Risk Factors Comparison 2023-11-21 to 2022-11-22 Form: 10-K

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Set forth below and elsewhere in this report and in other documents we file with the Securities and Exchange Commission (SEC) are descriptions of certain risks and uncertainties that could cause our actual results to differ materially from the results contemplated by the forward- looking statements in this report. Additional risks and uncertainties not presently known to us or that we presently deem less significant may also adversely affect our business. **For more information, see the section titled " Note About Forward- Looking Statements " of this Annual Report on Form 10- K.** Risks Related to our Business, Operations, Industry and Partners Global political and economic uncertainty and adverse conditions related to our international operations could materially and adversely affect our business, financial condition and results of operations. We have significant operations and manufacturing facilities outside the United States, including in Ireland, the Philippines, Thailand, and Malaysia. A significant portion of our revenue is derived from customers in international markets, and we expect that international sales will continue to account for a significant portion of our revenue in the future. As a result of our international operations, our business, financial condition and results of operations could be negatively impacted by **, among others,** the following **factors** : • political, legal and economic changes, crises or instability and civil unrest ~~in~~ **that may impact** markets in which we do business, such as ~~potential~~ macroeconomic weakness related to trade and political disputes between the United States and China, **tensions across the** ~~changes in China-~~ Taiwan ~~relations~~ **Strait** that may adversely affect our operations in Taiwan, our customers ~~,~~ and the technology industry supply chain, ~~the United Kingdom' s withdrawal from the European Union, the implementation of the United States- Mexico- Canada Agreement~~ and the ongoing ~~conflict~~ **conflicts between Israel and Hamas and** between Russia and Ukraine; • compliance requirements of ~~U. S.~~ customs and export regulations, including the Export Administration Regulations and the International Traffic and Arms Regulations; • currency conversion risks and exchange rate and interest rate fluctuations, including the potential impact of **elevated** ~~the transition from LIBOR and the current increasing~~ interest ~~rate~~ **rates** ~~environment~~ ; • instability of global credit and financial markets due to adverse macroeconomic conditions such as rising inflation, ~~increasing~~ **high** interest rates **, bank failures** and slower economic growth or recession that could, among other impacts, affect our ability to access external financing sources on acceptable terms or lead to financial difficulties or uncertainty of our customers, suppliers and distributors exposing us to late payments, cancelled orders and inventory challenges ~~, among others~~ ; • trade policy, commercial, travel, export or taxation disputes or restrictions, import or export tariffs, changes to export classifications or other restrictions imposed by the U. S. government or by the governments of the countries in which we do business, particularly ~~in~~ **with respect to** China; • sanctions imposed by governments in countries in which we do business, including those imposed on Russia by, among others, the European Union, the **United States** ~~U. S.~~ and the United Kingdom in response to the ongoing conflict between Russia and Ukraine, which sanctions restrict a wide range of trade and financial dealings with Russian and Russian persons, as well as **with** certain regions in Ukraine; • complex, varying and changing government regulations and legal standards and requirements, particularly with respect to tax ~~regulations~~ , price protection, competition practices, export control ~~regulations and restrictions~~ , customs ~~and tax requirements~~ , immigration, anti- boycott ~~regulations~~ , data privacy, cyber **and product** security, sustainability ~~and~~ **,** climate ~~- related regulations~~ **and other ESG matters** , intellectual property, anti- corruption ~~and environmental compliance~~ , including the Foreign Corrupt Practices Act **, and environmental compliance** ; • economic disruption from terrorism and threats of terrorism and the response to them by the **United States** ~~U. S.~~ and its allies; • increased managerial complexities, including different employment practices and labor issues; • changes in immigration laws, regulations and procedures and enforcement practices of various government agencies; • greater difficulty enforcing intellectual property rights and weaker laws protecting such rights; • natural disasters ~~or~~ **,** public health emergencies, such as the ~~current~~ COVID- 19 pandemic **, or other catastrophic events** ; • transportation disruptions and delays and increases in labor and transportation costs; • ~~changes to foreign taxes, tariffs and freight rates; •~~ fluctuations in raw material costs and energy costs due to general market factors and conditions such as ~~inflation~~ **inflationary pressures** and supply chain constraints; • greater difficulty in accounts receivable collections and longer collection periods; and • increased costs associated with our foreign defined benefit pension plans. Many of these factors and risks are present **and may be exacerbated** within our business operations in China. For example, changes in U. S.- China relations, the political environment or international trade policies ~~and relations~~ could result in further revisions to laws or regulations or their interpretation and enforcement, increased taxation, trade sanctions, the imposition of import or export duties and tariffs, restrictions on imports or exports, currency revaluations ~~,~~ or retaliatory actions, which have had and may continue to have an adverse effect on our business plans and operating results. In addition, expanded export restrictions limit our ability to sell to certain Chinese companies and to third parties that do business with those companies. These restrictions have created and **these and similar restrictions** may continue to create uncertainty and caution with our current or prospective customers and may cause them to amass large inventories of our products, replace our products with products from another supplier that is not subject to the export restrictions ~~,~~ or focus on building indigenous semiconductor capacity to reduce reliance on U. S. suppliers. Furthermore, if these export restrictions cause our current or potential customers to view U. S. companies as unreliable, we could suffer reputational damage or lose business to foreign competitors who are not subject to such export restrictions, and our business could be materially harmed. We are continuing to evaluate the impact of these restrictions on our business, but these actions may have direct and indirect adverse impacts on our revenues and results of operations in China and elsewhere. In addition, our success in the Chinese markets may be adversely affected by China' s continuously evolving policies, laws and regulations, including those relating to antitrust, cybersecurity, data protection and data privacy, the environment, indigenous innovation and the promotion of a domestic semiconductor industry ~~,~~ and intellectual property rights and enforcement and protection of those rights **and** increased production may lead to overcapacity and lower prices,and conversely,we may not be able to satisfy unexpected demand for our products.The cyclical nature of the semiconductor industry has resulted in periods when demand for our products has increased or decreased rapidly. **The demand for our products is subject to the strength of our four major end markets of Industrial,Automotive,Communications,and Consumer.** If ~~we overbuild inventory in a period of decreased demand,or~~ we expand our operations and workforce too rapidly or procure excessive resources in anticipation of increased demand for our products,and that demand does not materialize at the pace at which we expect,or declines, **or if we overbuild inventory in a period of decreased demand,** our operating results may be adversely affected as a result of **increased operating expenses,reduced margins,** underutilization of capacity **or** ~~,charges related to obsolete inventory,~~ asset impairment **charges** ~~or inventory write- downs,increased operating expenses or reduced margins~~ . **These** ~~For example,we have experienced,and may in the future experience,periods of customer inventory adjustments that may adversely affect our operating results.Further,any~~ capacity expansions by us ~~or~~ **and** other **semiconductor manufacturers could also lead to overcapacity in our target markets** . We rely on third parties for supply of raw materials and parts, semiconductor wafer foundry services, assembly and test services ~~,~~ and transportation, among other things, and we generally cannot control their availability or conditions of supply or services. We rely, and plan to continue to rely, on third- party suppliers and service providers, including raw material and components suppliers, semiconductor wafer foundries, assembly and test contractors ~~,~~ and freight carriers (collectively, vendors) **,** in manufacturing **and shipping** our products. This reliance involves several risks, including reduced control over availability, capacity utilization, delivery schedules, manufacturing yields, costs ~~,~~ and supply chain allocations. We currently source more than half of our wafer requirements annually from third- party wafer foundries, including Taiwan Semiconductor Manufacturing Company (TSMC) and others. These foundries often provide wafer foundry services to our competitors and therefore periods of increased industry