Risk Factors Comparison 2024-02-05 to 2023-02-14 Form: 10-K

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

An investment in our common stock involves various risks. When considering an investment in the Company, one should carefully consider all of the risk factors described below, as well as other information included and incorporated by reference in this ~~annual~~ **Annual** ~~report~~ **Report** . There may be additional risks, uncertainties and matters not listed below, that we are unaware of, or that we currently consider immaterial. Any of these may adversely affect our business, financial condition, results of operations and cash flows and, thus, the value of an investment in the Company. OPERATIONAL RISKS We operate in a highly competitive environment, which may adversely affect our ability to succeed. Our investments in new technologies, equipment, and facilities may not provide competitive returns. We operate in a highly competitive environment for marketing ~~oilfield~~ **our** products and services and securing equipment **across our portfolio** . Our ability to continually provide competitive products and services can impact our ability to defend, maintain or increase prices for our products and services, maintain market share, and negotiate acceptable contract terms with our customers. In order to be competitive, we must provide new and differentiating technologies, reliable products and services that perform as expected and that create value for our customers. We continue to invest in new technologies, equipment, and facilities **and to expand our capabilities and technology portfolio to meet the challenges of a net- zero future. These efforts include expanding into new energy areas such as geothermal and carbon capture, utilization and storage, strengthening our digital architecture and addressing key energy market themes** . Our ability to defend, maintain or increase prices for our products and services is in part dependent on the industry ~~’~~ **'** s capacity relative to customer demand, ~~and~~ on our ability to differentiate the value delivered by our products and services from our competitors ~~’~~ **'** products and services **and to provide innovative and competitive products and services to meet our client' s evolving needs with respect to new energy areas** . Managing development of competitive technology and new product introductions on a forecasted schedule and at a forecasted cost can impact our financial results. If we are unable to continue to develop and produce competitive and innovative technology or deliver it to our clients in a timely and cost- competitive manner in response to changes in the market, customer requirements, competitive pressures, or as a result of the energy transition to lower carbon emitting technology, or if competing technology accelerates the obsolescence of any of our products or services, any competitive advantage that we may hold, and in turn, our business, financial condition, results of operations and cash flows could be materially and adversely affected. ~~Failure to effectively~~ **We have,** and ~~timely execute~~ **may in the future enter into, agreements with third parties to jointly develop certain technologies which may include financial** ~~our~~ - **or** ~~energy~~ **other commitments. Under the terms of these agreements, we may agree to share in the associated development and marketing costs for the developed technologies. There can be no assurances that we will be able to successfully develop these technologies in collaboration with these third parties that will adequately meet our customers' needs. Also, there can be no assurances that these joint development agreements will be commercially viable, successful or profitable. As a result, these joint development agreements could have a material adverse effect on our financial condition, results of operations and cash flows. The potential** transition ~~strategy~~ **risks posed by moving to a lower carbon economy** could have an adverse effect on the demand for our technologies and services. **There is increased focus by governments and our customers, investors and other stakeholders on a climate change, sustainability, and energy transition matters. Transitioning to a low- carbon economy will likely require extensive policy, legal, technology, and market changes. These changes may result in the enactment of climate change- related regulations, policies and initiatives (at the government, regulator, corporate and / or investor community levels); technological advances with respect to the generation, transmission, storage and consumption of energy; increased availability of, and increased demand from consumers and industry for, energy sources other than oil and natural gas and development of, and increased demand from consumers and industry for, lower- emission products and services as well as more efficient products and services. Baker Hughes Company 2023 Form 10- K | 14** Our future success may depend ~~upon~~ **on** our ability to effectively execute on our energy transition strategy **and the pace at which the energy transition unfolds** . Our strategy depends on our ability to develop additional innovative technologies and work with our customers and partners to advance new energy solutions such as **geothermal, CCUS** ~~carbon capture utilization and storage~~ , hydrogen energy ~~, geothermal~~ , and other integrated solutions. If the energy transition **occurs** ~~landscape changes~~ faster than anticipated or faster than we can transition **,** or if we ~~fail~~ **are unable** to execute our energy transition strategy as planned, demand for our technologies and services or access to ~~credit~~ **capital** could be adversely affected. ~~Baker Hughes Company 2022 Form 10~~ **If the energy transition occurs slower than anticipated, we could be developing technologies and services that are not responsive to the commercial needs of our customers. In addition, negative attitudes toward or perceptions of our industry or fossil fuel products and their relationship to the environment have led governments, non** - **governmental** ~~K | 14 The implementation of our plan to restructure our corporate organization~~ **organizations ,** and ~~operating segments may not achieve~~ **companies to implement initiatives to conserve energy and promote** the ~~results we anticipate~~ **use of alternative energy sources** , which ~~could~~ **may reduce the demand for and production of oil and gas in areas of the world where our customers operate, and thus reduce future demand for our products and services. In addition, initiatives by investors and financial institutions to limit funding to companies in fossil fuel- related industries may** adversely affect our **liquidity** ~~business. In the second half of 2022, we announced a plan to undertake certain corporate realignments and restructure our~~ - **or access** ~~four operating segments to focus on two~~ - **to capital** operating segments, OFSE and IET,......, which could adversely affect our business . Disruptions in our supply chain, the high cost or unavailability of raw materials, equipment, and supplies essential to our business could adversely affect our ability to execute our operations on a timely basis. Our manufacturing operations are dependent on having sufficient raw materials, component parts and manufacturing capacity, including labor, available to meet our manufacturing plans on a timely basis, at a reasonable cost while minimizing inventories. **Additional** ~~Disruptions~~ **disruptions** within our supply chain resulting from factors including, but not limited to, ~~the ongoing COVID- 19~~ pandemic, inflation, rising interest rates, and shortages in labor supply, have had and may continue to have an impact on our business and reputation **. Many of the raw materials essential to our business require the use of rail, storage, and trucking services to transport the materials to our job sites. These services, particularly during times of high demand, may cause delays in the arrival of or otherwise constrain our supply of raw materials. These constraints could have a material adverse effect on our business and consolidated results of operations. In addition, price increases imposed by our vendors for raw materials and transportation providers used in our business, and the inability to pass these increases through to our customers, could have a material adverse effect on our business and consolidated results of operations** . As a result of these or any other factors, our ability to execute our operations on a timely basis, including our ability to meet our manufacturing plans and revenue goals, control costs, and avoid shortages or over- supply of raw materials and component parts, could be adversely affected. **.