UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

REPORT OF FOREIGN PRIVATE ISSUER

PURSUANT TO RULE 13a-16 OR 15d-16

UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of June, 2014

Commission File Number 001-35866

KNOT Offshore Partners LP

(Translation of registrant s name into English)

2 Queen s Cross,

Aberdeen, Aberdeenshire

United Kingdom

AB15 4YB

United Kingdom

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F x Form 40-F ¨

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101 (b)(1).

Yes ¨ No x

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101 (b)(7).

Yes ¨ No x

ITEM 1 INFORMATION CONTAINED IN THIS FORM 6-K REPORT

Attached as Exhibit 99.1 is a copy of the press release of KNOT Offshore Partners LP dated June 23, 2014.

ITEM 2 EXHIBITS

The following exhibits are filed as a part of this report:

Exhibit Number	Exhibit Description
99.1	Press release dated June 23, 2014

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.

KNOT OFFSHORE PARTNERS LP

Date: June 23, 2014

By: /s/ Arild Vik
Name: Arild Vik
Title: Chief Executive Officer and Chief Financial Officer

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Consolidated Statement of Cash Flows

Year Ended December 31, 2017

Impact of changes in accounting policies

As previously

(in thousands)

reported

Adjustments

As adjusted

Net loss	$ (31,965)	$ 64	$ (31,901)
Adjustments to reconcile net loss to net cash provided			

by operating activities:

Depreciation

36,668

—

			36,668
Amortization	12,004	—	12,004
Provision for doubtful accounts	1,697	—	1,697

Deferred income taxes	9,262	(1,840)	7,422
Gain on the sale of property, plant and equipment	(202)	—	(202)

Asset impairments	42	—	42
Stock-based compensation expense	7,815	—	7,815
Changes in operating assets and liabilities:			

Accounts receivable	4,657	—	4,657
Contract assets	—	9,710	

9,710

Inventories

(14,015)

(10,555)

(24,570)

Prepaid expenses and other assets

(10,434)

2,622

			(7,812)
Accounts payable	29,542	—	29,542
Accrued liabilities	13,519	—	13,519

Income taxes	87,252	(1)	87,251
Net cash provided by operations	145,842	—	145,842

Net cash used in investing activities	(56,121)	—	(56,121)

Net cash used in financing activities	(31,352)	—	(31,352)
Effect of exchange rate changes			

	2,744	—	2,744
Net increase in cash and cash equivalents	61,113	—	61,113
Cash and cash equivalents at beginning of year	681,433	—	

	681,433		
Cash and cash equivalents at end of period	$ 742,546	$ —	$ 742,546

Consolidated Statement of Cash Flows
Year Ended December 31, 2016

(in thousands)	Impact of changes in accounting policies As previously reported	Adjustments	As adjusted
Net income	$ 64,047	$ (114)	$ 63,933
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	41,398	—	41,398
Amortization	13,741	—	13,741
Deferred income taxes	7,055	1,335	8,390
Gain on the sale of property, plant and equipment	(224)	—	(224)
Asset impairments	142	—	142
Stock-based compensation expense	5,322	—	5,322
Excess tax benefits from stock-based compensation	(663)	—	(663)
Changes in operating assets and liabilities:			
Accounts receivable	37,573	—	37,573
Contract assets	—	(10,931)	(10,931)
Inventories	27,749	10,648	38,397
Prepaid expenses and other assets	3,147	(940)	2,207
Accounts payable	76,039	—	76,039
Accrued liabilities	(28)	—	(28)
Income taxes	(2,210)	2	(2,208)
Net cash provided by operations	273,088	—	273,088
Net cash used in investing activities	(21,245)	—	(21,245)
Net cash used in financing activities	(35,310)	—	(35,310)
Effect of exchange rate changes	(1,095)	—	(1,095)
Net increase in cash and cash equivalents	215,438	—	215,438
Cash and cash equivalents at beginning of year	465,995	—	465,995
Cash and cash equivalents at end of period	$ 681,433	$ —	$ 681,433

Not Yet Adopted

In February 2018, the FASB issued optional new accounting guidance that allows the reclassification of certain tax effects from accumulated other comprehensive income to retained earnings. This guidance is effective January 1, 2019, with early adoption permitted. The Company is evaluating whether it will adopt this new guidance along with any impacts on the Company’s financial position, results of operations and cash flows, none of which are expected to be material.

In June 2016, the FASB issued a new accounting standards update, which replaces the current incurred loss impairment methodology with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. This update is effective for annual reporting periods beginning after December 15, 2019. The Company does not expect the implementation of this update to have a material impact on its consolidated financial position, results of operations or cash flows; and will adopt this update effective January 1, 2020.

In February 2016, the FASB established Topic 842, Leases, and issued a new accounting standards update (ASU) No. 2016-02, which requires lessees to recognize leases on-balance sheet and disclose key information about leasing arrangements. Topic 842 was subsequently amended by ASU No. 2018-01, Land Easement Practical Expedient for Transition to Topic 842; ASU No. 2018-10, Codification Improvements to Topic 842, Leases; and ASU No. 2018-11, Targeted Improvements. The new standard establishes a right-of-use model (ROU) that requires a lessee to recognize a ROU asset and lease liability on the balance sheet for all leases with a term longer than 12 months. Leases will be classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the income statement.

The Company adopted the new standard on its effective date of January 1, 2019 using the effective date as our date of initial application under the modified retrospective transition approach. Consequently, financial information will not be updated and the disclosures required under the new standard will not be provided for dates and periods before January 1, 2019. The new standard provides a number of optional practical expedients in transition. Management elected the ‘package of practical expedients’, which permits the Company not to reassess under the new standard its prior conclusions about lease identification, lease classification and initial direct costs. Management does not expect to elect the use-of-hindsight or the practical expedient pertaining to land easements; the latter not being applicable to the Company. Management elected all of the new standard’s available transition practical expedients.

The Company has completed its preliminary assessment of adopting ASC 842 as of January 1, 2019. The adoption of the standard will have a material effect on its financial statements. The most significant effects of adoption relate to (1) the recognition of new ROU assets and lease liabilities on the Company’s balance sheet for its real estate and equipment operating leases; and (2) providing significant new disclosures about our leasing activities beginning with the Quarterly Report on Form 10-Q for the first quarter of 2019. Management does not expect a significant change in the Company’s leasing activities as a result of the adoption.

On adoption, the Company expects to recognize additional operating liabilities in the range of approximately $85 million to $90 million, with corresponding ROU assets based on the present value of the remaining expected rental payments.

The new standard also provides practical expedients for an entity’s ongoing accounting. Management currently expects to elect the short-term lease recognition exemption for all of the Company’s leases that qualify. This means, for those leases that qualify, the Company will not recognize ROU assets or lease liabilities, and this includes not recognizing ROU assets or lease liabilities for existing short-term leases of those assets in transition. The Company also expects to elect the practical expedient to not separate lease and non-lease components for all of its leases other than leases of real estate.

The Company has determined that other recently issued accounting standards will either have no material impact on its consolidated financial position, results of operations or cash flows, or will not apply to its operations.

Note 2—Acquisition

During 2018, the Company completed an individually immaterial business acquisition for $2.7 million. The preliminary allocation of the net purchase price resulted in $0.5 million of goodwill. The goodwill recognized in connection with the acquisition represents the future economic benefit arising from assets acquired that could not be individually identified and separately recognized, and is attributable to the general reputation, acquisition synergies and expected future cash flows of the acquisition.

Note 3 – Contract Assets

As of December 31, 2018 and 2017, the Company had $140.1 million and $146.5 million, respectively, in contract receivables from contracts with customers. The contract receivables primarily relate to the Company's right to consideration for work completed but not billed at the reporting date. The contract receivables are transferred to accounts receivable when the rights become unconditional.

Significant changes in the contract asset balance during the period are as follows:

	December 31,	
(in thousands)	**2018**	**2017**
Beginning balance as of December 31, 2017	$ 146,496	$ 156,206
Revenue recognized	2,387,333	2,291,046
Amounts collected or invoiced	(2,393,747)	(2,300,756)
Ending balance as of December 31, 2018	$ 140,082	$ 146,496

Note 4—Inventories

Inventory costs are summarized as follows:

	December 31,	
(in thousands)	**2018**	**2017**
		(as adjusted)
Raw materials	$ 300,439	$ 258,228
Work in process	7,321	8,600
Finished goods	2,215	2,089
	$ 309,975	$ 268,917

Note 5—Property, Plant and Equipment

Property, plant and equipment consists of the following:

(in thousands)	December 31, 2018	2017
Land	$ 6,169	$ 6,169
Buildings and building improvements	97,103	90,577
Machinery and equipment	514,450	476,466
Furniture and fixtures	9,343	8,468
Vehicles	1,341	1,244
Leasehold improvements	30,122	25,153
Construction in progress	13,134	10,439
	671,662	618,516
Less accumulated depreciation	(460,708)	(432,043)
	$ 210,954	$ 186,473

Note 6—Goodwill and Other Intangible Assets

The changes each year in goodwill allocated to the Company’s reportable segments were as follows:

(in thousands)	**Americas**	**Asia**	**Total**
Goodwill as of December 31, 2015	$ 161,188	$ 38,102	$ 199,290
Purchase accounting adjustments	(7,674)	—	(7,674)
Goodwill as of December 31, 2016	153,514	38,102	191,616
Goodwill as of December 31, 2017	$ 153,514	$ 38,102	$ 191,616
Acquisition	500	—	500
Goodwill as of December 31, 2018	$ 154,014	$ 38,102	$ 192,116

During 2018, the Company completed an individually immaterial business acquisition for $2.7 million. See Note 2.

