Risk Factors Comparison 2024-02-15 to 2023-02-16 Form: 10-K

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You should carefully consider the risks described below in addition to our other filings with the SEC and the other information set forth in this Form 10- K, including the " Management' s Discussion and Analysis of Financial Conditions and Results of Operations " section in Part II. Item 7 and our consolidated financial statements in Part II. Item 8. If any of the risks and uncertainties described in the cautionary factors described below actually occur or continue to occur, our business, financial condition, results of operations, reputation and the trading price of our common stock could be materially and adversely affected. These risks may be amplified by the effects of macroeconomic events or developments ~~, such as inflationary pressures, supply chain constraints, the Russia- Ukraine conflict and the ongoing COVID- 19 pandemic~~ . Moreover, the risks below are not the only risks we face and additional risks not currently known to us or that we presently deem immaterial may emerge or become material at any time and may negatively impact our business, financial condition, results of operations, reputation or the trading price of our common stock. Risks Related to Laws and Regulations We are subject to complex and changing laws and regulations in various jurisdictions regarding privacy, data protection ~~and~~ **,** information security, **and cybersecurity** which exposes us to increased costs and potential liabilities in the event of any actual or perceived failure to comply with such legal **and compliance** obligations and could adversely affect our business. The EU adopted the General Data Protection Regulation (" GDPR ") which took effect on May 25, 2018, harmonizing data protection laws across the **EU** ~~E. U~~ . The GDPR strengthens individual privacy rights and enhances data protection obligations for processors and controllers of personal data. This includes expanded disclosures about how personal information is to be used, limitations on retention of information and mandatory data breach notification requirements. Noncompliance with the GDPR can trigger significant fines. ~~Following GDPR enactment, other countries have also implemented similar privacy laws. Also,~~ U. S. federal, state and other foreign governments and agencies have adopted or are considering adopting laws and regulations regarding the collection, storage, use, processing and disclosure of personal data. **Several** ~~State~~ **state** governments within the U. S. **have recently** ~~are starting to enact~~ **enacted** their own versions of " GDPR- like " privacy legislation, which **has created, and we expect** will **continue to,** create additional compliance challenges, risk, and administrative burden ~~, such as the California Consumer Privacy Act (" CCPA "); the Virginia Consumer Data Protection Act; the Connecticut Data Privacy Act; the Utah Consumer Privacy Act and the Colorado Privacy Act. In addition, California voters passed by ballot initiative the California Privacy Rights Act in November 2020, which expands the CCPA~~ . Comprehensive U. S. federal privacy legislation is also being discussed seriously by lawmakers, and the Federal Trade Commission has commenced a privacy rulemaking **that may attempt to implement nationwide rules. These proposals, as well as other standalone federal bills, could restrict the ability of law enforcement to purchase data from private companies** . It is possible that a one- size fits all compliance program may be difficult to achieve and manage globally, and that we will be forced to comply with a patchwork of inconsistent privacy regulations. ~~Because~~ **Also, several** ~~the~~ **other** ~~interpretation~~ **countries in which we operate, including Australia** and ~~application of privacy and~~ **Brazil, have established legal requirements for cross- border** data **transfers** ~~protection laws are complex and still uncertain, it is possible that these laws may be interpreted and applied in a manner that is inconsistent with our existing practices or the features of our products, software and services~~ . There is continued uncertainty concerning rules related to transfers of EU and United Kingdom (" UK ") personal data outside of their respective jurisdictions. **There is also an increasing trend towards data localization policies.** Cloud- based solutions may be subject to further regulation ~~, including~~ **with respect to** data localization requirements and restrictions ~~concerning~~ **on the** international transfer of data ~~,~~ **. If countries implement more restrictive regulations for cross- border personal data transfers (or customers do not permit personal data to leave** the **country of origin), it could affect the manner in which we provide our services or the geographical location or segregation of our relevant systems and** ~~operational~~ **operations** ~~and cost~~ **, which could adversely** impact ~~of~~ **our business. In addition, various jurisdictions in** which ~~cannot~~ **we operate have adopted or are expected to promulgate cybersecurity regulations that would apply directly to our products and services. For example, in the EU, we are subject to, and expect to continue to** be ~~fully known at this time~~ **subject to, cybersecurity regulations for certain services we provide. These regulations expose us to increased costs to address compliance obligations and potential liability in the event of any failure to comply with such regulations, which could result in fines and penalties, reputational harm, and adversely affect our business. Because the interpretation and application of privacy, data protection, information security and cybersecurity laws are complex and still uncertain; it is possible that these laws may be interpreted and applied in a manner that is inconsistent with our existing practices or the features of our products, software and services** . Any failure or perceived failure by us, our business partners, or third- party service providers to comply with **such** ~~privacy and security- related data protection~~ laws ~~,~~ **and** regulations ~~and standards~~ , or the privacy commitments in contracts **,** could result in proceedings against us by governmental entities or others and significant fines, which could have a material adverse effect on our business and operating results and harm our reputation. Existing or future legislation and regulations pertaining to AI, AI- enabled products and the use of biometrics (e. g., facial recognition) or other video analytics that apply to us or to our customers may make it more challenging, costly, or in some cases prohibit certain products or services from being offered or modified and subject us to regulatory and litigation risks and potential liabilities, which could adversely affect our business and results of operations. ~~We could suffer reputational or competitive damage from negative publicity related to products and services that utilize AI or other regulated analytics, which could also adversely affect our business and results of operations.~~ Current or future ~~privacy- related~~ legislation and governmental regulations pertaining to AI, AI- enabled products and the use of biometrics or other video analytics may affect how our business is conducted or expose us to unfavorable developments resulting from changes in the regulatory landscape. For example **, President Biden' s recent Executive Order on Safe, Secure, and Trustworthy Artificial Intelligence has potentially broad implications on the development and use of AI across agencies within the United States, and could also result in extensive compliance requirements for companies like ours that sell solutions with AI applications. As another example, the AI Act in the EU, which received high- level political agreement in December 2023, and is anticipated to be passed into law by mid- 2024, is expected to place severe restrictions on the use of AI for real- time " biometric identification " by law enforcement, and implement significant compliance requirements on the development and use of AI for biometric identification of any kind. If adopted, it is also expected to place compliance requirements on a variety of other AI uses by law enforcement, as well as on the companies that develop those products, including us. Other such laws are expected to pass around the globe in the coming months and years. With respect to biometrics and other analytics**, laws such as the Biometric Information Privacy Act in Illinois have restricted the collection, use and storage of biometric information and provide a private right of action of persons who are aggrieved by violations of the act. **Additionally, laws such as the California automatic license plate recognition (" ALPR ") statute regulate the use of ALPRs and provide a private right of action to persons who have suffered actual damages from violation of the statute. The Federal Trade Commission has increasingly pursued enforcement actions against companies for the misuse of biometric information and the use of facial recognition technology without implementing appropriate safeguards.** Such legislation ~~and~~ **,** regulations **, and enforcement actions** have exposed us to, and we expect that they will continue to expose us to, regulatory and litigation risks. Legislation and governmental regulations related to AI and the use of biometrics and other video analytics may also influence our current and prospective customers' activities, as well as their expectations and needs in relation to our products and services. Compliance with these laws and regulations may be onerous and expensive, and may be inconsistent from jurisdiction to jurisdiction, further increasing the cost of compliance and the risk of liability. It is also not clear how existing and future laws and regulations governing issues such as AI, AI- enabled products, biometrics and other video analytics apply or will be enforced with respect to the products and services we sell. Any such increase in costs or increased risk of liability as a result of changes in these laws and regulations or in their interpretation could individually **,** or in the aggregate **,** make our products and services that use AI technologies, biometrics or other video analytics less attractive to our customers, cause us to change or limit our business practices or affect our financial condition and operating results. ~~We are increasingly building AI into many of our offerings. We envision a future in which AI operating in our products and services will help our public safety and private sector customers build safer communities with stronger communication platforms. AI may be flawed and datasets may be insufficient or contain biased information. Additionally, AI presents emerging ethical issues and we may enable or offer solutions that draw controversy due to their perceived or actual impact on society. As we work to responsibly meet our customers' needs for products and services that use AI, we could suffer reputational or competitive damage as a result of any inconsistencies in the application of the technology or ethical concerns both of which may generate negative publicity.