** The partial or complete loss of GE as a **customer or** supplier,as well as contracts with our aeroderivative joint venture (the ~~"~~ **“** Aero JV ~~"~~ **”**) with GE may adversely affect our business,financial condition,results of operations and cash flows.We currently have an extensive commercial relationship with GE.Although we have a long- term contractual framework in place with GE,if GE were to discontinue or reduce its business with the Company,fail to perform its obligations under existing contracts ~~,such as our long-term supply agreement for heavy- duty gas turbines,~~ or experience significant disruptions,including under the intellectual property related agreements with GE,our business,financial condition,results of operations and cash flows may be adversely affected.In addition to our contracts and arrangements with GE as a direct **customer and** supplier,we and GE formed the Aero JV in 2019.The Aero JV is jointly controlled by GE and us,and as a result,realizing the benefits of this joint venture depends on the continued cooperation between the parties.In addition,the business and financial performance of the Aero JV may be adversely affected if GE were to fail to perform its obligations under its contracts with the Aero JV.We in turn use certain products purchased through the Aero JV for the manufacture of various end products,and therefore,failure of the Aero JV to perform for any reason could prevent us from fulfilling our contractual obligations,which may adversely affect our **business,financial condition,results of operations and cash flows** If we are unable to attract and retain key personnel, we may not be able to execute our business strategy effectively and our operations could be adversely affected. Our operations and future success depend on our ability to recruit, train, and retain key personnel. People are a key resource to developing, manufacturing, and delivering our products and providing technical services **and Baker Hughes Company 2023 Form 10- K | 15 solutions** to our customers around the world. A competent, well- trained, highly skilled, motivated, and diverse workforce has a positive impact on our ability to attract and retain business. Difficulties in hiring or retaining key employees, or the unexpected loss of experienced employees resulting in the depletion of our institutional knowledge base, could have an adverse impact on our business performance, reputation, financial condition, or results of operations. Additionally, successfully executing organizational change as we restructure the Company, management transitions at leadership levels of the Company, and motivation and retention of key employees is critical to our business success. Factors that may affect our ability to attract and retain sufficient numbers of qualified employees include **:** employee morale, our **brand** reputation **as an employer of choice** , competition from other employers, **our location strategy for key roles, investments in technology and systems,** and availability of qualified individuals **with the desired skills and experiences needed to grow our business** . Other factors that have **,** and could continue to impact our workforce ~~is~~ **, are:** changes to our office environments **and the impact this could have on our Company culture** , the adoption of new work models, and our requirements and / or expectations about when or how often certain employees work on- site or remotely **,** which may not meet the expectations of our employees ~~segments to focus on two~~ operating segments,OFSE and IET,in order to simplify and streamline our organizational structure,and create better flexibility and economies of scale across the two operating segments. **These** ~~Restructuring~~ **restructuring** activities may be more costly than anticipated,and could lead to the diversion of management ~~'~~ **’** s attention from other business priorities.As a result of these or any other factors,we may not realize the anticipated benefits associated with the restructuring plan.There can be no assurance that the restructuring plan will result in cost savings or will materially increase our profitability.Even if the restructuring plan generates the benefits that we have anticipated,there may be other unforeseeable and unintended factors or consequences that occur as a result of the restructuring,which could **adversely affect our business** . Our business could be impacted by both geopolitical and terrorism threats, including armed conflict, in countries where we or our customers do business and our business operations may be impacted by civil unrest and / or government expropriations. Geopolitical and terrorism threats continue to grow in a number of key countries where we currently or may in the future do business. Geopolitical and terrorism threats, including armed conflict among countries, has had and could in the future lead to, among other things, a loss of our investment in the country, adverse impact to our employees, and impairment of our or our customers ~~’~~ **'** ability to conduct operations. Further, the broader consequences of geopolitical and terrorism threats, which may include further sanctions that prohibit our ability to do business in specific countries, embargoes, supply chain disruptions, the potential inability to service our remaining performance obligations and potential contractual breaches and litigation, regional instability and geopolitical shifts, and the extent of any such threats effect on our business and results of operations as well as the global economy, cannot be predicted. ~~Baker Hughes Company 2022 Form 10- K | 15~~ Certain geopolitical conflicts, such as between Russia and Ukraine **and between Israel and Hamas** , have had and may continue to have the effect of heightening many other risks disclosed in our public filings, any of which could materially and adversely affect our business and results of operations. Such risks include, but are not limited to, adverse effects on **regional and** global macroeconomic conditions; increased volatility in the price and demand of oil and natural gas, increased exposure to cyber attacks; limitations in our ability to implement and execute our business strategy; risks to employees and contractors that we have in the region; disruptions in global supply chains;

exposure to foreign currency fluctuations; potential nationalizations and assets seizures; constraints or disruption in the capital markets and our sources of liquidity; our potential inability to service our remaining performance obligations and potential contractual breaches and litigation. **Any such risks may require us to record asset impairments and experience adverse operating impacts which could have a material adverse effect on our financial condition, results of operations and cash flows. Baker Hughes Company 2023 Form 10- K | 16** Control of oil and natural gas reserves by national oil companies may impact the demand for our services and products and create additional risks in our operations. Much of the world ~~’~~ **'** s oil and natural gas reserves are controlled by national oil companies. National oil companies may require their contractors to meet local content requirements or other local standards, such as conducting our operations through joint ventures with local partners that could be difficult or undesirable for us to meet. The failure to meet the local content requirements and other local standards may adversely impact our operations in those countries. In addition, our ability to work with national oil companies is subject to our ability to negotiate and agree upon acceptable contract terms. Our operations involve a variety of operating hazards and risks that could cause losses. The products that we manufacture and the services that we provide are complex, and the failure of our equipment to operate properly or to meet specifications may greatly increase our customers ~~’~~ **'** costs. In addition, many of these products are used in inherently hazardous industries, such as the offshore oilfield business. These hazards include blowouts, explosions, unplanned or uncontrolled releases, nuclear- related events, fires, collisions, capsizings, and severe weather conditions. We may incur substantial liabilities or losses as a result of these hazards. Our insurance and contractual indemnity protection may not be sufficient or effective to protect us under all circumstances or against all risks. The occurrence of a significant event, against which we were not fully insured or indemnified or the failure of a customer to meet its indemnification obligations to us, could materially and adversely affect our results of operations and financial condition. The potential physical ~~or transition~~ risks posed by climate change could adversely affect our operations and those of our customers. ~~There is increasing concern over risks posed by climate change and related environmental sustainability matters.