors discussed in Part I, Item 1A. “Risk Factors” in the Annual Report on Form 10-K for the year ended December 31, 2023, and the factors identified under “Safe Harbor” in Part I, Item 2 of this Quarterly Report on Form 10-Q, which could materially affect our business, financial condition, cash flows, or results of operations. 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 the Company currently considers immaterial also may materially adversely affect its business, financial condition, and/or operating results. There have been no material changes to the risk factors included in our Annual Report for the year ended December 31, 2023, other than as described below.

Our indebtedness could adversely affect our business. Our indebtedness could have important consequences, including the following:

- We may experience difficulty in satisfying our obligations with respect to our existing indebtedness or future indebtedness;
- Our ability to obtain additional financing for working capital, capital expenditures, acquisitions, or general corporate purposes may be impaired;
- We may be unable to create liens on certain assets to secure debt;
- Our subsidiary guarantors may not have sufficient assets or cash flow to allow them to guarantee new debt and existing debt;
- We may be at a competitive disadvantage with reduced flexibility in planning for, or responding to, changing conditions in the industry, including increased competition; and
- We may be more vulnerable to economic downturns and adverse developments in the business.

Any or all of the above events or factors could have an adverse effect on our results of operations and financial condition. The risks that we face based on our outstanding indebtedness may intensify if we incur additional indebtedness or financing obligations in the future.

We expect to fund our expenses and to pay the principal and interest on our indebtedness from cash flow from operations. Our ability to meet our expenses and to pay principal and interest on our indebtedness when due depends on our future performance and ability to collect cash from our customers, which will be affected by financial, business, economic, and other factors. We will not be able to control many of these factors, such as economic conditions in the markets where we operate and pressure from competitors.

If our business does not generate sufficient cash flows from operations or if future borrowings are not available to us in an amount sufficient to enable us to pay our indebtedness or to fund our other liquidity needs, we may need to refinance all or a portion of our indebtedness on or before the maturity thereof, sell assets, reduce or delay capital investments, or seek to raise additional capital, any of which could have a material adverse effect on our operations. In addition, we may not be able to effect any of these actions, if necessary, on commercially reasonable terms or at all. Our ability to restructure or refinance our indebtedness will depend on the condition of the capital and debt markets and our financial condition at such time. Any refinancing of our indebtedness could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict business operations. The terms of anticipated or future debt instruments may limit or prevent us from taking any of these actions.

If there were an event of default under any of the agreements relating to our outstanding indebtedness, the holders of the defaulted debt could cause all amounts outstanding with respect to that debt to be due and payable immediately. We cannot assure you that our assets or cash flow would be sufficient to fully repay borrowings under our outstanding debt instruments if accelerated upon an event of default. Further, if we are unable to repay, refinance or restructure our indebtedness under our secured debt, the holders of such debt could proceed against the collateral securing that indebtedness. In addition, any event of default or declaration of acceleration under one debt instrument could also result in an event of default under one or more of our other debt instruments. As a result, any default by us on our indebtedness could have a material adverse effect on our business and could impact our ability to satisfy the obligations in respect of our indebtedness. In addition, an event of default would likely result in a reduction of our credit rating, which could harm our ability to access additional capital on commercially reasonable terms or at all.

If we experience a significant disruption in our IT systems, our business, reputation, and operating results could be adversely affected. Our business processes depend on our IT systems, and the IT systems and processes of third parties to provide solutions and services, maintain financial records, retain sensitive data such as intellectual property, proprietary business information, and data related to customers, suppliers, and business partners, process orders, manage inventory, process shipments to customers and operate other critical functions. Disruptions to our IT systems from system failures, shutdowns, implementation of new operational systems or software or upgrades to existing systems and software, and other events, including disruptions at our cloud computing, server, systems, and other third party IT service providers, could interfere with our operations, interrupt order processing and shipments, damage customer and business partner relationships, and negatively impact our reputation. Any such event could have a material adverse effect on our business, reputation, operating results and financial condition, and no assurance can be given that our efforts to reduce the risk of such events will be successful.

Defects or errors in the Company's software products, or third party software included in or upon which our products, solutions and services rely, could harm our reputation, result in significant cost to us, and impair our ability to market such products. Our software, third party software included on our products, solutions or services, or servers and infrastructure may contain undetected errors, defects, or bugs. Although we have not suffered significant harm from any errors, defects, or bugs, we may discover significant errors, defects, or bugs in the future that we may not be able to correct or correct in a timely manner. Any future errors, defects, or bugs found in such software, solutions, services or infrastructure may result in delays in, or loss of market acceptance of, our products, solutions or services; inability to deliver our products, solutions or services; diversion of resources; injury to reputation; increased service and warranty expenses; and payment of damages; which could have a material adverse effect on our financial results.

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

The following table sets forth information with respect to repurchases of the Company's common stock for the three months ended June 29, 2024:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs ⁽¹⁾	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (in millions) ⁽¹⁾
March 31, 2024 - April 27, 2024	—	\$ —	—	\$ 893
April 28, 2024 - May 25, 2024	—	—	—	893
May 26, 2024 - June 29, 2024	—	—	—	893
Total	—	\$ —	—	\$ 893

- (1) On May 17, 2022, the Company announced that its Board of Directors authorized a share repurchase program for up to \$1 billion of its outstanding shares of common stock. This authorization augments the previous \$1 billion share repurchase authorization which was announced on July 30, 2019. Repurchases may be affected from time to time through open market purchases, including pursuant to a pre-set trading plan meeting the requirements of Rule 10b5-1(c) of the Securities Exchange Act of 1934. In the fourth quarter of 2022, the Company completed its original authorization of \$1 billion in share repurchases. As of June 29, 2024, the Company has cumulatively repurchased 409,014 shares of common stock for approximately \$107 million, resulting in a remaining amount of share repurchases authorized under the May 2022 program of \$893 million.

Item 5. Other Information

None of our directors or executive officers had in effect, adopted or terminated a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as defined in Item 408(c) of Regulation S-K) during the second quarter of 2024.

Item 6. Exhibits

- 10.1 [Form of 2024 performance-vested restricted stock unit agreement for all employees \(including the CEO\)](#)
- 10.2 [Form of 2024 time-vested restricted stock unit agreement for all employees \(including the CEO\)](#)
- 10.3 [Form of 2024 stock-settled stock appreciation rights agreement for all employees \(including the CEO\)](#)
- 31.1 [Rule 13a-14\(a\)/15d-14\(a\) Certification of Principal Executive Officer](#)
- 31.2 [Rule 13a-14\(a\)/15d-14\(a\) Certification of Principal Financial Officer](#)
- 32.1 [Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)
- 32.2 [Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)
- 101 The following financial information from Zebra Technologies Corporation Quarterly Report on Form 10-Q, for the quarter ended June 29, 2024, formatted in Inline XBRL: (i) the Consolidated Balance Sheets; (ii) the Consolidated Statements of Operations; (iii) the Consolidated Statements of Comprehensive Income; (iv) the Consolidated Statements of Stockholders' Equity; (v) the Consolidated Statements of Cash Flows; and (vi) Notes to Consolidated Financial Statements. The instance document does not appear in the interactive data file because Inline XBRL tags are embedded in the iXBRL document.
- 104 The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended June 29, 2024 formatted in Inline XBRL (included in Exhibit 101).

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.

Date: July 30, 2024

ZEBRA TECHNOLOGIES CORPORATION

By: /s/ William J. Burns
William J. Burns
Chief Executive Officer

Date: July 30, 2024

By: /s/ Nathan Winters
Nathan Winters
Chief Financial Officer

PERFORMANCE SHARE AGREEMENT

This PERFORMANCE SHARE AGREEMENT (this “Agreement”), dated as of [ADD DATE] (the “Grant Date”), is between ZEBRA TECHNOLOGIES CORPORATION, a Delaware corporation (the “Company”), and %%FIRST_NAME%-%% %%LAST_NAME%-%% (the “Participant”). This Agreement evidences an Award being granted to the Participant under the Zebra Technologies Corporation 2018 Long-Term Incentive Plan, as amended (the “Plan”) in the form of Performance Shares (as defined in Section 2.29 of the Plan). Capitalized terms used in this Agreement without definitions shall have the meanings ascribed to such terms in the Plan.

1. Grant of Performance Shares.

(a) Grant. Subject to the provisions of this Agreement and pursuant to the provisions of the Plan, the Company hereby grants to the Participant as of the Grant Date %%TOTAL_UNITS_GRANTED,'999,999,999'%-%% Performance Shares (the “Target Number of Performance Shares”). Zero percent (0%) to two hundred percent (200%) of the Target Number of Performance Shares may be earned based on the Company’s results in accordance with Exhibit A. This Agreement shall be null and void unless the Participant accepts this Agreement through the Company’s electronic delivery and acceptance process operated by Merrill not later than %%GRANT ACCEPTANCE DATE%%.

(b) Non-transferability. Except as otherwise permitted under the Plan or this Agreement, the Performance Shares granted hereunder shall be non-transferable by the Participant during the Vesting Period set forth under Section 2 of this Agreement.

2. Vesting.

(a) Vesting Period. Subject to Section 2(b) below, the percentage of Target Number of Performance Shares that have been earned in accordance with Exhibit A shall become vested and non-forfeitable on the third anniversary of the Grant Date (the “Vesting Period”), provided that the Participant is then employed by the Company or one of its Subsidiaries.

(b) Additional Rules for Early Employment Termination. Notwithstanding Section 2(a), the Performance Shares shall be subject to the following additional rules in the following circumstances:

(i) Death or Disability. If the Participant terminates employment with the Company and/or any Subsidiary due to death or Disability prior to the last day of the Vesting Period, the number of Performance Shares that becomes payable under Section 3 is determined as follows:

A. If the Participant terminates employment with the Company due to death or a Disability that also qualifies as a “disability” within the meaning of Treas. Reg. Section 1.409A-3(i)(4) (a “Section 409A Disability”), and such employment termination occurs on or prior to December 31, 2026, then the number of earned and vested Performance Shares equals the greater of (x) the product of (1) the Target Number of Performance Shares multiplied by (2) the earned percentage as reported by the Company (determined in accordance with Exhibit A) on its

financial statements when determining compensation expense under Generally Accepted Accounting Principles with respect to the Company's performance over the Three-Year Performance Period (as defined in Exhibit A) as of the most recent quarter end prior to the effective date of the Participant's termination of employment, or (y) the sum of the number of Performance Shares banked pursuant to Exhibit A as of the effective date of the Participant's termination of employment. However, if the Participant terminates employment with the Company and its Subsidiaries due to death or a Section 409A Disability, and such employment termination occurs after December 31, 2026 and on or prior to the third anniversary of the Grant Date, then the number of earned and vested Performance Shares shall be as determined in accordance with Exhibit A, but in no event will be less than the sum of the number of Performance Shares banked as of December 31, 2026 with respect to any then completed Annual Performance Years pursuant to Exhibit A.

B. If the Participant terminates employment with the Company or one of its Subsidiaries due to a Disability that is not a Section 409A Disability, then the number of earned and vested Performance Shares shall be as determined after the end of the Vesting Period in accordance with Exhibit A, but in no event will be less than the sum of the number of Performance Shares banked with respect to any then completed Annual Performance Years pursuant to Exhibit A.

For purposes of this Agreement, "Disability" has the meaning set forth in the employment agreement, if any, between the Company and/or any Subsidiary and the Participant or, if the Participant is not a party to such an agreement, "Disability" has the meaning ascribed to such term in the Plan.

(ii) Retirement. In the event of the Participant's Retirement prior to last day of the Vesting Period, a pro rata share of the Performance Shares shall become vested at the end of the Vesting Period. The pro rata share equals the product of (x) a fraction, the numerator of which is the number of days from but excluding the Grant Date and to and including the effective date of the Participant's Retirement, and the denominator of which is 1,095 (but in no event can the fraction exceed 1.0), multiplied by the greater of (y) the Target Number of Performance Shares that is earned based on the Company's results during the Three-Year Performance Period as determined under Exhibit A and (z) the number of Performance Shares banked based on the Company's results during each completed Annual Performance Year pursuant to Exhibit A.

For purposes of this Agreement, "Retire" and "Retirement" means the Participant's termination of employment with the Company and/or any Subsidiary that meets or exceeds the Rule of 65; provided, however that continued vesting under this Section 2(b)(ii) shall not apply if grounds to terminate the Participant's employment for Cause existed at the time of termination (as determined by the Company in its sole discretion) either at the time of or following the Participant's termination of employment. The "Rule of 65" means the sum of the Participant's age and years of continuous service with the Company (including its predecessors) equals or exceeds sixty-five (65), provided that the Participant must meet both a minimum age of fifty-five (55) and a minimum of five (5) years of continuous

service. Only full years of age and completed months of service shall be counted towards meeting the Rule of 65.

(iii) Termination by the Company or any Subsidiary other than for Cause. In the event the Participant's employment with the Company and/or any Subsidiary is terminated by the Company and/or any Subsidiary other than for Cause prior to meeting the Rule of 65 set forth in Section 2(b)(ii) above and prior to the last day of the Vesting Period the number of Performance Shares that becomes payable under Section 3 shall be as determined under Section 2(b)(ii) above, subject to, at the Company's discretion, the Participant's delivery and the effectiveness of a general release of all claims that Participant may have against the Company and/or any Subsidiary or persons affiliated with the Company and/or any Subsidiary in the form prescribed at the Company. For purposes of this Agreement, "Cause" has the meaning set forth in the employment agreement, if any, between the Company and/or any Subsidiary and the Participant or, if the Participant is not a party to such an agreement, "Cause" has the meaning, as determined by the Company in its sole discretion, set forth in the Plan.

(iv) Termination for Cause; Other Termination of Employment. In the event the Participant's employment with the Company and/or any Subsidiary is terminated for any reason other than as provided in Section 2(b)(i), (ii) or (iii), including for Cause, any unvested Performance Shares as of the effective date of the Participant's termination of employment shall immediately be forfeited without the requirement of any action by the Company.

(v) Participants Outside the United States. For purposes of this Agreement, if the Participant is employed or providing services outside the United States, the date the Participant's employment with the Company and/or any Subsidiary is terminated shall mean the date the Participant is no longer actively providing services to Company or the Subsidiary employing the Participant (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 in which the Participant is employed or providing services or the terms of the Participant's employment agreement, if any) and, unless otherwise expressly provided in this Agreement or by the Company, the Participant's right to vest in the Performance Shares under the Plan, if any, will terminate as of such date and will not be extended by any notice period (e.g., the 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 in which the Participant is employed or providing service or the terms of the Participant's employment agreement, if any). The Company shall have the exclusive discretion to determine when the Participant is no longer actively providing services for purposes of this Section 2(b)(v) (including whether the Participant may still be considered to be providing services while on a leave of absence).

(vi) Breach of Restrictive Covenants. Notwithstanding anything to the contrary in this Section 2(b), if the Participant at any time breaches any of the Restrictive Covenants (as defined in Section 6), including after employment termination, then the Performance Shares, whether previously vested or not, shall immediately be forfeited.

3. Settlement; Issuance of Shares.

(a) No Share shall be issued to the Participant with respect to a Performance Share under this Agreement until it has become earned and vested under Section 2 above. For purposes of this Agreement, “Share” means a share of the Company’s Class A Common Stock, US \$0.01 par value per share.

(i) If Performance Shares become earned and vested under Section 2(a), the Company shall issue a Share with respect to each such Performance Share within ninety (90) days after the end of the Vesting Period.

(ii) If a Participant terminates employment before the end of the Vesting Period and becomes entitled to accelerated vesting of Performance Shares under Section 2(b)(i)(A) due to death or a Disability that also qualifies as a Section 409A Disability, then the Company shall issue a Share with respect to each such Performance Share within ninety (90) days after such termination of employment. If Performance Shares vest under Section 2(a)(i)(B) due to a Disability that is not a Section 409A Disability, then the Company shall issue Shares with respect to each such Performance Share as provided Section 2(a)(i) above.

(iii) If a Participant terminates employment under the circumstances described under either Section 2(b)(ii) or Section 2(b)(iii) other than during the twelve (12)-month period beginning on a Section 409A CIC as described in Section 3(a)(iv) below, then the Company shall issue a Share with respect to each such Performance Share on or within ninety (90) days after the end of the Vesting Period.

(iv) Notwithstanding anything to the contrary in this Section 3(a), in the event that there is a Change in Control described in Section 9.8(a) of the Plan that is also a “change in the ownership or effective control of a corporation, or a change in the ownership of a substantial portion of the assets of a corporation” within the meaning of Treas. Reg. Section 1.409A-3(i)(5) (a “Section 409A CIC”), and the Participant terminates employment with vested Performance Shares on or during the twelve (12) months after a Section 409A CIC, then the Company shall issue a Share with respect to each vested Performance Share then held by such Participant on or within ninety (90) days after such termination of employment.

Issuance of Shares under vested Performance Shares shall in all events be subject to accelerated payment under Section 5(b) below and the requirements under Section 8 below. All earned and vested Performance Shares shall be settled solely with Shares, and not cash, notwithstanding anything to the contrary in the Plan. The Company will not deliver any fractional Share.

(b) When Shares are delivered, the Company shall make a cash payment equal to the aggregate amount of cash dividends and other cash distributions that the Company would have paid to the Participant during the Vesting Period in respect of the Shares that are being delivered under this Section 3 had such Shares been issued to the Participant on the Grant Date, without interest. To the extent that the Performance Shares are forfeited prior to vesting, the right to receive such cash payments under this Section 3 shall also be forfeited.

(c) Notwithstanding the foregoing, if the Participant is a resident or employed outside of the United States, the Company, in its sole discretion, may settle the Performance Shares in the form of a cash payment to the extent settlement in Shares: (i) is prohibited under applicable law; (ii) would require the Participant, the Company or any Subsidiary to obtain the approval of any governmental and/or regulatory body in the Participant's country; (iii) would result in adverse tax consequences for the Participant, the Company or a Subsidiary; or (iv) is administratively burdensome. Alternatively, the Company, in its sole discretion, may settle the Performance Shares in the form of Shares but require the Participant to sell such Shares immediately or within a specified period following the Participant's termination of employment (in which case, this Agreement shall give the Company authority to issue sales instructions on the Participant's behalf).

4. Payment of Taxes. Notwithstanding any other provision of this Agreement:

(a) The provisions of Section 9.10 of the Plan are incorporated herein by reference and made a part hereof. The Participant acknowledges that he or she may be required to pay to the Company or, if different, the Subsidiary that employs the Participant (the "Employer"), and that the Company, the Employer, or any Subsidiary shall have the right and are hereby authorized to withhold from any compensation or other amount owing to the Participant, applicable income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items (including taxes that are imposed on the Company or the Employer as a result of the Participant's participation in the Plan but are deemed by the Company or the Employer to be an appropriate charge to the Participant) (collectively, "Tax-Related Items"), with respect to any issuance, transfer, or other taxable event under this Agreement or under the Plan and to take such action as may be necessary in the opinion of the Company and/or the Employer to satisfy all obligations for the payment of such Tax-Related Items. The Participant further acknowledges that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Performance Shares, including, but not limited to the grant, vesting and/or settlement of the Performance Shares and the subsequent sale of Shares acquired upon settlement of the vested Performance Shares; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Performance Shares to reduce or eliminate the Participant's liability for Tax-Related Items or achieve a 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 Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) The Company and/or the Employer shall withhold, or cause to be withheld, Shares otherwise vesting or issuable under the Performance Shares in satisfaction of any applicable withholding tax obligations, unless the Chief People Officer permits the Participant to elect to satisfy such obligations by (i) cash, wire transfer of immediately available funds or check; or (ii)

if approved by the Committee, by delivery of a written or electronic notice that the Participant has placed a market sell order with a broker acceptable to the Company and/or the Employer with respect to Shares then issuable upon vesting of the Performance Shares, and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Company and/or the Employer in satisfaction of the aggregate applicable withholding tax obligations; provided that payment of such proceeds is then made to the Company and/or the Employer upon settlement of such sale in satisfaction of the applicable withholding tax obligations, the number of Shares that may be so withheld or surrendered shall be limited to the number of Shares that have a Fair Market Value on the date of withholding no greater than the aggregate amount of such obligations based on the minimum individual statutory withholding rates in the Participant's applicable jurisdictions for U.S. federal, state, local and foreign income tax and payroll tax purposes that are applicable to such taxable income. Notwithstanding the foregoing, the Participant authorizes the Company and/or the Employer to satisfy the applicable withholding tax obligations from proceeds of the sale of Shares issuable under the Performance Shares through a mandatory sale arranged by the Company and/or the Employer (on the Participant's behalf pursuant to this authorization). If the obligation for Tax-Related Items is satisfied by withholding in Shares, the Participant is deemed to have been issued the full number of Shares subject to the vested Performance Shares, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items. The Participant acknowledges that, regardless of any action taken by the Company, the Employer, or any Subsidiary the ultimate liability for all Tax-Related Items, is and remains the Participant's responsibility and may exceed the amount, if any, actually withheld by the Company or the Employer.