Other assets consist primarily of acquired identifiable intangible assets and capitalized purchased software costs. Acquired identifiable intangible assets as of December 31, 2018 and 2017 were as follows:

(in thousands)		Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
	Customer relationships	$ 100,146	$ (40,661)	$ 59,485
	Purchased software costs	39,069	(30,626)	8,443
	Technology licenses	28,800	(21,006)	7,794
	Trade names and trademarks	7,800	—	7,800
	Other	868	(285)	583
	Intangible assets, December 31, 2018	$ 176,683	$ (92,578)	$ 84,105

(in thousands)		Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
	Customer relationships	$ 100,200	$ (34,372)	$ 65,828
	Purchased software costs	35,328	(29,612)	5,716
	Technology licenses	28,800	(17,887)	10,913
	Trade names and trademarks	7,800	—	7,800
	Other	868	(261)	607
	Intangible assets, December 31, 2017	$ 172,996	$ (82,132)	$ 90,864

Customer relationships are being amortized on a straight-line basis over a period of 10 to 14 years. Capitalized purchased software costs are amortized straight-line over the estimated useful life of the related software, which ranges from 2 to 10 years. Technology licenses are being amortized over their estimated useful lives in proportion to the economic benefits consumed. During 2018, 2017 and 2016, $3.9 million, $3.7 million and $1.9 million, respectively, of purchased software costs were capitalized. Amortization on the statements of cash flow for 2018, 2017 and 2016 was as follows:

	Year Ended December 31,		
(in thousands)	2018	2017	2016
Amortization of intangible assets	$ 9,485	$ 10,065	$ 11,838
Amortization of capitalized purchased software costs	1,198	1,078	1,147
Amortization of debt costs	2,717	861	756
	$ 13,400	$ 12,004	$ 13,741

The estimated future amortization expense of acquired intangible assets for each of the next five years is as follows (in thousands):

Year ending December 31,	Amount

2019	$ 10,950
2020	10,215
2021	7,136
2022	6,943
2023	6,543

Note 7—Borrowing Facilities

Long-term debt and capital lease obligations outstanding as of December 31, 2018 and 2017 consists of the following:

(in thousands)		**December 31,**	
		2018	**2017**
	Term loan	$ 150,000	$ 207,000
	Capital lease obligations	6,147	7,172
	Total principal amount	156,147	214,172
	Less unamortized debt issuance costs	2,077	2,492
	Long-term debt and capital lease obligations	$ 154,070	$ 211,680

(in thousands)		**Principal**	**Unamortized Debt Issuance Costs**
	Term loan, due in 2023	$ 150,000	$ 2,077
	Capital lease obligations, due in 2023	6,147	—
	Total	$ 156,147	$ 2,077

On July 20, 2018, the Company entered into a $650 million credit agreement (the Credit Agreement) by and among the Company, certain of its subsidiaries, the lenders party thereto and Bank of America, N.A., as Administrative Agent, Swingline Lender and a L/C Issuer. The Credit Agreement is comprised of a five-year $500 million revolving credit facility (the Revolving Credit Facility) and a five-year $150 million term loan facility (the Term Loan Facility), both with a maturity date of July 20, 2023. The Term Loan Facility proceeds were used to (i) refinance a portion of existing indebtedness and terminate all commitments under the Company's prior $430 million Credit Agreement and (ii) pay the fees, costs and expenses associated with the foregoing and the negotiation, execution and delivery of the Credit Agreement.

The Revolving Credit Facility is available for general corporate purposes. The Credit Agreement includes an accordion feature pursuant to which the Company is permitted to add one or more incremental term loan and/or increase commitments under the Revolving Credit Facility in an aggregate amount not exceeding $275 million, subject to the satisfaction of certain conditions.

The Term Loan Facility is payable in quarterly principal installments of $1.9 million commencing June 30, 2019, with the balance payable on July 20, 2023.

Interest on outstanding borrowings under the Credit Agreement (other than swingline loans) accrues, at the Company's option, at (a) the London Interbank Offered Rate (LIBOR) plus 1.0% to 2.0% or (b) the base rate plus 0.0% to 1.0%.

As of December 31, 2018, $150.0 million of the outstanding debt under the Credit Agreement is effectively at a fixed interest rate as a result of a $150.0 million notional interest rate swap contract discussed in Note 12. A commitment fee of 0.20% to 0.30% per annum (based on the debt to EBITDA ratio) on the unused portion of the revolving credit line is payable quarterly in arrears.

Credit Agreement is generally secured by a pledge of (a) all the capital stock of the Company’s domestic subsidiaries and 65% of the capital stock of its directly owned foreign subsidiaries, (b) all or substantially all other personal property of Benchmark and its domestic subsidiaries (including, but not limited to, accounts receivable, contract assets, inventory, intellectual property and fixed assets of Benchmark and its domestic subsidiaries), in each case, subject to customary exceptions and limitations, and (c) all proceeds and products of the property and assets described in (a) and (b) above.

The Credit Agreement contains certain financial covenants as to interest coverage and debt leverage, and certain customary affirmative and negative covenants, including restrictions on the Company's ability to incur additional debt and liens, pay dividends, repurchase shares, sell assets and merge or consolidate with other persons. Amounts due under the Credit Agreement could be accelerated upon specified events of default, including a failure to pay amounts due, breach of a covenant, material inaccuracy of a representation, or occurrence of bankruptcy or insolvency, subject, in some cases, to cure periods. As of December 31, 2018, the Company was in compliance with all of these covenants and restrictions.

As of December 31, 2018, the Company had $150.0 million in borrowings outstanding under the Term Loan facility and $2.8 million in letters of credit outstanding under the Revolving Credit Facility. The Company had $497.2 million available for future borrowings under the Revolving Credit Facility.

The Company's Thailand subsidiary has a multi-purpose credit facility with Kasikornbank Public Company Limited (the Thai Credit Facility) that provides for 350 million Thai baht (approximately $10.8 million) working capital availability. The Thai Credit Facility is secured by land and buildings in Thailand owned by the Company's Thailand subsidiary. Availability of funds under the Thai Credit Facility is reviewed annually and is currently accessible through October 2019. As of both December 31, 2018 and 2017, there were no working capital borrowings outstanding under the facility.

The aggregate maturities of long-term debt and capital lease obligations for each of the five years subsequent to December 31, 2018 are as follows: 2019, $6.8 million; 2020, $8.8 million; 2021, $9.0 million; 2022, $9.2 million; and 2023, $122.3 million.

Note 8—Commitments

The Company leases certain manufacturing equipment, office equipment, vehicles and office, warehouse and manufacturing facilities under operating leases. Some of the leases provide for escalation of the lease payments as maintenance costs and taxes increase. The leases expire at various times through 2028. Leases for office space and manufacturing facilities generally contain renewal options. Rental expense for 2018, 2017 and 2016 was $16.8 million, $15.8 million and $14.4 million, respectively.

The Company is obligated under a capital lease that expires in 2023. As of December 31, 2018, property, plant and equipment included the following amounts under this capital lease obligation (in thousands):

Buildings and building improvements	$	12,207
Less accumulated depreciation		(9,015)
	$	3,192

Capital lease obligations outstanding consist of the following:

(in thousands)	December 31, 2018	2017
Capital lease obligations	$ 6,147	$ 7,172
Less current installments	1,168	1,025
Capital lease obligations, less current installments	$ 4,979	$ 6,147

Future minimum capital lease payments and future minimum lease payments under noncancelable operating leases are as follows (in thousands):

Year ending December 31,	Capital Leases	Operating Leases
2019	$ 1,746	$ 15,272
2020	1,781	14,518
2021	1,816	12,203
2022	1,853	10,466
2023	465	9,890
Thereafter	—	47,868
Total minimum lease payments	$ 7,661	$ 110,217
Less: amount representing interest	1,514	
Present value of minimum lease payments	6,147	
Less: current installments	1,168	
Capital lease obligations, less current installments	$ 4,979	

The Company enters into contractual commitments to deliver products and services in the ordinary course of business. The Company believes that all such contractual commitments will be performed or renegotiated such that no material adverse financial impact on the Company’s financial position, results of operations or liquidity will result from these commitments.

Note 9—Common Stock and Stock-Based Awards Plans

On March 6, 2018, the Board of Directors approved an expanded stock repurchase authorization granting the Company authority to repurchase up to $250 million in common stock in addition to the $100 million previously approved on December 7, 2015. On October 26, 2018, the Board of Directors authorized the repurchase of an additional $100 million of the Company’s common stock. As of December 31, 2018, the Company had $201.6 million remaining under the stock repurchase authorization.

