Risk Factors Comparison 2023-03-01 to 2022-02-28 Form: 10-K

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Risks Related to Our Business and Industry Our business ordinarily encounters and addresses risks, some of which can cause our future results to be different than we currently anticipate. The risk factors described below represent our current view of some of the most important risks facing our business and are important to its understanding. The following information **includes a number of forward- looking statements and** should be read in conjunction with **information contained in this Annual Report on Form 10- K, including the** Management' s Discussion and Analysis of Financial Condition and Results of Operations, **the** Quantitative and Qualitative Disclosures About Market Risk and the consolidated financial statements and related notes included in this Annual Report on Form...... financial condition, and results of operations . Revenues from our Cloud solutions have grown substantially over the last few years **, and we believe a significant portion of our market valuation is based upon maintaining our high Cloud solutions growth rate** . Our efforts to continue increasing use of our Cloud solutions ~~and our other applications, including the Dayforce Wallet,~~ may not succeed and may reduce our revenue growth rate. Our ability to continue to grow the revenues from our Cloud solutions through execution against our growth levers depends on the quality of our platform and solutions, and our ability to design our Cloud solutions to meet consumer demand; and our ability to increase sales from existing customers depends on our customers' satisfaction with our product and need for additional solutions. Our participation in new markets for native payroll **, sales to our existing base of customers** , and application expansion in various modules and features, including the Dayforce Wallet, is relatively new, and it is uncertain whether these areas will ever result in significant revenues for us. Further, the entry into new markets **, sales to our existing base of customers,** or the introduction of new features, functionality, or applications beyond our current markets and functionality may not be successful. **The success of** ~~If we are unable to sell our Cloud solutions, including the Dayforce Wallet, into new markets or~~ **our** ~~to further penetrate existing markets, or to increase sales from existing customers, our revenue may not grow as expected, which could have a material adverse effect on our business, financial condition, and results of operations. Any factor adversely affecting sales of our Cloud solutions, including application release cycles, delays, or failures in new product functionality, market acceptance, product competition, performance and reliability, reputation, price competition, and economic and market conditions, could have a material adverse effect on our business, financial condition, and results of operations. 10 2021 Form 10- KIf we are not able to provide new or enhanced functionality and features or keep pace with rapid technological changes and evolving industry standards, we may not be able to satisfy our aggressive~~ growth ~~strategy~~ **strategies** ~~and the demand for our services may decline. Our ability to increase revenue will depend, in large part, on our ability to develop our existing Cloud solutions to drive sales into new markets around the world, to further penetrate our existing markets, and to increase sales from existing customers who do not utilize the full Dayforce suite. Our future success, and the success of our growth strategy,~~ will depend upon our ability to anticipate and to adapt to changes in technology and industry standards, and to effectively develop, to introduce, to market, and to gain broad acceptance of new **product and** service offerings and enhancements incorporating the latest technological advancements. We may not be able to successfully provide new or enhanced functionality and features for our existing solutions that achieve market acceptance or that keep pace with rapid technological developments. ~~Our attempts~~ **We believe a significant portion of our market valuation is based upon our high Cloud revenue growth rate, and if we are unable** to ~~develop~~ **sell our Cloud solutions, including the Dayforce Wallet, into** new **markets** or ~~enhanced~~ **to further penetrate existing markets, or to increase sales from existing customers, or we have failures in new product** ~~functionality~~ **functionalities ,** ~~may be expensive and impact~~ our **revenue** ~~profitability. Failure in this regard~~ may **not grow as expected, which could have** a material adverse effect on our **market valuation, and our** business ~~, growth strategy~~ , financial condition, and results of operations. **If the movement** ~~Our international growth strategy has and will expose us to risks inherent in international sales and operations. One~~ of **funds to initiate payroll- related transactions on behalf of** our **customers** ~~growth levers~~ is **disrupted** ~~international sales growth into new markets and we anticipate that customers and potential customers may increasingly require and demand that a single vendor provide HCM solutions and services for their employees in a number of countries. Our global recent expansion~~ , **we may suffer significant losses** ~~and any future expansion into new markets, has and will require commensurate ongoing expansion of our monitoring of local laws and regulations,~~ which increases our costs as well as the...... we do not compete effectively, it could have a material adverse effect on our business, financial condition, and results of operations. **Our payroll** ~~The markets in which we participate are highly competitive,~~ and ~~competition could intensify in the future. We believe the principal competitive factors in our market include: breadth and depth of product functionality, scalability and reliability of applications, robust workforce management, comprehensive~~ tax **processing** services **involve the movement** ~~, modern and innovative cloud technology platforms combined with an intuitive user experience, multi- country and jurisdiction domain expertise in payroll and HCM, quality~~ of ~~implementation and~~ **significant funds from the account of a** customer ~~service~~ **to its employees and to relevant taxing authorities. Typically** , **we rely upon** ~~integration with a wide variety of~~ third party **vendors to initiate payments** ~~applications and systems, total cost of ownership and return~~ on ~~investment~~ **behalf of our customers. These payments are made in a large number of jurisdictions** , **in great volume** ~~brand~~ - - **and** ~~awareness~~ **in short time windows** , **all** ~~and reputation, pricing and distribution. We face a variety of competitors, some~~ of which **raise the possibility of an error that disrupts the movement of funds. Further, these types of transactions** are ~~long~~ **subject to an increasingly complex series of regulations and laws that we, and / or our third** - ~~established providers of HCM solutions. Many of our current and potential competitors are larger, have greater name recognition, longer operating histories, larger marketing budgets, and significantly greater resources than we do, and are able to devote greater resources to the development,~~

~~promotion, and sale of their products and services. Some of our competitors do or could offer HCM solutions bundled as part~~ **party vendors must comply with** ~~of a larger product offering~~. ~~Furthermore,~~ **Failure to comply with these regulations and laws could result in consequences up to and including a regulator enjoining us and /** ~~our~~ - **or** ~~current or~~ **our** ~~potential competitors may be acquired by~~ third ~~parties with greater available resources and~~ **- party vendors from engaging in** the **movement of funds** ~~ability to initiate or to withstand substantial price competition~~. In addition, **as described elsewhere, the systems on which these payroll- related transactions are based are in some cases antiquated or manual or** ~~many~~ - **may** ~~of~~ **be subject to processing and /** ~~our~~ - **or** ~~competitors~~ **technological errors in communicating with third- party technology systems. Any disruption or delay to data flow in these critical time periods could lead to the disruption of fund movement. Any disruption of fund movement could** have **significant consequences** ~~established marketing relationships~~, ~~access to larger~~ **including defaults under our** customer **agreements** ~~bases,~~ and ~~major distribution~~ **exposure to monetary damages, in addition to reputational harm, that could have a material adverse effect on our business, financial condition and results of operations.** 11 **|** ~~2021~~ **2022** Form 10- ~~K agreements with consultants, system integrators, and resellers. Our~~ **KOur** competitors may also establish cooperative relationships among......, and results of operations. Our aging software infrastructure, technology, and sophistication of these systems ~~may~~ **, and our migration to new platforms, has and will continue to** lead to increased costs, vulnerability to cyber- attack, or disruptions in operations that could have a material adverse effect on our business, market brand, financial condition, and results of operations. Our business continues to demand the use of sophisticated systems and technology, including technology infrastructure assets. These systems and technologies must be refined, updated and / or replaced with more advanced systems on a regular basis in order for us to meet both our customers' and employees' demands and expectations. Some of the crucial platforms on which we host our back office and bureau systems are aged and need to be replaced or are in the process of being replaced. **Some of our customer instances have, and in the future will be, migrated to public Cloud environments. These technological changes are expensive and have and will continue to impact our profitability and demand attention from our senior leadership.