demand may result in capacity constraints. With respect to TSMC in particular, **tensions across the Taiwan Strait or other** geopolitical **events** ~~changes in China- Taiwan relations~~ could disrupt TSMC' s operations, which would adversely affect our ability to manufacture certain products and as a result, could adversely affect our business and results of operations. Our manufacturing processes require availability of certain raw materials and supplies. Limited or delayed access to these items could adversely affect our results of operations. In certain instances, one of our vendors may be the sole source of highly specialized processing services or materials. If such vendor is unable or unwilling to manufacture and deliver components to us on the time schedule and of the quality or quantity that we require, we may be forced to seek to engage an additional or replacement vendor, which could result in additional expenses and delays in product development or shipment of product to our customers. If additional or replacement vendors are not available, we may also experience delays in product development or shipment which could, in turn, result in **reputational harm or** the temporary or permanent loss of customers **,** and as a result could adversely affect our business and results of operations. ~~The markets for semiconductor~~ **Our industry faces challenges associated with** products ~~are cyclical~~ **diverted from authorized distribution channels** , and increased production may lead to overcapacity...... lead to overcapacity in our target markets which could ~~lead to price erosion that could~~ **result in reputational harm and have a material** ~~adversely~~ -- **adverse** ~~impact~~ **effect on** our ~~operating~~ **business and** results ~~. Conversely, during periods~~ of ~~rapid increases in demand, our available capacity may not be sufficient to satisfy the demand. In addition, we may not be able to expand our workforce and~~ operations **. We market** ~~in a sufficiently timely manner, procure adequate resources~~ and ~~raw materials, locate suitable~~ **sell our products directly and through** third- party ~~suppliers,~~ **distributors. There is a risk that** ~~or~~ **our** ~~respond effectively to~~ **products may be diverted from our authorized distribution** ~~changes~~ **channels and sold on the " gray market "** in ~~demand~~ **ways that are not in accordance with our established agreements, controls, policies and procedures. Purchasers that acquire our products via the gray market or through other unauthorized channels may resell or otherwise use our products** for **purposes for which they were not intended** ~~our~~ - **or** ~~existing~~ **that may be contrary to our ethical, legal and regulatory obligations. Organizations may also purchase counterfeit or substandard** products ~~or to demand~~ **, including products that have been altered, mishandled** ~~for~~ - **or damaged, or purchase used products presented as** new ~~products requested by~~ **, each of which could result in damage to property** ~~our~~ - **or** ~~customers, and our current~~ **persons. These situations could have a material adverse effect on** ~~or~~ **our** ~~future~~ **reputation and** business ~~could be materially~~ and ~~adversely affected~~ **operating results** . A prolonged disruption of our ~~internal~~ **or our third parties'** manufacturing operations could have a material adverse effect on our business, financial condition and results of operations. In addition to leveraging an outsourcing model for **certain** manufacturing operations, we also rely on our internal manufacturing operations located in the United States, Ireland, the Philippines, Thailand and Malaysia. A prolonged disruption at, or inability to utilize, one or more of our **or our third parties'** manufacturing facilities, loss of raw materials or damage to our **or our third parties'** manufacturing equipment for any reason, including due to ~~the COVID- 19 pandemic,~~ natural or man- made disasters, civil unrest or other events outside of our control, such as widespread outbreaks of illness, or the failure to maintain our labor force at one or more of these facilities, may disrupt our operations, delay production, shipments and revenue and result in us being unable to timely satisfy customer demand. As a result, we could forgo revenue opportunities, potentially lose market share and damage our customer relationships, all of which could materially and adversely affect our business, financial condition and results of operations. Our future success depends upon our ability to execute our business strategy, continue to innovate, improve our existing products, design, develop, produce and market new products, and identify and enter new markets. Our future success significantly depends on our ability to execute our business strategy, continue to innovate, improve our existing products, and design, develop, produce and market innovative new products and system- level solutions **, including those that may incorporate, or are based upon, software or artificial intelligence technology** . Product design, development, innovation and enhancement is often a complex, time- consuming and costly process involving significant investment in research and development with no assurance of return on investment. There can be no assurance that we will be able to develop and introduce new and improved products in a timely or efficient manner or that new and improved products, if developed, will achieve market acceptance. Our products generally must conform to various evolving and sometimes competing industry standards, which may adversely affect our ability to compete in certain markets or require us to incur significant costs. In addition, our customers generally impose very high quality and reliability standards on our products, which often change and may be difficult or costly to satisfy. Any inability to satisfy customer quality and reliability standards or comply with industry standards and technical requirements may adversely affect demand for our products and our results of operations. Our growth is also dependent on our ability to identify and penetrate new markets where we have limited experience yet require significant investments, resources and technological advancements in order to compete effectively, and there can be no assurance that we will achieve success in these markets. **Further,** ~~There~~ **there** can be no assurance that the markets we serve and ~~/ or~~ target based on our business strategy will grow in the future, that our existing and new products will meet the requirements of these markets, that our products, or the end- products in which our products are used, will achieve customer acceptance in these markets, that competitors will not force price reductions or take market share from us ~~,~~ or that we can achieve or maintain adequate gross margins or profits in these markets. Our future revenue, gross margins, operating results, net income and earnings per share are difficult to predict and may materially fluctuate. Our future revenue, gross margins, operating results, net income and earnings per share are difficult to predict and may be materially affected by a number of factors, including: • the effects of adverse economic conditions in the markets in which we sell our products, including inflationary pressures, which has resulted, and may continue to result, in increased interest rates, fuel prices, wages ~~,~~ and other costs; • changes in customer demand or order patterns for our products ~~and /~~ or for end products that incorporate our products; • the timing, delay, reduction or cancellation of significant customer orders and our ability to manage inventory; • our ability to accurately forecast distributor demand for our products; • future distributor pricing credits ~~and /~~ or stock rotation rights; • our ability to effectively manage our cost structure in both the short term and over a longer duration; • changes in geographic, product or customer mix ~~; • the extent of the impact and the duration of the COVID- 19 pandemic~~ ; • changes in our effective tax rates or new or revised tax legislation in the United States, Ireland or worldwide; • the effects of issued, threatened or retaliatory government sanctions, trade barriers or economic restrictions; changes in law, regulations or other restrictions, including executive orders; and changes in import and export regulations, including restrictions on exports to certain companies or to third parties that do business with such companies, export classifications, or duties and tariffs, ~~particularly~~ **including** with respect to China; • the timing of new product announcements or introductions by us, our customers or our competitors and the market acceptance of such products; • pricing decisions and competitive pricing pressures; • fluctuations in manufacturing yields, adequate availability of wafers and other raw materials, and manufacturing, assembly and test capacity; • the ability of our third- party suppliers, subcontractors and manufacturers to supply us with sufficient quantities of raw materials, products and ~~/ or~~ components; • a decline in infrastructure spending by foreign governments, including China; • a decline in the U. S. government defense budget, changes in spending or budgetary priorities, a prolonged U. S. government shutdown or delays in contract awards; • a decline in our backlog; • our ability to recruit, hire, retain and motivate adequate numbers of engineers and other qualified employees to meet the demands of our customers; • our ability to generate new design opportunities and win competitive bid selection processes; • the increasing costs of providing employee benefits worldwide, including health insurance, retirement ~~plan~~ and pension plan contributions and **other** retirement benefits; • our ability to utilize our manufacturing facilities at efficient levels; • fluctuations in foreign currency exchange