

Risk Factors Comparison 2024-11-25 to 2023-12-11 Form: 10-K

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You should carefully consider the following risk factors in addition to the other information included in this Report, including matters addressed in the section entitled "Cautionary Note Regarding Forward- Looking Statements." We may face additional risks and uncertainties that are not presently known to us, or that we currently deem immaterial, which may also impair our business. The following discussion should be read in conjunction with the financial statements and notes to the financial statements included in this Report. Risk Factors Relating to Our Business and Industry ~~The COVID-19 pandemic~~ **Pandemics and subsequent supply chain constraints have had, and other epidemics or similar widespread disease or illness outbreaks (collectively, "public health crises") and their disruptive impact on the supply chain have had, and epidemics or pandemics could have in future periods,** a material adverse effect on our business, results of operations, financial condition, and cash flows, particularly resulting from reductions in demand for our products, shortages of critical components that hinder the production of units to fulfill sales orders, disruptions or other developments negatively impacting our workforce or workplace conditions, and / or reduced access to capital markets and reductions in liquidity. ~~Beginning in our second quarter of fiscal 2020, the novel coronavirus known as "COVID-19" began to spread throughout the world, resulting in a global pandemic. The pandemic has, among other impacts:~~ **Beginning in our second quarter of fiscal 2020, the novel coronavirus known as "COVID-19" began to spread throughout the world, resulting in a global pandemic. The pandemic has, among other impacts:** **• negatively impacted demand for school buses due to schools operating totally or partially virtually, primarily during the second half of fiscal 2020 and first half of fiscal 2021;** **• triggered significant volatility in capital markets;** **• caused significant disruptions in global supply chains primarily impacting the Company beginning during the second half of fiscal 2021, all of fiscal 2022 and continuing, to a lesser extent, throughout fiscal 2023;** **• significantly altered global consumer demand;** **• halted a material number of global manufacturing operations resulting from permanent and temporary plant shut-downs; and** **• changed global workplace conditions resulting from "shelter-in-place" orders and "work from home" employer policies.** ~~The degree to which the COVID-19 pandemic~~ **public health crises have impacted our prior, and other future outbreaks could impact our future,** business, results of operations and financial condition depends on ~~future~~ **future a number of** developments, which are uncertain, including but not limited to the duration, spread and severity of ~~future~~ **future** outbreaks, government responses and other actions to mitigate the spread of and to treat **such outbreaks** ~~COVID-19,~~ and when and to what extent business, economic and social activity and conditions are disrupted. **These uncertain developments and** ~~We are similarly unable to predict the~~ **their** extent to which any **resulting impacts have applied, and could apply in** future periods, equally to ~~COVID-19 outbreaks could impact our customers, suppliers and other partners and their financial conditions, but adverse effects on these parties would likely also adversely affect us. Finally~~ **Such impacts include, among others:** **• reducing demand** ~~the threat of future COVID-19 outbreaks makes it challenging for management to estimate the future performance of our business. While the reduction in the demand of school buses~~ **due to schools operating totally or partially virtually;** **• triggering significant volatility in capital markets;** **• causing significant disruptions in global supply chains** ~~resulting from the COVID-19 pandemic began subsiding around the middle of calendar year 2021, the industry began experiencing significant supply chain constraints resulting from,~~ among others, labor shortages ~~due to the "great resignation";~~ ² the lack of maintenance on, and acquisition of, capital assets during ~~the extended~~ **COVID-19** global lockdowns; **and** significant increased demand for consumer products containing certain materials required for the production of **school buses** vehicles, such as microchips, as consumers spent stimulus and other funds on items for their homes; **• etc.** These supply chain disruptions had a significant **significantly** adverse impact our **altering global consumer demand; • halting a material number of global manufacturing operations and results resulting from permanent** ~~due to higher purchasing costs, including freight costs incurred to expedite receipt of critical components, increased manufacturing inefficiencies and hindered ability to complete the production of buses to fulfill sales~~ **temporary plant shut-downs; and • changing global workplace conditions resulting from "shelter-in-place" orders,** primarily during the latter half of fiscal 2021 and most of fiscal 2022 **"work from home" employer policies.** ~~However~~ **However** ~~The continuing development and fluidity of COVID-19 outbreaks and subsequent supply chain constraints precludes any prediction as to the ultimate severity of the adverse impacts on our business, financial condition, results of operations, and liquidity. At the present time,~~ we consider the following areas to be the most significant material risks to our business resulting from ~~the pandemic~~ **global health crises** and subsequent supply chain constraints: Supply Chain Disruptions We rely on specialist suppliers, some of which are single- source suppliers, for critical components (including but not limited to engines, transmissions and axles) and replacement of any of these components with like parts from another supplier normally requires engineering and testing resources, which entail costs and take time. We also currently rely on a limited number of single- source suppliers and / or have limited alternatives for important bus parts such as diesel engines and emission components, propane and gasoline engines including powertrains, control modules, steering systems, seats, specialty resins, and other key components. Future delays or interruptions in the supply chain expose us to the following risks which would likely significantly increase our costs and / or impact our ability to meet customer demand: **• we or our third- party suppliers may lose access to critical services and components, resulting in an interruption in the manufacture, assembly, and delivery or shipment of our products;** **• we or our third- party suppliers may not be able to respond to unanticipated changes in customer orders;** **• we or our suppliers may have excess or inadequate inventory of materials and components;** **• we or our third- party suppliers may be subject to price fluctuations, including for inbound freight costs that are incurred to transport goods and supplies to production facilities, and a lack of long- term supply arrangements for key components;** **• we may experience delays in delivery by our third- party suppliers due to changes in demand from us or their other customers;** **• fluctuations in demand for products that our third- party suppliers manufacture for others may affect their ability or willingness to deliver components to us**

in a timely manner; • we may not be able to find new or alternative components or reconfigure our products and manufacturing processes in a timely manner, **or at all**, if the necessary components become unavailable; and • our third- party suppliers may encounter financial hardships unrelated to our demand, which could inhibit their ability to fulfill our orders and meet our requirements. Disruptions or other developments negatively impacting our workforce or workplace conditions **Almost all U. S. During public health crises, federal, states- state and /-, including Georgia where our- or local governments may headquarters and manufacturing facilities are located, issued- issue**, primarily during calendar years 2020 and 2021, “shelter-in- place” orders, quarantines, executive orders and similar government orders, restrictions and recommendations for their residents to control the spread of COVID-19. These orders could be re-issued in the **outbreak future and could introduce broader restrictions**. Such orders, restrictions and recommendations **could resulted-- result** in widespread closures of businesses, work stoppages, interruptions, slowdowns and delays, work- from- home policies and travel restrictions. While **our business was deemed" essential" by the State of Georgia, we employed-remote work policies may when and where necessary to be implemented in responsive-- response** to the health risks that could impact our employees. **Given the nature of our business**, we do not have the ability to manufacture a **school bus buses** without our on- site manufacturing personnel **given the nature of our business**. **If** While we have not experienced any pervasive COVID-19 illnesses to date, if we were to experience some form of outbreak within our facilities, we would take all appropriate measures to protect the health and safety of our employees, which could include a temporary halt in production. Any extended production halt or diminution in production capacity would have a negative impact on our ability to fulfill orders and thus negatively impact our revenues, profitability and cash flows. Reduced profitability and liquidity, resulting in the restructuring of our credit facilities, and / or inadequate access to credit and capital markets **Public health crises The COVID-19 pandemic and subsequent the related disruption in the supply chain could disruption have materially adversely impacted-- impact** global commercial activity and **contributed- contribute** to significant volatility in financial markets. **The supply Supply chain constraints, including the any resulting inflationary environment that has may developed-- develop, could continue to have a material adverse impact on economic and market conditions, potentially reducing our ability to access capital, which could in the future negatively affect our liquidity.