** If we are unable to replace our aged, crucial platforms, if some or all these platforms fail to operate due to a software error or infrastructure failure, if we fail to continue to refine and update our systems and technologies on a timely basis or within reasonable cost parameters, if we do not appropriately and timely train our employees to operate any of these new systems, **if we fail to migrate to new systems in a manner free from disruption, if the new systems fail to perform as desired,** or **if** we are unable to appropriately protect any of these systems, we could suffer the loss of data, vulnerabilities to cyber- attack, system outages or other performance problems, which could have a material adverse effect on our business, financial condition **,** and results of operations. An information security breach of our systems or the loss of, or unauthorized access to, customer information or sensitive company information; the failure to comply with the U. S. Federal Trade Commission' s (" FTC ") ongoing consent order regarding data protection; or a system disruption could have a material adverse effect on our business, market brand, financial condition, and results of operations. Our business is dependent on our payroll, transaction, financial, accounting, and other data processing systems. We rely on these systems, which are maintained both internally and externally at third parties, to process, on a daily and time sensitive basis, a large number of complicated transactions. We, both through our internal systems and systems maintained by third parties, electronically receive, process, store, and transmit data and personal information about our customers and their employees, as well as our vendors and other business partners. We keep this information confidential. However, both our internal and third **-** party partners' websites, networks, applications and technologies, and other information systems may be targeted **by malevolent parties** for sabotage, disruption **, ramson** , or data misappropriation. Further, as we grow by acquisition, these risks become acute in the period following the acquisition, as we set about integrating the acquisition target' s systems into ours. Additionally, as we retire our legacy products like our bureau payroll services **or sunset certain acquired products** , we are decreasing investments in maintaining those systems which creates the potential for a potential security breach of one of those systems. The uninterrupted operation of our information systems and our ability to maintain the confidentiality of personal information and other customer and individual and company information that resides on our systems are critical to the successful operation of our business. We, and our third party providers, maintain systems and processes designed to protect this data and maintain business continuity, but notwithstanding such protective measures, there is a risk of intrusion, cyber- attacks or tampering that could compromise the integrity and privacy of this data. Any information security breach in our business processes or of our processing systems (whether they are maintained internally or externally at third parties) has the potential to impact our customer information and sensitive company information, including our financial reporting capabilities, which could result in the potential loss of business and our ability to accurately report financial results. If any of these systems fail to operate properly or become disabled even for a brief period of time, we could potentially miss a critical filing period, resulting in potential fees and penalties, or lose control of customer data, all of which could result in financial loss, a disruption of our business, liability to customers, regulatory intervention, or damage to our reputation. We are subject to a twenty- year consent order with the FTC that became final in June 2011 stemming from a December 2009 criminal hack into our discontinued U. S. payroll application. We conceded no wrongdoing in the order and we were not subject to any monetary fines or penalties. However, in connection with the order, we are required to, ~~12 2021 Form 10- K~~ among other things, maintain a comprehensive information security program that is reasonable and appropriate for our size and complexity, and for the type of personal information we collect. We are also required to have portions of our security program, which apply to certain segments of our U. S. business, reviewed by an independent third party on a biennial basis. Maintaining, updating, monitoring, and revising an information security program in an effort to ensure that it remains reasonable and appropriate in light of changes in security threats, changes in technology, and security vulnerabilities that arise from legacy systems is time- consuming and complex, and is an ongoing effort. **12 | 2022 Form 10- K** While we have taken and continue to take steps to ensure compliance with the consent order, if we are determined not to be in compliance with the consent order, or if any new breaches of security occur, the FTC may take enforcement actions or other parties may initiate a lawsuit. Any such resulting fines and penalties could have a material adverse effect on our liquidity and financial results, and any reputational damage therefrom could adversely affect our relationships with our existing customers and our ability to attain new customers. Insurance may be inadequate or may not be available in the future on acceptable terms, or at all. In addition, our insurance policies may not cover all claims made against us, and defending a lawsuit, regardless of its merit, could be costly, divert management' s attention, or damage our reputation. Our solutions and our business are subject to a variety of ~~U. S. and other countries'~~ laws and regulations, including those regarding privacy, data protection, and information security. Any failure by us or our third party service providers, as well as the failure of our services, to comply with these laws could have a material adverse effect on our business, financial condition, and results of operations. Failure to comply with privacy, data protection **,** and information security laws and regulations could have a material adverse effect on our business, results of operations or financial condition, or have other adverse consequences. These laws, which are not uniform, govern the collection, storage, hosting, transfer (including in some cases, the transfer outside the country of collection), use, disclosure, security, retention **,** and destruction of personal information; they require us to give notice to individuals of privacy practices; give individuals certain access and correction rights with respect to their personal information; and regulate the use or disclosure of personal information for secondary purposes such as marketing. Under certain circumstances, some of these laws require us to provide notification to affected individuals, clients, data protection authorities and / or other regulators in the event of a data breach. In many cases, these laws apply not only to third- party transactions, but also to transfers of information among the Company and its subsidiaries. The European Union (the " EU ") General Data Protection Regulation (the " GDPR "), ~~and~~ the California Consumer Protection Act (the " CCPA ") **and its successor, the California Privacy Rights Act (" CPRA ")** , are among the most comprehensive of these laws. The number of related laws and regulations we are subject to continue to increase as we enter new markets in Europe, Asia Pacific, and Latin America, and as we continue our entry into the consumer space through our **Dayforce** Wallet ~~offering~~ **product** . Restrictions on transfers of personal information from one geography to another continue to ~~consolidate~~ **evolve** . Complying with these laws and requirements ~~, including the enhanced obligations imposed by the GDPR and the CCPA~~ , has resulted in significant costs to our business and may continue to require us to amend certain of our business practices. Further, enforcement actions and investigations by regulatory authorities related to data security incidents and privacy violations continue to increase. The future enactment of more restrictive laws, rules **,** or regulations and / or future enforcement actions or investigations could have a material adverse impact on us through increased costs or restrictions on our businesses and noncompliance could result in significant regulatory penalties and legal liability and damage our reputation. Restrictions on cross border data flows and data residency requirements may negatively impact our clients' and our own ability to transfer personal information to the United States and other countries as part of our provision of services, and in support of our own operations, potentially impacting revenues. In addition, data security events and concerns about privacy abuses by other companies are changing consumer and social expectations for enhanced privacy and data protection. As a result, even the perception of noncompliance, whether or not valid, may damage our reputation. ~~to~~ **competitors may also** establish cooperative relationships among themselves or with third parties that may further enhance their product offerings or resources.Although we have a global partnership strategy,additional investment and efforts will be necessary to ~~fully~~ implement ~~and scale~~ such a strategy.If our competitors' products,services,or technologies become more accepted than our applications are today,if they are successful in bringing their products or services to market earlier than ours,or if their products or services are more technologically capable than ours,it could have a material adverse effect on our business,financial condition,and results of operations.In addition,some of our competitors may offer their products and services at a lower price compared to our products or their current pricing impacting our ability to achieve our target pricing.If we are unable to achieve our target pricing levels or if we experience significant pricing pressures,it could have a material adverse effect on our business,financial condition,and results of operations. **Our** Customers depend on our solutions to assist them to comply with applicable laws, which requires us and our third party providers to constantly monitor applicable laws and to make applicable changes to our solutions. If our solutions have not been updated to enable the customer to comply