rates; • ~~potential~~ litigation- related costs or product liability, warranty and ~~/ or~~ indemnity claims, including those not covered by our suppliers or insurers; • the difficulties inherent in forecasting future operating expense levels, including with respect to costs associated with labor, utilities, transportation and raw materials; • the costs related to compliance with increasing worldwide **complex** government **regulations** ~~, environmental~~ and **legal** ~~social responsibility~~ standards **and requirements, including those related to ESG matters** ; • new accounting pronouncements or changes in existing accounting standards and practices; and • the effects of public health emergencies, civil unrest, natural disasters **or other severe weather events** , widespread travel disruptions, security risks, terrorist activities, international conflicts and other events beyond our control. In addition, the semiconductor market has historically been cyclical and subject to significant economic upturns and downturns. Our business and certain of the end markets we serve are also subject to rapid technological changes and material fluctuations in demand based on end- user preferences. There can be no assurance ~~(i)~~ that products stocked in our inventory will not be rendered obsolete before we ship them ~~,~~ or ~~(ii)~~ that we will be able to design, develop and produce products in a timely fashion to accommodate changing customer demand. As a result of these and other factors, we may experience material fluctuations in future revenue, gross margins, operating results, net income and earnings per share on a quarterly or annual basis. Our historical financial performance and results of operations should not be relied upon as indicators of future performance or results. In addition, if our revenue, gross margins, operating results, net income and earnings per share results or expectations do not meet the expectations of securities analysts or investors, the market price of our common stock may decline. We may not be able to compete successfully in markets within the semiconductor industry in the future. We face intense competition in the semiconductor industry, and we expect this competition to increase in the future, including from companies located outside of the United States. Competition is generally based on innovation, design, quality and reliability of products, product performance, features and functionality, product pricing, availability and capacity, technological service and support ~~,~~ and the availability of integrated system solutions, with the relative importance of these factors varying among products, markets and customers. Many companies have sufficient financial, manufacturing, technical, sales and marketing resources to develop and market products that compete with our products. Some of our competitors may have more advantageous supply or development relationships with our current and potential customers or suppliers. Our competitors also include both emerging companies selling specialized products in markets we serve and companies outside of the **United States** ~~U. S.~~ , including entities associated with well- funded efforts by foreign governments to create indigenous semiconductor industries. **From time to time, governments around the world may provide incentives or make other investments that could benefit and give competitive advantages to our competitors. For example, in August 2022, the United States government enacted the**

CHIPS and Science Act of 2022 to provide financial incentives to the U. S. semiconductor industry. Government incentives, including any that may be offered in connection with the CHIPS Act, may not be available to us on acceptable terms or at all. If our competitors can benefit from such government incentives and we cannot, it could strengthen our competitors' relative position and have a material adverse effect on our business. Existing or new competitors may develop products or technologies that more effectively address the demands of our customers and markets with enhanced performance, features and functionality, lower power requirements, greater levels of integration or lower cost. In addition, as we seek to expand our business, including the design and production of products and services for developing and emerging markets, we may encounter increased competition from our current ~~competitors~~ and ~~/ or~~ new competitors. Increased competition in certain markets has resulted in and may continue to result in declining average selling prices, reduced gross margins and loss of market share in those markets. There can be no assurance that we will be able to compete successfully in the future against existing or new competitors, or that our operating results will not be adversely affected by increased competition. In addition, the semiconductor industry has experienced significant consolidation over the past several years. Consolidation among our competitors could lead to a changing competitive landscape, which could negatively impact our competitive position and market share and harm our results of operations. If we are unable to recruit or retain our key personnel, our ability to execute our business strategy will be adversely affected. Our continued success depends to a significant extent upon the recruitment, retention and effective succession of our key personnel, including our leadership team, management and technical personnel, particularly our experienced engineers. The competition for these employees is intense and the labor market is tight. ~~Further, we have recently experienced an increase in undesired attrition.~~ The loss of key personnel or the inability to attract, timely hire and retain key employees with critical technical skills to achieve our strategy, including as a result of changes to immigration policies, could cause business disruptions, increased expenses to address any disruptions ~~,~~ and could have a material adverse effect on our business. We believe that a critical contributor to our success to date has been our corporate culture, which we have built to foster innovation, teamwork and employee satisfaction. As we grow, including from the integration of employees and businesses acquired in connection with previous or future acquisitions, we may find it difficult to maintain important aspects of our corporate culture, which could negatively affect our ability to retain and recruit personnel who are essential to our future success. We do not maintain any key person life insurance policy on any of our officers or other employees. The loss of one or more of our key employees, and any failure to have in place and execute an effective succession plan for key executives, could seriously harm our business **and results of operations** . Our customers typically do not make long- term product purchase commitments, and incorrect forecasts or reductions, cancellations or delays in orders for our products could adversely affect our operating results. We typically do not have sales contracts with our customers that include long- term product purchase commitments. In certain markets where end- user demand may be particularly volatile and difficult to predict, some customers place orders that require us to manufacture product and have it available for shipment, even though the customer is unwilling to make a binding commitment to purchase all, or even any, of the product. In other instances, we manufacture product based on non- binding forecasts of customer demands, which may fluctuate significantly on a quarterly or annual basis and at times may prove to be inaccurate. Additionally, our U. S. government contracts and subcontracts may be funded in increments over a number of government budget periods and typically can be terminated by the government for its convenience. As a result, we may incur inventory and manufacturing costs in advance of anticipated sales, and we are subject to the risk of lower than expected orders or cancellations of orders, leading to a sharp reduction of sales and backlog. Further, if orders or forecasts for products that meet a customer' s unique requirements are canceled or unrealized we may be left with an inventory of unsaleable products, causing potential inventory write- offs, and hindering our ability to recover our costs. ~~As~~ **The foregoing risks may be exacerbated in times of macroeconomic uncertainty, including as** a result of ~~lengthy manufacturing cycles~~ **rising inflation, high interest rates, bank failures and slower economic growth** ~~for~~ - **or recession** ~~certain of the products that are subject to these uncertainties, the amount of unsaleable product could be substantial~~. Incorrect forecasts, or reductions, cancellations or delays in orders for our products **,** could adversely affect our operating results. Our operating results are dependent on the performance of independent distributors. A significant portion of our sales are through independent global and regional distributors that are not under our control. These independent distributors generally represent product lines offered by several companies and thus could reduce their sales efforts for our products or they could terminate their representation of us. We generally do not require letters of credit from our distributors, including our largest distributor, and are not protected against accounts receivable default or declarations of bankruptcy by these distributors. Our inability to collect open accounts receivable could adversely affect our operating results. Termination of a significant distributor or a group of distributors, whether at our initiative or the distributor' s initiative or through consolidation in the distribution industry, could disrupt our ~~current~~ business, and if we are unable to find suitable replacements with the appropriate scale and resources, our operating results could be adversely affected. We are required to estimate the effects of returns and allowances provided to