Risk Factors Comparison 2024-03-25 to 2023-03-30 Form: 10-K

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Our business, operating results, financial condition, and prospects are subject to a variety of significant risks, many of which are beyond our control. The following is a description of some of the important risk factors that may cause our actual results in future periods to differ substantially from those we currently expect or seek. The risks described below are not the only risks we face. There are additional risks and uncertainties not currently known to us or that we currently deem to be immaterial that also may materially adversely affect our business, operating results, financial condition, or prospects. Risks Relating to Our Business and Our Industry Adverse global economic conditions may harm our business and result in reduced net revenue and profitability. As a global company with customers operating in a broad range of businesses and industries, our performance is affected by global economic conditions and the demand for technology products and services in international markets. Adverse economic conditions may negatively affect customer demand, and could result in postponed or decreased spending amid customer concerns over unemployment or slowing demand for their products, reduced asset values, volatile energy costs, ~~geopolitical issues,~~ the availability and cost of credit, and the stability and solvency of financial institutions, financial markets, businesses, local and state governments, and sovereign nations. **In Fiscal 2024, global economic uncertainty adversely affected the demand for our products and services as some of our larger customers exhibited increased caution in their IT spending. Factors contributing to** ~~Weak~~ **weak** or unstable global economic conditions, including those attributable to ~~international conflicts,~~ **geopolitical volatility (** such as ~~the~~ **ongoing military** ~~conflict~~ **conflicts** in Ukraine **and the Middle East and tensions across the Taiwan Strait)** , international trade protection measures and disputes, such as those between the United States and China, or public health issues ~~,~~ such as ~~those resulting from~~ the coronavirus **pandemic** ~~disease 19 (" COVID- 19 "),~~ also could harm our business by contributing to product shortages or delays, supply chain disruptions, insolvency of key suppliers, customer and counterparty insolvencies, increased product costs and associated price increases, reduced global sales, and other adverse effects on our operations. Any such effects could have a negative impact on our net revenue and profitability. Competitive pressures may adversely affect our industry unit share position, revenue, and profitability. We operate in an industry in which there are rapid technological advances in hardware, software, and services offerings. As a result, we face aggressive offering and price competition from both branded and generic competitors. We compete based on our ability to offer to our customers integrated solutions that provide desired features at a competitive price. Our competitors may provide offerings that are less costly, perform better, or include additional features. Further, our offering portfolios may quickly become outdated or our market share may quickly erode. Efforts to balance the mix of products and services to optimize profitability, liquidity, and growth may put pressure on our industry position. As the technology industry continues to expand, there may be new and increased competition in different geographic regions. The generally low barriers to entry into the technology industry increase the potential for challenges from new competitors. Competition also may intensify from an increase in alternatives for mobile and cloud computing solutions. In addition, companies with which we have strategic alliances may become competitors in other product areas, or current competitors may enter into new strategic relationships with new or existing competitors, all of which may further increase competitive pressures. **Our** ~~Reliance~~ **reliance** on vendors for products and components, many of which are single- source or limited- source suppliers, could harm our business by adversely affecting product availability, delivery, reliability, and cost. We maintain several single- source or limited- source supplier relationships, including relationships with third- party software providers, either because multiple sources are not readily available or because the relationships are advantageous due to performance, quality, support, delivery, capacity, or price considerations. A delay in the supply of a critical single- or limited- source product or component may prevent the timely shipment of the related product in desired quantities or configurations. In addition, we may not be able to replace the functionality provided by third- party software currently offered with our products if that software becomes obsolete, defective, or incompatible with future product versions or is not adequately maintained or updated. Even where multiple sources of supply are available, qualification of the alternative suppliers and establishment of reliable supplies could result in delays and a possible loss of sales, which could harm our operating results. We obtain many products and all of our components from third- party vendors, many of which are located outside of the United States. In addition, significant portions of our products are assembled by contract manufacturers, primarily in various locations in Asia. A significant concentration of such outsourced manufacturing is performed by only a few contract manufacturers, often in single locations. We sell components to these contract manufacturers and generate large non- trade ~~accountsreceivables~~ **accounts