(c) Notwithstanding any other provision of this Agreement, the Company and/or the Employer shall not be obligated to deliver any certificate representing Shares issuable with respect to the Performance Shares to, or to cause any such Shares to be held in book-entry form by, the Participant or the Participant's legal representative unless and until the Participant or the Participant's legal representative shall have paid the Tax-Related Items resulting from the grant, vesting or settlement of the Performance Shares or any other taxable event related to the Performance Shares.

5. Change in Control. The following provisions shall apply in the event of a Change in Control notwithstanding any provision to the contrary in Section 2 or Section 3 of this Agreement, and in all events subject to the restrictions in Section 8 below.

(a) If the Company or its successor terminates the Participant's employment other than for Cause or the Participant resigns for Good Reason on or within twelve (12) months after certain Change in Control transactions under the circumstances set forth in Section 9.8(a) of the Plan, as in effect on the date hereof, then a pro rata share of the Performance Shares shall become fully and immediately vested on the effective date of the Participant's termination of employment. The pro rata share equals the greater of 100% of the Target Number of Performance Shares or the percentage of the Target Number of Performance Shares earned based on actual performance under Exhibit A as of the time of the Change in Control as determined by the Committee. For purposes of this Agreement, "Good Reason" has the meaning set forth in the employment agreement, if any, between the Company and/or any Subsidiary and the Participant or, if the Participant is not a party to such an agreement, "Good Reason" has the meaning set forth in the Plan. The vesting rules

under this Section 5(a), and not Section 2(b)(ii) or Section 2(b)(iii), shall apply in the event that a Participant has met the Rule of 65 at the time of any such termination of employment.

(b) The Target Number of Performance Shares or, if greater, the percentage of the Target Number of Performance Shares earned based on actual performance under Exhibit A as of the time of the Change in Control, as determined by the Committee, shall become immediately vested if this Award is terminated on or after certain Change in Control transactions under the circumstances set forth in Section 9.8(b) of the Plan, as in effect on the date hereof. In the event that any Change in Control described in Section 9.8(b) is also a Section 409A CIC, payment with respect to any vested Performance Shares under this Section 5(b) shall be made within ten (10) days after any such Change in Control. A Change in Control described under this Section 5(b) that does not qualify for accelerated payment under the immediately preceding sentence shall be payable at the same time as is applicable to employees who continue employment with the Company or its Subsidiaries as described in Section 2(a) above.

6. Confidentiality, Non-Solicitation and Non-Compete. The Participant agrees, understands, and acknowledges that by executing this Agreement, the Participant shall be bound by, and shall abide by the restrictive covenants set forth in Appendix A of this Agreement (the “Restrictive Covenants”). The Participant further agrees, understands and acknowledges that the scope and duration of the Restrictive Covenants contained in this Agreement are reasonable and necessary to protect a legitimate, protectable interest of the Company and its Subsidiaries, and that the Company, in its sole discretion, may require the Participant, as a condition to lapsing any restrictions on the Performance Shares, to acknowledge in writing that the Participant has not engaged, and is not in the process of engaging, in any of the activities described in this Section 6.

Notwithstanding the foregoing, this Section 6 only applies to the extent permissible by applicable law or regulation. For Participants in the U.S., please refer to Exhibit 1 to Appendix A for further details.

7. Right of Setoff; Recoupment.

(a) Right of Setoff. The Company or any Subsidiary may, to the extent permitted by applicable law and which would not trigger tax under Section 409A of the Code, deduct from and set off against any amounts the Company or Subsidiary may owe to the Participant from time to time, including amounts payable in connection with this Agreement, owed as wages, fringe benefits, or other compensation owed to the Participant, such amounts as may be owed by the Participant to the Company or a Subsidiary, although the Participant shall remain liable for any part of the Participant’s payment obligation not satisfied through such deduction and setoff. By accepting any Performance Shares granted hereunder, the Participant agrees to any deduction or setoff under this Section 7(a).

(b) Termination of this Agreement; Recoupment. The Agreement shall terminate automatically and be subject to clawback and recoupment on the date the Participant violates a Restrictive Covenant or commits an act of theft, embezzlement of funds or fraud involving money or property of the Company or any Subsidiary. Any outstanding Performance Shares, whether vested or unvested, shall terminate automatically as of the date of such violation of a Restrictive Covenant or commission of an act of theft, embezzlement or fraud and the Participant shall forfeit

such Performance Shares. With respect to any Performance Shares that vested within the one (1)-year period prior to the date of such violation of any Restrictive Covenant or commission of an act of theft, embezzlement or fraud, the Participant shall pay the Company, within forty-five (45) calendar days of receipt by the Participant of a written demand therefor, or pursuant to such other time frame as the Company, in its sole discretion, agrees to in writing with the Participant, an amount in cash determined by multiplying the number of such Performance Shares by the Fair Market Value of a Share on the date of such vesting.

(c) Injunctive Action. The Participant acknowledges that if he or she violates the terms of Sections 6 or 7, the injury that would be suffered by the Company and/or a Subsidiary as a result of a breach of the provisions of this Agreement (including any Restrictive Covenant described in Section 6 or provision of Section 7(b)) would be irreparable and that an award of monetary damages to the Company and/or a Subsidiary for such a breach would be an inadequate remedy. Consequently, the Company and/or a Subsidiary will have the right, in addition to any other rights it may have, including the right to forfeiture and clawback under this Agreement, to obtain injunctive relief to restrain any breach or threatened breach or otherwise to specifically enforce any provision of this Agreement, and the Company and/or a Subsidiary will not be obligated to post bond or other security in seeking such relief. Without limiting the Company's or Subsidiary's rights under this Section 7 or any other remedies of the Company or a Subsidiary, if the Participant breaches any Restrictive Covenant described in Section 6 or the provisions of Section 7(b), the Company will have the right to cancel this Agreement.

(d) Attorneys' Fees. In addition to the rights available to the Company and its Subsidiaries under Sections 7(b) and (c), if the Participant violates the terms of Sections 6 or 7 at any time, the Company shall be entitled to reimbursement from the Participant of any fees and expenses (including attorneys' fees) incurred by or on behalf of the Company or any Subsidiary in enforcing the Company's or a Subsidiary's rights under this Section 7. In addition to any injunctive relief sought under Section 7(c) and whether or not the Company or any Subsidiary elects to make any set-off in whole or in part, if the Company or any Subsidiary does not recover by means of set-off the full amount the Participant owes to the Company or any Subsidiary, calculated as set forth in this Section 7(d), the Participant agrees to immediately pay the unpaid balance to the Company or any Subsidiary.

(e) Clawback Policy; Recoupment. Notwithstanding any other provision of this Agreement to the contrary, any Performance Shares granted under this Agreement (including any amounts or benefits arising from or Shares issued with respect to such Performance Shares) shall be subject to potential cancellation, recoupment, rescission, payback or other action in accordance with the terms of the Company's Clawback Policy, Accounting Restatement Clawback Policy, or any other clawback policy implemented by the Company, as each may be amended from time to time (the "Policies"). The Participant agrees and consents to the Company's application, implementation and enforcement of (i) the Policies or any similar policy established by the Company that may apply to the Participant and (ii) any provision of applicable law relating to cancellation, rescission, payback or recoupment of compensation, and expressly agrees that the Company may take such actions as are necessary to effectuate the Policies, any similar policy (as applicable to the Participant) or applicable law without further consent or action being required by the Participant. The Company's rights under the Policies shall be in addition to, and not in substitution of, the Company's rights under this Agreement or otherwise and, in all events, the

terms of the Policies shall prevail to the extent that the terms of the Policies conflict with this Agreement or any other plan, program, agreement or arrangement.

8. Section 409A of the Code.

(a) It is intended that this Agreement shall comply with Section 409A of the Code and any regulations and guidelines issued thereunder (collectively, “Section 409A”) to the extent this Agreement is subject thereto. This Agreement shall be interpreted on a basis consistent with such intent.

(b) If any payments or benefits provided to the Participant under this Agreement are non-qualified deferred compensation subject to, and not exempt from, Section 409A, the following provisions shall apply to such payments and/or benefits:

(i) For payments and benefits triggered by termination of employment, reference to the Participant’s “termination of employment” (and corollary terms) shall be construed to refer to the Participant’s “separation from service” (with such phrase determined under Treas. Reg. Section 1.409A-1(h), as uniformly applied by the Company) in tandem with the termination of employment.

(ii) If a Participant has a “separation from service” (within the meaning of Treas. Reg. Section 1.409A-1(h)) and is deemed at that time to be a “specified employee” (within the meaning of Treas. Reg. Section 1.409A-1(i)), any payment in settlement of a Performance Share that is triggered by such separation from service shall not be made prior to the earlier of (i) the expiration of the six (6)-month period measured from the date of “separation from service” and (ii) the date of the Participant’s death as required to comply with Section 409A(a)(2)(B) of the Code. Any other payments shall be paid in accordance with the normal payment dates specified herein. Any settlement that is not triggered by a separation from service shall be unaffected by the six (6)-month delay rule.

(iii) Each Performance Share shall be treated as a separate payment for purposes of Section 409A of the Code. Whenever a payment under this Agreement specifies a payment period with reference to a number of days, the actual date of payment within the specified period shall be within the sole discretion of the Company.

(i) Except as specifically permitted in this Agreement, no acceleration of the time or schedule of any payment may be made hereunder. Notwithstanding the foregoing, payments may be accelerated hereunder (without any direct or indirect election on the part of the Participant), in accordance with the provisions of Treas. Reg. Section 1.409A-3(j)(4), including to pay employment-related taxes under Section 4 due to the vesting of Performance Shares.

(iv) Notwithstanding any other provision of this Agreement to the contrary, in no event shall any payment of deferred compensation be subject to offset by any other amount unless otherwise permitted by Section 409A.

(c) If an amendment of this Agreement is necessary in order for it to comply with Section 409A, the Participant and the Company agree to negotiate in good faith to amend this

Agreement in a manner that preserves the original intent of the parties to the extent reasonably possible. No action or failure by the Company in good faith to act, pursuant to this Section 8, shall subject the Company to any claim, liability, or expense, and the Company shall not have any obligation to indemnify or otherwise protect the Participant from the obligation to pay any taxes pursuant to Section 409A. The Company does not make any representations as to the personal income tax treatment of any payments or other benefits provided to the Participant.

9. Nature of Grant. In accepting the grant of the Performance Shares, 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 Performance Shares is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of an award, or benefits in lieu of an award, even if Performance Shares have been granted in the past;

(c) all decisions with respect to future grants of Performance Shares 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 Performance Shares and the Shares subject to the Performance Shares, and the income from and value of same, are not intended to replace any pension rights or compensation;

(f) the Performance Shares and the Shares subject to the Performance Shares, 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, holiday pay, long-service awards, pension or retirement or welfare benefits or similar payments;

(g) unless otherwise agreed with the Company in writing, the Performance Shares and the Shares subject to the Performance Shares, and the income from and value of same, are not granted as consideration for, or in connection with, the service the Participant may provide as a director of a Subsidiary;

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

(i) no claim or entitlement to compensation or damages shall arise from forfeiture of the Performance Shares resulting from the termination of the Participant's employment (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 employed or the terms of the Participant's employment agreement, if any); and

(j) neither the Company nor the Employer 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 Performance Shares or of any amounts due to the Participant pursuant to the settlement of Performance Shares or the subsequent sale of any Shares acquired upon settlement.

10. Miscellaneous Provisions.

(a) No Service or Employment Rights. No provision of this Agreement or of the Performance Shares granted hereunder shall give the Participant any right to continue in the service or employ of the Company or any Subsidiary, create any inference as to the length of employment or service of the Participant, affect the right of the Company or any Subsidiary to terminate the employment or service of the Participant, with or without Cause, or give the Participant any right to participate in any employee welfare or benefit plan or other program (other than the Plan) of the Company or any Subsidiary.

(b) Plan Document Governs. The Performance Shares are granted pursuant to the Plan, and the Performance Shares and this Agreement are in all respects governed by the Plan and subject to all of the terms and provisions thereof, whether such terms and provisions are incorporated in this Agreement by reference or are expressly cited. Any inconsistency between this Agreement and the Plan shall be resolved in favor of the Plan. The Participant hereby acknowledges receipt of a copy of the Plan.

(c) Administration. This Agreement and the rights of the Participant hereunder are subject to all the terms and conditions of the Plan, as the same may be amended from time to time, as well as to such rules and procedures as the Compensation and Culture Committee of the Company's Board of Directors (the "Committee") may adopt for administration of the Plan. It is expressly understood that the Committee is authorized to administer, construe, and make all determinations necessary or appropriate to the administration of the Plan and this Agreement, all of which shall be binding upon the Participant.

(d) Use of Personal Data. By accepting or executing this Agreement, the Participant acknowledges and agrees to the collection, use, processing and transfer of certain personal data, including his or her name, salary, nationality, job title, position and details of all past Awards and current Awards outstanding under the Plan ("Data"), for the purpose of managing and administering the Plan. The Participant is not obliged to consent to such collection, use, processing and transfer of personal data, but a refusal to provide such consent may affect his or her ability to participate in the Plan. The Company, or its Subsidiaries, may transfer Data among themselves or to third parties as necessary for the purpose of implementation, administration and management of the Plan. These various recipients of Data may be located elsewhere throughout the world. The Participant authorizes these various recipients of Data to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Plan. The Participant may, at any time, review Data with respect to the Participant and require any necessary amendments to such Data. The Participant may withdraw his or her consent to use Data herein by notifying the Company in writing; however, the Participant understands that by withdrawing his or her consent to use Data, the Participant may affect his or her ability to participate in the Plan.

(e) Severability. If a provision of this Agreement is or becomes illegal, invalid or unenforceable in any jurisdiction then that provision is to be construed either by modifying it to

the minimum extent necessary to make it enforceable (if permitted by law) or disregarding it (if not), and that shall not affect the validity or enforceability in that jurisdiction of any other provision of this Agreement, or the validity or enforceability in other jurisdictions of that or any other provision of this Agreement.

(f) Waiver; Cumulative Rights. The failure or delay of either party to require performance by the other party of any provision hereof shall not affect its right to require performance of such provision unless and until such performance has been waived in writing. Each and every right hereunder is cumulative and may be exercised in part or in whole from time to time.

(g) Notices. Any notice which either party hereto may be required or permitted to give the other shall be in writing and may be delivered personally or by mail, postage prepaid, addressed to the Chief Legal Officer, General Counsel & Corporate Secretary of the Company, at its then corporate headquarters, and the Participant at the Participant's address (including any electronic mail address) as shown on the Company's records, or to such other address as the Participant, by notice to the Company, may designate in writing from time to time. The Participant hereby consents to electronic delivery of any notices that may be made hereunder.

(h) Acknowledgments. The Participant acknowledges that the Participant has been provided 14 calendar days within which to consider this Agreement. If the Participant elects not to take the entire 14 calendar days to consider this Agreement, the Participant has done so voluntarily. The Participant further acknowledges that the Participant was advised in writing that the Participant has the right to consult with an attorney before signing this Agreement.

(i) Counterparts. This Agreement may be signed in counterparts, each of which shall be an original, but both of which shall constitute but one and the same instrument.

(j) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon each successor and assign of the Company. All obligations imposed upon the Participant, and all rights granted to the Company hereunder, shall be binding upon the Participant's heirs, legal representatives and successors and no consent is required from the Participant for such assignment.

(k) Securities Matters. Subject to Section 409A, the Company shall not be required to deliver any Shares until the requirements of any U.S. federal or state securities or other laws, rules or regulations (including the rules of any securities exchange) as may be determined by the Company to be applicable are satisfied.

(l) Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Participant's participation in the Plan, on the Performance Shares and on any Shares acquired under the Plan, to the extent the Company determines, in its sole discretion, it is necessary or advisable to comply with local law, rules and regulations or to facilitate the operation and administration of the Performance Shares and the Plan. Such requirements may include (but are not limited to) requiring the Participant to sign any agreements or undertakings that may be necessary to accomplish the foregoing.

(m) Cooperation; Repatriation and Compliance Obligations. The Participant agrees to cooperate with the Company and the Employer in taking any action reasonably necessary or advisable to consummate the transactions contemplated by this Agreement. Further, the Participant agrees to repatriate all payments attributable to the Performance Shares in accordance with local foreign exchange rules and regulations in Participant's country of residence (and country of employment, if different). In addition, the Participant agrees to take any and all actions, and consents to any and all actions taken by the Employer, the Company and its Subsidiaries as may be required to allow the Employer, the Company and its Subsidiaries to comply with applicable law in the Participant's country of residence (and country of employment, if different). Finally, the Participant agrees to take any and all actions that may be required to comply with the Participant's personal legal and tax obligations under local laws, rules and regulations in the Participant's country of residence (and country of employment, if different).

(n) Non-U.S. Addendum. Notwithstanding any provisions in this Agreement to the contrary and to the extent applicable, the Performance Shares shall be subject to any special terms and conditions set forth in Appendix B, the Non-U.S. Addendum to this Agreement, for the Participant's country of residence (and country of employment or service, if different). Moreover, if the Participant relocates to another country, any special terms and conditions for such country will apply to the Participant, to the extent the Company determines, in its sole discretion, that the application of such terms and conditions is necessary or advisable for legal or administrative reasons (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate the Participant's transfer). The Non-U.S. Addendum in Appendix B constitutes part of this Agreement.

(o) English Language. The Participant acknowledges that he or she is proficient in the English language, or has consulted with an advisor who is proficient in the English language, so as to enable the Participant to understand the provisions of this Agreement and the Plan. 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.

(p) Electronic Delivery and Acceptance. The Company, in its sole discretion, may decide to deliver any documents related to current or future participation 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 an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

(q) Change in Position. If the Company and/or its Subsidiaries changes the Participant's position or title with the Company and its Subsidiaries, or transfers the Participant from one affiliate to another, this Agreement and my obligations hereunder will remain in force.

(r) Protection for Affiliates and Subsidiaries. This Agreement is intended to benefit the Company and its Subsidiaries and affiliates for which Participant performs services, for which Participant has customer contact or about which Participant receives Confidential Information. Therefore, the Company, any of its Subsidiaries or affiliates that may be adversely affected by a breach may enforce this Agreement regardless of which entity actually employs me at the time.

(s) Governing Law. This Agreement and the Performance Shares granted hereunder shall be governed by, and construed and enforced in accordance with, the laws of the U.S. State of Delaware, without giving effect to provisions thereof regarding conflict of laws.

(t) Entire Agreement. This Agreement, together with the Plan, constitutes the entire obligation of the parties hereto with respect to the subject matter hereof and shall supersede any prior expressions of intent or understanding with respect to this transaction.