distributors and record revenue at the time of sale to the distributor. If our estimates of such credits and rights are materially understated, it could cause subsequent adjustments that negatively impact our revenues and gross profits in a future period. Our industry faces challenges associated with products diverted...... " Risk Factors " section. Our semiconductor products are complex and we may be subject to warranty, indemnity ~~and /~~ or product liability claims, which could result in significant costs and damage to our reputation and adversely affect customer relationships, the market acceptance of our products and our operating results. Semiconductor products are highly complex and may contain defects that affect their quality or performance. Failures in our products and services or in the products of our customers could result in damage to our reputation for reliability and increase our legal or financial exposure to third parties. Certain of our products and services **, including those that may incorporate, or are based upon, software or artificial intelligence technology,** could also contain security vulnerabilities, defects, bugs and errors, which could also result in significant data losses, security breaches and theft of intellectual property. We generally warrant that our products will meet their published specifications, and that we will repair or replace defective products, for one year from the date title passes from us to the customer. We invest significant resources in the testing of our products; however, if any of our products contain **security vulnerabilities,** defects **, bugs or errors** , we may be required to incur additional development and remediation costs pursuant to warranty and indemnification provisions in our customer contracts and purchase orders. These problems may divert our technical and other resources from other product development efforts and could result in claims against us by our customers or others, including liability for costs and expenses associated with product defects, including recalls, which may adversely impact our **reputation and** operating results. We may also be subject to customer intellectual property indemnity claims. Our customers have on occasion been sued, and may be sued in the future, by third parties alleging infringement of intellectual property rights, or damages resulting from use of our products. Those customers may seek indemnification from us under the terms and conditions of our sales contracts with them. In certain cases, our potential indemnification liability may be significant. Further, we sell to customers in industries such as automotive (including autonomous vehicles), aerospace, defense ~~,~~ and healthcare, where failure of the systems in which our products are integrated could cause damage to property or persons. We may be subject to product liability claims if our products, or the integration of our products, cause system failures. Any product liability claim, whether or not determined in our favor, could result in significant expense, divert the efforts of our technical and management personnel, and harm our business. In addition, if any of our products contain defects, or have reliability, quality or compatibility problems not capable of being resolved, our reputation may be damaged, which could make it more difficult for us to sell our products to customers and which could also adversely affect our operating results. The fabrication of integrated circuits is highly complex and precise, and our manufacturing processes utilize a substantial amount of technology. Minute impurities, contaminants in the manufacturing environment, difficulties in the fabrication process, defects in the masks used in the wafer manufacturing process, manufacturing equipment failures, wafer breakage or other factors can cause a substantial percentage of wafers to be rejected or numerous dice on each wafer to be nonfunctional. While we have significant expertise in semiconductor manufacturing, it is possible that some processes could become unstable. This instability could result in manufacturing delays and product shortages, which could have a material adverse effect on our operating results. Risk Related to Acquisitions and Strategic Transactions Our acquisition of Maxim involves a number of risks that could adversely affect our business, financial condition and operating results, and we may not realize the financial and strategic goals we anticipate. In August 2021, we completed our acquisition of Maxim, which we refer to as the acquisition or the merger. The ultimate success of the merger will depend on, among other things, the ability to continue to combine the two businesses in a manner that facilitates growth opportunities. Further, there are a large number of processes, policies, procedures, operations, technologies and systems that must continue to be integrated in connection with the ongoing integration of Maxim' s business. The combined company has and may continue to incur ongoing restructuring, integration ~~,~~ and other costs associated with combining the operations of the two companies in connection with the merger. It is possible that the ongoing integration process could result in the loss of customers, the disruption of ongoing businesses, inconsistencies in standards, controls, procedures and policies, unexpected integration issues, higher than expected integration costs and an overall integration process that takes longer than originally anticipated and actual growth, if achieved, may be lower than what we expect and may take longer to achieve than anticipated. There can be no assurances that the two businesses can be integrated successfully in a way that maximizes the combined business to the fullest extent. If we are not able to successfully achieve our objectives, the benefits of the merger may not be fully realized or may take longer to achieve than expected. To remain competitive, we may need to invest in or acquire other companies, purchase or license technology from third parties, or enter into other strategic transactions in order to introduce new products or enhance our existing products. An element of our business strategy involves expansion through the acquisitions of businesses, assets, products or technologies that allow us to complement our existing product offerings, diversify our product portfolio, expand our market coverage, increase our engineering workforce, expand our technical skill sets or enhance our technological capabilities. We may not be able to find businesses that have the technology or resources we need and, if we find such businesses, we may not be able to invest in, purchase or license the technology or resources on commercially favorable terms or at all. Acquisitions, investments and technology licenses are challenging to complete for a number of reasons, including difficulties in identifying potential targets, the cost of potential transactions, competition among prospective buyers and licensees, the need for regulatory approvals, and difficulties related to integration efforts. In addition, investments in companies are subject to a risk of a partial or total loss of our investment. Both in the **United States** ~~U. S.~~ and abroad, governmental regulation of acquisitions, including antitrust and other regulatory reviews and approvals, has become more complex, increasing the costs and risks of undertaking and consummating significant acquisitions. In order to finance a potential transaction, we may need to raise additional funds by issuing securities or borrowing money. We may not be able to obtain financing on favorable terms, and the sale of our stock may result in the dilution of our existing shareholders or the issuance of securities with rights that are superior to the rights of our common shareholders. Acquisitions also involve a number of challenges and risks, including: • diversion of management' s attention in connection with both negotiating the transaction and integrating the acquired assets and businesses; • difficulty or delay integrating acquired technologies, operations, systems ~~and~~ **,** infrastructure ~~,~~ and personnel with our existing businesses; • strain on managerial and operational resources as management ~~tries to oversee~~ **oversees** larger or more complex operations; • ~~the~~ future funding requirements for acquired companies, including research and development costs, employee compensation and benefits, and operating expenses, which may be significant; • servicing significant debt that may be incurred in connection with acquisitions; • potential loss of key employees; • exposure to unforeseen liabilities or regulatory compliance issues of acquired companies; • higher than expected or unexpected **acquisition or integration** costs ~~relating to or associated with an acquisition and related integration of assets and businesses~~ ; • difficulty realizing expected cost savings, operating synergies and growth prospects of an acquisition in a timely manner or at all; and • increased risk of costly and time- consuming legal proceedings. If we are unable to successfully address these risks, we may not realize some or all of the expected benefits of our acquisitions, which may have an adverse effect on our business strategy, plans and operating results. Risks Related to Cyber, ~~IP~~ **Intellectual Property** , Legal and Regulatory Our computer systems and networks may be subject to attempted security breaches and other ~~cybersecurity~~ **cyber** incidents and a significant disruption in, or breach in security of, our information technology systems or certain ~~of our~~ products could materially and adversely affect our business or reputation. We rely on information technology systems throughout our company to keep financial records and customer data, process orders, manage inventory, coordinate shipments to customers, maintain confidential and proprietary information, assist in semiconductor engineering and other technical activities and operate