~~ Government regulation of radio frequencies may limit the growth of private and public safety narrowband and broadband systems or reduce barriers to entry for new competitors. Radio spectrum is required to provide wireless voice, data, and video communications ~~service~~ **services** . The allocation of frequencies is regulated in the U. S. and other countries and limited spectrum is allocated to wireless services, including commercial and public safety users. The global demand for wireless communications has grown exponentially, and spurred competition for access among various networks and users. In response, regulators are reassessing the allocations of spectrum among users, including public safety users, and considering whether to change the allocation of certain **spectrum** bands from narrowband to broadband use, or to require sharing of spectrum bands. Our results could be ~~positively or~~ negatively affected by the rules and regulations adopted by regulators. Our products operate both on licensed and unlicensed spectrum. The ~~availability of additional radio spectrum may provide new business opportunities. Conversely, the~~ loss of available radio spectrum may result in the loss of business opportunities. Regulatory changes in current spectrum bands (e. g., the sharing of previously dedicated or other spectrum) ~~may also provide opportunities or~~ may require modifications to some of our products so they can continue to be manufactured and marketed. A portion of our business is dependent upon U. S. government contracts and grants, which are highly regulated and subject to disclosure obligations and oversight audits by U. S. government representatives and subject to cancellations. Any such disclosure events, audits or noncompliance with such regulations and laws could result in adverse findings and negatively impact our business. Our business with or funded by the U. S. government is subject to specific laws and regulations with numerous and unique compliance requirements relating to formation, administration and performance of U. S. federal or federally funded contracts. These requirements, which may increase or change over time, may increase our performance and compliance costs thereby reducing our margins, which could have an adverse effect on our financial condition. Violations or other failures to comply with these laws, regulations or other compliance requirements could lead to terminations for default, suspension or debarment from U. S. government contracting or subcontracting for a period of time or other adverse actions. Such laws, regulations or other compliance requirements include those related to procurement integrity, export control, U. S. government security and information security regulations, supply chain and sourcing requirements and restrictions, employment practices, protection of criminal justice data, protection of the environment, accuracy of records, proper recording of costs, foreign corruption, Trade Agreements Act, Buy America Act, other domestic content requirements, and the False Claims Act. Generally, in the U. S., government contracts and grants are subject to certain voluntary or mandatory disclosure obligations and oversight audits by government representatives. Such disclosures or audits could result in adjustments to our contracts. For contracts covered by the Cost Accounting Standards, any costs found to be improperly allocated to a specific contract may not be allowed, and such costs already reimbursed may have to be refunded. Future disclosures, audits and adjustments, if required, may materially reduce our revenues or profits upon completion and final negotiation of such disclosure events or audits. Negative disclosure or audit findings could also result in investigations, termination of a contract or grant, forfeiture of profits or reimbursements, suspension of payments, fines and suspension or prohibition from doing business with the U. S. government. All contracts with the U. S. government can be terminated for convenience by the government at any time. Certain of our offerings include services that are subject to telecommunications regulations in various jurisdictions, which expose us to increased costs to address compliance obligations and potential liability in the event of any ~~actual or perceived~~ failure to comply with such regulations, which could **result in fines and penalties, reputational harm and** adversely affect our business ~~, results of operations and financial condition~~ . We are a provider of certain services that include telecommunications in the U. S., including selective routing services for 911 calls. As such, we are subject to certain ~~existing or potential~~ Federal Communications Commission ~~("~~ FCC ~~")~~ and **possible** state regulations relating to telecommunications, including some certification or licensing, service reliability, and regulatory fee requirements. If we do not comply with **these** ~~FCC and state rules and~~ regulations, we could be subject to enforcement actions, fines, **and possibly** loss of certifications or licenses ~~, and possibly restrictions on our ability~~ to operate or offer certain of our services **that are regulated telecommunications** . Any enforcement action, which may be a public process, could **also** damage our reputation ~~,~~ **and** erode customer trust ~~, subject us to substantial fines and penalties, or cause us to restructure our service offerings, which could adversely affect our business, results of operations and financial condition~~ . Additionally, we are subject to regulations in certain foreign countries where we offer services that include telecommunications or other types of communications services. For example, we are registered to provide WAVE PTX push- to- talk offerings, with and without telecommunications connectivity, in certain countries **internationally** ~~in the EU~~ . Local laws and regulations, and the interpretation of such laws and regulations, can differ significantly among the jurisdictions in which we provide these services. In some countries, certain services that we offer are not considered to be regulated communications ~~or telecommunications~~ services, while in other countries they are subject to regulations, including registration with the local telecommunications governing authority, which increases the level of scrutiny and potential for enforcement by regulators as well as our cost of doing business internationally. Further, enforcement and interpretations of the laws and regulations in some countries can be unpredictable and subject to the informal views of government officials. Failure to comply with these regulations could subject us to **enforcement actions, fines and penalties,** additional compliance obligations or liabilities **, loss of authority to provide regulated services, and reputational harm** , which could adversely affect our business ~~, results of operations and financial condition~~ . Moreover, it is possible that regulations in any of these jurisdictions may be changed, expanded or interpreted and applied in a manner that is inconsistent with our existing practices. Future applicable legislative, regulatory or judicial actions could increase the cost and complexity of our compliance and increase our exposure to potential liability. Increased focus on climate change has contributed to an evolving state of environmental regulation and uncertainty related to such regulation, as well as physical risks of climate change, could impact our results of operations, financial or competitive position. Increased public awareness and worldwide focus on climate change has led to legislative and regulatory efforts to limit greenhouse gas emissions, and may result in more international, federal or regional requirements or industry standards to reduce or mitigate global warming. There continues to be a lack of consistent climate legislation, which creates economic and regulatory uncertainty. Additionally, legislative and regulatory efforts have focused on carbon taxes in certain areas where we operate. As a result, we may become subject to new or strengthened regulations, legislation or other governmental requirements or industry standards, and we anticipate that we will see increased demand to meet voluntary criteria related to reduction ~~or~~ **of greenhouse gas emissions, the** elimination of certain constituents from products and increasing energy efficiency. For example, the EU' s Corporate Sustainability Reporting Directive, Corporate Sustainability Due Diligence Directive and EU taxonomy initiatives will introduce additional due diligence and disclosure requirements addressing sustainability that **will apply or** we expect will apply **, as applicable,** to us in the coming years. These requirements **will,** and other increased regulation of climate change concerns could **,** subject us to additional costs and restrictions **,** and **could** require us to make certain changes to our manufacturing practices and / or product designs, which could negatively impact our business, results of operations, financial condition and competitive position. In addition, the physical risks of climate change (such as extreme weather conditions or rising sea levels) may impact the availability and cost of materials and natural resources, sources and supply of energy, product demand and manufacturing and could increase insurance and other operating costs. This may include, potentially, costs associated with repairing damage as a result of extreme weather events or renovating or retrofitting facilities to better withstand extreme events. Many of our facilities around the world, as well as our customers' and suppliers' operations, are in locations that may be impacted by the physical risks of climate change, and we face the risk of losses incurred as a result of physical damage to our facilities or those of our suppliers or customers such as loss or spoilage of inventory and business interruption caused by such events. We are subject to a wide range of product regulatory and safety, consumer, worker safety and environmental product compliance and remediation laws that continue to expand and could impact our ability to grow our business, could subject us to unexpected costs and liabilities and could impact our financial performance. Our operations and the products we manufacture are subject to a wide range of product regulatory and safety, consumer, worker safety and environmental product compliance and remediation laws. Compliance with such existing or future laws could subject us to future costs or liabilities, impact our production capabilities, constrict our ability to sell, expand or acquire facilities, restrict what products and services we can offer, and generally impact our financial performance. Some of these laws are environmental and relate to the use, disposal, cleanup of, and exposure to certain substances. For example, in the U. S., laws often require parties to fund remedial studies or actions regardless of fault and oftentimes in response to action or omissions that were legal at the time they occurred. We continue to incur disposal costs and have ongoing remediation obligations **, including those resulting from newly discovered environmental issues located at discontinued Company facilities, as well as current and former facilities of companies that we acquire** . Changes to environmental laws or our discovery of additional obligations under these laws could have a negative impact on our financial performance. Laws focused on: (i) the energy efficiency of electronic products and accessories, (ii) recycling of both electronic products and packaging, (iii) reducing or eliminating certain hazardous substances in electronic products, (iv) the use and transportation of batteries, and (v) debt collection and other consumer finance matters continue to expand significantly. ~~Laws~~