(u) Amendment. Any amendment to this Agreement shall be in writing and signed by an executive officer of the Company or the VP, Rewards.

(v) Headings and Construction. The headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

(w) No Vested Right in Future Awards. The Participant acknowledges and agrees (by accepting or executing this Agreement) that the granting of Performance Shares under this Agreement is made on a fully discretionary basis by the Company and that this Agreement does not lead to a vested right to further Performance Shares or other awards in the future

IN WITNESS WHEREOF, the Company has caused this Agreement to be duly executed by an officer thereunto duly authorized, and the Participant has electronically accepted this Agreement through the Company's electronic delivery and acceptance process operated by Merrill as of the day and year first above written.

ZEBRA TECHNOLOGIES CORPORATION

By:

Name:

Title:

Exhibit A

[Confidential/Proprietary Information Removed]

Appendix A
Restrictive Covenants

The Participant is or will be employed by the Company or one of its Subsidiaries and is receiving an equity award under the terms of this Agreement. The Participant understands that during the Participant's employment with the Company and its Subsidiaries, the Participant will have access to the Company's and its Subsidiaries' confidential information and key business relationships. The Participant agrees, therefore, that the following restrictions are reasonable and necessary to protect the interests of the Company and its Subsidiaries:

1. Protection of Confidential Information.

- (a) Definition of Confidential Information. The term "Confidential Information" means any information about the Company's and its Subsidiaries' business or its employees that is not generally known to the public. Examples of Confidential Information include, but are not limited to, information about: customers, vendors, pricing and costs, business strategies and plans, financial data, technology, and businesses methods or processes used or considered by the Company and/or its Subsidiaries.
- (b) Nondisclosure and Prohibition against Misuse. During the Participant's employment, the Participant will not use or disclose any Confidential Information, without the Company's prior written permission, for any purpose other than performance of the Participant's duties for the Company and its Subsidiaries.
- (c) Non-Disclosure and Return of Property Upon Termination. After termination of the Participant's employment, the Participant will not use or disclose any Confidential Information for any purpose. Immediately upon the Participant's termination, the Participant will return any Confidential Information in the Participant's possession to the Company. If the Participant has Confidential Information that has been saved or transferred to any device not owned by the Company and/or its Subsidiaries, the Participant will immediately notify the Company, and make such device available to the Company so that it may remove any Confidential Information from the device.

2. Protection of Company Interests.

(a) Definitions.

- (i) "Competing Products" means products or services sold by the Company and/or its Subsidiaries, or any prospective product or service the Company and/or its Subsidiaries took steps to develop, upon which Participant worked or about which Participant is knowledgeable, during the twenty-four (24) months preceding the termination of the Participant's employment;
- (ii) "Restricted Territory" means the geographic territory in which the Participant performs services on behalf of the Company and/or its Subsidiaries during the twenty-four (24) months preceding the termination of the Participant's employment.



- (b) Non-Competition. During the Participant's employment and for twelve (12) months after termination of the Participant's employment, the Participant will not directly or indirectly, on behalf of the Participant or in conjunction with any other person or entity:
- (i) own any business (other than less than three percent (3%) ownership in a publicly traded company) that sells Competing Products in the Restricted Territory;
 - (ii) work in the Restricted Territory for any person or entity that sells Competing Products, in any role: (1) that is similar to any position the Participant held with the Company and its Subsidiaries during the twenty-four (24) months preceding the termination of the Participant's employment, or (2) that may cause the Participant to inevitably rely upon or disclose the Company's and/or its Subsidiaries' Confidential Information.
- (c) Non-Solicitation of Customers and Employees. During the Participant's employment and for twelve (12) months after termination of the Participant's employment, the Participant will not directly or indirectly, on behalf of the Participant or in conjunction with any other person or entity:
- (i) solicit or accept business from any customer or prospective customer of the Company and/or its Subsidiaries with whom the Participant had contact during the last twenty-four (24) months of the Participant's employment or about whom the Participant had any Confidential Information, if the products or services that customer intends to purchase are similar to products or services offered by the Company and/or its Subsidiaries;
 - (ii) solicit or hire any employee or independent contractor of the Company and/or its Subsidiaries, who worked for the Company and/or its Subsidiaries during the six (6) months preceding termination of the Participant's employment, to work for the Participant or the Participant's new employer.

For purposes of this section, "solicit" means:

- (i) Any comments, conduct or activity that would influence a customer's decision to continue doing business with the Company and/or its Subsidiaries, regardless of who initiates contact;
 - (ii) Any comments, conduct or activity that would influence an employee's or independent contractor's decision to resign employment with the Company and/or its Subsidiaries or accept employment with the Participant's new company, regardless of who initiates contact.
3. State Specific Addendum. For Participants residing or working in the state(s) in Exhibit 1, the provisions in Paragraph 2 will be subject to state-specific law(s) as set forth in Exhibit 1 and as otherwise required by applicable law, which are incorporated into this Agreement.
4. Limitations on Confidentiality. The Participant understands that the foregoing confidentiality do not prohibit the Participant from providing truthful information in good



faith to any federal or state governmental agency, entity or official investigating an alleged violation of federal or state law or regulation. Nothing in this Agreement prohibits the Participant from engaging in legally protected conduct, including reporting possible violations of federal law or regulation to any governmental agency or entity, including but not limited to the Department of Justice, the Security and Exchange Commission, the Congress, and any agency Inspector General, or making other disclosures that are protected under the whistleblower provisions of federal law or regulation. The Participant understands that the Participant shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (a) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. The Participant also understands that if the Participant files a lawsuit for retaliation by the Company for reporting a suspected violation of law, the Participant may disclose the trade secret to the Participant's attorney and use the trade secret information in the court proceeding, if (a) the Participant files any document containing the trade secret under seal; and (b) does not disclose the trade secret, except pursuant to court order.

5. Certifications. By executing this Agreement, which includes the Restrictive Covenants set forth in this Appendix A, the Participant certifies that the Participant: (a) has not and will not use or disclose to the Company or its Subsidiaries any confidential information and/or trade secrets belonging to others, including the Participant's prior employers; (b) will not use any prior inventions made by the Participant and which the Company and its Subsidiaries is not legally entitled to learn of or use; and (c) is not subject to any prior agreements that would prevent the Participant from fully performing the Participant's duties for the Company and its Subsidiaries.



Exhibit 1 to Appendix A

CALIFORNIA

For Participants residing in California at the time of execution of this Agreement, Paragraphs 2.b and c of Appendix A and Paragraph 10(s) of this Agreement will not apply.

COLORADO

Paragraph 2.b does not apply unless the Participant who, at the time the covenant not to compete is entered and at the time it is enforced, earns an annualized amount equal to \$112,500 as of 2023 (which is adjusted on a yearly basis). Paragraph 2.c does not apply unless the Participant who, at the time the covenant not to solicit is entered and at the time it is enforced, earns an annualized amount equal to \$67,500 as of 2023 (which is adjusted on a yearly basis).

DISTRICT OF COLUMBIA

The District's Ban on Non-Compete Agreements Amendment Act of 2020 limits the use of non-compete agreements. It allows employers to request non-compete agreements from highly compensated employees, as that term is defined in the Ban on Non-Compete Agreements Amendment Act of 2020, under certain conditions. The Company has determined that the Participant is a highly compensated employee. For more information about the Ban on Non-Compete Agreements Amendment Act of 2020, contact the District of Columbia Department of Employment Services (DOES).

Paragraph 2.b does not apply to Participants earning less than \$154,650 in 2024. This amount may increase each calendar year in an amount equal to the Consumer Price Index for All Urban Consumers in the Washington Metropolitan Statistical Area adjusted to the nearest whole dollar.

GEORGIA

If Participant resides in Georgia, Paragraph 2.c shall apply in the United States, which the Participant agrees is a reasonable geographic territory in which the Company does business.

ILLINOIS

Paragraph 2.b applies only if the Participant's actual or expected annualized rate of earnings exceeds \$75,000 per year (which statutorily increases every five years). Paragraph 2.c applies only if the Participant's actual or expected rate of earnings exceeds \$45,000 per year (which statutorily increases every five years).

LOUISIANA

For Participants who perform work in Louisiana, Paragraphs 2.b and 2.c shall only apply to the parishes where the Participant performs work.



MAINE

For Participants residing in Maine at the time of execution of this Agreement, Paragraph 2.b does not take effect until 6 months after the date this Agreement was signed, or the Participant has been employed with the Company for 12 months, whichever is later.

MARYLAND

Paragraph 2.b does not apply if the Participant earns equal to or less than (a) \$15 per hour; or (b) \$31,200 annually.

MASSACHUSETTS

For Participants working in Massachusetts, Paragraph 10(s) of this Agreement will not apply. Further, if the Company chooses to enforce the non-competition provisions set forth in Paragraph 2.b, then the Company will continue to pay the Participant at least 50% of the Participant's highest annualized base salary paid by the Company to the Participant within the 2 years preceding the Participant's termination during the period described in Paragraph 2.b. The restriction set forth in Paragraph 2.b will not apply if the Participant is involuntarily terminated without cause.

MINNESOTA

For Participants working in Minnesota, Paragraph 2.b will not apply.

NEVADA

Paragraph 2.b does not apply if the Participant is paid solely on an hourly wage basis, exclusive of any tips or gratuities.

NEW HAMPSHIRE

Paragraph 2.b does not apply if the Participant earns an hourly rate less than or equal to 200 percent of the federal minimum wage.

NORTH DAKOTA

For Participants residing in North Dakota at the time of execution of this Agreement, Paragraphs 2.b and c will not apply.

OKLAHOMA

For Participants residing in Oklahoma at the time of execution of this Agreement, Paragraph 2.b will not apply and Paragraph 2.c(1) will only apply to the extent that Paragraph prohibits the Participant from directly soliciting the sale of goods, services or a combination of goods and services from the established customers of the Company.

OREGON

For Participants residing in Oregon at the time of execution of this Agreement, the Company shall provide a copy of this Agreement to the Participants at least two weeks before the Participant is subject to the Agreement. The Company also must provide the Participant a signed, written copy of the Agreement within 30 days after the date of termination of the Participant's employment with the Company. Paragraph 2.b shall only apply if the total amount of the Participant's annual gross salary and commissions, calculated on an annual basis, at the time of the Participant's termination exceeds \$100,533, adjusted annually for inflation pursuant to the Consumer Price Index for All Urban Consumers, West Region (All Items), as published by the Bureau of Labor Statistics of the United States Department of Labor immediately preceding the calendar year of the Participant's termination.

VIRGINIA

Paragraph 2.b does not apply if a Participant whose average weekly earnings, calculated by dividing the Participant's earnings during the period of 52 weeks immediately preceding the date of termination of employment by 52, or if a Participant worked fewer than 52 weeks, by the number of weeks that the Participant was actually paid during the 52-week period, are less than the average weekly wage of the Commonwealth as determined pursuant to subsection B of § 65.2-500 of the Code of Virginia.

WASHINGTON

For Participants residing in Washington, Paragraph 10(s) of the Agreement will not apply. Further, if Participant's employment is terminated as the result of a layoff, and the Company chooses to enforce the non-competition provisions set forth in Paragraph 2.b, then the Company will continue to pay the Participant's base salary for the duration of the period described in Paragraph 2.b, less any earnings the Participant has received from the Participant's then-current employer. Paragraph 2.b shall only apply if the Participant's earnings, when annualized, exceed \$100,000 per year, to be adjusted for inflation.

NO RESTRICTIONS ON RIGHT TO PRACTICE LAW

Paragraph 2 will not prohibit a Participant from engaging in the practice of law, and will be interpreted to comply with the American Bar Association Model Rule 5.6 and/or any applicable state counterpart.

Appendix B

ADDENDUM TO THE PERFORMANCE SHARE AGREEMENT FOR PARTICIPANTS OUTSIDE THE UNITED STATES

In addition to the terms of the Plan and the Agreement, the Performance Shares are subject to the following additional terms, conditions and provisions (this “Non-U.S. Addendum”). All capitalized terms as contained in this Non-U.S. Addendum shall have the same meaning as set forth in the Plan and/or the Agreement. Pursuant to Section 10(m) of the Agreement, if the Participant works or resides in a country reflected in this Non-U.S. Addendum or transfers residence and/or employment or service to a country reflected in this Non-U.S. Addendum, the special terms, conditions and provision for such country will apply to the Participant to the extent the Company determines, in its sole discretion, that the application of such terms, conditions and provisions is necessary for legal or administrative reasons (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate the Participant’s transfer).

BRAZIL

Compliance with the Law. By accepting the Performance Shares, the Participant acknowledges his or her agreement to comply with applicable Brazilian laws and to pay any and all applicable Tax-Related Items.

Nature of Grant. This provision supplements Section 9 (“Nature of Grant”) of the Agreement:

By accepting the Performance Shares, the Participant agrees that (i) the Participant is making an investment decision and (ii) the value of the underlying Shares is not fixed and may increase or decrease over the vesting period without compensation to the Participant.

MEXICO

Plan Document Acknowledgement

By accepting the Performance Shares, the Participant acknowledges that he or she has received a copy of the Plan and the Agreement, including this Non-U.S. Addendum, which the Participant has reviewed. The Participant acknowledges further that he or she accepts all the provisions of the Plan and the Agreement, including this Non-U.S. Addendum. The Participant also acknowledges that he or she has read and specifically and expressly approves the terms and conditions set forth in Section 9 (“Nature of Grant”) in the Agreement, which clearly provides as follows:

- (1) The Participant’s participation in the Plan does not constitute an acquired right;
- (2) The Plan and the Participant’s participation in it are offered by the Company on a wholly discretionary basis;

- (3) The Participant's participation in the Plan is voluntary; and
- (4) No member of the Company group is responsible for any decrease in the value of any Shares acquired at vesting and settlement of the Performance Shares.

Labor Law Policy and Acknowledgment

By accepting the Performance Shares, the Participant expressly recognizes that the Company, with registered offices at 3 Overlook Point, Lincolnshire, Illinois 60069, United States of America, is solely responsible for the administration of the Plan and that the Participant's participation in the Plan and acquisition of Shares do not constitute an employment relationship between the Participant and the Company, as the Participant is participating in the Plan on a wholly commercial basis and his or her sole employer is Zebra Technologies Enterprise de Mexico, S. de R.L. de C.V. ("Zebra Mexico"), located at Jose Vasconcelos 105 int 201 Piso 2, Col Hipodromo Condesa, Cuauhtemoc, Ciudad de Mexico, DF, 06170, Mexico. Based on the foregoing, the Participant expressly recognizes that the Plan and the benefits that he or she may derive from participating in the Plan do not establish any rights between the Participant and the employer, Zebra Mexico, and do not form part of the employment conditions and/or benefits provided by Zebra Mexico, 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 his or her 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 he or she does not reserve to him- or herself any action or right to bring any claim against the Company for any compensation or damages regarding any provision of the Plan or the benefits derived under the Plan, and the Participant therefore grants a full and broad release to the Company, and its subsidiaries, branches, representative offices, shareholders, directors, officers, employees, agents, or legal representatives with respect to any claim that may arise.

Spanish Translation

Reconocimiento del Documento del Plan

Al aceptar las Unidades de Acciones Restringidas (Performance Shares, por sus siglas en inglés), el Participante reconoce que ha recibido una copia del Plan, el Anuncio de la Subvención y el Acuerdo, con inclusión de este Anexo A, que el Participante ha revisado. El Participante reconoce, además, que acepta todas las disposiciones del Plan, el Anuncio de la Subvención, y en el Acuerdo, incluyendo este Anexo A. El Participante también reconoce que ha leído y que concretamente aprueba de forma expresa los términos y condiciones establecidos en la Sección 9 ("Naturaleza de la Subvención") del Acuerdo, que claramente dispone lo siguiente:

- (1) La participación del Participante en el Plan no constituye un derecho adquirido;

- (2) El Plan y la participación del Participante en el Plan se ofrecen por la Compañía en su discrecionalidad total;
- (3) Que la participación del Participante en el Plan es voluntaria; y
- (4) La Compañía y sus Empresas Matrices, Subsidiarias y Afiliadas no son responsables de ninguna disminución en el valor de las acciones adquiridas al conferir las Performance Shares.

Política Laboral y Reconocimiento

Al aceptar las Performance Shares, el Participante expresamente reconoce que la Compañía, con sus oficinas registradas y ubicadas en 3 Overlook Point, Lincolnshire, Illinois 60069, United States of America, es la única responsable por la administración del Plan y que la participación del Participante en el Plan y en su caso la adquisición de Acciones no constituyen una relación de trabajo entre el Participante y la Compañía, ya que el Participante participa en el Plan en un marco totalmente comercial y su único patrón es Zebra Technologies Enterprise de Mexico, S. de R.L. de C.V. (“Zebra Mexico”), ubicado en Jose Vasconcelos 105 int 201 Piso 2, Col Hipodromo Condesa, Cuauhtemoc, Ciudad de Mexico, DF, 06170, Mexico. Derivado de lo anterior, el Participante expresamente reconoce que el Plan y los beneficios que pudieran derivar de la participación en el Plan no establecen derecho alguno entre el Participante y el patrón, Zebra Mexico, y no forma parte de las condiciones de trabajo y/o las prestaciones otorgadas por Zebra Mexico, y que cualquier modificación al Plan o su terminación no constituye un cambio o desmejora de los términos y condiciones de la relación de trabajo del Participante.

Asimismo, el Participante reconoce que su participación en el Plan se ha resultado de una decisión unilateral y discrecional de la Compañía; por lo tanto, la Compañía se reserva el derecho absoluto de modificar y/o terminar la participación del Participante en cualquier momento y sin responsabilidad alguna frente el Participante.

Finalmente, el Participante por este medio declara que no se reserva ninguna derecho o acción en contra de la Compañía por cualquier compensación o daños y perjuicios en relación de las disposiciones del Plan o de los beneficios derivados del Plan, y por lo tanto, el Participante otorga el más amplio finiquito que en derecho proceda a la Compañía, y sus filiales, oficinas de representación, accionistas, directores, autoridades, empleados, agentes, o representantes legales en relación con cualquier demanda que pudiera surgir.

Securities Law Notification.

The Performance Shares granted, and any 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 Performance Shares may not be publicly distributed in Mexico. These materials are addressed to the Participant because of the Participant's existing relationship with the Company and any Subsidiary, and these materials should not be reproduced or copied in any form. The offer contained in these materials does not constitute a public offering of securities but rather constitutes a private placement of securities addressed specifically to individuals who are present employees of Zebra Mexico made in accordance with

the provisions of the Mexican Securities Market Law, and any rights under such offering shall not be assigned or transferred.

SINGAPORE

Securities Law Notification.

The Performance Shares are being granted pursuant to the “Qualifying Person” exemption under section 273(1)(f) of the Securities and Futures Act (Chapter 289, 2006 Ed.) (“SFA”). The Plan has not been and will not be lodged or registered as a prospectus with the Monetary Authority of Singapore. Hence, statutory liability under the SFA in relation to the content of prospectuses will not apply. The Participant should note that the Performance Shares are subject to section 257 of the SFA and hence the Performance Shares may not be offered or sold, or made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore, unless such offer, sale or invitation is made (i) more than six (6) months from the Grant Date, (ii) pursuant to the exemptions under Part XIII Division 1 Subdivision (4) (other than section 280) of the SFA, or (iii) pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

In addition, the Participant understands that he or she is permitted to sell Shares acquired under the Plan through the designated broker appointed under the Plan, if any, provided the resale of Shares acquired under the Plan takes place outside of Singapore through the facilities of a stock exchange on which the Shares are listed. The Shares are currently listed on the Nasdaq.

Director Notification Requirement.

