

Risk Factors Comparison 2025-02-28 to 2024-02-29 Form: 10-K

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The following are important factors that could cause actual results or events to differ materially from those contained in any forward- looking statements made by us or on our behalf. Investors should carefully consider these risks and all other information in this Report before investing in our securities. The risks and uncertainties described below are not the only ones we face. Our business is also subject to general risks that affect many other companies. If actions taken by management to limit, monitor, or control enterprise risk exposures are not successful, our business and consolidated financial statements could be materially adversely affected. In such case, the trading price of our common stock and debt securities could decline and investors may lose all or part of their investment. Business and Operational Risks We are subject to risks associated with..... and customers – to conduct business. Adverse conditions in the industries upon which we are dependent, including the automotive industry, have had, and may in the future have, adverse effects on our business. We are dependent on market dynamics to sell our products, and our operating results could be adversely affected by cyclical and reduced demand in these markets. Periodic downturns in our customers' industries could significantly reduce demand for certain of our products, which could have a material adverse effect on our results of operations, financial condition, and cash flows. Much of our business depends on, and is directly affected by, the global automobile industry. Sales in our automotive end markets accounted for approximately 54-56% of our total net revenue in fiscal year 2023-2024. Declines in demand such as experienced as a result of the COVID- 19 pandemic and other adverse developments like those we have seen in past years in the automotive industry, including but not limited to customer bankruptcies and increased demands on us for lower prices, could have adverse effects on our results of operations and could impact our liquidity and our ability to meet restrictive debt covenants. In addition, these same conditions could adversely impact certain of our vendors' financial solvency, resulting in potential liabilities or additional costs to us to ensure uninterrupted supply to our customers. Because of the prevalence of ICE vehicles today, applications in these vehicles make up most of our current transportation addressable markets (automotive and HVOR). These addressable markets are large today and growing, with expectations that they will continue to grow over the next ten years. However, the automotive market is rapidly changing with the transformation into electrification. Many of the components and subsystems we have historically developed and produced, such as those used in braking, tires, and environmental control from traditional ICE vehicles, will play a significant role in this expansion, as we can convert much of this technology for use in electric vehicle applications. If the pace of customer adoption of EVs slows, and this demand is not replaced by demand of more traditional vehicles served by our core ICE business, our results of operations, financial condition, and cash flows could be materially adversely affected. We may incur material losses and costs as a result of product liability, warranty, and recall claims that may be brought against us. We have been, and will continue to be, exposed to product liability and warranty claims in the event that our products actually or allegedly fail to perform as expected, or the use of our products results, or is alleged to result, in death, bodily injury, and / or property damage. Accordingly, we could experience material warranty or product liability losses in the future and incur significant costs to defend these claims. In addition, if any of our products are, or are alleged to be, defective, we may be required to participate in a recall of the underlying end product, particularly if the defect or the alleged defect relates to product safety and / or regulatory non- compliance. Depending on the terms under which we supply products, an OEM may hold us responsible for some or all of the repair or replacement costs of these products under warranty when the product supplied did not perform as represented. As we continue to develop products containing complex software systems designed to support today' s increasingly connected vehicles, these systems result in potential increases to our risks in product safety, regulatory compliance, product liability, warranty, and recall claims. In addition, the warranty period for certain electric vehicle components is generally eight to ten years, which increases our risk for warranty claims over the life of a product. In addition, a product recall could generate substantial negative publicity about our business and interfere with our manufacturing plans and product delivery obligations as we seek to repair affected products. Our costs associated with product liability, warranty, and recall claims could be material. We are dependent on market acceptance of our new product introductions and product innovations for future revenue, and we may not realize all of the revenue or achieve anticipated gross margins from products subject to existing awards or for which we are currently engaged in development. Substantially all markets in which we operate are impacted by technological change or change in consumer tastes and preferences, which are rapid in certain markets. Our operating results depend substantially upon our ability to continually design, develop, introduce, and sell new and innovative products; to modify existing products; and to customize products to meet customer requirements driven by such change. There are numerous risks inherent in these processes, including the risk that we will be unable to anticipate the direction of technological change; that we will be unable to develop and market profitable new products and applications before our competitors or in time to satisfy customer demands; the possibility that investment of significant time and resources will not be successful; the possibility that the marketplace does not accept our products or services; that we are unable to retain customers that adopt our new products or services; and the risk of additional liabilities associated with these efforts. Our ability to generate revenue from products pending customer awards is subject to a number of important risks and uncertainties, many of which are beyond our control, including the number of products our customers will actually produce, as well as the timing of such production. Many of our customer agreements provide for the supply of a certain share of the customer' s requirements for a particular application or platform, rather than for a specific quantity of products. In some cases, we have no remedy if a customer chooses to purchase less than we expect. In cases where customers do make minimum volume commitments to us, our remedy for their failure to meet those minimum volumes may be limited to increased pricing on those products that the customer does purchase from us or

renegotiating other contract terms. There is no assurance that such price increases or new terms will offset a shortfall in expected revenue. In addition, some of our customers may have the right to discontinue a program or replace us with another supplier under certain circumstances. As a result, products for which we are currently incurring development expenses may not be manufactured by our customers at all, or they may be manufactured in smaller amounts than currently anticipated. Therefore, our anticipated future revenue from products relating to existing customer awards or product development relationships may not result in firm orders from customers for the originally contracted amount. We also incur capital expenditures and other costs and price our products based on estimated production volumes. If actual production volumes were significantly lower than estimated, our anticipated revenue and gross margin from those new products would be adversely affected. We cannot predict the ultimate demand for our customers' products, nor can we predict the extent to which we would be able to pass through unanticipated per-unit cost increases to our customers. Increasing costs for, or limitations on the supply of or access to, manufactured components and raw materials may adversely affect our business and results of operations. We use a broad range of manufactured components, subassemblies, and raw materials in the manufacture of our products in both our Performance Sensing and Sensing Solutions segments, including those containing certain commodities (e. g., semiconductors, resins, and metals), which may experience significant volatility in their price and availability due to, among other things, new laws or regulations, including the impact of tariffs, trade barriers, trade disputes, export or sourcing restrictions, economic sanctions, and global economic or political events including government actions, labor strikes, suppliers' allocations to other purchasers, interruptions in production by suppliers, changes in foreign currency exchange rates, and prevailing price levels. It has historically been difficult to pass increased prices for manufactured components and raw materials to our customers through price increases. Therefore, a significant increase in the price or a decrease in the availability of these items, such as those experienced in the