~~pertaining to accessibility features of electronic products, standardization of connectors and power supplies, the use and transportation of lithium- ion batteries and other aspects of our products are also proliferating.~~ There are also demanding and rapidly changing laws around the globe related to issues such as ~~product safety,~~ radio interference, radio frequency radiation exposure, medical related functionality, use of products with video functionality, and consumer and social mandates pertaining to use of wireless or electronic equipment. These laws, and changes to these laws, could have a substantial impact on whether we can offer certain products, solutions and services, on product costs, and on what capabilities and characteristics our products or services can or must include, which could negatively impact our business, results of operations, financial condition and competitive position. Tax matters could have a negative impact on our financial condition and results of operations. We are subject to income taxes in the U. S. and numerous foreign tax jurisdictions. Our provision for income taxes and cash tax liability may be negatively impacted by: (i) changes in the mix of earnings taxable in jurisdictions with different statutory tax rates, (ii) changes in tax laws and accounting principles, (iii) changes in the valuation of our deferred tax assets and liabilities, (iv) changes in available tax credits, (v) discovery of new information during the course of tax return preparation, (vi) increases in non- deductible expenses, or (vii) repatriating cash held abroad. ~~The~~ **Since our 2022 tax year, the** Tax Cuts and Jobs Act of 2017 **has** ~~requires~~ **required** that we capitalize and amortize our research and experimental expenditures over five or fifteen years, as applicable ~~, beginning with our tax year 2022~~ . This change in law had a materially negative impact on our cash tax liability in ~~2022~~ **2023** , and we expect such change to continue to impact our cash tax liability through 2026, unless the provisions are repealed or deferred by Congress. Tax audits may also negatively impact our business, financial condition and results of operations. We are subject to continued examination of our income tax returns, and tax authorities may disagree with our tax positions and assess additional tax. We regularly evaluate the likelihood of adverse outcomes resulting from these examinations to determine the adequacy of our provision for income taxes. Outcomes from these continuing examinations may have a negative impact on our future financial condition and operating results. Certain tax policy efforts, including the Organization for Economic Co- operation and Development' s Base Erosion and Profit Shifting Project, the European Commission' s state aid investigations, and other initiatives could have an adverse effect on the taxation of international businesses. Furthermore, many of the countries where we are subject to taxes, including the U. S., are independently evaluating their tax policy and we may see significant changes in legislation and regulations concerning taxation. Certain countries have already enacted legislation which could affect international businesses, and other countries have become more aggressive in their approach to audits and enforcement of their applicable tax laws. Such changes, to the extent they are brought into tax legislation, regulations, policies, or practices, could increase our effective tax rates in many of the countries where we have operations and have an adverse effect on our overall tax rate, along with increasing the complexity, burden and cost of tax compliance, all of which could impact our operating results, cash flows and financial condition. Risks Related to Our Ability to Grow Our Business ~~If one or more of the third- parties to whom we outsource certain business activities experience operational failures or business disruption as a result of the impacts from COVID- 19,or claim that they cannot perform,it may have negative effects on our business and financial condition.~~ As we expand the technologies within our Products and Systems Integration and Software and Services segments,we may **face increased areas of risk that we may not** be ~~subject~~ **able** to **properly assess or mitigate,as well as increased competition and** additional compliance obligations ~~and face increased competition and increased areas of risk that we may not be able to properly assess or mitigate~~ , **each of** which could harm our market share,results of operations and financial condition or result in additional **obligations or** liabilities for our business.The process of developing new video security,access control,and software products and enhancing existing products is complex,costly and uncertain,and any failure by us to anticipate customers' changing needs,emerging technological trends and development costs accurately could significantly harm our market share,results of operations and financial condition.Any failure to accurately predict technological and business trends,control research and development costs or execute our innovation strategy could harm our business and financial performance.Our research and development initiatives may not be successful in whole or in part,including research and development projects, ~~which~~ **that** we have prioritized with respect to funding and / or personnel.We may face increasing competition from traditional system integrators,the defense industry,commercial software companies,and commercial telecommunication carriers as services contracts become larger ~~and~~ **,** more complicated **,and include an expanded range of services** .Expansion will bring us into contact with new regulatory requirements and restrictions ~~,such as data security or data residency / localization obligations,~~ with which we ~~will~~ **may** have to comply and ~~may~~ **which could result in additional compliance obligations or liabilities;(including potential enforcement actions,fines penalties,or reputational harm);or** increase the costs of doing business,reduce margins ~~and~~ **or** delay or limit the range of new solutions and services which we will be able to offer.We may be required to agree to specific performance metrics that meet the customer' s requirements for network security,availability,reliability,maintenance and support and,in some cases,if these performance metrics are not met we may not be paid. ~~Additionally,our expanding portfolio of products may be subject to new regulatory and statutory requirements that could result in additional compliance obligations and liabilities for our business.~~ Our success depends in part on our timely introduction of new products and technologies and our results can be impacted by the effectiveness of our significant investments in new products and technologies.The markets for certain products of ours are characterized by changing technologies and evolving industry standards and customer preferences.For example,the software **and video security** ~~industry~~ **industries** ~~is~~ **are** characterized by rapidly changing customer preferences in favor of ~~digital capabilities,including public and private~~ cloud solutions **and the adoption of AI capabilities** .In some cases,it is unclear what specific technology will be adopted in the market or what delivery model will prevail.In addition,new technologies such as ~~voice over LTE and 5G or~~ push- to- talk ~~clients~~ over LTE and 5G could reduce sales of our traditional products. **New** ~~The shift to smart public safety and the prevalence of data in our customer use cases results in our competing in a more fragmented marketplace.In addition,new~~ technologies and new competitors continue to enter our markets at a faster pace than we have experienced in the past,resulting in increased competition from **traditional and** non- traditional suppliers ~~,including public~~

~~carriers,telecom equipment providers,consumer device manufacturers and software and video security companies~~ .New products and services are expensive to develop and bring to market and additional complexities are added when this process is outsourced as we have done in certain cases or as we increase our reliance on third- party content and technology.Moreover,evolving expectations from customers,including the expectations that companies offer products and services to help reduce energy consumption,improve efficiency and minimize greenhouse gas footprints,may impact our competitive position and research and development efforts.Our success depends,in substantial part,on the timely and successful introduction of new products and services,upgrades and enhancements of current products to comply with emerging industry standards,customer expectations,laws and regulations,including country specific proprietary **technology requirements,and to address competing technological and product developments carried out by our competitors.Developing new technologies to compete in a specific market may not be financially viable,resulting in our inability to compete in that market.The research and development of new,technologically- advanced products and services is a complex and uncertain process requiring high levels of innovation and investment,as well as the accurate anticipation of technology and market trends.Many of our products and services are complex and we may experience delays in completing development and introducing new products or technologies in the future.