

## Risk Factors Comparison 2024-11-27 to 2023-11-21 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text **Moved Text Section**

You should carefully consider the risks described below and the other information in this Annual Report on Form 10-K before deciding to invest in shares of our common stock. These are the risks and uncertainties applicable to our businesses that we believe are most important for you to consider. Additional risks and uncertainties not presently known to us, which we currently deem immaterial or which are similar to those faced by other companies in our industry or business in general, may also impair our business operations. If any of the following risks or uncertainties actually occur, our business, financial condition and operating results would likely suffer. In that event, the market price of our common stock could decline, and you could lose all or part of your investment.

**Macroeconomic and External Risks.** **A prolonged downturn in macroeconomic conditions may materially adversely affect our business.** **An economic downturn in the United States and elsewhere, including as a result of continued or future outbreaks of COVID-19 or a similar infectious disease,** reductions in the level of government funding for scientific research, increases in interest rates, inflation, among other factors, may cause our current or potential customers to delay or reduce purchases, which could, in turn, result in reductions in sales of our products ~~and services~~, materially and adversely affecting our results of operations and cash flows. Volatility and disruption of global financial markets could limit our customers' ~~ability to obtain adequate financing to maintain operations and proceed with planned or new capital spending initiatives, leading to a reduction in sales volume that could materially and adversely affect our results of operations and cash flow.~~ In addition, a decline in our customers' ~~ability to pay as a result of an economic downturn may lead to increased difficulties in the collection of our accounts receivable, higher levels of~~ reserves for doubtful accounts and write-offs of accounts receivable, and higher operating costs as a percentage of revenues. **Global ~~11~~Global** climate change and related legal and regulatory developments could negatively affect our business, financial condition and results of operations. Climate change presents risks to us and to our customers, with the risks expected to increase over time. Our products and services are subject to and affected by environmental regulation by federal, state, and local authorities in the United States and regulatory authorities with jurisdiction over our international operations. Future regulations or voluntary actions on our part in response to climate change could result in costly changes to our facilities to reduce carbon emissions and could increase energy costs as a result of switching to less carbon-intensive, but more expensive, sources of energy to operate our facilities and to transport and ship products and samples. There can be no assurance that climate change or environmental regulation and response will not have a negative competitive impact on our ability to provide sample management, automated storage, and genomic services or that economic returns will match the investments that we are making in the development of new products and services. We will likely face increasing complexity related to product design, the use of regulated materials, energy consumption and efficiency, and the reuse, recycling, or disposal of products and their components at end-of-use or useful life. There continues to be a lack of consistent climate legislation, which creates economic and regulatory uncertainty regarding future incentives for energy efficiency and costs of compliance, which may impact the demand for our products and services, our costs associated with providing our products and services, and our results of operations and financial condition. In addition, the potential physical impacts of climate change on our operations are highly uncertain and would be particular to the geographic circumstances in areas in which we operate. These may include changes in global weather patterns, which could include local changes in rainfall and storm patterns and intensities, water shortages, changing sea levels, and changing temperature averages or extremes. These impacts may also adversely affect our properties, our business, financial condition and results of operations. Unfavorable currency exchange rate fluctuations may impact our significant foreign currency holdings, lead to lower operating margins, or may cause us to raise prices for our products and services, which could result in reduced sales. Currency exchange rate fluctuations could have an adverse effect on our sales, cost

of sales and results of operations, and we could experience losses with respect to forward exchange contracts into which we may enter. Unfavorable currency fluctuations could require us to increase prices for our products and services to customers, which could result in lower net sales. Alternatively, if we do not adjust the prices for our products and services in response to unfavorable currency fluctuations, our results of operations, including our margins, could be materially and adversely affected -- affected. In addition, most sales made by our foreign subsidiaries are denominated in the currency of the country in which these products are sold or these services are provided and the currency received in payment for such sales could be less valuable as compared to the U. S. dollar at the time of receipt as a result of exchange rate fluctuations. From time to time, we enter into forward exchange contracts and cross- currency swap agreements to reduce currency exposure. However, we cannot be certain that our efforts will be adequate to protect us against significant currency fluctuations or that such efforts will not expose us to additional exchange rate risks, which could materially and adversely affect our results of operations. We As of September 30, 2024, we held held approximately \$ 546-124 million of cash and cash equivalents that is denominated in foreign currency, which represents a substantial portion of our current cash and cash equivalents balance. As a result of our significant foreign currency holdings, our financial results and capital ratios may be impacted by the movements in exchange rates, and a significant portion of our assets must be translated into U. S. dollars for external reporting purposes or converted into U. S. dollars to meet our strategic needs -- including with respect to our share repurchase authorization, and service obligations such as any future U. S. dollar- denominated indebtedness or dividends. We may seek to mitigate our exposure to currency exchange rate fluctuations, but our efforts may not be successful. Our business could be negatively impacted by environmental, social and governance (ESG) matters. There has been an increased focus from investors, customers, employees and other stakeholders concerning ESG matters, including addressing climate change, which may result in increases in our costs to operate our business or restrict certain aspects of our activities. The standards by which ESG efforts and related matters are measured are developing and evolving, and certain areas are subject to assumptions that could change over time and the extent and severity of climate change impacts are unknown. In addition, we could be criticized for the scope of such initiatives or goals or perceived as not acting responsibly in connection with these matters. Any such matters could have a material adverse impact on our future results of operations, financial position and cash flows. Risks Relating to Our Operations Our --- Operations Our operating results could fluctuate significantly, which could negatively impact our business. Our revenue, operating margins and other operating results could fluctuate significantly from quarter- to- quarter and year- to- year depending upon a variety of factors, including: • changes in the timing and terms of product orders and service contracts by our customers as a result of our customer concentration or otherwise; • changes in the demand for the mix of products and services that we offer; 12 • the timing and amount of any new repurchases of our common stock under our share repurchase authorization; • the timing and market acceptance of our new product and service introductions; • delays or problems in the planned introduction of new products or services, or in the performance of any such products following delivery to customers or the quality of such services; • new products, services or technological innovations by our competitors, which can, among other things, render our products and services less competitive due to the rapid technological changes in the markets in which we provide products and services; • the timing and related costs of any acquisitions, divestitures or other strategic transactions; • our ability to reduce our costs in response to decreased demand for our products and services; • our ability to accurately estimate customer demand, including the accuracy of demand forecasts used by us; • disruptions in our manufacturing process or in the supply of components to us; 12 • write- offs for excess or obsolete inventory; • competitive pricing pressures; and • increased investment into our infrastructure to support our growth, including capital equipment, research and development, as well as selling and marketing initiatives to support continuous product and services innovation, technological capability enhancements and sales efforts. The timing of revenue generation coupled with the increased amount of investment may result in operating losses. As a result of these risks, we believe that reference to past performance for comparisons of our revenue and operating results may not be meaningful, and that these comparisons may not be an accurate indicator of our future performance. If we do not continue to introduce new products and services that reflect advances in technology in a timely and effective manner, our products and services may become obsolete and our operating results will suffer. Our success is dependent on our ability to respond to the technological changes present in the markets we serve. The success of our product development and introduction of products and services to market depends on our ability to: • identify and define new market opportunities, products and services in an accurate manner; • obtain market acceptance of our products and services; • innovate, develop, acquire and commercialize new technologies and applications in a timely and cost effective manner; • adjust to changing market conditions; • differentiate our offerings from our competitors' offerings; • obtain and maintain intellectual property rights where necessary; 13 • continue to develop a comprehensive, integrated product and service strategy; • price our products and services appropriately; and • design our products to high standards of manufacturability so that they meet customer requirements. If we cannot succeed in responding in a timely and cost effective manner to technological and / or market changes or if the new products and services that we introduce do not achieve market acceptance, our competitive position would diminish which could materially harm our business and our prospects. If we do not achieve our transformation initiative goals, our financial results could be negatively impacted. In fiscal year 2024, we announced a transformation initiative to reduce complexity and streamline processes across our organization designed to lead to reduced costs and increased profitability. We have identified initiatives and activities to support the objectives of the transformation initiative. If we fail to complete any of these initiatives or activities, or if the results of these initiatives and activities do not lead to the cost savings we expect, our financial results could be negatively impacted. The global nature of our business exposes us to multiple risks. During fiscal years ended September 30, 2024, 2023 --and 2022 and 2021, approximately 44 %, 46 % --and 33 % and 38- % of our revenue was derived from sales outside of North America. We expect that international sales, including increased sales in Asia and Africa, will continue to account for a significant portion of our revenue for the foreseeable future, and that in particular, the proportion of our sales to customers in China will increase, due in large part to our significant genomic services operation in

