Risk Factors Comparison 2024-02-15 to 2023-02-14 Form: 10-K

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You should carefully consider all of the information in this Annual Report on Form 10- K and each of the risks described below, which we believe are the principal risks we face. Any of the following risks could materially and adversely affect our business, financial condition and results of operations and the actual outcome of matters as to which forward- looking statements are made in this Annual Report on Form 10- K. Other events that we do not currently anticipate or that we currently deem immaterial may also affect our business, prospects, financial condition and results of operations. Risks Relating to our Business: Volatility in the cost and availability of raw materials, components, energy and transportation, in addition to disruptions in the supply chain, including supplier insolvency, has increased, and may continue to increase, the cost of our products and services, and may impact our ability to meet commitments to customers and cause us to incur significant liabilities. We have experienced, and may continue to experience, volatility in the cost and availability of raw materials, components, energy and transportation as a result of a broad range of factors beyond our control including, but not limited to, pandemics, general inflation and geopolitical tensions ~~caused by armed conflict~~. If we are unable to pass through increased costs of raw materials, components, energy and transportation to our customers, or are otherwise unable to mitigate these cost increases, this could have an adverse effect on our results of operations and financial condition. Furthermore, if we are unable to overcome significant disruptions in the supply chain, such as those caused by ~~the shortage of semiconductor chips and~~ global logistical constraints ~~currently impacting the automotive industry~~, it could adversely impact our business. Short- or long- term capacity constraints, insufficient quality control, financial distress or significant changes in business conditions at any point in our supply chain could disrupt our operations and adversely affect our financial performance, particularly when the affected suppliers and vendors are the sole sources of products that we require or that have unique capabilities, or when our customers have directed us to use those specific suppliers and vendors ~~. A significant portion of our supply chain is located in mainland China~~. Our ability to manage inventory and meet delivery requirements may be constrained by our suppliers' inability to scale production and adjust delivery of long-lead time products during times of volatile demand. If our third- party manufacturers fail to deliver products, parts and components of sufficient quality on time and at reasonable prices, we could have difficulties fulfilling our orders on similar terms or at all, sales and profits could decline, and our commercial reputation could be damaged. If we fail to adequately assess the creditworthiness and operational reliability of existing or future suppliers, our suppliers become insolvent, if there is any unanticipated deterioration in their creditworthiness and operational reliability, or if they do not perform or adhere to our existing or future contractual arrangements, any resulting increase in non performance by them, our inability to otherwise obtain the supplies or our inability to enforce the terms of the contract or seek other remedies could have a material adverse effect on our financial condition and results of operations. **Additionally,** ~~Changes~~ **changes** or additions to our supply chain **necessitated by such failures would** require considerable time and resources and involve significant risks and uncertainties. **Furthermore, a significant portion of our supply chain is concentrated in mainland China, and as a result, our ability to continue filling our supply needs may be adversely affected by changes in, or our failure to comply with, Chinese laws, regulations and standards, and by political risks beyond our control, including but not limited to, trade policies, treaties, government regulations and tariffs.** Our inability to fill our supply needs **, on terms that we expect or at all,** would jeopardize our ability to fulfil obligations under commercial contracts, and could result in reduced sales and profits, contract penalties or terminations, and damage to customer relationships. **We rely** ~~The Company relies~~ on sales to major customers as well as a network of independent dealers to manage the distribution of ~~its~~ **our** products, and we could be adversely impacted by the loss of any ~~of our~~ such major customers or dealers, changes in their requirements for our products or changes in their financial condition. Changes in our business relationships with any of our major customers or in the timing, size and continuation of their various programs could have a material adverse impact on us. **We may lose customers from time to time due to factors beyond our control, including due to mergers and acquisitions. Additionally, while we continually bid on new business with our existing customers, as well as seek to diversify our customer base, there is no assurance that our efforts will be successful.** The loss of any of these customers, the loss of business with respect to one or more of their vehicle models on which we have high component content, or a significant decline in the production levels of such vehicles would negatively impact our business, results of operations and financial condition. ~~Pricing pressure from our customers also poses certain risks. Inability on our part to offset pricing concessions with cost reductions would adversely affect our profitability. We are continually bidding on new business with these customers, as well as seeking to diversify our customer base, but there is no assurance that our efforts will be successful.~~ Further, to the extent that the financial condition of our largest customers deteriorates, including possible bankruptcies, ~~mergers~~ or liquidations, or **due to declines in** their sales ~~otherwise decline~~, our financial position and results of operations could be adversely affected **. Additionally, we rely upon a network of independent dealers to manage the distribution of our products**. If our dealers are unsuccessful with their sales and business operations, it could have an adverse effect on overall sales and revenue. We rely on the capability of our independent dealers to develop and implement effective sales plans to create demand among purchasers for the equipment and related products and services that the dealers purchase from us. If our dealers are not successful in these endeavors, then we will be unable to grow our sales and revenue, which would have an adverse effect on our financial condition. In addition, the dealer channel' s ability to support and service precision technology solutions and emerging power solutions may affect customers' acceptance and adoption rates of these products. **Additionally, these** ~~Dealers~~ **dealers** may have trouble funding their day- to- day cash flow needs and paying their obligations due to adverse business conditions resulting from negative economic effects or other factors. Dealers may exit relationships with us or we may seek to terminate relationships with certain dealers **, including** if they are unable to meet ~~customer~~ **the** needs **of their customers**. The unplanned loss of any of our dealers could lead to inadequate market coverage, negative customer impressions of us, and may adversely impact our ability to collect receivables that are associated with that dealer. We may not be able to successfully negotiate favorable pricing terms with our customers, which may adversely affect our results of operations. There is substantial and continuing pressure on OEMs to reduce costs, including the costs of the products we supply. We negotiate sales prices annually with our automotive customers. Our customer supply agreements generally require step-downs in component pricing over the period of production. In addition, our customers often reserve the right to terminate their supply contracts at any time, which enhances their ability to obtain price reductions. OEMs have also exercised significant influence over their suppliers, including us, because the automotive component supply industry is highly competitive and serves a limited number of customers. Based on these factors, our status as a Tier I supplier (one that supplies vehicle components directly to manufacturers) and the fact that our customers' product programs typically last a number of years and are anticipated to encompass large volumes, our customers are able to negotiate favorable pricing, and any cost- cutting initiatives that our customers adopt generally will result in increased downward pressure on our pricing. Any resulting impacts to our sales levels and margins ~~,~~ could over time significantly reduce our revenues and adversely affect our competitive standing and prospects ~~. Additionally, large commercial settlements with our customers may adversely affect our results of operations~~. The automotive industry is evolving and if we are unable, or perceived as unable, to respond appropriately to such evolution, our financial condition and results of operation could be adversely impacted. The sales and margins of our business are directly impacted by government regulations, including safety, performance and product certification regulations, particularly with respect to emissions, fuel economy and energy efficiency standards for motor vehicles. Increased public awareness and concern regarding global climate change may result in more regional and / or federal requirements to reduce or mitigate