with applicable laws or we fail to update our solutions on a timely basis, it could have a material adverse effect on our business, financial condition, and results of operations. Customers use ~~on~~ our solutions to assist them to comply with payroll, HR, and other applicable laws for which the solutions are intended for use. We and our third party providers must monitor all applicable laws and as such laws expand, evolve, or are amended in any way, and when new regulations or laws are implemented, we may be required to modify our solutions to assist our customers to comply with such new regulations or laws, which requires an investment of our time and resources. We are also reliant on our third party providers to modify the solutions that they provide to our customers as part of our solutions to comply with changes to such laws and regulations. The number of laws and ~~13 2021 Form 10- K~~ regulations that we are required to monitor has and will continue to increase as we expand both the geographic regions in which the solutions are offered and the types of products we offer to customers. These risks have become exacerbated as we expand by acquisition and are most acute in the period following the acquisition as we integrate the acquired business and its systems. In the event our solutions fail to ~~enable~~ **assist** a customer to comply with applicable laws, we are subject to negative customer experiences, harm to our reputation or loss of customers, claims for any fines, penalties or other damages suffered by our customer, and other financial harm, including fines, penalties **,** or other damages suffered by us directly. If our current or future applications fail to perform properly, our reputation could be adversely affected, our market share could decline, and we could be subject to liability claims, which could have a material adverse effect on our business, financial condition, and results of operations. Our applications are inherently complex and may contain material defects or errors that we are not yet aware of. Because of the large amount of data that we collect and manage, it is possible that failures or errors in our systems could result in data loss or corruption or cause the information that we collect to be incomplete or to contain inaccuracies that our customers regard as significant. Any defects in functionality or that cause interruptions in the availability of our applications could result in reputational, competitive, operational **,** or other business harm as well as financial costs and regulatory action, any of which could have a material adverse effect on our business, financial condition, and results of operations. In addition, the costs incurred in correcting any material defects or errors might be substantial. While we conduct standard due diligence during our acquisition process, these risks are heightened as we grow by acquisition and dedicate resources to integrating the acquisition target' s systems into ours and take on the vulnerabilities that may exist at the acquisition target. Regulatory requirements placed on our software and...... condition, and results of operations. If we fail to manage our technical operations infrastructure, our existing customers may experience service outages, and our new customers may experience delays in the implementation of our applications, which could have a material adverse effect on our business, financial condition, and results of operations. We have experienced and will continue to experience significant growth in the number of users, transactions, and data that our operations infrastructure supports, including the acquisition of new systems via strategic transactions. We seek to maintain sufficient excess capacity in our operations infrastructure to meet the needs of all of our customers and to facilitate the rapid provision of new customer activations and the expansion of existing customer activations. In addition, we need to continue to properly manage our technological operations infrastructure to support version control, changes in hardware and software parameters, and the evolution of our applications. We have experienced, and may in the future experience, website disruptions, outages, and other performance problems. These problems may be caused by a variety of factors, including infrastructure changes, human or software errors, viruses, security attacks, fraud, increased resource consumption from expansion or modification to our Dayforce code, spikes in customer usage, ~~and~~ denial of service issues **and Cloud interruptions run by third party service providers and our ability to react** . The risks of these problems occurring may be exacerbated by our strategic acquisitions, especially in the period following the acquisition as we integrate the acquisition target' s systems into ours, as well as our aging technology infrastructure which in some cases is supported by older platforms. In some instances, we may not be able to identify the ~~14 2021 Form 10- K~~ cause or causes of these performance problems within an acceptable period of time. If we do not accurately predict our infrastructure requirements, our existing customers may experience service outages that may subject them to financial penalties, causing us to incur financial liabilities and customer losses; and our operations infrastructure may fail to keep pace with increased sales, causing new customers to experience delays as we seek to obtain additional capacity, which could have a material adverse effect on our business, financial condition, and results of operations. **15 | 2022 Form 10- K** Our growth depends in part on the success of our strategic relationships with third parties who provide us with services and license us software for use in or with both our applications and our internal operations. In order to maintain and grow our business, we do, and we anticipate that we will continue to, depend on the continuation and expansion of relationships with third parties who provide us with services. These service provider partners include connected payroll partners, implementation partners, systems integrators, third party sales channel partners, the operators of data centers, and **banks and** ~~the~~ **other** providers who execute wire transfers and other money movement services to support our customer payroll and tax services. Our agreements with these third party service providers are typically non- exclusive and do not prohibit them from working with our competitors. If any third- party service providers on which we rely to provide us with services experience a disruption, go out of business, are acquired by our competitors, experience a decline in quality, or terminate their relationship with us, we could experience a material adverse effect on our business, financial condition, and results of operation. In addition, we license software from third parties for use in or with both our applications and our internal operations, and the inability to maintain these licenses could result in increased costs, or reduced service levels, which could have a material adverse effect on our business, financial condition, and results of operations. To the extent that our applications depend upon the successful operation of third party software in conjunction with our software, any undetected errors or defects in this third party software could prevent the deployment or impair the functionality of our applications, delay new application introductions, and result in a failure of our applications, which could have a material adverse effect on our business, financial condition, and results of operations. Any failure to offer high- quality technical support services may adversely affect our relationships with our customers and could have a material adverse effect on our business, financial condition, and results of operations. Once our applications are deployed, our customers depend on our support organization and the support capabilities of our partners to resolve technical issues relating to our applications, as well as our partner' s applications. We **have recently engaged in a rebalancing of our global workforce that particularly impacted our support organization, which may result in disruption as we fill existing positions in our APJ geographies. We** or our partners may be unable to respond quickly enough to accommodate short- term increases in customer demand for support services, and we may be limited in our ability to resolve the technical issues our customers have with our technology, or our partner' s technology. We or our partners also may be unable to modify the format of our or our partners' support services to compete with changes in support services provided by our competitors. Increased customer demand for these services, without corresponding revenues, could increase costs and have an adverse effect on our results of operations. Ultimately, a client could elect to terminate their agreement due to dissatisfaction with support, resulting in lost recurring revenue. In addition, our sales process is highly dependent on our applications and business reputation and on positive recommendations from our existing customers. Any failure to maintain high- quality technical support, or a market perception that we do not maintain high- quality support, could adversely affect our reputation and our ability to sell our applications to existing and prospective customers, which could have a material adverse effect on our business, financial condition, and results of operations. If our customers are not satisfied with the implementation and professional services provided by us or our partners, it could have a material adverse effect on our business, financial condition, and results of operations. Our business depends on the ability to implement our solutions on a timely, accurate, and cost- efficient basis and to provide professional services at the high level demanded by our customers. Implementation and other professional services may be performed by our own staff, by a third party, or by a combination of the two. If a customer is not satisfied with the **timely access or the** quality of work performed, ~~or there are inaccuracies or errors in the work delivered,~~ then we could incur **in loss of revenue or** additional costs to address the situation, the customer' s dissatisfaction with such services could damage our