Share purchases may be made in the open market, in privately negotiated transactions or block transactions, at the discretion of the Company’s management and as market conditions warrant. Purchases will be funded from available cash and may be commenced, suspended or discontinued at any time without prior notice. Shares repurchased under the program are retired. During 2018, the Company repurchased a total of 8.2 million common shares for $211.9 million at an average price of $25.71 per share. During 2017, the Company repurchased a total of 1.0 million common shares for $29.3 million at an average price of $30.46 per share. During 2016, the Company repurchased a total of 2.0 million common shares for $41.9 million at an average price of $21.40 per share.

The Company began declaring and paying quarterly dividends during the first quarter of 2018. During 2018, cash dividends paid totaled $21.0 million. On December 17, 2018, the Company declared a quarterly cash dividend of $0.15 per share of the Company’s common stock to shareholders of record as of December 31, 2018. The dividend of $6.2 million was paid on January 11, 2019. The Board of Directors currently intends to continue paying quarterly dividends. However, the Company’s future dividend policy is subject to the Company’s compliance with applicable law, and depending on, among other things, the Company’s results of operations, financial condition, level of indebtedness, capital requirements, contractual restrictions, restrictions in the Company's debt agreements, and other factors that the Board of Directors may deem relevant. Dividend payments are not mandatory or guaranteed; there can be no assurance that the Company will continue to pay a dividend in the future.

The Company's 2010 Omnibus Incentive Compensation Plan (the 2010 Plan) authorizes the Company, upon approval of the Compensation Committee of the Board of Directors, to grant a variety of awards, including stock options, restricted shares and restricted stock units (both time-based and performance-based) and other forms of equity awards, or any combination thereof, to any director, officer, employee or consultant (including any prospective director, officer, employee or consultant) of the Company. Stock options (which have not been awarded since 2015) are granted to employees with an exercise price equal to the market price of the Company's common stock on the date of grant, generally vest over a four-year period from the date of grant and have a term of 10 years. Time-based restricted stock units granted to employees generally vest over a four-year period from the date of grant, subject to the continued employment of the employee by the Company. Performance-based restricted stock units generally vest over a three-year performance cycle, which includes the year of the grant, and are based upon the Company's achievement of specified performance metrics. Awards under the 2010 Plan to non-employee directors have been in the form of restricted stock units, which vest in equal quarterly installments over a one-year period, starting on the grant date.

As of December 31, 2018, 2.7 million additional common shares were available for issuance under the Company's 2010 Plan.

The following table summarizes activities related to the Company's stock options:

(in thousands, except per share data)	**Number of Options**	**Weighted-Average Exercise Price**	**Weighted-Average Remaining Contractual Term (Years)**	**Aggregate Intrinsic Value**
Outstanding as of December 31, 2015	2,580	$ 20.49		
Exercised	(928)	20.29		
Forfeited or expired	(455)	23.49		
Outstanding as of December 31, 2016	1,197	19.51		
Exercised	(582)	19.28		
Forfeited or expired	(19)	19.76		
Outstanding as of December 31, 2017	596	19.72		
Exercised	(200)	18.21		
Forfeited or expired	(22)	22.99		
Outstanding as of December 31, 2018	374	$ 20.35	4.37	$ 680
Exercisable as of December 31, 2018	340	$ 20.07	3.44	$ 680

The aggregate intrinsic value in the table above is before income taxes and is calculated as the difference between the exercise price of the underlying options and the Company’s closing stock price as of the last business day of 2018 for options that had exercise prices that were below the closing price.

As of December 31, 2018, 2017 and 2016, the number of options exercisable was 0.3 million, 0.4 million and 0.9 million, respectively, and the weighted-average exercise price of those options was $20.07, $18.56 and $18.53, respectively.

During 2016, the Company's remaining outstanding restricted shares vested, and, as of December 31, 2018, 2017 and 2016, the Company had no restricted shares outstanding. Restricted stock units, time-based and performance-based, remain outstanding as detailed below.

The following table summarizes the activities related to the Company's time-based restricted stock units:

(in thousands, except per share data)	Number of Units	Weighted-Average Grant Date Fair Value
Non-vested awards outstanding as of December 31, 2015	467	$ 21.59
Granted	392	22.71
Vested	(209)	21.07
Forfeited	(125)	21.85
Non-vested awards outstanding as of December 31, 2016	525	22.57
Granted	314	31.56
Vested	(206)	21.84
Forfeited	(40)	24.21
Non-vested awards outstanding as of December 31, 2017	593	27.47
Granted	407	29.44
Vested	(306)	27.25
Forfeited	(99)	27.52
Non-vested awards outstanding as of December 31, 2018	595	$ 28.93

The following table summarizes the activities related to the Company's performance-based restricted stock units:

(in thousands, except per share data)	Number of Units	Weighted-Average Grant Date Fair Value
Non-vested units outstanding as of December 31, 2015	306	$ 19.77
Granted[1]	184	21.63
Forfeited	(263)	19.64
Non-vested units outstanding as of December 31, 2016	227	21.43
Granted[1]	172	31.60
Forfeited	(53)	18.81
Non-vested units outstanding as of December 31, 2017	346	26.88
Granted[1]	120	29.60
Forfeited	(147)	24.06
Non-vested units outstanding as of December 31, 2018	319	$ 29.19

[1] Represents target number of units that can vest based on the achievement of the performance goals.

Note 10—Income Taxes

Income tax expense (benefit) based on income before income taxes consisted of the following:

(in thousands)		Year Ended December 31, 2018	2017 (as adjusted)	2016
Current:				
	U.S. Federal	$ (14,831)	$ 85,633	$ (1,032)
	State and local	10,110	804	498
	Foreign	29,817	9,047	(2,379)
		25,096	95,484	(2,913)
Deferred:				
	U.S. Federal	(249)	8,337	5,261
	State and local	(550)	(213)	1,196
	Foreign	8,427	(702)	1,933
		7,628	7,422	8,390
		$ 32,724	$ 102,906	$ 5,477

Worldwide income (loss) before income taxes consisted of the following:

(in thousands)	Year Ended December 31, 2018	2017 (as adjusted)	2016
United States	$ (23,645)	$ (14,984)	$ 9,994
Foreign	79,186	85,989	59,416
	$ 55,541	$ 71,005	$ 69,410

Income tax expense differed from the amounts computed by applying the U.S. Federal statutory income tax rate to income before income taxes as a result of the following:

(in thousands)	Year Ended December 31, 2018	2017 (as adjusted)	2016
Tax at statutory rate	$ 11,664	$ 24,852	$ 24,294
State taxes, net of federal tax effect	7,553	384	1,102
Effect of foreign operations and tax incentives	(11,945)	(20,703)	(15,496)
Change in valuation allowance	2,114	(203)	(1,152)
Excess tax-benefits of stock-based compensation	(143)	(1,658)	—
Provisional impact of U.S. Tax Reform	(4,353)	97,707	—
Impact of cash repatriation	21,612	—	—
GILTI	3,206	—	—
Losses in foreign jurisdictions for which no benefit has been provided	1,423	106	2,106
Change in uncertain tax benefits reserve	(317)	—	(8,270)
Other	1,910	2,421	2,893
Total income tax expense	$ 32,724	$ 102,906	$ 5,477

The U.S. Tax Cuts and Jobs Act (U.S. Tax Reform), which was signed into law on December 22, 2017, significantly changed U.S. tax law by, among other things, lowering corporate income tax rates, implementing a territorial tax system, adding a global intangible taxation regime and imposing a transition (Transition Tax) tax on deemed repatriated cumulative earnings of foreign subsidiaries. The U.S. Tax Reform reduced the U.S. corporate income tax rate from a maximum of 35% to a flat 21% rate, effective January 1, 2018. The Company recorded the effects of the changes in the tax rate in our deferred tax assets and liabilities as of December 31, 2017.

To minimize tax base erosion with a territorial tax system, the U.S. Tax Reform enacted a new global intangible low-taxed income (GILTI) provision that requires the Company to include in its U.S. income tax return foreign subsidiary earnings in excess of an allowable return on the foreign subsidiaries tangible assets. The taxable earnings can be offset by a limited deemed paid foreign tax credit with no carrybacks or carryforwards available. The Company is subject to the GILTI provisions. The Company elected to account for the GILTI as a period cost and include the effect in the period in which it is incurred and not include it as a factor in the determination of deferred taxes.

On December 22, 2017, additional guidance was issued on accounting for the tax effects of the U.S. Tax Reform (Staff Accounting Bulletin No. 118 (SAB 118)). SAB 118 provided a measurement period that should not extend beyond one year from the U.S. Tax Reform enactment date for companies to complete their accounting. The Company recorded a provisional tax expense of $101.6 million for the Transition Tax, and recognized a provisional deferred tax benefit of $3.9 million for a total net expense of $97.7 million as of December 31, 2017. As of December 31, 2018, the Company has completed the accounting for the tax effects of U.S. Tax Reform within the period required from the enactment date. The Company recognized during the fourth quarter of 2018 after filing its U.S. income tax return, a discrete tax benefit adjustment of $6.4 million for the Transition Tax, and recorded a discrete tax expense adjustment of $2.0 million for the finalization of the deferred tax assets and liabilities for a net total adjustment of $4.4 million. These adjustments were based on additional analysis of undistributed cumulative foreign earnings, cumulative foreign taxes, changes in interpretations, and additional regulatory guidance that was issued during 2018 by the Internal Revenue Service (IRS).