If the Participant is a director, alternate director, substitute director or shadow director¹ of a Singapore Subsidiary, the Participant must notify the Singapore Subsidiary in writing within two (2) business days of (i) becoming the registered holder of or acquiring an interest (e.g., Performance Shares, Shares, etc.) in the Company or any Subsidiary, or becoming an alternate director, substitute director or shadow director (as the case may be), whichever occurs last, or (ii) any change in a previously disclosed interest (e.g., sale of Shares). If the Participant is the chief executive officer (“CEO”) of a Singapore Subsidiary and the above notification requirements are determined to apply to the CEO of a Singapore Subsidiary, the above notification requirements also may apply to the Participant.

UNITED KINGDOM

Payment of Taxes. This provision supplements Section 4 of the Agreement:

Without limitation to Section 4 of the Agreement, the Participant agrees that he or she 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, if different, the Employer or by Her Majesty’s Revenue & Customs (“HMRC”) (or any other tax authority or any other relevant authority). The Participant also agrees

¹ A shadow director is an individual who is not on the board of directors of the Singapore Subsidiary but who has sufficient control so that the board of directors of the Singapore Subsidiary acts in accordance with the directions or instructions of the individual.

to indemnify and keep indemnified the Company and, if different, the Employer 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 Participant understands that he or she may not be able to indemnify the Company for the amount of any income tax not collected from or paid by the Participant within ninety (90) days of the end of the U.K. tax year in which the event giving rise to the Tax-Related Items occurs, as it may be considered to be a loan and, therefore, it 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 Employer (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 4 of the Agreement.

* * * *

RESTRICTED STOCK UNIT AGREEMENT

This RESTRICTED STOCK UNIT AGREEMENT (this “Agreement”), dated as of [ADD DATE] (the “Grant Date”), is between ZEBRA TECHNOLOGIES CORPORATION, a Delaware corporation (the “Company”), and %%FIRST_NAME%-%% %%LAST_NAME%-%% (the “Participant”), relating to restricted stock units granted under the Zebra Technologies Corporation 2018 Long-Term Incentive Plan, as amended (the “Plan”). Capitalized terms used in this Agreement without definitions shall have the meanings ascribed to such terms in the Plan.

1. Grant of Restricted Stock Units.

(a) Grant. Subject to the provisions of this Agreement and pursuant to the provisions of the Plan, the Company hereby grants to the Participant as of the Grant Date %%TOTAL_UNITS_GRANTED% units, each of which represents the right to receive, subject to the vesting provisions below, one Share (a “Restricted Stock Unit”). This Agreement shall be null and void unless the Participant accepts this Agreement through the Company’s electronic delivery and acceptance process operated by Merrill not later than %%GRANT ACCEPTANCE DATE%%. For purposes of this Agreement, “Share” means a share of the Company’s Class A Common Stock, US \$0.01 par value per share.

(b) Non-transferability. Except as otherwise permitted under the Plan or this Agreement, the Restricted Stock Units granted hereunder shall be non-transferable by the Participant during the Vesting Period set forth under Section 2 of this Agreement.

2. Vesting of Restricted Stock Units.

(a) General Vesting Rule. Subject to Section 2(b) below, the Restricted Stock Units shall become vested and non-forfeitable over the three year period following the Grant Date (the “Vesting Period”), at a rate of one-third (1/3) of the Restricted Stock Units on the first, second and third anniversary of the Grant Date, provided that the Participant is then employed by the Company or one of its Subsidiaries. Restricted Stock Units vesting on the first two (2) anniversaries of the Grant Date shall be settled in whole Shares rounded down to the nearest whole Share, and any Restricted Stock Units vesting on the third anniversary of the Grant Date shall be settled in whole Shares rounded down to the nearest whole Share.

(b) Additional Vesting Rules. Notwithstanding Section 2(a), the Restricted Stock Units shall be subject to the following additional vesting rules in the following circumstances:

(i) Death or Disability. If the Participant terminates employment with the Company and/or any Subsidiary due to death or Disability, any unvested portion of the Restricted Stock Units as of the effective date of the Participant’s termination of employment shall immediately become fully vested. For purposes of this Agreement, “Disability” has the meaning set forth in the employment agreement, if any, between the Company and/or any Subsidiary and the Participant or, if the Participant is not a party to such an agreement, “Disability” has the meaning ascribed to such term in the Plan.

(ii) Retirement. In the event of the Participant’s Retirement, any unvested portion of the Restricted Stock Units shall continue to vest for twelve (12) months under

the same schedule as set forth under Section 2(a) above or, if earlier, the next anniversary of the Grant Date. No additional Restricted Stock Units will be treated as having vested under this Section 2(b)(ii) for purposes of this Agreement until the immediately following anniversary of the Grant Date. While continuing to vest under this Section 2(b)(ii), a Participant shall not be treated as continuing covered employment and there shall be no additional accelerated vesting under this Section 2(b) on account of another event described herein, such as the Participant's death or Disability or a Change in Control under Section 5(b) following Retirement. For purposes of this Agreement, "Retire" and "Retirement" mean the Participant's termination of employment with the Company and/or any Subsidiary that meets or exceeds the Rule of 65; provided, however that continued vesting under this Section 2(b)(ii) shall not apply if grounds to terminate the Participant's employment for Cause existed at the time of termination (as determined by the Company in its sole discretion) either at the time of or following the Participant's termination of employment. The "Rule of 65" means the sum of the Participant's age and years of continuous service with the Company (including its predecessors) equals or exceeds sixty-five (65), provided that the Participant must meet both a minimum age of fifty-five (55) and a minimum of five (5) years of continuous service. Only full years of age and completed months of service shall be counted towards meeting the Rule of 65.

(iii) Termination by the Company or any Subsidiary other than for Cause. In the event the Participant's employment with the Company and/or any Subsidiary is terminated by the Company and/or any Subsidiary other than for Cause prior to meeting the Rule of 65 set forth in Section 2(b)(ii) above, a pro rata share of the Restricted Stock Units shall become vested and non-forfeitable, subject to, at the Company's discretion, the Participant's delivery and the effectiveness of a general release of all claims that Participant may have against the Company and/or any Subsidiary or persons affiliated with the Company and/or any Subsidiary in the form prescribed at the Company. The pro-rata share equals (A) the total number of Restricted Stock Units multiplied by a fraction, the numerator of which is the number of days from but excluding the Grant Date and to and including the effective date of the Participant's termination of employment, and the denominator of which is 1,095, less (B) the Restricted Stock Units that previously vested under Section 2(a) before employment termination. For purposes of this Agreement, "Cause" has the meaning set forth in the employment agreement, if any, between the Company and/or any Subsidiary and the Participant or, if the Participant is not a party to such an agreement, "Cause" has the meaning, as determined by the Company in its sole discretion, set forth in the Plan.

(iv) Termination for Cause; Other Termination of Employment. In the event the Participant's employment with the Company and/or any Subsidiary is terminated for any reason other than as provided in Section 2(b)(i), (ii) or (iii), including for Cause, any unvested Restricted Stock Units as of the effective date of the Participant's termination of employment shall immediately be forfeited without the requirement of any action by the Company.

(v) Participants Outside the United States. For purposes of this Agreement, if the Participant is employed or providing services outside the United States, the date the Participant's employment with the Company and/or any Subsidiary is terminated shall

mean the date the Participant is no longer actively providing services to Company or the Subsidiary employing the Participant (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 in which the Participant is employed or providing services or the terms of the Participant's employment agreement, if any) and, unless otherwise expressly provided in this Agreement or by the Company, the 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., the 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 in which the Participant is employed or providing service or the terms of the Participant's employment agreement, if any). The Company shall have the exclusive discretion to determine when the Participant is no longer actively providing services for purposes of this Section 2(b)(v) (including whether the Participant may still be considered to be providing services while on a leave of absence).

(vi) Breach of Restrictive Covenants. Notwithstanding anything to the contrary in this Section 2(b), if the Participant at any time breaches any of the Restrictive Covenants (as defined in Section 6), including after employment termination, then the Restricted Stock Units, whether previously vested or not, shall immediately be forfeited.

3. Settlement of Restricted Stock Units; Issuance of Shares.

(a) No Shares shall be issued to the Participant with respect to a Restricted Stock Unit under this Agreement until it has become vested under Section 2 above.

(i) The Company shall issue a Share within ninety (90) days after a Restricted Stock Unit becomes vested on a Participant's regularly scheduled vesting date under Section 2(a).

(ii) If a Participant terminates employment before the Participant's regularly scheduled vesting date and becomes entitled to accelerated vesting of Restricted Stock Units under either Section 2(b)(i), Section 2(b)(iii) or Section 5(a), then the Company shall issue a Share with respect to each such Restricted Stock Unit within ninety (90) days after such termination of employment.

(iii) If a Participant terminates employment before a Participant's regularly scheduled vesting date and becomes entitled to accelerated vesting of Restricted Stock Units as described in Section 2(b)(ii), then the Company shall issue a Share with respect to each such Restricted Stock Unit at the same time (on the immediately following, regularly scheduled vesting date under Section 2(a)) as if the Participant had continued employment with the Company and its Subsidiaries; provided, however, that the Company shall issue any such Shares as provided for in Section 3(a)(ii) above if any such employment termination as described in Section 2(b)(ii) occurs on or within the one (1)-year period following a Change in Control that is also a "change in the ownership or effective control of a corporation, or a change in the ownership of a substantial portion of the assets of a corporation" within the meaning of Treas. Reg. Section 1.409A-3(i)(5).

Issuance of Shares under vested Restricted Stock Units shall in all events be subject to accelerated payment under Section 5(b) below and the requirements under Section 8 below. The Company will not deliver any fractional Share.

(b) When Shares are delivered under Section 3(a) above, the Company shall make a cash payment equal to the aggregate amount of cash dividends and other cash distributions that the Company would have paid to the Participant during the period commencing on the Grant Date and ending on the applicable vesting date in respect of the Shares that are being delivered under Section 3(a) had such Shares been issued to the Participant on the Grant Date, without interest, to the extent the Company has declared a dividend during such period. To the extent that the Restricted Stock Units are forfeited prior to vesting, the right to receive such cash payments under this Section 3(b) shall also be forfeited.

(c) Notwithstanding the foregoing, if the Participant is resident or employed outside of the United States, the Company, in its sole discretion, may settle the Restricted Stock Units in the form of a cash payment to the extent settlement in Shares: (i) is prohibited under applicable law; (ii) would require the Participant, the Company or any Subsidiary to obtain the approval of any governmental and/or regulatory body in the Participant's country; (iii) would result in adverse tax consequences for the Participant, the Company or a Subsidiary; or (iv) is administratively burdensome. Alternatively, the Company, in its sole discretion, may settle the Restricted Stock Units in the form of Shares but require the Participant to sell such Shares immediately or within a specified period following the Participant's termination of employment (in which case, this Agreement shall give the Company authority to issue sales instructions on the Participant's behalf).

4. Payment of Taxes. Notwithstanding any other provision of this Agreement:

(a) The provisions of Section 9.10 of the Plan are incorporated herein by reference and made a part hereof. The Participant acknowledges that he or she may be required to pay to the Company or, if different, the Subsidiary that employs the Participant (the "Employer"), and that the Company, the Employer, or any Subsidiary shall have the right and are hereby authorized to withhold from any compensation or other amount owing to the Participant, applicable income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items (including taxes that are imposed on the Company or the Employer as a result of the Participant's participation in the Plan but are deemed by the Company or the Employer to be an appropriate charge to the Participant) (collectively, "Tax-Related Items"), with respect to any issuance, transfer, or other taxable event under this Agreement or under the Plan and to take such action as may be necessary in the opinion of the Company and/or the Employer to satisfy all obligations for the payment of such Tax-Related Items. The Participant further acknowledges that the Company and/or the Employer (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, vesting and/or settlement of the Restricted Stock Units and the subsequent sale of Shares acquired upon settlement of the vested Restricted Stock Units; 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 a 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 Employer (or



former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) The Company and/or the Employer shall withhold, or cause to be withheld, Shares otherwise vesting or issuable under the Restricted Stock Units in satisfaction of any applicable withholding tax obligations, unless the Company's Chief People Officer permits the Participant to elect to satisfy such obligations by: (i) cash, wire transfer of immediately available funds or check; or (ii) if approved by the Committee, by delivery of a written or electronic notice that the Participant has placed a market sell order with a broker acceptable to the Company and/or the Employer with respect to Shares then issuable upon vesting of the Restricted Stock Units, and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Company and/or the Employer in satisfaction of the aggregate applicable withholding tax obligations; provided that payment of such proceeds is then made to the Company and/or the Employer upon settlement of such sale in satisfaction of the applicable withholding tax obligations, the number of Shares that may be so withheld or surrendered shall be limited to the number of Shares that have a Fair Market Value on the date of withholding no greater than the aggregate amount of such obligations based on the minimum individual statutory withholding rates in the Participant's applicable jurisdictions for U.S. federal, state, local and foreign income tax and payroll tax purposes that are applicable to such taxable income. Notwithstanding the foregoing, the Participant authorizes the Company and/or the Employer to satisfy the applicable withholding tax obligations from proceeds of the sale of Shares issuable under the Restricted Stock Units through a mandatory sale arranged by the Company and/or the Employer (on the Participant's behalf pursuant to this authorization). If the obligation for Tax-Related Items is satisfied by withholding in Shares, the Participant is deemed to have been issued the full number of Shares subject to the vested Restricted Stock Units, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items. The Participant acknowledges that, regardless of any action taken by the Company, the Employer, or any Subsidiary the ultimate liability for all Tax-Related Items, is and remains the Participant's responsibility and may exceed the amount, if any, actually withheld by the Company or the Employer.

(c) Notwithstanding any other provision of this Agreement, the Company and/or the Employer shall not be obligated to deliver any certificate representing Shares issuable with respect to the Restricted Stock Units to, or to cause any such Shares to be held in book-entry form by, the Participant or the Participant's legal representative unless and until the Participant or the Participant's legal representative shall have paid the Tax-Related Items resulting from the grant, vesting or settlement of the Restricted Stock Units or any other taxable event related to the Restricted Stock Units.

5. Change in Control. The following provisions shall apply in the event of a Change in Control notwithstanding any provision to the contrary in Section 2 or Section 3 of this Agreement, and in all events subject to the restrictions in Section 8 below.

(a) All Restricted Stock Units shall become immediately vested if the Participant's employment is terminated by the Participant for Good Reason or by the Company or any Subsidiary without Cause on or within one (1) year after certain Change in Control transactions under the circumstances set forth in Section 9.8(a) of the Plan, as in effect on the date hereof. The

vesting rules under this Section 5(a), and not Section 2(b)(ii) or Section 2(b)(iii), shall apply in the event that a Participant has met the Rule of 65 at the time of any such termination of employment.

(b) All Restricted Stock Units shall become immediately vested if this Award is terminated on or after certain Change in Control transactions under the circumstances set forth in Section 9.8(b) of the Plan, as in effect on the date hereof. In the event that any Change in Control described in Section 9.8(b) is also a “change in the ownership or effective control of a corporation, or a change in the ownership of a substantial portion of the assets of a corporation” within the meaning of Treas. Reg. Section 1.409A-3(i)(5), payment with respect to any vested Restricted Stock Units under this Section 5(b) shall be made within ten (10) days after any such Change in Control. A Change in Control described under this Section 5(b) that does not qualify for accelerated payment under the immediately preceding sentence shall be payable at the same time as is applicable to employees who continue employment with the Company or its Subsidiaries as described in Section 2(a) above.

6. Confidentiality, Non-Solicitation and Non-Compete. The Participant agrees, understands, and acknowledges that by executing this Agreement, the Participant shall be bound by, and shall abide by the restrictive covenants set forth in Appendix A of this Agreement (the “Restrictive Covenants”). The Participant further agrees, understands and acknowledges that the scope and duration of the Restrictive Covenants contained in this Agreement are reasonable and necessary to protect a legitimate, protectable interest of the Company and its Subsidiaries, and that the Company, in its sole discretion, may require the Participant, as a condition to lapsing any restrictions on the Restricted Stock Units, to acknowledge in writing that the Participant has not engaged, and is not in the process of engaging, in any of the activities described in this Section 6.

Notwithstanding the foregoing, this Section 6 only applies to the extent permissible by applicable law or regulation. For Participants in the U.S., please refer to Exhibit 1 to Appendix A for further details.

7. Right of Setoff; Recoupment.

(a) Right of Setoff. The Company or any Subsidiary may, to the extent permitted by applicable law and which would not trigger tax under Section 409A of the Code, deduct from and set off against any amounts the Company or Subsidiary may owe to the Participant from time to time, including amounts payable in connection with this Agreement, owed as wages, fringe benefits, or other compensation owed to the Participant, such amounts as may be owed by the Participant to the Company or a Subsidiary, although the Participant shall remain liable for any part of the Participant’s payment obligation not satisfied through such deduction and setoff. By accepting any Restricted Stock Units granted hereunder, the Participant agrees to any deduction or setoff under this Section 7(a).

(b) Termination of this Agreement; Recoupment. The Agreement shall terminate automatically and be subject to clawback and recoupment on the date the Participant violates a Restrictive Covenant or commits an act of theft, embezzlement of funds or fraud involving money or property of the Company or any Subsidiary. Any outstanding Restricted Stock Units, whether vested or unvested, shall terminate automatically as of the date of such violation of a Restrictive Covenant or commission of an act of theft, embezzlement or fraud and the Participant shall forfeit

such Restricted Stock Units. With respect to any Restricted Stock Units that vested within the one (1) year period prior to the date of such violation of any Restrictive Covenant or commission of an act of theft, embezzlement or fraud, the Participant shall pay the Company, within forty-five (45) calendar days of receipt by the Participant of a written demand therefor, or pursuant to such other time frame as the Company, in its sole discretion, agrees to in writing with the Participant, an amount in cash determined by multiplying the number of such Restricted Stock Units by the Fair Market Value of a Share on the date of such vesting.

(c) Injunctive Action. The Participant acknowledges that if he or she violates the terms of Sections 6 or 7, the injury that would be suffered by the Company and/or a Subsidiary as a result of a breach of the provisions of this Agreement (including any Restrictive Covenant described in Section 6 or provision of Section 7(b)) would be irreparable and that an award of monetary damages to the Company and/or a Subsidiary for such a breach would be an inadequate remedy. Consequently, the Company and/or a Subsidiary will have the right, in addition to any other rights it may have, including the right to forfeiture and clawback under this Agreement, to obtain injunctive relief to restrain any breach or threatened breach or otherwise to specifically enforce any provision of this Agreement, and the Company and/or a Subsidiary will not be obligated to post bond or other security in seeking such relief. Without limiting the Company's or Subsidiary's rights under this Section 7 or any other remedies of the Company or a Subsidiary, if the Participant breaches any Restrictive Covenant described in Section 6 or the provisions of Section 7(b), the Company will have the right to cancel this Agreement.

(d) Attorneys' Fees. In addition to the rights available to the Company and its Subsidiaries under Sections 7(b) and (c), if the Participant violates the terms of Sections 6 or 7 at any time, the Company shall be entitled to reimbursement from the Participant of any fees and expenses (including attorneys' fees) incurred by or on behalf of the Company or any Subsidiary in enforcing the Company's or a Subsidiary's rights under this Section 7. In addition to any injunctive relief sought under Section 7(c), and whether or not the Company or any Subsidiary elects to make any set-off in whole or in part, if the Company or any Subsidiary does not recover by means of set-off the full amount the Participant owes to the Company or any Subsidiary, calculated as set forth in this Section 7(d), the Participant agrees to immediately pay the unpaid balance to the Company or any Subsidiary.