ability to expand the number of applications subscribed to by that customer or we could be liable for loss or damage suffered as a result, any of which could have a material adverse effect on our business, financial condition, and results of operations. If a new customer is dissatisfied with implementation, the customer could refuse to go- live, which could result in a delay in our collection of ~~revenue~~ **fees** or could result in a customer seeking repayment of its implementation fees or suing us for damages ~~,~~ or could force us to enforce the termination provisions in our customer contracts in order to collect revenue. In addition, ~~15 2021 Form 10- K~~ negative publicity related to our customer relationships, regardless of its accuracy, may affect our ability to compete for new business with current and prospective customers, which could also have a material adverse effect on our business, financial condition, and results of operations. **16 | 2022 Form 10- K** We depend on our senior management team, and the loss of one or more key employees or an inability to attract and to retain highly skilled employees could have a material adverse effect on our business, financial condition, and results of operations. Our success depends largely upon the continued services of our senior management team. Our executive officers, senior management or other key personnel have limited or no notice period applicable to their employment. Therefore, they could terminate their employment with us at any time. Additionally, we do not maintain key employee insurance on any of our executive officers, senior management **,** or key employees. The loss of one or more of our executive officers, senior management **,** or key employees could have a material adverse effect on our business, financial condition, and results of operations. To execute our growth plan, we must attract and retain highly qualified personnel. Competition for talent is intense ~~,~~ and has become more intense **in recent years** ~~following the onset of the coronavirus disease 2019 (" COVID- 19") pandemic~~ , including without limitation for individuals with high levels of experience in designing and developing software and Internet- related services and senior sales executives. We have, from time to time, experienced **the need to increase compensation for current and prospective employees to retain and recruit employees of the desired qualifications which impacts our ability to profitably operate our business. In addition** , **we have** and we expect to continue to experience, difficulty in hiring and retaining employees with appropriate qualifications **, the cumulative loss of which could raise the risk of failures to operate our business to the quality needed and could have a material adverse effect on our business, financial condition, and results of operations** . If our vendors or affiliates initiate payroll- related transactions on behalf of our customers and do not receive funds from the customer sufficient to cover the amounts paid on their behalf, we may suffer significant losses which could have a material adverse effect on our business, financial condition, and results of operations. ~~Our payroll and tax processing services involve the movement of significant funds from the account of a customer to its employees and to relevant taxing authorities. Typically, we rely upon third party vendors to initiate payments on behalf of our customers. In certain jurisdictions, where permitted, our affiliates may also initiate payments on behalf of our customers.~~ Under certain circumstances, funds may not be received **from our customers** to cover the transactions that our affiliates and third party vendors have initiated on our customers' behalf. Additionally, there is a risk that an erroneous payment instruction may trigger inaccurate payments. There is, therefore, a risk that the customer' s funds will be insufficient to cover the amounts already paid on its behalf. Should customers default on their payment obligations in the future, should our affiliates or vendors make erroneous payments on behalf of a customer, should erroneous or defaulted payment recovery be unsuccessful, or should our affiliates or vendors suffer losses from similar issues, we may be required to advance substantial amounts of funds to cover such obligations, or to make our partners whole for any losses they suffer. In such an event, we may be required to seek additional sources of short- term liquidity, which may not be available on reasonable terms, which could have a material adverse effect on our business, financial condition, and results of operations. Further, should a customer on whose behalf our affiliate or vendor has initiated a transaction subsequently have financial difficulty or refuse to pay, collection of any funds advanced on its behalf may be difficult and we may suffer losses that could have a material adverse effect on our business, financial condition **,** and results of operation. Regulatory requirements placed on our software and services could impose increased costs on us,delay or prevent our introduction of new products and services,and impair the function or value of our existing products and services.Our products and services are subject to increasing regulatory requirements,and as these requirements proliferate,we are required to change or adapt to comply.Changing regulatory requirements might render our services obsolete or might block us from developing new products and services.This might in turn impose additional costs upon us to comply or to further develop our products and services.Changing regulatory requirements can make introduction of new services more costly or more time- consuming than we currently anticipate and could even prevent introduction by us of new services or cause the continuation of our existing services to become more costly.Federal,state ~~,~~ or foreign government bodies or agencies have in the past adopted,and may in the future adopt,laws or regulations affecting the use of the Internet as a commercial medium.Future changes in these laws or regulations could require us to modify our applications in order to comply with these changes.In addition,government agencies or private organizations may begin to impose taxes,fees,or other charges for accessing the Internet or commerce conducted via the Internet.These laws or charges could limit the growth of Internet- related commerce or communications generally,resulting in reductions in the demand for Internet- based applications such as ours,any of which could have a material adverse effect on our business,financial condition,and results of operations **.** For our Dayforce Wallet service, we advance earned net wages and associated tax amounts on behalf of customers in connection with the " on demand pay " payroll feature of the service in order to provide their employees access to earned wages in advance of their standard payroll cycles. A customer may fail to satisfy its obligation to repay us for those advanced monies which could have a material adverse effect on our business, financial condition, and results of operations. In the case of our " on demand pay " service (a service that is offered as part of the Dayforce Wallet), credit is provided to our customers and funds are advanced on the customers' behalf in order to fund the customers' employees' interim earned net wage payroll demands (including associated source and other deductions) with the requirement that the customers will repay the advance on the date of their next ordinary payroll run. These advances may or may not have priority over other creditors of our customers, and our ~~security interest and / or~~ other credit protection measures, if implemented, may be inadequate to make us whole. There is, therefore, a risk that our customers do not pay back the amounts we have already paid on their behalf, and in that event, we may possess limited legal recourse to recoup those funds from our customers. In the event of a customer' s failure to repay us, we may be required to seek additional sources of short- term liquidity, which may not be available on reasonable terms, or suffer credit losses, which could have a material adverse effect on our business, financial condition, and results of operations. ~~16 2021 Form 10- K~~ Customer funds and wage funds of their employees that our trustees and third- party financial institution partners hold are subject to market, interest rate, credit, and liquidity risks. The loss of these funds could have a material adverse effect on our business, financial condition, and results of operations. Our trustees (in the case of customer funds held in our U. S. **Employer** ~~Ceridian Clients'~~ Funds Trust and our Ceridian Canada Payroll Trust) and our third party financial institution partners (in the case of employee wage funds held on their behalf as part of the U. S. Dayforce Wallet program and certain of our non- U. S. operations) may invest funds in one or more high- quality bank deposits, money market mutual funds, commercial paper, collateralized short- term investments, government securities, as well as highly rated asset- backed, mortgage- backed, municipal, corporate, and bank securities. These assets are subject to varying degrees of general market, interest rate, credit, and liquidity risks. These risks may be exacerbated, individually or in unison, during periods of unusual financial market volatility. We are required to fund the payroll and wage funds of our customers and their employees regardless of any loss realized on those investments affecting the principal funds held. In the event of a global financial crisis, such as that experienced in 2008, we could be faced with a severe constriction of the availability of liquidity, which could impact our ability to fund payrolls. Any loss of principal, or inability to access customer funds could have an adverse impact on our cash position and results of operations and could require us to obtain additional sources of liquidity, and could have a material adverse effect on our business, financial condition, and results of operations. We may acquire other companies or technologies, which could divert our management' s attention, result in additional indebtedness or dilution to our stockholders, and otherwise disrupt our operations, which could have a material adverse effect