** Catastrophic events ~~, including the continuing COVID- 19 pandemic, natural disasters and other events beyond our control~~ may interrupt our business, or our customers' or suppliers' business, which may adversely affect our business, results of operations, financial position, cash flows and stock price. Our business operations, and the operations of our customers and suppliers, are subject to interruption by natural disasters (including climate change- related events), flooding, fire, power shortages, the widespread outbreak of infectious diseases and pandemics, ~~such as~~ **terrorist acts or the outbreak or escalation of armed hostilities, and** ~~the~~ **other** ~~continuing~~ **events beyond our control. If a new pandemic or health outbreak were to occur, we could experience varied impacts similar to what we experienced related to the impacts of** COVID- 19 ~~pandemic~~ , ~~terrorist acts or the outbreak or escalation of armed hostilities (~~ including **impacts to** ~~the military action against Ukraine launched by Russia and any related political or~~ **our** ~~economic responses)~~ **workforce and supply chain** , **inflationary pressures and increased costs, schedule or production delays, market volatility** and other **financial impacts. These** events ~~beyond our control. Any of~~ **such as COVID- 19 have had, and in** ~~these~~ -- **the** ~~events~~ **future** could ~~impair~~ **continue to have, a negative impact on** our ability to manage our business and / or cause disruption of economic activity, which could have an adverse effect on our business, results of operations, financial position, cash flows and stock price. **Social** ~~In particular~~ , **ethical, and competitive risks relating to** the ~~continuing COVID- 19 pandemic~~ **use of AI in our products and services could adversely affect our results of operations and business reputation. We envision a future in which AI operating in our products and services will help our public safety and enterprise customers build safer communities with stronger communication platforms. As we increasingly build AI** , including **generative AI, into our offerings, we may enable or offer solutions that draw controversy due to** ~~the~~ **their** ~~emergence~~ **actual or perceived impact on social and ethical issues resulting from the use** of ~~variants,~~ **new and evolving AI in such offerings. AI may not always operate** ~~has~~ - **as intended** ~~had,~~ and **datasets may be insufficient or contain illegal, biased, harmful or offensive information, which** could **negatively impact** ~~continue to have, an adverse effect on~~ our **results of operations,** business ~~, financial position, cash flows~~ **reputation or customers' acceptance of our AI offerings. Although we work to responsibly meet our customers' needs for products** and **services that use AI** ~~stock price in many ways~~ , including **through AI governance programs** ~~, but not limited to, the following: • The COVID- 19 pandemic~~ and **internal technology oversight committees** ~~responses to it have significantly impacted the movement of goods and services worldwide~~ , ~~which has resulted in and which~~ we **may still suffer reputational** ~~expect to continue to result in disruptions in our~~ - **or competitive damage** ~~supply chain, particularly with respect to difficulties and delays in procuring semiconductor components and disruptions to transportation. • Our workforce may be unable to work on- site or travel~~ as a result of ~~event cancellations~~ **any inconsistencies in the application of the technology or ethical concerns** , ~~facility closures~~ **both of which may generate negative publicity. Further** , ~~travel and~~ **we face significant competition from** other **companies that are developing** ~~restrictions and changes in industry practice, or if they,~~ their ~~co~~ **own AI systems. Other companies may develop AI systems that are similar or superior to our technologies or more cost** - ~~workers~~ **effective to develop and deploy. Additionally, customer demand** ~~or~~ **for AI- based analytics may continue to increase at a fast rate. Therefore,** ~~their~~ -- **the** ~~family members become ill~~ **research and development cost we may incur to compete with such AI systems and meet increased customer demand** ~~or~~ **for** ~~otherwise require~~ **AI- based analytics may increase the cost of our offerings. If we** ~~care~~ - **are** ~~arrangements.~~ **unable to mitigate** ~~These~~ **these** ~~workforce disruptions have~~ **risks, our results of operations may be** adversely affected and could continue to adversely affect,...... obligations with additional areas of regulatory requirements . We expect to continue to make strategic acquisitions of other companies or businesses and these acquisitions introduce significant risks and uncertainties, including risks related to integrating the acquired businesses and achieving benefits from the acquisitions. In order to position ourselves to take advantage of growth opportunities or to meet other strategic needs such as product or technology gaps, we have made, and expect to continue to make, strategic acquisitions that involve significant risks and uncertainties. These risks and uncertainties include: (i) the inability to realize our business plan with respect to the acquired businesses, (ii) the difficulty or inability in integrating newly- acquired businesses and operations in an efficient and effective manner, including ensuring proper integration of acquired businesses' legal and regulatory compliance programs, information technology systems and financial reporting and internal control systems, (iii) the challenges in integrating acquired businesses to create the operating platform for public safety, (iv) the challenges in achieving strategic objectives, cost savings and other benefits from acquisitions, (v) the risk that our contractual relationships or the markets served do not evolve as anticipated and that the technologies acquired do not prove to be those needed to be successful in those markets, (vi) the potential loss of key employees of the acquired businesses, (vii) the risk of diverting the attention of senior management from our operations, (viii) the risks of entering new markets in which we have limited experience, (ix) future impairments of goodwill, ~~and~~ (x) the potential loss of intellectual property due to actions of employees in connection with such acquisitions ~~. In~~

~~particular, failure to achieve targeted cost~~ and ~~revenue synergies could negatively impact~~ **(xi) the potential identified** ~~our~~ **or** ~~business performance~~ **unknown security vulnerabilities in acquired products that expose us to additional security risk** . Certain acquisition candidates in the industries in which we participate may carry higher relative valuations (based on revenues, earnings, cash flow, or other relevant multiples) than we do. This is particularly evident in recurring revenue businesses, software businesses and certain services businesses. Acquiring a business that has a higher relative valuation than Motorola Solutions may be dilutive to our earnings. In addition, we may not pursue opportunities that are highly dilutive to near- term earnings. Key employees of acquired businesses may receive substantial value in connection with a transaction in the form of cash payments for their ownership interest, particularly in the case of founders and other shareholder employees, or as a result of change- in- control agreements, acceleration of stock options and the lifting of restrictions on other equity- based compensation rights. To retain such employees and integrate the acquired business, we may offer additional retention incentives, but it may still be difficult to retain certain key employees. Risks Related to Information Technology and Intellectual Property Increased cybersecurity threats could lead to a security breach or other significant disruption of our IT systems, those of our outsource partners, suppliers or those we manufacture, install, and in some cases operate and maintain for our customers, and could have a negative impact on our operations, sales, and operating results. We rely extensively on our information systems to manage our business operations. We are consistently subject to attempts to compromise our information technology systems from both internal and external sources and, like all information technology systems, our systems are potentially vulnerable to damage, unauthorized access or interruption from a variety of sources, including but not limited to, cyberattack, cyber intrusion, computer viruses, security breach, denial- of- service attacks, ransomware or other malware, energy blackouts, natural disasters and severe weather conditions, terrorism, sabotage, war, insider trading, human error and computer and telecommunication failures. As a provider of mission- critical communications systems for customers in critical infrastructure sectors of the U. S. and globally, including systems that we operate and maintain for certain customers of ours or as a software- based service, we face additional risk as a **potential** target of sophisticated attacks aimed at compromising both our company' s and our customers' sensitive information and intellectual property. This risk is heightened because these systems may contain sensitive governmental information or personally identifiable or other protected information. Our vulnerability **and that of our third- party vendors,** to cyber and other information technology risks may also be increased by factors such as **cyberattacks related to** ~~the Russia-Ukraine conflict and resulting~~ geopolitical ~~conflict~~ **conflicts (** ~~, as well as COVID- 19,~~ which ~~has contributed to a~~ **may be heightened by our global presence) and the** large portion of our office ~~workers continuing~~ **workforce that continues** to work from home. Additionally, the **volume, frequency and** sophistication of these threats continues to grow and the complexity and scale of the systems to be protected continues to increase. Like other enterprise software companies, we also use open source software from time to time, which may be more susceptible to vulnerabilities that may not be identified with scanning tools. In an effort to protect against such attacks, we maintain insurance related to cybersecurity risks and employ a number of countermeasures and security controls, including training, audits, encryption, and utilization of commercial information security threat sharing networks. ~~Specifically, regarding vulnerabilities, we patch systems where patches are available to deploy, and have technologies and services that help us to detect exploits of vulnerabilities and proactively block the exploit when it happens.