(e) Clawback Policy; Recoupment. Notwithstanding any other provision of this Agreement to the contrary, any Restricted Stock Units granted under this Agreement (including any amounts or benefits arising from or Shares issued with respect to such Restricted Stock Units) shall be subject to potential cancellation, recoupment, rescission, payback or other action in accordance with the terms of the Company's Clawback Policy, Accounting Restatement Clawback Policy, or any other clawback policy implemented by the Company, as each may be amended from time to time (the "Policies"). The Participant agrees and consents to the Company's application, implementation and enforcement of (i) the Policies or any similar policy established by the Company that may apply to the Participant and (ii) any provision of applicable law relating to cancellation, rescission, payback or recoupment of compensation, and expressly agrees that the Company may take such actions as are necessary to effectuate the Policies, any similar policy (as applicable to the Participant) or applicable law without further consent or action being required by the Participant. The Company's rights under the Policies shall be in addition to, and not in substitution of, the Company's rights under this Agreement or otherwise and, in all events, the

terms of the Policies shall prevail to the extent that the terms of the Policies conflict with this Agreement or any other plan, program, agreement or arrangement.

8. Section 409A of the Code.

(a) It is intended that this Agreement shall comply with Section 409A of the Code and any regulations and guidelines issued thereunder (collectively, "Section 409A") to the extent this Agreement is subject thereto. This Agreement shall be interpreted on a basis consistent with such intent.

(b) If any payments or benefits provided to the Participant under this Agreement are non-qualified deferred compensation subject to, and not exempt from, Section 409A, the following provisions shall apply to such payments and/or benefits:

(i) For payments and benefits triggered by termination of employment, reference to the Participant's "termination of employment" (and corollary terms) shall be construed to refer to the Participant's "separation from service" (with such phrase determined under Treas. Reg. Section 1.409A-1(h), as uniformly applied by the Company) in tandem with the termination of employment.

(ii) If a Participant has a "separation from service" (within the meaning of Treas. Reg. Section 1.409A-1(h)) and is deemed at that time to be a "specified employee" (within the meaning of Treas. Reg. Section 1.409A-1(i)), any payment in settlement of a Restricted Stock Unit that is triggered by such separation from service shall not be made prior to the earlier of (i) the expiration of the six (6)-month period measured from the date of "separation from service" and (ii) the date of the Participant's death as required to comply with Section 409A(a)(2)(B) of the Code. Any other payments shall be paid in accordance with the normal payment dates specified herein. Any settlement that is not triggered by a separation from service shall be unaffected by the six (6)-month delay rule.

(iii) Each Restricted Stock Unit shall be treated as a separate "payment" for purposes of Section 409A of the Code. Whenever a payment under this Agreement specifies a payment period with reference to a number of days, the actual date of payment within the specified period shall be within the sole discretion of the Company.

(iv) Except as specifically permitted in this Agreement, no acceleration of the time or schedule of any payment may be made hereunder. Notwithstanding the foregoing, payments may be accelerated hereunder (without any direct or indirect election on the part of the Participant), in accordance with the provisions of Treas. Reg. Section 1.409A-3(j)(4), including to pay employment-related taxes under Section 4 due to the vesting of Restricted Stock Units.

(v) Notwithstanding any other provision of this Agreement to the contrary, in no event shall any payment of deferred compensation be subject to offset by any other amount unless otherwise permitted by Section 409A.

(c) If an amendment of this Agreement is necessary in order for it to comply with Section 409A, the Participant and the Company agree to negotiate in good faith to amend this

Agreement in a manner that preserves the original intent of the parties to the extent reasonably possible. No action or failure by the Company in good faith to act, pursuant to this Section 8, shall subject the Company to any claim, liability, or expense, and the Company shall not have any obligation to indemnify or otherwise protect the Participant from the obligation to pay any taxes pursuant to Section 409A. The Company does not make any representations as to the personal income tax treatment of any payments or other benefits provided to the Participant.

9. Nature of Grant. In accepting the grant of 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 an award, or benefits in lieu of an award, even if Restricted Stock Units have been granted in the past;

(c) all decisions with respect to future grants of Restricted Stock Units 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 and the Shares subject to the Restricted Stock Units, and the income from and value of same, are not intended to replace any pension rights or compensation;

(f) the Restricted Stock Units and the Shares subject to the Restricted Stock Units, 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, holiday pay, long-service awards, pension or retirement or welfare benefits or similar payments;

(g) unless otherwise agreed with the Company in writing, the Restricted Stock Units and the Shares subject to the Restricted Stock Units, and the income from and value of same, are not granted as consideration for, or in connection with, the service the Participant may provide as a director of a Subsidiary;

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

(i) no claim or entitlement to compensation or damages shall arise from forfeiture of the Restricted Stock Units resulting from the termination of the Participant's employment (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 employed or the terms of the Participant's employment agreement, if any); and

(j) neither the Company nor the Employer 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 settlement of Restricted Stock Units or the subsequent sale of any Shares acquired upon settlement.

10. Miscellaneous Provisions.

(a) No Service or Employment Rights. No provision of this Agreement or of the Restricted Stock Units granted hereunder shall give the Participant any right to continue in the service or employ of the Company or any Subsidiary, create any inference as to the length of employment or service of the Participant, affect the right of the Company or any Subsidiary to terminate the employment or service of the Participant, with or without Cause, or give the Participant any right to participate in any employee welfare or benefit plan or other program (other than the Plan) of the Company or any Subsidiary.

(b) Plan Document Governs. The Restricted Stock Units are granted pursuant to the Plan, and the Restricted Stock Units and this Agreement are in all respects governed by the Plan and subject to all of the terms and provisions thereof, whether such terms and provisions are incorporated in this Agreement by reference or are expressly cited. Any inconsistency between this Agreement and the Plan shall be resolved in favor of the Plan. The Participant hereby acknowledges receipt of a copy of the Plan.

(c) Administration. This Agreement and the rights of the Participant hereunder are subject to all the terms and conditions of the Plan, as the same may be amended from time to time, as well as to such rules and procedures as the Compensation and Culture Committee of the Company's Board of Directors (the "Committee") may adopt for administration of the Plan. It is expressly understood that the Committee is authorized to administer, construe, and make all determinations necessary or appropriate to the administration of the Plan and this Agreement, all of which shall be binding upon the Participant.

(d) Use of Personal Data. By accepting or executing this Agreement, the Participant acknowledges and agrees to the collection, use, processing and transfer of certain personal data, including his or her name, salary, nationality, job title, position and details of all past Awards and current Awards outstanding under the Plan ("Data"), for the purpose of managing and administering the Plan. The Participant is not obliged to consent to such collection, use, processing and transfer of personal data, but a refusal to provide such consent may affect his or her ability to participate in the Plan. The Company, or its Subsidiaries, may transfer Data among themselves or to third parties as necessary for the purpose of implementation, administration and management of the Plan. These various recipients of Data may be located elsewhere throughout the world. The Participant authorizes these various recipients of Data to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Plan. The Participant may, at any time, review Data with respect to the Participant and require any necessary amendments to such Data. The Participant may withdraw his or her consent to use Data herein by notifying the Company in writing; however, the Participant understands that by withdrawing his or her consent to use Data, the Participant may affect his or her ability to participate in the Plan.

(e) Severability. If a provision of this Agreement is or becomes illegal, invalid or unenforceable in any jurisdiction then that provision is to be construed either by modifying it to

the minimum extent necessary to make it enforceable (if permitted by law) or disregarding it (if not), and that shall not affect the validity or enforceability in that jurisdiction of any other provision of this Agreement, or the validity or enforceability in other jurisdictions of that or any other provision of this Agreement.

(f) Waiver; Cumulative Rights. The failure or delay of either party to require performance by the other party of any provision hereof shall not affect its right to require performance of such provision unless and until such performance has been waived in writing. Each and every right hereunder is cumulative and may be exercised in part or in whole from time to time.

(g) Notices. Any notice which either party hereto may be required or permitted to give the other shall be in writing and may be delivered personally or by mail, postage prepaid, addressed to the Chief Legal Officer, General Counsel & Corporate Secretary of the Company, at its then corporate headquarters, and the Participant at the Participant's address (including any electronic mail address) as shown on the Company's records, or to such other address as the Participant, by notice to the Company, may designate in writing from time to time. The Participant hereby consents to electronic delivery of any notices that may be made hereunder.

(h) Acknowledgments. The Participant acknowledges that the Participant has been provided 14 calendar days within which to consider this Agreement. If the Participant elects not to take the entire 14 calendar days to consider this Agreement, the Participant has done so voluntarily. The Participant further acknowledges that the Participant was advised in writing that the Participant has the right to consult with an attorney before signing this Agreement.

(i) Counterparts. This Agreement may be signed in counterparts, each of which shall be an original, but both of which shall constitute but one and the same instrument.

(j) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon each successor and assign of the Company. All obligations imposed upon the Participant, and all rights granted to the Company hereunder, shall be binding upon the Participant's heirs, legal representatives and successors and no consent is required from the Participant for such assignment.

(k) Securities Matters. Subject to Section 409A, the Company shall not be required to deliver any Shares until the requirements of any U.S. federal or state securities or other laws, rules or regulations (including the rules of any securities exchange) as may be determined by the Company to be applicable are satisfied.

(l) Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Participant's participation in the Plan, on the Restricted Stock Units and on any Shares acquired under the Plan, to the extent the Company determines, in its sole discretion, it is necessary or advisable to comply with local law, rules and regulations or to facilitate the operation and administration of the Restricted Stock Units and the Plan. Such requirements may include (but are not limited to) requiring the Participant to sign any agreements or undertakings that may be necessary to accomplish the foregoing.

(m) Cooperation; Repatriation and Compliance Obligations. The Participant agrees to cooperate with the Company and the Employer in taking any action reasonably necessary or advisable to consummate the transactions contemplated by this Agreement. Further, the Participant agrees to repatriate all payments attributable to the Restricted Stock Units in accordance with local foreign exchange rules and regulations in Participant's country of residence (and country of employment, if different). In addition, the Participant agrees to take any and all actions, and consents to any and all actions taken by the Employer, the Company and its Subsidiaries as may be required to allow the Employer, the Company and its Subsidiaries to comply with applicable law in the Participant's country of residence (and country of employment, if different). Finally, the Participant agrees to take any and all actions that may be required to comply with the Participant's personal legal and tax obligations under local laws, rules and regulations in the Participant's country of residence (and country of employment, if different).

(n) Non-U.S. Addendum. Notwithstanding any provisions in this Agreement to the contrary and to the extent applicable, the Restricted Stock Units shall be subject to any special terms and conditions set forth in Appendix B, the Non-U.S. Addendum to this Agreement, for the Participant's country of residence (and country of employment or service, if different). Moreover, if the Participant relocates to another country, any special terms and conditions for such country will apply to the Participant, to the extent the Company determines, in its sole discretion, that the application of such terms and conditions is necessary or advisable for legal or administrative reasons (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate the Participant's transfer). The Non-U.S. Addendum in Appendix B constitutes part of this Agreement.

(o) English Language. The Participant acknowledges that he or she is proficient in the English language, or has consulted with an advisor who is proficient in the English language, so as to enable the Participant to understand the provisions of this Agreement and the Plan. 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.

(p) Electronic Delivery and Acceptance. The Company, in its sole discretion, may decide to deliver any documents related to current or future participation 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 an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

(q) Change in Position. If the Company and/or its Subsidiaries changes the Participant's position or title with the Company and its Subsidiaries, or transfers the Participant from one affiliate to another, this Agreement and my obligations hereunder will remain in force.

(r) Protection for Affiliates and Subsidiaries. This Agreement is intended to benefit the Company and its Subsidiaries and affiliates for which Participant performs services, for which Participant has customer contact or about which Participant receives Confidential Information. Therefore, the Company, any of its Subsidiaries or affiliates that may be adversely affected by a breach may enforce this Agreement regardless of which entity actually employs me at the time.

(s) Governing Law. This Agreement and the Restricted Stock Units granted hereunder shall be governed by, and construed and enforced in accordance with, the laws of the U.S. State of Delaware, without giving effect to provisions thereof regarding conflict of laws.

(t) Entire Agreement. This Agreement, together with the Plan, constitutes the entire obligation of the parties hereto with respect to the subject matter hereof and shall supersede any prior expressions of intent or understanding with respect to this transaction.

(u) Amendment. Any amendment to this Agreement shall be in writing and signed by an executive officer of the Company or the VP, Rewards.

(v) Headings and Construction. The headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

(w) No Vested Right in Future Awards. The Participant acknowledges and agrees (by accepting or executing this Agreement) that the granting of Restricted Stock Units under this Agreement is made on a fully discretionary basis by the Company and that this Agreement does not lead to a vested right to further restricted stock units or other awards in the future.

IN WITNESS WHEREOF, the Company has caused this Agreement to be duly executed by an officer thereunto duly authorized, and the Participant has electronically accepted this Agreement through the Company's electronic delivery and acceptance process operated by Merrill as of the day and year first above written.

ZEBRA TECHNOLOGIES CORPORATION

By:

Name:

Title:

Appendix A Restrictive Covenants

The Participant is or will be employed by the Company or one of its Subsidiaries and is receiving an equity award under the terms of this Agreement. The Participant understands that during the Participant's employment with the Company and its Subsidiaries, the Participant will have access to the Company's and its Subsidiaries' confidential information and key business relationships. The Participant agrees, therefore, that the following restrictions are reasonable and necessary to protect the interests of the Company and its Subsidiaries:

1. Protection of Confidential Information.

- (a) Definition of Confidential Information. The term "Confidential Information" means any information about the Company's and its Subsidiaries' business or its employees that is not generally known to the public. Examples of Confidential Information include, but are not limited to, information about: customers, vendors, pricing and costs, business strategies and plans, financial data, technology, and businesses methods or processes used or considered by the Company and/or its Subsidiaries.
- (b) Nondisclosure and Prohibition against Misuse. During the Participant's employment, the Participant will not use or disclose any Confidential Information, without the Company's prior written permission, for any purpose other than performance of the Participant's duties for the Company and its Subsidiaries.
- (c) Non-Disclosure and Return of Property Upon Termination. After termination of the Participant's employment, the Participant will not use or disclose any Confidential Information for any purpose. Immediately upon the Participant's termination, the Participant will return any Confidential Information in the Participant's possession to the Company. If the Participant has Confidential Information that has been saved or transferred to any device not owned by the Company and/or its Subsidiaries, the Participant will immediately notify the Company, and make such device available to the Company so that it may remove any Confidential Information from the device.

2. Protection of Company Interests.

(a) Definitions.

- (i) "Competing Products" means products or services sold by the Company and/or its Subsidiaries, or any prospective product or service the Company and/or its Subsidiaries took steps to develop, upon which Participant worked or about which Participant is knowledgeable, during the twenty-four (24) months preceding the termination of the Participant's employment;
- (ii) "Restricted Territory" means the geographic territory in which the Participant performs services on behalf of the Company and/or its Subsidiaries during the twenty-four (24) months preceding the termination of the Participant's employment.

- (b) Non-Competition. During the Participant's employment and for twelve (12) months after termination of the Participant's employment, the Participant will not directly or indirectly, on behalf of the Participant or in conjunction with any other person or entity:
- (i) own any business (other than less than three percent (3%) ownership in a publicly traded company) that sells Competing Products in the Restricted Territory;
 - (ii) work in the Restricted Territory for any person or entity that sells Competing Products, in any role: (1) that is similar to any position the Participant held with the Company and its Subsidiaries during the twenty-four (24) months preceding the termination of the Participant's employment, or (2) that may cause the Participant to inevitably rely upon or disclose the Company's and/or its Subsidiaries' Confidential Information.
- (c) Non-Solicitation of Customers and Employees. During the Participant's employment and for twelve (12) months after termination of the Participant's employment, the Participant will not directly or indirectly, on behalf of the Participant or in conjunction with any other person or entity:
- (i) solicit or accept business from any customer or prospective customer of the Company and/or its Subsidiaries with whom the Participant had contact during the last twenty-four (24) months of the Participant's employment or about whom the Participant had any Confidential Information, if the products or services that customer intends to purchase are similar to products or services offered by the Company and/or its Subsidiaries;
 - (ii) solicit or hire any employee or independent contractor of the Company and/or its Subsidiaries, who worked for the Company and/or its Subsidiaries during the six (6) months preceding termination of the Participant's employment, to work for the Participant or the Participant's new employer.

For purposes of this section, "solicit" means:

- (i) Any comments, conduct or activity that would influence a customer's decision to continue doing business with the Company and/or its Subsidiaries, regardless of who initiates contact;
 - (ii) Any comments, conduct or activity that would influence an employee's or independent contractor's decision to resign employment with the Company and/or its Subsidiaries or accept employment with the Participant's new company, regardless of who initiates contact.
3. State Specific Addendum. For Participants residing or working in the state(s) in Exhibit 1, the provisions in Paragraph 2 will be subject to state-specific law(s) as set forth in Exhibit 1 and as otherwise required by applicable law, which are incorporated into this Agreement.
4. Limitations on Confidentiality. The Participant understands that the foregoing confidentiality provisions do not prohibit the Participant from providing truthful

information in good faith to any federal or state governmental agency, entity or official investigating an alleged violation of federal or state law or regulation. Nothing in this Agreement prohibits the Participant from engaging in legally protected conduct, including reporting possible violations of federal law or regulation to any governmental agency or entity, including but not limited to the Department of Justice, the Security and Exchange Commission, the Congress, and any agency Inspector General, or making other disclosures that are protected under the whistleblower provisions of federal law or regulation. The Participant understands that the Participant shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (a) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. The Participant also understands that if the Participant files a lawsuit for retaliation by the Company for reporting a suspected violation of law, the Participant may disclose the trade secret to the Participant's attorney and use the trade secret information in the court proceeding, if (a) the Participant files any document containing the trade secret under seal; and (b) does not disclose the trade secret, except pursuant to court order.

5. Certifications. By executing this Agreement, which includes the Restrictive Covenants set forth in this Appendix A, the Participant certifies that the Participant: (a) has not and will not use or disclose to the Company or its Subsidiaries any confidential information and/or trade secrets belonging to others, including the Participant's prior employers; (b) will not use any prior inventions made by the Participant and which the Company and its Subsidiaries is not legally entitled to learn of or use; and (c) is not subject to any prior agreements that would prevent the Participant from fully performing the Participant's duties for the Company and its Subsidiaries.

Exhibit 1 to Appendix A

CALIFORNIA

For Participants residing in California at the time of execution of this Agreement, Paragraphs 2.b and c of Appendix A and Paragraph 10(s) of this Agreement will not apply.

COLORADO

Paragraph 2.b does not apply unless the Participant who, at the time the covenant not to compete is entered and at the time it is enforced, earns an annualized amount equal to \$112,500 as of 2023 (which is adjusted on a yearly basis). Paragraph 2.c does not apply unless the Participant who, at the time the covenant not to solicit is entered and at the time it is enforced, earns an annualized amount equal to \$67,500 as of 2023 (which is adjusted on a yearly basis).

DISTRICT OF COLUMBIA

The District's Ban on Non-Compete Agreements Amendment Act of 2020 limits the use of non-compete agreements. It allows employers to request non-compete agreements from highly compensated employees, as that term is defined in the Ban on Non-Compete Agreements Amendment Act of 2020, under certain conditions. The Company has determined that the Participant is a highly compensated employee. For more information about the Ban on Non-Compete Agreements Amendment Act of 2020, contact the District of Columbia Department of Employment Services (DOES).

Paragraph 2.b does not apply to Participants earning less than \$154,650 in 2024. This amount may increase each calendar year in an amount equal to the Consumer Price Index for All Urban Consumers in the Washington Metropolitan Statistical Area adjusted to the nearest whole dollar.

GEORGIA

If Participant resides in Georgia, Paragraph 2.c shall apply in the United States, which the Participant agrees is a reasonable geographic territory in which the Company does business.

ILLINOIS

Paragraph 2.b applies only if the Participant's actual or expected annualized rate of earnings exceeds \$75,000 per year (which statutorily increases every five years). Paragraph 2.c applies only if the Participant's actual or expected rate of earnings exceeds \$45,000 per year (which statutorily increases every five years).