on our business, financial condition, and results of operations. We have, and we may in the future seek to acquire or to invest in businesses, applications **,** or technologies that we believe could complement or expand our applications, enhance our technical capabilities, or otherwise offer growth opportunities. The pursuit of potential acquisitions may divert the attention of management and cause us to incur various expenses in identifying, investigating, and pursuing suitable acquisitions, whether or not they are consummated. In addition, we have limited experience in acquiring other businesses. If we acquire additional businesses, we may incur significant costs to integrate such businesses. Further, we may not be able to integrate the acquired personnel, operations, and technologies successfully or profitably, or to effectively manage the combined business following the acquisition. If an acquired business fails to meet our expectations, it could have a material adverse effect on our business, financial condition, and results of operations. In order to fund acquisitions, we may issue dilutive equity securities or incur additional debt, resulting in an increase **in** our interest payments. A significant portion of the purchase price of companies we acquire may be allocated to goodwill and other intangible assets, which must be assessed for impairment at least annually. In the future, if our acquisitions do not yield expected returns, we may be required to record charges based on this impairment assessment, which could have a material adverse effect on our financial condition and results of operations. **18 | 2022 Form 10- K** Failure to comply with anti- corruption laws and regulations, economic and trade sanctions, anti- money laundering laws and regulations, and similar laws could have a materially adverse effect on our reputation, results of operations or financial condition, or have other adverse consequences. Regulators worldwide are exercising heightened scrutiny with respect to anti- corruption, economic and trade sanctions, and anti- money laundering laws and regulations. Such heightened scrutiny has resulted in more aggressive investigations and enforcement of such laws and more burdensome regulations, any of which could have a material adverse impact on our business. We are growing our business throughout the world, including in numerous developing economies where companies and government officials are more likely to engage in business practices that are prohibited by domestic and foreign laws and regulations, including the United States Foreign Corrupt Practices ~~Act, the Canadian Corruption of Foreign Public Officials Act, the anti- corruption provisions of the Australian criminal code, and the U. K. Bribery~~ Act. Such laws generally prohibit improper payments or offers of payments to foreign government officials and leaders of political parties, and in some cases, to other persons, for the purpose of obtaining or retaining business. We are also subject to economic and trade sanctions programs, including those administered by the U. S. Treasury Department' s Office of Foreign Assets Control, which prohibit or restrict transactions or dealings with specified countries, their governments and, in certain circumstances, their nationals, and with individuals and entities that are specially designated, including narcotics traffickers and terrorists or terrorist organizations, among others. In addition, some of our businesses and entities in the U. S. and a number of other countries in which we operate are and will continue to be subject to anti- money laundering laws and regulations. These laws require us to develop and implement risk- based anti- money laundering programs, report large cash transactions and suspicious activity, and maintain transaction records. ~~17 2021 Form 10~~ **These laws and regulations include the Bank Secrecy Act of 1970 as amended by the USA PATRIOT Act of 2000 (the " BSA "), that requires banks and money services businesses, among others, to develop and implement risk** - ~~K~~ **based anti- money laundering programs, report large cash transactions and suspicious activity, and maintain transaction records** We have implemented policies and procedures to monitor and address compliance with applicable anti- corruption, economic and trade sanctions and anti- money laundering laws and regulations, and we are continuously in the process of reviewing, upgrading **,** and enhancing certain of our policies and procedures. However, there can be no assurance that our employees, consultants **,** or agents will not take actions in violation of our policies for which we may be ultimately responsible, or that our policies and procedures will be adequate or will be determined to be adequate by regulators. Any violations of applicable anti- corruption, economic and trade sanctions or anti- money laundering laws or regulations could limit certain of our business activities until they are satisfactorily remediated and could result in civil and criminal penalties, including fines, which could damage our reputation and have a material adverse effect on our results of operation or financial condition. Further, **bank regulators, including the Office of Comptroller of the Currency (" OCC"), which now regulates Ceridian National Trust Bank, continue to impose additional and stricter requirements on banks to ensure they are meeting their BSA obligations, and** banks are increasingly viewing money services businesses, as a class, to be higher risk customers for money laundering. As a result, our banking partners that assist in processing our money movement transactions may limit the scope of services they provide to us or may impose additional material requirements on us. **Further, bank regulators, including the OCC, may increase regulatory investigations or governmental oversight to ensure we are meeting our BSA obligations.** These regulatory restrictions on banks and changes to banks' internal risk- based policies and procedures may result in a decrease in the number of banks that may do business with us, may require us to materially change the manner in which we conduct some aspects of our business, may decrease our revenues and earnings and could have a material adverse effect on our results or financial condition. We may not be able to utilize a significant portion of our net operating loss, which could have a material adverse effect on our financial condition and results of operations. As of December 31, ~~2021~~ **2022** , we had federal and state net operating loss carryforwards due to prior period losses, which, if not utilized, will begin to expire in ~~2034~~ **2031** and ~~2022~~ **2023** for federal and state purposes, respectively. These net operating loss carryforwards could expire unused and be unavailable to offset future income tax liabilities, which could have a material adverse effect on our financial condition and results of operations. In addition, under Section 382 of the Internal Revenue Code of 1986, as amended (the " Code "), our ability to utilize net operating loss carryforwards or other tax attributes in any taxable year may be limited if we experience an " ownership change. " A Section 382 " ownership change " generally occurs if one or more stockholders or groups of stockholders who own at least 5 % of our stock increase their ownership by more than 50 percentage points over their lowest ownership percentage within a rolling three- year period. Similar rules may apply under state tax laws. Future issuances of our stock could cause an " ownership change. " It is possible that an ownership change could have a material effect on our ability to utilize our net operating loss carryforwards, which could have a material adverse effect on our financial condition and results of operations. **19 | 2022 Form 10** ~~Our failure to maintain effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-~~ - **K** Oxley Act could have a material adverse...... condition, and results of operations. Litigation and regulatory investigations aimed at us or resulting from actions of our predecessor may result in significant financial losses and harm to our reputation. We face risk of litigation, regulatory investigations, and similar actions in the ordinary course of our business, including the risk of lawsuits and other legal actions relating to breaches of contractual obligations, tortious claims, employment and labor law matters, securities law claims, or claims related to erroneous transactions or breach of data privacy laws from customers, stockholders, employees or other third parties which could result in fines, penalties, interest, or other damages. **In particular, our clients have sought to pursue indemnification claims against us where they have been subject to wage compliance claims.** Litigation might result in substantial costs and may divert management' s attention and resources, which might materially harm our business, overall financial condition, and operating results. We may also be subject to various regulatory inquiries, such as information requests, subpoenas **,** and book and records examinations, from ~~18 2021 Form 10- K~~ regulators and other authorities in the geographic markets in which we operate. A substantial liability arising from a lawsuit judgment or settlement or a significant regulatory action against us or a disruption in our business arising from adverse adjudications in proceedings against our directors, officers, or employees could have a material adverse effect on our business, financial condition, and results or operations. Insurance might not cover such claims, might not provide sufficient payments to cover all the costs to resolve one or more such claims and might not continue to be available on terms acceptable to us. A claim brought against us that is uninsured or underinsured could result in unanticipated costs, thereby harming our operating results and leading analysts or potential investors to lower their expectations of our performance, which could reduce the trading price of our stock or potentially result in a lawsuit related to the reduced trading price of our stock. Additionally, we are subject to claims and investigations as a result of our predecessor, Control Data Corporation (" CDC "), Ceridian Corporation, and other former entities for whom we are successor- in- interest with respect to assumed liabilities. For example, in September 1989, CDC became party to an environmental matters agreement with Seagate Technology plc (" Seagate ") related to groundwater contamination on a parcel of real estate in Omaha, Nebraska sold by CDC to Seagate. In February 1988, CDC entered into an arrangement with Northern Engraving Corporation and the Minnesota Pollution Control Agency in relation to groundwater contamination at a site in Spring Grove, Minnesota. **In 2021 and 2022, we have been subject to asbestos related claims for former CDC employees.