~~ The physical risks of climate change can include extreme variability in weather patterns such as increased frequency and severity of significant weather events (e. g. flooding, hurricanes and tropical storms), natural hazards (e. g., increased wildfire risk), rising mean temperature and sea levels, and long- term changes in precipitation patterns (e. g. drought, desertification, or poor water quality). Such effects have the potential to affect business continuity and operating results, particularly at facilities in coastal areas or areas prone to chronic water scarcity, and could disrupt our operations or those of our customers or suppliers, including through direct damage to physical assets and indirect impacts from supply chain disruption and market volatility. While we evaluate and incorporate potential ranges of physical risks, it is difficult to predict with certainty the timing, frequency or severity of such events, any of which could have a material adverse effect on our financial condition, results of operations and cash flows. See also ~~“~~ **"** Seasonal and weather conditions, including severe weather associated with climate change, could adversely affect demand for our services and operations. **"** ~~” Additionally, transitioning to a low- carbon economy will likely require extensive policy, legal, technology, and market changes. There is increased focus by governments and our customers, investors and other stakeholders on climate change, sustainability, and energy transition matters. Negative attitudes toward or perceptions of our industry or fossil fuel products and their relationship to the environment have led governments, non- governmental organizations, and companies to implement initiatives to conserve energy and promote the use of alternative energy sources, which may reduce the demand for and production of oil and gas in areas of the world where our customers operate, and thus reduce future demand for our products and services. In addition, initiatives by investors and financial institutions to limit funding to companies in fossil fuel- related industries may adversely affect our liquidity or access to capital. Baker Hughes Company 2022 Form 10- K | 16~~ Variation from normal weather patterns, such as cooler or warmer summers and winters, can have a significant impact on demand for our services and operations. Adverse weather conditions, such as hurricanes in the Gulf of Mexico **or extreme winter conditions in Canada or the North Sea** , may interrupt or curtail our operations, or our customers ~~’~~ **'** operations, cause supply disruptions and result in a loss of revenue and damage to our equipment and facilities, which may or may not be insured ~~. For example, extreme winter conditions in Canada or the North Sea may interrupt or curtail our operations, or our customers’ operations, in those areas and result in a loss of revenue~~ . Repercussions of severe or unseasonable weather conditions, including as a result of climate change, may include evacuation of personnel and curtailment of services ~~;~~ **,** weather- related damage to offshore drilling rigs resulting in suspension of operations ~~;~~ **,** weather- related damage to our facilities and project work sites ~~;~~ **,** inability to deliver materials to job sites in accordance with contract schedules ~~;~~ **,** decreases in demand for oil and natural gas during unseasonably warm winters ~~;~~ **,** and loss of productivity. As a result of the above repercussions or any others, demand for our services and operations may be adversely affected . The partial or complete loss of......, results of operations and cash flows . Our business has and may continue to be adversely affected by a public health emergency or outbreak of a contagious disease or virus ~~, such as the COVID- 19 pandemic~~ . In the past, the markets have experienced volatility in oil demand due to the economic impacts of public health emergencies ~~, such as the COVID- 19 pandemic~~ . If demand for our products and services decline as a result of a public health emergency, the utilization of our assets and the prices we are able to charge our customers for our products and services could **Baker Hughes Company 2023 Form 10- K | 17** decline. The ~~continued~~ spread of ~~COVID- 19 or~~ a ~~similar~~ pandemic could result in ~~further~~ instability in the markets and decreases in commodity prices resulting in ~~further~~ adverse impacts on our financial condition, results of operations and cash flows. In addition, the outbreak and spread of contagious diseases ~~such as COVID- 19~~ and measures to contain the disease may adversely impact our workforce and operations, operations of our customers, and those of our vendors and suppliers. The extent to which these public health emergencies ~~, including the COVID- 19 pandemic, may continue to~~ adversely impact our business **would** ~~depends~~ **depend** on future developments, which are highly uncertain and unpredictable, depending on the severity and duration of the emergency and effectiveness of actions taken globally to contain or mitigate its effects. There is considerable uncertainty regarding such containment or mitigation measures and potential future measures which may result in labor disruptions, employee attrition, and could negatively impact our ability to attract and retain qualified employees, all of which could have a material adverse effect on our financial condition, results of operations and cash flows. ~~Baker Hughes Company 2022 Form 10- K | 17~~ CREDIT AND CUSTOMER CONTRACTING RISKS Providing services on an integrated, turnkey, or fixed price basis could require us to assume additional risks. We may choose to enter into integrated or turnkey contracts with our customers that require us to provide services and equipment outside of our core business. Providing services on an integrated or turnkey basis may also subject us to additional risks, such as costs associated with unexpected delays or difficulties in drilling operations, project management interface risk, and risks associated with subcontracting and consortium arrangements. These integrated or turnkey contracts may be fixed price contracts that do not allow us to recover for cost over- runs unless they are directly caused by the customer. We may not be able to satisfy technical requirements, testing requirements or other specifications required under our service contracts and equipment purchase agreements. Our products are used in deepwater, and other harsh environments, and severe service applications. Our contracts with customers and customer requests for bids typically set forth detailed specifications or technical requirements for our products and services, which may also include extensive testing requirements. In addition, scrutiny of the offshore drilling industry **and LNG industry** has resulted in more stringent technical specifications for our products and more comprehensive testing requirements for our products to ensure compliance with such specifications. We cannot provide assurance that our products, including products supplied through joint ventures, will be able to satisfy the specifications or that we will be able to perform the full- scale testing necessary to prove that the product specifications are satisfied in future contract bids or under existing contracts, or that the costs of modifications to our products to satisfy the specifications and testing will not adversely affect our results of operations. We sometimes enter into consortium or similar arrangements for certain projects, which could impose additional costs and obligations on us. We sometimes enter into consortium or similar arrangements for certain projects. Under such arrangements, each party is responsible for performing a certain scope of work within the total scope of the contracted work, and the obligations expire when all contractual obligations are completed. The failure or inability, financially or otherwise, of any of the parties to perform their obligations could impose additional costs and