receivables** , an arrangement that would present a risk of uncollectibility if the financial condition of a contract manufacturer should deteriorate. Although these relationships generate cost efficiencies, they limit our direct control over production. The increasing reliance on vendors subjects us to a greater risk of shortages and reduced control over delivery schedules of components and products, as well as a greater risk of increases in product and component costs. We experienced some of these adverse effects in ~~Fiscal 2023~~ **recent periods** , **primarily** ~~Fiscal 2022, and Fiscal 2021~~ as a result of ~~continued~~ impacts of the **coronavirus pandemic** ~~COVID- 19~~ . We may experience additional supply shortages and price increases caused by changes to raw material availability, manufacturing capacity, labor shortages, public health issues, tariffs, trade disputes and protectionist measures, natural catastrophes or the effects of climate change (such as extreme weather conditions, sea level rise, drought, flooding, and wildfires), and significant changes in the financial condition of our suppliers. Because we maintain minimal levels of component and product inventories, a disruption in component or product availability could harm our ability to ~~satisfy~~ **fill** customer ~~needs~~ **orders on a timely basis and at an acceptable price** . ~~In addition~~ **The impact of supply constraints on our operations may be more acute during periods of rapid growth in demand for new products and**

services , **such as the current demand for AI- optimized solutions. We are also subject to risks associated with our receipt from vendors of** defective parts and products **, which** ~~from these vendors~~ could ~~reduce~~ **require the replacement of such parts and** ~~product~~ **products** ~~reliability~~ and **expose us to reputational** harm ~~our reputation~~ . If we fail to achieve favorable pricing from vendors, our profitability could be adversely affected. Our profitability is affected by our ability to achieve favorable pricing from vendors and contract manufacturers, including through negotiations for vendor rebates, marketing funds, and other vendor funding received in the normal course of business. Because these supplier negotiations are continual and reflect the evolving competitive environment, the variability in timing and amount of incremental vendor discounts and rebates can affect our profitability. The vendor programs may change periodically, potentially resulting in adverse profitability trends if we cannot adjust pricing or variable costs. An inability to establish a cost and product advantage, or determine alternative means to deliver value to customers, may adversely affect our revenue and profitability ~~. We may not achieve the intended benefits of our continuing strategic relationship with VMware. On November 1, 2021, upon completion of the VMware Spin- off, the businesses of VMware were separated from our remaining businesses, and we and VMware entered into various agreements that govern our current relationship. Among those agreements, a commercial framework agreement provides a framework under which we and VMware are continuing our strategic relationship, particularly with respect to projects we and VMware believe have the potential to accelerate the growth of the industry, product, service, or platform that may provide one or both of our companies with a strategic market opportunity. We may not obtain the benefits we seek from a continuation of our strategic relationship with VMware under the commercial framework agreement and other arrangements. In addition to a potential for business disruption, the VMware Spin- off could cause our customers to delay or defer decisions to purchase products or renew contracts, or cause them to end their relationships with us, which could have a material adverse effect on our business, financial condition, results of operations, or cash flows~~ . The results of operations of our business units may be adversely affected if we fail to successfully execute our strategy. Our strategy involves enabling the digital transformation of our customers while leading in the core infrastructure markets in which we compete. Accordingly, we must continue to expand our customer base through direct sales, new distribution channels, continued development of new growth businesses, further development of relationships with resellers, and augmentation of selected business areas through targeted acquisitions and other commercial arrangements. As we reach more customers through new distribution channels and expanded reseller relationships, we may fail to effectively manage the increasingly difficult tasks of inventory management and demand forecasting. Our ability to implement this strategy depends on efficiently transitioning sales capabilities, successfully adding to the breadth of our solutions capabilities through **internal development and** selective acquisitions of other businesses, and ~~effective~~ **effectively managing** ~~management of~~ the consequences of these strategic initiatives. If we are unable to meet these challenges, our results of operations could be adversely affected. We are organized into two business units consisting of ISG and CSG that are each important components of our strategy. ISG offers a portfolio of storage, server, and networking solutions **, including AI- optimized technologies,** and faces intense competition from existing on- premises competitors and increasing competitive pressures from Infrastructure- as- a- Service providers. Accordingly, we expect we will be required to make additional investments to ~~combat~~ **address** such competitive pressures and drive future growth. Such pressures could result in the erosion of revenue and operating income and adversely affect ISG' s