LOUISIANA

For Participants who perform work in Louisiana, Paragraphs 2.b and 2.c shall only apply to the parishes where the Participant performs work.



MAINE

For Participants residing in Maine at the time of execution of this Agreement, Paragraph 2.b does not take effect until 6 months after the date this Agreement was signed, or the Participant has been employed with the Company for 12 months, whichever is later.

MARYLAND

Paragraph 2.b does not apply if the Participant earns equal to or less than (a) \$15 per hour; or (b) \$31,200 annually.

MASSACHUSETTS

For Participants working in Massachusetts, Paragraph 10(s) of this Agreement will not apply. Further, if the Company chooses to enforce the non-competition provisions set forth in Paragraph 2.b, then the Company will continue to pay the Participant at least 50% of the Participant's highest annualized base salary paid by the Company to the Participant within the 2 years preceding the Participant's termination during the period described in Paragraph 2.b. The restriction set forth in Paragraph 2.b will not apply if the Participant is involuntarily terminated without cause.

MINNESOTA

For Participants working in Minnesota, Paragraph 2.b will not apply.

NEVADA

Paragraph 2.b does not apply if the Participant is paid solely on an hourly wage basis, exclusive of any tips or gratuities.

NEW HAMPSHIRE

Paragraph 2.b does not apply if the Participant earns an hourly rate less than or equal to 200 percent of the federal minimum wage.

NORTH DAKOTA

For Participants residing in North Dakota at the time of execution of this Agreement, Paragraphs 2.b and c will not apply.

OKLAHOMA

For Participants residing in Oklahoma at the time of execution of this Agreement, Paragraph 2.b will not apply and Paragraph 2.c(1) will only apply to the extent that Paragraph prohibits the Participant from directly soliciting the sale of goods, services or a combination of goods and services from the established customers of the Company.

OREGON

For Participants residing in Oregon at the time of execution of this Agreement, the Company shall provide a copy of this Agreement to the Participants at least two weeks before the Participant is subject to the Agreement. The Company also must provide the Participant a signed, written copy of the Agreement within 30 days after the date of termination of the Participant's employment with the Company. Paragraph 2.b shall only apply if the total amount of the Participant's annual gross salary and commissions, calculated on an annual basis, at the time of the Participant's termination exceeds \$100,533, adjusted annually for inflation pursuant to the Consumer Price Index for All Urban Consumers, West Region (All Items), as published by the Bureau of Labor Statistics of the United States Department of Labor immediately preceding the calendar year of the Participant's termination.

VIRGINIA

Paragraph 2.b does not apply if a Participant whose average weekly earnings, calculated by dividing the Participant's earnings during the period of 52 weeks immediately preceding the date of termination of employment by 52, or if a Participant worked fewer than 52 weeks, by the number of weeks that the Participant was actually paid during the 52-week period, are less than the average weekly wage of the Commonwealth as determined pursuant to subsection B of § 65.2-500 of the Code of Virginia.

WASHINGTON

For Participants residing in Washington, Paragraph 10(s) of the Agreement will not apply. Further, if Participant's employment is terminated as the result of a layoff, and the Company chooses to enforce the non-competition provisions set forth in Paragraph 2.b, then the Company will continue to pay the Participant's base salary for the duration of the period described in Paragraph 2.b, less any earnings the Participant has received from the Participant's then-current employer. Paragraph 2.b shall only apply if the Participant's earnings, when annualized, exceed \$100,000 per year, to be adjusted for inflation.

NO RESTRICTIONS ON RIGHT TO PRACTICE LAW

Paragraph 2 will not prohibit a Participant from engaging in the practice of law, and will be interpreted to comply with the American Bar Association Model Rule 5.6 and/or any applicable state counterpart.

Appendix B

ADDENDUM TO THE RESTRICTED STOCK UNIT AGREEMENT FOR PARTICIPANTS OUTSIDE THE UNITED STATES

In addition to the terms of the Plan and the Agreement, the Restricted Stock Units are subject to the following additional terms, conditions and provisions (this “Non-U.S. Addendum”). All capitalized terms as contained in this Non-U.S. Addendum shall have the same meaning as set forth in the Plan and/or the Agreement. Pursuant to Section 10(m) of the Agreement, if the Participant works or resides in a country reflected in this Non-U.S. Addendum or transfers residence and/or employment or service to a country reflected in this Non-U.S. Addendum, the special terms, conditions and provision for such country will apply to the Participant to the extent the Company determines, in its sole discretion, that the application of such terms, conditions and provisions is necessary for legal or administrative reasons (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate the Participant’s transfer).

BRAZIL

Compliance with the Law. By accepting the Restricted Stock Units, the Participant acknowledges his or her agreement to comply with applicable Brazilian laws and to pay any and all applicable Tax-Related Items.

Nature of Grant. This provision supplements Section 9 (“Nature of Grant”) of the Agreement:

By accepting the Restricted Stock Units, the Participant agrees that (i) the Participant is making an investment decision and (ii) the value of the underlying Shares is not fixed and may increase or decrease over the vesting period without compensation to the Participant.

MEXICO

Plan Document Acknowledgement

By accepting the Restricted Stock Units, the Participant acknowledges that he or she has received a copy of the Plan and the Agreement, including this Non-U.S. Addendum, which the Participant has reviewed. The Participant acknowledges further that he or she accepts all the provisions of the Plan and the Agreement, including this Non-U.S. Addendum. The Participant also acknowledges that he or she has read and specifically and expressly approves the terms and conditions set forth in Section 9 (“Nature of Grant”) in the Agreement, which clearly provides as follows:

- (1) The Participant’s participation in the Plan does not constitute an acquired right;
- (2) The Plan and the Participant’s participation in it are offered by the Company on a wholly discretionary basis;

- (3) The Participant's participation in the Plan is voluntary; and
- (4) No member of the Company group is responsible for any decrease in the value of any Shares acquired at vesting and settlement of the Restricted Stock Units.

Labor Law Policy and Acknowledgment

By accepting the Restricted Stock Units, the Participant expressly recognizes that the Company, with registered offices at 3 Overlook Point, Lincolnshire, Illinois 60069, United States of America, is solely responsible for the administration of the Plan and that the Participant's participation in the Plan and acquisition of Shares do not constitute an employment relationship between the Participant and the Company, as the Participant is participating in the Plan on a wholly commercial basis and his or her sole employer is Zebra Technologies Enterprise de Mexico, S. de R.L. de C.V. ("Zebra Mexico"), located at Jose Vasconcelos 105 int 201 Piso 2, Col Hipodromo Condesa, Cuauhtemoc, Ciudad de Mexico, DF, 06170, Mexico. Based on the foregoing, the Participant expressly recognizes that the Plan and the benefits that he or she may derive from participating in the Plan do not establish any rights between the Participant and the employer, Zebra Mexico, and do not form part of the employment conditions and/or benefits provided by Zebra Mexico, 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 his or her 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 he or she does not reserve to him- or herself any action or right to bring any claim against the Company for any compensation or damages regarding any provision of the Plan or the benefits derived under the Plan, and the Participant therefore grants a full and broad release to the Company, and its subsidiaries, branches, representative offices, shareholders, directors, officers, employees, agents, or legal representatives with respect to any claim that may arise.

Spanish Translation

Reconocimiento del Documento del Plan

Al aceptar las Unidades de Acciones Restringidas (Restricted Stock Units, por sus siglas en inglés), el Participante reconoce que ha recibido una copia del Plan, el Anuncio de la Subvención y el Acuerdo, con inclusión de este Anexo A, que el Participante ha revisado. El Participante reconoce, además, que acepta todas las disposiciones del Plan, el Anuncio de la Subvención, y en el Acuerdo, incluyendo este Anexo A. El Participante también reconoce que ha leído y que concretamente aprueba de forma expresa los términos y condiciones establecidos en la Sección 9 ("Naturaleza de la Subvención") del Acuerdo, que claramente dispone lo siguiente:

- (1) La participación del Participante en el Plan no constituye un derecho adquirido;



- (2) El Plan y la participación del Participante en el Plan se ofrecen por la Compañía en su discrecionalidad total;
- (3) Que la participación del Participante en el Plan es voluntaria; y
- (4) La Compañía y sus Empresas Matrices, Subsidiarias y Afiliadas no son responsables de ninguna disminución en el valor de las acciones adquiridas al conferir las Restricted Stock Units.

Política Laboral y Reconocimiento

Al aceptar las RSUs, el Participante expresamente reconoce que la Compañía, con sus oficinas registradas y ubicadas en 3 Overlook Point, Lincolnshire, Illinois 60069, United States of America, es la única responsable por la administración del Plan y que la participación del Participante en el Plan y en su caso la adquisición de Acciones no constituyen una relación de trabajo entre el Participante y la Compañía, ya que el Participante participa en el Plan en un marco totalmente comercial y su único patrón es Zebra Technologies Enterprise de Mexico, S. de R.L. de C.V. (“Zebra Mexico”), ubicado en Jose Vasconcelos 105 int 201 Piso 2, Col Hipodromo Condesa, Cuauhtemoc, Ciudad de Mexico, DF, 06170, Mexico. Derivado de lo anterior, el Participante expresamente reconoce que el Plan y los beneficios que pudieran derivar de la participación en el Plan no establecen derecho alguno entre el Participante y el patrón, Zebra Mexico, y no forma parte de las condiciones de trabajo y/o las prestaciones otorgadas por Zebra Mexico, y que cualquier modificación al Plan o su terminación no constituye un cambio o desmejora de los términos y condiciones de la relación de trabajo del Participante.

Asimismo, el Participante reconoce que su participación en el Plan se ha resultado de una decisión unilateral y discrecional de la Compañía; por lo tanto, la Compañía se reserva el derecho absoluto de modificar y/o terminar la participación del Participante en cualquier momento y sin responsabilidad alguna frente el Participante.

Finalmente, el Participante por este medio declara que no se reserva ninguna derecho o acción en contra de la Compañía por cualquier compensación o daños y perjuicios en relación de las disposiciones del Plan o de los beneficios derivados del Plan, y por lo tanto, el Participante otorga el más amplio finiquito que en derecho proceda a la Compañía, y sus filiales, oficinas de representación, accionistas, directores, autoridades, empleados, agentes, o representantes legales en relación con cualquier demanda que pudiera surgir.

Securities Law Notification.

The Restricted Stock Units granted, and any 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 Restricted Stock Units may not be publicly distributed in Mexico. These materials are addressed to the Participant because of the Participant's existing relationship with the Company and any Subsidiary, and these materials should not be reproduced or copied in any form. The offer contained in these materials does not constitute a public offering of securities but rather constitutes a private placement of securities addressed specifically to individuals who are present employees of Zebra Mexico made in accordance with

the provisions of the Mexican Securities Market Law, and any rights under such offering shall not be assigned or transferred.

SINGAPORE

Securities Law Notification.

The Restricted Stock Units are being granted pursuant to the “Qualifying Person” exemption under section 273(1)(f) of the Securities and Futures Act (Chapter 289, 2006 Ed.) (“SFA”). The Plan has not been and will not be lodged or registered as a prospectus with the Monetary Authority of Singapore. Hence, statutory liability under the SFA in relation to the content of prospectuses will not apply. The Participant should note that the Restricted Stock Units are subject to section 257 of the SFA and hence the Restricted Stock Units may not be offered or sold, or made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore, unless such offer, sale or invitation is made (i) more than six (6) months from the Grant Date, (ii) pursuant to the exemptions under Part XIII Division 1 Subdivision (4) (other than section 280) of the SFA, or (iii) pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

In addition, the Participant understands that he or she is permitted to sell Shares acquired under the Plan through the designated broker appointed under the Plan, if any, provided the resale of Shares acquired under the Plan takes place outside of Singapore through the facilities of a stock exchange on which the Shares are listed. The Shares are currently listed on the Nasdaq.

Director Notification Requirement.

If the Participant is a director, alternate director, substitute director or shadow director¹ of a Singapore Subsidiary, the Participant must notify the Singapore Subsidiary in writing within two (2) business days of (i) becoming the registered holder of or acquiring an interest (e.g., Restricted Stock Units, Shares, etc.) in the Company or any Subsidiary, or becoming an alternate director, substitute director or shadow director (as the case may be), whichever occurs last, or (ii) any change in a previously disclosed interest (e.g., sale of Shares). If the Participant is the chief executive officer (“CEO”) of a Singapore Subsidiary and the above notification requirements are determined to apply to the CEO of a Singapore Subsidiary, the above notification requirements also may apply to the Participant.

UNITED KINGDOM

Payment of Taxes. This provision supplements Section 4 of the Agreement:

Without limitation to Section 4 of the Agreement, the Participant agrees that he or she 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, if different, the Employer or by Her Majesty’s Revenue & Customs (“HMRC”) (or any other tax authority or any other relevant authority). The Participant also agrees

¹ A shadow director is an individual who is not on the board of directors of the Singapore Subsidiary but who has sufficient control so that the board of directors of the Singapore Subsidiary acts in accordance with the directions or instructions of the individual.

to indemnify and keep indemnified the Company and, if different, the Employer 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 Participant understands that he or she may not be able to indemnify the Company for the amount of any income tax not collected from or paid by the Participant within ninety (90) days of the end of the U.K. tax year in which the event giving rise to the Tax-Related Items occurs, as it may be considered to be a loan and, therefore, it 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 Employer (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 4 of the Agreement.

* * * *

STOCK APPRECIATION RIGHTS AGREEMENT
(STOCK SETTLED)

This STOCK APPRECIATION RIGHTS AGREEMENT (this “SAR Agreement”), dated as of **%%OPTION_DATE, 'MM/DD/YYYY'%%** (the “Grant Date”), is between ZEBRA TECHNOLOGIES CORPORATION, a Delaware corporation (the “Company”), and **%%FIRST_NAME%% %%LAST_NAME%%** (the “Participant”), relating to a stock appreciation right granted under the Zebra Technologies Corporation 2018 Long-Term Incentive Plan, as amended (the “Plan”). Capitalized terms used in this SAR Agreement without definitions shall have the meanings ascribed to such terms in the Plan.

1. Grant of Stock Appreciation Right.

(a) **Grant.** Subject to the provisions of this SAR Agreement and pursuant to the provisions of the Plan, the Company hereby grants to the Participant as of the Grant Date a stock appreciation right (the “SAR”) covering **%%TOTAL_SHARES_GRANTED, '999,999,999'%%** shares (the “SAR Shares”) of the Company’s Class A Common Stock, \$0.01 par value per share (the “Stock”), at a price of **%%OPTION_PRICE, '\$999,999,999.99'%%** per share (the “SAR Price”). The SAR is not issued in tandem with an Option. This SAR Agreement shall be null and void unless the Participant accepts this SAR Agreement by either (i) electronically accepting this SAR Agreement through the Company’s electronic delivery and acceptance process operated by Merrill or (ii) executing this SAR Agreement in the space provided below and returning it to the Company. **%%Grant Acceptance Date%%**.

(b) **Term of the SAR.** Unless the SAR terminates earlier pursuant to other provisions of the SAR Agreement, the SAR shall **expire at 5:00 p.m., Central Time**, on the seventh (7th) anniversary of the Grant Date (the “Expiration Date”).

(c) **Non-transferability.** The SAR shall be nontransferable, except by will or the laws of descent and distribution, or as otherwise permitted under the Plan.

2. Vesting of the SAR.

(a) **General Vesting Rule.** Prior to the Expiration Date, the SAR shall become and be exercisable as follows:

<u>Vesting Date Anniversary</u>	<u>Percentage of SAR Exercisable</u>
Prior to the first anniversary of the Grant Date	0%
On and after the first anniversary of the Grant Date	25%
On and after the second anniversary of the Grant Date, an additional	25%
On and after the third anniversary of the Grant Date, an additional	25%
On and after the fourth anniversary of the Grant Date, an additional	25%

provided, however, except as otherwise provided for under this SAR Agreement, the Participant must remain employed by the Company or any Subsidiary continuously

through the applicable vesting dates.

- (b) Additional Vesting Rules. Notwithstanding Section 2(a), the SAR shall be subject to the following additional vesting rules in the following circumstances:

(i) Death or Disability. In the event the Participant's employment with the Company and/or any Subsidiary is terminated due to Participant's death or Disability, any unvested portion of the SAR as of the effective date of the Participant's termination of employment shall immediately become fully vested and exercisable as of 5:00 p.m., Central Time, on the effective date of the Participant's termination of employment and, together with any unexercised vested portion of the SAR, shall remain exercisable until the earlier of:

(A) 5:00 p.m., Central Time, on the Expiration Date; or

(B) 5:00 p.m., Central Time, on the date that is one (1) year after the effective date of the Participant's termination of employment due to the Participant's death or Disability.

In the event of the Participant's death, the Participant's beneficiary or estate may exercise all or any portion of the vested SAR. For purposes of this SAR Agreement, "Disability" has the meaning set forth in the employment agreement, if any, between the Company and/or any Subsidiary and the Participant or, if the Participant is not a party to such an agreement, "Disability" has the meaning ascribed to such term in the Plan.

(ii) Retirement or Termination by the Company or any Subsidiary other than for Cause. In the event the Participant's employment with the Company and/or any Subsidiary is terminated due to Participant's Retirement, or by the Company and/or any Subsidiary other than for Cause, the number of SAR Shares that shall be vested and exercisable as of 5:00 p.m., Central Time, on the effective date of the Participant's termination of employment shall equal the number obtained by (A) multiplying the total number of SAR Shares granted as of the Grant Date under Section 1(a) by a fraction, the numerator of which is the number of days from but excluding the Grant Date and to and including the effective date of the Participant's termination of employment, and the denominator of which is 1,461 and (B) subtracting from such product the number, if any, of SAR Shares that vested in accordance with Section 2(a) and became exercisable prior to the effective date of the Participant's termination of employment. Any unexercised vested portion of the SAR shall remain exercisable until the earlier of:

(A) 5:00 p.m., Central Time, on the Expiration Date; or

(B) 5:00 p.m., Central Time, on the date that is one (1) year after the effective date of the Participant's termination of employment due to Retirement; or

(C) 5:00 p.m., Central Time, on the date that is ninety (90) days after the effective date of the Participant's termination of employment by the Company and/or any Subsidiary other than for Cause.

For purposes of this SAR Agreement, "Retirement" means the Participant's voluntary termination of employment with the Company and/or any Subsidiary

which meets or exceeds the Rule of 65. The “Rule of 65” means the sum of the Participant’s age (in years) and years of continuous service with the Company (including its predecessors) equals or exceeds sixty-five (65), provided that the Participant must meet both a minimum age of fifty-five (55) and a minimum of five (5) years of continuous service. For purposes of determining Rule of 65, years of age and service equal full years and full completed months; and “Cause” has the meaning set forth in the employment agreement, if any, between the Company and/or any Subsidiary and the Participant or, if the Participant is not a party to such an agreement, “Cause” has the meaning, as determined by the Company in its sole discretion, set forth in the Plan.

(iii) Termination for Cause; Breach of Restrictive Covenant. In the event the Participant’s employment with the Company and/or any Subsidiary is terminated for Cause or the Participant breaches any of the Restrictive Covenants (as defined in Section 6), any unexercised SAR, whether vested or not, shall expire as of the date of the event giving rise to the termination for Cause, be forfeited, and be considered null and void.

(iv) Other Termination of Employment. In the event the Participant’s employment with the Company and/or any Subsidiary is terminated for any reason other than as provided in Section 2(b)(i), (ii) or (iii), any unexercised vested portion of the SAR as of the effective date of the Participant’s termination of employment shall remain exercisable until the earliest of:

(A) 5:00 p.m., Central Time, on the Expiration Date; or

(B) 5:00 p.m., Central Time, on the date that is thirty (30) days after the effective date of the Participant’s termination of employment.