global supply chain shortages of the past few years, could materially increase our operating costs and materially and adversely affect our business and results of operations. The impact of these global supply chain shortages of the past few years, including production delays on a vast and varied number of products across industries and geographies and increased procurement and logistics costs, has been unprecedented. Accordingly, we continue to actively work with our customers to share the inflationary burden of these factors. In addition, where possible, we have been working to adjust our long-term supply agreements, strengthen our relationships with our suppliers, **increase manage** inventory on hand, increase visibility into long-term supply and demand, and accelerate the use of alternate materials to increase supply chain visibility. If the future impacts of these shortages are more severe than we currently expect, or if our efforts to share the inflationary burden of these factors do not sufficiently offset our costs, it could result in deterioration of our results. We have entered into hedge arrangements for certain metals used in our products in an attempt to minimize commodity pricing volatility and may continue to do so from time to time in the future. Such hedges might not be economically successful. In addition, these hedges do not qualify as accounting hedges in accordance with U. S. generally accepted accounting principles. Accordingly, the change in fair value of these hedges is recognized in earnings immediately, which could cause volatility in our results of operations from quarter to quarter. ~~In connection with the implementation of our corporate strategies, we face risks associated with the acquisition of businesses, the integration of acquired businesses, and the growth and development of these businesses. In pursuing our corporate strategy, we have in the past, and may in the future, acquire other businesses. The success of this strategy is dependent upon our ability to identify appropriate acquisition targets, negotiate transactions on favorable terms, complete transactions, and successfully integrate them into our existing businesses. There can be no assurance that we will realize the anticipated synergies or cost savings related to acquisitions, including, but not limited to, revenue growth and operational efficiencies, or that they will be achieved in our estimated timeframe. We may not be able to successfully integrate and streamline overlapping functions from future acquisitions, and integration may be more costly to accomplish than we expect. There is also no guarantee that the acquired businesses will perform according to the business case used in justifying the acquisition. In addition, we could encounter difficulties in managing our combined company due to its increased size and scope. Subject to the terms of our indebtedness, we may finance future acquisitions with cash from operations, additional indebtedness, and / or by issuing additional equity securities. In addition, we could face financial risks associated with incurring additional indebtedness such as reducing our liquidity, limiting our access to financing markets, and increasing the amount of service on our debt. The availability of debt to finance future acquisitions may be restricted, and our ability to make future acquisitions may be limited. Refer to separate risk factor for additional information related to risks regarding our level of indebtedness. In addition, many of the businesses that we acquire and develop will likely have significantly smaller scales of operations prior to the implementation of our growth strategy. If we are not able to manage the growing complexity of these businesses, including improving, refining, or revising our systems and operational practices, and enlarging the scale and scope of the businesses, our business may be adversely affected. Other risks include developing knowledge of and experience in the new business, integrating the acquired business into our systems and culture, recruiting professionals, and developing and capitalizing on new relationships with experienced market participants. External factors, such as compliance with new or revised regulations, competitive alternatives, and shifting market preferences may also impact the successful implementation of a new line of business. Failure to manage these risks in the acquisition or development of new businesses could materially and adversely affect our business, results of operations, and financial condition.~~ Restructuring our business or divesting some of our businesses or product lines in the future may have a material adverse effect on our results of operations, financial condition, and cash flows. In pursuing our corporate strategy, we continue to evaluate the strategic fit of specific businesses and products and occasionally dispose of or exit businesses and products. The success of this strategy is dependent upon our ability to identify appropriate disposition targets, negotiate transactions on favorable terms, and complete transactions. Any divestitures may result in significant write-offs, including those related to goodwill and other intangible assets, which could have a material adverse effect on our results of operations and financial condition. Divestitures could involve additional risks, including difficulties in the separation of operations, services, products, and personnel; the diversion of management' s attention from other business concerns; the

disruption of our business; and the potential loss of key employees. There can be no assurance that we will be successful in addressing these or any other significant risks encountered. ~~In the year ended December 31, 2022, we sold various assets and liabilities comprising our semiconductor test and thermal business (collectively, the "Qinex Business"). Refer to Note 21: Acquisitions and Divestitures of our audited consolidated financial statements and accompanying notes thereto (the "Financial Statements") included elsewhere in this Report for additional information.~~ We also may seek to restructure our business in the future by relocating operations, disposing of certain assets, or consolidating operations. There can be no assurance that any restructuring of our business will not adversely affect our financial condition, leverage, or results of operations. In addition, any significant restructuring of our business will require significant managerial attention, which may be diverted from our other operations. ~~In the year ended December 31, 2023, we exited the marine energy storage business (the "Marine Business") of Spear Power Systems ("Spear"). In addition, we committed to a plan to reorganize our business (the "Q3 2023 Plan"), which consisted of voluntary and involuntary reductions in force, site closures, and other cost-savings initiatives. Refer to Note 5: Restructuring and Other Charges, Net of our Financial Statements included elsewhere in this Report for additional information on these activities.~~ Labor disruptions or increased labor costs have had, and may in the future have, adverse impacts on our business. A material labor disruption or work stoppage at one or more of our manufacturing or business facilities could have a material adverse effect on our business. In addition, work stoppages occur relatively frequently in the industries in which many of our customers operate, such as the transportation industry. If one or more of our larger customers were to experience a material work stoppage for any reason, that customer may halt or limit the purchase of our products. This could cause us to reduce production levels or shut down production facilities relating to those products, which could have a material adverse effect on our business, results of operations, and / or financial condition. We operate in markets that are highly competitive and competitive pressures could require us to lower our prices or result in reduced demand for our products. We operate in markets that are highly competitive, and we compete on the basis of product performance in mission-critical operating environments, quality, service, reliability, manufacturing footprint, and commercial competitiveness across the industries and end markets we serve. A significant element of our competitive strategy is to design and manufacture high-quality products that meet the needs of our customers at a commercially competitive price, particularly in markets where low-cost, country-based suppliers, primarily in China with respect to the Sensing Solutions segment, have entered the markets or increased their per-unit sales in these markets by delivering products at low cost to local OEMs. In addition, certain of our competitors in the transportation sensor market are influenced or controlled by major OEMs or suppliers, thereby limiting our access to these customers. ~~Many of our customers also rely on us as their sole source of supply for many of the products that we have historically sold to them.