obligations on us. These factors could result in unanticipated costs to complete the project, liquidated damages or contract disputes. Our contracts may be terminated early in certain circumstances. Our contracts with customers generally may be terminated by the customer for convenience, default, or extended force majeure (which could include inability to perform due to ~~COVID- 19 or~~ a ~~similar~~ pandemic **or as a result of civil unrest or armed conflicts**). Termination for convenience may require the payment of an early termination fee by the customer, but the early termination fee may not fully compensate us for the loss of the contract. Termination by the customer for default or extended force majeure due to events outside of our control generally will not require the customer to pay an early termination fee. **Baker Hughes Company 2023 Form 10- K | 18** Our financial condition, results of operations and cash flows could be materially adversely affected if our customers terminate some of our contracts, and we are unable to secure new contracts on a timely basis and on substantially similar terms, if payments due under our contracts are suspended for an extended period of time, or if a number of our contracts are renegotiated. Our remaining performance obligation (" RPO") is comprised of unfilled customer orders for products and product services (expected life of contract sales for product services). The actual amount and timing of revenues earned may be substantially different than the reported RPO. The total dollar amount of the Company ~~’~~**'**s RPO as of December 31, ~~2022~~ **2023** was $ ~~27~~ **33** . ~~8~~ **5** billion. The credit risks of having a concentrated customer base in the energy industry could result in losses. Having a concentration of customers in the energy industry may impact our overall exposure to credit risk as our customers may be similarly affected by prolonged changes in economic and industry conditions. Some of our customers may experience extreme financial distress as a result of falling commodity prices and may be forced to seek protection under applicable bankruptcy laws, which may affect our ability to recover any amounts due from such customers. Furthermore, countries that rely heavily upon income from hydrocarbon exports have been and ~~Baker Hughes Company 2022 Form 10- K | 18~~ may in the future be negatively and significantly affected by a drop in oil prices, which could affect our ability to collect **, timely or at all,** from our customers in these countries, particularly national oil companies. Laws in some jurisdictions in which we will operate could make collection difficult or time consuming. We perform ongoing credit evaluations of our customers and do not expect to require collateral in support of our trade receivables. While we maintain reserves for potential credit losses, we cannot assure such reserves will be sufficient to meet write- offs of uncollectible receivables or that our losses from such receivables will be consistent with our expectations. Additionally, in the event of a bankruptcy of any of our customers, we may be treated as an unsecured creditor and may collect substantially less, or none, of the amounts owed to us by such customer. Our customers ~~’~~**'** activity levels and spending for our products and services and ability to pay amounts owed us could be impacted by the reduction of their cash flow and the ability of our customers to access equity or credit markets. Our customers ~~’~~**'** access to capital is dependent on their ability to access the funds necessary to develop economically attractive projects based upon their expectations of future energy prices, required investments, and resulting returns. Limited access to external sources of funding has caused and may continue to cause customers to reduce their capital spending plans to levels supported by internally generated cash flow. In addition, a reduction of cash flow resulting from declines in commodity prices, a reduction in borrowing bases under reserve- based credit facilities or the lack of available debt or equity financing may impact the ability of our customers to pay amounts owed to us and could cause us to increase our reserve for credit losses. LEGAL AND REGULATORY RISKS Compliance with and changes in laws could be costly and could affect operating results. In addition, government disruptions could negatively impact our ability to conduct our business. We conduct business in more than 120 countries that can be impacted by expected and unexpected changes in the legal and business environments in which we operate. In particular, ~~the shipment of~~ goods, services **, data, finances,** and technology **that** ~~across~~ **cross** international borders subjects us to extensive trade laws and regulations. Our import activities are governed by the unique customs laws and regulations in each of the countries where we operate. Pursuant to their laws and regulations, governments may impose economic sanctions against certain countries, persons and entities that may restrict or prohibit transactions involving such countries, persons and entities, which may limit or prevent our conduct of business in certain jurisdictions.

Compliance- related issues could limit our ability to do business in certain countries ~~and~~ **,** impact our earnings **, bring reputational harm,** or result in **governmental** investigations leading to fines, penalties or other remedial measures. Changes that could impact the legal environment include new legislation, new regulations, new policies, investigations, and legal proceedings and new interpretations of existing legal rules and regulations, in particular, changes in export control laws or exchange control laws, additional restrictions on doing business in countries subject to sanctions, and changes in laws in countries where we operate. In addition, changes and uncertainty in the political environments in which our businesses operate can have a material effect on the laws, rules, and regulations that affect our operations. Government disruptions may also delay or halt the granting and renewal of permits, licenses and other items required by us and our customers to conduct our business. The continued **Baker Hughes Company 2023 Form 10- K | 19** success of our global business and operations depends, in part, on our ability to continue to anticipate and effectively manage these and other political, legal and regulatory risks **. Given the highly dynamic nature of these restrictions and the unprecedented nature of these changes in the last two years, and the uncertainty in the political landscape and unrest in certain areas of the world, our future success depends on the ability of our organization to react to such changes rapidly and appropriately to assure compliance as we continue to conduct business globally** . Our failure to comply with the Foreign Corrupt Practices Act (" FCPA") and other similar laws could have a negative impact on our ongoing operations. Our ability to comply with the FCPA, the U. K. Bribery Act, and various other anti- bribery and anti- corruption laws depends on the success of our ongoing compliance program, including our ability to successfully manage our agents, distributors and other business partners, and supervise, train, and retain competent employees. We could be subject to sanctions and civil and criminal prosecution, fines and penalties, as well as legal expenses and reputational harm in the event of a finding of a violation of any of these laws by us or any of our employees. ~~Baker Hughes Company 2022 Form 10- K | 19~~ Anti- money laundering and anti- terrorism financing laws could have adverse consequences for us. Non- compliance with anti- money laundering, anti- terrorism financing and various other financial laws may subject us to sanctions, civil and criminal prosecution, fines and penalties, as well as legal expenses and potential reputational harm. ~~We~~ **While we strive to continuously improve our programs and pursue effective compliance, we** cannot be sure our programs and controls are or will remain effective to ensure our compliance with all applicable anti- money laundering and anti- terrorism financing laws and regulations. Changes in tax laws, tax rates, tariffs, adverse positions taken by taxing authorities, and tax audits **in the countries where we operate** could **have a material adverse** impact ~~operating~~ **on our** results **of operations** . **We are subject to** ~~Changes~~ **changes** in tax laws, **rates, treaties, regulations, and tariffs in the various jurisdictions