Risk Factors Comparison 2024-02-20 to 2023-02-22 Form: 10-K

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We have summarized the known, material risks to our business below. Our business, financial condition, ~~and~~ results of operations and cash flows could be materially and adversely impacted if any of these risks materialize. Additional risk factors not currently known to us or that we believe are immaterial may also impair our business, financial condition, and results of operations and cash flows, and require significant management time and attention ~~. In addition to the risks and uncertainties set forth in section below entitled " Risks Related to the Coronavirus (COVID- 19) Pandemic," many of the risks and uncertainties set forth in the other risk factors are exacerbated by the COVID- 19 pandemic, corresponding government and business responses, and any further resulting decline in the global business and economic environment, and may be impacted by the extent and speed of the global economic recovery~~ . The risk factors below should be considered together with information included elsewhere in this Annual Report on Form 10- K as well as other required filings by us to the Securities Exchange Commission, such as our Form 10- Q' s, Form 8- K' s, proxy statements for our annual shareholder meetings, and subsequent amendments, if any. RISKS RELATED TO ~~THE CORONAVIRUS (COVID- 19) PANDEMIC The COVID- 19 pandemic has adversely impacted, and is expected to continue to pose risks to our business, the nature and extent of which are highly uncertain and unpredictable. In March 2020, the World Health Organization characterized the outbreak of COVID- 19 as a pandemic. The COVID- 19 pandemic and the associated pandemic- related responses continue to cause significant and volatile disruptions in global economies, in capital markets, and across industries. While we continue to actively monitor the pandemic and take steps to mitigate the risks posed by its spread, there is no guarantee that our efforts will mitigate the adverse impacts of COVID- 19 or will be effective. The pandemic has adversely affected, and is expected to continue to adversely affect, certain elements of our business, including our supply chain, transportation networks, and production levels. As of December 31, 2022, all of our manufacturing operations are operational. However, due to the numerous uncertainties that have arisen from the pandemic, including the likelihood of resurgences and the emergence and spread of variants, we are unable to predict if there will be additional government- imposed restrictions on our ability to operate in future periods. Additionally, our ability to continue to manufacture products is highly dependent on our ability to maintain the safety and health of our factory employees. The ability of our employees to work may be significantly impacted by the individuals contracting or being exposed to COVID- 19 and its variants. While we are following the requirements of governmental authorities and taking preventative and protective measures to prioritize the safety of our employees, these measures are not always successful, and we may be required to temporarily close facilities or take other measures. Potential future directives curtailing in- person operations due to illness, quarantines, government actions, facility closures or other restrictions in connection with the COVID- 19 pandemic could change at any time. This could have an adverse effect on the productivity and profitability of such manufacturing facilities, which could in turn adversely impact our business and operations. The COVID- 19 pandemic has disrupted the global supply chain to a certain extent and availability of raw materials, particularly electronic parts. The disruption in the supply chain has resulted in increased freight costs, raw material costs, and labor costs from the ongoing inflationary environment. Because we strive to limit the volume of raw materials and component parts on hand, our business could be adversely affected if we were unable to obtain these raw materials and components from our suppliers in the quantities we require or on favorable terms. Although we believe in most cases that we could identify alternative suppliers, or alternative raw materials or component parts, the sometimes lengthy and expensive regulatory authority and OEM certification processes could prevent efficient replacement of a supplier, raw material, or component part. We continue to monitor the situation, assessing possible implications on our operations, supply chain, liquidity, cash flow and customer orders, and will continue taking actions to mitigate adverse consequences. Recognizing the unprecedented nature, scale and uncertainty associated with this global health crisis, the duration and extent of the ongoing impacts cannot be reasonably estimated at this time. RISKS RELATED TO~~ OUR OPERATIONS Intrusion on our systems could damage our business. We store sensitive data, including intellectual property, proprietary business information, and confidential employee information on our servers and databases ~~. The COVID- 19 pandemic has caused us to modify our business practices, including empowering many of our office- based associates to work productively from home on a hybrid basis~~ . As a result, we are increasingly dependent upon our information systems to operate our business. Our ability to effectively manage our business depends on the security, reliability, and adequacy of our information systems. In addition, various privacy and cybersecurity laws and regulations, both in the U. S. and globally, require us to manage and protect sensitive and confidential information, including personal data of our employees, from disclosure. For example, the European Union' s General Data Protection Regulation, which became effective in May 2018, extends the scope of the European Union data protection laws to all companies processing data of European Union residents, regardless of the company' s location. Additionally, we have incurred, and expect to continue to ~~occur~~ **incur** , additional costs to comply with increased cybersecurity protections for our customers, including the U. S. government. Despite our implementation of firewalls, switchgear, and other network security measures, our servers, databases, and other systems may be vulnerable to **various cyber and other security threats, including those caused by** computer hackers, physical or electronic break- ins, sabotage, computer viruses, **malware,** worms, and similar disruptions from unauthorized **access and** tampering with our computer systems **, including through social engineering such as phishing attacks, coordinated denial- of- service attacks, and similar incidents** . The occurrence of some of these risks may be increased due to the ~~increase in remote working by~~ **work- from- home arrangements that we have implemented for many of** our **office- based** employees ~~due to the COVID- 19 pandemic~~ . We continue to review and enhance our computer systems as well as provide training to our employees in an attempt to prevent unauthorized and unlawful intrusions. However, it is possible that we may not be able to prevent all intrusions. Such intrusions could result in our network security or computer systems being compromised and possibly result in the misappropriation or corruption of sensitive information **, including intellectual property,** or cause disruptions in our services. While we carry cyber insurance, we still may be required to expend significant capital and resources to protect against, remediate, or alleviate problems caused by such intrusions. Any such intrusion could cause us to be non- compliant with applicable laws or regulations, subject us to legal claims or proceedings, disrupt our operations, damage our reputation, and cause a loss of confidence in our products and services, any of which could have a material adverse effect on our business, financial condition, and results of operations. Potential product liability risks exist from the products that we sell. We may be exposed to liabilities for personal injury, death, or property damage due to the failure of a product that we have sold. We typically agree to indemnify our customers against certain liabilities resulting from the products we sell, and any third- party indemnification we seek from our suppliers and our liability insurance may not fully cover our indemnification obligations to customers. We may also not be able to maintain insurance coverage in the future at an acceptable cost. Any liability for which third- party indemnification is not available and not covered by insurance could have a material adverse effect on our business, financial condition, and results of operations. In addition, **the failure of a product that we have sold could also result in a recall of, or safety alert relating to, such product which could ultimately result, in certain cases, in the removal of such product from the marketplace and claims regarding costs associated therewith. Furthermore,** an accident caused by one of our products could damage our reputation for selling quality products. We believe that our customers consider safety and reliability as key criteria in selecting our products and believe that our reputation for quality assurance is a significant competitive strength. If an accident were to be caused by one of our products, or if we were to otherwise fail to