~~ These customers may choose to develop relationships with additional suppliers or elect to produce some or all of these products internally, primarily to reduce risk of delivery interruptions or as a means of extracting more value from us. Certain of our customers currently have, or may develop in the future, the capability to internally produce the products that we sell to them and may compete with us with respect to those and other products and with respect to other customers. Many of our customers, including transportation manufacturers and other industrial and commercial OEMs, demand annual price reductions. If we are not able to offset continued price reductions through improved operating efficiencies and reduced expenditures, these price reductions may have a material adverse effect on our results of operations and cash flows. In addition, our customers occasionally require engineering, design, or production changes. In some circumstances, we may be unable to cover the costs of these changes with price increases. Further, as our customers grow larger, they may increasingly require us to provide them with our products on an exclusive basis, which could limit sales, cause an increase in the number of products we must carry and, consequently, increase our inventory levels and working capital requirements. Certain of our customers, particularly in the automotive industry, are increasingly requiring their suppliers to agree to their standard purchasing terms without deviation as a condition to engage in future business transactions, many of which are increasing warranty requirements. As a result, we may find it difficult to enter into agreements with such customers on terms that are commercially reasonable to us. Security incidents and other disruptions to our information technology ("IT") infrastructure could interfere with our operations, compromise confidential information, and expose us to liability, which could have a material adverse impact on our business and reputation. In the ordinary course of business, we rely on IT networks and systems, some of which are managed by third parties, to process, transmit, and store electronic information, and to manage or support a variety of business processes and activities. We are at risk of attack by a growing list of adversaries through increasingly sophisticated methods. Because the techniques used to obtain unauthorized access or sabotage systems change frequently, we may be unable to anticipate these techniques or implement adequate preventative measures. In addition, we may not be able to detect incidents in our IT systems or assess the severity or impact of an incident in a timely manner. We have experienced attacks to our systems and networks and have from time-to-time experienced cybersecurity incidents, such as computer viruses and malware, unauthorized parties gaining access to our IT systems, and similar incidents, which to date have not had a material impact on our business. If we are unable to efficiently and effectively maintain and upgrade our system safeguards, we may incur unexpected costs and certain of our systems may become more vulnerable to unauthorized access. Additionally, we have been an acquisitive organization and the process of integrating the information systems of the businesses we acquire is complex and exposes us to additional risk as we might not adequately identify weaknesses in the targets' information systems, which could expose us to unexpected liabilities or make our own systems more vulnerable to attack. Despite our cybersecurity measures (including employee and third-party training, monitoring of networks and systems, maintenance of backup and protective systems, and maintenance of cybersecurity insurance), our IT networks and infrastructure may still be vulnerable to damage, disruptions, or shutdowns due to attacks by hackers, breaches, employee error or malfeasance, power outages, computer viruses, malware and ransomware, telecommunication or utility failures, systems failures, natural disasters, or other catastrophic events. We also face the challenge of supporting our older systems and implementing necessary upgrades. Moreover, as we continue to develop products containing complex software systems designed to support today's increasingly connected world, these systems also could be

susceptible to similar interruptions, including the possibility of unauthorized access. Further, as we transition to offering more cloud-based solutions that are dependent on the internet or other networks to operate with increased users, we may become a greater target for cyber threats, such as malware, denial of service, external adversaries, or insider threats. These types of incidents affecting us or our third-party vendors could result in intellectual property or other confidential information being lost or stolen, including client, employee, or company data. Any such events could result in legal claims or proceedings, liability or penalties under privacy laws and / or export control laws, disruption in operations, and damage to our reputation, which could materially adversely affect our business. Further, to the extent that any disruption or security incident results in a loss of, or damage to, our data, or an inappropriate disclosure of confidential information, it could cause significant damage to our reputation, affect our relationships with our customers, lead to claims against us, and ultimately harm our business, financial condition, and / or results of operations. Improper disclosure of confidential, personal, or proprietary data could result in regulatory scrutiny, legal liability, or harm to our reputation. Changes to data protection laws, new customer requirements, and changes to international data transfer rules could impose new burdens. One of our significant responsibilities is to maintain the security and privacy of our employees' and customers' confidential and proprietary information. We maintain policies, procedures, and technological safeguards designed to protect the security and privacy of this information and regularly review compliance changes in the jurisdictions where Sensata operates. Nevertheless, we cannot eliminate the risk of human error, employee or vendor malfeasance, or cyber-attacks that could result in improper access to or disclosure or transfer of confidential, personal, or proprietary information by Sensata or our supply chain. Such access transfers could harm our reputation and subject us to liability under our contracts and the laws and regulations that protect personal and export-controlled data, resulting in increased costs, loss of revenue, and loss of customers. The release of confidential information could also lead to litigation or other proceedings against us by affected individuals, business partners, or by regulators, and the outcome of such proceedings, which could include penalties or fines, could have a significant negative impact on our business. In many jurisdictions we are subject to laws and regulations relating to the use of this information. These laws and regulations are changing rapidly, are becoming increasingly complex, and can conflict across the jurisdictions in which we operate. Our failure to adhere to processes in response to changing regulatory requirements could result in legal liability, significant regulator penalties and fines, or impair our reputation in the marketplace. In addition, laws and regulations for smart vehicles are expected to continue to evolve in numerous jurisdictions globally, which could affect our product portfolio and operations. Further, managing and securing personal and customer data that our products, as well as our partners' products, gather is a new and evolving risk for us. Our future success depends in part on our ability to attract and retain key senior management and qualified technical, sales, and other personnel. Our future success depends in part on our continued ability to retain key executives and our ability to attract and retain qualified technical, sales, and other personnel. Significant competition exists for such personnel, and we cannot assure the retention of our key executives, technical, and sales personnel or our ability to attract, integrate, and retain other such personnel that may be required in the future. We cannot assure that employees will not leave and subsequently compete against us. If we are unable to attract and retain key personnel, our business, financial condition, and results of operations could be adversely affected. We are subject to **We are subject to** risks associated with climate change, including increased regulation of GHG emissions, changing consumer preferences and other risks related to our transition to Electrification, and the potential increased impacts of severe weather events on our operations and infrastructure. Climate change is receiving increasing attention worldwide, which has led to increased stakeholder and societal expectations on companies to address change and significant legislative and regulatory efforts to limit GHG emissions. For example, adoption of GHG or climate change rules in jurisdictions in which we operate facilities could require installation of emission controls, acquisition of emission credits, emission reductions, or other measures that could be costly, and could also impact utility rates and increase the amount we spend annually for energy. Additionally, jurisdictions throughout the world are enacting more stringent disclosure requirements related to climate change impacts of an entity's business. Such increased disclosure requirements could increase our costs and could result in risks to our reputation or consumer demand for our products if we do not meet increasingly demanding stakeholder expectations and standards. Changes in consumer preferences due to transitioning to a greener economy may result in increased costs, reduced demand for our ICE products, and reduced profits. Part of our strategy to address these risks includes our transition to EVs, which presents additional risks, including reduced demand for, and therefore profits from, our ICE vehicles, which we are using to fund our growth strategy; higher costs or reduced availability of materials