results of operations. To address ~~an~~ industry ~~trend~~ **trends** ~~toward hybrid- computing models~~ , we have developed and continue to develop traditional, converged, and hyper- converged infrastructure **solutions as well as AI- optimized products and** solutions. ISG' s results of operations could be adversely affected if such **products and** solutions are not adopted by our customers or potential customers, or if customers move rapidly to adopt public cloud solutions. CSG largely relies on sales of desktops, workstations, and notebooks. Revenue from CSG absorbs our overhead costs and ~~allows~~ **provides** for scaled procurement. CSG faces risk and uncertainties from fundamental changes in the personal computer market, including a decline in worldwide revenues for desktops, workstations, and notebooks, and lower shipment forecasts for these products due to a general lengthening of the replacement cycle. ~~Any reduced~~ **Reduced** demand for PC products or a significant increase in competition could cause our operating income to fluctuate and adversely impact CSG' s results of operations. **Social and ethical issues relating to the use of new and evolving technologies, such as AI, in our offerings may result in reputational harm and liability. We view our continued investment in AI and generative AI (" GAI ") research and development as an opportunity to enhance our solutions, strengthen our competitive advantage, and contribute to the responsible advancement of AI and GAI technology. While we aim to do so in a responsible, legal, and ethical manner, social, ethical, regulatory, and legal issues relating to the use of AI and GAI in our offerings may result in reputational harm or liability, and may cause us to incur additional research, development, and compliance costs. As with many innovations, AI and GAI present risks that could affect their adoption and contribution to our business. If we enable or offer solutions that draw controversy due to their perceived or actual impact on society, we may experience brand or reputational harm, competitive harm, or legal liability. Potential government regulation related to AI and GAI use and ethics also may increase the burden and cost of research and development and delay implementation of these technologies.** Our inability to manage solutions and product and services transitions in an effective manner could reduce the demand for our solutions, products, and services, and negatively affect the profitability of our operations. Continuing improvements in technology result in the frequent introduction of new solutions, products, and services, improvements in product performance characteristics, and short product life cycles. If we fail to effectively manage transitions to new solutions and offerings, the products and services associated with such offerings and customer demand for our solutions, products, and services could diminish, and our profitability could suffer. We increasingly source new products and transition existing products through our contract manufacturers and manufacturing outsourcing relationships to generate cost efficiencies and better serve our customers. The success of product transitions depends on a number of factors, including the availability of sufficient quantities of components at an acceptable cost. Product transitions also present execution uncertainties and risks, including the risk that new or upgraded products may have quality problems or other defects. Failure to deliver high- quality products, software, and services could lead to loss of customers and diminished profitability. We must identify and address quality issues associated with our products, software, and services, many of which include third- party components. Although quality testing is performed regularly to detect quality problems and implement required solutions, failure to identify and correct significant product quality issues before the sale of such products to customers could result in lower sales, increased warranty or replacement expenses, and reduced customer confidence, which could harm our operating results. Cyber- attacks and other security incidents that disrupt our operations or result in ~~the~~ **a network intrusion,** breach **or loss,** or other compromise of proprietary or confidential information about us or our workforce, customers, **partners,** or ~~other~~ third parties could ~~disrupt~~ **negatively affect** our business, harm our reputation, cause us to lose clients and expose us to costly regulatory enforcement and litigation. We routinely **receive, collect,** manage, store, transmit **,** and otherwise process large amounts of proprietary information and confidential data, including ~~sensitive and~~ personally identifiable **and other sensitive** information, relating to our operations, products **, partners** , and customers. We face numerous **sophisticated and** evolving cyber threats of significant scale, volume, severity, and complexity **, including threats specifically designed for or directly targeted at us** , making it increasingly difficult to defend against security incidents successfully or to implement adequate preventative measures. Despite our ~~internal~~ **cybersecurity governance and investment in** controls and ~~significant and ongoing investment in~~ security measures, criminal or other unauthorized threat actors, including nation states ~~or~~ **and** state- sponsored organizations, ~~may be able to~~ **pose a significant risk of** ~~penetrate~~ **penetrating or bypassing** our security defenses, ~~breach~~ **breaching** our information technology systems, **and** ~~misappropriate~~ **misappropriating , breaching,** or ~~compromise~~ **compromising** confidential and proprietary information of our company **, our partners,** or our customers, ~~cause~~ **causing** system disruptions and shutdowns, or ~~introduce~~ **introducing** ransomware, malware, or vulnerabilities into our products, systems, and networks or those of our customers and partners. **We also face a risk that** ~~Employees~~ **employees** , contractors, or other insiders **, particularly those with connectivity to our systems,** may introduce vulnerabilities into our environments **, facilitate a cybersecurity attack,** or **take actions** ~~otherwise may seek~~ to misappropriate our intellectual property and proprietary information. **Continued** ~~The shift to~~ work- from- home and flexible work arrangements **further** ~~following the COVID- 19 pandemic may~~ increase our ~~vulnerability~~ **risk** , as employees and contractors of our company and third- party providers are working remotely and using home networks that may pose ~~a significant~~ **an increased** risk to **our** ~~network~~ **networks** , data, and ~~cyber security~~ **cybersecurity** . In addition, our business may be adversely affected by cyber- attacks and data thefts resulting from ongoing wars and geopolitical conflicts. In the past, we have **been targeted by criminal and other threat actors that attempted cyber- attacks of our systems and networks. These attacks are common in our industry for companies of our size and can include such malicious techniques as ransomware, network intrusions, exploitation of zero- day vulnerabilities, distributed denial of service, man- in- the- middle, phishing, vishing, domain name system spoofing, password spraying and other credential attacks, structural query language injection, and malware. The costs associated with cybersecurity tools and infrastructure and competition for scarce cybersecurity and IT resources have at times limited, and may in the future limit, our ability to efficiently identify, eliminate, or remediate cybersecurity or other security vulnerabilities or problems or enact changes to minimize the attack surface of our network. While our security systems and controls have successfully protected us against, and mitigated the impacts of, many attacks of this nature, we have** experienced security incidents **that negatively affected** ~~, including the unauthorized activity on~~ our **business and expect that** ~~network attempting to extract Dell. com customer information~~ we ~~disclosed~~ **will experience similar incidents** in ~~November 2018~~ **the future** . The costs to address ~~cyber~~ **cybersecurity** risks, both before and after a security incident, could be significant, regardless of whether incidents result from an attack on us directly ~~or~~ **,** on **customers we service, or on partners or** third- party vendors upon which we rely. Our customers, partners, and third- party vendors continue to experience security incidents of varying severity, including, **among others** ~~but not limited to~~ , ~~increased~~ ransomware attacks, network intrusions, and ~~unauthorized~~ **exploitations of product and software security vulnerabilities. These parties also possess or transmit our proprietary information and confidential** data ~~exfiltration~~ **, including personal data, personally identifiable information, and other sensitive information** , which ~~have directly and indirectly~~ **may be exfiltrated if they are** impacted **by a security incident** ~~our operations in the past~~ . Targeted cyber- attacks or those that ~~may~~ result from a security incident directed at a **partner or** third- party vendor ~~could~~ **create a risk of** compromise **to** our internal systems, products, services, and offerings, ~~and~~ **as well as** the systems of our customers, **which could** ~~resulting~~ --- **result** in interruptions, delays, or cessation of service that could disrupt business operations for us and our customers. Our proactive measures and remediation efforts ~~may~~ **are** not ~~be~~ **always** successful or timely. In addition, breaches of our security measures, including through the use and the unapproved dissemination of proprietary information or sensitive or confidential data about us, our customers, **partners** or other third parties, could impair our intellectual property rights and expose us, our customers **, partners** , or such other third parties to a risk of loss or misuse of such information or data. Any such incidents ~~also~~ could subject us to government investigations and regulatory enforcement actions, litigation, potential liability, and damage to our brand and reputation, or otherwise harm our business and operations. Hardware, software, and applications that we produce or procure from third parties also may contain defects in design or manufacture or other deficiencies, including security vulnerabilities that could interfere with the operation or security of our products, services, and offerings. In the event of a security vulnerability or other flaws in third- party components or software code, we may have to rely on multiple third parties to mitigate vulnerabilities. ~~Such~~ **The** mitigation techniques **they deploy** may be ineffective or ~~may~~ result in adverse performance, system instability **,** or data loss, and may not always be available, or available on a timely basis. Any actual or perceived security vulnerabilities in our products or services, or those of third- party products we sell, could lead to loss of existing or potential customers, and may impede our sales, manufacturing, distribution, outsourcing services, information technology solutions, and other critical functions and offerings. Failure to **comply with internal security policies and standards, including secure development lifecycle practices, or to** prevent or promptly mitigate security vulnerabilities **in our products and offerings** may adversely affect our brand and reputation and subject us