As a result of the completed accounting for the Transition Tax, the Company determined that its total Transition Tax liability is currently $63.8 million after reduction for U.S. tax carryforward losses, U.S. tax credit carryforwards, and foreign tax credit carrybacks that are allowed to be utilized against the total liability. The Company intends to pay this liability over the remaining seven year payment period as prescribed by the U.S. Tax Reform and regulatory guidance issued by the IRS. $58.4 million of the Transition Tax liability is included in other long term liabilities.

During 2018, the Company repatriated $560.6 million of foreign earnings to the U.S. As of December 31, 2018, the Company has approximately $330 million in cumulative undistributed foreign earnings of its foreign subsidiaries. These earnings would not be subject to U.S. income tax, if distributed to the Company. The Company has changed its assertion on its foreign subsidiaries earnings that are permanently reinvested. A certain amount of earnings from specific foreign subsidiaries are permanently reinvested, and certain foreign earnings from other specific foreign subsidiaries is considered to be non-permanently reinvested and is available for immediate distribution to the Company. Income taxes have been accrued on the non-permanently reinvested foreign earnings including the 2017 Transition Tax, the U.S. tax on Global Intangible Low Taxed Income (GILTI), and any applicable local withholding taxes. The Company estimates that it has approximately $2.3 million of unrecognized deferred tax liability related to any remaining undistributed foreign earnings that have not already been subject to the 2017 Transition Tax, the U.S. tax on GILTI, and any applicable foreign income tax or local withholding taxes on cash distributions.

As a result of this change in assertion for undistributed earnings prior to December 31, 2017, the Company recorded a net tax expense of $21.6 million consisting of tax expense of $30.8 million relating to foreign withholding tax from Asia and a net benefit of $9.2 million for U.S. foreign tax credits to offset the foreign taxes paid during 2018. In addition, the Company recorded applicable U.S. state income tax expense net of federal benefits related to the cash repatriation. Also during 2018, the Company incurred a net $4.4 million benefit associated with finalizing the provisional impact of the U.S. Tax Reform described above as required by SAB 118, and incurred a $3.2 million tax expense as a result of GILTI.

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are presented below:

(in thousands)	December 31, 2018	 2017 (as adjusted)
Deferred tax assets:		
Carrying value of inventories	$ 2,787	$ 2,474
Accrued liabilities and allowances deductible for tax purposes on a cash basis	6,108	6,387
Goodwill	2,351	2,732
Stock-based compensation	2,347	2,359
Net operating loss carryforwards	20,028	22,096
Tax credit carryforwards	1,923	2,007
Other	4,373	5,924
	39,917	43,979
Less: valuation allowance	(13,709)	(15,823)
Net deferred tax assets	26,208	28,156
Deferred tax liabilities:		
Plant and equipment, due to differences in depreciation	(7,617)	(8,543)
Intangible assets, due to differences in amortization	(18,593)	(20,891)
ASC 606 revenue recognition	(1,640)	(1,667)
Foreign withholding tax	(9,212)	-
Other	(991)	(1,715)
Gross deferred tax liability	(38,053)	(32,816)
Net deferred tax liability	$ (11,845)	$ (4,660)
The net deferred tax liability is classified as follows:		
Long-term asset	$ 2,478	$ 4,034
Long-term liability	(14,323)	(8,694)
Total	$ (11,845)	$ (4,660)

All deferred taxes are classified as non-current on the balance sheet as of December 31, 2018 and 2017. All deferred tax assets and liabilities are offset and presented as a single net noncurrent amount by each tax jurisdiction.

The net change in the total valuation allowance for 2018, 2017 and 2016 was a $2.1 million decrease, a $0.2 million decrease and a $1.2 million decrease, respectively. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the periods which the deferred tax assets are deductible, management believes it is more likely than not the Company will realize the benefits of these deductible differences, net of the existing valuation allowances as of December 31, 2018.

As of December 31, 2018, the Company had $24.4 million in U.S. Federal operating loss carryforwards which will expire from 2025 to 2036; state operating loss carryforwards of approximately $67.0 million which will expire from 2019 to 2031; foreign operating loss carryforwards of approximately $24.8 million with indefinite carryforward periods; and foreign operating loss carryforwards of approximately $20.5 million which will expire at varying dates through 2028. The utilization of these net operating loss carryforwards is limited to the future operations of the Company in the tax jurisdictions in which such carryforwards arose. The Company has state tax credit carryforwards of $1.9 million which will expire at varying dates through 2036.

The Company has been granted certain tax incentives, including tax holidays, for its subsidiaries in China, Malaysia and Thailand that will expire at various dates, unless extended or otherwise renegotiated, through 2018 in China, 2021 in Malaysia and 2028 in Thailand, and are subject to certain conditions with which the Company expects to comply. The net impact of these tax incentives was to lower income tax expense for 2018, 2017, and 2016 by approximately $7.9 million (approximately $0.17 per diluted share), $7.2 million (approximately $0.15 per diluted share) and $6.7 million (approximately $0.13 per diluted share), respectively, as follows:

	Year Ended December 31,		
(in thousands)	**2018**	**2017**	**2016**
China	$ 1,884	$ 1,398	$ 1,302
Malaysia	3,287	4,295	2,346
Thailand	2,715	1,545	3,068
	$ 7,886	$ 7,238	$ 6,716

The Company must determine whether it is “more-likely-than-not” that a tax position will be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. Once it is determined that a position meets the more-likely-than-not recognition threshold, the position is measured to determine the amount of benefit to recognize in the financial statements. As of December 31, 2018, the total amount of the reserve for uncertain tax benefits including interest and penalties was $0.4 million. A reconciliation of the beginning and ending amount of unrecognized tax benefits, excluding interest and penalties, is as follows:

	December 31,		
(in thousands)	**2018**	**2017**	**2016**
Balance as of January 1	$ 708	$ 7,791	$ 13,114
Additions related to current year tax positions	137	220	—
Decreases as a result of a lapse of applicable statute of limitations in current year	—	—	(5,079)
Additions related to prior year tax positions	—	894	89
Decreases related to prior year tax positions	(532)	(8,197)	(333)
Balance as of December 31	$ 313	$ 708	$ 7,791

During 2018, the Company released $0.5 million of uncertain tax benefits from an IRS audit related to the Secure Communication Systems, Inc. acquisition. During the first quarter of 2018, the IRS indicated that this examination of years 2013 to 2015 was closed. In addition, the IRS also notified the Company that the examination of the Company’s consolidated U.S. income tax return filings for 2014 was also closed with no additional tax costs. During 2017, the Company released $0.9 million of uncertain tax benefits related to the liquidation of a foreign subsidiary company.

Also during 2017, the Company received a denial of its appeal to the local tax authorities related to an examination for a subsidiary in Thailand for the years 2004 to 2005. Consequently, the Company recorded $0.9 million of additional accruals for uncertain tax benefits. The Company decided not to challenge this decision and therefore, the $7.3 million reserve for uncertain tax benefits was written off. This decrease in the unrecognized tax benefit reserve did not impact the Company’s effective tax rate. The decrease in the reserve during 2016 of $5.1 million was a result of the expiration of the statute of limitations for a foreign subsidiary that was liquidated in 2011 and closed its operations in 2005.

The reserve is classified as a current or long-term liability in the consolidated balance sheet based on the Company's expectation of when the items will be settled. The Company records interest expense and penalties accrued in relation to uncertain income tax benefits as a component of current income tax expense. The amount of accrued potential interest on unrecognized tax benefits included in the reserve as of December 31, 2018 is $0.1 million. The reserve for potential penalties is $17.0 thousand. The total amount of interest and penalties included in income tax expense was $0.1 million during 2018. The Company did not incur any interest and penalties in 2017 or 2016.

The Company and its subsidiaries in Brazil, China, Ireland, Malaysia, Mexico, the Netherlands, Romania, Singapore, Thailand and the United States remain open to examination by the various local taxing authorities, in total or in part, for fiscal years 2011 to 2018. Currently, the Company does not have any ongoing income tax examinations by any jurisdiction. During the course of such income tax examinations, disputes may occur as to matters of fact or law. Also, in most tax jurisdictions, the passage of time without examination will result in the expiration of applicable statutes of limitations thereby precluding examination of the tax period(s) for which such statute of limitation has expired. The Company believes that it has adequately provided for its tax liabilities.

Note 11—Major Customers

The Company's customers operate in industries that are, to a varying extent, subject to rapid technological change, vigorous competition and short product life cycles. Developments adverse to the electronics industry, the Company's customers or their products could impact the Company's overall credit risk.