** **Specifically, Future future COVID-19 outbreaks and / or continuing supply chain constraints could cause a more severe contraction in our profits and / or liquidity, which could lead to issues complying with the financial covenants in our credit facility. Beginning in the fiscal year ending September 28, 2024 ("fiscal 2024") and thereafter, our primary financial covenants are (i) a pro forma Total Net Leverage Ratio ("TNLR"), defined as the ratio of consolidated net debt to consolidated EBITDA (which is an adjusted EBITDA metric that could differ from Adjusted EBITDA appearing in the Company's periodic filings on Form 10- K or Form 10- Q as the adjustments to the calculations are not uniform) on a trailing four quarter basis, of not greater than 3.00: 1.00 and (ii) a pro forma fixed charge coverage ratio (as defined in the 2023 Credit Agreement, which is discussed below) of not less than 1.20: 1.00. If we were are not able-unable** to comply with such covenants, we may need to seek amendment for covenant relief or even refinance the debt to a "covenant lite" or "no covenant" structure. We can offer no assurances that we would be successful in amending or refinancing the debt. An amendment or refinancing of our debt could lead to higher interest rates and possible up- front expenses not included in our historical financial statements. **Current The military conflict in Ukraine, and future military conflicts in other countries, could cause additional supply chain disruptions that could have a material adverse impact on our business, results of operations, financial condition and cash flows. During Beginning in** fiscal 2022 and **continuing through** fiscal 2023-2024, the ongoing pressure on the global supply chain was further exacerbated as a result of Russia's invasion of Ukraine towards the end of February 2022. Both countries have large quantities of minerals and other natural resources that impact commodity costs, such as diesel fuel, steel, rubber and resin, among others, and the conflict has further restricted access to inventory that is at least partially dependent upon such commodities, primarily for the Company's suppliers. Such restricted access has, in certain cases, limited our ability to obtain critical component parts and / or resulted in us paying premium prices for freight and to access the limited supply of inventory. The degree to which this **and similar conflict-conflicts, including future military conflicts, impacts-- impact** our future business, results of operations, financial condition and cash flows will depend on future developments, which are uncertain, including but not limited to the duration of, potential spread and severity of, and additional governmental actions in response to, **the such conflict-conflicts** and when and to what extent normal business and economic activity and conditions resume and continue without further disruption. General economic conditions in the markets we serve have a significant impact on demand for our buses. The school bus market is predominantly driven by long- term trends in the level of spending by municipalities. The principal factors underlying spending by municipalities are housing prices, property tax levels, municipal budgeting issues and voter initiatives. Demand for school buses is further influenced by overall acquisition priorities of municipalities, availability of school bus financing, student population changes, school district busing policies, price and other competitive factors, fuel prices and environmental regulations. Significant deterioration in the economic environment, housing prices, property tax levels or municipal budgets could result in fewer new orders for school buses or could cause customers to seek to postpone or reduce orders, which could result in lower revenues, profitability and cash flows. We may be unable to obtain critical components from suppliers, which could disrupt or delay our ability to deliver products to customers. We rely on specialist suppliers for critical components (including engines, transmissions and axles) and replacement of any of these components with like parts from another supplier normally requires engineering and testing resources, which entail costs and take time. The lack of ready- to- implement alternatives could give such suppliers, some of which have substantial market power, significant leverage over us if these suppliers elected to exert their market power over us, which leverage could adversely impact the terms and conditions of purchase, including pricing, warranty claims and delivery schedules. We seek to mitigate supply chain risks with our key suppliers by entering into long- term agreements, by commencing contract negotiations with suppliers of critical components significantly before contract expiration dates, and by diversifying our suppliers of key components with contingency programs when possible. If any of our critical component suppliers limit or reduce the supply of

components due to commercial reasons, financial difficulties or other problems, we could experience a loss of revenues due to our inability to fulfill orders, ~~as was the case in the second half of fiscal 2021 and throughout much of fiscal 2022~~. These single- source and other suppliers are each subject to quality and operational issues, materials shortages, unplanned demand, reduction in capacity and other factors that may disrupt the flow of goods to us or to our customers, which would adversely affect our business and customer relationships. We have no assurance that our suppliers will continue to meet our requirements. If supply arrangements are interrupted, we may not be able to find another supplier on a timely or satisfactory basis. We may incur significant set- up costs, delays and lag time in manufacturing should it become necessary to replace any key suppliers. Our business interruption insurance coverage may not be adequate for any interruptions that we could encounter and may not continue to be available in amounts and on terms acceptable to us. Production delays could, under certain circumstances, result in penalties or liquidated damages in certain of our GSA contracts. We rely substantially on single- source suppliers which could materially and adversely impact us if they were to interrupt the supply of component parts to us. We currently rely on a limited number of single- source suppliers and / or have limited alternatives for important bus parts such as diesel engines and emission components, propane and gasoline engines including powertrains, control modules, air brakes, steering systems, seats, specialty resins, and other key components. Shortages and allocations by such manufacturers may result in inefficient operations and a build- up of inventory, which could negatively affect our working capital position, ~~as was the case during the second half of fiscal 2021 and throughout much of fiscal 2022~~. Our products may not achieve or maintain market acceptance or competing products could gain market share, which could adversely affect our competitive position. We operate in a highly competitive domestic market. Our principal competitors are Thomas Built Bus (owned by Daimler Trucks North America) and IC Bus (owned by **International Motors, LLC and former known as** Navistar, Inc.), which, at the consolidated level, have potential access to more technical, financial and marketing resources than the Company. Our competitors may develop or gain access to products that are superior to our products, develop methods of more efficiently and effectively providing products and services, or adapt more quickly than we do to new technologies or evolving customer requirements. IC Bus and Thomas Built Bus both sell electric powered school buses. This brings both competitors into direct competition with our electric powered product offerings. Our competitors may achieve cost savings or be