the effects of greenhouse gas emissions. While such requirements can promote increased demand for our turbochargers and other products, several markets in which we operate are undertaking efforts to more strictly regulate or ban vehicles powered by certain older-generation diesel engines. If such efforts are pursued more broadly throughout the market than we have anticipated, such efforts may impact demand for our aftermarket products. Changes in demand and emerging needs of customers that are not perceived adequately in advance and / or incorporated in the product development process (e. g., demand for eco- compatible products) may result in lower sales volumes and consequently affect our results of operations. Even if overall automotive sales and production remain stable, changes in regulations and consumer preferences may shift consumer demand away from the types of vehicles we prioritize or towards the types of vehicles where our products generate smaller profit margins. A decrease in consumer demand for the specific types of vehicles that have traditionally included our turbocharger products, ~~such as a decrease in demand for diesel- fueled vehicles in favor of gasoline- fueled vehicles,~~ or lower- than- expected consumer demand for specific types of vehicles where we anticipate providing significant components as part of our strategic growth plan, ~~such as a decrease in demand for vehicles utilizing electric- hybrid and fuel cell powertrains in favor of full battery electric vehicles,~~ could have a significant effect on our business. If we are unable to anticipate significant changes in consumer sentiment, or if consumer demand for certain vehicle types changes more than we expect, our results of operations and financial condition could be adversely affected. Furthermore, ~~if~~ **our continued success depends on our ability to innovate to keep current with and exceed the technological capabilities that our customers require. If** we are unable to **continue** ~~maintain our competitive advantage through innovation~~ - **innovating**, ~~if~~ we ~~do not~~ **may be unable to** sustain our ability to meet customer requirements relative to technology, or ~~we~~ fail to be awarded new business, ~~there~~ **each of which** could ~~be a material adverse~~ **adversely** ~~effect~~ **affect** ~~on~~ our results of operations, financial condition and future business prospects **. Furthermore, we have made, and we expect to continue to make, significant investments in technologies for electrification, including zero emission technologies, fuel cell compressors and high value electric vehicle components including E- Powertrain and E- Cooling Compressor technologies. We face intense competition in the development of technologies for electrification, and there is no guarantee that we will not be required to make additional significant investments in the future. Additionally, many of our technologies for electrification are in the pre- development stage, and while we believe that our products will be commercially viable, there is no guarantee that they will be successful. If we are required to make more significant investments than expected, if markets for our products fail to develop or develop more slowly than expected, or if competition for electrification technologies is more intense than we expect, our business, financial condition and results of operations may be materially and adversely affected**. Sales in our aftermarket operations are also directly related to consumer demand and spending for automotive aftermarket products, which may be affected by additional factors such as the average useful life of OEM parts and components, severity of regional weather conditions, highway and roadway infrastructure deterioration and the average number of miles vehicles are driven by owners. Improvements in technology and product quality are extending the longevity of vehicle component parts, which may result in delayed or reduced aftermarket sales. Our results of operations and financial condition could be adversely affected if we fail to respond in a timely and appropriate manner to changes in the demand for our aftermarket products. Certain markets in which we operate have ~~, and are expected to continue, contemplating~~ **contemplated** or **commenced** undertaking multi- decade efforts to transition away from internal combustion engines in favor of hybrid or full- battery electric vehicles **, and we expect this trend to continue in these and additional markets**. If a transition to battery- electric vehicles is pursued more broadly throughout the market, is implemented more rapidly than we have anticipated, or if we overestimate the turbocharger penetration rate in hybrids, then the demand for our products could be impacted and our results of operations consequently could be affected. **Additionally,** ~~Changing~~ **changing** government regulations related to greenhouse gas emissions and energy efficiency and growing recognition among consumers of the dangers of climate change may also require ~~changes at the product / production process level. These trends have and may continue to prompt automotive OEMs to make commitments to carbon neutrality, which could in turn prompt~~ us to make changes at the ~~product /~~ **level of our** production ~~process~~ **processes** ~~level~~ **, including due to demands of, and commitments to**

carbon neutrality by, automotive OEMs . This could require **us to incur** additional ~~cost~~ **costs** ~~/~~ **in the form of** ~~investment~~ **investments needed** to make **our** products ~~/~~ **and** production processes compliant **with these requirements** ~~and / or carbon neutral~~ . The Company' s profitability and results of operations may be adversely affected by program launch difficulties. The launch of new business is a complex process, the success of which depends on a wide range of factors, including the production readiness of the Company' s manufacturing facilities and manufacturing processes and those of its suppliers, as well as factors related to tooling, equipment, employees, initial product quality and other ~~factors~~ **considerations** . The Company' s failure to successfully launch new business, or its inability to accurately estimate the cost to design, develop and launch new business, could have an adverse effect on its profitability and results of operations. To the extent the Company is not able to successfully launch new business, vehicle production at its customers could be significantly delayed or shut down. Such situations could result in significant financial penalties to the Company or a diversion of personnel and financial resources to improving launches rather than investment in continuous process improvement or other growth initiatives and could result in its customers shifting work away from it to a competitor, all of which could result in loss of revenue or loss of market share and could have an adverse effect on its profitability and cash flows. We may not realize sales represented by awarded business or effectively utilize our manufacturing capacity. When we win a bid to offer products and services to an OEM customer, the customer typically does not commit to award us its business until a separate contract has been negotiated, generally with a term ranging from one year to the life of the model (usually three to seven years). Once business has been awarded, the OEM customer typically retains the ability to terminate the arrangement without penalty and does not commit to purchase a minimum volume of products while the contract is in effect. In light of the foregoing, while we estimate awarded business using certain assumptions, including projected future sales volumes, the volume and timing of sales to our customers may vary due to: variation in demand for our customers' products; our customers' attempts to manage their inventory; design changes; changes in our customers' manufacturing strategy; the success of customers' goods and models; and acquisitions of or consolidations among customers. A significant decrease in demand for certain key models or a group of related models sold by any of our major customers, or the ability of a manufacturer to re- source and discontinue purchasing from us its requirements for a particular model or group of models, could have a material adverse effect on us. In ~~particular~~ **addition** , we may be unable to forecast the level of customer orders with sufficient certainty to allow us to optimize production schedules and maximize utilization of manufacturing capacity. Any excess capacity would cause us to incur increased fixed costs in our products relative to the net revenue we generate, which could have an adverse effect on our results of operations, particularly during economic downturns. Similarly, a significant failure or inability to adapt to increased production or desired inventory levels (including as a result of accelerated launch schedules for new automobile and truck platforms), comply with customer specifications and manufacturing requirements more generally or respond to other unexpected fluctuations, as well as any delays or other problems with existing or new products ~~(including program launch difficulties)~~ could result in financial penalties, increased costs, loss of sales, loss of customers or potential breaches of customer contracts, which could have an adverse effect on our profitability and results of operations. If actual production orders from our customers are not consistent with the projections we use in calculating the amount of our awarded business, or if we are unable to improve utilization levels for manufacturing lines that consequently are underutilized and correctly manage capacity, the increased expense levels will have an adverse effect on our business, financial condition and results of operations, and we could realize substantially less revenue over the life of these projects than the ~~currently~~ projected estimate. Industry and economic conditions, including ~~a~~ **one or more** ~~downturn~~ **downturns** , could adversely affect our business and results of operations. We are dependent on the continued growth, viability and financial stability of our customers, a substantial portion of whom are OEMs in the automotive industry. The automotive industry is sensitive to general economic conditions and other factors, such as consumer confidence and preferences, interest rates, and fuel costs. The automobile industry is also sensitive to industry conditions, particularly as it evolves, such as rapid technological change often driven by regulatory changes, vigorous competition, short product life cycles, supplier stability, factory transitions, and capacity constraints. Economic and industry conditions have had, and will continue to have, an impact on our business, whether directly or indirectly through our customers and suppliers. **Furthermore, the regional concentration of our sales may exacerbate the impact of regional economic conditions on our results of operations, including in China, where we conduct a significant portion of our sales, and which has recently experienced low inflation, deterioration of the job market, and a slower than anticipated economic recovery from Covid- 19.