China. Additionally, we intend to invest additional resources in facilities in China, which will increase our global footprint of sales, service and repair operations. As a result of our international operations, we are exposed to many risks and uncertainties, including: • longer sales- cycles and time to collection; • tariff and international trade barriers; ~~13~~ • fewer or less certain legal protections for intellectual property and contract rights abroad; • different and changing legal and regulatory requirements in the jurisdictions in which we operate; • government currency control and restrictions on repatriation of earnings; • a diverse workforce with different experience levels, languages, cultures, customs, business practices and worker expectations, and differing employment practices and labor issues; • an increased reliance on third- party agents and distributors to transact business in jurisdictions where we do not have a presence; **14** • fluctuations in foreign currency exchange and interest rates, particularly in Asia and Europe; • political and economic instability, changes, hostilities and other disruptions in regions where we operate; and • intervention or attempts to control our international operations by foreign governments, including our Suzhou China facility by the government of China. Moreover, in many foreign countries, particularly in those with developing economies, there is an increased risk of corruption and / or bribery, which could lead to violations of various laws and regulations, including the Foreign Corrupt Practices Act. While such business practices are prohibited by our internal policies and procedures, there can be no assurance that all our employees, contractors and agents, as well as those companies to which we outsource certain of our business operations, will comply with these policies and procedures, or the applicable anti- bribery laws and regulations. Any such violations could subject us to fines and other penalties, which could have a material adverse effect on our business, operating results, financial condition and cash flows. Negative developments in any of these areas in one or more countries could result in a reduction in demand for our products, the cancellation or delay of orders already placed, threats to our intellectual property, difficulty in collecting receivables, and a higher cost of doing business, any of which could materially harm our business and profitability. ~~We~~ **As of September 30, 2024, we hold held** approximately \$ ~~569~~ **146** million of cash outside the United States and our ability to repatriate any of the funds for use in the United States or elsewhere in our business may be limited based on local country statutory requirements, which could negatively impact our opportunities to deploy capital ~~, including for our share repurchase authorization~~. Our business could be materially harmed if we fail to adequately integrate the operations of the businesses that we have acquired or may acquire. We have made in the past, and may make in the future, acquisitions or significant investments in businesses with complementary products, services and / or technologies. Our acquisitions, present numerous risks, including: • difficulties in integrating the operations, technologies, products and personnel of the acquired companies and realizing the anticipated synergies of the combined businesses; • defining and executing a comprehensive product and services strategy; • managing the risks of entering markets or types of businesses in which we have limited or no direct experience; • the potential loss of key employees, customers and strategic partners of ours or of acquired companies; • unanticipated problems or latent liabilities, such as problems with the quality of the installed base of the target company' s products or infringement of another company' s intellectual property by a target company' s activities, products or services; • problems associated with compliance with the acquired company' s existing contracts; ~~14~~ • difficulties in managing geographically dispersed operations; • the diversion of management' s attention from normal daily operations of the business; and • difficulties in accurately estimating the expected demand for any acquired product, service or technology and the timing and regularity thereof. ~~If~~ **15** ~~If~~ we acquire a new business, we may expend significant funds, incur additional debt or issue additional securities, which may negatively affect our operations and be dilutive to our stockholders. In periods following an acquisition, we will be required to evaluate goodwill and acquisition- related intangible assets for impairment. If such assets are found to be impaired, they will be written down to estimated fair value, with a charge against earnings. The failure to adequately address these risks or the impairment of any assets could materially harm our business and financial results. Expanding within current markets introduces new competitors and commercial risks. A key part of our growth strategy is to continue expanding within the life ~~sciences~~ **science products** ~~sample management~~ and ~~genomic~~ **services** markets. As part of this strategy, we expect to diversify our product sales and service revenue by leveraging our core technologies and making acquisitions of select businesses, products, services or technologies, which requires investments and resources which may not be available on favorable terms or at all. We cannot guarantee that we will be successful in leveraging our capabilities into the life sciences ~~sample management~~ and ~~genomic~~ **services** markets or identifying and successfully acquiring other businesses, products, services or technologies to meet all the needs of new customers and to compete favorably with other products and services. Because a significant portion of our growth potential may be dependent on our ability to increase sales within each of the ~~Life Sciences Product~~ **Sample Management Solutions, Multiomics,** and ~~Life Sciences Services~~ **B Medical Systems** segments, our inability to successfully expand within the markets serviced by these segments may adversely impact future financial results. Changes in key personnel could impair our ability to execute our business strategy. The continuing service of our executive officers and essential engineering, scientific and management personnel, together with our ability to attract and retain such personnel, is an important factor in our continuing ability to execute our strategy. There is substantial competition to attract such employees and the loss of any such key employees could have a material adverse effect on our business and operating results. The same could be true if we were to experience a high turnover rate among engineering and scientific personnel and we were unable to replace them. Our ability to attract and retain employees may be negatively impacted by employees' reactions to our ~~health and safety~~ policies, ~~including those~~ related to **working** ~~COVID-19 vaccinations, masks, and / or flexibility to work~~ remotely, particularly in the United States. Any failure to attract, recruit, train, retain, motivate and integrate qualified personnel **, in particular our new President and Chief Executive Officer and Executive Vice President and Chief Financial Officer,** could materially harm our **strategic plan,** operating results and growth prospects . **John Marotta joined us as President, Chief Executive Officer and member of our Board of Directors on September 9, 2024 to succeed Dr. Stephen Schwartz, who previously announced his retirement after more than 14 years of service to us. In addition, on November 12, 2024, Lawrence Lin was appointed as our Executive Vice President and Chief Financial Officer following the filing of this Annual Report on Form 10- K to succeed Herman Cueto in this role. Although we have taken steps to help ensure a**