~~ If we fail to effectively manage our ~~investment in~~ cybersecurity, our business, products, and services could suffer from the resulting weaknesses in our infrastructure, systems or controls. Further, our company outsources certain business operations, including, but not limited to IT, network connectivity, HR information systems, manufacturing, repair, distribution and engineering services. We are dependent, in certain instances, upon our outsourced business partners, suppliers, and customers to adequately protect our IT systems and those IT systems that we manage for our customers, including the hosts of our cloud infrastructure on top of which our cloud- based solutions are built, as well as the network connectivity upon which some of our services are built. Some of our customers are exploring broadband solutions that use public carrier networks on which our solutions would operate. We do not have direct oversight or influence over how public carrier networks manage the security, quality, or resiliency of their networks, and because they are an attractive high value target due to their role in critical infrastructure, they expose customers to an elevated risk over our private networks. In addition, we maintain certain networked equipment at customer locations and are reliant on those customers to protect and maintain that equipment. A cyberattack or other significant disruption involving our IT systems or those of our outsource partners, suppliers or our customers could result in substantial costs to repair or replace our IT systems or the loss of critical data and interruptions or delays in our ability **, or that of our customers,** to perform critical functions. Such disruption may also result in the unauthorized release of proprietary, confidential or sensitive information of us or our customers, or the disruption of services provided to customers and essential for their mission. Such unauthorized access to, or release of, information or disruption of services could: (i) allow others to unfairly compete with us, (ii) compromise safety or security, given the mission- critical nature of our customers' systems, (iii) subject us to claims for breach of contract, tort, and other civil claims without adequate indemnification from our suppliers, (iv) subject us to time- intensive notification requirements, ~~and~~ (v) damage our reputation **, and (vi) require us to provide modifications or replacements to our products and services** . Our potential liability related to such claims by customers or third- parties described above may not be contractually capped nor fully covered by our insurance. We could face regulatory penalties, enforcement actions, remediation obligations and / or private litigation by parties whose data is improperly disclosed or misused. Any or all of the foregoing could have a negative impact on our business, financial condition, results of operations, and cash flow. If we are unable to adequately protect our intellectual property, or if we, our customers and / or our suppliers are found to have infringed intellectual property rights of third parties, our competitive position and results of operations may be adversely impacted. Our intellectual property rights protect our innovations and technology, and they may also generate income under license agreements. We attempt to protect our proprietary technology with intellectual property in the form of patents, copyrights, trademarks, trade secret laws, confidentiality agreements and other methods. We also generally restrict access to and distribution of our proprietary information. Despite these precautions, it may be possible for a third- party to obtain and use our proprietary information or develop similar technology independently. As we expand our business, including through acquisitions, and compete with new competitors in new markets, the breadth and strength of our intellectual property portfolio in those new markets may not be as developed as in our longer- standing businesses. This may expose us to a heightened risk of litigation and other challenges from competitors in these new markets. In addition, effective patent, copyright, trademark and trade secret protection may be unavailable or limited in certain foreign countries. Unauthorized use of our intellectual property rights by third- parties and the cost of any litigation necessary to enforce our intellectual property rights could have a negative impact on our financial results and competitive position. Moreover, the validity and scope of coverage of our patents cannot be fully determined prior to litigation. Additionally, because our products are comprised of complex technology, we are often involved in or impacted by assertions, including both requests for licenses and litigation, regarding third- party patents and other intellectual property rights. The development of products operable in accordance with industry standards, such as those related to 5G or video technology, may result in third- party patent royalty demands. Third- parties have asserted, and in the future may assert, intellectual property infringement claims against us and against our customers and suppliers. Many of these assertions are brought by non- practicing entities whose principal business model is to secure patent licensing- based revenue from product manufacturing companies. The patent holders often make broad and sweeping claims regarding the applicability of their patents to our products and services, seeking a percentage of sales as licenses fees, seeking injunctions to pressure us into taking a license, or a combination thereof. Defending claims may be expensive and divert the time and efforts of our management and employees. Third- parties may also seek broad injunctive relief, which could limit our ability to sell our products in the U. S. or elsewhere with intellectual property subject to the claims. If we do not succeed in any such litigation, we could be required to expend significant resources to pay damages, develop non- infringing products or to obtain licenses to the intellectual property that is the subject of such litigation, each of which could have a negative impact on our financial results. Such licenses, if available at all, may not be available to us on commercially reasonable terms. In some cases, we might be forced to stop delivering certain products if we or our customer or supplier are subject to a final injunction. We face risks relating to intellectual property licenses and intellectual property indemnities in our customer and supplier contracts, which may fail to fully protect us and subject us to unexpected liabilities or harm our financial condition and results of operations. We obtain some technology from suppliers through the purchase of components or licensing of software, and we attempt to negotiate favorable intellectual property indemnities with our suppliers for infringement of third- party intellectual property rights. With respect to such indemnities, we may not be successful in our negotiations, a supplier' s indemnity may not fully protect us or cover all damages and losses suffered by us and our customers due to the infringing products, or a supplier may not choose to obtain a third- party license or modify or replace its products with non- infringing products which would otherwise mitigate such damages and losses. Such situations may subject us to unexpected liabilities or unfavorable conditions. Further, we may not be able to participate in intellectual property litigation involving a supplier and may not be able to influence any ultimate resolution or outcome that may negatively impact our sales or operations if a court enters an injunction that enjoins the supplier' s products or if the International Trade Commission issues an exclusionary order that blocks importation of our products into the U. S. Intellectual property disputes involving our suppliers have resulted in our involvement in International Trade Commission proceedings from time to time. These proceedings are costly and entail the risk that we will be subjected to a ban on the importation of our products into the U. S. solely as a result of our use of a supplier' s components. In addition, our customers increasingly demand that we indemnify them broadly from all damages and losses resulting from intellectual property litigation against them. These demands may stem from non- practicing entities that engage in patent enforcement and litigation, sometimes seeking royalties and litigation judgments in proportion to the value of the use of our products, rather than in proportion to the cost of our products. Such demands can amount to many times the selling price of our products. Further, competitors may be able to negotiate significantly more favorable terms for intellectual property than we are able to, which puts them at a competitive advantage. Moreover, with respect to our internally developed proprietary software, we may be harmed if we are forced to make publicly available, under the relevant open- source licenses, some of that proprietary software as a result of either our use of open- source software code or the use of third- party software that contains open- source code. We no longer own certain logos and other trademarks, trade names and service marks, including MOTOROLA, MOTO, MOTOROLA SOLUTIONS and the Stylized M logo and all derivatives and formatives thereof (“ Motorola Marks ”) and we license the Motorola Marks from Motorola Trademark Holdings, LLC (“ MTH ”), which is currently owned by Motorola Mobility, a subsidiary of Lenovo. Our joint use of the Motorola Marks could result in product and market confusion and negatively impact our ability to expand business under the Motorola brand. In addition, if we do not comply with the terms of the license agreement we could lose our rights to the Motorola Marks. In 2010, we secured a worldwide, perpetual and royalty- free license from MTH to use the Motorola Marks as part of our corporate name and in connection with the manufacture, sale, and marketing of our current products and services. The license of the Motorola Marks is important to us because of the reputation of the Motorola brand for our products and services. There are risks associated with both Motorola Mobility and us using the Motorola Marks and our loss of ownership of the Motorola Marks. As both we and Motorola Mobility use the Motorola Marks, confusion could arise in the market, including customer confusion regarding the products offered by and the actions of the two companies. Also, any negative publicity associated with either company in the future could adversely affect the public image of the other. Motorola Mobility was acquired by Lenovo in 2014, which resulted in Lenovo having effective control over the Motorola Marks. Our risks under the license could increase if Lenovo expands its use of the Motorola Marks, or if our products and those of Lenovo converge. In addition, because our license of the Motorola Marks is limited to products and services within our specified fields of use, we are not permitted to use the Motorola Marks in other fields of use without the approval of Motorola Mobility. As we continue to expand our business into any other fields of use, we either must do so with a brand other than the Motorola brand, which could take considerable time and expense, or assume the risk that our expanded fields don’ t meet the definition of permitted fields of use under our license, which could result in loss of our rights to use the Motorola