related to EV technologies impacting profitability; and risks related to the success of our EV strategy. Finally, given the worldwide scope of our supply chain and operations, we and our suppliers face a risk of disruption or operating inefficiencies that may increase costs due to the adverse physical effects of climate change, which are predicted to increase the frequency and severity of weather and other natural events, e.g., tropical cyclones, extended droughts, and extreme temperatures. Climate change could also disrupt our operations by impacting the availability and cost of materials within our supply chain, and could also increase insurance and other operating costs. These factors may impact our decisions to construct new facilities. If a business interruption occurs and we are unsuccessful in our continuing efforts to minimize the impact of these events, our business, results of operations, financial position, and cash flows could be materially adversely affected. Our business is subject to numerous global risks, including regulatory, political, economic, governmental, and military concerns and instability. Our business, including our employees, customers, and suppliers, is located throughout the world. We employ approximately ~~93~~ **92** % of our workforce outside of the U.S. We have many manufacturing, administrative, and sales facilities outside of the U.S. Our subsidiaries located outside of the U.S. generated approximately ~~60~~ **59** % of our net revenue in fiscal year ~~2024~~ **2023** (including approximately 18 % in China) and we expect sales from non-U.S. markets to continue to represent a significant portion of our total net revenue. International sales and operations are subject to changes in local government regulations and policies, including those related to tariffs and trade barriers, economic sanctions, investments, taxation, exchange controls, and repatriation of earnings. As a result, we are exposed to numerous global, regional, and local risks that could decrease revenue and / or increase expenses, and therefore

decrease our profitability. Such risks may result from instability in economic or political conditions, inflation, recession, and / or actual or anticipated military or political conflicts, and include, without limitation: trade regulations, including customs, import, export, and sourcing restrictions, tariffs, trade barriers, trade disputes, and economic sanctions; changes in local employment costs, laws, regulations, and conditions; difficulties with, and costs for, protecting our intellectual property; challenges in collecting accounts receivable; tax laws and regulatory changes, including examinations by taxing authorities, variations in tax laws from country to country, changes to the terms of income tax treaties, and difficulties in the tax-efficient repatriation of earnings generated or held in a number of jurisdictions; natural disasters; and the impact of each of the foregoing on our business operations, manufacturing, and supply chain. Other risks are inherent in our non- U.S. operations, including: the potential for changes in socio- economic conditions and / or monetary and fiscal policies; intellectual property protection difficulties and disputes; the settlement of legal disputes through certain foreign legal systems; the collection of receivables; exposure to possible expropriation or other government actions; unsettled political conditions; and possible terrorist attacks. These and other factors may have a material adverse effect on our non- U.S. operations and, therefore, on our business and results of operations. In addition, a scarcity of resources or other hardships caused by a global pandemic may result in increased nationalism, protectionism, and political tensions which may cause governments and / or other entities to take actions that may have a significant negative impact on our ability – and the ability of our suppliers and customers – to conduct business. ~~We are subject to~~ various risks related to public health crises, ~~including the COVID-19 pandemic~~, which have had, and may in the future have, material and adverse impacts on our business, financial condition, liquidity, and results of operations. Any outbreaks of contagious diseases and other adverse public health developments in countries where we operate could have a material and adverse impact on our business, financial condition, liquidity, and results of operations. As has occurred with the COVID- 19 pandemic, a global pandemic could cause significant disruption to the global economy, including in all of the regions in which we, our suppliers, distributors, business partners, and customers do business and in which our workforce is located. A global pandemic and efforts to manage it, including those by governmental authorities, could have significant impacts on global markets, and could have a significant, negative impact on our sales and operating results. Disruptions could include: partial shutdowns of our facilities as mandated by government decree; government actions limiting our ability to adjust certain costs; significant travel restrictions; “ work- from- home ” orders; limited availability of our workforce; supplier constraints; supply chain interruptions; logistics challenges and limitations; and reduced demand from certain customers. The COVID- 19 pandemic has had, and could continue to have, these effects on the economy and our business. Additionally, the impacts described above and other impacts of a global pandemic, including responses to it, could substantially increase the risk to us from the other risks described in this Item 1A: Risk Factors.

Financial In connection with the implementation of our corporate strategies, we face ~~Risks~~ risks ~~We~~ associated with the acquisition of businesses, the integration of acquired businesses, and the growth and development of these businesses. In pursuing our corporate strategy, we have identified material weaknesses in the past, and may ~~our internal control over financial reporting~~. These material weaknesses could in the future adversely affect, ~~acquire other businesses. The success of this strategy is dependent upon~~ our ability to report our results of operations and financial condition accurately and in a timely manner. We have identified ~~identify~~ material weaknesses in our internal control over financial reporting and those weaknesses have led to a conclusion that our internal control over financial reporting and disclosure controls and procedures were not effective as of December 31, 2023. We did not specify objectives with sufficient clarity to enable an appropriate ~~acquisition targets~~ level of risk assessment and monitoring. Additionally, ~~negotiate transactions~~ our control activities did not adequately establish..... obtain additional financing, or additional financing on favorable terms, ~~could~~ complete transactions, and successfully integrate them into our existing businesses. There can be no assurance that we will realize the anticipated synergies adversely affected. Also, failure to maintain effective internal control over financial reporting could result in sanctions by regulatory authorities, and our ~~or independent registered public accounting firm cost savings related to acquisitions, including, but not limited to, revenue growth and operational efficiencies, or that they will be achieved in our estimated timeframe. We~~ may not be able to attest successfully integrate and streamline overlapping functions from future acquisitions, and integration may be more costly to accomplish than we expect. There is also no guarantee that the acquired businesses will perform according to the business case used in justifying the acquisition. In addition, we could encounter difficulties in managing our combined company due to its increased size and scope. Subject to the terms of our indebtedness, we may finance future acquisitions with cash from operations, additional indebtedness, and / or by issuing additional equity securities. In addition, we could face financial risks associated with incurring additional indebtedness such internal controls as reducing our liquidity, limiting our access to financing markets, and increasing the amount of service on our debt. The availability of debt to finance future acquisitions may be restricted, and our ability to make future acquisitions may be limited. Refer to separate risk factor for additional information related to risks regarding our level of indebtedness. In addition, many of the businesses that we acquire and develop will likely have significantly smaller scales of operations prior to the implementation of our growth strategy. If we are effective when not able to manage they– the are growing complexity of these businesses, including improving, refining, or revising our systems and operational practices, and enlarging the scale and scope of the businesses, our business may be adversely affected. Other risks include developing knowledge of and experience in the new business, integrating the ~~required~~ acquired to do so business into our systems and culture, recruiting professionals, and developing and capitalizing on new relationships with experienced market participants. External factors, such as compliance with new or revised regulations, competitive alternatives, and shifting market preferences may also impact the successful implementation of a new line of business. Failure to manage these risks in the acquisition or development of new businesses could materially and adversely affect our business, results of operations, and financial condition.