where we operate, any of which, including in the interpretation there of, could have a material adverse impact on our** tax **expense and results** ~~rates, tariffs, changes in interpretation~~ of ~~tax laws~~ **operations. Further** , the ~~resolution of~~ **examinations and subsequent** tax assessments ~~or audits~~ by various tax authorities ~~, and~~ **could increase** the **Company' s tax liabilities. Any changes to tax laws or rates or unfavorable positions taken by tax authorities have and could preclude our** ability to fully utilize tax loss carryforwards and tax credits **which** could **increase the amount of** ~~impact our operating results, including additional~~ valuation allowances ~~for~~ **required against** deferred tax assets **and could adversely affect our financial condition, results of operations and cash flows** . We could be subject to litigation **and environmental** claims arising out of our products and services which could adversely affect our reputation, financial condition, results of operations and cash flows. The technical complexities of our operations expose us to a wide range of significant health, safety and environmental risks and we are from time to time subject to litigation in the U. S. and in foreign countries, for example claims involving services or equipment such as personal injury or loss of life, product failure (including as a result of a cyber attack) or damage to or destruction of property, employment and labor, customer privacy, or regulatory risks. While we have insurance coverage against operating hazards to the extent deemed prudent by our management and to the extent insurance is available, our insurance may not cover all expenses related to litigation claims arising from our business. Moreover, we may not be able to maintain insurance at levels of risk coverage or policy limits that we deem adequate. We may therefore incur significant expenses defending any such suit or government charge and may be required to pay amounts or otherwise change our operations in ways that could adversely affect our financial condition, results of operations and cash flows. We may be subject to litigation if another party claims that we have infringed upon, misappropriated or otherwise violated its intellectual property rights. The tools, techniques, methodologies, programs and components we use to provide our products and services may infringe upon, misappropriate or otherwise violate the intellectual property rights of others or be challenged on that basis. Regardless of the merits, any such claims may result in significant legal and other costs and may distract management from running our core business. Resolving such claims could increase our costs, including through royalty payments to acquire licenses, if available, from third parties and through the development of replacement technologies. If a license to resolve a claim were not available, we might not be able to continue providing a **Baker Hughes Company 2023 Form 10- K | 20** particular service or product, which could adversely affect our financial condition, results of operations and cash flows. Compliance with, and rulings and litigation in connection with, environmental regulations and the environmental impacts of our operations may adversely affect our business and operating results. We and our business are subject to extensive domestic and international environmental **, health** and safety regulations. In addition to environmental **, health** and safety regulatory compliance obligations, we may face liability arising out of the normal course of business, including alleged personal injury, property damage, and human health risks due to exposure ~~of~~ **to** hazardous substances or processes at our current or former facilities. ~~We~~ **Additionally, we** may be impacted by material changes in environmental **, health** and safety regulations or subject to substantial liability for environmental impacts **caused by our (or our predecessors') operations** . Compliance with environmental laws and regulations and associated expenditures, including but not limited to our capital expenditures for environmental control equipment, are forecasted and may be inconsistent based on multiple variables. Our compliance cost forecasts may be substantially different from actual results, which may be affected by factors such as: changes in law that impose **new or increased** restrictions on air or other emissions, wastewater management, waste disposal, hydraulic fracturing, or wetland and land use practices; changes in standards of enforcement of existing environmental laws and regulations; a change in our share of any remediation costs or other unexpected, adverse outcomes with respect to sites where we have been named as a potentially responsible party **(" PRP")** , **(** ~~and may include~~ **including** Superfund sites ~~;~~ **,** the ~~discovery~~ **allocation** of **PRP liability at** other sites, or discovery of additional issues at existing sites ~~,~~ **)** where additional expenditures may be required to comply with environmental legal obligations; and the accidental **, unauthorized** discharge of hazardous materials. ~~Baker Hughes Company 2022 Form 10- K | 20~~ Investor and public perception related to the Company ~~'~~ **'** s ~~environment, social, and governance ("~~ ESG ~~")~~ performance as well as current and future ESG reporting requirements may affect our business and our operating results. **In recent years, companies across all industries are facing** ~~Increasing~~ **increasing** ~~focus~~ **scrutiny from a variety of stakeholders, including investor advocacy groups, proxy advisory firms, certain institutional investors and lenders, investment funds and other influential investors and rating agencies, related to their ESG and sustainability practices. If we do not adapt to or comply with investor or other stakeholder expectations and standards** on ESG ~~factors~~ **matters (or meet sustainability goals and targets that we have set),** ~~has~~ - **as** ~~led~~ **they continue** to **evolve** ~~enhanced interest in~~ , **or if we are perceived to have not responded appropriately or quickly enough to growing concern for ESG** and ~~review~~ **sustainability issues, regardless** of ~~performance results by investors~~ **whether there is a regulatory or legal requirement to do so, we may face increased litigation risk, reputational damage and our business, financial condition and / or stock price could be materially and adversely affected. In addition, our continuing efforts to research, establish, accomplish and accurately report on the implementation of our ESG strategy, including our emissions reduction commitments, may also create additional operational risks and expenses and expose us to reputational, legal** and other ~~stakeholders, and the potential for litigation and reputational risk~~ **risks** . ~~We~~ **While we create and publish voluntary disclosures regarding ESG matters from time to time, some of the statements in those voluntary disclosures may be based on hypothetical expectations and assumptions that may or may not be representative of current or actual risks or events or forecasts of expected risks or events, including the costs associated therewith. Such expectations and assumptions** are ~~committed~~ **necessarily uncertain and may be prone** to ~~transparent~~ **error or subject to misinterpretation given the long timelines involved and the lack of** ~~and~~ - **an** ~~comprehensive~~ **established single approach to identifying, measuring and** reporting **on many ESG matters** ~~of our sustainability performance and report under standards such as the Global Reporting Initiative, the Sustainability Accounting Standards Board (" SASB"), and recommendations issued by the Financial Stability Board' s Task Force for Climate- related Financial Disclosures (" TCFD")~~ . Our voluntary disclosures of ESG data are evaluated and rated by various organizations that assess corporate ESG performance. **These organizations provide information to** ~~Over the past few years there has also been increased investor~~ **investors** ~~demand~~ **on corporate governance and related matters and have developed ratings processes** for **evaluating companies on their approach to** ESG **matters** ~~investing opportunities, and the ESG ratings are used by some stakeholders to inform their investment and voting decisions~~ . Unfavorable ESG ratings, or our inability to meet the ESG standards set by specific investors, may lead to ~~unfavorable~~ **negative investor** sentiment ~~toward Baker Hughes~~ **and reputational damage** , which could have ~~a negative~~ **an adverse** impact, among other things, on our stock price and cost of capital. Regulatory requirements related to ESG or sustainability reporting have been adopted **and may continue to be introduced** in **various jurisdictions. For example,** the EU **Corporate Sustainability Reporting Directive became effective in 2023 and applies to both EU and certain non- EU entities. In October 2023, California enacted the Climate Corporate Data Accountability Act and the Climate Related Financial Risk Act** that ~~apply~~ **will require large public and private companies that do business within the state** to **disclose their Scopes 1, 2 and 3 greenhouse gas (" GHG") emissions, with third party assurance of GHG emissions information for certain entities, and issue public Baker Hughes Company 2023 Form 10- K | 21 reports on their climate- related** financial ~~market participants~~ **risk and related mitigation measures** . In **2023** ~~the U. S.