maintain a satisfactory record of safety and reliability, our ability to retain and attract customers may be materially adversely affected. We are subject to liability under warranty obligations. The majority of our contracts contain provisions which expose us to potential liability for warranty claims made by customers or third parties with respect to products that have been designed, manufactured, or serviced by us or our suppliers. While we maintain insurance coverage with respect to certain liability claims, that insurance coverage may not be adequate to cover all claims that may arise, or we may not be able to maintain adequate insurance coverage in the future at an acceptable cost. Material product warranty obligations not covered by insurance or that exceed our established reserves could have a material adverse effect on our business, financial condition, and results of operations. Our earnings and margins depend in part on subcontractor performance, as well as raw material and component availability and pricing. Our businesses depend on suppliers and subcontractors for raw materials and components. At times subcontractors perform services that we provide to our customers. Our supply chain has been and may continue to be impacted by ~~the COVID- 19 pandemic~~ **a wide variety of factors, including labor and material shortages** as well as ~~other geo- political~~ **geopolitical** events, such as China' s relationship with the United States and Taiwan. ~~Particularly~~ **Because we strive to limit the volume of raw materials and component parts on hand** , **our business could be adversely affected if we were unable to obtain** ~~the~~ **these** ~~market for electronic~~ **raw materials and** components **from** ~~is experiencing increased demand and a global shortage of semiconductors and other electronic items, creating substantial uncertainty regarding the timing of~~ our suppliers ~~' production of key components for our products, which is adversely impacting the timing of sales~~ in ~~our Defense Electronics segment~~ **the quantities that we require** . We **also** ~~expect that these delays and shortages will continue in 2023, and that such shortages could result in delays in shipments to our customers during the period of such shortages. We~~ depend on subcontractors and suppliers to meet their contractual obligations in full compliance with customer requirements. Nonperformance or underperformance by subcontractors and suppliers could materially impact our ability to perform obligations to our customers, which could result in a customer terminating our contract for default, expose us to liability, and substantially impair our ability to compete for future contracts and orders. Generally, raw materials and purchased components are available from a number of different suppliers, though several suppliers are our sole source of certain components. If a sole-source supplier **is delayed or** should cease or otherwise be unable to deliver such components, **we may not be able to produce the related product in a timely manner or in sufficient quantities, if at all, which could adversely affect** our operating results **. A sole- source supplier of a key component** could ~~be~~ **also potentially exert significant bargaining power over price, quality, warranty claims, or other terms relating to these materials, which could have a material** ~~adversely~~ -- **adverse** ~~impacted~~ **effect on our financial condition, results of operations, and cash flows** . In addition, supply chain constraints and improving economic conditions have resulted in sustained increases in the prices we pay for many of the components and raw materials used in our products. Furthermore, we are experiencing higher labor costs due to increased competition for personnel in many regions in which we operate as well as general inflationary conditions, including higher shipping costs, labor shortages, and rising energy prices ~~. We expect inflationary pressures to persist in 2023~~ . Our ability to perform our obligations as a prime contractor may be adversely affected if one or more of these suppliers is unable to provide the agreed- upon supplies or perform the agreed- upon services in a timely and cost- effective manner. While we have attempted to mitigate the effects of increased costs through price increases, there are no assurances that higher prices can effectively be passed through to our customers, or that we will be able to fully offset the effects of higher raw materials costs through price increases on a timely basis. Our business involves risks associated with complex manufacturing processes. Our manufacturing processes depend on certain sophisticated and high- value equipment. Unexpected failures of this equipment may result in production delays, revenue loss, and significant repair costs. In addition, equipment failures could result in injuries to our employees. Moreover, the competitive nature of our businesses requires us to continuously implement process changes intended to achieve product improvements and manufacturing efficiencies. These process changes may at times result in production delays, quality concerns, and increased costs. Any disruption of operations at our facilities due to equipment failures or process interruptions could have a material adverse effect on our business. RISKS RELATED TO OUR STRATEGY Implementing our acquisition strategy involves risks, and our failure to successfully implement this strategy could have a material adverse effect on our business. As part of our capital allocation strategy, we aim to grow our business by selectively pursuing acquisitions and technologies that supplement our organic growth. We are continuing to actively pursue additional acquisition opportunities, some of which may be material to our business and financial performance. Although we have been successful with this strategy in the past, we may not be able to grow our business in the future through acquisitions for several reasons, including: • Encountering difficulties identifying and executing acquisitions; • Increased competition for targets, which may increase acquisition costs; • Consolidation in our industry, reducing the number of acquisition targets; • Competition laws and regulations preventing us from making certain acquisitions; and • Acquisition financing not being available on acceptable terms, or at all. In addition, there are potential risks associated with growing our business through acquisitions, including the failure to successfully integrate and realize the expected benefits of an acquisition ~~, which could be exacerbated by the impact of the COVID- 19 pandemic~~ . For example, with any past or future acquisition, there is the possibility that: • The business culture of the acquired business may not match well with our culture; • Technological and product synergies, economies of scale, or cost reductions may not occur as expected; • Management may be distracted from overseeing existing operations by the need to integrate acquired businesses; • We may acquire or assume unexpected liabilities; • We may experience unforeseen difficulties in integrating operations and systems; • We may fail to retain or assimilate employees of the acquired business; • We may experience problems in retaining customers or integrating customer bases; • We may experience increased capital requirements; • There could be insufficient internal controls over financial activities or financial reporting at an acquired company that could impact us on a consolidated basis; and • We may encounter difficulties in entering new markets in which we may have little or no experience. While we conduct financial and other due diligence in connection with our acquisitions and generally seek some form of protection, such as indemnification from the seller, insurance coverage, and sometimes placing a portion of the purchase price in escrow or a cash holdback to cover potential liabilities, such acquired companies may have weaknesses or liabilities that are not accurately assessed or brought to our attention at the time of the acquisition. Further, indemnities, insurance or escrow / holdback arrangements may not fully cover such matters **and acquisitions of public companies typically do not include post-closing indemnities or escrows** . Failure to successfully implement our acquisition strategy, including successfully integrating acquired businesses, could have a material adverse effect on our business, financial condition, and results of operations. Our future success will depend, in part, on our ability to develop new technologies. Virtually all products produced and sold by us are highly engineered and require sophisticated manufacturing and system- integration techniques and capabilities. The commercial and government markets in which we operate are characterized by rapidly changing technologies. In addition, product and program needs of our government and commercial customers change and evolve regularly. Accordingly, to remain competitive in the future, we will need to continue to invest financial resources, including through internal research and development, acquisitions, or other teaming arrangements, to: (a) identify emerging technological trends in our current and target markets; (b) develop and manufacture competitive products, systems, and services; (c) enhance our offerings by adding technological innovations that differentiate our products, systems, and services from those of our