The Company extends credit based on evaluation of its customers' financial condition and generally does not require collateral or other security from its customers and would incur a loss equal to the carrying value of the accounts receivable if its customer failed to perform according to the terms of the credit arrangement.

Sales to the ten largest customers represented 44%, 46% and 43% of total sales for 2018, 2017 and 2016, respectively. Sales to our largest customers were as follows for the indicated periods:

	Year ended December 31,		
(in thousands)	**2018**	**2017**	**2016**
International Business Machines Corporation	$ 323,795	$ 284,636	$ *
Applied Materials, Inc.	$ *	$ 248,183	$ *

* amount is less than 10% of total.

Note 12—Financial Instruments and Concentration of Credit Risk

The Company’s financial instruments include cash equivalents, accounts and other receivables, accounts payable, accrued liabilities and long-term debt and capital lease obligations. The Company believes that the carrying values of these instruments approximate fair value. As of December 31, 2018, the Company’s long-term investments and derivative instruments were recorded at fair value using Level 3 inputs. The Company uses derivative instruments to manage the variability of foreign currency obligations and interest rates. The Company does not enter into derivative arrangements for speculative purposes.

The forward currency exchange contract in place as of December 31, 2018 has not been designated as accounting hedges and, therefore, changes in fair value are recorded within the Consolidated Statements of Income.

The Company has an interest rate swap agreement with a notional amount of $150.0 million as of December 31, 2018 to hedge a portion of its interest rate exposure on outstanding borrowings under the Credit Agreement. Under this interest rate swap agreement, the Company receives variable rate interest rate payments based on the one-month LIBOR rate and pays fixed rate interest payments. The fixed interest rate for the contract is 2.928%. The effect of this swap is to convert a portion of the floating rate interest expense to fixed interest rate expense. Based on the terms of the interest rate swap contract and the underlying borrowings outstanding under the Credit Agreement, the interest rate contract was determined to be highly effective, and thus qualifies and has been designated as a cash flow hedge. As such, changes in the fair value of the interest rate swap are recorded in other comprehensive income on the accompanying Condensed Consolidated Balance Sheets until earnings are affected by the variability of cash flows. As of December 31, 2017, the Company had an interest rate swap agreement with a notional amount of $155.3 million with a fixed interest rate of 1.4935%. During 2018, the Company terminated this agreement for $3.5 million and the gain is being amortized to offset interest expense over the original term of the swap agreement.

The fair value of the interest rate swap agreements was a $3.0 million liability as of December 31, 2018 and a $2.0 million asset as of December 31, 2017. During the year ended December 31, 2018, the Company recorded unrealized losses of $1.5 million ($1.1 million net of tax) on the swaps in other comprehensive income and transferred unrealized gains of $0.3 million ($0.2 million net of tax) on the swaps to interest expense. During the year ended December 31, 2017, the Company recorded unrealized gains of $1.5 million ($0.9 million net of tax) on the swap in other comprehensive income. See Note 21.

Financial instruments that subject the Company to credit risk consist of cash and cash equivalents, investments and trade accounts receivable. Management maintains the majority of the Company’s cash and cash equivalents with financial institutions. One of the most significant credit risks is the ultimate realization of accounts receivable. This risk is mitigated by (i) sales to well established companies, (ii) ongoing credit evaluation of customers, and (iii) frequent contact with customers, thus enabling management to monitor current changes in business operations and to respond accordingly. Management considers these concentrations of credit risks in establishing our allowance for doubtful accounts and believes these allowances are adequate. The Company had one customer whose gross accounts receivable exceeded 10% of total gross accounts receivable as of December 31, 2018. Our largest customer represented 19% of our total gross accounts receivable.

Note 13—Concentrations of Business Risk

Substantially all of the Company’s sales are derived from manufacturing services in which the Company purchases components specified by its customers. The Company uses numerous suppliers of electronic components and other materials for its operations. Some components used by the Company have been subject to industry-wide shortages, and suppliers have been forced to allocate available quantities among their customers. The Company’s inability to obtain any needed components during periods of allocation could cause delays in manufacturing and could adversely affect results of operations.

Note 14—Accounts Receivable Sale Program

As of December 31, 2018, in connection with a trade accounts receivable sale program with an unaffiliated financial institution, the Company may elect to sell, at a discount, on an ongoing basis, up to a maximum of $80.0 million of specific accounts receivable at any one time.

During the years ended December 31, 2018 and 2017, the Company sold $160.0 million and $145.0 million, respectively, of accounts receivable under this program, and in exchange, the Company received cash proceeds of $159.5 million and $144.7 million, respectively, net of the discount. The loss on the sale resulting from the discount was recorded to other expense within the Consolidated Statements of Income.

Note 15—Segment and Geographic Information

The Company currently has manufacturing facilities in the Americas, Asia and Europe to serve its customers. The Company is operated and managed geographically, and management evaluates performance and allocates the Company's resources on a geographic basis. Intersegment sales are generally recorded at prices that approximate arm's length transactions. Operating segments' measure of profitability is based on income from operations. The accounting policies for the reportable operating segments are the same as for the Company taken as a whole. The Company has three reportable operating segments: Americas, Asia, and Europe. Information about operating segments is as follows:

	Year Ended December 31,		
(in thousands)	**2018**	**2017**	**2016**
Net sales:		**(as adjusted)**	**(as adjusted)**
Americas	$ 1,647,402	$ 1,584,729	$ 1,589,933
Asia	801,312	777,616	653,888
Europe	186,517	176,954	157,837
Elimination of intersegment sales	(68,766)	(84,820)	(79,373)
	$ 2,566,465	$ 2,454,479	$ 2,322,285
Depreciation and amortization:			
Americas	$ 22,668	$ 21,972	$ 23,275
Asia	11,496	11,849	15,832
Europe	3,498	2,891	2,794
Corporate	14,177	11,960	13,238
	$ 51,839	$ 48,672	$ 55,139
Income from operations:			
Americas	$ 61,731	$ 68,433	$ 87,582
Asia	72,442	74,701	46,749
Europe	10,229	10,805	10,058
Corporate and intersegment eliminations	(85,864)	(77,113)	(67,529)
	$ 58,538	$ 76,826	$ 76,860
Other income (expense):			
Interest expense	$ (10,473)	$ (9,405)	$ (9,304)
Interest income	6,848	5,370	2,136
Other income (expense)	628	(1,786)	(282)
Income before income taxes	$ 55,541	$ 71,005	$ 69,410
Capital expenditures:			
Americas	$ 44,204	$ 27,139	$ 20,766
Asia	14,400	18,115	7,858
Europe	2,388	4,915	1,441
Corporate	5,740	4,337	2,269
	$ 66,732	$ 54,506	$ 32,334
Total assets:			
Americas	$ 852,776	$ 812,187	$ 871,577
Asia	540,094	674,783	637,376
Europe	113,165	470,786	393,973
Corporate and other	393,748	151,548	105,999
	$ 1,899,783	$ 2,109,304	$ 2,008,925

Geographic net sales information provided below reflects the destination of the product shipped. Long-lived assets information is based on the physical location of the asset.

	Year Ended December 31,		
(in thousands)	**2018**	**2017**	**2016**
Geographic net sales:		**(as adjusted)**	**(as adjusted)**
United States	$ 1,741,321	$ 1,650,791	$ 1,624,050
Asia	423,245	432,530	336,022
Europe	299,676	291,006	254,272
Other	102,223	80,152	107,941
	$ 2,566,465	$ 2,454,479	$ 2,322,285
Long-lived assets:			
United States	$ 190,056	$ 167,858	$ 167,367
Asia	79,051	77,750	67,998
Europe	9,537	11,042	8,415
Other	22,945	25,830	24,290
	$ 301,589	$ 282,480	$ 268,070

Note 16 – Revenue

The Company’s revenues are generated primarily from the sale of manufactured products built to customer specifications. The Company also generates revenue from design, development and engineering services, in addition to the sale of other inventory.

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control over a manufactured product to a customer. The Company’s contracts with customers are generally short-term in nature. Customers are generally billed when the product is shipped or as services are performed. Under the majority of the Company’s manufacturing contracts with customers, the customer controls all of the work-in-progress as products are being built. Revenues under these contracts are recognized progressively based on the cost-to-cost method. For other manufacturing contracts, the customer does not take control of the product until it is completed. Under these contracts, the Company recognizes revenue upon transfer of control of the product to the customer. Revenue from design, development and engineering services is recognized over time as the services are performed. The Company assumes no significant obligations after shipment as it typically warrants workmanship only. Therefore, the warranty provisions are generally not significant.

If the Company records revenue, but does not issue an invoice, a contract asset is recognized. The contract asset is transferred to accounts receivable when the entitlement to payment becomes unconditional.

Taxes assessed by governmental authorities that are both imposed on and concurrent with a specific revenue-producing transaction, that are collected by the Company from a customer, are excluded from revenue.

Shipping and handling costs associated with outbound freight after control over a product has transferred to a customer are accounted for as fulfillment costs and are included in cost of sales.

Disaggregation of revenue

In the following tables, revenue is disaggregated by market sector. The tables also include a reconciliation of the disaggregated revenue with the reportable operating segments.