Marks. We could lose our rights to use the Motorola Marks if we do not comply with the terms of the license agreement. Such a loss could negatively affect our business, results of operations and financial condition. Furthermore, MTH has certain rights to license the brand to third- parties and either Motorola Mobility or licensed third- parties may use the brand in ways that make the brand less attractive for customers of Motorola Solutions, creating increased risk that Motorola Solutions may need to develop an alternate or additional brand. Motorola Mobility may require us to adopt modifications to the Motorola Marks, and this could negatively impact our business, including costs associated with rebranding. Neither Motorola Mobility nor Lenovo ~~are~~ **is** prohibited from selling the Motorola Marks. In the event of a liquidation by Lenovo or the then- owner of the Motorola Marks, it is possible that a bankruptcy court would either (i) permit the Motorola Marks to be assigned to a third- party whose interests may be incompatible with ours, thereby potentially making the license arrangement difficult to administer and increasing the costs and risks of sharing the Motorola Marks, or (ii) refuse to uphold the license or certain of its terms, which could negatively affect our business, results of operations and financial condition. Risks Related to the Operation of Our Business Our future operating results depend on our ability to purchase at acceptable prices a sufficient amount of materials, parts, and components, as well as software and services, to meet the demands of our customers and any disruption to our suppliers or significant increase in the price of supplies has had, and could continue to have a negative impact on our results of operations or financial condition. Our ability to meet customers' demands depends, in part, on our ability to timely obtain an adequate delivery of quality materials, parts, and components, as well as software and services, from our suppliers. If demand for our products or services increases from our current expectations or if, as we have experienced recently, suppliers are unable to meet our demand for other reasons, including as a result of supply chain constraints, natural disasters (including events related to climate change), financial issues or other factors, we have, and could continue to experience an interruption in supply or a significant increase in the price of supply. We have experienced such shortages in the past that have negatively impacted our results of operations and may continue to experience such shortages in the future. In **2023, we reduced our inventory carrying levels as compared to** 2022 **in response to improved supply conditions of semiconductors** , **although we expect to continue to actively manage** our **inventory in the future, including by continuing to carry increased levels of inventory in targeted areas to support increased demand and customer requirements. We expect that any future** supply chain ~~was impacted by global issues related to the~~ effects **could also** ~~of the COVID- 19 pandemic, the Russia- Ukraine conflict and the inflationary cost environment, particularly with respect to materials in the semiconductor market, including part shortages, increased freight costs, diminished transportation capacity and labor constraints. This resulted in disruptions in our supply chain, as well as difficulties and delays in procuring certain semiconductor components. Cost increases were driven by elevated lead times and increased material costs, in particular the need to purchase semiconductor components from alternative sources, including brokers. We attempted, and continue to attempt, to mitigate such supply disruptions by focusing on improving our supplier network, engineering alternative designs and actively managing our inventory. We expect reduced supply of these materials in the semiconductor market and the related mitigation efforts described above to continue, which may~~ impact our ability to meet customer demand and negatively impact our results of operations. Our suppliers have, and may continue to significantly and quickly increase their prices in response to increases in costs of raw materials that they use to manufacture their parts or components. As a result, we may not be able to increase our prices commensurately with our increased costs, which could negatively impact our results of operations or financial condition. In addition, certain supplies, including for some of our critical components, software and services solutions, are available only from a single source or limited sources and we may not be able to diversify sources in a timely manner. Where certain supplies are not available from our direct suppliers, we may be required to move to an alternative source or source certain items through the open market, which involves significantly increased prices that are difficult to forecast or predict. We have been required to take these steps in certain instances in connection with the impact on the semiconductor market described above. Each of these factors may impact our ability to meet customer demand and could negatively impact our results of operations or financial condition. We are exposed to risks under large, multi- year system and services contracts that may negatively impact our business. We enter into large, multi- year system and services contracts with municipal, state, and nationwide government and commercial customers. In some cases, we may not be the prime contractor and may be dependent on other third- parties such as commercial carriers or systems integrators. Our entry into these contracts exposes us to risks, including among others: (i) technological risks, (ii) risk of defaults by third- parties on whom we are relying for products or services as part of our offering or who are the prime contractors, (iii) financial risks, including potential penalties applicable to us if performance commitments in managed services contracts are not met, the estimates inherent in projecting costs associated with such contracts, the fact that such contracts often only receive partial funding initially and may be cancellable on short notice with limited penalties, our inability to recover front- loaded capital expenditures in long-term managed services contracts, the impact of the termination of funding for a government program or the insolvency of a commercial customer, and the impact of currency fluctuations and inflation, (iv) cybersecurity ~~risk~~ **risks** , especially in managed services contracts with public safety and ~~commercial~~ **enterprise** customers that process data, and (v) political or regulatory ~~risk~~ **risks** , especially related to the contracts with government customers, including our Airwave ~~and Emergency Services Network (" ESN ") government contracts~~ - **contract** in the UK ~~. For example~~ , **as described below.** ~~with~~ **With** respect to ~~financial~~ **the political or regulatory** risks of such contracts, in ~~the third quarter of 2022, we realized a fixed asset impairment loss of $ 147 million related to our ESN service contract with the Home Office of the UK. Moreover, with respect to the political or regulatory risks of such contracts, in~~ October 2021, the ~~UK' s Competition and Markets Authority (the "~~ CMA ~~")~~ announced that it had opened a market investigation into the Mobile Radio Network ~~for the Police and Emergency~~ Services **market** . This investigation ~~affects~~ **included** Airwave, our private mobile radio communications network that we acquired in 2016. Airwave provides mission- critical voice and data communications to ~~public~~ emergency ~~service~~ **services and other** agencies in Great Britain. In ~~October~~ **early** ~~2022~~ **2023** , the CMA published a ~~provisional~~ **final** decision ~~with~~ **which stated** ~~its~~ - **it** ~~findings regarding competition and proposed remedies~~ **will impose a prospective price control on the Airwave contract** . We ~~disagree~~

disagreed with the CMA' s ~~provisional~~ decision and **filed an appeal with the Competition Appeal Tribunal (" CAT"). In addition, on July 31, 2023, the CMA adopted a remedies order which implemented the price control set out in its final decision, which was suspended until the CAT dismissed our appeal on December 22, 2023. On February 13, 2024, we filed an application with the United Kingdom Court of Appeal requesting that it hear our appeal. Revenue** will ~~continue~~ **be recognized according** to ~~work with~~ **the remedies order published by** the CMA ~~to demonstrate the value of the Airwave network and protect Airwave' s contractual position; however~~ , **unless** the **United Kingdom** ~~ultimate resolution of the CMA market investigation could result in additional compliance obligations for our~~ **Court of Appeal were to reverse the** ~~Airwave business such as prospective price controls, enhanced information transparency or structural~~ remedies **order** . Our employees, customers, suppliers and outsource partners are located throughout the world and, as a result, we face risks that other companies that are not global may not face. Our customers and suppliers are located throughout the world. In ~~2022~~ **2023** , ~~30~~ **31** % of our revenue was generated outside of North America. In addition, 47 % of our employees were employed outside of North America in ~~2022~~ **2023** . Most of our suppliers' operations are outside the U. S. A significant amount of manufacturing and research and development of our products, as well as administrative and sales facilities, takes place outside of the U. S. If the operations in these facilities ~~is~~ **are** disrupted, our business, financial condition, results of operation, and cash flows could be negatively impacted. Because of these sizable sales and operations outside of the U. S., we have more complexity in our operations and are exposed to a unique set of global risks that could negatively impact our business, financial condition, results of operations, and cash flows, including but not limited to: (i) currency fluctuations, including but not limited to increased pressure to agree to established currency conversion rates and cost of living adjustments as a result of foreign currency fluctuations, (ii) import / export regulations, tariffs, trade barriers and trade disputes, customs classifications and certifications, including but not limited to changes in classifications or errors or omissions related to such classifications and certifications, (iii) compliance with and changes in U. S. and non- U. S. laws or regulations related to antitrust and competition (such as the CMA' s ~~ongoing~~ **findings and remedies order in connection with its** market investigation into the Mobile Radio Network ~~for the Police and Emergency~~ Services **market and the EU Foreign Subsidies Regulation**), anti- corruption (such as the Foreign Corrupt Practices Act and the U. K. Bribery Act), trade, labor and employment, environmental, health and safety, technical