competitors; and (d) develop, manufacture, and bring those products, systems, and service to market quickly at cost- effective prices. These expenditures could divert our attention and resources from other projects, and we cannot be sure that these expenditures will ultimately lead to the timely development of new offerings and technologies or identification of and expansion into new markets. Due to the design complexity of our products, we may, in the future, experience delays in completing the development and introduction of new products. Any delays could result in increased costs of development or deflect resources from other projects. In addition, there can be no assurance that the market for our products will develop or continue to expand or that we will be successful in newly identified markets as we currently anticipate. We operate in highly competitive markets. Many of our products and services are sold in highly competitive markets, and are affected by varying degrees of competition, including competition for hiring and retaining skilled labor. We compete against companies that often have higher sales volumes and greater financial, technological, research and development, human, and marketing resources than we have. These companies may also price their products and services below our selling prices, which could exert downward pressure on our product pricing and margins. As a result, they may be better able to withstand the effects of periodic economic downturns ~~, including withstanding the current global pandemic~~ . In addition, some of our largest customers could develop the capability to manufacture products or provide services similar to products that we manufacture or services that we provide. This would result in these customers supplying their own products or services and competing directly with us for sales of these products or services, all of which could significantly reduce our revenues. Furthermore, we are facing increased international competition and cross- border consolidation of competition. If consolidation of our competition continues to occur, we would expect the competitive pressures we face to increase. Our management believes that the principal points of competition in our markets are technology, price, product quality, product performance, sufficient supply of necessary components, technical expertise, timeliness of delivery, superior customer service and support, and continued certification under customer quality requirements and assurance programs. If we are unable to compete successfully with existing or new competitors in these areas, we may experience a material adverse effect on our business, financial condition, and results of operations. We may be unable to protect the value of our intellectual property. Obtaining, maintaining, and enforcing our intellectual property rights and avoiding infringing on the intellectual property rights of others are important factors to the operation of our business. While we take precautionary steps to protect our technological advantages and intellectual property and rely in part on patent, trademark, trade secret, and copyright laws, we cannot assure that the precautionary steps we have taken will completely protect our intellectual property rights. Because patent applications in the United States are maintained in secrecy until either the patent application is published or a patent is issued, we may not be aware of third- party patents, patent applications, and other intellectual property relevant to our products that may block our use of our intellectual property or may be used in third- party products that compete with our products and processes. When others infringe on our intellectual property rights, the value of our products is diminished, and we may incur substantial litigation costs to enforce our rights. Similarly, we may incur substantial litigation costs and the obligation to pay royalties if others claim we infringed on their intellectual property rights. When we develop intellectual property and technologies with funding from U. S. Government contracts, the government has the royalty- free right to use that property. In addition to our patent rights, we also rely on unpatented technology, trade secrets, and confidential information. Others may independently develop substantially equivalent information and techniques or otherwise gain access to or disclose our technology. We may not be able to protect our rights in unpatented technology, trade secrets, and confidential information effectively. We generally require each of our employees and consultants to execute a confidentiality agreement at the commencement of an employment or consulting relationship with us. There is no guarantee that we will succeed in obtaining and retaining executed agreements from all employees or consultants. Moreover, these agreements may not provide effective protection of our information or, in the event of unauthorized use or disclosure, they may not provide adequate remedies. RISKS RELATED TO MARKET CONDITIONS A substantial portion of our revenues and earnings depends upon the continued willingness of the U. S. Government and other customers in the defense industry to buy our products and services. In ~~2022~~ **2023** , approximately ~~47~~ **46** % of our total net sales were derived from or related to U. S. defense programs. U. S. defense spending has historically been cyclical, and defense budgets tend to rise when perceived threats to national security increase the level of concern over the country' s safety. At other times, spending by the military can decrease. In August 2011, Congress enacted the Budget Control Act of 2011 (BCA), which imposed spending caps and certain reductions in defense spending over a ten- year period through 2021. These spending caps and reductions, referred to as sequestration, went into effect in March 2013. Through a series of bipartisan agreements, Congress has been able to temporarily lift discretionary spending limits every year through 2019. On August 2, 2019, the Bipartisan Budget Act of 2019 (BBA) was signed into law, which raised the BCA budget caps for both defense and non- defense discretionary spending in 2020 and 2021 and extended the mandatory BCA spending reductions through 2029. Absent additional legislative or other remedial action, the sequestration could require reduced U. S. federal government spending ~~from fiscal 2022~~ through fiscal 2029. As a result of this uncertainty, a decrease in U. S. Government defense spending or changes in spending allocation could result in one or more of our programs being reduced, delayed, or terminated. In the event that one or more of our programs are reduced, delayed, or terminated for which we provide products and services, we may experience a reduction in our revenues and earnings and a material adverse effect on our business, financial condition, and results of operations. **U** ~~The BBA also temporarily suspended the public debt limit through July 31, 2021~~ . ~~However,~~ **S. lawmakers** on **several occasions have passed** ~~December 16, 2021, President Biden signed~~ legislation **to raise** ~~into law increasing~~ the **federal** debt ceiling ~~by \$ 2. 5 trillion~~ **, including the most recent suspension to the federal debt ceiling in June 2023** , which is expected to allow the U. S. government to cover its debt obligations until at least ~~July of~~ **January 1,** ~~2023~~ **2025** ~~unless Congress takes legislative action to further extend or increase it~~ . Failure by Congress to further suspend or increase the debt ceiling could delay or result in the loss of contracts for the procurement of our products and services, and we may be asked or required to continue to perform for some period of time on certain of our U. S. government contracts, even if the U. S. government is unable to make timely payments. A downturn in the aircraft market could adversely affect our business. Our sales to large commercial aircraft manufacturers are cyclical in nature, and can be adversely affected by a number of factors, including current and future passenger traffic levels, increasing fuel and labor costs, environmental concerns (inclusive of climate change), intense price competition, the retirement of older aircraft, regulatory changes, outbreak of infectious disease such as ~~the~~ COVID- 19 ~~pandemic~~ , terrorist attacks, geopolitical events, conflicts and wars (including the Russia- Ukraine ~~conflict~~ **war and the Hamas- Israel war**), general economic conditions (including cost inflation), worldwide airline profits, and backlog levels, all of which can be unpredictable and are outside our control. For example, the COVID- 19 pandemic drastically reduced air traffic as travel restrictions and social distancing measures were implemented to help control the spread of the virus. The reduced air traffic applied financial pressures on airlines, who, in order to preserve cash and liquidity, dramatically reduced flight hours and delayed the purchases of new aircraft. ~~While U. S. domestic air travel continues to recover, international travel utilizing wide- body aircraft will take longer to fully recover.