** Although we are fully reserved for these groundwater contamination liabilities, **and partially insured for the asbestos claims,** we cannot be certain if additional claims, investigations **,** or liabilities related to such predecessor companies will surface. Any failure to protect our intellectual property rights could impair our ability to protect our proprietary technology and our brand. Our success and ability to compete depend in part upon our intellectual property. We primarily rely on copyright, trade secret, and trademark laws; trade secret protection; and confidentiality or license agreements with our employees, customers, partners **,** and others to protect our intellectual property rights. However, the steps we take to protect our intellectual property rights may be ineffective or inadequate. In order to protect our intellectual property rights, we have and will likely be required to continue to spend significant resources to monitor and to protect these rights. Litigation brought to protect and to enforce our intellectual property rights could be costly, time- consuming, and distracting to management, with no guarantee of success, and could result in the impairment or loss of portions of our intellectual property. Furthermore, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims, and countersuits attacking the validity and enforceability of our intellectual property rights. Our failure to secure, to protect, and to enforce our intellectual property rights could have a material adverse effect on our business, financial condition, and results of operations. We may be sued by third parties for alleged infringement of their proprietary rights which could have a material adverse effect on our business. There is considerable intellectual property development activity in our industry. Third parties, including our competitors, may own or claim to own intellectual property relating to our service offerings and may claim that we are infringing their intellectual property rights. We may be found to be infringing upon such rights, even if we are unaware of their intellectual property rights. Any claims or litigation could cause us to incur significant expenses and, if successfully asserted against us or if we decide to settle, could require that we pay substantial damages or ongoing royalty payments, obtain licenses, modify applications, prevent us from offering our services, or require that we comply with other unfavorable terms. We may also be obligated to indemnify our customers, vendors **,** or partners in connection with any such claim or litigation. Even if we were to prevail in such a dispute, any litigation regarding our intellectual property could be costly and time consuming. **20 | 2022 Form 10- K** The use of open source software in our applications may expose us to additional risks and harm our intellectual property rights. Some of our applications include software covered by open source licenses. From time to time, there have been claims challenging the ownership of open source software against companies that incorporate such software into their products or applications. The terms of various open source licenses have not been interpreted by U. S. courts, and there is a risk that such licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to market our applications. By the terms of certain open source licenses, we could be required to release the source code of our proprietary software and to make our proprietary software available under open source licenses if we combine our proprietary software with open source software in a certain manner. In the event that portions of our proprietary software are determined to be subject to an open source license, we could be required to publicly release the affected ~~19 2021 Form 10- K~~ portions of our source code, to re- engineer all or a portion of our technologies, or otherwise to be limited in the licensing of our technologies, each of which could reduce or eliminate the value of our technologies and services. In addition to risks related to license requirements, usage of open source software can lead to greater risks than use of third party commercial software, as open source licensors generally do not provide warranties or controls on the origin of the software. Many of the risks associated with usage of open source software cannot be eliminated and could have a material adverse effect on our business, financial condition, and results of operations. The implementation of new accounting systems or applications could interfere with our business and operations. The implementation of new systems and enhancements may be disruptive to our business and can be time- consuming and divert management' s attention. Any disruptions relating to our systems or any problems with implementation, particularly any disruptions impacting our operations or our ability to accurately report our financial performance on a timely basis, could materially and adversely affect our business and operations. Risks Related to Our Indebtedness Our outstanding indebtedness **could have a material adverse effect on our financial condition and our ability to operate our business, and we may not be able to generate sufficient cash flows to meet our debt service obligations. Our obligations** under ~~our~~ **the** Senior Secured Credit Facility ~~could have a material adverse effect on our financial condition and our ability to operate our business, and we may not be able to generate sufficient cash flows to meet our debt service obligations. Pursuant to our credit agreement, we~~ are ~~a borrower of (i) a $ 680. 0 million term loan debt facility (the" Term Debt") and (ii) a $ 300. 0 million revolving credit facility (the" Revolving Credit Facility") (collectively, the" Senior Secured Credit Facility"). Our Senior Secured Credit Facility is~~ secured **by first priority security interests in** substantially ~~by~~ all of our assets **and the domestic subsidiary guarantors, subject to permitted liens and certain exceptions** . Our outstanding indebtedness and any additional indebtedness we incur may have important consequences for us, including, without limitation, that: • we may be required to use a substantial portion of our cash flow to pay the principal of and interest on our indebtedness; • our indebtedness and leverage may increase our vulnerability to adverse changes in general economic and industry conditions, as well as to competitive pressures; • our ability to obtain additional financing for working capital, capital expenditures, acquisitions and for general corporate and other purposes may be limited; • our indebtedness may expose us to the risk of increased interest rates because certain of our borrowings, including and most significantly our borrowings under our Senior Secured Credit Facility, are at variable rates of interest; and • our indebtedness may prevent us from taking advantage of business opportunities as they arise or successfully carrying out our plans to expand our business. Under the terms of the agreements governing our debt facilities, we are required to comply with specified operating covenants and, under certain circumstances, a financial covenant applicable to the Revolving Credit Facility, which may limit our ability to operate our business as we otherwise might operate it. If not cured, an event of default under our Senior Secured Credit Facility could result in any amounts outstanding, including any accrued interest and unpaid fees, becoming immediately due and payable, which would require us, among other things, to seek additional financing in the debt or equity markets, to refinance or restructure all or a portion of our indebtedness, to sell selected assets, and / or to reduce or to delay planned capital or operating expenditures. Such measures might not be sufficient to enable us to service our debt, and any such financing or refinancing might not be available on economically favorable terms or at all. If we are not able to generate sufficient cash flows to meet our debt service obligations or are forced to take additional measures to be able to service our indebtedness, it could have a material adverse effect on our business, financial condition, and results of operations. **21 | 2022 Form 10- K** Aspects of the Capped Calls may not operate as planned and may affect the value of the Convertible Senior Notes and our common stock, and we are subject to counterparty credit risk with respect to the Capped Calls. In **connection with the pricing** ~~March 2021, we issued $ 575. 0 million in aggregate principal amount~~ of **the** ~~0. 