able to withstand a substantial downturn in the market because their businesses are consolidated with other vehicle lines. In addition, our competitors could be, and have been in the past, vertically integrated by designing and manufacturing their own components (including engines) to reduce their costs. The school bus market does not have “ Buy America ” regulations, so competitors or new entrants to the market could manufacture school buses in more cost- effective jurisdictions and import them to the U. S. to compete with us. Any increase in competition may cause us to lose market share or compel us to reduce prices to remain competitive, which could result in reduced sales, profitability and cash flows. Our business is cyclical, which has had, and could have future, adverse effects on our sales and results of operations and lead to significant shifts in our results of operations from quarter to quarter that make it difficult to project long- term performance. The school bus market historically has been and is expected to resume being, at some point in the relatively near future, cyclical. This cyclicity has an impact both on the school bus industry and also on the comparative analysis of quarterly results of our Company. Customers historically have replaced school buses in lengthy cycles. Moreover, weak macroeconomic conditions can adversely affect demand for new school buses and lead to an overall aging of school bus fleets beyond a typical replacement cycle. To the extent the increase in school bus demand is attributable to pent- up demand rather than overall economic growth, future school bus sales may lag behind improvements in general economic conditions or property tax levels. During downturns, we may find it necessary to reduce line rates and employee levels due to lower overall demand. An economic downturn may reduce, and in the past, ~~including during the first half of fiscal 2021~~, has reduced, demand for school buses, resulting in lower sales volumes, lower prices and decreased profits. Primarily as a result of the ~~historical~~ **historically** seasonal nature of our business, we may operate with negative working capital for significant portions of our fiscal year. During economic downturns, this tends to result in our utilizing a substantial portion of our cash reserves. Our ability to sell our products may be negatively affected by trade policies and tariffs. We import some of our components from China and other foreign countries. Our purchases may be subject to the effects of the U. S. trade policy, including the imposition of tariffs and anti- dumping / countervailing duties on these components. We can provide no assurance that our ability to sell our products at reasonable margins will not be impaired by the imposition of tariffs or other changes in trade policy which may make it more difficult or more expensive to purchase our products. At times we enter into firm fixed- price school bus sales contracts without price escalation clauses that could subject us to reduced gross profits or losses if we have cost overruns or if our costs increase. We sometimes provide fixed- price bids on potential school bus orders months before the expected delivery date. Also, a substantial amount of time may lapse between the bid date and the date that a school bus sales contract containing a fixed price is executed. The sales bids historically have not included price escalation provisions to account for economic fluctuations between the bid date and delivery date. As a result, we have historically been unable to pass along to our customers increased costs due to economic fluctuations between these dates as was the case during ~~the second half of fiscal 2021, all of~~ fiscal 2022 and the first quarter of fiscal 2023, which is generally not expected to continue as the Company now includes price escalation provisions when bidding on contracts. However, once a sales contract containing a fixed bus price is executed with a customer, we are generally unable to pass along increased costs resulting from economic fluctuations between the contract date and delivery date. We generally purchase steel at fixed prices up to four quarters in advance, with larger quantities subject to fixed price purchase contracts in the more immediate upcoming quarters with quantities decreasing in later quarters, but because we usually do not hedge our other primary raw materials (rubber, aluminum and copper), changes in prices of raw materials can significantly impact operating margins. Our actual costs and any gross profit realized on fixed- price sales contracts could vary from the estimated costs on which these contracts were originally based. New laws, regulations or governmental policies regarding environmental, health and safety standards, or changes in existing ones, may have a significant negative impact on how we do business. Our products must satisfy various legal, environmental, health and safety requirements, including

applicable emissions and fuel economy requirements. Meeting or exceeding government- mandated safety standards can be difficult and costly. Such regulations are extensive and may, in certain circumstances, operate at cross purposes. While we are managing our product development and production operations to reduce costs, unique local, state, federal and international standards can result in additional costs for product development, testing and manufacturing. We depend on third party single-source suppliers to comply with applicable emissions and fuel economy standards in the manufacture of engines supplied to us for our buses. Increased environmental, safety, emissions, fuel economy or other regulations may result in additional costs and lag time to introduce new products to market. Safety or durability incidents associated with a school bus malfunction may result in loss of school bus sales that could have material adverse effects on our business. The school bus industry has few participants due to the importance of brand and reputation for safety and durability, compliance with stringent safety and regulatory requirements, an understanding of the specialized product specifications in each region and specialized technological and manufacturing know- how. If incidents associated with school bus malfunction transpired that called into question our reputation for safety or durability, it could harm our brand and reputation and cause consumers to question the safety, reliability and durability of our products. Lost school bus sales resulting from safety or durability incidents could materially adversely affect our business. Disruption of our manufacturing and distribution operations would have an adverse effect on our financial condition **and**, results of operations **and cash flows**. We manufacture school buses at facilities in Fort Valley, Georgia and distribute parts from a distribution center located in Delaware, Ohio. If operations at our manufacturing or distribution facilities were to be disrupted for a significant length of time as a result of significant equipment failures, critical component shortages, natural disasters, power outages, fires, explosions, terrorism, adverse weather conditions, labor disputes, **cybersecurity** ~~cyber-~~ attacks or other reasons, we may be unable to fulfill dealer or customer orders and otherwise meet demand for our products, which would have an adverse effect on our business, financial condition **and**, results of operations **and cash flows**. Any interruption in production or distribution capability could require us to make substantial capital expenditures to fulfill customer orders, which could negatively affect our profitability and financial condition. We maintain property damage insurance that we believe to be adequate to provide for reconstruction of facilities and equipment, as well as business interruption insurance to mitigate losses resulting from any production interruption or shutdown caused by an insured loss. However, any recovery under our insurance policies may not offset the lost sales or increased costs that may be experienced during the disruption of operations. Also, our property damage and business interruption insurance coverage may not be applicable or adequate for any such disruption and may not continue to be available in amounts and on terms acceptable to us. **Disputes with the labor union may adversely affect our ability to operate, as well as impact our financial results. Most of our operations employees are represented by the USW with the current CBA set to expire in 2027. Work stoppages, strikes, or other disputes with the USW, arising under the existing CBA or in connection with negotiations of a new collective bargaining agreement, could disrupt production and adversely affect our business, results of operations, and cash flows. Any amendments to the existing CBA, or the implementation of new collective bargaining agreements, could result in increased labor costs.