other critical functions such as Internet connectivity, network communications and email. ~~Our~~ **In addition, we provide our confidential and proprietary information to our strategic partners in certain cases, who may maintain such information on their** information technology systems ~~may be susceptible to damage, disruptions or shutdowns due to power outages, hardware failures, telecommunication failures, employee malfeasance, user errors, catastrophes or other unforeseen events. Since the beginning of the COVID- 19 pandemic, some of our employees have been working remotely, which may pose additional data security risks. We also rely upon external cloud providers for certain infrastructure activities. If we were to experience a prolonged disruption in the information technology systems that involve our internal communications or our interactions with customers or suppliers, it could result in the loss of sales and customers and significant incremental costs, which could adversely affect our business. We may also be subject to security breaches of our information technology systems and certain of our products caused by viruses, illegal break- ins or hacking, sabotage, other cyber attacks, or acts of vandalism by third parties or our employees or contractors. Further, geopolitical tensions or conflicts, such as the ongoing conflict between Russia and Ukraine, may create a heightened risk of cyber attacks, which could result in significant losses and damage and, could damage our reputation with customers and suppliers if the confidential information of our customers, suppliers, employees or contractors is compromised~~. Our security measures or those of our third- party service providers **or strategic partners** may not detect or prevent security breaches, **cyberattacks** ~~cyber attacks~~, defects, bugs or errors. **Further** ~~In addition~~, ~~we~~ **geopolitical tensions or conflicts may escalate the volume and sophistication of cyberattacks, thereby making it more difficult to detect, mitigate and defend against them. We and our third- party service** ~~provide~~ **providers** ~~our~~ - **or** ~~confidential and proprietary information to our~~ strategic partners ~~in certain cases where doing so is necessary to conduct our business. Those third parties~~ may be subject to security breaches ~~or otherwise compromise the protection~~ of ~~such information. Security breaches of our~~ information technology systems or ~~those of our partners could result~~ **certain products caused by viruses, illegal break-** ~~in~~ **ins or hacking, sabotage,** ~~the~~ **other** ~~misappropriation, loss~~ **cyberattacks or acts of vandalism by third parties or** ~~or~~ **our** ~~unauthorized disclosure~~ **employees or contractors. In the event** of ~~confidential and~~ **a breach, our operations may be disrupted, our** proprietary information ~~belonging to us~~ or ~~to~~ **that of** our employees, contractors, partners, customers, suppliers ~~,~~ or other third parties **may be misappropriated** , **and** ~~system disruptions or denial of service, which could result in our suffering significant financial or reputational damage. In the event of such breaches,~~ we could be exposed to potential liability, litigation, and regulatory action, as well as the loss of existing or potential customers, damage to our reputation ~~,~~ and other financial loss. In addition, the cost and operational consequences of responding to breaches and implementing remediation measures could be significant. **Our information technology systems and those of our third- party service providers and strategic partners may also be susceptible to damage, disruptions or shutdowns due to power outages, hardware failures, telecommunication failures, user errors, catastrophes or other unforeseen events. If we were to experience a prolonged disruption in the information technology systems that involve our internal communications or our interactions with customers or suppliers, it could result in the loss of sales and customers and significant incremental costs, which could adversely affect our business.** We may be unable to adequately protect our proprietary intellectual property rights, which may limit our ability to compete effectively. Our future success depends, in part, on our ability to protect our intellectual property. We primarily rely on patent, mask work, copyright, trademark and trade secret laws, as well as nondisclosure agreements, information security practices ~~,~~ and other methods, to protect our proprietary information, technologies and processes. Despite our efforts to protect our intellectual property, it is possible that competitors or other unauthorized third parties may obtain or disclose our confidential information, reverse engineer or copy our technologies, products or processes, make unlicensed copies or engage in unapproved distributions of our technology for unauthorized uses, or otherwise misappropriate our intellectual property. Moreover, the laws of foreign countries in which we design, manufacture, market and sell our products may afford little or no effective protection of our intellectual property. There can be no assurance that the claims allowed in our issued patents will be sufficiently broad to protect our technology. In addition, any of our existing or future patents may be challenged, invalidated or circumvented. As such, any rights granted under these patents may not prevent others from exploiting our proprietary technology. We may not be able to obtain foreign patents or pending applications corresponding to our U. S. patents and applications. Even if patents are granted, we may not be able to effectively enforce our rights. If our patents and mask works do not adequately protect our technology, or if our registrations expire prior to end of life of our products, our competitors may be able to offer products similar to ours. Our competitors may also be able to develop similar technology independently or design around our patents. We generally enter into confidentiality agreements with our employees, consultants and strategic partners. We also try to control access to and distribution of our technologies, documentation and other proprietary information. Despite these efforts, internal or external parties may attempt to copy, disclose, obtain or use our products or technology without our authorization. Also, former employees may seek employment with our business partners, customers or competitors, and may improperly use our proprietary information at their employer. If we fail to comply with U. S. and foreign laws related to privacy, data security ~~,~~ and data protection, it could adversely affect our operating results and financial condition. We are or may become subject to a variety of laws and regulations such as the European Union' s General Data Protection Regulation (~~the "~~GDPR ~~"~~), China' s Personal Information Protection Law (~~the "~~PIPL ~~"~~), or California' s Consumer Privacy Act (~~the "~~CCPA ~~"~~) regarding privacy, data protection ~~,~~ and data security. These laws and regulations are continuously evolving and developing. The scope and interpretation of the laws that are or may be applicable to us are often uncertain and may be conflicting, particularly with respect to foreign laws. In particular, there are numerous U. S. federal, state, and local laws and regulations and foreign laws and regulations regarding privacy and the collection, sharing, use, processing, disclosure, and protection of personal data. Such laws and regulations often vary in scope, may be subject to differing interpretations, and may be inconsistent among different jurisdictions. For example, the GDPR **and PIPL** ~~includes~~ - **include** operational requirements for companies that receive or process personal data of residents of the European Union **or China, as applicable,** that are broader and more stringent than those in many other jurisdictions around the world. The GDPR includes significant penalties for non- compliance, and China' s PIPL imposes additional operational requirements relating to processing personal information and provides ~~compressive~~ **comprehensive** penalty and enforcement mechanisms. **In** ~~Most notably, in~~ the United States, California enacted the CCPA that requires covered companies to provide additional disclosures and data rights to data subjects **, including employees** . The CCPA went into effect on January 1, 2020. The California Privacy Rights Act (~~"~~CPRA ~~"~~) **, which** ~~passed by voters in November 2020~~ will **become enforceable in March 2024,** ~~expand~~ **expands** the CCPA **and** ~~when the regulations become fully operative on January 1, 2023. The CPRA~~ establishes the California Privacy Protection Agency to enforce Californians' privacy rights under the CCPA. Since the CCPA was enacted, other states, including Virginia and Colorado, have enacted **or are in the process of enacting** comprehensive privacy schemes. The costs of compliance with, and other burdens imposed by, the GDPR, CCPA ~~,~~ and similar laws may limit the use and adoption of our products and services and ~~/ or~~ require us to incur substantial compliance costs, which could have an adverse impact on our business. Further, our product offerings in the digital healthcare solutions space **,** which include the collection and processing of sensitive personal information **,** subject us to heightened requirements under data privacy laws **, such as the Health Insurance Portability and Accountability Act** . Given that the scope, interpretation ~~,~~ and application of these laws and regulations are often uncertain and may be in conflict across jurisdictions, it is possible that these obligations may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules or our practices. Any failure or perceived failure by us or third **-** party service providers to comply with our privacy or security policies or privacy- related legal obligations, or any compromise of security