~~ Furthermore, as companies and employees become accustomed to working remotely, **there is a risk that** business travel and the associated flight hours may not **fully** reach pre- pandemic levels ~~. As such, we believe the commercial market may shift away from wide- body aircraft~~ . Any decrease in demand resulting from a downturn in the aerospace market could adversely affect our business, financial condition, and results of operations. Our backlog is subject to reduction and cancellation, which could negatively impact our revenues and results of operations. Backlog represents products or services that our customers have contractually committed to purchase from us. Total backlog includes both funded (unfilled orders for which funding is authorized, appropriated, and contractually obligated by the customer) and unfunded backlog (firm orders for which funding has not been appropriated and / or contractually obligated by the customer). We are a subcontractor to prime contractors for the vast majority of our government business ~~; as~~ **. As** such, substantially all amounts in backlog are funded. Backlog excludes unexercised contract options and potential orders under ordering type contracts (e. g. Indefinite Delivery / Indefinite Quantity). Backlog is adjusted for changes in foreign exchange rates and is reduced for contract cancellations and terminations in the period in which they occur. Backlog as of December 31, ~~2022~~ **2023** was \$ 2. ~~6~~ **9** billion. Backlog is subject to fluctuations and is not necessarily indicative of future sales. The timing of backlog may be impacted by project delays. The U. S. Government may unilaterally modify or cancel its contracts. In addition, under certain of our commercial contracts, our customers may unilaterally modify or terminate their orders at any time for their convenience. Accordingly, certain portions of our backlog can be cancelled or reduced at the option of the U. S. Government and commercial customers. ~~We believe that these risks are heightened due to the global economic impact of the COVID- 19 pandemic.~~ Our failure to replace cancelled or reduced backlog could negatively impact our results of operations. ~~RISKS RELATED TO LEGAL AND REGULATORY MATTERS~~ As a U. S. Government contractor, we are subject to numerous procurement rules and regulations. We must comply with and are affected by laws and regulations relating to the award, administration, and performance of U. S. Government contracts. Government contract laws and regulations affect how we do business with our customers and, in some instances, impose added costs on our business. **These regulations and other requirements regularly evolve, and new laws, regulations or procurement requirements or changes to current ones could**

significantly increase our costs and risks and reduce our profitability. For example, changes to the FAR requirements for federal contractors proposed in November 2022 would require companies to make disclosure of annual greenhouse gas emissions and other disclosures to be deemed a responsible bidder on future government contracts. Such additional requirements could result in additional expense. A violation of specific laws and regulations could **also** result in the imposition of fines and penalties, the termination of our contracts, or debarment from bidding on contracts. These fines and penalties could be imposed for **example, by** failing to follow procurement integrity and bidding rules, employing improper billing practices or otherwise failing to follow cost accounting standards, receiving or paying kickbacks, or filing false claims. We have been, and expect to continue to be, subjected to audits, reviews, and investigations by government agencies. The failure to comply with the terms of our government contracts could harm our business reputation. It could also result in our progress payments being withheld. In some instances, these laws and regulations impose terms or rights that are more favorable to the government than those typically available to commercial parties in negotiated transactions. For example, the U. S. Government may terminate any of our government contracts and, in general, subcontracts, at its convenience as well as for default based on performance. Upon termination for convenience of a fixed- price type contract, we normally are entitled to receive the purchase price for delivered items, reimbursement for allowable costs for work- in- process, and an allowance for profit on work actually completed on the contract or adjustment for loss if completion of performance would have resulted in a loss. Upon termination for convenience of a cost reimbursement contract, we normally are entitled to reimbursement of allowable costs plus a portion of the fee. Such allowable costs would normally include our cost to terminate agreements with our suppliers and subcontractors. The amount of the fee recovered, if any, is related to the portion of the work accomplished prior to termination and is determined by negotiation. A termination arising out of our default could have a material adverse effect on our ability to compete for future contracts and orders. In addition, on those contracts for which we are teamed with others and are not the prime contractor, the U. S. Government could terminate a prime contract under which we are a subcontractor, irrespective of the quality of our services as a subcontractor. Our U. S. Government contracts typically span one or more base years and multiple option years. The U. S. Government generally has the right to not exercise option periods and may not exercise an option period if the agency is not satisfied with our performance on the contract or does not receive funding to continue the program. U. S. Government procurement may adversely affect our cash flow or program profitability. Furthermore, we are subject to other risks in connection with government contracts, including without limitation: • the frequent need to bid on programs prior to completing the necessary design, which may result in unforeseen technological difficulties and / or cost overruns; • the difficulty in forecasting long- term costs and schedules and the potential obsolescence of products related to long- term, fixed price contracts; • contracts with varying fixed terms that may not be renewed or followed by follow- on contracts upon expiration; • cancellation of the follow- on production phase of contracts if program requirements are not met in the development phase; and • the fact that government contract wins can be contested by other contractors. Our operations are subject to numerous domestic and international laws, regulations, and restrictions. Noncompliance with these laws, regulations, and restrictions could expose us to fines, penalties, suspension, or debarment, which could have a material adverse effect on our profitability and overall financial condition. We have contracts and operations in many parts of the world subject to United States and foreign laws and regulations, including the False Claims Act, regulations relating to import- export control (including the International Traffic in Arms Regulation promulgated under the Arms Export Control Act), sanctions programs implemented by the Office of Foreign Assets Control of the U. S. Department of Treasury, technology transfer restrictions, repatriation of earnings, exchange controls, the Foreign Corrupt Practices Act, the U. K. Anti- Bribery Act, and the anti- boycott provisions of the U. S. Export Administration Act ~~. Because the COVID- 19 pandemic has so negatively impacted local economies, government intervention has increased, which in turn can create elevated risk and opportunity for corruption~~ . Although we have implemented policies and procedures and provided training that we believe are sufficient to address these risks, we cannot guarantee that our operations will always comply with these laws and regulations. From time to time, we may file voluntary disclosure reports with the U. S. Department of State, the Department of Energy, and the Department of Commerce regarding certain violations of U. S. export control laws and regulations discovered by us in the course of our business activities, employee training, or internal reviews and audits. To date, our voluntary disclosures have not resulted in a fine, penalty, or export privilege denial or restriction that has had a material adverse impact on our financial condition or ability to export. Our failure, or failure by our sales representatives or consultants to comply with these laws and regulations could result in administrative, civil, or criminal liabilities and could, in the extreme case, result in suspension or debarment from government contracts or suspension of our export privileges, which could have a material adverse effect on our business. The airline industry is heavily regulated, and if we fail to comply with applicable requirements, our results of operations could suffer. Governmental agencies throughout the world, including the U. S. Federal Aviation Administration (FAA) and the European Aviation Safety Agency, prescribe standards and qualification requirements for aircraft components, including virtually all commercial airline and general aviation products. Specific regulations vary from country to country, although compliance with FAA requirements generally satisfies regulatory requirements in other countries. We include documentation with our products sold to aircraft manufacturing customers certifying that each part complies with applicable regulatory requirements and meets applicable standards of airworthiness established by the FAA or the equivalent regulatory agencies in other countries. In order to sell our products, we as well as the products that we manufacture must