~~ , **California also enacted the Voluntary Carbon Market Disclosures Act, which requires companies that operate within the state and make certain climate- related claims to provide enhanced disclosures around the achievement of** such **claims** ~~regulations have been issued related to pension investments in California, and for the responsible investment of public funds in Illinois. Additional regulation is pending at the SEC and in other states~~ . We expect regulatory **disclosure** requirements related to ESG matters to continue to expand globally **, which has** ~~. We may be affected by our ability to meet evolving~~ and **may continue** ~~expanding emissions reporting requirements and by investor and public perception of our reporting and performance related~~ to ~~voluntary climate standards~~ **increase our cost and burden of compliance and subject us to increased legal and reputational risk** . To achieve our stated emission reduction goals, we have implemented internal decarbonization projects and may also need to rely on external factors, such as the greater deployment of carbon reduction and removal technologies and adoption of government policies that we expect would accelerate the adoption of energy transition technologies. There have been policy responses to support the energy transition in the U. S. with the passage of the Inflation Reduction Act. In addition, **geopolitical instability has** ~~the 2022 energy disruptions have~~ increased energy prices **compared to the prior year** and raised energy security concerns, which may ~~force~~ **result in** many governments ~~to reassess~~ **reassessing** energy transition strategies, extending the timeline to ensure adequate and reasonably priced energy supplies. It is difficult to predict with certainty how these policy, economic, and energy security issues will impact the energy transition. Our failure or perceived failure to pursue or fulfill our reductions and elimination of carbon equivalent emissions commitments within the timelines we announce **, or changes to these commitments or related timelines** could have a negative impact on investor sentiment, ratings outcomes for evaluating our approach to ESG matters, our stock price and cost of capital and expose us to government enforcement actions and private litigation, among other material adverse impacts. International, national, and state governments and agencies continue to evaluate and promulgate legislation and regulations that are focused on reducing ~~greenhouse gas ("~~ GHG ~~")~~ emissions. Compliance with GHG emission regulations applicable to our or our customers' operations may have significant implications that could adversely affect our business and operating results in the fossil- fuel sectors. In the United States, the U. S. Environmental Protection Agency (" EPA") has taken steps to regulate GHG emissions as air pollutants under the U. S. Clean Air Act ~~(" CAA")~~ of 1970, as amended. The EPA ~~'~~ **'** s Greenhouse Gas Reporting Rule requires monitoring and reporting of GHG emissions from, among others, certain mobile and stationary GHG emission sources in the oil and natural gas industry **and the EPA has recently proposed to expand the scope of the rule** , which in turn may **impact (and** include **)** data from our equipment or operations. In addition, the U. S. government has proposed rules in the past setting GHG emission standards for, or otherwise aimed at reducing GHG emissions from, the oil and natural gas **and power** ~~industry~~ **industries** . International developments focused on restricting GHG emissions include the United Nations Framework Convention on Climate Change, which includes implementation of the Paris Agreement and the Kyoto Protocol by the signatories; the Glasgow Climate Pact; the **EU** ~~European Union~~ Emission Trading System; Article 8 of the **EU** ~~European Union~~ Energy Efficiency Directive and the United Kingdom ~~'~~ **'** s Streamlined Energy and Carbon Reporting **framework** ~~(" SECR")~~ ; **and** the EU' s ~~proposed~~ carbon border adjustment mechanism ~~(" CBAM")~~ . Caps or fees on carbon emissions, including in the U. S. **(such as proposed methane fees under the Inflation Reduction Act)** , have been and may continue to be established and the cost of such caps or fees could disproportionately affect the fossil- fuel sectors. The implementation of these agreements and other existing or future regulatory mandates, may adversely affect the demand for our products and services, require us or our customers to reduce GHG emissions or impose taxes on us or our customers, all of which could have a material **adverse** effect on our results of operations. ~~Baker Hughes Company 2022 Form 10- K | 21~~ Voluntary initiatives to reduce GHG emissions, as well as increased climate change awareness, may result in increased costs for the oil and gas industry to curb greenhouse gas emissions and could have an adverse impact on demand for oil and natural gas. There are various corporate and non- governmental initiatives that are focused on voluntary reductions of GHG emissions. These developments, and public perception relating to climate change, may shift demand from oil and natural gas towards an investment in relatively lower carbon emitting energy sources and alternative energy solutions ~~. If~~ , **which** ~~for example, new energy sources become more competitive than oil and natural gas globally, it~~ could have a material **adverse** effect on our results of operations. Changes in laws or regulations relating to data privacy and security, or any actual or perceived failure by us to comply with such laws or regulations, or contractual or other obligations relating to data privacy or security, may adversely affect our business and operating results. We ~~may~~ have access to sensitive, confidential, proprietary or personal data or information in certain of our businesses that is or may become subject to various data privacy and security laws, regulations, standards, **Baker Hughes Company 2023 Form 10- K | 22** contractual obligations or customer- imposed controls in the jurisdictions in which we operate. The legal and regulatory environment related to data privacy and security is increasingly rigorous, with new and constantly changing requirements applicable to our business, and enforcement practices are likely to remain uncertain for the foreseeable future. These laws and regulations **are and** may be interpreted and applied differently over time and from jurisdiction to jurisdiction, and it is possible that they will be interpreted and applied in ways that may adversely affect our business and operating results. In the U. S., various federal and state regulators, including governmental agencies like the Federal Trade Commission, have adopted, or are considering adopting, laws, regulations and standards concerning personal information, privacy and data security. **Certain state laws may be more stringent or broader in scope, or offer greater individual rights, with respect to personal information than federal, international or other state laws, and such laws may differ from each other, all of which may complicate compliance efforts.** Internationally, laws, regulations and standards in many jurisdictions apply broadly to the collection, use, retention, security, disclosure, transfer and other processing of personal information or other data. **For example, the collection, use, storage, disclosure, transfer, or other processing of personal data regarding individuals located in the European Economic Area and the U. K. is subject to strict regulations, and compliance may require adhering to stringent legal and operational obligations and the dedication of substantial time and financial resources.