**smooth and successful transition, there can be no assurance that these steps will be successful.** Unexpected events could disrupt our sample storage operations and adversely affect our reputation and results of operations. Unexpected events, including fires or explosions at our facilities, natural disasters, such as tornadoes, hurricanes and earthquakes, war or terrorist activities, unplanned power outages, supply disruptions and failure of equipment or systems, could adversely affect our reputation and results of operations. Our ~~Life Sciences Services~~ customers rely on us to securely store and timely retrieve and transport their critical samples, and these events could result in service disruptions, physical damage to one or more key storage facilities and the customer samples stored in those facilities, the temporary closure of one or more key operating facilities or the temporary disruption of service, each of which could negatively impact our reputation and results of operations. Our primary storage facility is located in Indianapolis, Indiana, an area of the United States that can be prone to tornadoes and other severe weather events. If our facilities were to experience a significant disruption in operations, our business could be materially harmed, while the failure to estimate customer demand accurately could result in excess or obsolete inventory. We have a limited number of manufacturing facilities for our products and laboratories for our service offerings. If the operations at any one of these facilities were disrupted as a result of a natural disaster, fire, power or other utility outage, work stoppage, war or terrorist activities or other similar event, our business could be seriously harmed because ~~15~~ **we** may be unable to manufacture and ship products and parts, or provide services, to our customers in a timely fashion. The impact of any disruption at one of our facilities may be exacerbated if the disruption occurs at a time when we need to rapidly increase our capabilities to meet increased demand or expedited shipment schedules. ~~Moreover~~ **16** ~~Moreover~~, if actual demand for our products or services is different than expected, we may purchase more / fewer component parts or other supplies than necessary or incur costs for canceling, postponing or expediting delivery of such parts or supplies. If we purchase inventory in anticipation of customer demand that does not materialize, or if our customers reduce or delay orders, we may incur excess inventory charges. Any or all of these factors could materially and adversely affect our business, financial condition and results of operations. Our business relies on certain critical information systems and a failure or breach of such a system could harm our business and results of operations and, in the event of unauthorized access to a customer's data or our data, incur significant legal and financial exposure and liabilities. We **utilize** ~~maintain and rely upon~~ certain critical information **technology systems and networks, including those provided by third parties, to process, transmit and store electronic information in connection with our business, and more broadly** for the effective operation of our business. These information systems include telecommunications, the internet, our corporate intranet, various computer hardware and software applications, network communications and e-mail. These information systems may be owned and maintained by us, our ~~outsourced~~ **outsourced** providers, or other third parties such as vendors and contractors. **As the use of digital technologies has increased, cybersecurity incidents, including deliberate attacks and attempts to gain unauthorized access to computer systems and networks, have increased in frequency and sophistication, and are becoming increasingly difficult to detect. These threats pose a risk to the security of our systems and networks and the confidentiality, availability, reliability, adequacy, and integrity of our data. There can be no assurance that we will be successful in preventing or detecting cybersecurity incidents and attacks, or successfully mitigating their effects. Despite the implementation of security measures, our information technology systems and those provided to us by third parties are subject vulnerable to attacks damage or disruption from hacking, computer viruses, malware, including ransomware, software bugs, unauthorized access, natural disasters, terrorism, war, and telecommunication, equipment, and electrical failures, and access denials from a number of potential sources including viruses, destructive or inadequate code, power failures, and physical damage to computers, hard drives, communication lines and networking equipment.** **Our** To the extent that these information systems are under our control, we have implemented security procedures, such as virus protection software and emergency recovery processes, to mitigate the outlined risks. However, security procedures for information systems cannot be guaranteed to be fail-safe and our inability to use or access these information systems at critical points in time, or unauthorized releases ~~access to or acquisition~~ **of confidential or proprietary information, or personal data**, could unfavorably impact **our reputation and** the timely and efficient operation of our business. **We have measures in place that are designed to prevent, and if necessary, to detect and respond to such cybersecurity incidents and breaches of privacy and security mandates. Our measures to prevent, detect, respond to, and minimize such risks may be unsuccessful. While we have not, to our knowledge, experienced any significant system failure, accident, or material cybersecurity incident to date, if such an event were to occur and cause interruptions in our operations or the operations of those third parties with which we contract, it could result in legal harm and a material disruption of our programs and our business operations, as well as our financial condition. To the extent that any disruption or cybersecurity incident results in a loss of or damage to our data or applications, or inappropriate disclosure, loss, corruption, modification, or theft of Confidential confidential or proprietary information stored on, or personal data, in addition to incurring liability, these-- the information systems further development of our products and services could also be delayed, or our competitive position could be compromised. Additionally** If a third party gains unauthorized access to our data, including any information regarding our customers, such ~~disruptions or~~ **security cybersecurity breach incidents** could expose us to a risk of loss of this information, loss of business, litigation and possible liability. These security measures may be breached as a result **in enforcement** of third-party action ~~actions~~, including intentional misconduct by **United States** computer hackers, employee error, malfeasance or otherwise. Additionally, **foreign regulatory authorities, third regulatory parties penalties, and other legal liabilities may fraudulently attempt to induce employees or customers into disclosing sensitive information such as user names but not limited to private litigation**, passwords ~~the incurrence of significant remediation costs, disruptions to or our development programs, business operations and collaborations, diversion of management efforts and damage to our reputation, all of which could harm our business and operations. We have identified a material weakness in our internal control over financial reporting which led to a conclusion that our internal control over financial reporting is not effective as of September 30, 2024. Our ability to remediate other-- the information in order material weakness, the discovery of~~