** Economic declines that result in significant reductions in automotive sales or production, particularly with respect to light vehicles **, or the failure to recover from such economic declines on timelines that we anticipate** , would have an adverse effect on our business, results of operations and financial condition. We are subject to the economic, political, regulatory, foreign exchange and other risks of international operations. We have created a geographic footprint that emphasizes locating R & D, engineering and manufacturing capabilities in close physical proximity to our customers. ~~Our~~ **This** international geographic footprint subjects us to many risks, including: exchange control regulations; wage and price controls; antitrust and environmental regulations; employment regulations; foreign investment laws; monetary and fiscal policies and protectionist measures that may prohibit acquisitions or joint ventures, establish local content requirements, or impact trade volumes; import, export and other trade restrictions (such as embargoes); violations by our employees of anti- corruption laws; changes in regulations regarding transactions with state- owned enterprises; nationalization of private enterprises; natural and man- made disasters, hazards and losses; global health risks and pandemics; backlash from foreign labor organizations related to our ~~restructuring~~ **repositioning** actions; violence, civil and labor unrest; acts of terrorism; and our ability to hire and maintain qualified staff and maintain the safety of our employees in these regions. Additionally, certain of the markets in which we operate have adopted increasingly strict data privacy and data protection requirements or may require local storage and processing of data or similar requirements, such as the General Data Protection Regulation (" GDPR ") in the European Union. The GDPR and similar data protection measures may increase the cost and complexity of our ability to deliver our services to ensure compliance. Trade tensions have in the past, and may in the future, negatively impact our business. We may not be able to mitigate the impacts of any future tariffs, and our business, results of operations and financial position would be materially adversely affected by such tariffs. Further changes in U. S. trade policies, tariffs, taxes, export restrictions or other trade barriers, or restrictions on raw materials or components may limit our ability to produce products, increase our manufacturing costs, decrease our profit margins, reduce the competitiveness of our products, or inhibit our ability to sell products or purchase raw materials or components, which would have a material adverse effect on our business, results of operations and financial condition. These and other instabilities and uncertainties arising from the global geopolitical environment, along with the cost of compliance with increasingly complex and often conflicting regulations worldwide, can impair our flexibility in modifying product, marketing, pricing or other strategies for growing our businesses, as well as our ability to improve productivity and maintain acceptable operating margins. **Additionally,** ~~Because~~ **because** the Company is a U. S. holding company, one significant source of its funds is distributions from its non- U. S. subsidiaries. Certain countries in which the Company operates have adopted or could institute currency exchange controls that limit or prohibit the Company' s local subsidiaries' ability to convert local currency into U. S. Dollars or to make payments outside the country. This could subject the Company to the risks of local currency devaluation and business disruption. We monitor and seek to reduce such risk through hedging activities; however, foreign exchange hedging activities bear a financial cost and may not always be available to us or be successful in eliminating such volatility. ~~Finally~~ **Additionally** , we generate significant cash that is invested with certain counterparties. While we employ comprehensive controls regarding global cash management to guard against cash or investment loss and to ensure our ability to fund our operations and commitments, a material disruption to the counterparties with whom we transact business could expose us to financial loss. Geopolitical conditions, ~~such as the ongoing conflict between Russia and Ukraine, and~~ catastrophic events, **and** ~~such as the Covid- 19 pandemic~~ **pandemics** , may disrupt our business and adversely affect our results of operations and financial condition. Geopolitical tensions, including but not limited to armed conflict, terrorist activity and instability or general economic disruption regionally or globally, ~~could~~ **have in the past impacted, and may in the future** impact our results of operations and create or exacerbate certain risks we face to our business, financial condition and results of operations. For example, Russia' s invasion of Ukraine and the global response, including the imposition of financial and economic sanctions by the United States and other countries, has led to supply constraints that have impacted, and may continue to impact, our business. It has also led to energy shortages globally, especially in Europe. A **further** prolonged or intensified conflict could result in acute shortages of raw materials and price inflation on transportation costs, materials, and energy which in turn may adversely impact our supply chain. If the conflict expands beyond Ukraine, it could negatively impact our operations in neighboring countries such as Romania and Slovakia. Furthermore, an escalation of geopolitical tensions due to the ongoing conflict, such as increased sanctions or restrictions on global trade, could result in further supply chain disruptions, reduced customer demand, state- sponsored cyberattacks as well as increased volatility in the financial markets, all of which could have a materially adverse impact on our business and operations. Catastrophic events, such as a pandemic or cyberattack, could lead to disruption or failure of our systems or operations, harming our ability to conduct normal business operations. For example, the Covid- 19 pandemic negatively impacted the global economy, disrupted supply chains and created significant volatility and disruption in financial markets, adversely impacting our business and operations including our employees, customers, suppliers, partners and communities. ~~While the Covid- 19 pandemic appears to be dissipating, there could be a prolonged~~ **Prolonged** negative ~~impact~~ **impacts** of **such events** ~~Covid- 19~~ on global supply chains, general macroeconomic conditions and consumer confidence, ~~which~~ could have an adverse effect on our business, results of operations, cash flows and financial condition. We have invested substantial resources in specific foreign markets where we expect growth and we may be unable to timely alter our strategies should such expectations not be realized. We have identified certain countries, such as China and India, as key high- growth geographic markets. We believe these markets are likely to experience substantial long- term growth, and accordingly have made and expect to continue to make substantial investments in numerous manufacturing operations worldwide, technical centers, R & D activities and other infrastructure to support anticipated growth in these areas. If market demand for evolving vehicle technologies in these regions does not grow as quickly **or materialize** as we anticipate, or if we are unable to deepen existing and develop additional customer relationships in these regions, we may fail to realize expected rates of return, or even incur losses, on our existing investments and may be unable to timely redeploy the invested capital to take advantage of other markets or product categories, potentially resulting in lost market share to our competitors. In particular, our ability to remain competitive and continue to grow in these regions depends in part on the absence of competing state- sponsored domestic businesses. If a state- sponsored operation entered a local market as a competitor, it might have access to significant social and financial capital that would enable it to overcome the ordinary barriers to entry in the turbocharger industry and acquire potentially significant market share at our expense. **All of the foregoing could have adverse effect on our business, results of operations, cash flows and financial condition.