Risk Factors Comparison 2024-02-08 to 2023-02-09 Form: 10-K

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The risk factors noted in this section, and other factors noted throughout this annual report, describe certain risks and uncertainties that could cause our actual results to differ materially from those contained in any forward- looking statement and should be considered carefully in evaluating our company and our business. In the ordinary course of our business, we face various strategic, operating, compliance and financial risks. These risks could have a material impact on our business, financial condition and results of operations. We have implemented our Enterprise Risk Management (" ERM") process to identify and address significant risks. Our ERM process is a company- wide initiative that is designed with the intent of prioritizing risks and allocating appropriate resources to address such risks. Management has identified and prioritized critical risks based on the severity and likelihood of each risk and assigned risk owners to address each major identified risk area and lead action plans to monitor and mitigate risks, where possible. Our Board ~~of Directors~~ provides oversight of the ERM process and regularly reviews identified critical risks. The Audit Committee **of our Board** also reviews major financial risk exposures and the steps management has taken to monitor and control them. Our goal is to proactively manage risks in a structured approach and in conjunction with the strategic planning process, with the intent to preserve and enhance shareholder value. However, these and other risks and uncertainties could cause our results to vary materially from recent results or from our anticipated future results. The risk factors and uncertainties described below, together with information incorporated by reference or otherwise included elsewhere in this annual report, should be carefully considered. Although the risks are organized by headings, and each risk is discussed separately, many are interrelated. Additional risks and uncertainties of which we are currently unaware or that we currently believe to be immaterial may also adversely affect our business. ~~Summary of Risk Factors We operate in a changing global environment that involves numerous known and unknown risks and uncertainties that could materially adversely affect our business, financial condition and results of operations. The following is a summary of some of these risks and uncertainties. This summary should be read together with the more detailed description of each risk factor below. Summary of~~ Risks Related to Economic and Market Conditions ~~•~~ We are subject to economic, political and other risks associated with international operations that could adversely affect our business and our strategy to capitalize on our global reach. ~~• We may be unable to obtain raw materials or other manufacturing inputs at favorable prices in sufficient quantities, or at the time we require them. • We may experience adverse changes in our relationships with, or the financial condition, performance, purchasing patterns or inventory levels of, key channel partners. • Catastrophic events, including global pandemics such as the COVID- 19 pandemic, could cause severe disruption in the global economy and may have, and continue to have, an adverse impact on our business. Summary of Risks Related to Our Business and Industry • We are dependent on the continued operation of our manufacturing facilities, supply chains, distribution systems and information technology systems, and a major disruption or closure could have a material adverse effect on our business • We may not be able to accurately forecast demand or meet significant increases in demand for our products. • We have taken, and continue to take, cost- reduction and other restructuring actions that may expose us to additional risk, and we may not be able to maintain the level of cost reductions that we have achieved. • Our revenue growth may be dependent on market acceptance of new product introductions and product innovations. • Longer lives of products used in our end markets may adversely affect demand for some of our replacement products. • Competition in the replacement market in emerging markets may limit our ability to grow in those markets. • We may pursue strategic transactions, including acquisitions, divestitures, joint ventures, strategic alliances or investments, which could create risks and present unforeseen integration obstacles or costs. • We have investments in joint ventures that limit our ability to manage third- party risks associated with these ventures. • The loss or financial instability of any significant customer could adversely affect our business. • Societal responses to sustainability issues, including those related to climate change, could adversely affect our business and performance, including indirectly through impacts on our customers and value chain partners. • We may not be able to maintain and enhance our strong brand on which we depend. • Pricing pressures from our customers may materially adversely affect our business. Summary of Risks Related to Cybersecurity and Information Systems • Cyber- security vulnerabilities, threats and more sophisticated and targeted computer crimes could pose a risk to our systems, networks, products, solutions, services and data. • Information systems failure may disrupt our business and result in financial loss and liability to our customers. • Global privacy, data protection and data security requirements are highly complex, evolving rapidly, and may increase our costs to comply. Summary of Risks Related to Legal and Regulatory Matters • Existing or new laws and regulations, including but not limited to those relating to HSE and sustainability matters, may prohibit, burden, restrict or make significantly more costly the sale of our products. • Our business is subject to evolving corporate governance and public disclosure regulations and expectations, including with respect to environmental, social and governance (" ESG ") matters, that could expose us to numerous risks. • We are subject to anti- corruption laws in various jurisdictions, as well as other laws governing our international operations. If we fail to comply with these laws, we could be subject to civil or criminal penalties, other remedial measures, and legal expenses. • We may be subject to recalls or product liability claims, or may incur costs related to product warranties. • Failure to develop, obtain, adequately protect and enforce our intellectual property rights could adversely affect our business, and third parties could allege that our products infringe on their intellectual property rights, adversely affecting our business. • We are subject to risks from litigation, legal and regulatory proceedings and obligations, and our insurance may not provide coverage or may not fully cover future losses we may incur related to these proceedings and obligations or otherwise. Summary of Risks Related to Human Capital Management • If we lose our senior management or key personnel, our business may be materially and adversely affected. • We may be materially adversely impacted by work~~

~~stoppages and other labor matters, including labor shortages and turnover. • Certain of our defined benefit pension plans are underfunded, and additional cash contributions may be required. Summary of Risks Related to Tax Matters • Changes in our effective tax rate or additional tax liabilities could adversely impact our net income. • Changes in tax laws could result in additional tax liabilities. • Relevant tax authorities may no longer treat us as being exclusively a resident of the U. K. for tax purposes. Summary of Risks Related to Our Indebtedness • We are subject to risks related to our indebtedness. These include risks related to raising additional capital, paying our debts and meeting our indebtedness service obligations, interest rate risk, operating and financial restrictions on us and our subsidiaries, and the risk of failure to comply with the agreements relating to our outstanding indebtedness. Summary of Risks Related to the Ownership of our Ordinary Shares • We are subject to risks specific to ownership of our ordinary shares, including those related to being a " controlled company " within the meaning of the rules of the NYSE, adverse changes in the market value of our shares, lack of current plans for dividend payments, risks related to future issuances of shares, and risks specific to holding shares in a U. K. company.~~ A substantial portion of our operations are conducted and located outside the U. S. For Fiscal ~~2022~~ **2023** , approximately ~~61~~ **63** % of our net sales originated from outside of the U. S. We have manufacturing, sales and service facilities spanning five continents and sell to customers in over 130 countries. Moreover, a significant amount of our manufacturing functions and sources of our raw materials and components are from emerging markets such as China, India and Eastern Europe. Accordingly, our business and results of operations, as well as the business and results of operations of our vendors and customers, are subject to risks associated with doing business internationally, including: • changing economic conditions in the global and regional end markets we serve, which could impact the level of demand for our products, as a ~~substantial~~ portion of our revenues are derived from customers in cyclical industries that typically are adversely affected by downward economic cycles; • macroeconomic factors beyond the Company' s control, such as ~~the current~~ **recent significant** volatility around material and logistics availability, inflation, supply chain and labor challenges; • political, social or economic instability, civil unrest, terrorist attacks, conflicts or war (such as the ongoing ~~conflict~~ **conflicts** ~~between Russia~~ **in Eastern Europe** and ~~Ukraine~~ **the Middle East**), public health crises ~~and~~ **(including pandemics),** natural disasters (including as a result of climate change) ~~that~~ **, widespread cybersecurity incidents, and other catastrophic events** may disrupt economic activities **(including demand for and production and distribution of our products) and our workforce** in affected countries **or globally** ; • imposition of ~~new or~~ additional sanctions, tariffs or other trade restrictions or embargoes, as well as import and export licensing and control requirements; • volatility of global financial markets, including ~~persisting concerns regarding the debt burden of certain European countries,~~ interest rate fluctuations and hyperinflation or deflation in the countries in which we operate; • exchange rate fluctuations, as well as currency restructurings, the imposition of currency restrictions, and limitations on repatriation of earnings, that could affect our ability to realize a profit or our ability to readily access global cash balances; • partial or total expropriation by local, state or national governments; • **compliance** ~~the ability to comply~~ with or effect of complying with complex and changing laws, regulations and policies of foreign governments, including differing and, in some cases, more stringent labor, sustainability ~~and~~ **(such as** environmental **, social, and governance (" ESG ") related) and HSE** regulations **as well as limitations on our ability to enforce our legal rights and remedies** ; • differing local product preferences and product requirements; and • difficulties involved in staffing and managing widespread operations, including challenges in ~~administering and~~ enforcing corporate policies, which may be different than the normal business practices of local cultures. The likelihood of such occurrences and their potential effect on us vary from country to country and are unpredictable. Certain regions, including Latin America, Asia, Eastern Europe, the Middle East and Africa, are generally more economically and politically volatile than the U. S. and as a result, our operations in these regions could be subject to more significant **or frequent** fluctuations in sales and operating income. Further, our industry has been impacted by the ongoing uncertainty surrounding tariffs and international trade relations, particularly with China, and it is difficult for us to predict the impact future trade measures will have on our business and operations in the future. Because a significant percentage of our operating income in recent years has come from these regions, adverse fluctuations in the operating results in these regions could have a ~~disproportionate~~ **material adverse** impact on our results of operations in future periods. While we have adopted certain operational and financial measures to reduce the risks associated with doing business internationally, **such measures may not be successful and** any one of the risks listed above may ~~impact us or require us to modify our business practices and could~~ have a material adverse effect on our financial condition and results of operations **. We may be unable to obtain raw materials or other manufacturing inputs at favorable prices in sufficient quantities, or at the time we require them** . We purchase our energy, steel, aluminum, rubber- based materials, chemicals, polymers and other key manufacturing inputs from outside sources. We do not traditionally have long- term pricing contracts with raw material suppliers. The costs of these raw materials have been volatile historically and are influenced by factors that are outside of our control. In recent years, the prices and availability of energy, metal alloys, polymers and certain other of our raw materials have fluctuated significantly, exacerbated by ~~the current inflationary~~ --- **inflation** ~~environment~~ and global disruptions such as the Russia- Ukraine conflict. If we are unable to pass increases in the costs of our raw materials on to our customers **on** ~~or we experience~~ a ~~lag in~~ **timely basis** ~~our~~ - **or** ~~ability to pass increases to~~ **at all, maintain current pricing,** ~~our~~ - **or** ~~customers, or we~~ are otherwise unable to offset these cost increases, our operating margins and results of operations may be materially adversely affected. Additionally, our businesses compete globally for **raw materials and** key production inputs. The availability of qualified suppliers and of key inputs may be disrupted by market disturbances or any number of geopolitical factors, including political unrest and significant weather events. Such disruptions may require additional capital or operating ~~expenditure~~ **expenditures** by us or force reductions in our production volumes. In the event of an industry- wide general shortage of certain raw materials or key inputs, or a shortage or discontinuation of certain raw materials or key inputs from one or more of our suppliers, we may not be able to arrange for alternative sources of certain raw materials or key inputs. Any such shortage may materially adversely affect our competitive position versus companies that are able to better or more cheaply source such raw materials or key inputs **. We may experience adverse changes in our relationships with, or the financial condition, performance, purchasing patterns or**

inventory levels of, key channel partners . Certain of our businesses sell a significant amount of their products to key channel partners, including distributors, which have valuable relationships with end users. Some of these channel partners may also sell our competitors' products, and if they favor competing products for any reason they may fail to market our products effectively. Adverse changes in our relationships with these channel partners, or adverse developments in their financial condition, performance or purchasing patterns, could adversely affect our business, financial condition and results of operations. The levels of inventory maintained by our distributors and other channel partners, and changes in those levels, such as destocking, can also significantly impact our results of operations in any given period. **For example, customer stocking patterns in recent years have fluctuated due to changes in demand resulting from the COVID- 19 pandemic and trade relations, which has impacted our results of operations.** In addition, the consolidation of channel partners and customers in certain of our end markets could adversely impact our profitability. ~~The occurrence~~ **Risks Related to Our Business and Industry We are dependent on the continued operation** of **our manufacturing facilities, supply chains, distribution systems and information technology systems, and** a major ~~earthquake~~ **disruption or closure** , ~~fire~~ **including as a result of a catastrophic event** , ~~flood, tsunami~~ **could have a material adverse effect on** ~~or~~ **our** ~~other~~ **business. If any of our manufacturing facilities, supply chains, distribution systems or technology systems were to experience a catastrophic loss or ongoing closure or disruption due to adverse** weather ~~event~~ **or natural disasters (including as a result of climate change), labor unrest, public health crises such as pandemics, terrorist attacks or armed conflicts, cyberattacks** , power loss, telecommunications failure, ~~software~~ **significant mechanical failure of** ~~or~~ **our equipment** ~~hardware malfunctions, pandemics (including the COVID- 19 pandemic), cyber- attack, war, terrorist attack~~ or other catastrophic event ~~that~~ **or government responses thereto, it could adversely affect our employees, data centers or critical business of information technology systems, our ability to produce and distribute our products or conduct normal business operations, and our reputation and, ultimately, result in a potential loss of customers and sales or significantly increased operating costs, including large repair and replacement expenses. These risks could be exacerbated to the extent** our disaster recovery plans do not adequately address **the event** ~~, could adversely affect our employees, our systems, our ability to produce and distribute our products, and our reputation~~ . For example, the ~~outbreak and spread of~~ COVID- 19 **pandemic had** ~~has and in some geographies, such as China, continues to have~~ adverse effects on our business, operating results, cash flows and / or financial condition, including ~~, without limitation,~~ due to the impact of: disruptions in service within our operations, among our key suppliers and supply chains, or other third parties; facility closures or disruptions; challenges in product delivery; and changes and challenges to our workforce ~~. A catastrophic event resulting in the destruction or disruption of our workforce~~ , **particularly** ~~our systems, our ability to produce and distribute our products, any of our data centers or our critical business or information technology systems could adversely affect our ability to conduct normal business operations and our operating results or cash flows. We are dependent on the continued operation of our manufacturing facilities, supply chains, distribution systems and information technology systems, and a major disruption or closure could have a material adverse effect on our business. If any of our manufacturing facilities, supply chains, distribution systems or technology systems were to experience a catastrophic loss or ongoing closure or disruption due to adverse weather, natural or man- made disasters (including as a result of climate change), labor unrest, public health crises, terrorist attacks, cyberattacks, significant mechanical failure of our equipment or other catastrophic event, it could result~~ in **China** ~~interruption of our business, a potential loss of customers and sales, or significantly increased operating costs, including large repair and replacement expenses~~ . The third- party insurance coverage that we maintain will vary from time to time in both type and amount depending on cost, availability and our decisions regarding risk retention, and may be unavailable or insufficient to protect us against losses. Additionally, we have in the past and may in the future make investments in new or existing manufacturing facilities that could lead to disruption or closure, or to consolidate manufacturing facilities to adapt our production capacity to changing market conditions. The costs of such disruptions or closures may have a material adverse effect on our business, financial condition and results of operations. **We may not be able to accurately forecast demand or meet significant increases in demand for our products.** Certain of our businesses operate with short lead times, and we order raw materials and supplies and plan production based on discussions with our customers and internal forecasts of demand. If we are unable to accurately forecast demand for our products, in terms of both volume and specific products, or react appropriately to abrupt changes in demand, we may experience delayed product shipments and customer dissatisfaction. If demand increases significantly from current levels, both we and our suppliers may have difficulty meeting such demand, particularly if such demand increases occur rapidly. Additionally, we may carry excess inventory if demand for our products decreases below projected levels. Failure to accurately forecast demand or meet significant increases in demand could have a material adverse impact on our business, financial condition and operating results. We have taken, and continue to take, cost- reduction and other restructuring actions that may expose us to additional risk and we may not be able to maintain the level of cost reductions that we have achieved. We have been implementing cost reduction and restructuring actions in all of our businesses and have discontinued product lines, consolidated or relocated manufacturing operations and reduced our employee population in some locations. The impact of these cost- reduction and restructuring actions on our sales and profitability may be influenced by many factors and we may not be able to maintain the level of cost savings that we have achieved. In connection with the implementation and maintenance of our cost reduction and restructuring measures, we may face delays in anticipated workforce reductions, a decline in employee morale and a potential inability to meet operational targets due to an inability to retain or recruit key employees **. Our revenue growth may be dependent on market acceptance of new product introductions and product innovations** . The markets in which we operate are subject to technological change. Our long- term operating results depend upon our ability to continually develop, introduce, and market new and innovative products, to modify existing products, to respond to technological change, and to customize certain products to meet customer requirements and evolving sustainability and industry standards. The development of new product introductions and product innovations may require significant investment by us. There are numerous risks inherent in this process, including the risks that we will be unable to anticipate the direction of technological change or that we will be unable to develop and market new products and applications in a timely fashion to satisfy customer demands. For example, the increased adoption of electric vehicles may **result in application requirements** ~~affect certain of the end markets~~ that **are not supported by our current technologies** ~~we serve and could alter the application platforms in which we offer solutions~~. If we are unable to adapt to ~~technological~~ **these** changes ~~, including by developing and marketing new products~~, our business and results of operations may be adversely affected **. Longer lives of parts used in our end markets may adversely affect demand for some of our replacement products** . The average useful life of certain ~~products~~ **parts used** in our end markets has increased in recent years due to innovations in technologies and manufacturing processes. ~~The longer product lives~~ **Extending the life or durability of these parts may** allow end users to replace parts less often **depending on operating conditions** . As a result, a portion of **our** sales in ~~the~~ replacement markets ~~we serve~~ may be displaced. If this trend continues, it could adversely impact our replacement market sales **. Competition in the replacement market in emerging markets may limit our ability to grow in those markets** . In emerging markets such as China, India, and Eastern Europe, the replacement markets are still nascent as compared to those in more developed nations. In these markets, we have focused on **establishing brand visibility, including by** building a first- fit presence in ~~order to establish brand visibility in~~ the end markets we serve. However, as the replacement markets in these regions grow, our products may not be selected as the replacement product **based on local** ~~, although we are the first- fit provider. If we are not able to convert our first- fit presence in these emerging markets into sales in the replacement end~~ market **requirements and other competitive factors** , **and** there