additional material weaknesses, and our inability to gain access achieve and maintain effective disclosure controls and procedures and internal control over financial reporting, could adversely affect our results of operations, our stock price and investor confidence in our company. Pursuant to SEC rules and regulations, our management is required to report on the effectiveness of our internal control over financial reporting. The rules governing the standards that must be met for management to assess our internal control over financial reporting are complex and require significant documentation, testing and possible remediation. Annually, we perform activities that include reviewing, documenting and testing our internal control over financial reporting. If we fail to maintain the adequacy of our internal control over financial reporting, we will not be able to conclude on an ongoing basis that we have effective internal control over financial reporting. Failure to achieve and maintain effective internal control over financial reporting could result in material misstatements in our financial statements and a failure to meet our reporting and financial obligations, each of which could have a material adverse effect on our financial condition and the trading price of our common stock. This could result in significant expenses to remediate any internal control deficiencies and lead to a decline in our stock price. We identified a material weakness in our internal control over financial reporting as of September 30, 2024 as we did not design and maintain effective controls related to the review of the cash flow statement. The material weakness resulted in immaterial misstatements in our Consolidated Statements of Cash Flows for the Q2 and Q3 interim periods during fiscal 2023, for the year ended September 30, 2023, as well as the Q1, Q2, and Q3 interim periods during fiscal 2024 and in our supplemental cash flow disclosures for the year ended September 30, 2022, each interim and annual period during fiscal 2023 and the Q1, Q2 and Q3 interim periods during fiscal 2024. Additionally, the material weakness could result in material misstatements of our interim or customers annual consolidated statement of cash flows or supplemental cash flow disclosures that would not be prevented or detected on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of a company's data or its annual or interim financial statements will data, including our intellectual property and other confidential business information, or our information technology systems. Because the techniques used to obtain unauthorized access, or to sabotage systems, change frequently and generally are not recognized until launched against a target, we cannot be prevented or detected on a timely basis. Our management may be unable to anticipate conclude in future periods that our disclosure controls and procedures are effective due to the effects of various factors, which may, in part, include unremediated material weaknesses in internal control over financial reporting. Our management has taken, and plans to take, actions to remediate the deficiency in our internal control over financial reporting and will implement new processes, procedures and controls designed to address the underlying causes associated with the material weakness. While we expect to continue to implement our remediation plans throughout the fiscal year ended September 30, 2025, we cannot be certain as to when the remediation of this material weakness will be fully completed. During the course of completing our remedial actions, we may identify areas requiring improvement and may be required to design additional enhanced processes and controls to address issues identified through this process. In addition, there can be no assurance that such remediation efforts will be successful, that our disclosure controls and procedures or internal control over financial reporting will be effective as a result of these techniques efforts or that any such future deficiencies identified may not be material weaknesses that would be required to be reported in future periods. If we fail to remediate this material weakness or otherwise not maintain effective disclosure controls and procedures or internal control over financial reporting, we may not be able to rely on the integrity of our financial results or otherwise provide reliable financial statements, which could adversely affect our business decisions, result in inaccurate or late reporting of our financial results, as well as delays or the inability to implement adequate preventative measures meet our reporting obligations or to comply with SEC rules and regulations. Any security breach of these could result in delisting actions a loss of confidence by our customers the Nasdaq Stock Market, damage our reputation investigation and sanctions by regulatory authorities, disrupt stockholder investigations and lawsuits, and could adversely affect our business, lead to legal results of operations, liability-- ability to obtain financing and negatively impact the trading price of our future sales common stock. Our goodwill and intangible assets may become impaired. As of September 30, 2023-2024, we had \$ 784-691. 3-4 million of goodwill and \$ 294-248. 3-0 million in net intangible assets as a result of our acquisitions. We periodically review our goodwill and the estimated useful lives of our identifiable intangible assets, taking into consideration any events or circumstances that might result in either a diminished fair value, or for intangible assets, a revised useful life. These events and circumstances include significant changes in the business climate, legal factors, operating performance indicators, advances in technology and competition. Any impairment or revised useful life could have a material and adverse effect on our financial position and results of operations and could harm the trading price of our common stock. As of October 1, 2023, the company reorganized the business under three operating segments, and as a result, reallocated goodwill to the newly defined reporting units. Subsequent to this reallocation, as of October 1, 2023, the fair value of the B Medical reporting unit approximates carrying value. In the event the performance of any of our the Company's reporting units does not meet management expectations in the future, we the Company experiences-- experience a prolonged macroeconomic or market downturn, or there are other negative revisions to key assumptions used in the analyses used to estimate fair value, we the Company may be required to perform an impairment analysis which could result in an impairment-- impairment charge. As of October 1, 2023, we reorganized the business under three operating segments, and as a result, reallocated goodwill to the newly defined reporting units. Subsequent to this reallocation, during the second quarter of fiscal year 2024, as part of our routine long- term planning process, we assessed several events and circumstances that could affect the significant inputs used to determine the fair value of our reporting units, including updates to forecasted cash flows, the impact of our cost saving plans and planned transformation initiatives and the overall change in the economic climate since our last impairment assessment in October 2023. We concluded it was more likely than not the fair value of

the B Medical Systems segment was less than its carrying amount resulting from the reduction in our anticipated revenue growth rates for the current and subsequent years as compared to prior projections. As a result, we completed a quantitative goodwill impairment test for our reporting units in accordance with Accounting Standards Codification 350, Intangibles – Goodwill as of March 31, 2024. We recorded a non-cash impairment charge of \$ 111.3 million within "Impairment of goodwill and intangible assets" in our Condensed Consolidated Statements of Operations during the three months ended March 31, 2024. For further details refer to Note 21-8, ~~Subsequent Events~~-Goodwill and Intangible Assets to our Consolidated Financial Statements included under Part II, Item 8, "Financial Statements and Supplementary Data" of this Annual Report on Form 10-K. **Any additional impairment charges could negatively impact our business and stock price as set forth above.**