3. Exercise of SAR.

(a) Notice of Exercise. Prior to the Expiration Date, the vested portion of the SAR may be exercised, in whole or in part, by delivering written notice to the Company in accordance with Section 9(h) and in such form as the Company may require from time to time. Such notice of exercise shall specify the number of SAR Shares to be exercised.

(b) Payment. As of the date of exercise of the SAR, the Company shall settle the exercised portion of the SAR as provided in Section 6.6 of the Plan. The amount of the payment for each SAR Share exercised shall equal (i) the Fair Market Value of a share of Stock on the date of exercise, less (ii) the SAR Price for each such exercised SAR Share. The exercised SAR shall be settled in whole shares of Stock, and cash for the value of a fractional share of Stock.

(c) Payment of Taxes. If the Company is obligated to withhold an amount on account of any tax imposed as a result of the exercise of the SAR, the Participant shall be required to pay such amount to the Company, as provided in Section 9.10 of the Plan. Alternatively, subject to Company approval, the Participant may elect to withhold a portion of the SAR exercise payment equal to the statutory tax that would be imposed on the exercise, as provided under Section 9.10 of the Plan. The Participant acknowledges and agrees that the Participant is responsible for the tax consequences associated with the grant of the SAR and its exercise.

(d) Death Prior to Exercise. In the event of the Participant’s death prior to the exercise of any vested portion of the SAR, the Participant’s beneficiary or estate may exercise the

vested SAR.

4. Compliance with Federal and State Law. The Company reserves the right to delay the Participant's exercise of any portion of the SAR if the Company's issuance of Stock upon such exercise would violate any applicable federal or state securities laws or any other applicable laws or regulations. The Participant may not sell or otherwise dispose of any portion of the SAR or any Stock in violation of any applicable law. The Company may postpone issuing and delivering any Stock in payment for the exercise of any portion of the SAR for so long as the Company reasonably determines to be necessary to satisfy the following:

- (i) its completing or amending any securities registration or qualification of the Stock or it or the Participant satisfying any exemption from registration under any federal, state or other law, rule or regulation;
- (ii) its receiving proof it considers satisfactory that a person seeking to exercise the SAR after the Participant's death is entitled to do so; and
- (iii) the Participant complying with any federal, state or other tax withholding obligations.

5. Change in Control. Subject to Section 9.8 of the Plan:

(a) Notwithstanding any provision in this Agreement, in the event of a Change in Control pursuant to Section 2.5(c) or (d) of the Plan in connection with which (i) holders of Shares receive consideration consisting solely of shares of common stock that are registered under Section 12 of the Exchange Act (and disregarding the payment of cash in lieu of fractional shares) and (ii) this SAR Agreement is assumed or provision is made for the continuation of this SAR Agreement, then subject to Section 4.3 of the Plan, this SAR Agreement shall continue in accordance with its terms, and there shall be substituted for each SAR Share then subject to this SAR Agreement, the number and class of shares into which each outstanding Share shall be converted pursuant to such Change in Control. In the event of any such substitution, the SAR Price shall be appropriately adjusted by the Board of Directors (the "Board") or Compensation and Culture Committee of the Board (the "Committee") (whose determination shall be final, binding and conclusive), such adjustments to be made without an increase in the aggregate SAR Price. In the event the Participant's employment with the Company and/or any Subsidiary is terminated by the Participant for Good Reason or by Zebra or any Subsidiary other than for Cause on or after the date of such Change in Control, then any unvested portion of the SAR as of the effective date of the Participant's termination of employment shall immediately become fully vested and exercisable and, together with any unexercised vested portion of the SAR, shall remain exercisable until the earlier of:

- (i) 5:00 p.m., Central Time, on the Expiration Date; or
- (ii) 5:00 p.m., Central Time, on the date that is ninety (90) days after the effective date of the Participant's termination of employment.

For purposes of this SAR Agreement, "Good Reason" has the meaning set forth in the employment agreement, if any, between the Company and/or any Subsidiary and the Participant or, if the Participant is not a party to such an agreement, "Good Reason" has the meaning set forth in the Plan.

(b) Notwithstanding any provision in this Agreement to the contrary, in the event of a Change in Control pursuant to Section 2.5(a) or (b) of the Plan, or in the event of a Change in Control pursuant to Section 2.5(c) or (d) of the Plan as to which Section 5(a) above does not apply, this SAR Agreement shall be surrendered to the Company by the Participant, and this SAR Agreement shall immediately be canceled by the Company, and the Participant shall receive, within ten (10) days following the effective date of the Change in Control, a cash payment from the Company in an amount equal to the number of SAR Shares then subject to this SAR, multiplied by the excess, if any, of the greater of (i) the highest per Share price offered to stockholders of the Company in any transaction whereby the Change in Control takes place or (ii) the Fair Market Value of a Share on the effective date of the Change in Control, over the SAR Price.

6. Confidentiality, Non-Solicitation and Non-Compete.

The Participant agrees, understands, and acknowledges that by executing this SAR Agreement, the Participant shall be bound by, and shall abide by the restrictive covenants set forth in Appendix A of this SAR Agreement (the “Restrictive Covenants”). The Participant further agrees, understands and acknowledges that the scope and duration of the Restrictive Covenants contained in this SAR Agreement are reasonable and necessary to protect a legitimate, protectable interest of the Company and its Subsidiaries, and that the Company, in its sole discretion, may require the Participant, as a condition to the exercise of this SAR, to acknowledge in writing that the Participant has not engaged, and is not in the process of engaging, in any of the activities described in this Section 6. Notwithstanding the foregoing, this Section 6 only applies to the extent permissible by applicable law or regulation. For Participants in the U.S., please refer to Exhibit 1 to Appendix A for further details.

7. Right of Setoff; Recoupment.

(a) Right of Setoff. The Company or any Subsidiary may, to the extent permitted by applicable law and which would not trigger tax under Code Section 409A, deduct from and set off against any amounts the Company or Subsidiary may owe to the Participant from time to time, including amounts payable in connection with this SAR Agreement, owed as wages, fringe benefits, or other compensation owed to the Participant, such amounts as may be owed by the Participant to the Company or a Subsidiary, although the Participant shall remain liable for any part of the Participant’s payment obligation not satisfied through such deduction and setoff. By accepting any SAR granted hereunder, the Participant agrees to any deduction or setoff under this Section 7(a).

(b) Termination of the SAR; Recoupment. Any SAR granted under this SAR Agreement (including any amounts or benefits arising from such SARs), regardless of whether such SARs are otherwise vested, shall terminate automatically and be subject to clawback and recoupment on the date the Participant violates a Restrictive Covenant or commits an act of theft, embezzlement of funds or fraud involving money or property of the Company or any Subsidiary. Any outstanding, unexercised SARs, whether vested or unvested, shall terminate automatically as of the date of such violation of a Restrictive Covenant or commission of an act of theft, embezzlement or fraud and the Participant shall forfeit such SARs. With respect to any SARs that were exercised within the one (1)-year period prior to the date of such violation of any Restrictive Covenant or commission of an act of theft, embezzlement or fraud, the Participant shall pay the Company, within forty-five (45) calendar days of receipt by the Participant of a written demand

therefor, or pursuant to such other time frame as the Company, in its sole discretion, agrees to in writing with the Participant, an amount in cash determined by multiplying the number of Shares as to which the SAR was exercised by the difference between (i) the Fair Market Value of a Share on the date of such exercise and (ii) the SAR Price per SAR (without reduction for any Shares withheld by the Company pursuant to Section 3(a)).

(c) **Injunctive Action.** The Participant acknowledges that if he or she violates the terms of Sections 6 or 7, the injury that would be suffered by the Company and/or a Subsidiary as a result of a breach of the provisions of this SAR Agreement (including any Restrictive Covenant described in Section 6 or provision of Section 7(b)) would be irreparable and that an award of monetary damages to the Company and/or a Subsidiary for such a breach would be an inadequate remedy. Consequently, the Company and/or a Subsidiary will have the right, in addition to any other rights it may have, including the right to forfeiture and clawback under this SAR Agreement, to obtain injunctive relief to restrain any breach or threatened breach or otherwise to specifically enforce any provision of this SAR Agreement, and the Company and/or Subsidiary will not be obligated to post bond or other security in seeking such relief. Without limiting the Company's or Subsidiary's rights under this Section 7 or any other remedies of the Company or a Subsidiary, if the Participant breaches any Restrictive Covenant described in Section 6 or the provisions of Section 7(b), the Company will have the right to cancel this SAR Agreement.

(d) **Attorneys' Fees.** In addition to the rights available to the Company and its Subsidiaries under Sections 7(b) and 7(c), if the Participant violates the terms of Sections 6 or 7 at any time, the Company shall be entitled to reimbursement from the Participant of any fees and expenses (including attorneys' fees) incurred by or on behalf of the Company or any Subsidiary in enforcing the Company's or a Subsidiary's rights under this Section 7. In addition to any injunctive relief sought under Section 7(c), and whether or not the Company or any Subsidiary elects to make any set-off in whole or in part, if the Company or any Subsidiary does not recover by means of set-off the full amount the Participant owes to the Company or any Subsidiary, calculated as set forth in this Section 7(d), the Participant agrees to immediately pay the unpaid balance to the Company or any Subsidiary.

(e) **Clawback Policy; Recoupment.** Notwithstanding any other provision of this SAR Agreement to the contrary, any SAR granted under this SAR Agreement (including any amounts or benefits arising from such SARs) shall be subject to potential cancellation, recoupment, rescission, payback or other action in accordance with the terms of the Company's Clawback Policy, Accounting Restatement Clawback Policy, or any other clawback policy implemented by the Company, as each may be amended from time to time (the "Policies"). The Participant agrees and consents to the Company's application, implementation and enforcement of (i) the Policies or any similar policy established by the Company that may apply to the Participant and (ii) any provision of applicable law relating to cancellation, rescission, payback or recoupment of compensation, and expressly agrees that the Company may take such actions as are necessary to effectuate the Policies, any similar policy (as applicable to the Participant) or applicable law without further consent or action being required by the Participant. The Company's rights under the Policies shall be in addition to, and not in substitution of, the Company's rights under this SAR Agreement or otherwise and, in all events, the terms of the Policies shall prevail to the extent that the terms of the Policies conflict with this SAR Agreement or any other plan, program, agreement

or arrangement.

8. Nature of Grant. In accepting the grant of this SAR, 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 SARs is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of an award, or benefits in lieu of an award, even if SARs have been granted in the past;

(c) all decisions with respect to future grants of SARs 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 SAR and the Stock subject to the SAR, and the income from and value of same, are not intended to replace any pension rights or compensation;

(f) the SAR and the Stock subject to the SAR, 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, holiday pay, long-service awards, pension or retirement or welfare benefits or similar payments;

(g) unless otherwise agreed with the Company in writing, the SAR and the Stock subject to the SAR, and the income from and value of same, are not granted as consideration for, or in connection with, the service the Participant may provide as a director of a Subsidiary;

(h) the future value of the underlying Stock is unknown, indeterminable and cannot be predicted with certainty; and

(i) no claim or entitlement to compensation or damages shall arise from forfeiture of SARs resulting from the termination of the Participant's employment (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 employed or the terms of the Participant's employment agreement, if any).

9. Miscellaneous Provisions.

(a) No Service or Employment Rights. No provision of this SAR Agreement or of the SAR granted hereunder shall give the Participant any right to continue in the service or employ of the Company or any Subsidiary, create any inference as to the length of employment or service of the Participant, affect the right of the Company or any Subsidiary to terminate the employment or service of the Participant, with or without Cause, or give the Participant any right to participate in any employee welfare or benefit plan or other program (other than the Plan) of the Company or

any Subsidiary.

(b) Stockholder Rights. Until the SAR shall have been duly exercised and Stock has been officially recorded as issued on the Company's official stockholder records, no person or entity shall be entitled to vote, receive dividends or be deemed for any purpose the holder of such Stock, and adjustments for dividends or otherwise shall be made only if the record date thereof is subsequent to the date such shares are recorded and after the date of exercise and without duplication of any adjustment.

(c) Plan Document Governs. The SAR is granted pursuant to the Plan, and the SAR and this SAR Agreement are in all respects governed by the Plan and subject to all of the terms and provisions thereof, whether such terms and provisions are incorporated in this SAR Agreement by reference or are expressly cited. Any inconsistency between the SAR Agreement and the Plan shall be resolved in favor of the Plan. The Participant hereby acknowledges receipt of a copy of the Plan.

(d) Administration. This SAR Agreement and the rights of the Participant hereunder are subject to all the terms and conditions of the Plan, as the same may be amended from time to time, as well as to such rules and procedures as the Committee may adopt for administration of the Plan. It is expressly understood that the Committee is authorized to administer, construe, and make all determinations necessary or appropriate to the administration of the Plan and this SAR Agreement, all of which shall be binding upon the Participant.

(e) Use of Personal Data. By accepting or executing this SAR Agreement, the Participant acknowledges and agrees to the collection, use, processing and transfer of certain personal data, including his or her name, salary, nationality, job title, position, and details of all past Awards and current Awards outstanding under the Plan ("Data"), for the purpose of managing and administering the Plan. The Participant is not obliged to consent to such collection, use, processing and transfer of personal data, but a refusal to provide such consent may affect his or her ability to participate in the Plan. The Company or its Subsidiaries may transfer Data among themselves or to third parties as necessary for the purpose of implementation, administration and management of the Plan. These various recipients of Data may be located elsewhere throughout the world. The Participant authorizes these various recipients of Data to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Plan. The Participant may, at any time, review Data with respect to the Participant and require any necessary amendments to such Data. The Participant may withdraw his or her consent to use Data herein by notifying the Company in writing; however, the Participant understands that by withdrawing his or her consent to use Data, the Participant may affect his or her ability to participate in the Plan.

(f) Severability. If a provision of this SAR Agreement is or becomes illegal, invalid or unenforceable in any jurisdiction then that provision is to be construed either by modifying it to the minimum extent necessary to make it enforceable (if permitted by law) or disregarding it (if not), and that shall not affect the validity or enforceability in that jurisdiction of any other provision of this SAR Agreement, or the validity or enforceability in other jurisdictions of that or any other provision of this SAR Agreement.

(g) Waiver; Cumulative Rights. The failure or delay of either party to require performance by the other party of any provision hereof shall not affect its right to require performance of such provision unless and until such performance has been waived in writing.



Each and every right hereunder is cumulative and may be exercised in part or in whole from time to time.

(h) Notices. Any notice which either party hereto may be required or permitted to give the other shall be in writing and may be delivered personally or by mail, postage prepaid, addressed to the Chief Legal Officer, General Counsel & Corporate Secretary of the Company, at its then corporate headquarters, and the Participant at the Participant's address (including any electronic mail address) as shown on the Company's records, or to such other address as the Participant, by notice to the Company, may designate in writing from time to time. The Participant hereby consents to electronic delivery of any notices that may be made hereunder.

(i) Acknowledgments. The Participant acknowledges that the Participant has been provided 14 calendar days within which to consider this Agreement. If the Participant elects not to take the entire 14 calendar days to consider this Agreement, the Participant has done so voluntarily. The Participant further acknowledges that the Participant was advised in writing that the Participant has the right to consult with an attorney before signing this Agreement.

(j) Counterparts. This SAR Agreement may be signed in counterparts, each of which shall be an original, but both of which shall constitute but one and the same instrument.

(k) Successors and Assigns. This SAR Agreement shall inure to the benefit of and be binding upon each successor and assign of the Company. All obligations imposed upon the Participant, and all rights granted to the Company hereunder, shall be binding upon the Participant's heirs, legal representatives and successors and no consent is required from the Participant for such assignment.

(l) Electronic Delivery and Acceptance. The Company, in its sole discretion, may decide to deliver any documents related to current or future participation 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 an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

(m) Change in Position. If the Company and/or its Subsidiaries changes the Participant's position or title with the Company and its Subsidiaries, or transfers the Participant from one affiliate to another, this SAR Agreement and my obligations hereunder will remain in force.

(n) Protection for Affiliates and Subsidiaries. This Agreement is intended to benefit the Company and its Subsidiaries and affiliates for which Participant performs services, for which Participant has customer contact or about which Participant receives Confidential Information. Therefore, the Company, any of its Subsidiaries or affiliates that may be adversely affected by a breach may enforce this Agreement regardless of which entity actually employs me at the time.

(o) Governing Law. This SAR Agreement and the SAR granted hereunder shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without giving effect to provisions thereof regarding conflict of laws.

(p) Entire Agreement. This SAR Agreement, together with the Plan, constitutes the entire obligation of the parties hereto with respect to the subject matter hereof and shall supersede

any prior expressions of intent or understanding with respect to this transaction.

(q) Amendment. Any amendment to this SAR Agreement shall be in writing and signed by an executive officer of the Company or the Chief People Officer , or VP, Rewards.

(r) Headings and Construction. The headings contained in this SAR Agreement are for reference purposes only and shall not affect the meaning or interpretation of this SAR Agreement. This SAR Agreement is intended to be a stock right excluded from the requirements of Code Section 409A. The terms of this SAR Agreement shall be administered and construed in a manner consistent with the intent that it be a stock right excluded from the requirements of Code Section 409A.

(s) Non-U.S. Addendum. Notwithstanding any provisions in this Agreement to the contrary and to the extent applicable, the SAR Shares shall be subject to any special terms and conditions set forth in Appendix B, the Non-U.S. Addendum to this Agreement, for the Participant's country of residence (and country of employment or service, if different). Moreover, if the Participant relocates to another country, any special terms and conditions for such country will apply to the Participant, to the extent the Company determines, in its sole discretion, that the application of such terms and conditions is necessary or advisable for legal or administrative reasons (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate the Participant's transfer). The Non-U.S. Addendum in Appendix B constitutes part of this Agreement.

IN WITNESS WHEREOF, the Company has caused this SAR Agreement to be duly executed by an officer thereunto duly authorized, and the Participant has electronically accepted this SAR Agreement through the Company's electronic delivery and acceptance process operated by Merrill or hereunto set his or her hand, all as of the day and year first above written.

ZEBRA TECHNOLOGIES CORPORATION

By:

Name:

Title:

Appendix A
Restrictive Covenants

The Participant is or will be employed by the Company or one of its Subsidiaries and is receiving an equity award under the terms of this Agreement. The Participant understands that during the Participant's employment with the Company and its Subsidiaries, the Participant will have access to the Company's and its Subsidiaries' confidential information and key business relationships. The Participant agrees, therefore, that the following restrictions are reasonable and necessary to protect the interests of the Company and its Subsidiaries:

1. Protection of Confidential Information.

(a) Definition of Confidential Information. The term "Confidential Information" means any information about the Company's and its Subsidiaries' business or its employees that is not generally known to the public. Examples of Confidential Information include, but are not limited to, information about: customers, vendors, pricing and costs, business strategies and plans, financial data, technology, and businesses methods or processes used or considered by the Company and/or its Subsidiaries.

(b) Nondisclosure and Prohibition against Misuse. During the Participant's employment, the Participant will not use or disclose any Confidential Information, without the Company's prior written permission, for any purpose other than performance of the Participant's duties for the Company and its Subsidiaries.

(c) Non-Disclosure and Return of Property Upon Termination. After termination of the Participant's employment, the Participant will not use or disclose any Confidential Information for any purpose. Immediately upon the Participant's termination, the Participant will return any Confidential Information in the Participant's possession to the Company. If the Participant has Confidential Information that has been saved or transferred to any device not owned by the Company and/or its Subsidiaries, the Participant will immediately notify the Company, and make such device available to the Company so that it may remove any Confidential Information from the device.

2. Protection of Company Interests.

(a) Definitions.