25 %~~ Convertible Senior Notes ~~due 2026 (" Convertible Senior Notes"). In connection with the pricing of the Convertible Senior Notes~~ , we entered into ~~capped call transactions with the option counterparties ("~~ the Capped Calls ~~")~~ . Please refer to Note 9," Debt ~~,~~" for additional information. The Capped Calls are expected generally to reduce the potential dilution to our common stock upon any conversion of the Convertible Senior Notes and / or offset any potential cash payments we are required to make in excess of the principal ~~20 2021 Form 10- K~~ amount of converted Convertible Senior Notes, as the case may be, with such reduction and / or offset subject to a cap. The Capped Calls are complex transactions that are not part of the terms of the Convertible Senior Notes, and may not operate as planned. If the Capped Calls do not operate as we intend, it may have an effect on the price of the Convertible Senior Notes or our common stock. The option counterparties or their respective affiliates may modify their hedge positions by entering into or unwinding various derivatives with respect to our common stock and / or purchasing or selling our common stock or other securities of ours in secondary market transactions following any conversion of the Convertible Senior Notes, any repurchase of the Convertible Senior Notes by us on any fundamental change repurchase date, any redemption date, or any other date on which the Convertible Senior Notes are retired by us, in each case if we exercise our option to terminate the relevant portion of the Capped Calls. This activity could cause or avoid an increase or a decrease in the market price of our common stock or the Convertible Senior Notes, which could affect the ability of a noteholder to convert the Convertible Senior Notes and, to the extent the activity occurs during any observation period related to a conversion of Convertible Senior Notes, could affect the number of shares of common stock, if any, and value of the consideration that a noteholder will receive upon conversion of the Convertible Senior Notes. If any such Capped Call fails to become effective, the option counterparties or their respective affiliates may unwind their hedge positions with respect to our common stock, which could adversely affect the value of our common stock and the value of the Convertible Senior Notes. The option counterparties are financial institutions, and we are subject to the risk that they might default under the Capped Calls. Our exposure to the credit risk of the option counterparties is not secured by any collateral. If an option counterparty becomes subject to insolvency proceedings, we will become an unsecured creditor in those proceedings with a claim equal to our exposure at that time under our transactions with that option counterparty. Our exposure will depend on many factors, but, generally, the increase in our exposure will be correlated with increases in the market price or the volatility of our common stock. In addition, upon a default by an option counterparty, we may suffer adverse tax consequences and more dilution than we currently anticipate with respect to our common stock. We can provide no assurances as to the financial stability or viability of any option counterparty. Risks associated with the conversion of our Convertible Senior Notes **issued under the Indenture** may adversely affect our financial condition and results of operations. Under certain circumstances, noteholders may convert their Convertible Senior Notes at their option prior to the scheduled maturities. Upon conversion of the Convertible Senior Notes, we will be obligated to make cash payments in an amount no less than the principal amount being converted, and any excess of the conversion value over the principal amount will be settled, at the Company' s election, in cash or shares of the Company' s common stock. In addition, noteholders will have the right to require us to repurchase their Convertible Senior Notes upon the occurrence of a fundamental change at a repurchase price equal to 100 % of the principal amount of the Convertible Senior Notes to be repurchased, plus accrued and unpaid interest, if any, to, but not including, the fundamental change repurchase date (as defined in the Indenture ~~under which the Convertible Senior Notes were issued (" Indenture")~~). There is a risk that we may not have enough available cash or be able to obtain financing at the time we are required to make repurchases of Convertible Senior Notes surrendered therefor or Convertible Senior Notes being converted. Our failure to repurchase Convertible Senior Notes when the Indenture requires the repurchase or to pay any cash payable on future conversions of the Convertible Senior Notes as required by the Indenture would constitute a default under the Indenture. A default under the Indenture or the fundamental change itself could also lead to a default under agreements governing our future indebtedness. If the repayment of the related indebtedness were to be accelerated after any applicable notice or grace periods, we may not have sufficient funds to repay the indebtedness and repurchase the Convertible Senior Notes or make cash payments upon conversions thereof. In addition, even if noteholders do not elect to convert their Convertible Senior Notes, we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the Convertible Senior Notes as a current, rather than long- term, liability, which would result in a material reduction of our net working capital. **22 | 2022 Form 10- K** Risks Related to Ownership of Our Common Stock The price of our common stock may be volatile and investors may lose all or part of their investment. The market price and volume of our common stock trading has experienced, and may continue to experience, wide fluctuations and volatility. Factors that may impact our performance and market price include those discussed elsewhere in this " Risk Factors " section of this Annual Report on Form 10- K and others such as: **market factors such as economic recession or monetary policy actions by central banking authorities,** ~~announcements~~ - **announcement or** ~~, including~~ filing with the SEC by us or our competitors of acquisitions, business plans or commercial relationships as well as new services; any major change in our senior management or board of director; sales, or anticipated sales, of our stock, including sales by our officers, directors, and significant stockholders; issuance of new, negative, or changed securities analysts' reports or ~~21 2021 Form 10- K~~ recommendations or estimates; investor perceptions of us and the industries in which we or our customers operate; and threatened or actual litigation and governmental investigations. These and other factors may cause the market price and demand for shares of our common stock to fluctuate substantially, which may limit or prevent investors from readily selling their shares of common stock and may otherwise negatively affect the liquidity of our common stock. In addition, securities class action litigation has often been instituted against companies following periods of volatility in the overall market and in the market price of a company' s securities. Securities litigation against us, regardless of the merits or outcome, could result in substantial costs, damage to our reputation, and divert the time and attention of our management from our business, which could have a material adverse effect on our business, financial condition, and results of operations. The issuance of additional stock, including common stock issued upon conversion of our Convertible Senior Notes, will dilute all other stockholders. The issuance of additional stock in connection with acquisitions, financings, our equity incentive plans, our Convertible Senior Notes **,** or otherwise will dilute all other stockholders. Our fourth amended and restated certificate of incorporation authorizes us to issue up to five hundred million shares of common stock and up to ten million shares of preferred stock with such rights and preferences as may be determined by our board of directors. Subject to compliance with applicable rules and regulations, we may issue all of these shares that are not already outstanding without any action or approval by our stockholders. We intend to continue to evaluate strategic acquisitions or opportunities in the future. We may pay for such acquisitions or opportunities, in part or in full, through the issuance of additional equity securities. Further, the conversion of some or all of the Convertible Senior Notes will dilute the ownership interests of existing stockholders to the extent we deliver shares of our common stock upon conversion of any of the Convertible Senior Notes. Because we do not intend to pay cash dividends in the foreseeable future, investors may not receive any return on investment unless they are able to sell common stock for a price greater than the purchase price. We have never declared nor paid cash dividends on our ~~capital~~ **common** stock. We currently intend to retain any future earnings to finance the operation and expansion of our business, and we do not expect to declare or to pay any dividends in the foreseeable future. Consequently, stockholders must rely on sales of their common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investment. There is no guarantee that shares of our common stock will appreciate in value or even maintain the price at which investors have purchased their shares. Anti- takeover protections in our fourth amended and restated certificate of incorporation, our **second** amended and restated bylaws **,** or our contractual obligations may discourage or prevent a takeover of our company, even if an acquisition would be beneficial to our stockholders. Provisions contained in our fourth amended and restated certificate of incorporation and **second** amended and restated bylaws **,** as well as provisions of Delaware law **,** could delay or make it more difficult to remove incumbent directors or could impede a merger, takeover or other business combination involving us or the replacement of our management, or discourage a potential investor from making a tender offer for our common stock, which, under certain circumstances, could reduce the market value of our common stock, even if it would benefit our stockholders. In addition, under the agreements governing our credit facilities, a change of control would cause us to be in default or could trigger dilutive or additional expenses. For example, in the event of a change of control default, the administrative agent under our credit facilities would have the right (or, at the direction of lenders holding a majority of the loans and commitments under our credit facilities, the obligation) to accelerate the outstanding loans and to terminate the commitments under our credit facilities, and if so accelerated, we would be required to repay all of our outstanding obligations under our credit facilities. **23 | 2022 Form 10- K** Further, certain provisions in the Convertible Senior Notes and the Indenture could increase the cost of acquiring us or otherwise discourage a third party from acquiring us or removing incumbent management, including in a transaction that noteholders or holders of our common stock may view as favorable. ~~22 2021 Form 10- K~~ General Risk Factors Our **quarterly results of operations have and may continue to fluctuate significantly and may not fully reflect the underlying performance of our** business **. Our quarterly results of