Financial Risks We are exposed to fluctuations in currency exchange rates that could negatively impact our financial results and cash flows. Our reporting currency is the U. S. dollar (" USD"). We derive a significant portion

of our net revenue from **and incur expenses in** markets outside the U. S. For financial reporting purposes, the functional currency of all of our subsidiaries has historically been the USD because of the significant influence of the USD on our operations. **In fiscal year Effective October 1, 2023**, as a result of significant changes in economic facts and circumstances in the operations of our China foreign entities, the functional currency of our wholly- owned subsidiaries in China changed to the Chinese Renminbi (" CNY"). The changes in economic facts and circumstances caused a permanent change to our strategy in China toward a more self- contained model making China the primary economic environment in which these subsidiaries operate. A portion of our net revenue, expenses, receivables, and payables are denominated in currencies other than our functional currency. At the date that a transaction denominated in a currency other than our functional currency is recognized, each asset, liability, revenue, expense, gain, or loss arising from the transaction is measured and recorded in the functional currency using the exchange rate in effect at that date. At each balance sheet date, recorded monetary balances denominated in currency other than the functional currency are adjusted to the functional currency using the exchange rate at the balance sheet date, with gains or losses recognized in other, net in the consolidated statements of operations. We, therefore, face exposure to adverse movements in exchange rates of these currencies, which may change over time and could affect our financial results and cash flows. Our level of indebtedness could adversely affect our financial condition and our ability to operate our business, including our ability to service our debt and / or comply with the related covenants. **As of December 31, 2024, we had \$ 3, 223. 4 million of gross outstanding indebtedness, including various tranches of senior unsecured notes (the " Senior Notes ")**. The credit agreement governing our secured credit facility (as amended, supplemented, waived, or otherwise modified, the " Credit Agreement") provides for senior secured credit facilities (the " Senior Secured Credit Facilities") consisting of a term loan facility (the " Term Loan"), a \$ 750. 0 million revolving credit facility (the " Revolving Credit Facility"), and incremental availability (the " Accordion") under which additional secured credit facilities could be issued under certain circumstances. In fiscal year 2023, we repaid the remaining balance on the Term Loan. **As of December 31, 2023, we had \$ 3, 425. 2 million of gross outstanding indebtedness, including various tranches of senior unsecured notes (the " Senior Notes ")**. Refer to Note 14: Debt of our Financial Statements included elsewhere in this Report for additional information related to our outstanding indebtedness. Our substantial indebtedness could have important consequences. For example, it could make it more difficult for us to satisfy our debt obligations; restrict us from making strategic acquisitions; limit our ability to repurchase shares; limit our flexibility in planning for, or reacting to, changes in our business and future business opportunities, thereby placing us at a competitive disadvantage if our competitors are not as highly- leveraged; increase our vulnerability to general adverse economic and market conditions; or require us to dedicate a substantial portion of our cash flows from operations to payments on our indebtedness if we do not maintain specified financial ratios or are not able to refinance our indebtedness as it comes due, thereby reducing the availability of our cash flows for other purposes. In addition, the Accordion permits us to incur additional secured credit facilities in certain circumstances in the future, subject to certain limitations as defined in the indentures under which the Senior Notes were issued. This could allow us to issue additional secured debt or increase the capacity of the Revolving Credit Facility. If we increase our indebtedness by borrowing under the Revolving Credit Facility or incur other new indebtedness under the Accordion, the risks described above would increase. We cannot guarantee that we will be able to obtain enough capital to service our debt and fund our planned capital expenditures and business plan. If we complete additional acquisitions, our debt service requirements could also increase. If we cannot service our indebtedness, we may have to take actions such as selling assets, seeking additional equity **investments financing**, or reducing or delaying capital expenditures, strategic acquisitions, investments, and alliances, any of which could have a material adverse effect on our operations. Additionally, we may not be able to complete such actions, if necessary, on commercially reasonable terms, or at all. If we experience an event of default under any of our debt instruments that is not cured or waived, the holders of the defaulted debt could cause all amounts outstanding with respect to the debt to become due and payable immediately, which, in turn, **would could** result in cross- defaults under our other debt instruments. Our assets and cash flows may not be sufficient to fully repay borrowings if accelerated upon an event of default. If, when required, we are unable to repay, refinance, or restructure our indebtedness under, or amend the covenants contained in, the Credit Agreement, or if a default otherwise occurs, the lenders under the Senior Secured Credit Facilities could: elect to terminate their commitments thereunder; cease making further loans; declare all borrowings outstanding, together with accrued interest and other fees, to be immediately due and payable; institute foreclosure proceedings against those assets that secure the borrowings under the Senior Secured Credit Facilities; and prevent us from making payments on the Senior Notes. Any such actions could force us into bankruptcy or liquidation, and we might not be able to repay our obligations in such an event. Changes in government trade policies, including the imposition of tariffs, may have a material impact on our results of operations. We evaluate all trade policies that impact us, and we adjust our operational strategies to mitigate the impact of these policies. However, trade policies, including quotas, duties, tariffs, taxes, or other restrictions on the import or export of our products, are subject to change, and we cannot ensure that any mitigation strategies employed will remain available in the future or that we will be able to offset tariff- related costs or maintain competitive pricing of our products. The adoption and expansion of trade restrictions, the occurrence of a trade war, or other governmental action related to tariffs or trade agreements or policies has the potential to adversely impact demand for our products, our costs, our customers, our suppliers, and the global economy, which in turn could have a material adverse effect on our business, operating results, and financial condition. Existing duty reduction and deferral programs, such as free- trade agreements, duty drawback, and inward processing relief, provide beneficial impacts to our duties and tariffs for qualifying imports and exports, subject to compliance with each program' s unique requirements. Changes in laws or policies governing the terms of these duty reduction and deferral programs could have a material adverse effect on our business and financial results. In addition, most of our facilities in Mexico operate under the Mexican Maquiladora program. This program provides for reduced tariffs and eased import regulations; we could be adversely affected by changes in such program, or by our failure to comply with its requirements. Further tariffs may be imposed on other imports of our products **5, or For example, effective February 4, 2025,**