** ~~These~~ -- **The** various and evolving federal, state and international laws, regulations and standards can differ significantly from one another and, given our global footprint, this may significantly complicate our compliance efforts and impose considerable costs, such as costs related to organizational changes and implementing additional protection technologies, which are likely to increase over time. In addition, compliance with applicable requirements may require us to modify our data processing practices and policies, distract management or divert resources from other initiatives and projects, all of which could adversely affect our business and operating results. Any failure or perceived failure by us to comply with any applicable federal, state or international laws, regulations, standards, or contractual or other obligations, relating to data privacy and security could result in damage to our reputation and our relationship with our customers, as well as proceedings or litigation by governmental agencies, customers or individuals, which could subject us to significant fines, sanctions, awards, penalties or judgments, all of which could adversely affect our business and operating results. TECHNOLOGY RISKS An inability to obtain, maintain, protect, defend or enforce our intellectual property rights could adversely affect our business. There can be no assurance that the steps we take to obtain, maintain, protect, defend and enforce our intellectual property rights will be completely adequate. Our intellectual property rights may fail to provide us with significant competitive advantages, particularly in foreign jurisdictions where we have not invested in an intellectual property portfolio or that do not have, or do not enforce, strong intellectual property rights. The weakening of protection of our trademarks, patents, trade secrets and other intellectual property rights could also adversely affect our business. We are a party to a number of licenses that give us rights to intellectual property that is necessary or useful to our business. Our success depends in part on the ability of our licensors to obtain, maintain, protect, defend and sufficiently enforce the licensed intellectual property rights we have commercialized. Without protection for the intellectual property rights we own or license, other companies might be able to offer substantially identical products for sale, which could adversely affect our competitive business position and harm our business products. Also, there can be no assurances that we will be able to obtain or renew from third parties the licenses to use intellectual property rights we need in the future, and there is no assurance that such licenses can be obtained on reasonable ~~Baker Hughes Company 2022 Form 10- K | 22~~ terms. We would be adversely affected in the event that any such license agreement was terminated without the right for us to continue using the licensed intellectual property. Increased cybersecurity vulnerabilities and threats, and more sophisticated and targeted cyber attacks and other security incidents, pose risks to our systems, data and business, and our relationships with customers and other third parties. In the course of conducting our business, we may hold or have access to sensitive, confidential, proprietary or personal data or information belonging to us, our employees or third parties, including customers, partners or **Baker Hughes Company 2023 Form 10- K | 23** suppliers. Increased cybersecurity vulnerabilities and threats, and more sophisticated and targeted cyber attacks and other security incidents, pose risks to our and our customers ~~’~~**'**, partners ~~’~~**'**, suppliers ~~’~~**'** and third-party service providers ~~’~~**'** systems, data, and business, and the confidentiality, availability and integrity of our and our employees ~~’~~**'** and customers ~~’~~**'** data. We utilize various procedures and controls to monitor and mitigate our exposure including ~~the engagement of~~ **maintaining a dedicated Cyber Fusion Center and engaging** third party ~~security~~ experts ~~for~~ **. For more information see the"** ~~risk~~ **Risk Management & Strategy" section of Part 1 of Item 1C herein** ~~assessments and program enhancements, including ransomware vulnerability assessments, cybersecurity tabletop exercises, and internal phishing awareness campaigns~~ . While we attempt to mitigate these risks, we remain vulnerable to cyber attacks and other security incidents, including ransomware incidents. Given our global footprint, the large number of customers, partners, suppliers and service providers with which we do business, and the increasing sophistication and complexity of cyber attacks, **an incident** ~~a cyber attack~~ could occur and persist for an extended period without detection. Any investigation of a cyber attack or other security incident would be inherently unpredictable and it would take time before the completion of any investigation and before there is availability of full and reliable information. During such time we would not necessarily know the extent of the harm or how best to remediate it, and certain errors or actions could be repeated or compounded before they are discovered and remediated, all or any of which would further increase the costs and consequences of **such an** ~~a cyber attack or other security~~ incident. We may be required to expend significant resources to protect against, respond to, and recover from any cyber attacks and other security incidents. As cyber attacks continue to evolve, we may be required to expend significant additional resources to continue to modify or enhance our protective measures or to investigate and remediate any information security vulnerabilities. In addition, our remediation efforts may not be successful. The inability to implement, maintain and upgrade adequate safeguards could materially and adversely affect our financial condition, results of operations and cash flows. In addition to our own systems, we use third- party service providers, who in turn may also use third- party providers, to process certain data or information on our behalf. Due to applicable laws and regulations or contractual obligations, we may be held responsible for cybersecurity incidents attributed to our service providers to the extent affecting information we share with them. Although we contractually require these service providers to implement and maintain reasonable security measures, we cannot control third parties and cannot guarantee that a security breach will not occur in their systems. Despite our and our service providers ~~’~~**'** efforts to protect our data and information, we and our service providers have been and may in the future be vulnerable to security breaches, ransomware attacks, theft, misplaced or lost data, programming errors, phishing attacks, denial of service attacks, acts of vandalism, computer viruses, malware, employee errors and / or malfeasance or similar events, including those perpetrated by criminals or nation- state actors, that could potentially lead to the compromise, unauthorized access, use, disclosure, modification or destruction of data or information, improper use of our systems, defective products, loss of access to our data, production downtimes and operational disruptions. In addition, a cyber attack or any other significant compromise or breach of our data security, media reports about such an incident, whether accurate or not, or, under certain circumstances, our failure to make adequate or timely disclosures to the public, law enforcement agencies or affected individuals following any such event, whether due to delayed discovery or a failure to follow existing protocols, could adversely impact our operating results and result in other negative consequences, including damage to our reputation or competitiveness, harm to our relationships with customers, partners, suppliers and other third parties, distraction to our management, remediation or increased protection costs, significant litigation or regulatory action, fines and penalties. Given the increased prevalence of customer-imposed cybersecurity controls and other related contractual obligations towards customers or other third parties, a cyber attack or other security incident also could result in breach of contract or indemnity claims against us by customers or other counterparties. While we currently maintain