that results in the unauthorized release or transfer of personal data, may result in governmental enforcement actions, litigation ~~,~~ or negative publicity, and could have an adverse effect on our operating results and financial condition. We are occasionally involved in litigation, administrative proceedings, and regulatory proceedings, which could be costly to resolve and could require us to redesign products, pay significant royalties or fines ~~,~~ or refrain from engaging in specific conduct. From time to time, we are involved in various legal, administrative and regulatory proceedings, claims, demands and investigations relating to our business, including inquiries from and discussions with government entities regarding the compliance of our contracting and sales practices with laws and regulations **,** which may result in claims with respect to commercial, product liability, intellectual property, cybersecurity, privacy, data protection, antitrust, breach of contract, employment, class action, whistleblower, mergers and acquisitions and other matters. We could also be subject to litigation or arbitration disputes arising under our contractual obligations, customer indemnity, warranty or product liability claims, or other matters that could lead to significant costs and expenses as we defend those claims or pay damage awards. For example, in March 2022, a putative class action was filed in the Court of Chancery of the State of Delaware against us and the former directors of Maxim as described in Part I, Item 3, " Legal Proceedings. " Further, the semiconductor industry is characterized by frequent claims and litigation involving patent and other intellectual property rights. Other companies or individuals have obtained patents covering a variety of semiconductor designs and processes, and we might be required to obtain licenses under some of these patents or be precluded from making and selling infringing products, if those patents are found to be valid and infringed by us. In the event a third party makes a valid intellectual property claim against us and a license is not available to us on commercially reasonable terms, or at all, we could be forced either to redesign or to stop production of products incorporating that intellectual property, and our operating results could be materially and adversely affected. Litigation may be necessary to enforce our patents or other of our intellectual property rights or to defend us against claims of infringement. These matters can be time- consuming, divert management' s attention and resources and cause us to incur significant expenses. Allegations made in the course of regulatory or legal proceedings may also harm our reputation, regardless of whether there is merit to such claims. Because litigation and the outcome of regulatory proceedings are inherently unpredictable, our business, financial condition or operating results could be materially affected by ~~an unfavorable resolution of~~ one or more of these proceedings, claims, demands or investigations. There can be no assurance that we are adequately insured to protect against all claims and potential liabilities, and we may elect to self- insure with respect to certain matters. An adverse outcome in litigation or arbitration could have a material adverse effect on our financial position or on our operating results or cash flows ~~in the period in which the dispute is resolved~~ . Environmental, social and governance ~~(ESG)~~ matters may have an adverse effect on our business, financial condition and results of operations, and damage our brand and reputation. There is an increasing focus from **regulators,** investors, customers, employees and potential talent, as well as other stakeholders **,** concerning ESG matters, including climate change and sustainability, human rights, support for local communities, Board of Directors and employee diversity, human capital management, employee health and safety practices, product quality, **worker rights,** supply chain management ~~,~~ and corporate governance and transparency **. If our ESG practices fail to meet the expectations of investors, customers, employees or other stakeholders' evolving standards, our reputation, brand and employee retention may be negatively impacted, and our customers and suppliers may be unwilling to continue to do business with us** . Current and prospective investors are increasingly utilizing ESG data to inform their decisions, including investment and voting **decisions** , using a multitude of evolving score and rating frameworks. Further, customers ~~are also utilizing~~ **utilize** ESG data to inform their purchasing decisions. Additionally, public interest and legislative **and regulatory** pressure related to ~~public~~ companies' ESG practices **, including those related to sourcing practices, carbon emissions and human rights protections,** continue to grow. **This** ~~If our ESG practices fail to meet the expectations of investors, customers, employees or other stakeholders' evolving standards, our reputation, brand and employee retention may be negatively impacted, and our customers and suppliers may be unwilling to continue to do business with us. Additionally, there is increasing legislation globally which~~ will require us to align **our** programs to ~~their~~ **such** expectations and disclose an increasing amount of information and data to illustrate our position and progress **and to support our customers to comply with regulations and other requirements** . If we do not adapt our strategy or execution quickly enough to meet ~~the~~ evolving **regulatory requirements or the** expectations of our investors, customers, ~~and~~ **employees,** regulators **or other stakeholders** , or if our ESG **disclosures, including** data input, processing and reporting **,** are incomplete or inaccurate, our business, financial condition, results of operations, brand and reputation could be adversely affected. We are subject to environment, health and safety ~~(EHS)~~ standards and hazards which have the potential to adversely affect our business, increase our expenses ~~,~~ and adversely affect our reputation. Our industry is subject to EHS requirements and laws, particularly those that control and restrict the sourcing, use, transportation, emission, discharge, storage and disposal of certain substances and materials ~~used~~ **and those that help promote the health and safety of** ~~or~~ **our employees** ~~produced in the semiconductor manufacturing process~~ and **the communities in** which **we operate** ~~help ensure the health and safety of our employees~~ . ~~We~~ **For certain facilities, we** are ~~also~~ required to obtain environmental permits from governmental authorities for **our operations, which may limit or restrict our operations. In addition, our operations may be interrupted or restricted by the phase- out or ban of** certain ~~of~~ **substances, materials** ~~our~~ **or** ~~operations~~ **processes, which may impact the sourcing, supply and pricing of materials used in manufacturing our products** . **Further,** ~~Public~~ **public** attention to environmental ~~sustainability~~ and social responsibility **remains high** ~~concerns continues to increase~~ , and our customers routinely include stringent environmental and other standards in their contracts with us. Changes in EHS laws ~~or~~ **,** regulations **or customer requirements** may require us to invest in ~~costly~~ equipment or make manufacturing process **or material** changes ~~and may~~ **, all of which could** adversely affect ~~the sourcing, supply and pricing of materials used in our products. In particular, climate change concerns and the potential resulting environmental impact may result in new or~~ **our business** ~~more stringent EHS laws and regulations that may affect us~~ , ~~our suppliers, and our customers. Such laws or regulations could cause us to incur additional direct costs for compliance or costs to control or reduce our environmental impact through, for example, carbon offsets, as well as increased indirect costs resulting from our customers, suppliers, or both incurring additional compliance costs that are passed on to us. These costs may adversely impact our results of operations and~~ financial condition **and results of operations** . In addition, we use hazardous and other regulated materials that subject us to risks of strict liability for damages caused by potential or actual releases of such materials. Any failure to control such materials adequately or to comply with existing or future EHS statutory or regulatory standards, requirements or contractual obligations could result in any of the following, each of which could have a material adverse effect on our business and operating results: • liability for damages and remediation; • the imposition of regulatory penalties and civil and criminal fines; • the suspension or termination of the development, manufacture, sale ~~,~~ or use of certain of our products; • changes to our manufacturing processes or a need to substitute materials that may cost more or be less available; • damage to our reputation; ~~and /~~ or • increased expenses associated with compliance. If we fail to comply with government contracting regulations, we could suffer a loss of revenue or incur price adjustments or other penalties. Some of our revenue is derived from contracts with agencies of the United States government and subcontracts with its prime contractors. As a United States government contractor or subcontractor, we are subject to federal contracting regulations, including the Federal Acquisition Regulations, which govern the allowability of costs incurred by us in the performance of United States government contracts. Certain contract pricing is based on estimated direct and indirect costs, which are subject to change. Additionally, the United States government is entitled after final payment on certain negotiated contracts to examine all of our cost records with respect to such contracts and to seek a downward adjustment to the price of the contract if it determines that we failed to furnish complete, accurate and current cost or pricing data in connection with the negotiation of the price of the contract. **Further, United States government contracts contain provisions and are subject to laws and regulations that may give the United States government rights and remedies not typically found in commercial contracts, including certain intellectual property rights and restrictions on future business.