	Reportable Operating Segments			
	Year Ended December 31, 2018			
(in thousands)	**Americas**	**Asia**	**Europe**	**Total**
Market Sector:				
Industrials	$ 184,500	$ 241,765	$ 66,798	$ 493,063
A&D	374,852	—	31,550	406,402
Medical	235,287	144,528	14,152	393,967
Test and instrumentation	155,687	135,299	63,992	354,978
Computing	504,391	69,657	6,797	580,845
Telecommunications	162,813	171,520	2,877	337,210
External revenue	1,617,530	762,769	186,166	2,566,465
Elimination of intersegment sales	29,872	38,543	351	68,766
Segment revenue	$ 1,647,402	$ 801,312	$ 186,517	$ 2,635,231

	Year Ended December 31, 2017 (as adjusted)			
	Americas	**Asia**	**Europe**	**Total**
Market Sector:				
Industrials	$ 213,699	$ 213,504	$ 69,233	$ 496,436
A&D	361,200	2,430	28,060	391,690
Medical	204,677	149,650	19,458	373,785
Test and instrumentation	158,151	140,967	47,223	346,341
Computing	444,401	85,988	9,971	540,360
Telecommunications	172,122	130,954	2,791	305,867
External revenue	1,554,250	723,493	176,736	2,454,479
Elimination of intersegment sales	30,479	54,123	218	84,820
Segment revenue	$ 1,584,729	$ 777,616	$ 176,954	$ 2,539,299

	Year Ended December 31, 2016 (as adjusted)			
(in thousands)	**Americas**	**Asia**	**Europe**	**Total**
Market Sector:				
Industrials	$ 307,261	$ 176,184	$ 60,358	$ 543,803
A&D	333,383	1,113	35,178	369,674
Medical	190,167	136,398	19,409	345,974
Test and instrumentation	125,680	90,708	27,019	243,407
Computing	369,719	66,695	10,768	447,182
Telecommunications	239,779	129,061	3,405	372,245
External revenue	1,565,989	600,159	156,137	2,322,285
Elimination of intersegment sales	23,944	53,729	1,700	79,373
Segment revenue	$ 1,589,933	$ 653,888	$ 157,837	$ 2,401,658

During 2018, 2017 and 2016, 93.0%, 93.4% and 92.7%, respectively, of the Company's revenue was recognized as products and services are transferred over time.

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Note 17—Employee Benefit Plans

The Company has defined contribution plans qualified under Section 401(k) of the Internal Revenue Code for the benefit of all its U.S. employees. The Company's contributions to the plans are based on employee contributions and compensation. During 2018, 2017 and 2016, the Company made contributions to the plans of approximately $5.6 million, $5.2 million and $5.2 million, respectively. The Company also has defined contribution benefit plans for certain of its international employees primarily dictated by the custom of the regions in which it operates. During 2018, 2017 and 2016, the Company made contributions to the international plans of approximately $0.1 million, $0.1 million and $0.1 million, respectively.

Note 18—Contingencies

The Company is involved in various legal actions arising in the ordinary course of business. Other than designated below, in the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Company's consolidated financial position or results of operations.

In the case of Nick Myers vs. Benchmark Electronics, Inc. AAA Case No. 01-17-0005-7313, the claimant asserted various breach of contract and misrepresentation claims in connection with the former employee's compensation package and claims under the Maryland Wage Payment and Collection Law, seeking recovery of allegedly unpaid bonuses. The assigned arbitrator rendered a decision on July 9, 2018, finding in favor of claimant on the issue of liability. A separate damages hearing was held in October 2018 and, on January 3, 2019, the arbitrator awarded $1.4 million to the claimant. On January 25, 2019, the Company filed an action in the United States District Court for the District of Maryland seeking to vacate the final arbitration award. During the fourth quarter of 2018, the Company reserved the full amount of this claim.

Note 19—Restructuring Charges

The Company has undertaken initiatives to restructure its business operations to improve utilization and realize cost savings. These initiatives have included changing the number and location of production facilities, largely to align capacity and infrastructure with current and anticipated customer demand. This alignment includes transferring programs from higher cost geographies to lower cost geographies. The process of restructuring entails moving production between facilities, reducing staff levels, realigning our business processes, reorganizing our management and other activities.

The Company recognized restructuring charges during 2018, 2017 and 2016 primarily related to the closure of facilities in the Americas, capacity reduction and reductions in workforce in certain facilities across various regions.

The following table summarizes the 2018 activity in the accrued restructuring balances related to the various restructuring activities initiated prior to December 31, 2018:

(in thousands)	**Balance as of December 31, 2017**	**Restructuring Charges**	**Cash Payment**	**Non-Cash Activity**	**Foreign Exchange Adjustments**	**Balance as of December 31, 2018**
2018 Restructuring:						
Severance	$ —	$ 2,815	$ (2,533)	$ —	$ —	$ 282
Other exit costs	—	1,773	(855)	—	—	918
	—	4,588	(3,388)	—	—	1,200
2017 Restructuring:						
Severance	47	3	(50)	—	—	—
Lease facility costs	—	96	(96)	—	—	—
Other exit costs	198	270	(309)	—	(24)	135
	245	369	(455)	—	(24)	135
2016 Restructuring:						
Severance	29	(6)	(23)	—	—	—
Other exit costs	16	246	(146)	(116)	—	—
	45	240	(169)	(116)	—	—
Total	$ 290	$ 5,197	$ (4,012)	$ (116)	$ (24)	$ 1,335

The components of the restructuring charges initiated during 2018 were as follows:

(in thousands)	**Americas**	**Asia**	**Europe**	**Total**
Severance costs	$ 2,496	$ 274	$ 45	$ 2,815
Other exit costs	1,773	—	—	1,773
	$ 4,269	$ 274	$ 45	$ 4,588

During 2018, the Company recognized $2.8 million of employee termination costs associated with the involuntary terminations of 490 employees in connection with reductions in workforce worldwide. The identified involuntary employee terminations by reportable geographic region amounted to approximately 432, 23 and 35 for the Americas, Asia and Europe, respectively.

The following table summarizes the 2017 activity in the accrued restructuring balances related to the various restructuring activities initiated prior to December 31, 2017:

(in thousands)	**Balance as of December 31, 2016**	**Restructuring Charges**	**Cash Payment**	**Non-Cash Activity**	**Foreign Exchange Adjustments**	**Balance as of December 31, 2017**
2017 Restructuring:						
Severance	$ —	$ 2,172	$ (2,125)	$ —	$ —	$ 47
Lease facility costs	—	264	(264)	—	—	—
Other exit costs	—	531	(335)	—	2	198
	—	2,967	(2,724)	—	2	245
2016 Restructuring:						
Severance	738	(42)	(667)	—	—	29
Lease facility costs	—	58	(58)	—	—	—
Other exit costs	545	1,953	(2,442)	(42)	2	16
	1,283	1,969	(3,167)	(42)	2	45
Total	$ 1,283	$ 4,936	$ (5,891)	$ (42)	$ 4	$ 290

The components of the restructuring charges initiated during 2017 were as follows:

(in thousands)	**Americas**	**Asia**	**Total**
Severance costs	$ 1,985	$ 187	$ 2,172
Lease facility costs	264	—	264
Other exit costs	531	—	531
	$ 2,780	$ 187	$ 2,967

During 2017, the Company recognized $2.2 million of employee termination costs associated with the involuntary terminations of 163 employees in connection with reductions in workforce worldwide. The identified involuntary employee terminations by reportable geographic region amounted to approximately 160 and 3 for the Americas and Asia, respectively.

The components of the restructuring charges initiated during 2016 were as follows:

(in thousands)	**Americas**	**Asia**	**Europe**	**Total**
Severance costs	$ 1,726	$ 1,904	$ —	$ 3,630
Other exit costs	924	—	53	977
	$ 2,650	$ 1,904	53	$ 4,607

During 2016, the Company recognized $3.6 million of employee termination costs associated with the involuntary terminations of 582 employees in connection with reductions in workforce worldwide. The identified involuntary employee terminations by reportable geographic region amounted to approximately 370 and 212 for the Americas and Asia, respectively.

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Note 20—Quarterly Financial Data (Unaudited)

The following table sets forth certain unaudited quarterly information with respect to the Company’s results of operations for the years 2018, 2017 and 2016. Earnings per share are computed independently for each of the quarters presented. Therefore, the sum of the quarterly earnings per share may not equal the total earnings per share amounts for the fiscal year.