also be certified by our individual OEM customers. If any of the material authorizations or approvals qualifying us to supply our products is revoked or suspended, then the sale of such product would be prohibited by law, which would have an adverse effect on our business, financial condition, and results of operations. From time to time, the FAA or equivalent regulatory agencies in other countries propose new regulations or changes to existing regulations, which are usually more stringent than existing regulations. If these proposed regulations are adopted and enacted, we may incur significant additional costs to achieve compliance, which could have a material adverse effect on our business, financial condition, and results of operations. We are subject to liability under environmental and health and safety laws and regulations. Our business and facilities are subject to numerous federal, state, local, and foreign laws and regulations relating to the use, manufacture, storage, handling, and disposal of hazardous materials and other waste products **used in the manufacturing of certain of our products or providing certain of our services, and we are subject to potentially significant fines or penalties, including criminal sanctions, as well as facility shutdowns to address violations, and may require the installation of costly pollution control equipment or operational changes to limit emissions or discharges** . We may also be subject to increasingly stringent environmental standards in the future, particularly as greenhouse gas emissions and climate change regulations and initiatives increase **. Regulatory bodies may decide in the future to limit or ban certain materials we use in our manufacturing process due to potentially significant health and safety risks to people or the environment. Such limitations or bans may in the future require us to consider, the use of alternative raw materials or changes to our method of operations. Such alternatives often require customer approval and may result in additional costs, including higher raw material expenses, changes in operational methods, and additional customer qualifications. The formulation changes could also impact the utility of our products** . Environmental laws generally impose liability for investigation, remediation, and removal of hazardous materials and other waste products on property owners and those who dispose of materials at waste sites, whether or not the waste was disposed of legally at the time in question. We are currently addressing environmental remediation at certain current and former facilities, and we have been named as a potentially responsible party along with other organizations in a number of environmental clean- up sites and may be named in connection with future sites. We are required to contribute to the costs of the investigation and remediation and to establish reserves in our financial statements for future costs deemed probable and estimable. Although we have estimated and reserved for future environmental remediation costs, the final resolution of these liabilities may significantly vary from our estimates and could potentially have an adverse effect on our results of operations and financial position. We are also subject to **federal, state, local, and foreign laws and regulations governing** worker health and safety requirements ~~as well as various state and local public health laws, rules, regulations and orders related to COVID- 19, including mask and social distancing requirements~~ . ~~While we are in compliance with government health and safety regulations related to COVID- 19, the cost of complying, or failing~~ **Failing** to comply ~~,~~ with these **laws and** regulations could have an adverse effect on our operating results. We may be subject to periodic litigation and regulatory proceedings, which may adversely affect our business and financial performance. From time to time, we are involved in lawsuits and regulatory actions brought or threatened against us in the ordinary course of business. These actions and proceedings may involve claims for, among other things, compensation for alleged personal injury, workers' compensation, employment discrimination, or breach of contract. Due to the inherent uncertainties of litigation, we cannot accurately predict the ultimate outcome of any such actions or proceedings. The outcome of litigation, particularly class action lawsuits and regulatory actions, is difficult to assess or quantify, as plaintiffs may seek recovery of very large or indeterminate amounts in these types of lawsuits, and the magnitude of the potential loss may remain unknown for substantial periods of time. In addition, plaintiffs in many types of actions may seek punitive damages, civil penalties, consequential damages or other losses, or injunctive or declaratory relief. These proceedings could result in substantial cost and may require us to devote substantial resources to defend ourselves and distract our management from the operation of our business. Moreover, any insurance or indemnification rights that we may have may be insufficient or unavailable to protect us against such losses. The ultimate resolution of these matters through settlement, mediation, or court judgment could have a material impact on our financial condition, results of operations, and cash flows. Our business, financial condition, and results of operations could be materially adversely affected by climate change regulations. Climate change regulations at the federal, state, or local level or in international jurisdictions could require us to limit emissions, change our manufacturing processes, obtain substitute materials which may cost more or be less available, increase our investment in control technology for greenhouse gas emissions, fund offset projects, or undertake other costly activities. These regulations could significantly increase our costs and restrict our manufacturing operations by virtue of requirements for new equipment. New permits may be required for our current operations, or expansions thereof. Failure to timely receive permits could result in fines, suspension of production, or cessation of operations at one or more facilities. In addition, restrictions on carbon dioxide or other greenhouse gas emissions could result in significant costs such as higher energy costs and the passing down of carbon taxes, emission cap and trade programs, and renewable portfolio standards by utility companies. The cost of complying, or of failing to comply, with these and other climate change and emissions regulations could have an adverse effect on our operating results. Increasing focus on environmental, social, and governance responsibility may impose additional costs on us and expose us to new risks. Regulators, stockholders, and other interested constituencies have focused increasingly on corporate responsibility, specifically related to the environmental, social, and governance (ESG) ~~,~~ **or sustainability** practices of companies, including climate change **, over the past few years, and expectations in this area are rapidly evolving. The criteria used to evaluate ESG practices may continue to evolve, which could result in greater expectations and may cause us to undertake costly initiatives to satisfy new criteria and abide by any new disclosure requirements** . Some investors have used, and may continue to use, ESG criteria to guide their investment strategies, and may not invest in us, or divest their holdings of us, if they believe our policies relating to ESG matters are inadequate. Our customers may also require us to implement environmental, social, or governance responsibility procedures or standards before they continue to do business with us. Additionally, we may face reputational challenges if our **ESG** ~~environmental, social, or governance responsibility~~ procedures or standards do not meet the standards set by certain constituencies **, which are often inconsistent in approach. Furthermore, from time to time, we may communicate certain initiatives or goals regarding ESG matters. Although we intend to meet these commitments, we may be required to expend significant resources to do so, which could increase our operational costs. Further, there can be no assurance of the extent to which any of our commitments will be achieved, if at all. In addition, we could be criticized for the scope of such initiatives or goals or perceived as not acting responsibly in connection with these matters** . The occurrence of any of the foregoing could have a material adverse effect on our business, financial condition, and results of operations. RISKS RELATED TO FINANCIAL MATTERS Political and economic changes in foreign countries and markets, including foreign currency fluctuations, may have a material effect on our operating results. During ~~2022~~ **2023** , approximately ~~27~~ **28** % of our total net sales were to customers outside of the United States. Additionally, we also have operating facilities located in foreign countries. Doing business in foreign countries is subject to numerous risks, including without limitation: (a) political and economic instability and potential for social unrest; (b) the uncertainty of the ability of non- U. S. customers to finance purchases; (c) restrictions on the repatriation of funds; (d) restrictive trade policies; (e) tariff regulations; (f) difficulties in obtaining export and import licenses; (g) government financed