~~Changes~~ **18** ~~Changes~~ in tax rates or tax regulation could affect results of operations. As a global company, we are subject to taxation in the United States and various other countries. Significant judgment is required to determine and estimate worldwide tax liabilities. Our future annual and quarterly effective tax rates could be affected by numerous factors, including changes in the following: applicable tax laws; composition of pre-tax income in countries with differing tax rates; and / or establishment of a valuation allowance against deferred tax assets based on the assessment of their realizability prior to expiration. Changes in applicable tax laws could significantly impact the estimates of our tax assets and liabilities, as well as expectations of future effective tax rates. Changes in tax laws could also negatively impact our ability to move our cash balances between the jurisdictions in which we operate. In addition, we are subject to regular examination by the U. S. Internal Revenue Service and state, local and foreign tax authorities. We regularly assess the likelihood of favorable or unfavorable outcomes resulting from these examinations to determine the adequacy of our expense for income taxes. Although we believe our tax estimates are reasonable, there can be no assurance that any final determination will not be materially different from the treatment reflected in our historical income tax (benefits) expenses and accruals, which could materially and adversely affect our financial condition and results of operations. International trade disputes could result in additional or increased tariffs, export controls or other trade restrictions that may have a material impact on our business. We sell a significant number of products outside the United States, including in China and Africa. Based on the complex relationships among these countries and the United States, there is inherent risk that political, diplomatic and national security influences might lead to trade disputes, impacts and / or disruptions. The United States and other countries have imposed and may continue to impose trade restrictions and have also levied tariffs and taxes on certain goods. Increases in tariffs, additional taxes or other trade restrictions and retaliatory measures may increasingly impact customer demand and customer investment in manufacturing equipment, increase our manufacturing costs, decrease margins, reduce the competitiveness of our products, or inhibit our ability to sell products or purchase necessary equipment and supplies, which could have a material adverse effect on our business, results of operations, or financial condition. **In addition, a portion of the manufacturing for our products and providing services takes place in China through third-party manufacturers and service providers. The BIOSECURE ACT that was recently passed by the U. S. House of Representatives is aimed at discouraging federal contracting with certain Chinese biotechnology companies for biotechnology equipment or services. If the BIOSECURE ACT becomes law, its implementation has the potential to impact supply of our products and services. Additionally, if following the enactment and implementation of the BIOSECURE ACT we are required to change manufacturers or service providers for any reason, we will be required to verify that the new manufacturer or provider maintains facilities and procedures that comply with quality standards and with all applicable regulations and guidelines. We anticipate that the complexity of our processes may impact the amount of time it may take to secure a replacement manufacturer or provider and such delays could negatively affect our ability to develop and sell products and services, which could have a material adverse effect on our business, results of operations, or financial condition.**

We are subject to numerous governmental regulations. We are subject to federal, state, local and foreign regulations, including environmental regulations, regulations relating to the design and operation of our products and control systems and regulations relating to certain of our service offerings, including those described ~~above~~ under Item 1 "Business- Environmental Matters and Governance Regulations" above. We might incur significant costs as we seek to ensure that our products meet safety and emissions standards, many of which vary across the states and countries in which our products are used, **and that our GLP regulatory services in our Multiomics business are performed in accredited and certified laboratories**. In the past, we have invested significant resources to redesign our products **and establish and maintain our laboratories** to comply with these ~~directives~~ **regulations**. Compliance with future regulations, directives, and standards could require us to modify or redesign some products, change our service offerings, make capital expenditures, or incur substantial costs. If we do not comply with current or future regulations, directives, and standards:

- we could be subject to fines;
- our production or shipments could be suspended; and
- we could be prohibited from offering particular products or services in specified markets.

Any of these events could materially and adversely affect our business, financial condition and results of operations. **19** **Our actual or perceived failure to comply with data protection laws and regulations could lead to government enforcement actions, private litigation and / or adverse publicity and could negatively affect our business. We are subject to domestic and international data protection laws and regulations that address privacy and data security and may affect our collection, use, storage, and transfer of personal information. The legislative and regulatory landscape for data protection continues to evolve, and in recent years there has been an increasing focus on privacy and data security issues with the potential to affect our business. In the U. S., numerous federal and state laws and regulations, including state data breach notification laws, state health information privacy laws and federal and state consumer protection laws govern the collection, use, disclosure and protection of health-related and other personal information. Failure to comply with data protection laws and regulations, where applicable, could result in government enforcement actions, which could include civil or criminal penalties, private litigation and / or adverse publicity and could negatively affect our operating results and business. For example, California has enacted the California Consumer Privacy Act, or CCPA, which went into effect in January of 2020. The CCPA gives California**

residents expanded rights to access and require deletion of their personal information, opt out of certain personal information sharing, and receive detailed information about how their personal information is used. The CCPA provides for civil penalties for violations, as well as a private right of action for data breaches that may increase data breach litigation. Although the CCPA includes exemptions for certain categories of health information, the law may increase our compliance costs and potential liability with respect to other personal information we collect about California residents. Additionally in 2020, California voters passed the California Privacy Rights Act, or the CPRA, which went into full effect on January 1, 2023. The CPRA significantly amended the CCPA, potentially resulting in further uncertainty, additional costs and expenses in an effort to comply and additional potential for harm and liability for failure to comply. Among other things, the CPRA established a new regulatory authority, the California Privacy Protection Agency, which is tasked with enacting new regulations under the CPRA and has expanded enforcement authority. In addition to California, more U. S. states are enacting similar legislation, increasing compliance complexity and increasing risks of failures to comply. In 2023, comprehensive privacy laws in Virginia, Colorado, Connecticut, and Utah all took effect, and laws in Montana, Oregon, and Texas take effect during 2024. In addition, laws in other U. S. states are set to take effect beyond 2024, and additional U. S. states have proposals under consideration, all of which are likely to increase our regulatory compliance costs and risks, exposure to regulatory enforcement action, and other liabilities. Numerous other countries have, or are developing, laws governing the collection, use and transmission of personal information as well. For example, the European Parliament and the Council of the European Union adopted a comprehensive general data privacy framework called the General Data Protection Regulation ("GDPR") which took effect in May 2018 and governs the collection and use of personal data in the European Union, including by companies outside of the European Union. The GDPR, which is wide- ranging in scope, imposes several requirements relating to the consent of the individuals to whom the personal data relates, the information provided to the individuals, the security and confidentiality of the personal data, data breach notification, and the use of third- party processors in connection with the processing of the personal data. The GDPR also imposes strict rules on the transfer of personal data out of the European Union to the United States, enhances enforcement authority and imposes large penalties for noncompliance, including the potential for fines of up to € 20 million or 4 % of the annual global revenues of the infringer, whichever is greater. The GDPR also confers a private right of action on data subjects and consumer associations to lodge complaints with supervisory authorities, seek judicial remedies, and obtain compensation for damages resulting from violations of the GDPR. Compliance with the GDPR has been and will continue to be a rigorous and time- intensive process that has increased and will continue to increase our cost of doing business or require us to change our business practices, and despite those efforts, there is a risk that we may be subject to fines and penalties, litigation and reputational harm in connection with any European activities, which could adversely affect our business, prospects, financial condition and results of operations. Additionally, following the United Kingdom's withdrawal from the European Union (i. e., Brexit), and the expiry of the Brexit transition period, which ended on December 31, 2020, the GDPR has been implemented in the United Kingdom (as the UK GDPR). The UK GDPR sits alongside the UK Data Protection Act 2018 which implements certain derogations in the EU GDPR into UK law. Under the UK GDPR, companies not established in the UK but who process personal data in relation to the offering of goods or services to individuals in the UK, or to monitor their behavior will be subject to the UK GDPR – the requirements of which are (at this time) largely aligned with those under the EU GDPR and as such, may lead to similar compliance and operational costs with potential fines of up to £ 17. 5 million or 4 % of global turnover. Applicable data privacy and data protection laws may conflict with each other, and by complying with the laws or regulations of one jurisdiction, we may find that we are violating the laws or regulations of another jurisdiction. Despite our efforts, we may not have fully complied in the past and may not in the future. That could require us to incur significant expenses, which could significantly affect our business. Failure to comply with data protection laws may expose us to risk of enforcement actions taken by data protection authorities or other regulatory agencies, private rights of action in some jurisdictions, and potential significant penalties if we are found to be non-compliant. Furthermore, the number of government investigations related to data security incidents and privacy violations continue to increase and government investigations typically require significant resources and generate negative publicity, which could harm our business and reputation.