- (i) "Competing Products" means products or services sold by the Company and/or its Subsidiaries, or any prospective product or service the Company and/or its Subsidiaries took steps to develop, upon which Participant worked or about which Participant is knowledgeable, during the twenty-four (24) months preceding the termination of the Participant's employment;
- (ii) "Restricted Territory" means the geographic territory in which the Participant performs services on behalf of the Company and/or its Subsidiaries during the twenty-four (24) months preceding the termination of the Participant's employment.

(b) Non-Competition. During the Participant's employment and for twelve (12)

months after termination of the Participant's employment, the Participant will not directly or indirectly, on behalf of the Participant or in conjunction with any other person or entity:

- (i) own any business (other than less than three percent (3%) ownership in a publicly traded company) that sells Competing Products in the Restricted Territory;
- (ii) work in the Restricted Territory for any person or entity that sells Competing Products, in any role: (1) that is similar to any position the Participant held with the Company and its Subsidiaries during the twenty-four (24) months preceding the termination of the Participant's employment, or (2) that may cause the Participant to inevitably rely upon or disclose the Company's and/or its Subsidiaries' Confidential Information.

(c) Non-Solicitation of Customers and Employees. During the Participant's employment and for twelve (12) months after termination of the Participant's employment, the Participant will not directly or indirectly, on behalf of the Participant or in conjunction with any other person or entity:

- (i) solicit or accept business from any customer or prospective customer of the Company and/or its Subsidiaries with whom the Participant had contact during the last twenty-four (24) months of the Participant's employment or about whom the Participant had any Confidential Information, if the products or services that customer intends to purchase are similar to products or services offered by the Company and/or its Subsidiaries;
- (ii) solicit or hire any employee or independent contractor of the Company and/or its Subsidiaries, who worked for the Company and/or its Subsidiaries during the six (6) months preceding termination of the Participant's employment, to work for the Participant or the Participant's new employer.

For purposes of this section, "solicit" means:

- (i) Any comments, conduct or activity that would influence a customer's decision to continue doing business with the Company and/or its Subsidiaries, regardless of who initiates contact;
- (ii) Any comments, conduct or activity that would influence an employee's or independent contractor's decision to resign employment with the Company and/or its Subsidiaries or accept employment with the Participant's new company, regardless of who initiates contact.

3. State Specific Addendum. For Participants residing or working in the state(s) in Exhibit 1, the provisions in Paragraph 2 will be subject to state-specific law(s) as set forth in Exhibit 1 and as otherwise required by applicable law, which are incorporated into this SAR Agreement.

4. Limitations on Confidentiality. The Participant understands that the foregoing confidentiality and non-disparagement provisions do not prohibit the Participant from providing truthful information in good faith to any federal or state governmental agency, entity or official investigating an alleged violation of federal or state law or regulation. Nothing in this Agreement prohibits the Participant from engaging in legally protected conduct, including reporting possible violations of federal law or regulation to any governmental agency or entity, including but not limited to the Department of Justice, the Security and Exchange Commission, the Congress, and any agency Inspector General, or making other disclosures that are protected under the whistleblower provisions of federal law or regulation. The Participant understands that the Participant shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (a) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. The Participant also understands that if the Participant files a lawsuit for retaliation by the Company for reporting a suspected violation of law, the Participant may disclose the trade secret to the Participant's attorney and use the trade secret information in the court proceeding, if (a) the Participant files any document containing the trade secret under seal; and (b) does not disclose the trade secret, except pursuant to court order.

5. Certifications. By executing this SAR Agreement, which includes the Restrictive Covenants set forth in this Appendix A, the Participant certifies that the Participant: (a) has not and will not use or disclose to the Company or its Subsidiaries any confidential information and/or trade secrets belonging to others, including the Participant's prior employers; (b) will not use any prior inventions made by the Participant and which the Company and its Subsidiaries is not legally entitled to learn of or use; and (c) is not subject to any prior agreements that would prevent the Participant from fully performing the Participant's duties for the Company and its Subsidiaries.

Exhibit 1 to Appendix A

CALIFORNIA

For Participants residing in California at the time of execution of this Agreement, Paragraphs 2.b and c of Appendix A and Paragraph 9(o) of this Agreement will not apply.

COLORADO

Paragraph 2.b does not apply unless the Participant who, at the time the covenant not to compete is entered and at the time it is enforced, earns an annualized amount equal to \$112,500 as of 2023 (which is adjusted on a yearly basis). Paragraph 2.c does not apply unless the Participant who, at the time the covenant not to solicit is entered and at the time it is enforced, earns an annualized amount equal to \$67,500 as of 2023 (which is adjusted on a yearly basis).

DISTRICT OF COLUMBIA

The District's Ban on Non-Compete Agreements Amendment Act of 2020 limits the use of non-compete agreements. It allows employers to request non-compete agreements from highly compensated employees, as that term is defined in the Ban on Non-Compete Agreements Amendment Act of 2020, under certain conditions. The Company has determined that the Participant is a highly compensated employee. For more information about the Ban on Non-Compete Agreements Amendment Act of 2020, contact the District of Columbia Department of Employment Services (DOES).

Paragraph 2.b does not apply to Participants earning less than \$154,650 in 2024. This amount may increase each calendar year in an amount equal to the Consumer Price Index for All Urban Consumers in the Washington Metropolitan Statistical Area adjusted to the nearest whole dollar.

GEORGIA

If Participant resides in Georgia, Paragraph 2.c shall apply in the United States, which the Participant agrees is a reasonable geographic territory in which the Company does business.

ILLINOIS

Paragraph 2.b applies only if the Participant's actual or expected annualized rate of earnings exceeds \$75,000 per year (which statutorily increases every five years). Paragraph 2.c applies only if the Participant's actual or expected rate of earnings exceeds \$45,000 per year (which statutorily increases every five years).

LOUISIANA

For Participants who perform work in Louisiana, Paragraphs 2.b and 2.c shall only apply to the parishes where the Participant performs work.



MAINE

For Participants residing in Maine at the time of execution of this Agreement, Paragraph 2.b does not take effect until 6 months after the date this Agreement was signed, or the Participant has been employed with the Company for 12 months, whichever is later.

MARYLAND

Paragraph 2.b does not apply if the Participant earns equal to or less than (a) \$15 per hour; or (b) \$31,200 annually.

MASSACHUSETTS

For Participants working in Massachusetts, Paragraph 9(o) of this Agreement will not apply. Further, if the Company chooses to enforce the non-competition provisions set forth in Paragraph 2.b, then the Company will continue to pay the Participant at least 50% of the Participant's highest annualized base salary paid by the Company to the Participant within the 2 years preceding the Participant's termination during the period described in Paragraph 2.b. The restriction set forth in Paragraph 2.b will not apply if the Participant is involuntarily terminated without cause.

MINNESOTA

For Participants working in Minnesota, Paragraph 2.b will not apply.

NEVADA

Paragraph 2.b does not apply if the Participant is paid solely on an hourly wage basis, exclusive of any tips or gratuities.

NEW HAMPSHIRE

Paragraph 2.b does not apply if the Participant earns an hourly rate less than or equal to 200 percent of the federal minimum wage.

NORTH DAKOTA

For Participants residing in North Dakota at the time of execution of this Agreement, Paragraphs 2.b and c will not apply.

OKLAHOMA

For Participants residing in Oklahoma at the time of execution of this Agreement, Paragraph 2.b will not apply and Paragraph 2.c(1) will only apply to the extent that Paragraph prohibits the Participant from directly soliciting the sale of goods, services or a combination of goods and services from the established customers of the Company.

OREGON

For Participants residing in Oregon at the time of execution of this Agreement, the Company shall provide a copy of this Agreement to the Participants at least two weeks before the Participant is subject to the Agreement. The Company also must provide the Participant a signed, written copy of the Agreement within 30 days after the date of termination of the Participant's employment with the Company. Paragraph 2.b shall only apply if the total amount of the Participant's annual gross salary and commissions, calculated on an annual basis, at the time of the Participant's termination exceeds \$100,533, adjusted annually for inflation pursuant to the Consumer Price Index for All Urban Consumers, West Region (All Items), as published by the Bureau of Labor Statistics of the United States Department of Labor immediately preceding the calendar year of the Participant's termination.

VIRGINIA

Paragraph 2.b does not apply if a Participant whose average weekly earnings, calculated by dividing the Participant's earnings during the period of 52 weeks immediately preceding the date of termination of employment by 52, or if a Participant worked fewer than 52 weeks, by the number of weeks that the Participant was actually paid during the 52-week period, are less than the average weekly wage of the Commonwealth as determined pursuant to subsection B of § 65.2-500 of the Code of Virginia.

WASHINGTON

For Participants residing in Washington, Paragraph 9(o) of the Agreement will not apply. Further, if Participant's employment is terminated as the result of a layoff, and the Company chooses to enforce the non-competition provisions set forth in Paragraph 2.b, then the Company will continue to pay the Participant's base salary for the duration of the period described in Paragraph 2.b, less any earnings the Participant has received from the Participant's then-current employer. Paragraph 2.b shall only apply if the Participant's earnings, when annualized, exceed \$100,000 per year, to be adjusted for inflation.

NO RESTRICTIONS ON RIGHT TO PRACTICE LAW

Paragraph 2 will not prohibit a Participant from engaging in the practice of law, and will be interpreted to comply with the American Bar Association Model Rule 5.6 and/or any applicable state counterpart.

Appendix B

ADDENDUM TO

STOCK APPRECIATION RIGHTS AGREEMENT

FOR PARTICIPANTS OUTSIDE THE UNITED STATES

In addition to the terms of the Plan and the Agreement, the SAR Shares are subject to the following additional terms, conditions and provisions (this “Non-U.S. Addendum”). All capitalized terms as contained in this Non-U.S. Addendum shall have the same meaning as set forth in the Plan and/or the Agreement. Pursuant to Section 10(m) of the Agreement, if the Participant works or resides in a country reflected in this Non-U.S. Addendum or transfers residence and/or employment or service to a country reflected in this Non-U.S. Addendum, the special terms, conditions and provision for such country will apply to the Participant to the extent the Company determines, in its sole discretion, that the application of such terms, conditions and provisions is necessary for legal or administrative reasons (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate the Participant’s transfer).

BRAZIL

Compliance with the Law. By accepting the SAR Shares, the Participant acknowledges his or her agreement to comply with applicable Brazilian laws and to pay any and all applicable Tax-Related Items.

Nature of Grant. This provision supplements Section 8 (“Nature of Grant”) of the Agreement:

By accepting the SAR Shares, the Participant agrees that (i) the Participant is making an investment decision and (ii) the value of the underlying SAR Shares is not fixed and may increase or decrease over the vesting period without compensation to the Participant.

MEXICO

Plan Document Acknowledgement

By accepting the SAR Shares, the Participant acknowledges that he or she has received a copy of the Plan and the Agreement, including this Non-U.S. Addendum, which the Participant has reviewed. The Participant acknowledges further that he or she accepts all the provisions of the Plan and the Agreement, including this Non-U.S. Addendum. The Participant also acknowledges that he or she has read and specifically and expressly approves the terms and conditions set forth in Section 8 (“Nature of Grant”) in the Agreement, which clearly provides as follows:

- (1) The Participant’s participation in the Plan does not constitute an acquired right;
- (2) The Plan and the Participant’s participation in it are offered by the Company on a wholly discretionary basis;
- (3) The Participant’s participation in the Plan is voluntary; and

(4) No member of the Company group is responsible for any decrease in the value of any Shares acquired at vesting and settlement of the SAR Shares.

Labor Law Policy and Acknowledgment

By accepting the SAR Shares, the Participant expressly recognizes that the Company, with registered offices at 3 Overlook Point, Lincolnshire, Illinois 60069, 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 SAR Shares do not constitute an employment relationship between the Participant and the Company, as the Participant is participating in the Plan on a wholly commercial basis and his or her sole employer is Zebra Technologies Enterprise de Mexico, S. de R.L. de C.V. ("Zebra Mexico"), located at Jose Vasconcelos 105 int 201 Piso 2, Col Hipodromo Condesa, Cuauhtemoc, Ciudad de Mexico, DF, 06170, Mexico. Based on the foregoing, the Participant expressly recognizes that the Plan and the benefits that he or she may derive from participating in the Plan do not establish any rights between the Participant and the employer, Zebra Mexico, and do not form part of the employment conditions and/or benefits provided by Zebra Mexico, 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 his or her 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 he or she does not reserve to him- or herself any action or right to bring any claim against the Company for any compensation or damages regarding any provision of the Plan or the benefits derived under the Plan, and the Participant therefore grants a full and broad release to the Company, and its subsidiaries, branches, representative offices, shareholders, directors, officers, employees, agents, or legal representatives with respect to any claim that may arise.

Spanish Translation

Reconocimiento del Documento del Plan

Al aceptar las Unidades de Acciones Restringidas (SAR Shares, por sus siglas en inglés), el Participante reconoce que ha recibido una copia del Plan, el Anuncio de la Subvención y el Acuerdo, con inclusión de este Anexo A, que el Participante ha revisado. El Participante reconoce, además, que acepta todas las disposiciones del Plan, el Anuncio de la Subvención, y en el Acuerdo, incluyendo este Anexo A. El Participante también reconoce que ha leído y que concretamente aprueba de forma expresa los términos y condiciones establecidos en la Sección 8 ("Naturaleza de la Subvención") del Acuerdo, que claramente dispone lo siguiente:

- (1) La participación del Participante en el Plan no constituye un derecho adquirido;
- (2) El Plan y la participación del Participante en el Plan se ofrecen por la Compañía en su discrecionalidad total;

- (3) Que la participación del Participante en el Plan es voluntaria; y
- (4) La Compañía y sus Empresas Matrices, Subsidiarias y Afiliadas no son responsables de ninguna disminución en el valor de las acciones adquiridas al conferir las SAR Shares.

Política Laboral y Reconocimiento

Al aceptar las SAR Shares, el Participante expresamente reconoce que la Compañía, con sus oficinas registradas y ubicadas en 3 Overlook Point, Lincolnshire, Illinois 60069, United States of America, es la única responsable por la administración del Plan y que la participación del Participante en el Plan y en su caso la adquisición de Acciones no constituyen una relación de trabajo entre el Participante y la Compañía, ya que el Participante participa en el Plan en un marco totalmente comercial y su único patrón es Zebra Technologies Enterprise de Mexico, S. de R.L. de C.V. ("Zebra Mexico"), ubicado en Jose Vasconcelos 105 int 201 Piso 2, Col Hipodromo Condesa, Cuauhtemoc, Ciudad de Mexico, DF, 06170, Mexico. Derivado de lo anterior, el Participante expresamente reconoce que el Plan y los beneficios que pudieran derivar de la participación en el Plan no establecen derecho alguno entre el Participante y el patrón, Zebra Mexico, y no forma parte de las condiciones de trabajo y/o las prestaciones otorgadas por Zebra Mexico, y que cualquier modificación al Plan o su terminación no constituye un cambio o desmejora de los términos y condiciones de la relación de trabajo del Participante.

Asimismo, el Participante reconoce que su participación en el Plan se ha resultado de una decisión unilateral y discrecional de la Compañía; por lo tanto, la Compañía se reserva el derecho absoluto de modificar y/o terminar la participación del Participante en cualquier momento y sin responsabilidad alguna frente el Participante.

Finalmente, el Participante por este medio declara que no se reserva ninguna derecho o acción en contra de la Compañía por cualquier compensación o daños y perjuicios en relación de las disposiciones del Plan o de los beneficios derivados del Plan, y por lo tanto, el Participante otorga el más amplio finiquito que en derecho proceda a la Compañía, y sus filiales, oficinas de representación, accionistas, directores, autoridades, empleados, agentes, o representantes legales en relación con cualquier demanda que pudiera surgir.

Securities Law Notification.

The SAR Shares granted, and any 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 SAR Shares may not be publicly distributed in Mexico. These materials are addressed to the Participant because of the Participant's existing relationship with the Company and any Subsidiary, and these materials should not be reproduced or copied in any form. The offer contained in these materials does not constitute a public offering of securities but rather constitutes a private placement of securities addressed specifically to individuals who are present employees of Zebra Mexico made in accordance with the provisions of the Mexican Securities Market Law, and any rights under such offering shall not be assigned or transferred.

SINGAPORE

Securities Law Notification.

The SAR Shares are being granted pursuant to the “Qualifying Person” exemption under section 273(1)(f) of the Securities and Futures Act (Chapter 289, 2006 Ed.) (“SFA”). The Plan has not been and will not be lodged or registered as a prospectus with the Monetary Authority of Singapore. Hence, statutory liability under the SFA in relation to the content of prospectuses will not apply. The Participant should note that the SAR Shares are subject to section 257 of the SFA and hence the SAR Shares may not be offered or sold, or made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore, unless such offer, sale or invitation is made (i) more than six (6) months from the Grant Date, (ii) pursuant to the exemptions under Part XIII Division 1 Subdivision (4) (other than section 280) of the SFA, or (iii) pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

In addition, the Participant understands that he or she is permitted to sell Shares acquired under the Plan through the designated broker appointed under the Plan, if any, provided the resale of Shares acquired under the Plan takes place outside of Singapore through the facilities of a stock exchange on which the Shares are listed. The Shares are currently listed on the Nasdaq.

Director Notification Requirement.

If the Participant is a director, alternate director, substitute director or shadow director¹ of a Singapore Subsidiary, the Participant must notify the Singapore Subsidiary in writing within two (2) business days of (i) becoming the registered holder of or acquiring an interest (e.g., SAR Shares, Shares, etc.) in the Company or any Subsidiary, or becoming an alternate director, substitute director or shadow director (as the case may be), whichever occurs last, or (ii) any change in a previously disclosed interest (e.g., sale of Shares). If the Participant is the chief executive officer (“CEO”) of a Singapore Subsidiary and the above notification requirements are determined to apply to the CEO of a Singapore Subsidiary, the above notification requirements also may apply to the Participant.

UNITED KINGDOM

Payment of Taxes. This provision supplements Section 4 of the Agreement:

Without limitation to Section 4 of the Agreement, the Participant agrees that he or she 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, if different, the Subsidiary that employs the Participant (“Employer”) or by Her Majesty’s Revenue & Customs (“HMRC”) (or any other tax authority or any other relevant authority). The Participant also agrees to indemnify and keep indemnified the Company and, if different, the Employer against any Tax-Related Items that they are required to

¹ A shadow director is an individual who is not on the board of directors of the Singapore Subsidiary but who has sufficient control so that the board of directors of the Singapore Subsidiary acts in accordance with the directions or instructions of the individual.

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 Participant understands that he or she may not be able to indemnify the Company for the amount of any income tax not collected from or paid by the Participant within ninety (90) days of the end of the U.K. tax year in which the event giving rise to the Tax-Related Items occurs, as it may be considered to be a loan and, therefore, it 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 Employer (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 3 of the Agreement.

* * * *

CERTIFICATION

I, William J. Burns, certify that:

1. I have reviewed this report on Form 10-Q of Zebra Technologies Corporation (the "Company");
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 the internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we 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: July 30, 2024 By: /s/ William J. Burns
William J. Burns
Chief Executive Officer

CERTIFICATION

I, Nathan Winters, certify that:

1. I have reviewed this report on Form 10-Q of Zebra Technologies Corporation (the "Company");
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 the internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we 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: July 30, 2024 By: /s/ Nathan Winters
Nathan Winters
Chief Financial Officer

**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 of Zebra Technologies Corporation (the "Company") on Form 10-Q for the period that ended June 29, 2024, as filed with the Securities and Exchange Commission on the date hereof, I, William J. Burns, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 30, 2024 By: /s/ William J. Burns
William J. Burns
Chief Executive Officer

**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 of Zebra Technologies Corporation (the "Company") on Form 10-Q for the period that ended June 29, 2024, as filed with the Securities and Exchange Commission on the date hereof, I, Nathan Winters, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 30, 2024 By: /s/ Nathan Winters
Nathan Winters
Chief Financial Officer