competition; (h) changes in the local labor- relations climate; (i) economic conditions in local markets, including changes in inflation; (j) health concerns (including ~~the~~ COVID- 19 ~~pandemic~~ **or any of its variants**); (k) complying with foreign regulatory and tax requirements that are subject to change; and (l) limitations on our ability to enforce legal rights and remedies. For example, in response to Russia' s invasion of Ukraine, the United States, along with the European Union, ~~has~~ **have** imposed restrictive sanctions on Russia, Russian entities, and Russian citizens. We are subject to these governmental sanctions and export controls, which may subject us to liability if we are not in full compliance with applicable laws. Further, implementation of new tariff schemes by various governments, such as those implemented by the United States and China in recent years, could potentially increase the costs of our materials, increase our cost of production, and ultimately increase the landed cost of our products sold from one country into another country. While these factors or the impact of these factors are difficult to predict, any one or more of these factors could adversely affect our operations. There has been, and may continue to be, significant volatility in global stock markets and foreign currency exchange rates that **could** result in the strengthening of the U. S. dollar against foreign currencies in which we conduct business. To the extent that foreign sales are transacted in foreign currencies and we do not enter into currency hedge transactions, we are exposed to risk of losses due to fluctuations in foreign currency exchange rates, particularly for the British Pound, Euro, and Canadian dollar. Significant fluctuations in the value of the currencies of the countries in which we do business could have an adverse effect on our results of operations. Unanticipated changes in our tax provisions or exposure to additional income tax liabilities could affect our cash flows and financial condition. Our business operates in many locations under government jurisdictions that impose income taxes. Changes in domestic or foreign income tax laws and regulations, or their interpretation, could result in higher or lower income tax rates assessed or changes in the taxability of certain revenues or the deductibility of certain expenses, thereby affecting our income tax expense and profitability. In both 2021 and 2022, the Biden administration announced, and in certain cases has enacted, several tax proposals to fund new government investments in infrastructure, healthcare, and education, among others. Certain of these proposals involve an increase in the domestic corporate tax rate, which if implemented could have a material impact on our future results of operations and cash flows. On August 16, 2022, the Inflation Reduction Act of 2022 (~~"~~ IRA ~~"~~) was signed into law, with tax provisions primarily focused on implementing a 15 % minimum tax on global adjusted financial statement income and a 1 % excise tax on share repurchases. Certain provisions of the IRA ~~will become~~ **became** effective **in the** beginning ~~in~~ **of** fiscal 2023. We have evaluated the impact of the IRA on our business ~~,~~ and deem it to be immaterial. **Further** ~~In addition~~ , ~~on March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted in response to the COVID- 19 pandemic. The CARES Act, among other things, included certain~~ changes in **the** tax ~~law~~ **laws** ~~intended to stimulate the U. S. economy due to the COVID- 19 pandemic, including temporary beneficial changes to the treatment~~ of **foreign** ~~net operating losses, interest deductibility limitations, and payroll tax matters. The CARES Act is subject to interpretation and implementation guidance by both federal and state tax authorities, as well as amendments and technical corrections. Any or all of these could impact our business unfavorably. Additionally, tax rates in various~~ jurisdictions **where** ~~in which~~ we operate **could arise** ~~or sell into may increase~~ as a ~~means~~ **result** of ~~funding~~ the **base erosion** ~~significant cost of governmental stimulus measures enacted to assist~~ and **profit shifting** ~~protect~~ **project undertaken** ~~individuals and businesses impacted~~ by the ~~COVID~~ **Organization for Economic Co** - ~~19 pandemic~~ **operation and Development (OECD)** . ~~It cannot be predicted~~ **In December 2022, the European Union (EU) member states reached an agreement to implement the minimum tax component (Pillar Two) of the OECD' s tax reform initiative with certain aspects effective January 1, 2024, and other aspects effective January 1, 2025. While it is uncertain** whether **the U. S. will enact legislation to adopt Pillar Two** , ~~when,~~ **legislative changes to address Pillar Two are being adopted by taxing authorities** in ~~what form~~ **other countries where we do business. Based on the Corporation' s preliminary assessments** , ~~or with what~~ **it does not expect Pillar Two to have a material impact on its** effective ~~dates, new~~ tax ~~laws or changes in tax rates~~ - **rate** ~~may be enacted, or~~ **nor on its consolidated** ~~regulations and rulings may be enacted, promulgated or issued under existing or new tax laws, which could result~~ **results** ~~in~~ **of operation, financial position,** ~~an~~ **and cash flows** ~~increase in our tax liability or require changes in the manner in which we operate in order to minimize or mitigate any adverse effects of changes in tax law or in the interpretation thereof~~ . Furthermore, the amount of income taxes paid by us is subject to examination by U. S. federal, state, and local tax authorities and by non- U. S. tax authorities. We regularly assess the likelihood of an adverse outcome resulting from such examinations to determine the adequacy of our provision for taxes. There can be no assurance as to the outcome of any such examinations. If the ultimate determination of our taxes owed were for an amount in excess of amounts reserved, our operating results, cash flows, and financial condition could be materially and adversely affected. We use estimates when accounting for ~~long~~ **contracts that apply over** - ~~term contracts~~ **time revenue recognition** . Changes in estimates could affect our profitability and overall financial position. ~~Long~~ **Accounting for contracts that apply over** - ~~term contract accounting~~ **time revenue recognition** requires judgment relative to assessing risks, estimating contract ~~revenues~~ **net sales** and costs, and making assumptions for schedule and technical issues. Due to the size and nature of many of our contracts, the estimation of total ~~revenues~~ **net sales** and costs at completion is complicated and subject to many variables. For example, assumptions must be made regarding the length of time to complete the contract, as costs also include expected increases in wages and prices for materials **and allocated fixed costs** . Similarly, assumptions must be made regarding the future impact of efficiency initiatives and cost reduction efforts. Incentives, awards, price escalations, liquidated damages, or penalties related to performance on contracts are considered in estimating revenue and profit rates using either the expected value method or most likely amount method. It is possible that materially different amounts could be obtained, because of the significance of the judgments and estimation processes described above, if different assumptions were used or if the underlying circumstances were to change. Changes in underlying assumptions, circumstances, or estimates may have a material adverse effect upon future period financial reporting and performance. See " Critical Accounting Estimates and Policies " in Part II, Item 7 of this Form 10- K. Our future financial results could be adversely impacted by asset impairment charges. As of December 31, ~~2022~~ **2023** , we had goodwill and other intangible assets, net of accumulated amortization, of approximately $ 2. ~~2~~ **1** billion, which represented approximately ~~49~~ **46** % of our total assets. Our goodwill is subject to an impairment test on an annual basis ~~and is also tested~~ **, or more frequently,** whenever events and circumstances indicate that goodwill may be impaired. Intangible assets (other than goodwill) are generally amortized over the useful life of such assets. In addition, from time to time, we may acquire or make an investment in a business that will require us to record goodwill based on the **difference between the** purchase price and the **fair** value of the acquired assets. We may subsequently experience unforeseen issues with such business that adversely affect the anticipated returns of the business or value of the intangible assets and trigger an evaluation of the recoverability of the recorded goodwill and intangible assets for such business. For example, if the financial performance of such business was to decline significantly, we could incur a material non- cash charge to our income statement for the impairment of goodwill and other intangible assets. Future determinations of significant write- offs of goodwill or intangible assets as a result of an impairment test or any accelerated amortization of other intangible assets could have a material adverse impact on our financial condition and results of operations. Our current debt, and debt we may incur