may be a material adverse effect on our replacement end market growth potential in these emerging markets **. We may pursue strategic transactions, including acquisitions, divestitures, joint ventures, strategic alliances or investments, which could create risks and present unforeseen integration obstacles or costs** . We consider strategic transactions on an ongoing basis, and regularly discuss potential acquisitions of complementary businesses or assets to expand our product portfolio and geographic presence, certain of which may be material. Strategic transactions, particularly investments in emerging markets, involve legal, economic, operational and political risks. We also encounter risks in the selection of appropriate investment and disposal targets, negotiation and execution of transactions, and integration of acquired businesses or assets. Our efforts to integrate acquired businesses or assets could be affected by a number of factors beyond our control, such as general economic conditions and increased competition. In addition, the process of integrating these businesses or assets could cause the interruption of, or loss of momentum in, the activities of our existing business, diversion of management' s attention, disruption as a result of infrastructure and information technology conversions, and other challenges, such as difficulty integrating key personnel and retaining customers and suppliers. Pursuing strategic transactions could involve the use of a substantial amount of cash, assumption of liabilities and indemnification obligations, costly regulatory requirements, incurrence of a substantial amount of debt or issuance of a substantial amount of equity, and we may not be able to recoup our investment or achieve the synergies and economic benefits that we anticipated. Failure to successfully identify, consummate or integrate strategic transactions in a timely and cost- effective manner could have a material adverse effect on our business, financial condition and results of operation. We have investments in joint ventures that **limit our ability to manage third- party risks associated with these ventures. We have investments in joint ventures that** may involve risks such as the possibility that a co- venturer in an investment might become bankrupt, be unable to meet its capital contribution obligations, have economic or business interests or goals that are inconsistent with our business interests or goals, or take actions that are contrary to our instructions or to applicable laws and regulations. Actions by a co- venturer or other third party could expose us to claims for damages, financial penalties and reputational harm, any of which could adversely affect our business and operations. In addition, we may agree to guarantee indebtedness incurred by a joint venture or provide standard indemnifications to lenders for loss liability or damage occurring as a result of our actions or actions of the joint venture. Such a guarantee or indemnity may be on a joint and several basis with a co- venturer, in which case we may be liable in the event that our co- venturer defaults on its guarantee obligation. The non- performance of a co- venturer' s obligations may cause losses to us in excess of the capital we have invested or committed. Although our joint ventures may generate positive cash flow, in some cases we may choose to leave cash in the joint venture rather than distribute it, either to support future investments within the joint venture or because it may be costly to distribute. The loss or financial instability of any significant customer or customers could adversely affect our business. A substantial part of our business is concentrated with a few customers, and we have certain customers that are significant to our business. During Fiscal ~~2022~~ **2023** , our top ten customers accounted for approximately 23 % of our consolidated net sales and accounted for approximately ~~29~~ **27** % of our trade accounts receivable balance as of December ~~31~~ **30** , ~~2022~~ **2023** , and our largest customer accounted for approximately 4 % and ~~15~~ **13** % of our Fiscal ~~2022~~ **2023** consolidated net sales and trade accounts receivable balance as of December ~~31~~ **30** , ~~2022~~ **2023** , respectively. The loss of one or more of these customers or other major customers, a deterioration in our relationship with any of them, or their failure to pay amounts due to us could have a material adverse effect on our business, financial condition, results of operations or cash flows. Our contracted backlog is comprised of future orders for our products from a broad number of customers. Defaults by any of the customers that have placed significant orders with us could have a significant adverse effect on our net sales, profitability and cash flow. Our customers may in the future default on their obligations to us due to bankruptcy, lack of liquidity, operational failure or other reasons deriving from the general economic environment or circumstances affecting those customers in particular. If a customer defaults on its obligations to us, it could have a material adverse effect on our business, financial condition, results of operations or cash flows. **Societal responses to sustainability issues, including those related to climate change, could adversely affect our business and performance, including indirectly through impacts on our customers and value chain partners.** Concerns over ~~environmental, safety, social and other~~ sustainability issues, including **ESG issues and** the impacts of climate change, have led and will continue to lead to governmental **, private, and consumer** efforts around the world to reduce or mitigate those issues. ~~Consumers and businesses also may change their behavior on their own as a result of these concerns.~~ We and our customers **and suppliers** will need to respond to new laws and regulations as well as **changes in** consumer and

customer behaviors ~~business preferences resulting from sustainability concerns~~, which could add substantial costs to our operations **and those of our customers and partners**. ~~The~~ **We may also experience a drop in demand for our products and services, particularly in certain sectors. We expect the** impact on our customers **to** ~~will likely~~ vary depending on their specific attributes, including reliance on or role in carbon **-** intensive activities ~~. Among the impacts to us could be a drop in demand for our products and services, particularly in certain sectors~~. There is also a risk that we are unable to meet our sustainability objectives or the increasing expectations of our customers, ~~suppliers,~~ employees, shareholders, and other stakeholders. ~~Our~~ **In addition, our** efforts to ~~take~~ **mitigate** these risks ~~into account~~, including by investing in sustainability initiatives, may not be ~~effective~~ **successful** in **achieving** ~~protecting us from the~~ **their** ~~negative impact of new laws~~ **desired outcomes, which may include cost savings. We may not be able to maintain** and ~~regulations~~ **enhance** ~~or~~ **our** ~~changes in consumer or business behavior~~ **strong brand on which we depend**. Our brand has worldwide recognition and our success ~~is~~ **may be** linked to our ability to maintain and enhance our brand image and reputation. In particular, we believe that maintaining and enhancing the Gates brand is critical to maintaining and expanding our customer base. Maintaining, promoting and enhancing our brand may require us to make substantial investments in areas such as product innovation, product quality, intellectual property protection, marketing and employee training, and these investments may not have the desired impact on our brand image and reputation. Moreover, **sustainability** ~~environmental, social and governance~~ topics and activities have been the subject of increased focus by certain ~~investors~~ **of our stakeholders** and regulators. Our business could be adversely impacted if we fail to achieve any of these objectives or if the reputation or image of our brand is tarnished or receives negative publicity. In addition, adverse publicity about regulatory or legal action against us could damage our reputation and brand image and reduce long- term demand for our products, even if the regulatory or legal action is unfounded or not material to our operations. If we are unable to maintain or enhance the image of our brand, it could materially adversely affect our business, financial condition and results of operations **. Pricing pressures from our customers may materially adversely affect our business**. We generate strong margins by selling premium products at premium prices. Accordingly, our margins could suffer if our customers are no longer willing to pay a premium for our product and service offerings. We **continue to** face ~~the greatest~~ pricing pressure from our customers in the automotive first- fit end market **as well as other end markets**. Virtually all vehicle manufacturers seek price reductions in both the initial bidding process and during the term of the award. ~~We are also, from time to time, subject to pricing pressures from customers in our other end markets.~~ If we are not able to offset price reductions through improved operating efficiencies ~~and~~ **,** reduced expenditures **,** or new product introductions, those price reductions may have a material adverse effect on our results of operations **. Risks Related to Cybersecurity and Information Systems Cyber- security vulnerabilities, threats and more sophisticated and targeted computer crimes could pose a risk to our systems, networks, products, solutions, services and data**. Increased global cyber security vulnerabilities, threats, computer viruses and more sophisticated and targeted cyber- related attacks (such as the recent increasing use of " ransomware " and phishing attacks), as well as cyber- security failures resulting from human error, catastrophic events (such as fires, floods, hurricanes and tornadoes), and technological errors, pose a risk to our systems **(including third- party systems utilized by us)**, products and data as well as potentially to our employees', customers', partners', suppliers' and third- party service providers' systems and data. An attack **on our systems or those of certain of our vendors** could result in security breaches, theft, lost or corrupted data, misappropriation of sensitive, confidential or personal data or information, loss of trade secrets and commercially valuable information, production downtimes and operational disruptions **. We defend against attempted cyber- attacks in the normal course of our business. For example, in February 2023, we experienced a malware attack that temporarily disrupted our normal business operations, including some disruption to sales, and resulted in additional costs of $ 5. 2 million in Fiscal 2023**. We attempt to mitigate these risks by employing a number of measures, including employee training, monitoring and testing, and maintenance of protective systems and contingency plans, but we remain potentially vulnerable to additional known or unknown threats. There is no assurance the financial or operational impact from such threats will not be material. **Information systems failure may disrupt our business and result in financial loss and liability to our customers.** We rely on information technology networks and systems, including the ~~Cloud~~ **cloud - computing** and third- party service providers, to process, transmit and store electronic information, and to manage or support a variety of business processes and activities. These information technology networks and systems may be susceptible to damage, disruptions or shutdowns due to failures during the process of upgrading or replacing software, databases or components, power outages, hardware failures ~~or computer viruses~~ **, malware and other vulnerabilities**. If these information technology systems suffer severe damage or disruption and the issues are not resolved in a timely manner, our business, financial condition and operations could be materially adversely affected. **Global privacy, data protection and data security requirements are highly complex, evolving rapidly, and may increase our costs to comply.** To conduct our operations, we regularly move data across national borders, and consequently we are subject to a variety of continuously evolving and developing laws and regulations in the U. S. and abroad regarding privacy, data protection and data security. The scope of the laws that may be applicable to us is often uncertain and may be conflicting, particularly with respect to foreign laws. For example, the ~~European Union's~~ General Data Protection Regulation (" GDPR ") **adopted by the European Union (" EU ")** greatly increased the jurisdictional reach of **EU** ~~European Union~~ law and added a broad array of requirements for handling personal data, including the public disclosure of significant data breaches, and many other countries and several states in the U. S. have **proposed or** adopted similar legislation. Other countries such as China, India, Thailand, Brazil and Argentina have enacted or are enacting data localization and privacy laws that require data to stay within their borders, as well as requiring that data subjects provide clear and concise consent on how collected data will be utilized. These evolving compliance and operational requirements impose significant costs that are likely to increase over time as the breadth and complexity of regulations continues to evolve internationally. We continue to monitor these developments and adjust our data handling practice in accordance with applicable law **. Risks Related to Legal and Regulatory Matters Existing or new laws and regulations, including but not limited to those relating to HSE and sustainability matters, may prohibit,**