standards, consumer protection, intellectual property and data privacy, (iv) tax issues, such as tax law changes, variations in tax laws from country to country and as compared to the U. S., obligations under tax incentive agreements, and difficulties in securing local country approvals for cash repatriations, (v) reduced financial flexibility given that a significant percentage of our cash and cash equivalents is currently held outside of the U. S., (vi) challenges in collecting accounts receivable, (vii) cultural and language differences, (viii) instability in economic or political conditions, including inflation, recession **, the imposition of sanctions** and actual or anticipated military or political conflicts ~~(such as the Russia- Ukraine conflict)~~ and terrorism, (ix) natural disasters, (x) public health issues or outbreaks or pandemics ~~,~~ **(** such as the ~~continuing~~ COVID- 19 pandemic ~~,~~ **)** and (xi) litigation in foreign court systems and foreign enforcement or administrative proceedings. Additionally, the benefits we receive under various agreements we have entered into with non- U. S. governments and agencies relate to our operations and / or sales in such foreign jurisdictions. If our operations or sales are not at levels originally anticipated, we may be at risk of having to reimburse benefits already granted, which could increase our cost of doing business in such foreign jurisdictions. Over the last several years we have utilized third- parties to develop, design and / or manufacture many of our components and some of our products, and to perform portions of certain business operations such as IT, network connectivity, HR information systems, manufacturing, repair, distribution and engineering services. We expect to continue these practices in the future, which limit our control over these business operations and exposes us to additional risk as a result of the actions of our outsource partners. We rely on third- parties to develop, design and / or manufacture many of our components and some of our products (including software), and to assist in performing certain IT, network connectivity, HR information systems, manufacturing, repair, distribution and engineering services. As we outsource more of such operations we are not able to directly control these activities. We could have difficulties fulfilling our orders and our sales and profits could decline if: (i) we are not able to engage such third- parties with the capabilities or capacities required by our business, (ii) such third- parties lack our desired level of performance or service, lack sufficient quality control or fail to deliver quality components, products, services or software on time and at reasonable prices, (iii) there are significant changes in the financial or business condition of such third- parties, (iv) our third- party providers fail to comply with legal or regulatory requirements (such as the Uyghur Forced Labor Protection Act), (v) we have difficulties transitioning operations to such third- parties, or (vi) such third- parties are disrupted by external events, such as **cyberattacks,** natural disasters **, public health issues** or **outbreaks or pandemics** ~~other significant disruptions (including COVID- related impacts as described above~~ , extreme weather conditions related to climate change, acts of terrorism or political conflicts ~~(such as the Russia- Ukraine conflict), cyberattacks and labor disputes)~~ . Our reliance on third- parties could, in certain instances, result in reputational damage or even disqualify us from sales opportunities with certain government customers. For example, our supply chain is complex and if our suppliers are unable to verify that components and parts provided to us are free of defined " conflict minerals " originating from the Democratic Republic of Congo (" DRC ") or an adjoining country, then we may be required to publicly disclose, as we have disclosed in the past, that we are not currently able to determine if the products we manufactured are DRC conflict- free, which could harm our reputation. Once a business activity is outsourced we may be contractually prohibited from or may not practically be able to bring such activity back within the Company or move it to another outsource partner. The actions of our outsource partners could result in reputational damage to us and could negatively impact our business, financial conditions, results of operations, and cash flows. We utilize the services of subcontractors to perform under many of our contracts and the inability of our subcontractors to perform in a timely and compliant manner or to adhere to our Human Rights Policy could negatively impact our business. We engage subcontractors, including third- party integrators, on many of our contracts and as we expand our ~~solutions~~ **technologies in our Products** and **Systems Integration and Software and** ~~services~~ **Services** ~~business~~ **segments** , our use of subcontractors has and will continue to increase. Our subcontractors may further subcontract performance and may supply third- party products and software from a number of smaller companies. In addition, it is our policy to require our subcontractors and other third- parties with whom we work to operate in compliance with applicable laws, rules and regulations, including our Human Rights Policy (and, in addition, for our suppliers to comply with our Supplier Code of Conduct). We may have disputes with our subcontractors, including disputes regarding the quality and timeliness of work performed by the subcontractor or its subcontractors and the functionality, warranty and indemnities of products, software and services supplied by our subcontractor. We are not always successful in passing down customer requirements to our subcontractors or a customer may otherwise look to us to cover a loss or damage, and thus in some cases may be required to absorb contractual risks from our customers without corresponding back- to- back coverage from our subcontractor. Our subcontractors may not be able to acquire or maintain the quality of the materials, components, subsystems and services they supply, or secure preferred warranty and indemnity coverage from their suppliers which might result in greater product returns, service problems, warranty claims and costs and regulatory compliance issues. Further, one of our subcontractors or other third- parties subject to our Human Rights Policy could fail to comply with such policies or with applicable law or may engage in unethical business practices. Any of the foregoing could cause orders to be canceled, relationships to be terminated or our reputation to be damaged, which could harm our business, financial condition and results of operations. If the quality of our products does not meet our customers' expectations or regulatory or industry standards, then our sales and operating earnings, and ultimately our reputation, could be negatively impacted. Some of the products we sell may have quality issues resulting from the design or manufacture of the product, or from the software used in the product. Sometimes, these issues may be caused by components we purchase from **suppliers, or from finished products we purchase from** other manufacturers ~~or suppliers~~ **, which we then resell to customers** . Often these issues are identified prior to the shipment of the products and may cause delays in shipping products to customers, or even the cancellation of orders by customers. Sometimes, we discover quality issues in the products after they have been shipped to our customers, requiring us to resolve such issues in a timely manner that is the least disruptive to our customers, particularly in light of the mission- critical nature of our communications products. Such pre- shipment and post- shipment quality issues can have legal, financial and reputational ramifications, including: (i) delays in the recognition of revenue, loss of revenue or future orders, (ii) customer- imposed penalties for failure to meet contractual requirements, (iii) increased costs associated with repairing or replacing products, and (iv) a negative impact on our goodwill and brand name reputation. In some cases, if the quality issue affects the product' s performance, safety or regulatory compliance, then such a " defective " product may need to be " stop- shipped " or recalled. Depending on the nature of the quality issue and the number of products in the field, it could cause us to incur substantial recall or corrective field action costs, in addition to the costs associated with the potential loss of future orders and the damage to our goodwill or brand reputation. In addition, we may be required, under certain customer contracts, to pay damages for failed performance that might exceed the revenue that we receive from the contracts. Recalls and field actions involving regulatory non- compliance could also result in fines and additional costs. Recalls and field actions could result in third- party litigation by persons or companies alleging harm or economic damage as a result of the use of the products. In addition, privacy advocacy groups and other technology and industry groups have established or may establish various new or different self- regulatory standards that may place additional obligations on us. Our customers may expect us to meet voluntary certifications or adhere to other standards established by third- parties. If we are unable to maintain these certifications or meet these standards, it could reduce demand for our products and adversely affect our business. Increasing scrutiny and evolving expectations from investors, customers, lawmakers, regulators and other stakeholders regarding environmental, social and governance (" ESG ")- related practices and disclosures may adversely affect our reputation, adversely impact our ability to attract and retain employees or customers, expose us to increased scrutiny from the investment community or enforcement authorities or otherwise adversely impact our business and results of operations. There is increasing scrutiny and evolving expectations from investors, customers, lawmakers, regulators and other stakeholders on ESG- related practices and disclosures, including those related to environmental stewardship, climate change, diversity, equity and inclusion, forced labor, racial justice and workplace conduct. Regulators have imposed, and likely will continue to impose, ESG- related rules and guidance, which may conflict with one another and impose additional costs on us or expose us to new or additional risks. Moreover, certain organizations that provide information to investors have developed ratings for evaluating companies on their approach to different ESG- related matters, and unfavorable ratings of us or our industries may lead to negative investor sentiment and the diversion of investment to other companies or industries. We have elected to share publicly our ongoing ESG- related efforts in our proxy