in the future, could adversely affect our business and financial position. As of December 31, ~~2022~~ **2023** , we had **approximately** $ 1. ~~3~~ **0** billion of debt outstanding. Our level of debt **and debt servicing costs associated with that indebtedness, in part because of increases in interest rates on variable rate indebtedness under our revolving credit facility,** could have significant consequences for our business. For example, our indebtedness could require us to use a substantial portion of our cash flows from operations to pay the principal and interest on our debt, thereby reducing funds available for working capital, acquisitions, dividends, capital expenditures, and other investments in our business, including investments in technology and research and development; make us vulnerable to economic downturns and increases in interest rates; limit us from obtaining additional debt; limit our flexibility in planning for, or reacting to, changes in the industries in which we compete; and place us at a competitive disadvantage compared to our competitors, some of whom have lower debt service obligations and greater financial resource than we do. **In addition, most of our debt arrangements require us to maintain certain debt and interest coverage ratios and limit our ability to incur debt, make investments or undertake certain other business activities. These requirements could limit our ability to obtain future financing and may prevent us from taking advantage of attractive business opportunities. Our ability to meet the financial covenants or requirements in our debt arrangements may be affected by events beyond our control, and we cannot assure you that we will satisfy such covenants and requirements. A breach of these covenants or our inability to comply with the restrictions could result in an event of default under our debt arrangements which, in turn, could result in an event of default under the terms of our other indebtedness. Upon the occurrence of an event of default under our debt arrangements, after the expiration of any grace periods, our lenders could elect to declare all amounts outstanding under our debt arrangements, together with accrued interest, to be immediately due and payable. If this were to happen, we cannot ensure that our assets would be sufficient to repay in full the payments due under those arrangements or our other indebtedness or that we could find alternative financing to replace that indebtedness.** We self- insure health benefits and may be adversely impacted by unfavorable claims experience. We are primarily self- insured for our health benefits. If the number or severity of claims increases, or we are required to accrue or pay additional amounts because the claims prove to be more severe than our original assessment, our operating results would be adversely affected. Our future claims expense might exceed historical levels, which could reduce our earnings. We expect to periodically assess our self- insurance strategy. We are required to periodically evaluate and adjust our claims reserves to reflect our experience. However, ultimate results may differ from our estimates, which could result in losses over our reserved amounts. In addition, because we do not carry " stop loss " insurance, a significant increase in the number of claims that we must cover under our self- insurance retainage could adversely affect our profitability. Increasing costs of certain employee and retiree benefits could adversely affect our financial position, results of operations, or cash flows. Our earnings may be positively or negatively impacted by the amount of income or expense we record for our pension and other postretirement benefit plans. U. S. GAAP requires that we calculate income or expense for the plans using actuarial valuations. These valuations reflect assumptions relating to financial markets and other economic conditions. Changes in key economic indicators can change the assumptions. The most significant year- end assumptions used to estimate pension or other postretirement benefit expense for the following year are the discount rate, the expected long- term rate of return on plan assets, expected future medical cost inflation, and expected compensation increases. In addition, we are required to make an annual measurement of plan assets and liabilities, which may result in a significant change to equity through a reduction or increase to other comprehensive income. For a discussion regarding how our financial statements can be affected by pension and other postretirement benefit plans accounting policies, see " Management' s Discussion and Analysis — Critical Accounting Estimates and Policies — Pension and Other Postretirement Benefits " in Part II, Item 7 of this Form 10- K. Although U. S. GAAP expense and pension or other postretirement contributions are not directly related, the key economic factors that affect U. S. GAAP expense would also likely affect the amount of cash we would contribute to the pension or other postretirement plans. Potential pension contributions include both mandatory amounts required under federal law, Employee Retirement Income Security Act, and discretionary contributions to improve the plans' funded status. An obligation to make contributions to pension plans could reduce the cash available for working capital and other corporate uses. GENERAL RISKS Our future growth and continued success are dependent upon our key personnel. Our success **in driving business performance and executing our growth strategy** is dependent upon the efforts of our senior management personnel and our ability to attract and retain other highly qualified management and technical personnel. **Because of the**

complex nature of many of our products and services, and our focus on technological and product innovations, we are generally dependent on an educated and highly skilled workforce, including our engineering talent and our sales professionals. We **strive to attract and hire talented employees, as well as support their growth, development, and engagement. However, we** face competition for management and qualified technical personnel from other companies and organizations ~~. Additionally~~ , **which** ~~it is particularly difficult to hire new employees during the COVID- 19 pandemic as~~ **has intensified for** ~~conducting interviews remotely makes it more difficult to ensure that we are recruiting and hiring high- quality employees. Further, the uncertainty created by the COVID- 19 pandemic makes it less likely that potential candidates will be willing to leave~~ a ~~stable job to explore~~ **variety of reasons, including wage inflation, sustained labor shortages, and** a ~~new opportunity~~ **shift toward remote work** . Therefore, we may not be able to retain our existing management and technical personnel or fill new management or technical positions or vacancies created by expansion or turnover at our existing compensation levels. Although we have entered into change of control agreements with some members of senior management, we do not have employment contracts with our key executives. As some of our key executives approach retirement age, we have made a concerted effort to reduce the effect of the loss of our senior management personnel through management succession planning. However, we may be required to devote significant time and resources to identify and integrate key new personnel should key management losses occur earlier than anticipated. The loss of members of our senior management and qualified technical personnel could have a material adverse effect on our business. ~~On September 9, 2021, President Biden directed the Department of Labor' s Occupational Safety and Health Administration (" OSHA ") to issue an Emergency Temporary Standard (" ETS ") requiring that all employers with at least 100 employees ensure that their employees are fully vaccinated for COVID- 19 or obtain a negative COVID- 19 test at least once a week. On November 4, 2021, the OSHA issued an emergency regulation to carry out this mandate, which was expected to take effect on January 4, 2022. However, OSHA withdrew the ETS on January 26, 2022 as an enforceable emergency temporary standard following the U. S. Supreme Court issuing a nationwide stay prohibiting OSHA from enforcing or implementing the ETS. OSHA explicitly did not withdraw the ETS as a proposed rule, such that it is possible that a permanent rule regarding COVID- 19 vaccination and testing requirements will ultimately be issued by OSHA following a formal rulemaking process. President Biden also issued an Executive Order requiring certain COVID- 19 precautions for government contractors and their subcontractors, including mandatory employee vaccination, with exemptions only for medical or religious reasons. These requirements for federal contractors have been the subject of multiple lawsuits and enforcement has been enjoined nationwide, with appeals from those decisions pending in multiple federal appellate courts. It is not currently possible to predict the impact on our business of a permanent OSHA rule, or the requirements for government contractors and their subcontractors, to the extent that such OSHA rule and requirements for federal contractors are ultimately implemented and enforced. But many states and localities are free to impose vaccine requirements. Despite the previous legal and timing uncertainties relating to these regulations, we implemented requirements regarding mandatory vaccines for U. S. based covered employees, subject to approved exemptions. It is possible that additional vaccine and testing mandates may be announced in other jurisdictions in which we operate our business. While it is not currently possible to predict with any certainty the exact impact any new state, local or foreign vaccine regulations would have on our operations, our suppliers and our customers, the implementation of such state, local or foreign government mandated vaccination or testing mandates may impact our ability to retain current employees, attract new employees, and result in labor disruptions and may have an adverse effect on future profitability. Further, implementation could also have similar consequences for our subcontractors, which may impact their ability to deliver the goods and services we need from them. In addition, any requirement to impose obligations on our suppliers under the Executive Order covering government contractors and their subcontractors could impact the price and continuity of supply of raw materials, whereby our results of operations and financial condition could be adversely affected.