** Increased scrutiny from customers, investors, regulators and others regarding sustainability / ESG practices, as well as the climate- related risks we may face, could expose us to liabilities, including reputational harm, affect demand for our products, lead to increased costs and have other adverse effects on our business, supply chain and results of operations **.** Many customers, regulators, investors, employees, and other stakeholders are increasingly focused on sustainability practices, including ESG considerations, relating to businesses, particularly with regards to climate change and greenhouse gas emissions, human and civil rights, and diversity, equity and inclusion. Responding to these sustainability / ESG considerations and implementing related goals and initiatives involve risks and uncertainties, require investments and depend in part on third- party performance or data that is outside of our control. We cannot guarantee that we will achieve announced sustainability / ESG goals and initiatives or that our stakeholders will agree with them. Additionally, certain organizations have developed rating systems for evaluating companies on their approach to ESG and unfavorable ratings may lead to negative customer and / or investor sentiment. Any failure, or perceived failure, by the Company to achieve its goals, further its initiatives, adhere to its public statements, comply with federal, state or international environmental, social and governance laws and regulations, or meet evolving and varied stakeholder expectations and standards could result in legal and regulatory proceedings against the Company and materially adversely affect the Company' s business, reputation, results of operations and financial condition. In particular, there is increased public awareness and concern regarding global climate change and climate related risks, which has resulted, and is expected to continue to result, in local, regional and global requirements **, including requirements** to reduce and / or mitigate the effects of greenhouse gas emissions **, as well as requirements to make disclosures regarding greenhouse gas emissions, climate- related matters such as enterprise risks, climate- related targets and otherwise, such as those recently adopted in California and Europe, including the Carbon Boarder Adjustment Mechanism (" CBAM"), which includes future tariff and reporting requirements for embedded carbon content of certain imports** . There continues to be a lack of consistent climate legislation, which creates economic and regulatory uncertainty. Any future regulations aimed at mitigating climate change may negatively impact the prices of raw materials and energy as well as the demand for certain of our customers' products which could in turn impact demand for our products and ~~impact~~ our results of operations. The costs of compliance and any changes to our operations mandated by new or amended regulations, or customer requirements, may be significant. Furthermore, any violations of climate change regulations may result in substantial fines and penalties, remediation costs, damages, or other adverse impacts on our business. Additionally, the physical manifestations of climate change, such as extreme weather conditions or more frequent extreme weather events have in the past and may in the future disrupt our operations, damage our facilities, disrupt our supply chain, including our customers or suppliers, impact the availability and cost of materials needed for manufacturing or increase insurance and other operating costs. As a result, severe weather or a natural disaster that results in a prolonged disruption to our operations, or the operations of our customers or suppliers, could have a material adverse effect on our operating results, cash flows or financial condition. We face risks in connection with joint venture partnerships, joint development projects and other strategic opportunities. We evaluate strategic opportunities, including acquisitions of businesses, products and technologies, joint venture partnerships and joint development agreements that we believe will complement our business. We may not be able to successfully identify suitable acquisition and joint venture candidates or complete transactions on acceptable terms, integrate acquired operations into our existing operations or expand into new markets. Our failure to identify suitable strategic opportunities may restrict our ability to grow our business. Furthermore, our joint venture, joint development and other business partners may at any time have economic, business or legal interests or goals that are inconsistent with ours, which could negatively impact our reputation and / or financial condition. We could be adversely affected by our leading market position in certain markets. We believe that we are a market leader in the turbocharger industry in many of the markets in which we operate. Although we believe we have acted properly in the markets in which we have significant market share, we could face allegations of abuse of our market position or of collusion with other market participants, which could result in negative publicity and adverse regulatory action by the relevant authorities, including the imposition of monetary fines, all of which could adversely affect our financial condition and results of operations. Failure to protect our intellectual property or allegations that we have infringed **on** the intellectual property of others could adversely affect our business, financial condition and results of operations. We rely on a combination of patents, copyrights, trademarks, tradenames, trade secrets and other proprietary rights, as well as contractual arrangements, including licenses, to establish, maintain and protect our intellectual property rights. Effective intellectual property protection may not be available, or we may not be able to acquire or maintain appropriate registered or unregistered intellectual property, in every country in which we do business. Furthermore, in some areas of our business the established industry maturity of product technology may leave limited opportunity for new intellectual property to differentiate our products. Accordingly, our intellectual property may not be sufficient on its own to provide us a strong product differentiation and competitive advantage, which in turn could weaken our ability to secure business awards from our customers and / or our ability to achieve targeted product profitability. The protection of our intellectual property may require us to spend significant amounts of money. Further, the steps we take to protect our intellectual property may not adequately protect our rights or prevent others from infringing, violating or misappropriating our intellectual proprietary rights. Any impairment of our intellectual property rights, including due to changes in U. S. or foreign intellectual property laws or the absence of effective legal protections or enforcement measures, could adversely impact our businesses, financial condition and results of operations. International technical export control regulations and trade conflicts may limit our ability to use certain intellectual property in our products in some regions of the world or customers may require assured access to intellectual property through open source- code, joint ownership of intellectual property, free license, or other measures. These constraints could cause us difficulty in securing business awards from our customers, protecting our competitive technology differentiation, and / or our ability to achieve targeted product profitability. In addition, as we adopt new technology, we face an inherent risk of exposure to the claims of others that we have allegedly violated their intellectual property rights. Successful claims that we infringe on the intellectual property rights of others could require us to enter into royalty or licensing agreements on unfavorable terms or cause us to incur substantial monetary liability. We may also be prohibited preliminarily or permanently from further use of the intellectual property in question or be required to change our business practices to stop the infringing use, which could limit our ability to compete effectively. In addition, our customer agreements may require us to indemnify the customer for infringement. The time and expense of defending against these claims, whether meritorious or not, may have a material and adverse impact on our profitability, can be time- consuming and costly and may divert management' s attention and resources away from our businesses. Furthermore, the publicity we may receive as a result of infringing intellectual property rights may damage our reputation and adversely impact our existing customer relationships and our ability to develop new business. Work stoppages, other disruptions, or the need to relocate any of our facilities could significantly disrupt our business. Our geographic footprint emphasizes locating, engineering and manufacturing capabilities in close physical proximity to our customers, thereby enabling us to adopt technologies and products for the specific vehicle types sold in each geographic market. Because our facilities offer localized services in this manner, a work stoppage or other disruption at one or more of our R & D, engineering or manufacturing and assembly facilities in a given region could have material adverse effects on our business, especially insofar as it impacts our ability to serve customers. Moreover, due to unforeseen circumstances or factors beyond our control, we may be forced to relocate our operations from one or more of our existing facilities to new facilities and may incur substantial costs, experience program delays and