cybersecurity insurance, such insurance may not be sufficient in type or amount to cover us against claims related to cybersecurity breaches or attacks, failures or other data security- related incidents, and we cannot be certain that cyber insurance will continue to be available to us on economically reasonable terms, or at all, or that an insurer will not deny coverage as to any future claim. The successful ~~Baker Hughes Company 2022 Form 10- K | 23~~ assertion of one or more large claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co- insurance requirements, could materially and adversely affect our financial condition, results of operations and cash flows. **Baker Hughes Company 2023 Form 10- K | 24** INDUSTRY AND MARKET RISKS Volatility of oil and natural gas prices can adversely affect demand for our products and services. Prices of oil and gas products are set on a commodity basis. As a result, the volatility in oil and natural gas prices can impact our customers ~~’~~**'** activity levels and spending for our products and services. Current energy prices are important contributors to cash flow for our customers and their ability to fund exploration and development activities. Expectations about future prices and price volatility are important for determining future spending levels. Demand for our products and services is subject to factors beyond our control and depends substantially on expenditures by our customers. Changes in the global economy could impact our customers ~~’~~**'** spending levels and our financial condition, results of operations and cash flows. Demand for our services and products is highly correlated with global economic growth and substantially dependent on the levels of expenditures by our customers. Across our products and services, customer demand may be reduced due to global economic factors beyond our control, including but not limited to inflation, rising interest rates, fluctuations in foreign exchange rates, and declining availability of credit. Specifically, for example, past oil and natural gas industry downturns have resulted in reduced demand for oilfield products and services and lower expenditures by our customers, which in the past has resulted, and may in the future result, in a prolonged reduction in oil and natural gas prices that may require us to record asset impairments, and we could experience decreased revenue, decreased profitability and reduction in cash flows. Such potential impairment charges and adverse operating metrics could have a material adverse effect on our financial condition, results of operations and cash flows. Supply of oil and natural gas is subject to factors beyond our control, which may adversely affect our operating results. Productive capacity for oil and natural gas is dependent on our customers ~~’~~**'** decisions to develop and produce oil and natural gas reserves and on the regulatory environment in which our customers and we operate. The ability to produce oil and natural gas can be affected by the number and productivity of new wells drilled and completed, as well as the rate of production and resulting depletion of existing wells. Currency fluctuations or devaluations may impact our operating results. Fluctuations or devaluations in foreign currencies relative to the U. S. dollar can impact our revenue and our costs of doing business and create volatility, as well as the costs of doing business of our customers. Changes in economic and / or market conditions may impact our ability to borrow and / or cost of borrowing. The condition of the capital markets and equity markets in general may affect the price of our common stock and our ability to obtain financing, if necessary. ~~If~~ **Actions by the Federal Reserve in the last year to increase interest rates, and the potential for further increases or an extended period of elevated interest rates, has resulted, and could continue to result, in increased borrowing costs or make the cost of borrowing funds commercially unattractive. Furthermore, if** our credit rating is downgraded, it could increase borrowing costs under credit facilities and **issuances of** commercial paper ~~programs~~ , as well as increase the cost of renewing or obtaining, or make it more difficult to renew, obtain, or issue new debt financing. RISKS RELATED TO OUR STOCK The market price and trading volume of our Class A common stock may be volatile, which could result in rapid and substantial losses for our shareholders. The market price of our Class A common stock may be highly volatile and could be subject to wide fluctuations. In addition, the trading volume in our Class A common stock may fluctuate and cause significant price variations to occur. If the market price of our Class A common stock declines significantly, our shareholders may be unable to sell their shares of our Class A common stock at or above their purchase price, if at all. We cannot assure our shareholders that the market price of our Class A common stock will not fluctuate or decline significantly in the **future. Some of the factors that could negatively affect the price of our Class A common stock or result in** Baker Hughes Company ~~2022~~ **2023** Form 10- K | **25** ~~24 future. Some of the factors that could negatively affect the price of our Class A common stock or result in~~ fluctuations in the price or trading volume of our Class A common stock include: variations in our quarterly operating results; failure to meet our earnings estimates; publication of research reports about us or our industry; additions or departures of our executive officers and other key management personnel; adverse market reaction to any indebtedness we may incur or securities we may issue in the future; actions by shareholders; changes in market valuations of similar companies; speculation in the press or investment community; changes or proposed changes in laws or regulations or differing interpretations thereof affecting our business or enforcement of these laws and regulations, or announcements relating to these matters; adverse publicity about our industry generally or individual scandals, specifically; and general market and economic conditions. Anti- takeover provisions in our organizational documents and Delaware law might discourage or delay acquisition attempts for us that might be considered favorable. Our amended and restated certificate of incorporation and amended and restated bylaws may delay or prevent a merger or acquisition that a shareholder may consider favorable by permitting ~~our~~ **the** Board ~~of Directors~~ to issue one or more series of preferred stock, requiring advance notice for shareholder proposals and nominations, and placing limitations on convening shareholder meetings. These provisions may also discourage acquisition proposals, delay, or prevent a change in control, which could harm our stock price. Our second amended and restated certificate of incorporation designates the Court of Chancery of the State of Delaware as the exclusive forum for certain litigation that may be initiated by our shareholders, which could limit our shareholders ~~’~~**'** ability to obtain a favorable judicial forum for disputes with us. Pursuant to our second amended and restated certificate of incorporation, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware is the sole and exclusive forum for (1) any derivative action or proceeding brought on our behalf, (2) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or other employees to us or our stockholders, (3) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law or (4) any action asserting a claim governed by the internal affairs doctrine. Our second amended and restated certificate of incorporation further provides that any person or entity purchasing or otherwise acquiring any interest in shares of our common stock is deemed to have notice of and consented to the foregoing provision. The forum selection clause in our second amended and restated certificate of incorporation may limit our shareholders ~~’~~**'** ability to obtain a favorable judicial forum for disputes with us. This exclusive forum provision applies to certain state law claims and will not apply to claims under the Securities Act or the Exchange Act. In addition, our shareholders will not be deemed to have waived our compliance with the federal securities laws and the rules and regulations thereunder. This choice of forum provision may limit a shareholder ~~’~~**'** s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees, which may discourage such lawsuits against us and our directors, officers and employees.