Regulations and customer demands related to conflict minerals may adversely affect us. The Dodd- Frank Wall Street Reform and Consumer Protection Act imposes disclosure requirements regarding the use in components of our products of " conflict minerals " mined from the Democratic Republic of Congo and adjoining ~~17 countries~~ **countries**, whether the components of our products are manufactured by us or third parties. This requirement could affect the pricing, sourcing and availability of minerals used in the manufacture of components we use in our products. In addition, there are additional costs associated with complying with the disclosure requirements and customer requests, such as costs related to our due diligence to determine the source of any conflict minerals used in our products and preparing and filing required reports with respect thereto with the SEC. We may face difficulties in satisfying customers who may require that all of the components of our products are certified as conflict mineral free and / or free of numerous other hazardous materials.

**20 Risks Related to Our Intellectual Property** Our failure to protect our intellectual property could adversely affect our future operations. Our ability to compete is significantly affected by our ability to protect our intellectual property. We rely upon patents, trade secret laws, confidentiality agreements and procedures, copyrights, trademarks and licensing agreements to protect our technology. Existing trade secret, trademark and copyright laws offer only limited protection. Our success depends in part on our ability to obtain and enforce patent protection for our products and services both in the United States and in other countries. We own numerous U. S. and foreign patents, and we intend to file additional applications, as appropriate, for patents covering our products, services, and technology. Any issued patents owned by or licensed to us may be challenged, invalidated or circumvented, and the rights under these patents may not provide us with competitive advantages.

In addition, the laws of some countries in which our products and services are or may be developed, manufactured, provided, or sold may not fully protect our products and services. Due to the rapid technological change that characterizes the life sciences and related process equipment industries, we believe that the improvement of existing technology, reliance upon trade secrets, unpatented proprietary know-how and the development of new products or services may be as important as patent protection in establishing and maintaining a competitive advantage. To protect trade secrets and know-how, it is our policy to require all technical and management personnel to enter into nondisclosure agreements. We cannot guarantee that the steps we have taken to protect our intellectual property will be adequate to prevent the misappropriation of our technology. Other companies could independently develop similar or superior technology without violating our intellectual property rights. In the future, it may be necessary to engage in litigation or like activities to enforce our intellectual property rights, to protect our trade secrets or to determine the validity and scope of proprietary rights of others, including our customers. This could require us to incur significant expenses and to divert the efforts and attention of our management and technical personnel from our business operations. The expiration of our patents over time could lead to an increase in competition and a decline in our revenue. One of our main competitive strengths is our technology, and we are dependent on our patent rights and other intellectual property rights to maintain our competitive position. Our current patents **began to expire at various dates beginning in 2024 and will continue to** expire from time to time **thereafter beginning in 2024 and running through 2039-2042** which could result in increased competition and declines in product and service revenue. We may be subject to claims of infringement of third-party intellectual property rights, or demands that we license third-party technology, which could result in significant expense and prevent us from using our technology. There has been substantial litigation regarding patent and other intellectual property rights in the industries in which we do business. We have in the past been, and may in the future be, notified that we may be infringing intellectual property rights possessed by third parties. We cannot guarantee that infringement claims by third parties or other claims for indemnification by customers or end-users of our products and services resulting from infringement claims will not be asserted in the future or that such assertions, whether or not proven to be true, will not materially and adversely affect our business, financial condition and results of operations. We cannot predict the extent to which we might be required to seek licenses or alter our products or services so that they no longer infringe the rights of others. We also cannot guarantee that licenses will be available or the terms of any licenses we may be required to obtain will be reasonable. Similarly, changing our products, services or processes to avoid infringing the rights of others may be costly or impractical and could detract from the value of our products and services. If a judgment of infringement were obtained against us, we could be required to pay substantial damages and a court could issue an order preventing us from selling one or more of our products or offering certain of our services. ~~18~~ **Further**, the cost and diversion of management attention brought about by such litigation could be substantial, even if we were to prevail. Any of these events could result in significant expense to us and may materially harm our business and our prospects. Risks Related to Reliance on Third ~~Parties Our~~ **Parties Our** business could be materially harmed if one or more key suppliers fail to continuously deliver key components of acceptable cost and quality. We currently obtain many of our key components on an as-needed, purchase order basis from numerous suppliers. In some cases, we have only a single source of supply for key components and materials used in the manufacturing of our products. Further, a portion of our supply is sourced from Asia, including China, and we do not always have a previous history of dealing with these suppliers. Our inability to obtain components or materials in required quantities or of acceptable cost and quality and with the necessary continuity of supply could result in delays or reductions in product shipments to our customers. In addition, if a supplier or sub-supplier suffers a production stoppage or delay for any reason, including natural disasters or health-related threats, this could result in a delay or reduction in our product shipments to our customers. Any of these contingencies could cause us to lose customers, result in delayed or lost revenue and otherwise materially harm our business. ~~Our~~ **Our** business could be adversely affected by a decline in the availability of raw materials. We are dependent on the availability of certain key raw materials and natural resources used in our products and various manufacturing processes, and we rely on third parties to supply us with these materials in a cost-effective and timely manner. Our access to raw materials may be adversely affected if our suppliers' operations were disrupted as a result of limited or delayed access to key raw materials and natural resources which may result in increased cost of these items. Our external service providers may fail to perform as we expect **or may suffer cybersecurity breaches**. Our external service providers have played and will continue to play a key role in many of our transactional and administrative functions, such as information technology and facilities management. Many of these service providers, including certain hosted software applications that we use for **the storage and processing of confidential data, proprietary, or personal information, employ various processing and storage technologies, employ including cloud computing technology for such storage.** These providers' ~~cloud computing information technology~~ **cloud computing information technology** systems may be susceptible to **cybersecurity** "cyber incidents **and breaches**," such as intentional cyber-attacks by hackers, aimed at theft of sensitive data or inadvertent cybersecurity compromises **other incidents, including those due to employee error, malfeasance, or other disruptions**, which are outside of our control. Although we attempt to select reputable providers, ~~and secure their performance~~ **perform diligence on terms documented in such providers, and enter into** written contracts, it is possible that one or more of these providers could fail to perform or adequately protect our data from ~~cyber-related security~~ **cybersecurity breaches incidents** as we expect, and any such failure could have an adverse impact on our business. **Any such incident could result in legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties, disrupt our operations, damage our reputation, and cause a loss of confidence in us and our ability to conduct our business and our competitive advantage, which could adversely affect our reputation.** Risks Relating to Our ~~Customers Customers Customers~~ **Customers** generally do not make long term commitments to purchase our products and our customers may cease purchasing our products at any time. Sales of our products are often made pursuant to individual purchase orders and not under long-term commitments and contracts. Our customers frequently do not provide any assurance of minimum or future sales and are not prohibited from purchasing products from our competitors at any time. Accordingly, we are exposed to competitive pricing