the U. S. announced additional tariffs for goods imported into the U. S. from Mexico, Canada, and China beginning in Q1 2025. We cannot predict what additional actions may ultimately be taken by the U. S. or other governments with respect to tariffs or trade relations and our business may be further impacted by retaliatory trade measures taken by ~~China~~ or other countries in response to existing or future U. S. tariffs or other measures (e. g., subsidies). We may raise our prices on products subject to such tariffs to share the cost with our customers, which could harm our operating performance or cause our customers to seek alternative suppliers. In addition, we may seek to shift some of our ~~China~~-manufacturing to other countries, which could result in additional costs and disruption to our operations. We also sell our products globally and, therefore, our export sales could be impacted by the tariffs. Any material reduction in sales may have a material adverse effect on our results of operations. We have recorded a significant amount of goodwill and other identifiable intangible assets, and we may be required to recognize goodwill or intangible asset impairments, which would reduce our earnings. We have recorded a significant amount of goodwill and other identifiable intangible assets. Goodwill and other intangible assets, net totaled approximately \$ ~~4.3~~ **4.9** billion as of December 31, ~~2023~~ **2024**, or ~~58~~ **54** % of our total assets. Goodwill, which represents the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized, was approximately \$ ~~3.5~~ **4** billion as of December 31, ~~2023~~ **2024**, or ~~46~~ **47** % of our total assets. Goodwill and other identifiable intangible assets were recognized at fair value as of the corresponding acquisition date. ~~We~~ **In the third quarter of 2024, impairment indicators were identified that suggested the carrying value of the Dynapower reporting unit could exceed its fair values. Accordingly, we** evaluated our goodwill ~~the Dynapower reporting unit~~ for impairment ~~and as of October 1, 2023. Based on this analysis, we determined that as of October 1, 2023, goodwill related to Insights Dynapower reporting unit was impaired. In , and in the fourth third quarter of 2023 2024 , we recorded a \$ 321 150 . 71 million non- cash impairment charge , representing the entire goodwill balance allocated to Insights. This impairment was primarily driven by a lower long- range financial forecast resulting from specific discrete events that changed the impact timing of restructuring actions taken in the third and fourth quarters of 2023 and consequent business decisions regarding our level of investment in Insights in forecasted performance. If Dynapower does not achieve the forecasted future years cash flows , considering our focus on electrification. Other- there is a possibility valuation assumptions for the Insights reporting unit valuation that additional are impacted by macroeconomic factors also contributed to the impairment impairments of the remaining \$ 229. 8 million of goodwill may be recognized in the future .~~ Additional impairment of goodwill or other identifiable intangible assets may result from, among other things, deterioration in our performance, adverse market conditions, adverse changes in laws or regulations, significant unexpected or planned changes in the use of assets or future changes to go- to- market or product offerings strategy, and a variety of other factors. We consider a combination of quantitative and qualitative factors to determine whether a reporting unit is at risk of failing the goodwill impairment test, including: the timing of our most recent quantitative impairment tests and the relative amount by which a reporting unit' s fair value exceeded its then carrying value, the inputs and assumptions underlying our valuation models and the sensitivity of our fair value measurements to those inputs and assumptions, the impact that adverse economic or market conditions may have on the degree of uncertainty inherent in our long- term operating forecasts, and changes in the carrying value of a reporting unit' s net assets from the time of our most recent goodwill impairment test. We also consider the impact of recent acquisitions in our expectations of the reporting units, such as the ~~Insights and Dynapower reporting units~~ **unit**, and how these acquisitions perform against their original expected performance, as these might put pressure on the reporting units' fair value over carrying value in the short term. Based on the results of this analysis, we do not consider any of our ~~other~~ reporting units ~~outside of Insights, which was already fully impaired,~~ to be at risk of failing the goodwill impairment test. The amount of any quantified impairment must be expensed immediately as a charge that is included in operating income, which may impact our ability to raise capital. Should certain assumptions used in the development of the fair value of our other reporting units change, we may be required to recognize additional impairments of goodwill or other intangible assets. Refer to Note 11: Goodwill and Other Intangible Assets, Net of our Financial Statements included elsewhere in this Report for additional information related to our goodwill and other identifiable intangible assets and the ~~Insights Dynapower~~ impairment charge. Refer to Critical Accounting Policies and Estimates, in Item 7: Management' s Discussion and Analysis of Financial Condition and Results of Operations included elsewhere in this Report for additional information related to the assumptions used in the development of the fair value of our reporting units. Our global effective tax rate is subject to a variety of different factors that could create volatility in that tax rate, expose us to greater than anticipated tax liabilities, or cause us to adjust previously recognized tax assets and liabilities. We are subject to income taxes in the United Kingdom (the" U. K."), China, Mexico, the U. S., and many other jurisdictions. As a result, our global effective tax rate from period to period can be affected by many factors, including changes in tax legislation, changes in tax rates and tax laws, our jurisdictional mix of earnings, the use of global funding structures, the tax characteristics of our income, the effects on our revenues and costs of complying with transfer pricing requirements under differing laws of various countries, consequences of acquisitions and dispositions of businesses and business segments, the generation of sufficient future taxable income to realize our deferred tax assets, and the taxation of subsidiary income in the jurisdiction of its parent company regardless of whether or not distributed. Significant judgment is required in determining our worldwide provision for (or benefit from) income taxes, and our determination of the amount of our tax liability is always subject to review by applicable tax authorities. Refer to Note 7: Income Taxes of our Financial Statements included elsewhere in this Report for additional information related to our accounting for income taxes. We cannot provide any assurances as to what our tax rate will be in any period because of, among other things, uncertainty regarding the nature and extent of our business activities in any particular jurisdiction in the future and the tax laws of such jurisdictions, as well as changes in U. S. and other tax laws, treaties, and regulations, in particular related to proposed tax laws by the U. S. or other governments, which could increase our tax liabilities. Our actual global tax rate may vary from our expectation and that variance may be material. We continually monitor all global regulatory developments and consider alternatives to limit their detrimental impacts. However, not all unfavorable

developments can be moderated, and we may consequently experience adverse effects on our effective tax rate and cash flows. For example, the European Commission (the "EC") has been conducting investigations of state aid and have focused on whether EU sovereign country laws or rulings provide favorable treatment to taxpayers conflicting with its interpretation of EU law. EC findings may have retroactive effect and can cause increases in tax liabilities where we considered ourselves in full compliance with local legislation. Furthermore, **on December 15 most OECD members, including 2022, the EU Member member States states formally adopted, have implemented the EU's Pillar Two Directive framework, which establishes generally provides for a global minimum jurisdictional effective tax rate of 15 % for large multinational enterprises.** The legislation is effective for our fiscal year beginning January 1, 2024. **The dynamic nature of the legislative landscape, with outgoing changes and updates to the rules, creates uncertainty and potential for retroactive tax liabilities.** We continue to evaluate the **guidance and regulations of potential impact on future periods due to the Pillar Two framework, as such changes. Any further developments** could result in complexity and uncertainty in countries where we do business and could increase our effective tax rate. We could be subject to future audits conducted by both foreign and domestic tax authorities, and the resolution of such audits could impact our tax rate in future periods, as would any reclassification or other changes (such as those in applicable accounting rules) that increases the amounts we have provided for income taxes in our consolidated financial statements. There can be no assurance that we would be successful in attempting to mitigate the adverse impacts resulting from any changes in law, audits, and other matters. Our inability to mitigate the negative consequences of any changes in the law, audits, and other matters could cause our global tax rate to increase, our use of cash to increase, and our financial condition and results of operations to suffer. We are a holding company and, therefore, may not be able to receive dividends or other payments in needed amounts from our subsidiaries. We are organized as a holding company, a legal entity that is separate and distinct from our operating entities. As a holding company without significant operations of its own, our principal assets are the shares of capital stock of our subsidiaries. We rely on dividends, interest, and other payments from these subsidiaries to meet our obligations for paying principal and interest on outstanding debt, repurchasing ordinary shares, and corporate expenses. Certain of our subsidiaries are subject to regulatory requirements of the jurisdictions in which they operate or other restrictions that may limit the amounts that subsidiaries can pay in dividends or other payments to us. No assurance can be given that there will not be further changes in law, regulatory actions, or other circumstances that could restrict the ability of our subsidiaries to pay dividends or otherwise make payments