** Rationalization or restructuring of manufacturing facilities, including plant expansions and system upgrades at our manufacturing facilities, may cause production capacity constraints and inventory fluctuations. The rationalization of our manufacturing facilities has at times resulted in, and similar rationalizations or restructurings in the future may result in, temporary constraints upon our ability to produce the quantity of products necessary to fulfill orders and thereby complete sales in a timely manner. In addition, system upgrades at our manufacturing facilities that impact ordering, production scheduling and other related manufacturing processes are complex, and could impact or delay production targets. A prolonged delay in our ability to fulfill orders on a timely basis could affect customer demand for our products and increase the size of our raw material inventories, causing future reductions in our manufacturing schedules and adversely affecting our results of operations. Moreover, our continuous development and production of new products will often involve the retooling of existing manufacturing equipment. This retooling may limit our production capacity at certain times in the future, which could materially adversely affect our results of operations and financial condition. In addition, the expansion, reconfiguration, maintenance and modernization of existing manufacturing facilities and the start- up of new manufacturing operations, could increase the risk of production delays and require significant investments of capital. We may incur material losses and costs related to product warranty claims. We are subject to product warranty claims in the ordinary course of our business. Our standard warranty covers the bus for one year and certain components for up to five years. We attempt to adequately price ongoing warranty costs into our bus purchase contracts; however, our warranty reserves are estimates and if we produce poor quality products, develop new products with deficiencies or receive defective materials or components, we may incur material unforeseen costs in excess of what we have provided for in our contracts or reserved in our financial statements. In addition, we may not be able to enforce warranties and extended warranties received or purchased from our suppliers if such suppliers refuse to honor such warranties or go out of business. Also, a customer may choose to pursue remedies directly under its contract with us over enforcing such supplier warranties. In such a case, we may not be able to recover our losses from the supplier. We may incur material losses and costs as a result of product liability claims and recalls. We face an inherent risk of exposure to product liability claims if the use of our products results, or is alleged to result, in personal injury and / or property damage. If we manufacture a defective product or if component failures result in damages that are not covered by warranty provisions, we may experience material product liability losses in the future. In addition, we may incur significant costs to defend product liability claims. We could also incur damages and significant costs in correcting any defects, lose sales and suffer damage to our reputation. Our product liability insurance coverage may not be adequate for all liabilities we could incur and may not continue to be available in amounts and on terms acceptable to us. Significant product liability claims could have a material adverse effect on our financial condition, results of operations and cash flows. Moreover, the adverse publicity that may result from a product liability claim or perceived or actual defect with our products could have a material adverse effect on our ability to market our products successfully. We are subject to potential recalls of our products from customers to cure manufacturing defects or in the event of

a failure to comply with customers' order specifications or applicable regulatory standards, as well as potential recalls of components or parts manufactured by suppliers that we purchase and incorporate into our school buses. We may also be required to remedy or retrofit buses in the event that an order is not built to a customer's specifications or where a design error has been made. Significant retrofit and remediation costs or product recalls could have a material adverse effect on our financial condition, results of operations and cash flows. A failure to renew dealer agreements or cancellation of, or significant delay in, new bus orders may result in unexpected declines in revenue and profitability. We rely to a significant extent on our dealers to sell our products to the end consumer. A loss of one or more significant dealers or a reduction in the market share of existing dealers would lead to a loss of revenues that could materially adversely affect our business and results of operations. Our dealer agreements are typically for a five- year term; however, the dealer can usually cancel the agreement for convenience without penalty upon 90 days' notice. While most of our dealers have been purchasing from us for more than ~~two~~**three** decades, we can provide no assurance that we will be able to renew our dealer agreements on favorable terms, or at all, at their scheduled expiration dates. If we are unable to renew a contract with one or more of our significant dealers, our revenues and results of operations could be adversely affected until an alternative solution is implemented (e. g., a new dealer or combining the territory with another, existing Blue Bird dealer). If dealer agreements are terminated with one or more of our top 10 dealers, significant orders are canceled or delayed or we incur a significant decrease in the level of purchases from any of our top 10 dealers, our sales and operating results would be adversely impacted. In addition, our new bus orders are subject to potential reduction, cancellation and / or significant delay. Although dealers generally only order buses from us after they have a firm order from a school district, orders for buses are also generally cancellable until 14 weeks prior to delivery. Changes in laws or regulations related to the manufacture of school buses, or a failure to comply with such laws and regulations, could adversely affect our business and results of operations. We are subject to laws and regulations enacted by national, regional and local governments, including non- U. S. governments, related to the manufacture of our school buses. Compliance with, and monitoring of, applicable laws and regulations may be difficult, time consuming and costly, which could negatively impact our business and results of operations. Our products must satisfy a complex compliance scheme due to variability in and potentially conflicting local, state, federal and international laws and regulations. The cost of compliance may be substantial in a period due to the potential for modification or customization of our school buses in any of the 50 plus jurisdictions in which our buses are sold. In addition, if we expand into more international jurisdictions, we could potentially incur additional costs in order to tailor our products to the applicable local law requirements of such jurisdictions. Further, we must comply with additional regulatory requirements applicable to us as a federal contractor for our GSA contracts, which increase our costs. GSA contracts are also subject to audit and increased inspections and costs of compliance. Any potential penalties for non- compliance with laws and regulations may not be covered by insurance that we carry. Environmental obligations and liabilities could have a negative impact on our financial condition, cash flows and profitability. Potential environmental issues have been identified at our facility in Fort Valley, Georgia, including the solid waste management units at the facility's old landfill. Potential remediation costs and obligations could require the expenditure of capital and, if greater than expected, or in excess of applicable insurance coverage, could have a material adverse effect on our results of operations, liquidity or financial condition. We are cooperating with the Georgia Environmental Protection Division and have conducted a site- wide investigation under the current hazardous waste management law. All investigations of suspect areas have been completed. Implementation of a corrective action plan has commenced, which will consist of re- surfacing the landfill cap, **re- grading a portion of the lot in close proximity to the landfill**, ongoing monitoring, and ground water use restrictions for the old landfill. There are currently no proposed remediation actions to be included in the corrective action plan. Based on the data generated from the latest site investigation, we believe our environmental risks have been reduced substantially, but not eliminated. Our future competitiveness and ability to achieve long- term profitability depend on our ability to control costs, which requires us to improve our organization continuously and to increase operating efficiencies and reduce costs. In order to operate profitably in our market, we are continually transforming our organization and rationalizing our operating processes. Our future competitiveness depends upon our continued success in implementing these initiatives throughout our