** In connection with our United States government business, we are subject to evolving procurement rules and regulations, as well as government audits and to review and approval of our policies, procedures, and internal controls for compliance with procurement regulations and applicable laws, such as the Cybersecurity Maturity Model Certification. In certain circumstances, if we do not comply with the terms of a government contract or with regulations or statutes, we could be subject to downward contract price adjustments or refund obligations or could in extreme circumstances be assessed civil and criminal penalties or be debarred or suspended from obtaining future contracts for a specified period of time. Any such suspension or debarment or other sanction could have an adverse effect on our business **and reputation** . Under some of our government subcontracts, we are required to maintain secure facilities and to obtain security clearances for personnel involved in performance of the contract, ~~in compliance with applicable federal standards~~ **which can be time consuming and costly** . If we ~~were~~ **are** unable to comply with these requirements, or if personnel critical to our performance of these contracts ~~were~~ **are** unable to obtain or maintain their security clearances, we ~~might~~ **may** be unable to perform these contracts or compete for other projects of this nature, which could adversely affect our revenue. Damage to our reputation can damage our business. Our reputation is a critical factor in our relationships with customers, employees, governments, suppliers ~~,~~ and other stakeholders. Our failure to address, or the appearance of our failure to address, issues that give rise to reputational risk, including those described in this Risk Factors section, could significantly harm our reputation and our brands. We may be subject to reputational risks and our brand loyalty may decline if others adopt the same or confusingly similar marks in an effort to misappropriate and profit on our brand name and do not provide the same level of quality as is delivered by our solutions and services. It may also limit our ability to be seen as an employer of choice when competing for highly skilled employees and repairing our reputation and brands may be difficult, time- consuming, and expensive. To the extent we fail to respond quickly and effectively to address corporate and brand crises, the ensuing negative public reaction could significantly harm our reputation and our brands, which could lead to increases in litigation claims and asserted damages or subject us to regulatory actions or restrictions. If we fail to ~~police,~~ maintain, enhance and protect our brands, if we incur excessive expenses in this effort or if customers or potential customers are confused by others' trademarks, our business, operating results ~~,~~ and financial condition may be materially and adversely affected. Increases in our effective tax rate, exposure to additional tax liabilities, or substantial changes in domestic or international corporate tax policies, regulations or guidance may adversely impact our results of operations. Our effective tax rate reflects the applicable tax rate in effect in the various tax jurisdictions around the world where our income is earned. Our effective tax rate for the fiscal year ended October ~~29~~ **28** , ~~2022~~ **2023** was below the U. S. federal statutory rate of 21 %. This is primarily due to lower statutory tax rates applicable to our operations in the foreign jurisdictions in which we earn income. A number of factors may increase our future effective tax rate, including: new or revised tax laws or legislation or the interpretation of such laws or legislation by governmental authorities; increases in tax rates in various jurisdictions; variation in the mix of jurisdictions in which our profits are earned and taxed; deferred taxes arising from basis differences in investments in foreign subsidiaries; any adverse resolution of ongoing tax audits or adverse rulings from taxing authorities worldwide; changes in the valuation of our deferred tax assets and liabilities; adjustments to income taxes upon finalization of various tax returns; increases in expenses not deductible for tax purposes, including executive compensation subject to the limitations of Section 162 (m) of the Internal Revenue Code and amortization of assets acquired in connection with strategic transactions; decreased availability of tax deductions for stock- based compensation awards worldwide; and changes in available tax credits. Any significant increase in our future effective tax rate could adversely impact our net income during future periods. Compliance with tax legislation may require the collection of information not regularly produced by us, and therefore necessitate the use of estimates in our Consolidated Financial Statements and the exercise of significant judgment in accounting for its provisions. As regulations and guidance evolve with respect to tax legislation, and as more information is gathered and analyzed, our results may differ from previous estimates and may materially affect our Consolidated Financial Statements. We are also subject to laws and regulations in various jurisdictions that determine how much profit has been earned and when it is subject to taxation in that jurisdiction. **In** ~~On August 16, 2022,~~ the ~~U. S. government enacted~~ **United States, for example,** the Inflation Reduction Act (IRA) ~~which~~ imposes a 15 % book minimum tax on corporations with three- year average annual adjusted financial statement income exceeding $ 1 billion. We ~~are in~~ **do not believe that** the **IRA will materially** ~~process of assessing whether the book minimum tax would~~ impact our effective tax rate. Corporate tax reform, anti- base- erosion rules and tax transparency continue to be high **legislative or regulatory** priorities in many jurisdictions. Changes in **laws and regulations regarding** these **matters** ~~laws and regulations~~ , including those that align to or are associated with the Organization for Economic Cooperation and Development' s Base Erosion and Profit Shifting Actions Plans, could impact the jurisdictions where we are deemed to earn income, which could in turn adversely affect our tax liability and results of operations. Risks Related to Financial Markets, Indebtedness and Capital Return We have substantial existing indebtedness and the ability to incur significant additional indebtedness, which could limit our operations and our use of our cash flow and negatively impact our credit ratings. As of October ~~29~~ **28** , ~~2022~~ **2023** , we had approximately $ 6. **9 billion in outstanding indebtedness, including $ 0.** 5 billion ~~in outstanding indebtedness~~ **of short- term commercial paper** . In addition, we had **the ability to incur approximately** $ 2. ~~5~~ **0** billion of **additional indebtedness in direct borrowings under our outstanding commercial paper facility based on amounts** ~~availability~~ - **available** under our unsecured revolving credit facility **that were not being used to backstop our outstanding commercial paper balance** . Our leverage could have negative consequences, including increasing our vulnerability to adverse economic and industry conditions, limiting our ability to obtain additional financing and limiting our ability to acquire new products and technologies through strategic acquisitions. Further, on October 5, 2021, we issued $ 500 million aggregate principal amount of floating rate senior notes (~~the "~~ Floating Rate Notes ~~"~~). Our Floating Rate Notes and our net interest expense is exposed to changes in market interest rates and will increase as market interest rates rise. We may also incur additional debt, including debt with variable interest rates, in the future, which would ~~increase~~ **exacerbate** these risks. Our ability to make payments of principal and interest on our indebtedness when due depends upon our future operating performance, which may be impacted by general economic conditions, industry cycles and other factors beyond our control. If we are unable to service or refinance our debt, we may be required to divert funds that would otherwise be invested in growing our business operations or returned to shareholders, repatriate earnings as dividends from foreign locations with potential negative tax consequences, or sell selected assets. Such measures might not be sufficient to enable us to service our debt, which could negatively impact our financial results. In addition, we may not be able to obtain any such financing, refinancing or complete a sale of assets on economically favorable terms. In the case of financing or refinancing, favorable interest rates will depend on conditions in the debt capital markets. In addition, if our credit ratings are downgraded or put on watch for a potential downgrade, the applicable interest rate on borrowings under our current revolving credit facility **and commercial paper issuances** may rise and our ability to obtain additional financing or refinance our existing debt may be negatively affected. Restrictions in our revolving credit facility and outstanding debt instruments may limit our activities. Our current revolving credit facility and outstanding debt instruments impose, and future debt instruments to which we may become subject may impose, restrictions that limit our ability to engage