operations, including the levels of our revenues, gross margin, profitability, cash flow, and deferred revenue,** has ~~been results of operations,including the levels of our revenues,gross margin,profitability,cash flow,and deferred revenue,has~~ varied and may vary significantly in the future,and period- to- period comparisons of our results of operations may not be meaningful.Accordingly,the results of any one quarter should not be relied upon as an indication of future performance.Our quarterly financial results may fluctuate as a result of a variety of factors,many of which are outside of our control,and as a result,may not fully reflect the underlying performance of our business.These factors include:our ability to attract and retain new and current Cloud customers,as well as Dayforce Wallet customers;changes ~~on~~ **to** services or pricing impacting our customer contracts;seasonal variations in sales of and revenue from our applications,changes ~~on~~ **to** our operating expenses related to the maintenance and expansion of our business including new acquired businesses,operations,and infrastructure;and general economic,industry,and market conditions,including the addition or loss of employees by our Cloud customers who generally pay on a " per employee per month " basis,interest rates **,** and accounting rules. ~~Our~~ **Catastrophic events as well as expectations related to environmental,social and governance (ESG) matters may disrupt our** business ~~plan is focused~~ **and expose us to risks that could** adversely ~~affected~~ -- **affect our business, financial condition, results of operations** and ~~will likely continue~~ **reputation. Our business, financial condition, results of operations, access** to **capital markets and borrowing costs may** be adversely affected by ~~the COVID- 19 pandemic The global spread of the COVID- 19 pandemic has created significant global volatility, uncertainty, and economic disruption. The extent to which the COVID- 19 pandemic will continue to adversely affect our business, operations, and financial results will depend on numerous evolving factors. During 2021, COVID- 19 outbreak continued to create significant volatility and uncertainty and economic and financial market disruption. The extent of any impact to our business depends on developments which are highly uncertain and cannot be predicted, including the COVID- 19 pandemic' s, our ability to sell and to provide our services to our current and future customers, and the ability of our customers to pay for our services or to make us whole for advances of earned net wages and associated tax amounts made on their behalf by us. As we cannot predict the duration or scope of the COVID- 19 pandemic, the anticipated negative financial impact to our business, financial condition, results of operations and / or stock price cannot be reasonably estimated, but could be material and could last for an extended period of time. Nevertheless, given the global nature of our business we may experience variation in the impact of COVID- 19 across geographies in terms of the degree, timing or duration of impact. Catastrophic events may disrupt our business which could have a material adverse effect on our business, financial condition, and results of operations. Our business, financial condition, results of operations, access to capital markets and borrowing costs may be adversely affected by~~ a major natural disaster or catastrophic event, including civil unrest **, economic recession** , geopolitical instability, war, terrorist attack, the effects of climate change, or pandemics or other public health emergencies such as the ~~recent~~ COVID- 19 outbreak, and measures taken in response thereto. In the event of a major disaster or event impacting any of our locations **or locations where our employees work virtually** , we may be unable to continue our operations and may endure system interruptions, reputational harm, delays in our application development, lengthy interruptions in our services, breaches of data security and loss of critical data ~~, all~~ **. These catastrophic events have the potential to disrupt the business** of ~~which~~ **our third- party suppliers, partners, or customers. All the potential impacts** could have a material adverse effect on our business, financial condition, and results of operations. **For instance, the COVID- 19 pandemic created significant global volatility, uncertainty, and economic disruption. The extent to which it will continue to adversely affect our business, operations, and financial results will depend on numerous evolving factors, including developments which are highly uncertain and cannot be predicted, such as the duration and scope of the event, and that affect our ability to sell and to provide our services to our current and future customers, and the ability of our customers to pay for our services or to make us whole for advances of earned net wages and associated tax amounts made on their behalf by us. Our disclosures and ambitions related to ESG matters may expose us to risks that could adversely affect our reputation and performance. We publicly share certain information about our ESG initiatives and goals. Our disclosures on these matters, and goals we set for ourselves or a failure to meet these goals may harm our reputation and brand. By electing to set and share publicly these corporate ESG initiatives and goals, our business may also face increased scrutiny related to ESG activities. 24 | 2022 Form 10- K** We operate and are subject to tax in multiple jurisdictions. Audits, investigations, and tax proceedings could have a material adverse effect on our business, results of operations, and financial condition. We are subject to income and non- income taxes in multiple jurisdictions. Income tax accounting often involves complex issues, and significant judgment is often required in determining our worldwide provision for income taxes. We are regularly subject to tax examinations in these jurisdictions during which the tax authorities may challenge our tax positions. We regularly assess the likely outcomes of these examinations to determine the appropriateness of our tax reserves as well as our future tax liabilities. In addition, the application of withholding tax, value added tax, goods and services tax, sales tax, and other non- income taxes is not always certain **,** and we may be subject to examinations relating to such withholding or non- income taxes. We believe that our tax positions are reasonable and our tax reserves are adequate to cover any potential liability. However, if any of these tax authorities successfully challenge our positions, we may be liable for additional tax, penalties, and interest in excess of any reserves established, which may have a significant impact on our results and operations and future cash flow. Changes in generally accepted accounting principles in the United States could have a material adverse effect on our previously reported results of operations. Generally accepted accounting principles in the United States are subject to interpretation by the Financial Accounting Standards Board (the " FASB "), the SEC, and various bodies formed to promulgate and to interpret appropriate accounting principles. A change in these principles or interpretations could have a significant effect on our previously reported results of operations and could affect the reporting of transactions completed before the announcement of a change. Please refer to Part II, Item 8, Note 2, " Summary of Significant Accounting Policies ", of this report for our assessment of recently issued and adopted accounting pronouncements. ~~23 2021 Form 10- K~~ Our debt may be downgraded, which could have a material adverse effect on our business, financial condition, and results of operations. A reduction in the ratings that rating agencies assign to our debt may negatively impact our access to the debt capital markets and increase our cost of borrowing, which could have a material adverse effect on our business, financial condition, and results of operations. Volatility and weakness in bank and capital markets may adversely affect credit availability and related financing costs for us. Disruptions in the financial markets can also adversely affect our lenders, insurers, customers, and other counterparties. During periods of volatile credit markets, there is risk that lenders, even those with strong balance sheets and sound lending practices, could fail, no longer participate in credit offerings, or refuse to honor their existing legal commitments and obligations to us, including but not limited to, extending credit up to the maximum amount permitted by the Revolving Credit Facility. If our lenders are unable to fund borrowings under their revolving credit commitments or we are unable to borrow or refinance our debt in the financial markets, it could be difficult to obtain sufficient funding to execute our business strategy or to meet our liquidity needs, which could have a material adverse effect on our business, financial condition, and results of operations. **Oxley** Act could have a material adverse effect on our business,financial condition,and results of operations.As a public company,we are required to design and maintain proper and effective internal controls over financial reporting and to report any material weaknesses in such internal controls.Section 404 of the Sarbanes- Oxley Act of 2002 requires that we evaluate and determine the effectiveness of our internal controls over financial reporting and provide a management report on the internal controls over financial reporting,which must be attested to by our independent registered public accounting firm.We have previously identified and reported material weaknesses,and we may identify additional material weaknesses in internal controls in future periods.If we were to have another material weakness in our internal controls over financial reporting,we may not detect errors on a timely basis and our financial statements may be materially misstated.There could also be a negative reaction in the financial markets due to a loss of investor confidence in us and the reliability of our consolidated financial statements,which could have a material adverse effect on our business,financial condition,and results of operations. ~~25~~ Item 1B. Unresolved Staff Comments. None.