to us. Furthermore, no assurance can be given that our subsidiaries may be able to make timely payments to us in order for us to meet our obligations. Legal and Regulatory Risks We could be adversely affected by violations of the U. S. Foreign Corrupt Practices Act (the "U. S. FCPA"), the U. K.' s Bribery Act, and similar worldwide anti-bribery laws. The U. S. FCPA, the U. K.' s Bribery Act, and similar worldwide anti- bribery laws generally prohibit companies and their intermediaries from making improper payments to government officials for the purpose of obtaining or retaining business. Our policies mandate compliance with these anti- bribery laws. We operate in many parts of the world that have experienced governmental corruption to some degree, and in certain circumstances, strict compliance with anti- bribery laws may conflict with local customs and practices. Despite our training and compliance program, we cannot provide assurance that our internal control policies and procedures will protect us from reckless or criminal acts committed by our employees or agents. Violations of these laws, or allegations of such violations, could disrupt our business and result in a material adverse effect on our results of operations, financial condition, and / or cash flows. Changes in existing environmental or safety laws, regulations, and programs could reduce demand for our products, which could cause our revenue to decline. A significant amount of our business is generated either directly or indirectly as a result of existing laws, regulations, and programs related to environmental protection, fuel economy, energy efficiency, and safety regulation. Accordingly, a relaxation or repeal of these laws and regulations, or changes in governmental policies regarding the funding, implementation, or enforcement of these programs, could result in a decline in demand for environmental and / or safety products, which may have a material adverse effect on our revenue. Our operations expose us to the risk of material environmental liabilities, litigation, government enforcement actions, and reputational risk. We are subject to numerous federal, state, and local environmental protection and health and safety laws and regulations in the various countries where we operate and where our products are sold. These laws and regulations govern, among other things, the generation, storage, use, and transportation of hazardous materials; emissions or discharges of substances into the environment; investigation and remediation of hazardous substances or materials at various sites; GHG emissions; product hazardous material content; and the health and safety of our employees. We may not have been, or we may not always be, in compliance with all environmental and health and safety laws and regulations. If we violate these laws, we could be fined, criminally charged, or otherwise sanctioned by regulators. In addition, environmental and health and safety laws are becoming more stringent, resulting in increased costs and compliance burdens. Certain environmental laws assess liability on current or previous owners or operators of real property for the costs of investigation, removal, and remediation of hazardous substances or materials at their properties or properties at which they have disposed of hazardous substances. Liability for investigation, removal, and remediation costs under certain federal and state laws is retroactive, strict, and joint and several. In addition to cleanup actions brought by governmental authorities, private parties could bring personal injury or other claims due to the presence of, or exposure to, hazardous substances. We cannot provide assurance that our costs of complying with current or future environmental protection and health and safety laws, or our liabilities arising from past or future releases of, or exposures to, hazardous substances will not exceed our estimates or adversely affect our results of operations, financial condition, and cash flows, or that we will not be subject to additional environmental claims for personal injury, property damage, and / or cleanup in the future based on our past, present, or future business activities. In addition, our products are subject to various requirements related to chemical usage, hazardous material content, and recycling. The EU, China, and other jurisdictions in which our products are sold have enacted, or are proposing to enact, laws addressing environmental and other impacts from product disposal, use of hazardous materials in products, use of chemicals in manufacturing, recycling of products at the end of their useful life, and other related matters. These laws include but are not limited to the EU RoHS, ELV, and Waste Electrical and Electronic Equipment

Directives;the EU REACH regulation;the German Explosives Act;and the China law on Management Methods for Controlling Pollution by Electronic Information Products.These laws prohibit the use of certain substances in the manufacture of our products and directly and indirectly impose a variety of requirements for modification of manufacturing processes,registration,chemical testing,labeling,and other matters.These laws continue to proliferate and expand in these and other jurisdictions to address other materials and aspects of our product manufacturing and sale.These laws could make the manufacture or sale of our products more expensive or impossible,could limit our ability to sell our products in certain jurisdictions,and could result in liability for product recalls,penalties,or other claims. Export of our products is subject to various export control regulations and may require a license for export. Any failure to comply with such regulations could result in governmental enforcement actions, fines, penalties, loss of export privileges, or other remedies, which could have a material adverse effect on our business, results of operations, and financial condition. We are subject to compliance with laws and regulations controlling the import and export of goods, services, software, and technical data. Certain of our products are subject to export regulations of the various jurisdictions in which we operate (“ Controlled Items ”). The export of many such Controlled Items requires a license from the applicable government agency. Licensing decisions are made based on type of product, its destination, end use, end user, the parties involved in the transaction, national security, and foreign policy. As a result, export license approvals are not guaranteed. We have a trade compliance team and other systems in place to apply for licenses and otherwise comply with import and export regulations. Any failure to maintain compliance with such regulations could limit our ability to import or export raw material and finished goods. These laws and regulations are subject to change, and any such change may limit or exclude existing or future business opportunities, require us to change technology, or incur expenditures to comply with such laws and regulations. We have discovered in the past, and may discover in the future, deficiencies in our trade compliance program. Although we continue to enhance our trade compliance program, we cannot guarantee that any such enhancements will ensure full compliance with applicable laws and regulations at all times, or that applicable authorities will not raise compliance concerns or perform audits to confirm our compliance with applicable laws and regulations. Any failure by us to comply with applicable laws and regulations could result in governmental enforcement actions, fines, penalties, criminal and / or civil proceedings, or other remedies, any of which could have a material adverse effect on our business, results of operations, and / or financial condition. Changes in existing environmental or safety laws....., penalties, or other claims. Our ability to compete effectively depends, in part, on our ability to maintain the proprietary nature of our products and technology. The electronics industry is characterized by litigation regarding patent and other intellectual property rights. Within this industry, companies have become more aggressive in asserting and defending patent claims against competitors. There can be no assurance that we will not be subject to future litigation alleging infringement or invalidity of certain of our intellectual property rights, or that we will not have to pursue litigation to protect our property rights. Depending on the importance of the technology, product, patent, trademark, or trade secret in question, an unfavorable outcome regarding one of these matters may have a material adverse effect on our results of operations, financial condition, and / or cash flows. We may be subject to claims that our products or processes infringe on the intellectual property rights of others, which may cause us to pay unexpected litigation costs or damages, modify our products or processes, or prevent us from selling our products. Third parties may claim that our processes and products infringe their intellectual property rights. Whether or not these claims have merit, we may be subject to costly and time- consuming legal proceedings, and this could divert management’ s attention from operating our business. If these claims are successfully asserted against us, we could be required to pay substantial damages, make future royalty payments, and / or could be prevented from selling some or all of our products. We also may be obligated to indemnify our business partners or customers in any such litigation. Furthermore, we may need