sacrifice proximity to customers and geographic markets as a result, potentially for an extended period of time. The automotive industry relies heavily on " just- in- time " delivery of components during the assembly and manufacture of vehicles, and when we fail to make timely deliveries in accordance with our contractual obligations, we generally have to absorb our own costs for identifying and solving the " root cause " **of the** problem as well as expeditiously producing replacement components or products. We typically must also carry the costs associated with " catching up, " such as overtime and premium freight. Additionally, if we are the cause for a customer being forced to halt production, the customer may seek to recoup all of its losses and expenses from us. These losses and expenses could be significant and may include consequential losses such as lost profits. In addition, a significant disruption in the supply of a key component due to a work stoppage or other disruption at one of our suppliers ~~or any other supplier~~ could impact our ability to make timely deliveries to our customers and, accordingly, have a material adverse effect on our financial results. Where a customer halts production because of **one of its** ~~another~~ -- **other** ~~supplier~~ **suppliers** failing to deliver on time, or as a result of a work stoppage or other disruption, it is unlikely we will be fully compensated, if at all. We depend on the recruitment and retention of qualified personnel, and our failure to attract and retain such personnel could adversely affect our business, financial condition and results of operations. Due to the complex nature of our business, our future performance is highly dependent upon the continued services of our key engineering personnel, scientists and executive officers, the development of additional management personnel and the hiring of new qualified engineering, manufacturing, marketing, sales and management personnel for our operations. Competition for qualified personnel in our industry is intense, and we may not be successful in attracting or retaining qualified personnel ~~. Our ability to attract and retain key personnel may be adversely affected by our emergence from bankruptcy~~ . The loss of key employees, our inability to attract new qualified employees or adequately train employees, or the delay in hiring key personnel, could negatively affect our business, financial condition and results of operations. If executives, managers or other key personnel resign, retire or are terminated or their service is otherwise interrupted, we may not be able to replace them in a timely manner and we could experience significant declines in productivity. Failure to increase productivity through efficient operational improvements, as well as an inability to successfully execute repositioning projects or to effectively manage our workforce, may reduce our profitability or adversely impact our business. Our profitability and margin growth are dependent upon our ability to drive efficiency improvements. In addition, we seek productivity and cost savings benefits through repositioning actions and projects, such as consolidation of manufacturing facilities, transitions to cost- competitive regions, workforce reductions, asset impairments, product line rationalizations and other cost- saving initiatives. Risks associated with these actions include delays in execution of the planned initiatives, additional unexpected costs, realization of fewer than estimated productivity improvements and adverse effects on employee morale. We may not realize the full operational or financial benefits we expect, the recognition of these benefits may be delayed and these actions may potentially disrupt our operations. In addition, organizational changes, attrition, labor relations difficulties, or workforce stoppage could impact our efforts to improve operational efficiencies, which could have a material adverse effect on our business, reputation, financial position and results of operations. We may incur material losses and costs as a result of warranty claims, product recalls or field actions, as well as product liability actions that may be brought against us or our customers. We face ~~a~~ **the** risk of warranty and product liability claims, as well as product recalls and field actions, if our products actually or allegedly fail to perform to specifications or cause property damage, injury or death ~~. Depending on the terms under which we supply products to an auto manufacturer, we may be required to guarantee or offer warranties for our products and to bear the costs of recalls, repair or replacement of such products pursuant to new vehicle warranties~~ . There can be no assurance that we will have adequate reserves to cover such recall, repair and replacement costs. In the event that any of our products fails to perform as expected, we may face direct exposure to warranty and product liability claims or may be required to participate in ~~a~~ government or self-imposed recall involving such products. ~~Our~~ **Depending on the terms under which we supply products to an auto manufacturer, we may be required to guarantee or offer warranties for our products and to bear the costs of recalls, repair or replacement of such products pursuant to new vehicle warranties. Additionally, if our auto manufacturer** customers ~~that are not end users, such as auto manufacturers, may~~ face ~~similar~~ claims or ~~be obliged to conduct~~ recalls of their own ~~, and in such circumstances~~ , they may seek contribution from us. Our agreements with our customers do not always include limitation of liability clauses or, in certain situations or legal jurisdictions, such limitation of liability clauses may not ~~be~~ fully ~~valid~~ **protect us from all losses** . If any such claims or contribution requests exceed our available insurance, or if there is a product recall, there could be a material adverse impact on our results of operations. In addition, a recall claim could require us to review our entire product portfolio to assess whether similar issues are present in other product lines, which could result in significant disruption to our business and could have a further adverse impact on our results of operations. We cannot assure that we will not experience any material warranty or product liability claim losses in the future or that we will not incur significant costs to defend such claims. We cannot predict with certainty the outcome of litigation matters, government proceedings and other contingencies and uncertainties. We are currently, and we may in the future, be party to a number of lawsuits, investigations and disputes ~~(some of which involve substantial amounts claimed)~~ arising out of our current and historical business, including matters relating to commercial transactions, product liability, prior acquisitions and divestitures, employment, employee benefits plans, intellectual property, antitrust, import and export, and environmental, health and safety matters, as well as securities litigation, tax proceedings and litigation related to our debt. For additional information regarding our pending legal proceedings, see Item 3, " Legal Proceedings ". We cannot predict with certainty the outcome of legal proceedings or contingencies. The costs incurred in litigation can be substantial and result in the diversion of management' s attention and resources. We ~~may~~ **have** also **made, and in the future may** make **,** certain commitments, including representations, warranties and indemnities relating to current and past operations, including those related to divested businesses, and issue guarantees of third- party obligations. Our potential liabilities are subject to change over time due to new developments ~~,~~ **in legal proceedings or** changes in settlement strategy ~~or the impact of evidentiary requirements~~ , and we may become subject to or be required to pay damage awards or settlements that could have a material adverse effect on our results of operations, cash flows and financial condition. If we were required to make **such** payments, ~~such~~ **these** payments could be significant and could exceed the amounts we have accrued with respect thereto, adversely affecting our business, financial condition and results of operations. While we maintain insurance for certain risks, the amount of our insurance coverage may not be adequate to cover the total amount of all insured claims and liabilities. The ~~incurrence~~ **occurrence** of significant liabilities for which there is no or insufficient insurance coverage could adversely affect our results of operations, cash flows, liquidity and financial condition. Our operations and the prior operations of predecessor companies may expose us to the risk of environmental liabilities. We are subject to extensive environmental regulations and our operations may expose us to risks of environmental liabilities. We cannot assure that we will not incur ~~potential~~ **additional** liabilities related to the investigation and cleanup of environmental hazards and to claims of personal injuries or property damages that may arise from hazardous substance releases and exposures, including those relating to activities of **our** predecessor company. We are also subject to potential liabilities related to the compliance of our operations with the requirements of various federal, state, local and foreign governments that regulate the discharge of materials into the environment and the generation, handling, storage, treatment and disposal of and exposure to hazardous substances. If we are found to be in violation of these laws and regulations, we may be subject to substantial fines and criminal sanctions and be required to install costly equipment or make operational changes to achieve