	2018 Quarter			
(in thousands, except per share data)	**1st**	**2nd**	**3rd**	**4th**
Sales	$ 608,136	$ 660,591	$ 640,688	$ 657,050
Gross profit	58,318	54,299	52,777	55,199
Net income (loss)	(23,641)	10,943	7,799	27,716
Earnings (loss) per common share:				
Basic	(0.49)	0.23	0.17	0.64
Diluted	(0.49)	0.23	0.17	0.64

	2017 Quarter (as adjusted)			
(in thousands, except per share data)	**1st**	**2nd**	**3rd**	**4th**
Sales	$ 557,903	$ 619,611	$ 610,929	$ 666,036
Gross profit	47,532	59,484	58,243	60,661
Net income (loss)	8,555	18,074	17,831	(76,361)
Earnings (loss) per common share:				
Basic	0.17	0.36	0.36	(1.54)
Diluted	0.17	0.36	0.35	(1.54)

	2016 Quarter (as adjusted)			
(in thousands, except per share data)	**1st**	**2nd**	**3rd**	**4th**
Sales	$ 535,195	$ 580,513	$ 586,534	$ 620,043
Gross profit	48,409	53,200	54,180	58,896
Net income	9,374	12,688	22,544	19,327
Earnings per common share:				
Basic	0.19	0.26	0.46	0.39
Diluted	0.19	0.26	0.46	0.39

Note 21—Accumulated Other Comprehensive Loss

The changes in accumulated other comprehensive loss by component were as follows:

(in thousands)	Foreign currency translation adjustments	Derivative instruments, net of tax	Unrealized loss on investments, net of tax	Other	Total
Balances, December 31, 2015	$ (13,079)	$ —	$ (95)	$ 158	$ (13,016)
Other comprehensive gain (loss) before reclassifications	(1,465)	286	21	(1)	(1,159)
Amounts reclassified from accumulated other comprehensive loss	—	—	—	(1)	(1)
Net current period other comprehensive loss	(1,465)	286	21	(2)	(1,160)
Balances, December 31, 2016	(14,544)	286	(74)	156	(14,176)
Other comprehensive gain (loss) before reclassifications	4,977	1,192	33	(175)	6,027
Net current period other comprehensive gain (loss)	4,977	1,192	33	(175)	6,027
Balances, December 31, 2017	(9,567)	1,478	(41)	(19)	(8,149)
Other comprehensive gain (loss) before reclassifications	(2,273)	(1,126)	41	619	(2,739)
Amounts reclassified from accumulated other comprehensive loss	—	(236)	—	—	(236)
Net current period other comprehensive gain (loss)	(2,273)	(1,362)	41	619	(2,975)
Balances, December 31, 2018	$ (11,840)	$ 116	$ —	$ 600	$ (11,124)

See Note 12 for further explanation of the change in derivative instruments that is recorded to Accumulated Other Comprehensive Loss. Amounts reclassified from accumulated other comprehensive loss during 2018 and 2016 primarily affected interest expense and selling, general and administrative expenses, respectively.

Note 22—Supplemental Cash Flow and Non-Cash Information

The following is additional information concerning supplemental disclosures of cash payments.

	Year ended December 31,		
(in thousands)	2018	2017	2016
Income taxes paid, net	$ 48,918	$ 6,453	$ 7,865
Interest paid	$ 7,868	$ 8,698	$ 8,305
Non-cash investing activity:			
Additions to property, plant and equipment in accounts payable	$ 6,148	$ 7,761	$ 2,111

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors

Benchmark Electronics, Inc.:

Opinions on the Consolidated Financial Statements and Internal Control Over Financial Reporting

We have audited the accompanying consolidated balance sheets of Benchmark Electronics, Inc. and subsidiaries (the Company) as of December 31, 2018 and 2017, the related consolidated statements of income (loss), comprehensive income (loss), shareholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2018, and the related notes and financial statement schedules listed in Item 15(2) (collectively, the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of December 31, 2018, based on criteria established in *Internal Control – Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2017, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2018, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2018 based on criteria established in *Internal Control – Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Change in Accounting Principle

As discussed in Note 1(q) to the consolidated financial statements, the Company has changed its method of accounting for revenue transactions with customers due to the adoption of Accounting Standards Update No. 2014-09, Revenue from Contracts with Customers, as amended.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control Over Financial Reporting

A company’s internal control over financial reporting is a process designed 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. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

(signed) KPMG LLP

We have served as the Company’s auditor since 1986.

Houston, Texas

February 28, 2019

Management’s Report

Benchmark's management has prepared and is responsible for the consolidated financial statements and related financial data contained in this Report. The consolidated financial statements were prepared in accordance with U.S. generally accepted accounting principles and necessarily include certain amounts based upon management's best estimates and judgments. The financial information contained elsewhere in this Report is consistent with that in the consolidated financial statements.

The Company maintains internal accounting control systems that are adequate to prepare financial records and to provide reasonable assurance that the assets are safeguarded from loss or unauthorized use. We believe these systems are effective, and the cost of the systems does not exceed the benefits obtained.

The Audit Committee, composed exclusively of independent, outside directors, has reviewed all financial data included in this Report and recommended to the full Board inclusion of the audited financial statements contained in the Report. The committee meets periodically with the Company's management and independent registered public accountants on financial reporting matters. The independent registered public accountants have complete access to the Audit Committee and may meet with the committee, without management present, to discuss their audit results and opinions on the quality of financial reporting.

The role of independent registered public accountants is to render a professional, independent opinion on management's financial statements to the extent required by the standards of the Public Company Accounting Oversight Board (United States). Benchmark's responsibility is to conduct its affairs according to the highest standards of personal and corporate conduct.

Item 9. *Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.*

None.

Item 9A. *Controls and Procedures.*

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

As of the end of the period covered by this Report, the Company’s management (with the participation of its chief executive officer and chief financial officer) conducted an evaluation pursuant to Rule 13a-15e promulgated under the Exchange Act, of the effectiveness of the design and operation of the Company’s disclosure controls and procedures (as such term is defined in Rule 13a-15(e) or 15d-15(e) of the Exchange Act). Based on this evaluation, the Company’s chief executive officer and chief financial officer concluded that as of the end of the period covered by this Report such disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by the Company in reports it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and include controls and procedures designed to ensure that information required to be disclosed by the Company in such reports is accumulated and communicated to the Company’s management, including the Company’s chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure.

Management’s Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as such term is defined in Rule 13a-15(f) or Rule 15d-15(f) of the Exchange Act. Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in *Internal Control-Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on our evaluation under the framework, our management concluded that our internal control over financial reporting was effective as of December 31, 2018.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2018 has been audited by KPMG LLP, an independent registered public accounting firm, as stated in their report included in Item 8 of this Report.

Changes in Internal Control Over Financial Reporting

There has been no change in our internal control over financial reporting that occurred during the last fiscal quarter covered by this Annual Report on Form 10-K that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Limitations on Effectiveness of Controls and Procedures

Our management, including our chief executive officer and chief financial officer, does not expect that our disclosure controls and internal controls will prevent 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 all control issues and instances of fraud, if any, within the company have been 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. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls also is based in part upon 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; over time, a control may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Item 9B. *Other Information.*

Not applicable.

PART III

Item 10. *Directors, Executive Officers and Corporate Governance.*

The information under the captions “Election of Directors,” “Executive Officers” and “Section 16(a) Beneficial Ownership Reporting Compliance” in the Company’s Proxy Statement for the 2019 Annual Shareholders Meeting (the 2019 Proxy Statement), to be filed not later than 120 days after the close of the Company’s fiscal year, is incorporated herein by reference in response to this item.

Item 11. *Executive Compensation.*

The information under the captions “Compensation Discussion and Analysis” and “Report of Compensation Committee” in the 2019 Proxy Statement is incorporated herein by reference in response to this item.

Item 12. *Security Ownership of Certain Beneficial Owners and Management and Related Shareholder Matters.*

The information under the caption “Common Share Ownership of Certain Beneficial Owners and Management” in the 2019 Proxy Statement is incorporated herein by reference in response to this item.

The following table sets forth certain information relating to our equity compensation plans as of December 31, 2018:

Plan Category	**Number of securities to be issued upon exercise of outstanding options, warrants and rights**	**Weighted-average exercise price of outstanding options, warrants and rights**	**Number of securities remaining available for future issuance**
Equity compensation plans approved by security holders	1,290,144[1]	$20.35[1]	1,290,144

[1] Includes 916,082 restricted share units and performance restricted share units. The weighted-average exercise price does
not take these awards into account.

Item 13. *Certain Relationships and Related Transactions, and Director Independence.*

The information under the caption “Election of Directors” in the 2019 Proxy Statement is incorporated herein by reference in response to this item.

Item 14. ***Principal Accounting Fees and Services.***

The information under the caption “Audit Committee Report” in the 2019 Proxy Statement is incorporated herein by reference in response to this item.

PART IV

Item 15. ***Exhibits, Financial Statement Schedules.***

(a) (1) Financial statements of the Company filed as part of this Report:

See Item 8 - Financial Statements and Supplementary Data.

(2) Financial statement schedule filed as part of this Report:

Schedule II - Valuation Accounts

		Additions			
(in thousands)	**Balance at Beginning of Period**	**Charges to Operations**	**Other**	**Deductions**	**Balance at End of Period**
Year ended December 31, 2018:					
Allowance for doubtful accounts[1]	$ 105	1,718	—	90	1,733
Year ended December 31, 2017:					
Allowance for doubtful accounts[1]	$ 2,838	1,697	—	4,430	105
Year ended December 31, 2016:					
	$ 3,417	—	—	579	2,838

Allowance for doubtful accounts[1]

[1] Deductions in the allowance for doubtful accounts represent write-offs, net of recoveries, of amounts determined to be uncollectible.