burden, restrict or make significantly more costly the sale of our products and the operation of our business . Our operations, products and properties are subject to extensive foreign, federal, state, local and provincial laws and regulations relating to HSE and sustainability matters around the world. HSE and sustainability laws vary by jurisdiction but generally govern air emissions, wastewater discharges, material handling and transportation, waste management and disposal, **product stewardship,** toxicity and hazardous substances, and workplace health and safety, as well as the investigation and clean- up of contaminated sites. Failure to comply with such laws and regulations could have significant consequences on our business and operations, including the imposition of substantial fines and sanctions for violations, injunctive relief (including requirements that we limit or cease operations at affected facilities), and negative publicity. HSE and sustainability ~~-~~related laws **and regulations** have become increasingly stringent and **new laws and regulations or** stricter interpretation or enforcement of ~~new and~~ existing laws **and regulations** could adversely affect our business, financial condition and results of our operations and product demand. **This includes** ~~For example,~~ increasing **legal requirements and** global ~~interest~~ **efforts** to control emissions of carbon dioxide, methane, fluorinated and other GHGs in an effort to minimize the effect on climate change **, which** have the potential to influence the price of the energy and raw materials we purchase **. For example, the enactment of the EU' s Carbon Border Adjustment Mechanism could increase the cost of materials we need for production in the EU or reduce the demand for our products manufactured for the EU market** . GHG regulations and carbon taxes could also impact oil and gas production, a key demand driver of our industrial end markets, and reduce demand for our products by driving down the use of fossil fuels. The evolution of ~~such~~ laws ~~beyond manufacturing operations~~ to restrict specific chemical substances in our products or impose labeling and other requirements, such as the **EU** ~~European Union~~ ' s Registration, Evaluation, Authorization, and Restriction of Chemical Substances (" REACH ") Regulation, and rising global ~~interest~~ **concerns** around microplastics, extended producer responsibility, plastic packaging or hazardous chemicals such as per- and polyfluoroalkyl substances (" PFAS ") could result in significant costs **to us** or limit **our** access to certain markets. We have incurred, and will continue to incur, both operating and capital costs to comply with ~~environmental~~ **HSE** , ~~safety and~~ sustainability ~~-~~related **and other** laws and regulations, including costs associated with the investigation and clean- up of some of our current and former properties and offsite disposal locations. As the present and former operator of industrial properties that use and generate hazardous materials, we could be subject to additional liability for environmental contamination in the future, regardless of whether we caused such contamination. Additionally, most **U. S.** states have passed laws that regulate or limit the use of aftermarket products in certain types of repair work. These laws include requirements relating to consumer disclosure, owner' s consent regarding the use of aftermarket products in the repair process, and the requirement to have aftermarket products certified by an independent testing organization. Additional legislation of this kind may be introduced in the future. If additional laws prohibiting or restricting the use of aftermarket products are passed, it could have an adverse impact on our aftermarket products business. Certain organizations test the quality and safety of vehicle replacement products. If these organizations decide not to test a particular vehicle product, or in the event that such organizations decide that a particular vehicle product does not meet applicable quality or safety standards, we may ~~decide~~ **incur additional costs to meet such standards or experience a decrease in sales of such products, including as a result of a decision** to discontinue sales of such product or insurance companies **deciding** ~~may decide~~ to discontinue authorization of repairs using such product. Such events could adversely affect our business. ~~Our business is subject to evolving corporate governance and public disclosure regulations and expectations, including with respect to ESG matters, that could expose us to numerous risks.~~ We are **also** subject to ~~the evolving~~ **new and proposed** rules and regulations ~~with respect to ESG matters~~ of a number of governmental and self- regulatory bodies and organizations, such as the SEC, the NYSE, the **EU** ~~European Union~~ , **and** the U. K. government, ~~and International Sustainability Standards Board,~~ that ~~could make compliance more difficult~~ **require increased public disclosure of data related to sustainability issues** and ~~uncertain~~ **mandate additional requirements for sustainability related marketing claims** . In addition ~~, regulators~~ , customers, investors, employees and other stakeholders are increasingly focused on ~~ESG~~ **sustainability** matters and related disclosures **and marketing claims** . These changing rules, regulations and stakeholder expectations have resulted in, and are likely to continue to result in, increased general and administrative expenses and increased management time and attention to comply with or meet those regulations and expectations. **For example** ~~Developing and acting on ESG initiatives and collecting~~ , **we expect** measuring and reporting ~~ESG related~~ information and metrics **in compliance with** ~~can be costly, difficult and time consuming. Further, ESG related information is subject to evolving reporting standards, including~~ the **EU** ~~SEC' s proposed climate- related reporting requirements and the European Union~~ ' s **recently enacted** Corporate Sustainability Reporting Directive **to be costly, difficult and time consuming** . Our ~~ESG~~ **sustainability** initiatives and goals could be difficult and expensive to implement, and we could be criticized for **or subject to litigation related to** the accuracy, adequacy, consistency or completeness of our ~~ESG~~ **sustainability** disclosures **and marketing claims or the scope or nature of our initiatives or goals or revisions thereto** . Further, statements about our **sustainability** ~~ESG related~~ initiatives and goals, and progress against those goals, may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve and assumptions that are subject to change in the future. ~~In addition, we could be criticized for the scope or nature of such initiatives or goals, or for any revisions to these goals.~~ If our **sustainability** ~~ESG-~~ related data **, claims** , processes and reporting are incomplete or inaccurate, or if we fail to achieve progress with respect to our ~~ESG~~ **sustainability** goals on a timely basis, or at all, our reputation and financial results could be adversely affected and we could be exposed to litigation. We are subject to anti- corruption laws in various jurisdictions, as well as other laws governing our international operations. If we fail to comply with these laws we could be subject to civil or criminal penalties, other remedial measures, and legal expenses. Our operations are subject to one or more anti- corruption laws in various jurisdictions, such as the U. S. Foreign Corrupt Practices Act of 1977, as amended (the " FCPA "), the U. K. Bribery Act of 2010, and other anti- corruption laws that generally prohibit employees and intermediaries from making improper payments for the purpose of obtaining or retaining business or gaining some other business advantage. We operate in a number of jurisdictions that pose a high risk of potential anti- corruption violations, and we participate in joint ventures and relationships with third parties whose actions could potentially subject us to liability under anti- corruption laws. We are subject to other laws and regulations governing our operations, including regulations administered by the U. S. Department of Commerce' s Bureau of Industry and Security, the U. S. Department of Treasury' s Office of Foreign Assets Control, and various non- U. S. government entities, including applicable export control regulations, economic sanctions on countries and persons, customs requirements, currency exchange regulations, and transfer pricing regulations (collectively, " Trade Control Laws "). We are also subject to U. K. corporate criminal laws governing the failure to prevent the facilitation of tax evasion pursuant to the Criminal Finances Act 2017 (" Criminal Finances Act "). We have instituted policies, procedures and ongoing training of employees with regard to business ethics, designed to ensure that we and our employees comply with anti- corruption laws, Trade Control Laws and the Criminal Finances Act. However, there is no assurance that our efforts have been and will be effective in ensuring that we will comply with all applicable anti- corruption laws or other legal requirements. If we are subject to an investigation of a potential violation or are found not in compliance with anti- corruption laws, Trade Control Laws or the Criminal Finances Act, we may incur legal expenses and experience reputational harm, and could be subject to criminal and civil penalties and sanctions that could have a material adverse impact on our business, financial condition, and results of operations. **We may be subject to recalls or product liability claims, or may incur costs related to product warranties, which could have a material adverse impact on our business, financial condition, and results of operations.