compliance with such laws and regulations. In addition, changes in laws, regulations or government enforcement of policies concerning the environment, the discovery of previously unknown contamination or new information related to individual contaminated sites, the establishment of stricter state or federal toxicity standards with respect to certain contaminants, or the imposition of new clean- up requirements or remedial techniques, could require us to incur additional currently unanticipated costs in the future that would have a negative effect on our financial condition or results of operations. Our U. S. and non- U. S. tax liabilities are dependent, in part, upon the distribution of income among various jurisdictions in which we operate. Our future results of operations could be adversely affected by changes in the effective tax rate as a result of a change in the mix of earnings in countries with differing statutory tax rates, changes in tax laws, regulations and judicial rulings (or changes in the interpretation thereof), changes in generally accepted accounting principles, changes in the valuation of deferred tax assets and liabilities, the results of audits and examinations of previously filed tax returns and continuing assessments of our tax exposures and various other governmental enforcement initiatives. Our tax expense includes estimates of tax reserves and reflects other estimates and assumptions, including assessments of our future earnings which could impact the valuation of our deferred tax assets. Changes in tax laws or regulations ~~, including multi- jurisdictional changes enacted in response to the guidelines provided by the Organization for Economic Co- operation and Development to address base erosion and profit shifting,~~ will increase tax uncertainty and may adversely impact our provision for income taxes **. Changes in tax laws are likely to arise due to the base erosion and profit shifting project that was completed by the Organization for Economic Cooperation and Development (“ OECD ”). The OECD Pillar 2 initiative recommends a 15 % global minimum tax with respect to earnings in each country. Pillar 2 has been adopted by the EU for implementation by its Member States into national legislation by the end of 2023 and may be adopted by other jurisdictions, including the U. S. Under these rules, we may be required to pay a “ top- up ” tax to the extent that our effective tax rate is below 15 % in any jurisdiction. To the extent these rules are enacted in countries that we operate in, it is possible that the we could experience uncertainty and adverse impacts on our effective tax rate** . A deterioration in industry, economic or financial conditions may restrict our ability to access the capital markets on favorable terms. We ~~may~~ **will** require additional capital in the future to finance our growth and development, upgrade and improve our manufacturing capabilities, implement further marketing and sales activities, fund ongoing R & D activities, satisfy regulatory and environmental compliance obligations, and meet general working capital needs. Our capital requirements will depend on many factors, including acceptance of and demand for our products, the extent to which we invest in new technology and R & D projects and the status and timing of these developments. If our **cash flows were to become insufficient to cover our capital requirements and our** access to capital were to become constrained significantly, or if costs of capital increased significantly, due to lowered credit ratings, prevailing industry conditions, the solvency of our customers, a material decline in demand for our products, the volatility of the capital markets or other factors, our financial condition, results of operations and cash flows could be adversely affected. These conditions may adversely affect our ability to **maintain or** obtain targeted credit ratings **, or negatively impact our credit ratings, each of which could reduce our ability to access new capital and increase our cost of capital, which would negatively impact our financial condition and results of operations** . We may also need additional capital resources in the future in order to meet our projected operating needs, capital expenditures and other cash requirements. If we are unable to obtain sufficient resources for our operating needs, capital expenditures and other cash requirements for any reason, our business, financial condition and results of operations could be adversely affected. Changes in interest rates ~~and cessation of the London Inter- bank Offered Rate (" LIBOR")~~ could adversely affect our earnings and / or cash flows. Because a significant number of our loans are made at variable interest rates, our business results are subject to fluctuations in interest rates. If interest rates increase, our borrowing costs may also increase and could adversely impact our financial condition, operating results and cash flows. There can be no assurance that we will be able to mitigate any potential material adverse impacts on our earnings and cash flows caused by fluctuations in interest rates ~~. Certain loans extended to us are made at variable rates that use LIBOR as a benchmark for establishing the interest rate. As the use of LIBOR will be discontinued, we may need to switch to an alternative interest rate, which could result in increased borrowing costs. If the replacement rate for LIBOR in our interest rate swaps differs from the replacement rate for LIBOR under our Credit Agreement, our interest rate swaps may be ineffective and require us to mark- to- market the ineffective portion of the interest rate swap through our income statement. Accordingly, if any of the derivative instruments we use to hedge our exposure~~

~~to these various types of risk is ineffective, it may have an adverse impact on our earnings and cash flows. These consequences cannot be entirely predicted and could have an adverse impact on the market value for, or value of, LIBOR- linked securities, loans, and other financial obligations or extensions of credit held by or due to us~~. Changes in market interest rates may influence our financing costs, returns on financial investments and the valuation of derivative contracts and could reduce our earnings and cash flows. Changes in interest rates and asset returns could increase our pension funding obligations and reduce our profitability. We have unfunded obligations under certain of our defined benefit pension and other postretirement benefit plans. The valuation of our future payment obligations under the plans and the related plan assets are subject to significant adverse changes if the credit and capital markets cause interest rates and projected rates of return to decline. Such declines could also require us to make significant additional contributions to our pension plans in the future. A material increase in the unfunded obligations of these plans could also result in a significant increase in our pension expense in the future. We are exposed to foreign currency risks and foreign exchange exposure as a result of our global presence. A significant portion of our revenues and expenses are denominated in currencies other than the U. S. dollar. As a result, we are subject to foreign currency risks and foreign exchange exposure arising from our business operations including, but not limited to, international financing activities between subsidiaries, foreign currency denominated monetary assets and liabilities and transactions arising from international trade. Our results of operations and financial condition have in the past been negatively impacted, and may in the future be negatively impacted, by rapidly fluctuating foreign exchange rates. While we have historically hedged foreign currency exposures with natural offsets to the fullest extent possible and, once those opportunities have been exhausted, through foreign currency exchange forward contracts, we cannot predict foreign currency volatility or the extent of its impact on our future financial results. Our emerging opportunities in technology, products and services depend in part on intellectual property and technology licensed from third parties. A number of our emerging opportunities in technology, products and services rely on key technologies developed or licensed from third parties. While the majority of our current product offerings are not covered by third- party licenses, many of our emerging technology offerings that we are developing use software components or other intellectual property licensed from third parties, including both through proprietary and open source licenses. Should such emerging products become a significant part of our product offerings, our reliance on third- party licenses may present various risks to our business ~~.