operations. While some of the elements of cost reduction are within our control, others, such as commodity costs, regulatory costs and labor costs, depend more on external factors, and there can be no assurance that such external factors will not materially adversely affect our ability to reduce our costs. Our operating results may vary widely from period to period due to the sales cycle, seasonal fluctuations and other factors. Our orders with our dealers and customers generally require time- consuming customization and specification. We incur significant operating expenses when we are building a bus prior to sale or designing and testing a new bus. If there are delays in the sale of buses to dealers or customers, such delays may lead to significant fluctuations in results of operations from quarter to quarter, making it difficult to predict our financial performance on a quarterly basis. Further, if we were to experience a significant amount of cancellations of or reductions in purchase orders, it would reduce our future sales and results of operations. Our business is subject to seasonal and other fluctuations. In particular, we have historically experienced higher revenues during the third and fourth quarters when compared with the first and second quarters during each fiscal year. This seasonality is caused primarily by school districts ordering more school buses prior to the beginning of a school year. Our ability to meet customer delivery schedules is dependent on a number of factors including, but not limited to, access to components and raw materials, an adequate and capable workforce, assembling / engineering expertise for certain projects and sufficient manufacturing capacity. The availability of these factors may in some cases be subject to conditions outside of our control. A failure to deliver in accordance with our performance obligations may result in financial penalties under certain of our GSA contracts and damage to existing customer relationships, damage to our reputation and a loss of future bidding opportunities, which could cause the loss of future business and could negatively impact our financial performance. Our defined benefit pension plan ~~is currently~~**may become** underfunded **in future periods** and pension funding requirements could increase significantly due to a reduction in funded status as a result of a variety of factors, including weak performance of financial markets, decreasing interest rates and investments that do not

achieve adequate returns. Our defined benefit pension plan currently holds a significant amount of equity and fixed income securities. Our future funding requirement for our frozen defined benefit pension plan (“ Pension Plan ”) qualified with the Internal Revenue Service depends upon the future performance of assets placed in trusts for this plan, the level of interest rates used to determine funding levels, the level of benefits provided for by the Pension Plan and any changes in government laws and regulations. Future funding requirements generally increase if the discount rate decreases or if actual asset returns are lower than expected asset returns, as other factors are held constant. If future funding requirements increase, we would be required to contribute more funds, which would negatively impact our cash flows. Our current or future indebtedness could impair our financial condition and reduce the funds available to us for growth or other purposes. Our debt agreements impose certain operating and financial restrictions, with which failure to comply could result in an event of default that could adversely affect our business. We have substantial indebtedness. If our cash flows and capital resources are insufficient to fund the interest payments on our outstanding borrowings under our credit facility and other debt service obligations and keep us in compliance with the covenants under our debt agreements or to fund our other liquidity needs, we may be forced to reduce or delay capital expenditures, sell assets or operations, seek additional capital or restructure or refinance our indebtedness. We can provide no assurance that we would be able to take any of these actions, that these actions would permit us to meet our scheduled debt service obligations or that these actions would be permitted under the terms of our existing or future debt agreements, which may impose significant operating and financial restrictions on us and could adversely affect our ability to finance our future operations or capital needs; obtain standby letters of credit, bank guarantees or performance bonds required to bid on or secure certain customer contracts; make strategic acquisitions or investments or enter into alliances; withstand a future downturn in our business or the economy in general; engage in business activities, including future opportunities for growth, that may be in our interest; and plan for or react to market conditions or otherwise execute our business strategies. If we cannot make scheduled payments on our debt, or if we breach any of the covenants in our debt agreements, we will be in default and, as a result, our lenders could declare all outstanding principal and interest to be due and payable, could terminate their commitments to lend us money and foreclose against the assets securing our borrowings, and we could be forced into bankruptcy or liquidation. In addition, we and certain of our subsidiaries may incur significant additional indebtedness, including additional secured and / or unsecured indebtedness. Although the terms of our debt agreements contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of qualifications and exceptions, and additional indebtedness incurred in compliance with these restrictions could be significant. Incurring additional indebtedness could increase the risks associated with our substantial indebtedness, including our ability to service our indebtedness. Our profitability depends on achieving certain minimum school bus sales volumes and margins. If school bus sales deteriorate, our results of operations, financial condition, and cash flows will suffer. Our profitability requires us to maintain certain minimum school bus sales volumes and margins. As is typical for a vehicle manufacturer, we have significant fixed costs and, therefore, changes in our school bus sales volume can have a disproportionately large effect on profitability. If our school bus sales decline to levels significantly below our assumptions, due to a financial downturn, recessionary conditions, changes in consumer confidence, geopolitical events, inability to secure an adequate supply of critical components, **limited access to financing** or any other reason **or factors** that would limit our ability to produce sufficient quantities of school buses, ~~limited access to financing or other factors~~, our financial condition, results of operations and cash flows would be materially adversely affected. If Huntington Distribution Finance, Inc. cannot provide financial services to our dealers and customers to acquire our products, our sales and results of operations could deteriorate. Our dealers and customers benefit from their relationships with Huntington, which provides (i) floorplan financing for certain of our network dealers and (ii) a modest amount of vehicle lease financing to school districts. Although we neither assume any balance sheet risk nor receive any direct economic benefit from Huntington, we could be materially adversely affected if Huntington was unable to provide this financing and our dealers were unable to obtain alternate financing, at least until a replacement for Huntington was identified. Huntington faces a number of business, economic and financial risks that could impair its access to capital and negatively affect its business and operations and its ability to provide financing and leasing to our dealers and customers. Because Huntington serves as an additional source of leasing and financing options for dealers and customers, an impairment of Huntington’s ability to provide such financial services could negatively affect our efforts to expand our market penetration among customers that rely on these financial services to acquire new school buses and dealers that seek financing. We rely heavily on trade secrets to gain a competitive advantage in the market and the unenforceability of our nondisclosure agreements may adversely affect our operations. Historically, we have not relied upon patents to protect our design or manufacturing processes or products. Instead, we rely significantly on maintaining the confidentiality of our trade secrets and other information related to our operations. Accordingly, we require all executives, engineering employees and suppliers to sign a nondisclosure agreement to protect our trade secrets, business strategy and other proprietary information. If the provisions of these agreements are found unenforceable in any jurisdiction in which we operate, the disclosure of our proprietary information may place us at a competitive disadvantage. Even where the provisions are enforceable, the confidentiality clauses may not provide adequate protection of our trade secrets and proprietary information in every such jurisdiction. We require training sessions for our employees regarding the protection of our trade secrets, business strategy and other proprietary information. Our employee training may not provide adequate protection of our trade secrets and proprietary information. We may be unable to prevent third parties from using our intellectual property rights, including trade secrets and know- how, without our authorization or from independently developing intellectual property that is the same as or similar to our intellectual property, particularly in those countries where the laws do not protect our intellectual property rights as fully as in the U. S. The unauthorized use of our trade secrets or know- how by third parties could reduce or eliminate any competitive advantage we have developed, cause us to lose sales or otherwise harm our business or increase our expenses as we attempt to enforce our rights. Our intellectual property rights may not be successfully asserted in the future or may be invalidated, circumvented or challenged. We rely on a number of significant unregistered trademarks and other unregistered