** Meeting or exceeding many government- mandated **product** safety **and stewardship** standards is costly and requires manufacturers to remedy defects **, including** ~~related to product safety~~ through recall campaigns if the products do not comply with **HSE** ~~safety, health or environmental~~ standards. If we, our customers or government regulators determine that a product is defective or does not comply with such standards prior to the start of production, the launch of a product could be delayed until such defect is remedied. The costs associated with any protracted delay of a product launch or a recall campaign to remedy defects in products that have been sold could be substantial. We face an inherent risk of product liability claims if **an** alleged product failure results in a claim for injury or loss. ~~Supplier consolidation~~ **The likelihood of receiving defective materials** and ~~the~~ **related product failure and resulting liability claims may** increase **due changes** in **our supplier network, such as** low- cost country sourcing ~~may increase the likelihood of receiving defective materials, thereby increasing the risk of alleged product failure and resulting liability claims~~ . Litigation is inherently unpredictable and these claims, regardless of their outcome, may be costly, divert management attention and adversely affect our reputation. Although we have liability insurance, we cannot be certain that this insurance coverage will continue to be available to us at a reasonable cost or will be adequate. In addition, even if we are successful in defending against a claim relating to our products, claims of this nature could cause our customers to lose confidence in our products and us. From time to time, we receive product warranty claims from our customers, pursuant to which we may be required to bear costs of repair or replacement of certain of our products. Vehicle manufacturers are increasingly requiring their outside suppliers to participate in the warranty of their products and to be responsible for the operation of these component products in new vehicles sold to consumers. Warranty claims may range from individual customer claims to full recalls of all products in the field. In some cases, these claims could have a material adverse effect on our business. Failure to develop, obtain, adequately protect or enforce our intellectual property rights ~~against~~ could adversely affect our business, and third parties could allege that our products infringe on their intellectual property rights, adversely affecting our business. Our success depends on our ability to develop technologies and inventions used in our products and to brand such products to obtain intellectual property rights and to protect and enforce such intellectual property rights worldwide. In this regard, we rely on U. S. and foreign patent, trademark, copyright, and trade secret laws, as well as license agreements, nondisclosure agreements, and confidentiality and other contractual provisions **; however** ~~. Although we rely on U. S. and foreign intellectual property rights~~ , procuring, enforcing, and defending patents on our products in all jurisdictions throughout the world would be prohibitively expensive, and the laws of certain foreign countries may not protect or allow enforcement of intellectual property rights to the same extent as the laws of the U. S. Even if we obtain patents or other intellectual property rights in our new technologies and inventions, the scope of such rights may not be sufficiently broad to afford us any significant commercial advantage over our competitors. In addition, the technologies and inventions developed by our engineers in the future may not prove to be as valuable as those of competitors, or competitors may develop similar or identical technologies and inventions independently of us and before we do. Competitors and other third parties may challenge the ownership, validity, and / or enforceability of our patents or other intellectual property rights. Competitors may also use our technologies in jurisdictions where we do not pursue and obtain patent protection to develop their own products and further, may export otherwise infringing products to territories where we have patent protection, but where the ability to enforce our patent rights is not as strong as in the U. S. These products may compete with our products, and our intellectual property rights may not be effective or sufficient to prevent such competition. Further, our efforts to enforce our intellectual property rights against infringers may not prove successful and will generally be time consuming and expensive. Successful assertion of our intellectual property rights depends on the judicial strength and willingness of the issuing jurisdictions to enact and enforce sufficient intellectual property laws. To the extent we assert our intellectual property rights against third parties, adequate remedies may not be available ~~in the event of an infringement or unauthorized use or disclosure of our trade secrets~~ . If we are unsuccessful in challenging such products on the basis of patent, trademark or other intellectual property misappropriation, continued sales of such imitating products may adversely affect our market share and impact customer perceptions and demand for our products. **For example,** ~~Although~~ **although** we routinely conduct anti- counterfeiting activities in multiple jurisdictions, we have encountered counterfeit reproductions of our products that infringe on our intellectual property rights. We expect pirates to continue counterfeiting certain of our products using our trademarks, which has led to, and will likely continue to cause, loss of sales. It is difficult to police such counterfeiting, particularly on a worldwide basis, and the actions we take to stop such counterfeiting and to establish trademarks and other intellectual property rights may not be adequate to prevent such counterfeiting activities by others. **Conversely,** ~~Third~~ **third** parties may assert infringement or other misappropriation claims against us based on their patents, trademarks or other intellectual property rights. ~~In addition~~ **For example** , first- fit manufacturers ~~are seeking~~ **continue to seek** and ~~obtaining~~ --- **obtain** ~~more~~ utility and design patents ~~than they have in the past~~ to ~~threaten~~ **support** claims of intellectual property infringement against manufacturers and distributors of aftermarket products in efforts to restrict or eliminate the sale of aftermarket products. Any claim relating to intellectual property infringement that is successfully asserted against us may require us to pay substantial damages, including treble damages (if we are found to be willfully infringing another party' s patents) for past use of the asserted intellectual property, and royalties and other consideration going forward if we are forced to take a license. In addition, if any such claim were successfully asserted against us, we could be restricted or prohibited from manufacturing, selling or otherwise commercializing certain of our products, product candidates or other technology. Even if infringement claims against us are without merit, we will likely incur significant expenses investigating and defending such claims and, even if we prevail, may divert management attention from other business concerns. In addition, certification by independent organizations of certain of our aftermarket products may be revoked or adversely affected by first- fit manufacturer claims. Lack of certification may negatively impact us because many major insurance companies recommend or require the use of aftermarket products only if they have been certified by an independent certifying organization. We **are subject to risks from litigation, legal and regulatory proceedings and obligations, and our insurance may not provide coverage or may not fully cover future losses we may incur related to these proceedings and obligations or otherwise. We** face an inherent business risk of exposure to various types of claims, lawsuits and proceedings. We may be involved in tax, intellectual property, product liability, product warranty ~~and~~ **,** environmental **and antitrust** claims and lawsuits, and other legal, antitrust and regulatory proceedings arising in the ordinary course of our business. Although it is not possible to predict with certainty the outcome of every claim, lawsuit or proceeding and the range of probable loss, we believe these claims, lawsuits and proceedings will not individually or in the aggregate have a material impact on our results. However, we could, in the future, be subject to various claims, lawsuits and proceedings, ~~including, amongst others, tax, intellectual property, product liability, product warranty, environmental claims and antitrust claims,~~ and we may incur judgments or enter into settlements of lawsuits and proceedings that are not covered or not sufficiently covered by insurance. Further, the insurance we carry may not be adequate to protect against unforeseen and damaging events, such as work stoppages and damage to facilities, equipment or reputation. We supply products to industries that are subject to inherent risks, including equipment defects, malfunctions and failures, and natural disasters (including as a result of climate change), which could expose us to liability. These exposures could have a material adverse effect on our business, financial condition and results of operations. **Risks Related to Human Capital Management If we lose our senior management or key personnel, our business may be materially and adversely affected.** The success of our business is largely dependent on our senior management team, as well as on our ability to attract and retain other qualified key personnel. In addition, there ~~is~~ **continues to be** significant demand in our industry for skilled workers. It cannot be assured that we will be able to retain all our current senior management personnel and attract and retain other necessary personnel, including skilled workers, necessary for the development of our business. Further, in the event we do lose key personnel, the success of our business may depend on whether we have appropriate succession plans in place and can implement such plans to identify and integrate new personnel. The loss of the services of senior management and other key personnel or the failure to attract additional personnel and implement succession plans as required could have a material adverse effect on our business, financial condition and results of operations. **We may be materially adversely impacted by work stoppages and other labor matters, including labor shortages and turnover.** Labor is a primary component of operating our business. As of December ~~31~~ **30** , ~~2022~~ **2023** , we had approximately ~~15~~ **14** , ~~000~~ **700** full time employees worldwide. Certain of our employees are represented by various unions under collective bargaining agreements, or by various regional works councils. While we have no reason to believe that we will be impacted by work stoppages and other labor matters, we cannot ensure that future issues with our labor unions or works councils, or with the labor unions of our customers and vendors will be resolved favorably or that we will not encounter future strikes, work stoppages, or other types of labor conflicts. Increased unionization, new labor legislation or changes in regulations could disrupt our operations, reduce our profitability, or interfere with the ability of our management to focus on executing our business strategies. Additionally, we have experienced, and may continue to experience, labor shortages, turnover and increased labor costs due to general macroeconomic factors. Any of these factors may have a materially adverse effect on us or may limit our flexibility in managing our workforce. Certain of our **defined benefit pension plans are underfunded, and additional cash contributions may be required. Certain of our** employees in the U. S., the U. K., Canada, Mexico, Germany and Japan are participants in defined benefit pension plans which we sponsor and / or to which we have contribution obligations. As of December ~~31~~ **30** , ~~2022~~ **2023** , the net pension obligation of our underfunded defined benefit pension plans globally was $ ~~53~~ **61** . ~~3~~ **7** million on a Topic 715 " Compensation- Retirement Benefits " basis. The amount of our contributions to our underfunded plans will depend upon asset returns, funding assumptions, regulatory requirements and a number of other factors and, as a result, the amount we may be required to contribute to such plans in the future may vary. Such cash contributions to the plans will reduce the cash available for our business such as the payment of interest expense on our notes or our other indebtedness **. Risks Related to Tax Matters Changes in our effective tax rate or additional tax liabilities could adversely impact our net income** . We are subject to income taxes as well as non- income based taxes in the U. K., the U. S. and various other jurisdictions in which we operate. The laws and regulations in these jurisdictions are inherently complex and the Company and its subsidiaries will be obliged to make judgments and interpretations about the application of these laws and regulations to the Company and its subsidiaries and their operations and businesses, including those related to any restructuring of intercompany operations, holdings or financings; the valuation of intercompany services; cross- border payments between affiliated companies; and the related effects on income tax, value added tax (" VAT ") and transfer tax. Further, our tax liabilities could be adversely affected by numerous other factors, including income before taxes being lower than anticipated in countries with lower statutory tax rates and higher than anticipated in countries with higher statutory tax rates, changes in the valuation of deferred income tax assets and liabilities, and changes in tax laws and regulations.