~~**, including the risk that our ability to access** ~~These~~ **these** third- party software components ~~may~~ **could be interrupted due to factors beyond our control, or could** become obsolete, defective or incompatible with future versions of our emerging technology offerings ~~,~~**. We may be unable to reach** ~~our~~ - **or renew agreements with respect to our permitted use of these technologies, on terms acceptable to us or at all, our** ~~relationship~~ **relationships** with these third parties may deteriorate, or our agreements with these third parties may expire or be terminated. We may face legal or business disputes with licensors that may threaten or lead to the disruption of inbound licensing relationships. ~~In order~~ **Additionally, third parties who license** to ~~remain in compliance with the~~ **our competitors could refuse to license to us on equally favorable** terms ~~of our~~ - **or at** ~~licenses, we must carefully monitor and manage our use of third- party components, including both proprietary and open source license terms that may require the licensing or public disclosure of our intellectual property without compensation or on undesirable terms. Additionally, some of these licenses may not be available for use in the future on terms that may be acceptable or that allow~~ -- **all** ~~our emerging product offerings to remain competitive~~. Our inability to obtain licenses or rights on favorable terms could have a material effect on our emerging technology offerings ~~. Moreover~~ **and our competitiveness** , ~~it is possible that as a consequence~~ **which would adversely impact our financial condition and results of operations. Additionally, we may need to incur significant costs in order to remain in compliance with the terms of our licenses, including to carefully monitor and manage our use of third- party components. Proprietary and open source license terms may also require us to license or publicly disclose our intellectual property without compensation or on undesirable terms. These risks could be heightened in the case** of a future merger or acquisition we may be involved in **. Additionally, as a result of any such transaction** , third parties may obtain licenses to some of our intellectual property rights or our business may be subject to certain restrictions that were not in place prior to such transaction ~~. Because the availability and cost from third parties depends upon the willingness of third parties to deal with us on the terms we request, there is a risk that third parties who license our competitors will either refuse to license to us at all, or refuse to license us on terms equally favorable to those granted to our competitors. Consequently, we may lose a competitive advantage with respect to these intellectual property rights or we may be required to enter into costly arrangements in order to obtain these rights. The allocation of intellectual property rights between Honeywell and us and our shared use of certain intellectual property rights, could adversely impact our reputation, our ability to enforce certain intellectual property rights that are important to us and our competitive position. We have certain agreements with Honeywell governing the allocation of intellectual property rights related to our business. These agreements could adversely affect our position and options relating to intellectual property enforcement, licensing negotiations and monetization. We also may not have sufficient rights to grant sublicenses of intellectual property used in our business. These circumstances could adversely affect our ability to protect our competitive position in the industry~~. Failure to maintain an effective system of internal control over financial reporting could adversely impact our business, financial condition and results of operations. Failure to maintain adequate, effective internal controls could result in potential financial misstatements and / or other forms of noncompliance that could have a material adverse impact on our results of operations, financial condition and organizational reputation. **We have in the past experienced a material weakness in our internal control over financial reporting, and while it has since been successfully remediated, there can be no assurance that similar control issues will not be identified in the future.** If we do not maintain effective internal controls, our independent registered public accounting firm may provide an adverse opinion on our internal control over financial reporting. Furthermore, if we do not maintain effective internal controls, the market price of our ~~common~~ **Common** ~~stock and / or Series A Preferred~~ Stock could decline and we could be subject to sanctions or investigations by regulatory authorities, which would require additional financial and management resources, adversely impacting our operations and potentially harming our reputation with our key stakeholders, including investors, employees, customers and suppliers. System or service failures, including as a result of cyber or other security incidents, could disrupt business operations, result in the loss of critical and confidential information, and adversely impact our reputation and results of operations. We deploy and maintain IT and engineering systems which involve sensitive information. As a result, we are subject to systems or service failures, not only resulting from our failures or the failures of third- party service providers, natural disasters, power shortages or terrorist attacks, but also from exposure to cyber or other security threats. Global cybersecurity threats and incidents can range from uncoordinated individual attempts to gain unauthorized access to IT systems to sophisticated and targeted measures known as advanced persistent threats, directed at the Company, our products, our customers and / or our third- party service providers, including cloud providers. There has been an increase in the frequency and sophistication of cyber and other security threats we face, and our customers **, partners and regulators** are increasingly requiring cyber and other security protections and mandating cyber and other security standards ~~in our products~~ . Cyber and other security incidents, depending on their nature and scope, could potentially result in the misappropriation, destruction, corruption or unavailability of critical data and confidential or proprietary information (our own or that of third parties) and the disruption of business operations. Moreover, employee error or malfeasance, faulty password management or other intentional or inadvertent non- compliance with our security protocols may result in a breach of our information systems. Cyber and other security incidents aimed at the software embedded in our products could **also** lead to third- party claims that our product failures have caused a similar range of damages to our customers **. In addition** , ~~and this~~ **our reliance on third- party service providers could introduce new cybersecurity** ~~risk~~ **risks** ~~is enhanced by~~ **and vulnerabilities, including supply chain attacks and** ~~the~~ **other threats to** ~~increasingly connected nature of~~ our **business operations. We rely on third- party service providers and technologies to operate critical business systems to process confidential, proprietary, and sensitive data in a variety of contexts, including, without limitation, cloud- based infrastructure, data center facilities, encryption and authentication technology, employee email, and other functions. We also rely on third- party service providers to provide other** products **or services to operate our business** . ~~The potential consequences of~~ **If our third- party service providers experience** a ~~material cyber or other~~ security incident **or other interruption, we could experience adverse consequences. Supply chain attacks have increased in frequency and severity, and we cannot guarantee that third parties' infrastructure in our supply chain or our third- party partners' supply chains have not been or will not be compromised. The risks associated with cyber security incidents** include **the risks of** financial loss, reputational damage, litigation with third parties, theft of intellectual property, fines levied by **governmental entities** ~~the United States Federal Trade Commission~~ , diminution in the value of our investment in research, development and engineering, and ~~increased cyber~~ **costs associated with incident remediation. We may also be required to expend significant costs** and ~~other~~ **resources to protect against** security **incidents. Cyber incidents could cause reputational damage** ~~protection and remediation costs due to the increasing sophistication and proliferation of threats~~ , which ~~in turn~~ could **lead** ~~adversely affect our competitiveness and results of operations. In addition~~ to ~~any costs resulting from contract performance or required corrective action, these incidents could generate~~ increased costs ~~or~~ **and** loss of revenue if our customers choose to postpone or cancel previously scheduled orders or decide not to renew any of our existing contracts. The costs related to cyber or other security incidents may not be fully insured or indemnified by other means. The successful assertion of a large claim against us with respect to a cyber or other security incident could seriously harm our business. Even if not successful, these claims could result in significant legal and other costs, may be a distraction to our management and harm our customer relationships, as well as our reputation. Risks Related to Our Capital Structure Our substantial indebtedness and other obligations could adversely affect our financial health and our ability to execute our business strategy. We have substantial consolidated indebtedness. As of December 31, ~~2022~~ **2023** , we had outstanding debt of $ 1, ~~186~~ **696** million. Our ability to generate sufficient cash flows from operations depends on a range of economic, competitive and business factors, many of which are outside of our control. If we are unable to generate sufficient cash flow **to satisfy our debt service payments and other obligations** , we may be required to seek one or more alternatives, such as reducing or delaying investments or capital expenditures, selling assets, refinancing or obtaining additional equity capital on terms that may be onerous or highly dilutive. Our ability to refinance our outstanding indebtedness or future indebtedness will depend on the capital markets and our financial condition at such time. It will also depend on our credit facilities ~~and the terms of the Series A Preferred Stock,~~ which contain certain operating and financial restrictions that that may restrict our business and financing activities. We may not be able