in activities that could otherwise benefit us, including to undertake certain transactions, to create certain liens on our assets and to incur certain subsidiary indebtedness. Our ability to comply with these financial restrictions and covenants is dependent on our future performance, which is subject to prevailing economic conditions and other factors, including factors that are beyond our control such as changes in technology, government regulations and the level of competition in our markets. In addition, our revolving credit facility requires us to maintain compliance with specified financial ratios. If we breach any of the covenants under our revolving credit facility, the indentures governing our outstanding senior unsecured notes, or any future debt instruments to which we may become subject and do not obtain appropriate waivers, then, subject to applicable cure periods, our outstanding indebtedness thereunder could be declared immediately due and payable and ~~/ or~~ we may be restricted from further borrowing under our revolving credit facility. We may not meet expectations or targets in connection with our " green " financing arrangements, which could harm our reputation and business. From time to time, we may enter into " green " financing arrangements that require us to use proceeds for environmental sustainability purposes or have targets related to environmental sustainability. For example, we entered into a revolving credit agreement on June 23, 2021 **, which, as amended,** ~~(the " Revolving Credit Agreement ") that~~ contains a sustainability- linked pricing component, which provides for interest rate and facility fee reductions or increases based on meeting or missing targets related to environmental sustainability, specifically greenhouse gas emissions and renewable energy usage. For calendar year ~~2021~~ **2022** , we **were within** ~~did not achieve~~ the **threshold range for** greenhouse gas emissions ~~reduction~~ **and exceeded the target** threshold ~~goal~~ **for renewable energy usage** related to this sustainability- linked pricing component ~~due in part to increased demand for product, which did not have a material impact on our business, net income, or financing costs~~ . On October 5, 2021, we issued $ 750 million sustainability- linked senior notes (~~the "~~ Sustainability- Linked Senior Notes ~~"~~). Our Sustainability- Linked Senior Notes initially bear interest at a rate of 1. 7 % per annum and are subject to an increase of an additional 30 basis points per annum from April 1, 2026 to ~~the~~ **their** maturity ~~date~~ **on October 1, 2028** unless the Sustainability Performance Target (as defined in the Sustainability- Linked Senior Notes) has been satisfied. Failing to use the net proceeds under green financing arrangements that satisfies investor criteria and expectations regarding environmental impact or achieve targets related to environmental sustainability under such financing arrangements could result in reputational harm and our business and operating results could be negatively impacted. If we are not able to meet our U. S. cash requirements, it may be necessary for us to consider repatriation of foreign earnings, which could have a material adverse effect on our results of operations and financial condition. We carry outside basis differences in certain of our subsidiaries, primarily arising from acquisition accounting adjustments and certain undistributed earnings that are considered indefinitely reinvested. We intend to reinvest these funds in our international operations, and our current plans do not demonstrate a need to repatriate these earnings to fund our U. S. cash requirements. We require a substantial amount of cash in the United States for operating requirements, stock repurchases, cash dividends and acquisitions. If we are not able to meet our U. S. cash requirements through operations, borrowings under our current revolving credit facility, **issuances under our commercial paper program,** future debt or equity offerings or other sources of cash obtained at an acceptable cost, it may be necessary for us to consider repatriation of earnings that are indefinitely reinvested, and we may be required to pay additional taxes under current tax laws, which could have a material adverse effect on our results of operations and financial condition. General Risk Factors Our results of operations could be affected by natural disasters **or other catastrophic events** in the locations in which we operate. We, like many companies in the semiconductor industry, rely on supplies, services, internal manufacturing capacity, wafer fabrication foundries and other subcontractors in locations around the world that are susceptible to natural disasters and other significant disruptions. Earthquakes, fires, tsunamis, flooding **, public health emergencies** or other ~~natural disasters~~ **catastrophic events** may disrupt local semiconductor- related businesses and adversely affect manufacturing capacity, availability and cost of key raw materials, utilities and equipment, and availability of key services, including transport of our products worldwide. Our insurance may not adequately cover losses resulting from such disruptions. Any prolonged inability to utilize one of our manufacturing facilities, or those of our subcontractors or third- party wafer fabrication foundries, as a result of fire, flood, natural disaster, unavailability of utilities or otherwise, could result in a temporary or permanent loss of customers for affected products, which could have a material adverse effect on our results of operations and financial condition. In addition, global climate change may result in certain natural disasters **or other severe weather events** occurring more frequently or with greater intensity, such as drought, wildfires, storms, sea- level rise, **extreme temperatures** and flooding, and could disrupt the availability of water necessary for the operation of our fabrication facilities ~~located in semi- arid regions~~ . The long- term effects of climate change on the global economy and the semiconductor industry in particular are unclear, but could be severe ~~could result in lost revenue.These situations could have a material adverse effect on our business and operating results~~ .The extent to which the novel strain of the coronavirus (COVID- 19) pandemic will adversely affect our business,financial condition and results of operations is uncertain.The COVID- 19 pandemic ~~has~~ created significant worldwide uncertainty,volatility and economic disruption and ~~has~~ impacted our workforce and operations,the operations of our customers,those of our respective vendors and suppliers and the global capital markets.During the course of the pandemic,many of the countries in which we operate took and **may** continue to take measures to address the pandemic,which at times has resulted **and may continue to result** in disruptions at some of our manufacturing operations and facilities,including restrictions on our access to facilities.We may also ~~continue~~ **be required** to take actions as may be required by government authorities or that we determine are in the best interests of our employees,customers,partners,and suppliers,which may cause disruption to our business.The ~~continued~~ COVID- 19 pandemic could also cause further disruption in our supply chain and customer demand,and could adversely affect the ability of our customers to perform,including in making timely payments to us,which could further impact our business,financial condition and results of operations. **To** ~~The ultimate impact of~~ the **extent the** COVID- 19 pandemic ~~on~~ **adversely affects** our business,results of operations,financial condition and cash flows ~~continues to~~ **,it may also heighten many of the other risks described in this " Risk Factors " section** . Our stock price may be volatile. The market price of our common stock may be volatile, as it may be significantly affected by factors including: • global economic conditions generally; • crises in global credit, debt and financial markets; • actual or anticipated fluctuations in our revenue and operating results; • changes in financial estimates or other statements made by securities analysts or others in analyst reports or other publications, or our failure to perform in line with those estimates or statements or our published guidance; • financial results and prospects of our customers; • U. S. and foreign government actions, including with respect to trade, travel, export and taxation; • changes in market valuations of other semiconductor companies; • rumors and speculation in the press, investment community or on social media about us, our customers or other companies in our industry; • announcements by us, our customers or our competitors of significant new products, technical innovations, material transactions, acquisitions or dispositions, litigation, capital commitments, including share repurchases and dividend policies, or revised earnings estimates; • departures of key personnel; • alleged noncompliance with laws, regulations or ethics standards by us or any of our employees, officers or directors; and • negative media publicity targeting us or our suppliers, customers or competitors. The stock market has historically experienced volatility, especially within the semiconductor industry, that often has been unrelated to the performance of particular companies, such as the response to rising inflation and increasing interest rates. These market fluctuations may cause our stock price to fall regardless of our operating results. Our directors and executive officers periodically buy or sell shares of our common stock in the market, including pursuant to Rule 10b5- 1 trading plans. Regardless of the individual' s reasons for such purchases or sales, securities analysts and investors could view such transactions as positive or negative indicators and our stock price could be adversely affected as a result.