We are regularly under audit by taxing authorities in certain of the jurisdictions in which we operate. Although we believe our tax estimates are reasonable, including our estimates of reserves for unrecognized tax benefits related to the implementation of our European corporate center in 2019, any changes in our judgments and interpretation of tax laws or any material differences as a result of the audits could result in unfavorable tax adjustments that have an adverse effect on our overall tax liability. **Changes** ~~Our U. K. businesses may also be affected by the planned increase~~ in ~~the U. K. corporation~~ tax **laws could result in additional tax liabilities** ~~rate from 19 % to 25 % with effect from April 2023~~. Changes in tax laws can and do occur. Changes to tax laws may require the Company to make significant judgment in determining the appropriate provision and related accruals for these taxes; and, as a result, such changes could result in substantially higher taxes and a significant adverse effect on our results of operations, financial conditions and liquidity. In addition, the Organization for Economic Co- operation and Development (" OECD "), which represents a coalition of member countries, has recommended fundamental tax reforms affecting the taxation of multinational corporations, including the Base Erosion and Profit Shifting project, which in part aims to address international corporate tax avoidance. Countries have already enacted significant measures in this regard. The OECD has undertaken **another** ~~a new~~ project to address the tax challenges of the digitization of the economy. Further work is currently being undertaken by the OECD on its proposal to reform international allocation of taxing rights by allocating a greater share of taxing rights to countries where consumers are located, regardless of the physical presence of a business (" Pillar One "), and to implement a global minimum tax (" Pillar Two "). In December 2021, the OECD published its Pillar Two model rules and, in December 2022, the E. U. Commission adopted a Directive to implement Pillar Two in the E. U. ~~, containing detailed~~ **and required all 27 EU member states to adopt local legislation during 2023 to implement Pillar Two** rules ~~for~~ **, which are** ~~top-~~ **to apply** ~~up tax~~ in respect of **the fiscal years beginning from December 31, 2023. The U. K. has implemented** certain ~~low taxed entities. Moreover,~~ **elements of the Pillar Two proposal with effect** in ~~July~~ **relation to accounting periods commencing on or after December 31,** ~~2022~~ **2023** , **and during 2023** the U. K. released draft legislation to **(i)** implement **further elements of** the OECD agreed Pillar Two model rules in the U. K. ~~, which is expected~~ **and (ii) make proposed amendments** to **the Pillar Two rules that have already been implemented** ~~apply for accounting periods beginning on or after December 31, 2023~~. All sets of proposals are subject to exemptions and exclusions ~~, and~~ **. Pillar One is generally intended to apply only to entities that** are **members of a consolidated group with an annual global turnover of at least € 20 billion and profitability exceeding 10 %, and Pillar Two is** generally intended to apply only to entities that are members of a consolidated group with an annual revenue of at least ~~Euro~~ **€** 750 million. However, the ~~detail~~ **details of the proposals are complex and are subject to significant uncertainty, and consultation in respect of certain aspects** of the proposals is **ongoing. While** ~~subject to change and~~ the impact on the Company will need to be determined by reference to the final rules **, we do not currently anticipate a material impact** ~~. Further proposals on Pillar One are expected in the course of 2023~~. Additionally, the U. K.' s withdrawal from the E. U. has resulted in changes (which are ongoing) to the interpretation and application of tax laws and which overall could lead to significant changes in the U. K. tax burden of the Company. Specifically, the group can no longer benefit from certain EU Directives when repatriating cash or paying interest to U. K. companies. This may lead to increased tax costs when paying dividends and interest intra- group. Other developments to the tax regime in the U. K., the U. S. or in other countries in which we operate could materially affect our tax burden and / or have a negative impact on our ability to compete in the global marketplace. **Relevant tax authorities may no longer treat us as being exclusively a resident of the U. K. for tax purposes.** We are a company incorporated in the U. K. Current U. K. tax law provides that we will be regarded as being U. K. resident for tax purposes from incorporation and shall remain so unless (i) we are concurrently resident in another jurisdiction (applying the tax residence rules of that jurisdiction) that has a double tax treaty with the U. K., and (ii) there is a tiebreaker provision in that tax treaty which allocates exclusive residence to that other jurisdiction. Based upon our management and organizational structure, we believe that we should be regarded solely as resident in the U. K. from our incorporation for tax purposes. However, because this analysis is highly factual and may depend on future changes in our management and organizational structure, there can be no assurance regarding the final determination of our tax residence. Not being treated exclusively as a resident of the U. K. for tax purposes could result in adverse tax consequences to us. **Risks Related to Our Indebtedness** Our substantial leverage **and subsidiary structure** could adversely affect our financial condition, our ability to raise additional capital to fund our operations, our ability to operate our business, our ability to react to changes in the economy, or our industry or our ability to pay our debts, and could divert our cash flow from operations to debt payments. As of December ~~31~~ **30** , ~~2022~~ **2023** , the total principal amount of our debt was $ 2, ~~491~~ **471** . ~~4~~ **9** million ~~. Subject to the limits contained in the credit agreements that govern our senior secured credit facilities, the indenture that governs our notes and the applicable agreements governing our other debt instruments, we may be able to incur substantial additional debt from time to time to finance working capital, capital expenditures, investments or acquisitions, or for other purposes. If we do so, the risks related to our high level of debt could increase~~. Specifically, our high level of debt could have important consequences, including the following: • making it more difficult for us to satisfy our obligations with respect to our debt; • limiting our ability to obtain additional financing to fund future working capital, capital expenditures, acquisitions or other general corporate requirements; • requiring a substantial portion of our cash flows to be dedicated to debt service payments instead of other purposes, thereby reducing the amount of cash flows available for working capital, capital expenditures, acquisitions and other general corporate purposes; • increasing our vulnerability to general adverse economic and industry conditions; • exposing us to the risk of increased interest rates as certain of our borrowings are at variable rates of interest; • limiting our flexibility in planning for and reacting to changes in the industry in which we compete; • placing us at a disadvantage compared to other, less leveraged competitors; and • increasing our cost of borrowing. **If we incur substantial additional debt, from time to time, the risks related to our high level of debt could increase.** We are a holding company, and our consolidated assets are owned by, and our business is conducted through, our subsidiaries. Earnings from these subsidiaries are our primary source of funds for debt payments and operating expenses. If our subsidiaries are restricted from making distributions, our ability to meet our debt service obligations or otherwise fund our operations may be impaired. Moreover, there may be restrictions on payments by subsidiaries to their parent companies under applicable laws, including laws that require companies to maintain minimum amounts of capital and to make payments to shareholders only from profits. As a result, although a subsidiary of ours may have cash, we may not be able to obtain that cash to satisfy our obligation to service our outstanding debt or fund our operations. Despite our current level of indebtedness, we may be able to incur substantially more debt and enter into other transactions which could further exacerbate the risks to our financial condition described above. We may be able to incur significant additional indebtedness in the future **to finance working capital, capital expenditures, investments, acquisitions, or for other purposes** . Although certain of the agreements governing our existing indebtedness contain restrictions on the incurrence of additional indebtedness and entering into certain types of other transactions, these restrictions are subject to a number of qualifications and exceptions. Additional indebtedness incurred in compliance with these restrictions could be substantial. These restrictions also do not prevent us from incurring obligations, such as trade payables, that do not constitute indebtedness as defined under our debt instruments. To the extent new debt is added to our current debt levels, the substantial leverage risks described in the immediately preceding risk factor would increase. Our variable rate indebtedness subjects us to interest rate risk, which could cause our indebtedness service obligations to increase significantly. While interest rates had remained at historically low levels in ~~recent~~ **past** years, the Federal Reserve Board ~~significantly~~ increased the federal funds rate in 2022 and ~~may continue such~~ **2023 and could** ~~increases~~ - **increase rates** in the future. As a result, interest rates on our credit facility or other variable rate debt could be higher or lower than current levels. As of December ~~31~~ **30** , ~~2022~~ **2023** , after taking into account our interest rate derivatives, $ ~~668~~ **648** . ~~4~~ **9** million (equivalent), or 26. ~~8~~ **3** %, of our outstanding debt had variable interest rates. If interest rates increase, our debt service obligations on the variable rate indebtedness would increase even though the amount borrowed remained the same, and our net income and cash flows, including cash available for servicing our indebtedness, would correspondingly decrease ~~. In addition, we have $ 1, 923. 