See accompanying Report of Independent Registered Public Accounting Firm incorporated herein by reference.

Item 16. ***Form 10-K Summary.***

None.

Exhibit Number	Description of Exhibit
2.1	Purchase Agreement dated October 20, 2015 (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K dated November 12, 2015 (Commission file number 1-10560))
3.1	Restated Certificate of Formation dated May 17, 2016 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K dated May 17, 2016) (the 8-K) (Commission file number 1-10560)
3.2	Amended and Restated Bylaws of the Company dated May 11, 2016 (incorporated by reference to Exhibit 3.2 to the 8-K)
4.1	Specimen form of certificate evidencing the Common Shares (incorporated by reference to Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2014) (the 10-Q) (Commission file number 1-10560)
10.1	Form of Indemnity Agreement between the Company and its directors and senior officers (incorporated by reference to Exhibit 10.1 to the 10-Q)
10.2 [1]	Benchmark Electronics, Inc. 2000 Stock Awards Plan (2000 Plan) (incorporated by reference to Exhibit 4.8 to the Company's Registration Statement on Form S-8 (Registration Number 333-54186))
10.3 [1]	Form of nonqualified stock option agreement for use under the 2000 Plan (incorporated by reference to Exhibit 10.10 to the Company's Annual Report on Form 10-K for the year ended December 31, 2008 (Commission file number 1-10560))
10.4 [1]	Benchmark Electronics, Inc. 2002 Stock Option Plan for Non-Employee Directors (2002 Plan) (incorporated by reference to Appendix A to the Company's Definitive Proxy Statement on Schedule 14A filed April 15, 2002 (Commission file number 1-10560))
10.5 [1]	Amendment No. 1 to the 2002 Plan (incorporated by reference to Exhibit 99.3 to the Company's Current Report on Form 8-K dated May 19, 2006 (Commission file number 1-10560))

10.6 [1] Benchmark Electronics, Inc. 2010 Omnibus Incentive Compensation Plan (2010 Plan) (incorporated by reference to Exhibit 99.1 to the Company's Registration Statement on Form S-8 (Registration Number 333-168427))

10.7 [1] First Amendment to the 2010 Plan (incorporated by reference to Annex A to the Company's Definitive Proxy Statement on Schedule 14A filed March 28, 2014 (Commission file number 1-10560))

10.8 [1] Form of option award agreement for use under the 2010 Plan (incorporated by reference to Exhibit 4.10 to the Company's Registration Statement on Form S-8 (Registration Number 333-168427))

Exhibit
Number Description of Exhibit

10.9 [1] Form of restricted share award agreement for use under the 2010 Plan (incorporated by reference to Exhibit 4.11 to the Company’s Registration Statement on Form S-8 (Registration Number 333-168427))

10.10 [1] Form of restricted stock unit award agreement for use under the 2010 Plan (incorporated by reference to Exhibit 4.12 to the Company’s Registration Statement on Form S-8 (Registration Number 333-168427))

10.11 [1] Amended form of restricted stock unit award agreement for use under the 2010 Plan (incorporated by reference to Exhibit 10.2 to the Company’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2017 (Commission file number 1-10560))

10.12 [1] Form of performance-based restricted stock unit award agreement for use under the 2010 Plan (incorporated by reference to Exhibit 10.1 to the Company’s Quarterly Report on Form 10-Q filed on May 10, 2016 (Commission file number 1-10560))

10.13 [1] Amended form of performance-based restricted stock unit award agreement for use under the 2010 Plan (incorporated by reference to Exhibit 10.3 to the Company’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2017 (Commission file number 1-10560))

10.14 [1] Benchmark Electronics, Inc. Deferred Compensation Plan dated as of December 16, 2008 (incorporated by reference to Exhibit 99.1 to the Company’s Form S-8 (Registration Number 333-156202))

10.15 [1] Employment Agreement dated December 1, 2016 between the Company and Paul J. Tufano (incorporated by reference to Exhibit 10.1 to the Company’s Current Report on Form 8-K dated December 1, 2016 (Commission file number 1-10560))

10.16 [1] Employment Agreement between the Company and Donald F. Adam dated as of March 10, 2009 (incorporated by reference to Exhibit 10.1 to the Company’s Current Report on Form 8-K dated March 10, 2009 (Commission file number 1-10560))

10.17 [1] Agreement between the Company and Jon J. King dated as of May 15, 2017 (incorporated by reference to Exhibit 10.1 to the Company’s quarterly report on Form 10-Q filed for the quarter ended June 30, 2017

(Commission file number 1-10560))

10.18 [1] Form of Executive Severance Agreement (incorporated by referent to Exhibit 10.15 to the Company's Annual Report on Form 10-K for the year ended December 31, 2015 (Commission file number 1-10560))

10.19 Code of Conduct (incorporated by reference to Exhibit 10.20 to the Company's Annual Report on Form 10-K for the year ended December 31, 2009 (Commission file number 1-10560))

10.20 [1] Amendment to Employment Agreement, dated as of February 22, 2018, between the Company and Paul J. Tufano (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated February 23, 2018 (Commission file number 1-10560))

10.21 Credit Agreement, dated July 20, 2018, by and among the Company, certain of its subsidiaries, the lenders party thereto and Bank of America, N.A., as Administrative Agent, Swingline Lender and a L/C Issuer (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated July 23, 2018 (Commission file number 1-10560))

10.22 [1] Separation Agreement dated September 15, 2016 between the Company and Gayla J. Delly (incorporated by reference to Exhibit 10.1 to the Company's Current Report Form 8-K dated September 15, 2016 (Commission file number 1-10560))

Exhibit Number	Description of Exhibit
10.23	Cooperation Agreement, dated as of December 19, 2016, by and among the Company and Engaged Capital, LLC, Engaged Capital Flagship Master Fund, LP, Engaged Capital Flagship Fund, LP, Engaged Capital Flagship Fund, Ltd. and Engaged Capital Holdings, LLC (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated December 19, 2016 (Commission file number 1-10560))
10.24 (1)	Form of Key Management Severance Agreement (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated December 11, 2017 (Commission file number 1-10560))
10.25 (1)	Transition Agreement and Release of All Claims by and between Scott Peterson and the Company (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K dated December 11, 2017 (Commission file number 1-10560))
10.26 (1)	Transition Agreement and Release of All Claims by and between Donald F. Adam and the Company (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K dated December 20, 2017 (Commission file number 1-10560))
16	Letter of Hein & Associates LLP dated November 21, 2017 (incorporated by reference to Exhibit 16.1 to the Company's Current Report on Form 8-K dated November 21, 2017 (Commission file number 1-10560))
21 (2)	Subsidiaries of Benchmark Electronics, Inc.
23 (2)	Consent of Independent Registered Public Accounting Firm concerning incorporation by reference in the Company's Registration Statements on Form S-8 (Registration No. 333-28997, No. 333-101744, No. 333-156202, No. 333-168427 and No. 333-198404)
31.1 (2)	Section 302 Certification of Chief Executive Officer
31.2 (2)	Section 302 Certification of Chief Financial Officer

32.1 [2]	Section 1350 Certification of Chief Executive Officer
32.2 [2]	Section 1350 Certification of Chief Financial Officer
101.INS [3]	XBRL Instance Document
101.SCH [3]	XBRL Taxonomy Extension Schema Document
101.CAL [3]	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB [3]	XBRL Taxonomy Extension Label Linkbase Document
101.PRE [3]	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF [3]	XBRL Taxonomy Extension Definition Linkbase Document

[1] Indicates management contract or compensatory plan or arrangement.

[2] Filed herewith.

[3] XBRL (Extensible Business Reporting Language) information is furnished and not filed or a part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934 and otherwise is not subject to liability under these sections.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

BENCHMARK ELECTRONICS, INC.
By: /s/ Paul J. Tufano
Paul J. Tufano
Chief Executive Officer
Date: February 28, 2019

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the registrant, in the capacities and on the dates indicated.

Name	Position	Date
/s/ David W. Scheible David W. Scheible	Chairman of the Board	February 28, 2019
/s/ Paul J. Tufano Paul J. Tufano	President, Chief Executive Officer and Director (principal executive officer)	February 28, 2019
/s/ Roop K. Lakkaraju Roop K. Lakkaraju	Chief Financial Officer (principal financial and accounting officer)	February 28, 2019
/s/ Bruce A. Carlson Bruce A. Carlson	Director	February 28, 2019
/s/ Douglas G. Duncan Douglas G. Duncan	Director	February 28, 2019
/s/ Robert K. Gifford Robert K. Gifford	Director	February 28, 2019
/s/ Kenneth T. Lamneck Kenneth T. Lamneck	Director	February 28, 2019
/s/ Jeffrey S. McCreary Jeffrey S. McCreary	Director	February 28, 2019
/s/ Merilee Raines Merilee Raines	Director	February 28, 2019

/s/ Clay C. Williams Clay C. Williams	Director	February 28, 2019