to obtain licenses from these third parties or substantially re- engineer or rename our products in order to avoid infringement. In addition, we might not be able to obtain the necessary licenses on acceptable terms, or at all, or be able to re- engineer or rename our products successfully. If we are prevented from selling some or all of our products, our sales could be materially adversely affected. We are a defendant to a variety of litigation in the course of our business that could cause a material adverse effect on our results of operations, financial condition, and / or cash flows. In the normal course of business, we are, from time to time, a defendant in litigation, including litigation alleging the infringement of intellectual property rights, anti- competitive behavior, product liability, breach of contract, and employment- related claims. In certain circumstances, patent infringement and antitrust laws permit successful plaintiffs to recover treble damages. The defense of these lawsuits may divert our management’ s attention, and we may incur significant expenses in defending these lawsuits. In addition, we may be required to pay damage awards or settlements, or become subject to injunctions or other equitable remedies, that could cause a material adverse effect on our results of operations, financial condition, and / or cash flows. Additionally, our control activities did not adequately establish policies,procedures,information protocols and communications to design and operate effective control,due in part,to a lack of appropriate accounting personnel,impacting areas such as inventory and account reconciliation processes in our Americas Accounting and Shared Services teams located in Mexico.Our management is taking action to remediate the deficiencies in its internal controls over financial reporting by developing a remediation plan,which could include the engagement of third- party consultants to evaluate and help formalize internal controls design and framework;the completion of a risk assessment to determine areas within the internal control structure to strengthen,document and execute;and the augmentation,reorganization or replacement of personnel where necessary to ensure appropriate levels of knowledge and execution to support internal control structure assessment,design,and execution.If actions to remediate these material weaknesses are not completed on a timely basis,or if other remediation efforts are not successful,we may,in the future,identify additional internal control deficiencies that could rise to the level of a material weakness ,or uncover other errors in financial reporting.Failure to have effective internal control over financial reporting and disclosure controls and procedures could impair our ability to produce accurate financial statements on a timely basis,or provide reliable financial statements needed for business decision processes,and our business and results of operations could be harmed.Additionally,investors could lose confidence in our reported financial information and our

ability to obtain additional financing, or **additional financing**. U. K. Domicile Risks As a public limited company incorporated under the laws of England and Wales, we may have less flexibility with respect to certain aspects of capital management. English law imposes additional restrictions on certain corporate actions. For example, English law provides that a board of directors may only allot, or issue, securities with the prior authorization of shareholders, such authorization being up to the aggregate nominal amount of shares and for a maximum period of five years, each as specified in the articles of association or relevant shareholder resolution. English law also generally provides shareholders with preemptive rights when new shares are issued for cash; however, it is possible for the articles of association, or shareholders at a general meeting, to exclude preemptive rights. Such an exclusion of preemptive rights may be for a maximum period of up to five years as specified in the articles of association or relevant shareholder resolution. We currently only have authorization to issue shares under our equity plan excluding preemptive rights until our next annual general meeting. This authorization and exclusion needs to be renewed by our shareholders periodically and we intend to renew the authorization and exclusion at each annual general meeting. English law also requires us to have available "distributable reserves" to make share repurchases or pay dividends to shareholders. Distributable reserves may be created through the earnings of the U. K. parent company or other actions. While we intend to maintain a sufficient level of distributable reserves, there is no assurance that we will continue to generate sufficient earnings in order to maintain the necessary level of distributable reserves to make share repurchases or pay dividends. English law also generally prohibits a company from repurchasing its own shares by way of "off- market purchases" without the prior approval of our shareholders. Such approval lasts for a maximum period of up to five years. Our shares are traded on the New York Stock Exchange, which is not a recognized investment exchange in the U. K. Consequently, any repurchase of our shares is currently considered an "off- market purchase." Our current authorization expires on ~~May 28, 2025~~ **June 10, 2029**, and we intend to renew this authorization periodically. As a public limited company incorporated under the laws of England and Wales, the enforcement of civil liabilities against us may be more difficult. Because we are a public limited company incorporated under the laws of England and Wales, investors could experience more difficulty enforcing judgments obtained against us in U. S. courts than would have been the case for a U. S. company. In addition, it may be more difficult (or impossible) to bring some types of claims against us in courts in England than it would be to bring similar claims against a U. S. company in a U. S. court. As a public limited company incorporated under the laws of England and Wales, it may not be possible to effect service of process upon us within the U. S. to enforce judgments of U. S. courts against us based on the civil liability provisions of the U. S. federal securities laws. There is doubt as to the enforceability in England and Wales, in original actions or in actions for enforcement of judgments of U. S. courts, of civil liabilities solely based on the U. S. federal securities laws. The English courts will, however, treat any amount payable by us under U. S. judgment as a debt and new proceedings can be commenced in the English courts to enforce this debt against us. The following criteria must be satisfied for the English court to enforce the debt created by the U. S. judgment: (1) the U. S. court having had jurisdiction over the original proceedings according to English conflicts of laws principles and rules of English private international law at the time when proceedings were initiated; (2) the U. S. proceedings not having been brought in breach of a jurisdiction or arbitration clause except with the agreement of the defendant or the defendant's subsequent submission to the jurisdiction of the court; (3) the U. S. judgment being final and conclusive on the merits in the sense of being final and unalterable in the court which pronounced it and being for a definite sum of money; (4) the recognition or enforcement, as the case may be, of the U. S. judgment not contravening English public policy in a sufficiently significant way or contravening the Human Rights Act 1998 (or any subordinate legislation made thereunder, to the extent applicable); (5) the U. S. judgment not being for a sum payable in respect of taxes, or other charges of a like nature, or in respect of a penalty or fine, or otherwise based on a U. S. law that an English court considers to be a penal or revenue law; (6) the U. S. judgment not having been arrived at by doubling, trebling or otherwise multiplying a sum assessed as compensation for the loss or damages sustained, and not otherwise being a judgment contrary to section 5 of the Protection of Trading Interests Act 1980 or is a judgment based on measures designated by the Secretary of State under Section 1 of that Act; (7) the U. S. judgment not having been obtained by fraud or in breach of English principles of natural justice; (8) the U. S. judgment not being a judgment on a matter previously determined by an English court, or another court whose judgment is entitled to recognition (or enforcement as the case may be) in England, in proceedings involving the same parties that conflicts with an earlier judgment of such court; (9) the party seeking enforcement (being a party who is not ordinarily resident in some part of the U. K. or resident in an EU Member State) providing security for costs, if ordered to do so by the English courts; and (10) the English enforcement proceedings being commenced within the relevant limitation period. If an English court gives judgment for the sum payable under a U. S. judgment, the English judgment will be enforceable by methods generally available for this purpose. These methods generally permit the English court discretion to prescribe the manner of enforcement. In addition, in any enforcement proceedings, the judgment debtor may raise any counterclaim that could have been brought if the action had been originally brought in England unless the subject of the counterclaim was in issue and denied in the U. S. proceedings.