to engage in any of these activities or engage in these activities on desirable terms when needed, which could result in a default on our indebtedness. Our inability to generate sufficient cash flows to satisfy our ~~outstanding~~ debt **service payments** and other obligations, or to refinance our obligations on commercially reasonable terms, would have a material adverse effect on our results of operations, financial condition and business. Furthermore, we receive debt ratings from major credit rating agencies. Any downgrade in our credit rating or the ratings of our indebtedness, or adverse conditions in the debt capital markets, could restrict our access to, and negatively impact the terms of, current or future financings and trade credit extended by certain suppliers or other vendors. Our ability to raise capital in the future may be limited, which could make us unable to fund our capital requirements. Our business and operations may consume resources faster than we anticipate. In the future, we may need to raise additional funds through the issuance of new equity securities, debt or a combination of both. Additional financing may not be available on favorable terms or at all. If adequate funds are not available on acceptable terms, we may not be able to fund our capital requirements. If we issue new debt securities, the debt holders would have rights senior to holders of common stock ~~or Series A Preferred Stock~~ to make claims on our assets, and the terms of any additional debt could restrict our operations, including our ability to pay dividends on our common stock ~~or Series A Preferred Stock~~ . If we issue additional equity securities, existing holders of our securities may experience dilution. Ownership positions of certain of our stockholders may lead to conflicts of interest and could negatively impact the price of our securities. The ownership positions of certain affiliated funds of Centerbridge Partners, L. P. (the" Centerbridge Investors") and certain affiliated funds of Oaktree Capital Management, L. P. (the" Oaktree Investors ") represent a significant portion of the total voting power of our outstanding shares. As a result, these two stockholders in and of themselves can influence significantly all matters requiring approval by our stockholders. These two stockholders may, from time to time, have interests that differ from other stockholders, and they may each vote in a way with which other stockholders disagree and either or both may be adverse in the future to the interests of other stockholders. Furthermore, Centerbridge Investors and Oaktree Investors each have the right to designate ~~three~~ **one** ~~directors~~ - **director** for election to the Board at each meeting of stockholders of the Company ~~, and certain additional holders of our Series A Preferred Stock are entitled to designate one director for election to the Board at each meeting of stockholders of the Company, pursuant to the terms of the Investor Rights Agreement for the Series A Preferred Stock~~ . The concentration of ownership of our shares may have the effect of delaying, preventing or deterring a change of control of our Company, could deprive our stockholders of an opportunity to receive a premium for their shares as part of a sale of our Company, and consequently may affect the market price of our shares. This concentration of ownership of our shares may also have the effect of influencing the completion of a change in control that may not necessarily be in the best interests of all of our stockholders. ~~Our securities are subordinated to our indebtedness upon liquidation. In the event of our liquidation, dissolution or winding up, our common stock and Series A Preferred Stock would rank below all debt and other general unsecured claims against us. As a result, holders of our Series A Preferred Stock would not be entitled to receive any payment or other distribution of assets upon our liquidation, dissolution or winding up until after all of our obligations to debt holders have been satisfied. Furthermore, our common stock would rank below the Series A Preferred Stock. Holders of our common stock would not be entitled to receive any payment or other distribution of assets upon our liquidation, dissolution or winding up until after all of our obligations to debt holders and also holders of our Series A Preferred Stock had been satisfied.~~ There can be no assurance that we will pay dividends **or repurchase shares of our Common Stock under our share repurchase program** . The declaration and payment of any dividend is subject to the approval of our Board of Directors in accordance with its bylaws. There can be no assurance that we will declare and pay dividends in the future in any particular amounts, or at all. Our ability to pay dividends may **be** limited by restrictions or limitations on our cash flows, including our ability to obtain sufficient funds through dividends from subsidiaries, many of which are located outside of the United States. ~~Furthermore, any~~ **Any declaration and** payment of dividends on our ~~common stock is subject to and conditioned upon payment of dividends on our Series A Preferred Stock. Holders of Series A Preferred Stock are entitled to receive cumulative dividends at an annual rate of 11 % on the stated amount per share, plus the amount of any accrued and unpaid dividends on such share accumulating daily and payable quarterly, when, as and if declared by the Disinterested Directors' Committee of the Board of Directors out of funds legally available. Any declaration and payment of dividends on the Series A Preferred Stock or~~ common stock will depend on our earnings and financial condition, including our consolidated EBITDA, our liquidity and capital requirements, the general economic climate, the terms of our equity securities, contractual restrictions, our ability to service ~~any~~ **our** debt obligations ~~senior to our Series A Preferred Stock~~ and other factors deemed relevant by the Board of Directors **from time to time. Additionally, we have implemented a share repurchase program pursuant to which we may repurchase up to $ 350 million of shares of Common Stock from time to time through December 31, 2024, through various methods, including** in ~~accordance~~ **open market transactions, block trades, accelerated share repurchases, privately negotiated transactions, derivative transactions or otherwise, certain of which may be made pursuant to a trading plan meeting the requirements of Rule 10b5- 1 under the Securities Exchange Act of 1934, as amended, in compliance** with ~~its~~ **applicable state and federal securities** ~~bylaws~~ -- **laws** . The **timing** ~~Series A Preferred Stock could be converted into common stock in certain circumstances. Series A Preferred Stock~~ , as well as ~~accrued~~ **the number** and ~~unpaid dividends for Series A Preferred Stock~~ **value of shares repurchased under the program** , ~~can~~ **will** be ~~converted into~~ **determined by the Board or an authorized committee of the Board at its discretion and will depend on a variety of factors, including our assessment of the intrinsic value of the Company' s** common stock **, the market price** ~~in certain circumstances. The issuance~~ of **the Company' s** common stock ~~upon conversion of~~ **, general market and economic conditions, available liquidity, compliance with the Company' s debt and** ~~the~~ **other agreements** ~~Series A Preferred Stock~~ , **applicable legal requirements, the nature of other investment opportunities available to the Company,** and **other considerations. The Company is not obligated to purchase** any **shares under** ~~accrued and unpaid dividends on~~ the **repurchase program** ~~Series A Preferred Stock~~ , **and the program may** ~~could result in significant, material dilution to current holders of common stock. There can~~ be **suspended** ~~no assurance as to the timing of a conversion of Series A Preferred Stock. Furthermore~~ , **modified** ~~holders whose shares of Series A Preferred Stock are converted into common stock will no longer enjoy priority over other holders of common stock in the event of the liquidation~~ , ~~dissolution or winding up of the Company. Series A Preferred Stock votes with common stock on an as- converted basis. Holders of the Series A Preferred Stock have the right to vote together as a single class with holders of the common stock on an as- converted basis on all matters presented for~~ - **or discontinued** ~~a vote of the holders of common stock. As of December 31, 2022, holders of the Series A Preferred Stock held approximately 79. 1 % of the total voting power of the Company. The holders of the Series A Preferred Stock may have interests in matters brought before the stockholders that are different than the interests of holders of our common stock. While the holders of the Series A Preferred Stock may not act~~ - **at** ~~as a group, in the instances where their interests are aligned, their ability to cast votes on an as- converted basis may affect the outcome of~~ any **time without prior notice** ~~stockholder votes on such matters and may adversely affect the market price of the common stock~~ . We have made in the past, and may in the future make, significant grants under our equity incentive program. We have made, and expect to continue to make, grants of ~~common~~ **Common** ~~stock~~ **Stock** or options to purchase shares of ~~common~~ **Common** ~~stock~~ **Stock** to our employees, officers or directors under the Long- Term Incentive Plan. To the extent that shares of ~~common~~ **Common** ~~stock~~ **Stock** are granted, or options to purchase ~~common~~ **Common** ~~stock~~ **Stock** are granted, exercised and converted, existing holders of our ~~equity securities~~ **Common Stock** may experience dilution.