intellectual property in the day- to- day operation of our business. Without the protections afforded by registration, our ability to protect and use our trademarks and other unregistered intellectual property may be limited, which could negatively affect our business in the future. In addition, while we have not faced intellectual property infringement claims from others in recent years, in the event successful infringement claims are brought against us, particularly claims (under patents or otherwise) against our product design or manufacturing processes, such claims could have a material adverse effect on our business, financial condition or results of operation. Our business could be materially adversely affected by changes in foreign currency exchange rates. We sell the majority of our buses and parts in U. S. Dollars. Our foreign customers have exposures to risks related to changes in foreign currency exchange rates on our sales in that region. Foreign currency exchange rates can have material adverse effects on our foreign customers' ability to purchase our products. Further, we have certain sales contracts that are transacted in Canadian Dollars. While we generally aim to hedge any such transactions, that may not always be the case. As a result, foreign currency fluctuations and the associated remeasurements and translations could have a material adverse effect on our results of operations and financial condition. The manufacture of our Type A buses is conducted by the Micro Bird joint venture that we do not control and cannot operate solely for our benefit. The manufacture of Type A buses is carried out by a 50 / 50 Canadian joint venture, Micro Bird, which we do not control or consolidate. In joint ventures, we share ownership and management of a company with one or more parties who may not have the same goals, strategies, priorities or resources as we do and may compete with us outside the joint venture. Joint ventures are intended to be operated for the equal benefit of all co- owners, rather than for our exclusive benefit. Operating a business as a joint venture often requires additional organizational formalities as well as time- consuming procedures for sharing information and making decisions. In joint ventures, we are required to foster our relationships with co- owners as well as promote the overall success of the joint venture, and if a co- owner changes or relationships deteriorate, our success in the joint venture may be materially adversely affected. The benefits from a successful joint venture are shared among the co- owners, so that we do not receive all the benefits from our joint venture. General Risk Factors The inability to attract and retain key personnel could adversely affect our business and results of operations. Our ability to operate our business and implement our strategies depends, in part, on the efforts of our executive officers and other key employees. Our future success depends, in large part, on our ability to attract and retain qualified personnel, including manufacturing personnel, sales professionals and engineers. The unexpected loss of services of any of our key personnel or the failure to attract or retain other qualified personnel could have a material adverse effect on the operation of our business. While we have enjoyed good relations and a collaborative approach with our work force, employment relationships can deteriorate over time. Given the extent to which we rely on our employees, any significant deterioration in our relationships with our key employees or overall workforce could materially harm us. Work stoppages or instability in our relationships with our employees could delay the production and / or development of our products, which could strain relationships with customers and cause a loss of revenues that would adversely affect our operations. In addition, local economic conditions in the Central Georgia area (where our principal manufacturing facilities are located) may impact our ability to attract and retain qualified personnel. ~~The ability to negotiate a collective bargaining agreement on terms that are favorable to the Company is uncertain and the final terms of, and costs associated with, the collective bargaining agreement could adversely affect our business, cash flow, results of operations and financial condition. The Company's business is labor intensive. As a result of the USW election, a large majority of our workforce is now represented by a labor union. The Company expects to negotiate in good faith toward a collective bargaining agreement, and any such resulting agreement may cause it to incur higher labor costs for our employees than we would have incurred absent such agreement. At this time, it is uncertain as to when and if an agreement with the USW will be reached. As such, uncertainty exists regarding labor costs and labor actions, which may include increased labor costs, strikes, work stoppages, unfair labor practices claims and other disturbances and disputes. Union actions that may occur in the future could cause disruptions to our operations and may cause us to incur additional costs, any of which could have a material adverse effect on our cash flow, results of operations and financial condition.~~ Our worker' s compensation insurance may not provide adequate coverage against potential liabilities. Although we maintain a workers' compensation insurance stop loss policy to cover us for costs and expenses we may incur resulting from work- related injuries to our employees over our self- insured limit, this insurance may not provide adequate coverage against potential liabilities as we incur the costs and expenses up to our self- insured limit. In addition, we may incur substantial costs in order to comply with current or future health and safety laws and regulations. These current or future laws and regulations may negatively impact our manufacturing operations. Failure to comply with these laws and regulations also may result in substantial fines, penalties or other sanctions. We may need additional financing to execute our business plan and fund operations, which additional financing may not be available on reasonable terms or at all. Our ability to execute current and future business plans, including the potential for future market and / or product expansion and opportunities for future international growth, may require substantial additional capital. We will consider raising additional funds through various financing sources, including the sale of our equity securities or the procurement of additional commercial debt financing. However, there can be no assurance that such funds will be available on commercially reasonable terms, if at all. If such financing is not available on satisfactory terms, we may be unable to execute our growth strategy, and operating results may be adversely affected. Any additional debt financing will increase expenses and must be repaid regardless of operating results and may involve restrictions limiting our operating flexibility. If we issue equity securities to raise additional funds, the percentage ownership of our existing stockholders will be reduced, and our stockholders may experience additional dilution in net book value per share. If the amount of capital we are able to raise from financing activities, together with our revenues from operations, are not sufficient to satisfy our capital needs, we may be required to decrease the pace of, or eliminate, our future product offerings and market expansion opportunities and potentially curtail operations. Interest rates could change substantially, materially impacting our profitability. Our borrowings under our credit facility bear interest at variable market rates and expose us to interest rate risk. We monitor and manage this exposure as part of our overall risk management program, which recognizes the unpredictability of interest rates and seeks to reduce potentially adverse effects on our business.