to government investigations, regulatory enforcement actions, litigation **,** and potential liability resulting from our inability to fulfill our contractual obligations to our customers and partners. As a global enterprise, we are subject to **compliance risks under a significant** ~~an~~ **and** increasing number of laws and regulations in the United States **, the European Union, China,** and numerous other countries relating to **cybersecurity, product and software supply chain security, and** the collection, use, residency, transfer, and protection of data, including customer data, and other **personal,** sensitive, confidential, and proprietary information. **Such information security, data protection, and privacy laws and regulations continue to evolve and may be interpreted and applied differently in different jurisdictions, making it difficult to determine how they may develop and apply to us.** Our ~~ability to execute~~ **execution of** transactions and ~~to process~~ **processing** and use **of customer data, including** personal **data and personal identifiable** information and other data in the conduct of our business, the operation of our products and ~~offers~~ **offerings** , and the provision of services to our customers ~~subjects~~ - **subject** us to increased obligations to comply with applicable laws and regulations and may require us to notify regulators, customers, employees, or other third parties of our data processing and data transfer activities, **cybersecurity and data protection practices,** as well as **to** provide notification and disclosure of security incidents and data or privacy breaches. ~~The rapid evolution and increased adoption~~ **We also face the increasing cost** of **disparate global regulatory compliance** ~~artificial intelligence (“ AI ”) technologies and our~~ obligations ~~to comply with emerging AI laws~~ and ~~regulations may require us to develop additional AI~~ **potential enforcement activities and litigation action in the event we experience a significant disruption of our operations or breach, loss, or other compromise of proprietary or confidential information as a result of a cyber** - ~~specific governance programs~~ **attack or insider activity** . ~~We~~ **While we** continue to incur significant expenditures to comply with mandatory privacy, security, data protection and localization requirements imposed by law, regulation, industry standards and contractual ~~obligations~~ - **obligation, we may fail to comply fully with these requirements** . ~~Despite~~ **Any** such ~~expenditures, we may face regulatory and other legal actions, including potential liability or the inability to conduct business or sell our products or offers in a specific jurisdiction, in the event of a security incident or data or privacy breach or perceived or actual~~ non- compliance ~~with such regulatory requirements and controls~~ **could adversely affect our ability to conduct business or sell our products or offerings in a specific jurisdiction or result in fines or penalties that could impact our financial results** . Failure to successfully execute on strategic initiatives including acquisitions, divestitures **,** or cost saving measures may negatively ~~impact~~ **affect** our future results. We make strategic acquisitions of other companies as part of our growth strategy. We could experience unforeseen operating difficulties in integrating the businesses, technologies, services, products, personnel, or operations of acquired companies, especially if we are unable to retain the key personnel of an acquired company. Further, future acquisitions may result in a delay or reduction of sales for both us and the acquired company because of customer uncertainty about the continuity and effectiveness of solutions offered by either company and may disrupt our existing business by diverting resources and significant management attention that otherwise would be focused on development of the existing business. Acquisitions also may negatively affect our relationships with strategic partners if the acquisitions are seen as bringing us into competition with such partners. To complete an acquisition, we may be required to use substantial amounts of cash, engage in equity or debt financings, or enter into credit agreements to secure additional funds. Such debt financings could involve restrictive covenants that might limit our capital- raising activities and operating flexibility. Further, an acquisition may negatively affect our results of operations because it may expose us to unexpected liabilities, require the incurrence of charges and substantial indebtedness or other liabilities, have adverse tax consequences, result in acquired in- process research and development expenses, or in the future require the amortization, write- down, or impairment of amounts related to deferred compensation, goodwill, and other intangible assets, or fail to generate a financial return sufficient to offset acquisition costs. In addition, we periodically divest businesses, including businesses that are no longer a part of our strategic plan. These divestitures similarly require significant investment of time and resources, may disrupt our business and distract management from other responsibilities, and may result in losses on disposition or continued financial involvement in the divested business, including through indemnification or other financial arrangements, for a period following the transaction, which could adversely affect our financial results. We continue to focus on minimizing operating expenses through cost improvements and simplification of our corporate structure. Cost saving measures ~~and~~ **,** reorganizations, ~~such as those we announced in February 2023,~~ and divestitures ~~may~~ **have** ~~result~~ **resulted** in workforce ~~reduction~~ **reductions** and consolidation of facilities. As a result of these actions, we may experience a loss of continuity, loss of accumulated knowledge, **diminished employee productivity,** disruptions to our operations **,** and inefficiency during transitional periods. These actions could also impact employee retention. We may experience delays or unanticipated costs in implementing our cost efficiency plans, which could prevent the timely or full achievement of expected cost efficiencies and adversely affect our competitive position. Our ability to generate substantial non- U. S. net revenue is subject to additional risks and uncertainties. Sales outside the United States accounted for approximately half of our consolidated net revenue for Fiscal ~~2023~~ **2024** . Our future growth rates and success are substantially dependent on the continued growth of our business outside of the United States. Our international operations face many risks and uncertainties, including varied local economic and labor conditions; political instability; public health issues; changes in the U. S. and international regulatory environments; the impacts of trade protection measures, including increases in tariffs and trade barriers due to the current geopolitical climate and changes and instability in government policies and international trade arrangements, which could adversely affect our ability to conduct business in non- U. S. markets; changes in tax laws; potential theft or other compromise **, and limited or unfavorable protection,** of our technology, data, or intellectual property; copyright levies; and volatility in foreign currency exchange rates. We could incur additional operating costs, or sustain supply chain disruptions, due to any such changes. Any of these factors could negatively affect our international business results and growth prospects. Our profitability may be adversely affected by changes in the mix of products and services, customers, or geographic sales, and by seasonal sales trends. Our overall profitability for any period may be adversely affected by changes in the mix of products and services, customers, or geographic markets reflected in sales for that period, and by seasonal trends. Profit margins vary among products, services, customers, and geographic markets. For example, our services offerings generally have a higher profit margin than consumer products. In addition, parts of our business are subject to seasonal sales trends. Within ISG, our storage sales are typically stronger in our fourth fiscal quarter. Our sales within the Americas are typically stronger in the second and fourth fiscal quarters, while our sales in EMEA are typically stronger during the fourth fiscal quarter **. Seasonality in our business may change over time** . We may lose revenue opportunities and experience gross margin pressure if sales channel participants fail to perform as expected. We rely on value- added resellers, system integrators, distributors, and retailers as sales channels to complement our direct sales organization in order to reach more end- users. Our future operating results depend on the performance of sales channel participants and on our success in maintaining and developing these relationships. Our revenue and gross margins could be negatively affected if the financial condition or operations of channel participants weaken as a result of adverse economic conditions or other business challenges, or if uncertainty regarding the demand for our products causes channel participants to reduce their orders for these products. Further, some channel participants may consider the expansion of our direct sales initiatives to conflict with their business interests as distributors or resellers of our products, which could lead them to reduce their investment in the distribution and sale of such products, or to cease all sales of our products. Our financial performance could suffer from reduced access to the capital markets by us or some of our customers. We may access debt and capital sources to provide financing for customers and to obtain funds for general corporate purposes, including working capital, acquisitions, capital expenditures, and funding of customer receivables. In addition, we maintain customer financing relationships with some companies that rely on access to the debt and capital markets to meet significant funding needs. Any inability of these companies to access such markets could compel us to self- fund transactions with such companies or to forgo customer financing opportunities, which could harm our financial performance. The debt and capital markets may experience extreme volatility and disruption from time to time, which could result in higher credit spreads in such markets and higher funding costs for us. Deterioration in our business performance, a credit rating downgrade, volatility in the securitization markets, changes in financial services regulation, or adverse changes in the economy could lead to reductions in the availability of debt financing. In addition, these events could limit our ability to continue asset securitizations or other forms of financing from debt or capital sources, reduce the amount of financing receivables that we originate, or negatively affect the costs or terms on which we may be able to obtain capital. Any of these developments could adversely affect our net revenue, profitability, and cash flows. If the value of our goodwill or intangible assets is materially impaired, our results of operations and financial condition could be materially and adversely affected. As of February ~~3~~ **2** , ~~2023~~ **2024** , our goodwill and intangible assets, net had a combined carrying value of $ ~~26~~ **25** . ~~1~~ **4** billion, representing approximately ~~29~~ **31** % of our total consolidated assets. We