pressures on each order. We ~~22~~ We may face claims for liability related to damages of customer materials attributed to the failure of our products or services, exposing us to significant financial or reputational harm. Our automated cold storage systems for the life sciences sample management market are used in the handling, movement and storage of biological and chemical samples. We also provide sample storage services to customers where we store their biological and chemical samples or perform ~~genomics-~~ genomic services at our facilities. In any case, in addition to product warranty claims, inaccurate or faulty testing services or damage to our customers' materials attributed to a ~~19~~ failure-- failure of our products or services could lead to additional claims for damages made by our customers and could also harm our relationship with our customers and damage our reputation, resulting in material harm to our business. Risks Relating to Owning Our ~~Securities~~ Our Securities Our stock price is volatile. The market price of our common stock has fluctuated widely. From the beginning of fiscal year ~~2022~~ 2023 through the end of fiscal year ~~2023~~ 2024, our stock price fluctuated between a high of \$ ~~124.67~~ 15.51 per share and a low of \$ 36.45 per share. Consequently, the current market price of our common stock may not be indicative of future market prices, and we may be unable to sustain or increase the value of an investment in our common stock. Factors affecting our stock price may include: • variations in operating results from quarter- to- quarter and year- to- year; • changes in earnings estimates by analysts or our failure to meet analysts' expectations; • changes in the market price per share of our public company customers and competitors; • the ~~completion~~ timing and amount of any repurchases of our common stock under our ~~2022~~ share repurchase authorization; • market conditions in the life sciences sample management and genomic services and other industries into which we sell products and services; • global economic conditions; • political changes, hostilities, public health threats, including the COVID-19 pandemic, or similar events, or natural disasters such as hurricanes and floods; • low trading volume of our common stock; • the number of firms making a market in our common stock; and • actions of activist stockholders and our response (s) thereto. In addition, the stock market has in the past experienced significant price and volume fluctuations. These fluctuations have particularly affected the market prices of the securities of life sciences companies like ours. These market fluctuations could adversely affect the market price of our common stock. ~~Although we have initiated share repurchases under our share repurchase authorization, we cannot guarantee that our share repurchases will not limit our ability to further develop our business or whether the share repurchase authorization will be fully implemented or that it will enhance long- term stockholder value. On November 4, 2022, our Board of Directors approved a new share repurchase authorization for the repurchase of up to \$ 1.5 billion of our common stock (the " 2022 Repurchase Authorization "). Repurchases under the 2022 Repurchase Authorization may be made in the open market or through privately negotiated transactions (including under an accelerated share repurchase (" ASR ") agreement), or by other means, including through the use of trading plans intended to qualify under Rule 10b5-1 under the Exchange Act, subject to market and business conditions, legal requirements, and other factors. We are not obligated to acquire any particular amount of common stock under the 2022 Repurchase Authorization, and share repurchases may be commenced or suspended at any time at our discretion. On November 23, 2022, as part of the 2022 Repurchase Authorization, we entered into an ASR agreement with JPMorgan Chase Bank, National Association for the repurchase of up to \$ 500.0 million of our common stock. Approximately 6.1 million initial shares of common stock were received by us and retired in connection with entering into the ASR agreement in November 2022 and, in April 2023, the transactions under the ASR agreement terminated and we received final settlement of an additional 4.0 million shares of common stock for a total of 10.1 million shares of common stock repurchased under the ASR agreement. Following the final termination of the ASR agreement, other arrangements under the 2022 Repurchase Authorization commenced under which we expect to repurchase up to an additional \$ 500.0 million shares of our common stock in open market purchases, intended to qualify under Rule 10b5-1 under the Exchange Act, subject to market and business conditions, legal requirements, and other factors. We repurchased 17.5 million shares of common stock for \$ 838.5 million (excluding fees, commissions, and excise tax) in the fiscal year ending September 30, 2023 under the ASR agreement and these other arrangements. In addition, in November 2023, we announced that we intend to repurchase the remaining \$ 500.0 million of shares of common stock available under the 2022 Repurchase Authorization in 2024. Our ~~23~~ Our ability to continue to repurchase common stock, including under the other arrangements that commenced after termination of the ASR agreement and any of the remaining \$ 500.0 million of the intended repurchases announced in November 2023, will depend upon, among other factors, our cash balances and potential future capital requirements for strategic investments, whether organic or through acquisitions, our results of operations, our financial condition and other factors beyond our control that we may deem relevant to a decision to repurchase common stock under the current arrangements. Repurchases pursuant to the 2022 Repurchase Authorization could affect the price of our common stock and increase its volatility. The existence of the 2022 Repurchase Authorization could also cause the price of our common stock to be higher than it would be in the absence of such an authorization and could reduce the market liquidity for our common stock. Additionally, repurchases under the 2022 Repurchase Authorization will diminish our cash reserves, which could impact our ability to further develop our business organically or through acquisitions or service any indebtedness we may incur in the future as a result of the reduction of our cash balances from the repurchases or otherwise. There can be no assurance that any repurchases will enhance shareholder value because the market price of our common stock may decline below the levels at which we repurchased such shares. Any failure to repurchase shares after we have announced our intention to do so may negatively impact our reputation and investor confidence in us and may negatively impact our stock price. Although the 2022 Repurchase Authorization is intended to enhance long- term stockholder value, short- term price fluctuations could reduce the program' s effectiveness. Our business and operations could be negatively affected by securities litigation or stockholder activism, which could impact the trading price and volatility of our common stock and may constrain capital deployment opportunities and adversely impact our ability to expand our business. Our business and operations could be negatively affected if we become subject to any securities litigation or from continued stockholder activism, which could cause us to incur significant expenses, hinder the execution of our business and growth strategy, constrain our capital deployment opportunities, and impact the price of our common stock. Stockholder activism, which can take many forms or arise in a variety~~