However, changes in interest rates cannot always be predicted, hedged, or offset with price increases to eliminate earnings volatility. An impairment in the carrying value of goodwill and other long-lived intangible assets could negatively affect our operating results. We have a substantial amount of goodwill and purchased intangible assets on our balance sheet, concentrated in our bus segment and specifically related to the dealer network and our trade name. These long-lived assets are required to be reviewed for impairment at least annually, or more frequently if potential interim indicators exist that could result in impairment. If any business conditions or other factors cause profitability or cash flows to significantly decline, we may be required to record a non-cash impairment charge, which could adversely affect our operating results. Events and conditions that could result in impairment include a prolonged period of global economic weakness, a further decline in economic conditions or a slow, weak economic recovery, sustained declines in the price of our common stock, adverse changes in the regulatory environment, adverse changes in the market share of our products, adverse changes in interest rates or other factors leading to reductions in the long-term sales or profitability that we expect. **The failure of Security breaches and other disruptions to our information technology networks and systems could result in the inoperability of our critical business processes and substantially disrupt** interfere with our operations and could compromise the confidentiality of our proprietary information, notwithstanding the fact that no such breaches or disruptions have materially impacted us to date. We **utilize and** rely upon information technology systems and networks, some of which are managed by third parties, to process, transmit and store electronic information, and to manage or support a **wide** variety of business processes and activities, including supply chain management, manufacturing, invoicing and collection of payments from our dealer network and customers. **Additionally, among others. The operation of these information technology systems and networks, and the processing and maintenance of this electronic information, is critical to our business operations and strategy. These systems and networks may be vulnerable to damage, disruptions, shutdowns or outages while upgrading or replacing computer software or hardware or as a result of hardware failures; software errors or malfunctions; third-party service provider outages; power outages; computer viruses; telecommunication or utility failures; errors or malfeasance by employees, contractors and others who have access to our networks and systems; or natural disasters or other catastrophic events, among others. The occurrence of any of these events could compromise our systems and contribute to the loss or corruption of our electronic information, which may reduce the competitive advantage we hope to derive from our investment in information technology. Any extended systems downtime and / or data loss or corruption could significantly disrupt our ability to meet operational and financial targets and / or requirements, which may adversely affect our business, operating results, financial condition, cash flows and stock price. While we maintain business continuity and disaster recovery plans and conduct training and tests to respond to these types of events, we can provide no assurance that these measures would be sufficient to prevent or mitigate the impact of a prolonged information technology failure or that we would not experience material losses if such an event was to occur. A cybersecurity incident could compromise the confidentiality, integrity, and / or availability of our proprietary electronic information. We are highly dependent on information technology systems and networks to conduct our business and manage critical operations. We collect and, store and process sensitive data, including intellectual property, material non-public financial information, proprietary business information, the proprietary business information of our dealers and suppliers, as well as personally identifiable information of our employees, in data centers and on-in our information technology systems. The secure operation of these information technology systems, and the processing and maintenance of this information, is critical to our business operations and strategy. Despite implementing robust security measures, there is always a risk of a cybersecurity incident, including a data breach, hack, ransomware attack, social engineering scheme and / or other malicious activity aimed at compromising the confidentiality, integrity and / or availability of our networks, systems and / or electronic information. A cybersecurity incident could result in significant business interruptions continuity plans, operational delays, our or shutdowns, negatively affecting our ability to serve our customers and meet operational and financial targets and / or requirements. Additionally, unauthorized access to our networks and systems could lead to the theft, destruction, disclosure, alteration or loss of sensitive electronic information technology systems and networks may be vulnerable to damage, potentially causing reputational harm disruptions or shutdowns due to attacks by hackers or breaches due to errors or malfeasance by employees, contractors loss of customer and / others who have access to our or supplier trust networks and systems, and financial loss or other disruptions during the process of upgrading or replacing computer software or hardware, hardware failures, software errors, third-party service provider outages, power outages, computer viruses, telecommunication or utility failures or natural disasters or other catastrophic events. It The occurrence of any of these events could also compromise our systems and the information stored there could be accessed, publicly disclosed, lost or stolen. Any such access, disclosure or other loss of information could result in legal claims or proceedings, liability or regulatory penalties under laws protecting the privacy of personal information. We may be required to expend substantial resources on investigation, disrupt operations remediation, and reduce mitigation efforts, including enhancements to our security measures, which could impact our financial performance. A cybersecurity program, leveraging industry best-practice frameworks for guidance, has been developed and maintained to help prevent and defend against the these competitive advantage cybersecurity threats. To help cover potential damage and financial loss due to a cybersecurity incident, we maintain cybersecurity and other hope to derive from our investment in technology. Our insurance coverage may policies that align with our disaster recovery and incident response plans. However, we can provide not no assurance that our cybersecurity program is sufficient to prevent or mitigate every cybersecurity threat that exists. We can also provide no assurance that our insurance policies will cover every cybersecurity incident and / or will be available or adequate to cover all the costs related to significant security attacks or disruptions resulting from such attacks. Finally, such insurance policies may not continue to be available in amounts and / or on terms acceptable to us.** Other Risk Factors Relating to an Investment in Our Common Stock Our only significant asset is ownership of 100 % of the capital stock of School Bus Holdings

and we do not currently intend to pay cash dividends on our common stock. Consequently, stockholders' ability to achieve a return on their investment will depend on appreciation in the price of our common stock. We have no direct operations and no significant assets other than the ownership of 100 % of the capital stock of School Bus Holdings. We depend on School Bus Holdings and its subsidiaries for distributions, loans and other payments to generate the funds necessary to meet our financial obligations, including our expenses as a publicly traded company, and to pay any dividends with respect to our common stock, if any. Legal and contractual restrictions in agreements governing our current indebtedness, as well as our financial condition and operating requirements, may limit our ability to obtain cash from School Bus Holdings and its subsidiaries. While we are permitted to pay dividends in certain circumstances under our credit facility, as long as we are in compliance with our obligations under the credit facility, we do not expect to pay cash dividends on our common stock. Any future dividend payments are within the absolute discretion of our Board of Directors and will depend on, among other things, our results of operations, working capital requirements, capital expenditure requirements, financial condition, level of indebtedness, contractual restrictions with respect to payment of dividends, business opportunities, anticipated cash needs, provisions of applicable law and other factors that our Board of Directors may deem relevant.