periodically evaluate goodwill and intangible assets, net to determine whether all or a portion of their carrying values may be impaired, in which case an impairment charge may be necessary. The value of goodwill may be materially and adversely affected if businesses that we acquire perform in a manner that is inconsistent with our assumptions at the time of acquisition. In addition, from time to time we divest businesses, and any such divestiture could result in significant asset impairment and disposition charges, including those related to goodwill and intangible assets, net. Any future evaluations resulting in an impairment of goodwill or intangible assets, net could materially and adversely affect our results of operations and financial condition in the period in which the impairment is recognized. Weak economic conditions and additional regulation could harm our financial services activities. Our financial services activities primarily through DFS can be negatively affected by adverse economic conditions that contribute to loan delinquencies and defaults. An increase in loan delinquencies and defaults would result in greater net credit losses, which may require us to increase our reserves for customer receivables. In addition, the implementation of new financial services regulation, or the application of existing financial services regulation, in countries where we conduct our financial services and related supporting activities, could unfavorably affect the profitability and cash flows of our consumer financing activities. We are subject to counterparty default risks. We have numerous arrangements with financial institutions that include cash and investment deposits, interest rate swap contracts, foreign currency option contracts, and forward contracts. As a result, we are subject to the risk that the counterparty to one or more of these arrangements will default, either voluntarily or involuntarily, on its performance under the terms of the arrangement. In times of market distress, a counterparty may default rapidly and without notice, and we may be unable to take action to cover its exposure, either because of lack of contractual ability to do so or because market conditions make it difficult to take effective action. If one of our counterparties becomes insolvent or files for bankruptcy, our ability eventually to recover any losses suffered as a result of that counterparty' s default may be limited by the impaired liquidity of the counterparty or the applicable legal regime governing the bankruptcy proceeding. In the event of such a default, we could incur significant losses, which could harm our business and adversely affect our results of operations and financial condition. Our performance and business could suffer if our contracts for ISG services and solutions fail to produce revenue at expected levels due to exercise of customer rights under the contracts, inaccurate estimation of costs, or customer defaults in payment. We offer our ISG customers a range of consumption models for our services and solutions, including as- a- Service, utility, leases, or immediate pay models, designed to match customers' consumption preferences. These solutions generally are multiyear agreements that typically result in recurring revenue streams over the term of the arrangement. Our financial results and growth depend, in part, on customers continuing to purchase our services and solutions over the contract life on the agreed terms. The contracts allow customers to take actions that may adversely affect our recurring revenue and profitability. These actions include terminating a contract if our performance does not meet specified services levels, requesting rate reductions, reducing the use of our services and solutions or terminating a contract early upon payment of agreed fees. In addition, we estimate the costs of delivering the services and solutions at the outset of the contract. If we fail to estimate such costs accurately and actual costs significantly exceed estimates, we may incur losses on the contracts. We also are subject to the risk of loss under the contracts as a result of a default, voluntarily or involuntarily, in payment by the customer, whether because of financial weakness or other reasons. Loss of government contracts could harm our business. Contracts with U. S. federal, state, and local governments and with foreign governments are subject to future funding that may affect the extension or termination of programs and to the right of such governments to terminate contracts for convenience or non- appropriation. There is pressure on governments, both domestically and internationally, to reduce spending. Funding reductions or delays could adversely affect public sector demand for our products and services. In addition, if we violate legal or regulatory requirements, the applicable government could suspend or disbar us as a contractor, which would unfavorably affect our net revenue and profitability. Our business could suffer if we do not develop and protect our proprietary intellectual property or obtain or protect licenses to intellectual property developed by others on commercially reasonable and competitive terms. If we or our suppliers are unable to develop or protect desirable technology or technology licenses, we may be prevented from marketing products, may have to market products without desirable features, or may incur substantial costs to redesign products. We also may have to defend or enforce legal actions or pay damages **in jurisdictions throughout the world** if we are found to have violated **patents or** ~~the~~ **other** intellectual property **rights** of other parties. Although our suppliers might be contractually obligated to obtain or protect such licenses and indemnify us against related expenses, those suppliers could be