of situations, has been increasing recently. Volatility in the price of our common stock, our cash balance, our financial performance or other reasons may cause us to become the target of securities litigation or continue to be the target of stockholder activism. We have been and may continue to be subject to stockholder activism, including relating to the actions of Politan Capital Management LP, **or Politan,** described in the Schedule 13D that it initially filed with the SEC on September 14, 2023, as amended, and may be subject to continued and other stockholder activism in the future. **For example, on November 1, 2024, we entered into a Cooperation Agreement with Politan pursuant to which we agreed, among other things: (a) to increase the size of the Board of Directors by three (3) directors and appoint Quentin Koffey, the Managing Partner and Chief Investment Officer of Politan, to our Board of Directors; (b) to establish a new Value Creation Committee of the Board of Directors, or the Committee; (c) to appoint Mr. Koffey, William Cornog, Alan Malus, Martin Madaus and John Marotta to the Committee; (d) to appoint Mr. Koffey to the Human Resources and Compensation Committee of the Board of Directors; (e) to nominate the members of the Committee for election to the Board of Directors at our 2025 Annual Meeting of Stockholders; and (f) that two directors serving on the Board of Directors immediately prior to the execution of the Cooperation Agreement would not stand for re- election to the Board of Directors at our 2025 Annual Meeting of Stockholders. Perceived uncertainties as to our future direction as a result of these actions or any future stockholder activism or further changes to the composition of our Board of Directors or management may lead to the perception of a change in the direction of our business, instability or lack of continuity, any of which could negatively impact our stock price and results of operations.** Securities litigation and stockholder activism, including potential proxy contests, could result in substantial costs and divert management's and our Board of Director's attention and resources from our business. Additionally, such securities litigation and stockholder activism could give rise to perceived uncertainties as to our future, adversely affect our relationships with service providers and make it more difficult to attract and retain qualified personnel. Also, we have and may be required to incur significant legal fees and other expenses related to any securities litigation and activist stockholder matters. Further, the price of our common stock could be subject to significant fluctuation or otherwise be adversely affected by the events, risks and uncertainties of any securities litigation and stockholder activism. In addition, stockholder activism may constrain our capital deployment opportunities and may limit the types of investments that are available to us. Provisions in our charter documents and Delaware law may delay or prevent an acquisition of us, which could decrease the value of your shares. Our restated certificate of incorporation and by- laws and Delaware law contain provisions that could make it harder for a third party to acquire us without the consent of our Board of Directors. These provisions include limitations on actions by our stockholders by written consent, the inability of stockholders to call special meetings, requiring advance ~~21~~<sup>20</sup> notice-- **notice** in accordance with our by- laws for stockholder proposals that can only be acted upon at annual stockholder meetings and nominations to our Board of Directors, limiting the approval of changes in the number of directors to our Board of Directors or by a super majority vote of our stockholders and the potential for super majority votes of our stockholders in certain other circumstances. In addition, as discussed below, our Board of Directors has the right to issue preferred stock without stockholder approval, which could be used to dilute the stock ownership of a potential hostile acquirer. Our restated certificate of incorporation makes us subject to the anti- takeover provisions of Section 203 of the Delaware General Corporation Law. In general, Section 203 prohibits publicly held Delaware corporations to which it applies from engaging in a " business combination " with an " interested stockholder " for a period of three years after the date of the transaction in which the person became an interested stockholder, unless the business combination is approved in a prescribed manner. **This Our restated certificate of incorporation also contains anti- greenmail provision provisions which prohibit us from repurchasing our common stock from certain related persons unless specific conditions are satisfied. These provisions** could discourage others from bidding for our shares of common stock and could, as a result, reduce the likelihood of an increase in the price of our common stock that would otherwise occur if a bidder sought to buy our common stock. Although we believe these provisions provide for an opportunity to receive a higher bid by requiring potential acquirers to negotiate with our Board of Directors, these provisions apply even if the offer may be considered beneficial by stockholders. If a change of control or change in management is delayed or prevented by these provisions, the market price of our common stock could decline. ~~Our~~<sup>Our</sup> **24**Our restated certificate of incorporation authorizes the issuance of shares of blank check preferred stock. Our restated certificate of incorporation provides that our Board of Directors is authorized to designate and issue from time to time, without further stockholder approval, up to 1, 000, 000 shares of preferred stock in one or more series and to fix and designate the rights, preferences, privileges and restrictions of the preferred stock, including dividend rights, conversion rights, voting rights, redemption rights and terms of redemption and liquidation preferences. Such shares of preferred stock could have preferences over our common stock with respect to dividends and liquidation rights. Our designation and issuance of preferred stock, including in connection with the adoption of a stockholders rights plan, or " poison pill, " may have the effect of delaying or preventing a change in control. Our issuance of preferred stock could decrease the amount of earnings and assets available for distribution to the holders of common stock or could adversely affect the rights and powers, including voting rights, of the holders of common stock. The issuance of preferred stock could have the effect of decreasing the market price of our common stock. Our by- laws designate the state courts in the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could discourage lawsuits against the company and our directors, officers and employees. Our by- laws provide that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if the Court of Chancery of the State of Delaware does not have jurisdiction, the federal district court for the District of Delaware) will be the sole and exclusive forum for the following types of proceedings: • any derivative action or proceeding brought on our behalf; • any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, employees or stockholders to our company or our stockholders; • any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law, our certificate of incorporation or our by- laws; or • any action asserting a claim governed by the internal affairs doctrine of the law of the State

of Delaware. These choice of forum provisions will not apply to causes of action arising under ~~the Securities Act of 1933, as amended, or~~ the Securities Act or the Exchange Act or any other claim for which federal courts have exclusive jurisdiction. Furthermore, our by- laws provide that, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any claims under the Securities Act. 22

**These exclusive forum provisions may limit the ability of our stockholders to bring a claim in a judicial forum that such stockholders find favorable for disputes with us or our directors, officers or employees, which may discourage such lawsuits against us and our directors, officers and employees. Alternatively, if a court were to find the choice of forum provisions contained in our by- laws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could materially adversely affect our business, financial condition and operating results. 25**