~~ Our business, financial condition, and results of operations could be materially adversely affected if the United States were to withdraw from or materially modify certain international trade agreements, or if tariffs or other restrictions on the foreign- sourced goods that we sell were to increase. A significant portion of our business activities are conducted in foreign countries, including Mexico and Canada. Our business benefits from free trade agreements such as the United States- Mexico- Canada Trade Agreement (USMCA) and relies on various U. S. corporate tax provisions related to international commerce as we build, market, and sell our products globally. Although there are no immediate effects on our operations with respect to USMCA, we cannot predict future developments in the political climate involving the United States, Mexico and Canada, and thus, these may have an adverse and material impact on our operations and financial growth. The United States and other countries have levied tariffs and taxes on certain goods (such as those implemented by the United States and China in recent years). Some of our products are included in these tariffs. All of this could lead to increased costs and diminished sales opportunities in the U. S. and abroad. Media and political reactions in the affected countries could potentially exacerbate the impact on our operations in those countries. The imposition of new or increased tariffs, duties, border adjustment taxes or other trade restrictions by the United States could also result in the adoption of new or increased tariffs or other trade restrictions by other countries. The tariffs may in the future increase our cost of materials and may cause us to increase prices to our customers which we believe may reduce demand for our products. Our price increases may not be sufficient to fully offset the impact of the tariffs and result in lowering our margin on products sold. If the U. S. government increases or implements additional tariffs, or if additional tariffs or trade restrictions are implemented by other countries, the resulting trade barriers could have a significant adverse impact on our suppliers, our customers and on our business. We are not able to predict future trade policy of the U. S. or of any foreign countries in which we operate or purchase goods, or the terms of any renegotiated trade agreements, or their impact on our business. Global economic conditions may adversely affect our business, operating results and financial condition. Although we currently generate significant operating cash flows, which combined with access to the credit markets provides us with significant discretionary funding capacity, global macroeconomic uncertainty, ~~including the economic downturn caused by the COVID- 19 pandemic,~~ the ongoing trade disputes between the United States and China, the

United Kingdom' s withdrawal from the European Union, **armed conflicts around the world, such as** ~~the~~ **those in** ~~Russia-~~ Ukraine **and Israel, and any** conflict **or threatened conflict between China and Taiwan** (including **the imposition of** related sanctions **by the United States and other countries** as well as measures taken in response to such ~~sanction~~ **sanctions**), inflationary pressures **, rising interest rates, labor shortages** , global supply chain disruptions, and uncertainty regarding the stability of global credit and financial markets could affect our ability to fund our operations. In addition, certain of our customers and suppliers could be affected directly by an economic downturn and could face credit issues or cash flow problems that could give rise to payment delays, increased credit risk, bankruptcies, and other financial hardships, which could impact customer demand for our products as well as our ability to manage normal commercial relationships with our customers and suppliers. Depending on their severity and duration, the effects and consequences of a global economic downturn could have an adverse impact on our results of operations and financial condition. A percentage of our workforce is employed under collective bargaining agreements. Approximately ~~7~~ **6** % of our workforce is employed under collective bargaining agreements, which from time to time are subject to renewal and negotiation. We cannot ensure that we will be successful in negotiating new collective bargaining agreements, that such negotiations will not result in significant increases in the cost of labor, including healthcare, pensions, or other benefits, or that a breakdown in such negotiations will not result in the disruption of our operations, including by way of strikes or work stoppages. Although we have generally enjoyed good relations with both our unionized and non-unionized employees, we may experience an adverse impact on our operating results if we are subject to labor actions. Future terror attacks, war (including the Russia- Ukraine ~~conflict~~ **war and Israel- Hamas war**), natural disasters, climate change-related events, pandemic diseases (~~including the~~ **such as** COVID- 19 ~~pandemic~~), or other events beyond our control could adversely impact our businesses. Despite our concerted effort to minimize risk to our production capabilities and corporate information systems and to reduce the effect of unforeseen interruptions through insurance or other risk transfer mechanisms, such as our business continuity planning and disaster recovery plans, we could be adversely impacted by terror attacks, war (including the Russia- Ukraine ~~conflict~~ **war and Israel- Hamas war**), natural disasters such as earthquakes, hurricanes, floods, tornadoes, ice storms, climate change- related events, pandemic diseases such as COVID- 19, or other events such as strikes by the workforce of a significant customer or supplier. Several of our facilities, because of their locations, could be subject to catastrophic loss caused by the aforementioned natural disasters. Global climate change may aggravate natural disasters and increase severe weather events that affect our business operations. These risks could negatively impact demand for or supply of our products and could also cause disruption to our facilities or systems, which could also interrupt operational processes and adversely impact our ability to manufacture our products and provide services and support to our customers. The insurance we maintain may be insufficient to cover our losses, and any incidents may result in loss of, or increased costs of, such insurance. In addition, while our existing disaster recovery and business continuity plans ~~(~~ **,** including those relating to our information technology systems ~~)~~ are well designed, they may not be fully responsive to, or minimize losses associated with, catastrophic events. As a result, any business disruption could negatively affect our business, operating results, or financial condition. **The COVID- 19 pandemic adversely impacted, and may in the future adversely impact, our business, operations, and financial results. The COVID- 19 pandemic disrupted the global economy and adversely impacted certain elements of our business, including our supply chain, transportation networks, and production levels. Although the World Health Organization and the U. S. federal government declared an end to COVID- 19 as a global and national health emergency in May 2023, any future resurgence or development of new strains or variants of COVID- 19, together with preventative measures taken to contain or mitigate such crises, could impact our business, operations and financial condition in a variety of ways, such as: (i) impact our customers such that the demand for our products and services could change; (ii) disrupt our supply chain and impact the ability of our suppliers to provide products or services as required; (iii) disrupt our ability to sell and provide our products and services and otherwise operate effectively; (iv) increase incremental costs resulting from the adoption of preventative measures and compliance with regulatory requirements; (v) create financial hardship on customers, including by creating restrictions on their ability to pay for our products and services; and (vi) result in closures of our facilities or the facilities of our customers or suppliers.**