4 million of variable rate indebtedness that uses LIBOR or Secured Overnight Financing Rate (“ SOFR ”) as a benchmark for establishing the rate of interest. LIBOR and its foreign currency counterparts are the subject of recent national, international and other regulatory guidance and proposals for reform and were initially not expected to be maintained after 2021, but the U. S. dollar denominated LIBOR maturity tenors will continue to be published until June 30, 2023 to allow a greater number of existing contracts to mature prior to any disruptions in LIBOR. The United States Federal Reserve has advised banks to cease entering into new contracts that use LIBOR as a reference rate. The Alternative Reference Rate Committee, a committee convened by the Federal Reserve that includes major market participants, has identified SOFR, a new index calculated by short- term repurchase agreements, backed by Treasury securities, as its preferred alternative rate for LIBOR. At this time, it is not possible to predict how markets will respond to SOFR or other alternative reference rates as the transition away from the LIBOR benchmarks is anticipated in coming years. There continue to be uncertainties regarding the transition from LIBOR, including but not limited to the need to renegotiate certain terms of our loan agreements with LIBOR as the referenced rate, which could require us to incur significant expense and may subject us to disputes or litigation over the appropriateness or comparability to LIBOR of the replacement reference rates. The consequences of these developments cannot be entirely predicted, but could include an increase in the cost of our variable rate indebtedness and could challenge our ability to renegotiate our revolving credit facility or other variable rate debt offerings~~ . Certain of our debt agreements impose significant operating and financial restrictions on our subsidiaries and us that could prevent us from capitalizing on business opportunities. The credit agreements that govern our senior secured term loan facilities and the indenture that governs our notes impose significant operating and financial restrictions on our subsidiaries. These restrictions limit the ability of certain of our subsidiaries to, among other things: ~~•~~ incur or guarantee additional debt or issue disqualified stock or preferred stock; ~~•~~ pay dividends and make other distributions on, or redeem or repurchase, capital stock; ~~•~~ make certain investments; ~~•~~ incur certain liens; ~~•~~ enter into transactions with affiliates; ~~•~~ merge or consolidate; ~~• enter into agreements that restrict the ability of restricted subsidiaries to make dividends~~ or ~~other payments; • designate restricted subsidiaries as unrestricted subsidiaries; and •~~ transfer or sell assets. As a result of these restrictions, we are limited as to how we conduct our business and we may be unable to raise additional debt or equity financing to compete effectively or to take advantage of new business opportunities. The terms of any future indebtedness we may incur could include similar or more restrictive covenants. We cannot ensure that we will be able to maintain compliance with these covenants in the future and, if we fail to do so, that we will be able to obtain waivers from the lenders or amend the covenants. Our failure to comply with the restrictive covenants described above as well as other terms of our other indebtedness or the terms of any future indebtedness from time to time could result in an event of default, which, if not cured or waived, could result in our being required to repay these borrowings before their due date. If we are forced to refinance these borrowings on less favorable terms or are unable to refinance these borrowings, our results of operations and financial condition could be adversely affected. Our failure to comply with the agreements relating to our outstanding indebtedness, including as a result of events beyond our control, could result in an event of default that could materially and adversely affect our results of operations and our financial condition. If there is an event of default under any of the agreements relating to our outstanding indebtedness, the holders of the defaulted debt could cause all amounts outstanding with respect to that debt to be due and payable immediately. We cannot assure you that our assets or cash flows would be sufficient to fully repay borrowings under our outstanding debt instruments if accelerated upon an event of default. Further, if we are unable to repay, refinance or restructure our indebtedness under our secured debt, the holders of such debt could proceed against the collateral securing that indebtedness. In addition, any event of default or declaration of acceleration under one debt instrument could also result in an event of default under one or more of our other debt instruments. **Risks Related to the Ownership of our Ordinary Shares** Our Sponsor **has significant influence over us** and its ~~affiliates control us and their~~ interests may conflict with ours in the future. Our Sponsor ~~and its affiliates~~ beneficially owned approximately ~~63~~ **36** % of our outstanding ordinary shares as of December ~~31~~ **30** , ~~2022~~ **2023** . Moreover, under our articles of association (the “ Articles ”) and our shareholders agreement with our Sponsor, for so long as our Sponsor and its affiliates retain significant ownership of us, ~~we have agreed to nominate to our board individuals designated by such Sponsor. Even when our Sponsor and its affiliates cease to own ordinary shares representing a majority of the total voting power, for so long as our Sponsor continues to own a significant percentage of our ordinary shares,~~ such Sponsor will ~~still~~ be able to significantly influence the composition of our ~~board~~ **Board** ~~of directors~~ and the approval of actions requiring shareholder approval through their voting power. Accordingly, for such period of time, our Sponsor will have significant influence with respect to our management, business plans and policies, including the appointment and removal of our officers. In particular, for so long as our Sponsor continues to own a significant percentage of our ordinary shares, such Sponsor ~~will~~ **may** be able to ~~cause or~~ prevent a change of control of our company or a change in the composition of our ~~board~~ **Board** ~~of directors~~ and could preclude any unsolicited acquisition of our company. The concentration of ownership could deprive other shareholders of an opportunity to receive a premium for ordinary shares as part of a sale of our company and ultimately might affect the market price of our ordinary shares. Our Sponsor ~~and its affiliates engage~~ **engages** in a broad spectrum of activities. In the ordinary course of ~~their~~ **its** business activities, our Sponsor ~~and its affiliates~~ may engage in activities where ~~their~~ **its** interests conflict with our interests or those of our shareholders. Our shareholders' agreement provides that neither our Sponsor nor any of its affiliates will have any duty to refrain from engaging, directly or indirectly, in the same business activities or similar business activities or lines of business in which we operate. Our Sponsor also may pursue acquisition opportunities that may be complementary to our business, and, as a result, those acquisition opportunities may not be available to us. In addition, our Sponsor may have an interest in our pursuing acquisitions, divestitures and other transactions that, in ~~their~~ **its** judgment, could enhance ~~their~~ **its** investment, even though such transactions might involve risks to us and our shareholders ~~. We are a " controlled company " within the meaning of the rules of the NYSE and, as a result, may rely on exemptions from certain corporate governance requirements. Our shareholders may not have the same protections afforded to shareholders of companies that are subject to such requirements. Our Sponsor controls a majority of the combined voting power of all classes of our shares entitled to vote generally in the election of directors. As a result, we are a " controlled company " within the meaning of the corporate governance standards of the NYSE. Under these rules, a company of which more than 50 % of the voting power in the election of directors is held by an individual, group or another company is a " controlled company " and may elect not to comply with certain corporate governance requirements. For example, controlled companies are (i) not required to have a board that is composed of a majority of " independent directors, " as defined under the rules of such exchange; (ii) not required to have a compensation committee that is composed entirely of independent directors; and (iii) not required to have a nominating and corporate governance committee that is composed entirely of independent directors. Beginning in 2020, a majority of our Board of Directors consists of independent directors, and beginning in 2021, each of our Compensation Committee and Nominating and Governance Committee consist entirely of independent directors with written charters addressing each such committee' s purpose and responsibilities. While at this time, we do not rely on the controlled company exemptions, we are still eligible to do so, in which case our shareholders may not have the same protections afforded to shareholders of companies that are subject to all of the corporate governance requirements of the NYSE. The market price of our ordinary shares has been and may in the future be volatile, which could cause the value of our shareholders' investment to decline. The market price of our ordinary shares has been and may in the future be volatile and could be subject to wide fluctuations. Securities markets worldwide experience significant price and volume fluctuations. During Fiscal 2022, the per share trading price of our ordinary shares fluctuated from a low of $ 9. 70 to a high of $ 16. 70. This market volatility, as well as general economic, market or political conditions, could reduce the market price of our ordinary shares regardless of our operating performance. In addition, our operating results could be below the expectations of public market analysts and investors due to a number of potential factors, including variations in our quarterly operating results or dividends, if any, to shareholders, additions or departures of key management personnel, failure to meet analysts' earnings estimates, publication of research reports about our industry, litigation and government investigations, changes or proposed changes in laws or regulations or differing interpretations or enforcement thereof affecting our business, adverse market reaction to any indebtedness we may incur or securities we may issue in the future, changes in market valuations of similar companies or speculation in the press or investment community, announcements by our competitors of significant contracts, acquisitions, dispositions, strategic partnerships, joint ventures or capital commitments, adverse publicity about the industries in which we participate, general macroeconomic factors or individual scandals and in response, the market price of our ordinary shares could decrease significantly. Stock markets and the price of our ordinary shares may experience extreme price and volume fluctuations. In the past, following periods of volatility in the overall market and the market price of a company' s securities, securities class action litigation has often been instituted against these companies. This litigation, if instituted against us, could result in substantial costs and a diversion of our management' s attention and resources~~. Because we have no current plans to pay dividends on our ordinary shares, our shareholders may not receive any return on their investments unless they sell their ordinary shares for a price greater than that which they paid. We have no current plans to pay dividends on our ordinary shares. The declaration, amount and payment of any future dividends on our ordinary shares will be at the sole discretion of our ~~board~~ **Board** ~~of directors~~. Our Board ~~of Directors~~ may take into account general economic conditions, our financial condition and results of operations, our available cash and current and anticipated cash needs, capital requirements, contractual, legal, tax and regulatory restrictions and implications on the payment of dividends by us to our shareholders or by our subsidiaries to us, and such other factors as our Board ~~of Directors~~ may deem relevant. In addition, our ability to pay dividends is limited by our senior secured credit facilities and notes and may be limited by covenants of other indebtedness we or our subsidiaries incur in the future. As a result, our shareholders may not receive any return on an investment in our ordinary shares unless such shares are sold for a price greater than that which was paid for them. Our shareholders may be diluted by the future issuance of additional ordinary shares in connection with our incentive plans, acquisitions or otherwise. Our shareholders adopted a resolution authorizing our Board ~~of Directors~~ to allot our ordinary shares and to grant rights to subscribe for or convert any security into such shares for the consideration and on the terms and conditions established by our Board ~~of Directors~~ in its sole discretion, whether in connection with acquisitions or otherwise. Additionally, we have reserved 19. 