statement, Corporate Responsibility Report, TCFD Report, and on our corporate website. Our business may face increased scrutiny related to these activities, and our failure or perceived failure to meet ESG- related goals or maintain ESG practices that meet evolving stakeholder expectations, could harm our reputation, adversely impact our ability to attract and retain employees or customers, expose us to increased scrutiny from the investment community or enforcement authorities or otherwise adversely affect our business and results of operations. Risks Related to Human Capital Management Our success depends in part upon our ability to attract and retain senior management and key employees, including engineers and other key technical employees, in order to remain competitive. The performance of our CEO, senior management and other key employees such as engineers and other ~~key~~ technical employees is critical to our success. If we are unable to retain talented, highly- qualified senior management, engineers and other key employees or attract them when needed, it could negatively impact our business. We rely on the experience of our senior management, most of whom have been with us for many years and as a result have specific knowledge relating to us and our industry that is difficult to replace and competition for management with experience in the communications industry is intense. A loss of the CEO, a member of senior management, or an engineer or other key employee particularly to a competitor, could also place us at a competitive disadvantage. In addition, we face increased demands for technical personnel in areas such as software development, which is an area of particularly high demand for skilled employees. We believe that our future success depends in large part on our continued ability to hire, assimilate, retain and leverage the skills of qualified engineers and other highly- skilled personnel needed to develop successful new products or services. In particular, we have faced, and expect to continue to face, intense competition globally for experienced software and cloud computing infrastructure engineers, as well as employees in data science and AI. The compensation and incentives we have available to attract, retain and motivate employees may not meet the expectations of current and prospective employees as the competition for talent intensifies. Our efforts to attract, develop, integrate, and retain highly skilled employees with appropriate qualifications may be compounded by the **increased** ~~continuing effect of the COVID- 19 pandemic, immigration, or the~~ availability of ~~work visas~~ **remote working arrangements, which has expanded the pool of companies that can compete for our employees and employment candidates** . Further, if we fail to adequately plan for the succession of our CEO, senior management and other key employees, our business could be negatively impacted. Risks Related to Financial Performance or Economic Conditions As we are a global company, we face a number of risks related to current global economic and political conditions in the markets in which we operate that have and could continue to unfavorably impact our business, financial condition, results of operations and cash flows. Global economic and political conditions, including impacts from the ~~continuing COVID- 19 pandemic, the Russia- Ukraine conflict and the~~ inflationary cost environment, continue to be challenging for many of our government and ~~commercial~~ **enterprise** markets, as economic growth in many countries ~~and emerging markets~~ has remained low or declined, currency fluctuations have impacted profitability, credit markets have remained tight for certain counterparties of ours and some of our customers are dependent on government grants to fund purchases of our products and services. In addition, conflicts in the Middle East and elsewhere have created many economic and political uncertainties that continue to impact worldwide markets, including impacts relating to new or increased tariffs and potential trade wars, and threats to national security vulnerabilities linked to country of origin. The length of time these adverse economic and political conditions may persist is unknown. These global economic and political conditions have impacted and could continue to impact our business, financial condition, results of operations, and cash flows in a number of ways, including: • Requests by certain of our government and ~~commercial~~ **enterprise** customers that we provide vendor financing, including in response to financial challenges surrounding state and local governments, which may cause us to retain exposure to the credit quality of our customers who we finance if we are unable to sell these receivables on terms acceptable to us. • The inability of certain of our customers to obtain financing in order to make purchases from us and / or maintain their business, which may negatively impact our financial results. • Challenges we face in budgeting and forecasting due to economic uncertainties in various parts of the U. S. and world economy, which could negatively impact our financial results if such budgets or forecasts are inaccurate. • Deferment or cancellation of purchases and orders by customers may occur due to uncertainty about current and future global economic conditions, which could reduce future demand for our products and negatively impact our financial results. • Intensifying political instability in a number of markets in which we operate could have a significant impact on our ability to grow and, in some cases, operate in such locations, which could negatively impact our financial results. Returns on pension and retirement plan assets and interest rate changes could affect our earnings and cash flows in future periods. We have large underfunded pension obligations, in part resulting from the fact that we retained almost all of the U. S. pension liabilities and a major portion of our non- U. S. pension liabilities following our past divestitures. The funding position of our pension plans is affected by the performance of the financial markets, particularly the equity and debt markets, and the interest rates used to calculate our pension obligations for funding and expense purposes. Minimum annual pension contributions are determined by government regulations and calculated based upon our pension funding status, interest rates, and other factors. If the financial markets perform poorly, we have been and could be required to make additional large contributions. The equity and debt markets can be volatile, and therefore our estimate of future contribution requirements can change dramatically in relatively short periods of time. Similarly, changes in interest rates can affect our contribution requirements. In volatile capital market environments, the uncertainty of material changes in future minimum required contributions increases. We may not continue to have access to the capital markets for financing on acceptable terms and conditions, particularly if our credit ratings are downgraded, which could limit our ability to repay our indebtedness and could cause liquidity issues. From time to time we access the capital markets to obtain financing. Our access to the capital markets and the bank loan markets at acceptable terms and conditions are impacted by many factors, including: (i) our credit ratings, (ii) the condition of the overall capital markets, (iii) strength and credit availability in the banking markets, and (iv) the state of the global economy. In addition, we frequently access the credit markets to obtain performance bonds, bid bonds, standby letters of credit and surety bonds, as well as to hedge foreign exchange risk and sell receivables. Furthermore, we may not be able to refinance our existing indebtedness (i) on commercially reasonable terms, (ii) on terms, including with respect to interest rates, as favorable as our current debt, or (iii) at all. We may not continue to have access to the capital markets or bank credit markets on terms acceptable to us and if we are unable to repay or refinance our debt, we cannot guarantee that we will be able to generate enough cash flows from operations or that we will be able to obtain enough capital to service our debt, fund our planned capital expenditures or pay future dividends. We are rated investment grade by all three national rating agencies. Any downward changes by the rating agencies to our credit rating may negatively impact the value and liquidity of both our debt and equity securities. Under certain circumstances, an increase in the interest rate payable by us under our revolving credit facility, if any amounts are borrowed under such facility, could negatively affect our operating cash flows. In addition, a downgrade in our credit ratings could limit our ability to: (i) access the capital markets or bank credit markets, (ii) issue commercial paper (iii) provide performance bonds, bid bonds, standby letters of credit and surety bonds, (iv) hedge foreign exchange risk, (v) fund our foreign affiliates, (vi) sell receivables, and (vii) obtain favorable trade terms with suppliers. In addition, we may avoid taking actions that would otherwise benefit us or our stockholders, such as engaging in certain acquisitions or engaging in stock repurchases, that would negatively impact our credit rating. Our exposure to exchange rate fluctuations on cross- border transactions and the translation of local currency results into U. S. dollars could negatively impact our results of operations. We conduct business through our subsidiaries in many different countries, and fluctuations in currency exchange rates could have a significant impact on our reported consolidated results of operations, financial condition and cash flows, which are presented in U. S. dollars. Cross- border transactions, both with external parties and intercompany relationships, result in increased exposure to foreign exchange effects. Accordingly, significant changes in currency exchange rates, particularly the Euro, British pound, Canadian dollar and Australian dollar, has had in the past, and could continue to, cause fluctuations in the reported results of our businesses' operations that could negatively affect our results of operations. Additionally, the strengthening of certain currencies such as the Euro and U. S. dollar potentially exposes us to competitive threats from lower cost producers in other countries. Our sales are translated into U. S. dollars for reporting purposes. The strengthening of the U. S. dollar has in the past, and could continue to, result in unfavorable translation effects as the results of foreign locations are translated into U. S. dollars. ~~For example, the strong U. S. dollar reduced the impact of cash generated from our foreign operations during 2022, driven by revenues and costs that are denominated in foreign currencies, and which we expect to continue to impact our operating cash flows and net earnings throughout 2023.~~