Concentration of ownership - There can be no assurance that we will continue to repurchase shares of our common stock may have the effect of delaying or preventing a change in control. **Share repurchases are subject to limitations under applicable laws** At September 30, 2023, approximately 20 % of our common stock was owned by ASP, an ~~and affiliate~~ **the terms** of American Securities LLC **our Credit Agreement (defined below " American Securities")**. As a **They are also subject to the discretion of our Board of Directors and are determined after considering then- existing conditions, including earnings, other operating result results and capital requirements and cash deployment alternatives. Our share repurchase activity could vary from historical practices or our stated expectations. In addition**, American Securities has the **timing and amount of share repurchases under Board of Directors approved share repurchase plans may differ from stated expectations and is within the discretion of management and will depend on many factors, including our** ability to **significantly influence generate sufficient cash flows from operations in the future** outcome of corporate actions of our **or to borrow money from available financing sources,** Company requiring stockholder approval. This concentration of ownership may have the effect of ~~delaying or~~ **our results** preventing a change in control and might adversely affect the market price of our common stock **operations, capital requirements and applicable law**. Shares of our common stock are reserved for current and future issuance, which would have the effect of diluting the existing shareholders. On May 28, 2015 and March 12, 2020, we registered 3, 700, 000 and 1, 500, 000 common stock shares, respectively, representing the shares of common stock issuable under the Blue Bird Corporation 2015 Omnibus Equity Incentive Plan (the " Incentive Plan ") and, pursuant to Rule 416 (c) under the Securities Act of 1933, as amended, an indeterminable number of additional shares of common stock issuable under the Incentive Plan, as such amount may be adjusted as a result of stock splits, stock dividends, recapitalizations, anti- dilution provisions and similar transactions. At September ~~30-28, 2023-2024~~, there were ~~718-594, 034-232~~ common stock shares remaining to be issued under the Incentive Plan ~~. On December 15, 2021, we issued and sold through a private placement an aggregate 4, 687, 500 shares of our common stock at \$ 16. 00 per share. The approximate \$ 74. 8 million of net proceeds that we received from this transaction were used to repay outstanding revolving borrowings as required by the terms of the Amended Credit Agreement (defined below), which increased the available borrowing capacity of the Revolving Credit Facility (defined below) that could be used for working capital and other general corporate purposes, including acquisitions, investments in technologies or businesses, operating expenses and capital expenditures.~~ Additionally, on November 16, 2021, we filed a Registration Statement on Form S- 3 that allows the Company to sell up to \$ 200. 0 million in the aggregate of any combination of several different types of securities, including shares of common stock, from time to time in one or more offerings. The number of shares is indeterminable and is dependent on whether or not common stock is a security being sold in a future offering and, if so, the amount of capital we are attempting to raise and the price at which the shares of common stock can be sold. Any such sale of shares may also be adjusted as a result of stock splits, stock dividends, recapitalizations, anti- dilution provisions and similar transactions. Anti- takeover provisions contained in our certificate of incorporation and bylaws, as well as provisions of Delaware law, could impair a takeover attempt. Our certificate of incorporation and bylaws contain provisions that could have the effect of delaying or preventing changes in control or changes in our management without the consent of our Board of Directors. These provisions include: • no cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates; • the exclusive right of our Board of Directors to elect a director to fill a vacancy created by the expansion of the Board of Directors or the resignation, death, or removal of a director with or without cause by stockholders, which prevents stockholders from being able to fill vacancies on our Board of Directors; • subject to any rights of holders of existing preferred shares, if any, the ability of our Board of Directors to determine whether to issue shares of our preferred stock and to determine the price and other terms of those shares, including preferences and voting rights, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquirer; • a prohibition on stockholder action by written consent, which forces stockholder action to be taken at an annual or special meeting of our stockholders; • the requirement that a special meeting of stockholders may be called only by the chairman of the Board of Directors, the chief executive officer, or the Board of Directors, which may delay the ability of our stockholders to force consideration of a proposal or to take action, including the removal of directors; • limiting the liability of, and providing indemnification to, our directors and officers; • controlling the procedures for the conduct and scheduling of stockholder meetings; • providing for a staggered board, in which the members of the Board of Directors are divided into three classes to serve for a period of three years from the date of their respective appointment or election; • permitting the removal of directors with or without cause by stockholders voting a majority of the votes cast if, at any time and for so long as, American Securities **LLC** beneficially owns, in the aggregate, capital stock representing at least 40 % of the outstanding shares of our common stock; • advance notice procedures that stockholders must comply with in order to nominate candidates to our Board of Directors

or to propose matters to be acted upon at a stockholders' meeting, which may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of our Company; • requiring an affirmative vote of at least two-thirds (2 / 3) of our entire Board of Directors and by the holders of at least 66.67 % of the voting power of our outstanding voting stock in order to adopt an amendment to our certificate of incorporation if, at any time and for so long as, American Securities **LLC** beneficially owns, in the aggregate, capital stock representing at least 50 % of the outstanding shares of our common stock; and • requiring an affirmative vote of at least two-thirds (2 / 3) of our entire Board of Directors or by the holders of at least 66.67 % of the voting power of our outstanding voting stock to amend our bylaws if, at any time and for so long as, American Securities **LLC** beneficially owns, in the aggregate, capital stock representing at least 50 % of the outstanding shares of our common stock. These provisions, alone or together, could delay hostile takeovers and changes in control of our Company or changes in our Board of Directors and management. As a Delaware corporation, we are also subject to provisions of Delaware law, including Section 203 of the Delaware General Corporation Law, which prevents some stockholders holding more than 15 % of our outstanding common stock from engaging in certain business combinations without approval of the holders of substantially all of our outstanding common stock. Any provision of our certificate of incorporation or bylaws or Delaware law that has the effect of delaying or deterring a change in control could limit the opportunity for our stockholders to receive a premium for their shares of our common stock and could also affect the price that some investors are willing to pay for our common stock.