0 million ordinary shares for issuance under our Omnibus Incentive Plan, including 8. ~~7~~ **2** million shares available for grant as of December ~~31~~ **30** , ~~2022~~ **2023** . Any ordinary shares that we issue, including under our Omnibus Incentive Plan or other equity incentive plans that we may adopt in the future, would dilute the percentage ownership held by the holders of our ordinary shares. Future issuances of ordinary shares by us, and the availability for resale of shares held by our Sponsor, may cause the market price of our ordinary shares to decline. Sales of a substantial number of our ordinary shares in the public market, or the perception that these sales could occur, could substantially decrease the market price of our ordinary shares. Pursuant to a registration rights agreement, we granted our Sponsor the right to cause us, in certain instances, at our expense, to file registration statements under the Securities Act covering resales of our ordinary shares held by them or to participate in future registration of securities by us. In Fiscal 2022, we filed an automatically effective shelf registration statement on Form S- 3 that, among other things, registers (i) an indeterminate amount of securities we may issue in the future, and (ii) the resale of 178, 587, 591 outstanding ordinary shares held by our Sponsor. Shares held by our Sponsor also may be sold pursuant to Rule 144 under the Securities Act subject to certain volume, manner of sale, and other limitations. **In Fiscal 2023, our Sponsor sold an aggregate of approximately 82. 3 million of our ordinary shares, including approximately 21. 9 million ordinary shares repurchased by us.** The market price of our ordinary shares **declined immediately after the announcement of these sales and** could drop significantly **in the future** if we or our Sponsor sell ~~these~~ **additional** shares or are perceived by the market as intending to sell them. In addition, our Sponsor has pledged, hypothecated or granted security interests in substantially all of the ordinary shares held by it pursuant to a margin loan agreement and any foreclosure upon those shares could result in sales of a substantial number of ordinary shares in the public market, which could substantially decrease the market price of our ordinary shares. We may issue a new class or classes of shares whose terms could adversely affect the voting power or value of our ordinary shares. Our articles of association, as amended, authorize us to issue, subject to the limit therein on the authority of our Board ~~of Directors~~ to allot new shares of the Company, without the approval of the holders of our ordinary shares, a new class or classes of shares, including preference shares, with nominal value in any currency. Such shares may be issued with, or have attached to them, such powers, designations, preferences, voting rights, rights and terms of redemption, and relative participating, optional or other special rights and qualifications, limitations and restrictions as the Board ~~of Directors~~ may determine, including rights to (a) receive dividends (which may include rights to receive preferential or cumulative dividends), (b) distributions made on a winding up of the Company, and (c) be convertible into, or exchangeable for, shares of any other class or classes or of any other series of the same or any other class or classes of shares, at such price or prices (subject to the Companies Act 2006 (" Companies Act ")) or at such rates of exchange and with such adjustments as may be determined by our Board ~~of Directors~~ . The terms of one or more classes of shares could adversely impact the voting power of our ordinary shares. For example, we might grant holders of a new class of shares the right to elect some number of our directors in all events or on the happening of specified events or the right to veto specified transactions. Similarly, the repurchase or redemption rights or liquidation preferences we might assign to a new class of shares could affect the residual value of our ordinary shares. U. S. investors may have difficulty enforcing civil liabilities against our Company, our directors or members of our senior management. There is doubt as to whether English courts would enforce certain civil liabilities under U. S. securities laws in original actions or in judgments of U. S. courts based upon these civil liability provisions. In addition, awards of punitive damages in actions brought in the U. S. or elsewhere may be unenforceable in the U. K. An award for monetary damages under the U. S. securities laws would be considered punitive if it does not seek to compensate the claimant for loss or damage suffered and is intended to punish the defendant. The enforceability of any judgment in the U. K. will depend on the particular facts of the case as well as the laws and treaties in effect at the time. The U. S. and the U. K. do not currently have a treaty providing for recognition and enforcement of judgments (other than arbitration awards) in civil and commercial matters. The rights of our shareholders may differ from the rights typically offered to shareholders of a U. S. corporation. We are incorporated under English law. The rights of holders of our ordinary shares are governed by English law, including the provisions of the Companies Act, and by our Articles. These rights differ in certain respects from the rights of shareholders in typical U. S. corporations. The U. K. City Code on Takeovers and Mergers (the " Takeover Code ") applies, among other things, to an offer for a public company whose registered office is in the U. K. and whose securities are not admitted to trading on a regulated market in the U. K. if the company is considered by the Panel on Takeovers and Mergers (the " Takeover Panel ") to have its place of central management and control in the U. K. This is known as the " residency test. " Under the Takeover Code, the Takeover Panel will determine whether we have our place of central management and control in the U. K. by looking at various factors, including the structure of our Board ~~of Directors~~ , the functions of the directors and where they are resident. If at the time of a takeover offer, the Takeover Panel determines that we have our place of central management and control in the U. K., we would be subject to a number of rules and restrictions, including but not limited to the following: (i) our ability to enter into deal protection arrangements with a bidder would be extremely limited; (ii) we might not, without the approval of our shareholders, be able to perform certain actions that could have the effect of frustrating an offer, such as issuing shares or carrying out acquisitions or disposals; and (iii) we would be obliged to provide equality of information to all bona fide competing bidders. Our Sponsor has an interest in over ~~50~~ **30** % of our voting share capital, and therefore, if the Takeover Panel were to determine that we were subject to the Takeover Code, our Sponsor would be able to increase its aggregate holding in us without triggering the requirement under Rule 9 of the Takeover Code to make a cash offer for the outstanding shares in the issuer. The Takeover Panel previously confirmed to our representatives that, on the basis of our Board ~~of Directors~~ , it does not consider the Takeover Code to apply to the Company, although that position is subject to change if our place of central management and control is subsequently found to move to the U. K. Our Articles provide that the courts of England and Wales have exclusive jurisdiction to determine shareholder and derivative disputes, which could limit our shareholders' ability to obtain a favorable judicial forum for disputes with us or our directors, former directors, officers or employees. Our Articles provide that the courts of England and Wales have exclusive jurisdiction to determine any dispute brought by a shareholder in that shareholder’ s capacity as such, or related to or connected with any derivative claim in respect of a cause of action vested in the Company or seeking relief on behalf of the Company, against the Company and / or the Board and / or any of the directors, former directors, officers or other employees individually, arising out of or in connection with these Articles or (to the maximum extent permitted by applicable law) otherwise. This choice of forum provision may limit a shareholder’ s ability to bring a claim in a judicial forum that the shareholder believes is favorable for disputes with us or our directors, former directors, officers or other employees, which may discourage lawsuits against us and our directors, former directors, officers and employees. The rights of stockholders under Delaware law and shareholders under English law in relation to the bringing of shareholder suits differ in several significant respects. Any person or entity purchasing or otherwise acquiring or holding any interest in our ordinary shares shall be deemed to have notice of and to have consented to the provisions of our governing documents described above, as they may be amended from time to time. Transfers of our shares outside DTC may be subject to stamp duty or stamp duty reserve tax in the U. K., which would increase the cost of dealing in our shares. We strongly encourage investors to hold ordinary shares in book- entry form through the facilities of The Depository Trust Company (“ DTC ”) as transfers outside of DTC may be subject to U. K. stamp duty or stamp duty reserve tax (“ SDRT ”) which would increase the cost of dealing in our shares. A transfer of title in the ordinary shares held within DTC to a purchaser out of DTC and any subsequent transfers that occur outside the DTC system, will generally attract a charge to U. K. stamp duty or SDRT at a rate of 0. 5 % of any consideration payable for such transfer, which is payable by the transferee of the ordinary shares. Any such duty must be paid and the relevant transfer document, if any, stamped by HM Revenue & Customs (“ HMRC ”) before the transfer can be registered in our company books. However, if those ordinary shares are redeposited into DTC or any other depositary receipt system or clearance service, the redeposit will generally attract stamp duty or SDRT, at the rate of 1. 5 % of the value of the shares, which will normally be paid by the transferor. If our ordinary shares are not eligible for continued deposit and clearing within the facilities of DTC, then transactions in our securities may be disrupted and / or our ability to issue shares under our equity compensation plans may be restricted. The facilities of DTC are a widely used mechanism that allow for rapid electronic transfers of securities between the participants in the DTC system, which include many large banks and brokerage firms. Our ordinary shares are currently eligible for deposit and clearing within the DTC system. DTC generally has discretion to cease to act as a depository and clearing agency for the ordinary shares including to the extent that any changes in U. K. law affect the stamp duty or SDRT position in relation to the ordinary shares. If DTC were to determine that our ordinary shares are not eligible for continued deposit and clearance within its facilities, our ordinary shares may not be eligible for continued listing on the NYSE and trading in our ordinary shares would be disrupted. While we would pursue alternative arrangements to preserve our listing and maintain trading, any such disruption could have a material adverse effect on the market price of our ordinary shares and our access to the capital markets.