unable to meet their obligations. We invest in research and development and obtain additional intellectual property through acquisitions, but those activities do not guarantee that we will develop or obtain intellectual property necessary for profitable operations. Costs involved in developing and protecting rights in intellectual property may have a negative impact on our business. In addition, our operating costs could increase because of copyright levies or similar fees by rights holders and collection agencies in European and other countries. Infrastructure disruptions could harm our business. We depend on our information technology and manufacturing infrastructure to achieve our business objectives. Natural disasters, manufacturing failures, telecommunications system failures, or defective or improperly installed new or upgraded business management systems could lead to disruptions in this infrastructure. Portions of our IT infrastructure, including those provided by third parties, also may experience interruptions, delays, or cessations of service, or produce errors in connection with systems integration or migration work. Such disruptions may adversely affect our ability to receive or process orders, manufacture and ship products in a timely manner, or otherwise conduct business in the normal course. Further, portions of our business involve the processing, storage, and transmission of data, which also would be negatively affected by such an event. Disruptions in our infrastructure could lead to loss of customers and revenue, particularly during a period of heavy demand for our products and services. We also could incur significant expense in repairing system damage and taking other remedial measures. Failure to hedge effectively our exposure to fluctuations in foreign currency exchange rates and interest rates could adversely affect our financial condition and results of operations. We utilize derivative instruments to hedge our exposure to fluctuations in foreign currency exchange rates and interest rates. Some of these instruments and contracts may involve elements of market and credit risk in excess of the amounts recognized in our financial statements. Global economic events, including trade disputes, economic sanctions and emerging market volatility, and associated uncertainty could cause currencies to fluctuate, which may contribute to variations in our sales of products and services in various jurisdictions. If we are not successful in monitoring our foreign exchange exposures and conducting an effective hedging program, our foreign currency hedging activities may not offset the impact of fluctuations in currency exchange rates on our results of operations and financial position. Adverse legislative or regulatory tax changes, the expiration of tax holidays or favorable tax rate structures, or unfavorable outcomes in tax audits and other tax compliance matters could result in an increase in our tax expense or our effective income tax rate. Changes in tax laws could adversely affect our operations and profitability. In recent years, numerous legislative, judicial, and administrative changes have been made to tax laws applicable to us and similar companies. The Organisation for Economic Co- operation and Development (the " OECD ") **is continuing discussions regarding fundamental changes in allocation of profits among tax jurisdictions in which companies do business** , **as well as the implementation of a global minimum tax, referred to as the " Pillar One "** ~~an~~ **and** ~~international association of 38~~ **" Pillar Two " proposals. Many** countries, including **countries in which we have** ~~the United States, has issued guidelines that change long- standing~~ tax ~~principles~~ **holidays, have enacted or are in the process of enacting laws based on the Pillar Two proposal** . **Our effective** ~~The OECD guidelines may introduce~~ tax ~~uncertainty~~ **rate and cash tax payments could increase in future years** as **a result** ~~countries amend their tax laws to adopt certain parts~~ of ~~the~~ **these** ~~guidelines. Additional~~ changes ~~to tax laws are likely to occur, and such changes may adversely affect our tax liability~~ . Portions of our operations are subject to a reduced tax rate or are free of tax under various tax holidays that expire in whole or in part from time to time. Many of these holidays may be extended when certain conditions are met, or may be terminated if certain conditions are not met or as a result of changes in tax legislation. If the tax holidays are not extended, if tax legislation changes, or if we fail to satisfy the conditions of the reduced tax rate, our effective tax rate would be affected **. In addition, our overall tax benefit from tax incentives could be adversely affected if the global minimum tax provisions discussed above are adopted in a country in which we benefit from an existing tax incentive** . Our effective tax rate also could be impacted if our geographic distribution of earnings changes. In addition, any actions by us to repatriate non- U. S. earnings for which we have not previously provided for U. S. taxes may affect the effective tax rate. We are continually under audit in various tax jurisdictions. We may not be successful in resolving potential tax claims that arise from these audits. A final determination of tax audits or disputes may differ from what is reflected in our historical income tax provisions or benefits and accruals. An unfavorable outcome in certain of these matters could result in a substantial increase in our tax expense. In addition, our provision for income taxes could be adversely affected by changes in the valuation of deferred tax assets. Our profitability could suffer from declines in fair value or impairment of our portfolio investments. We invest a ~~significant~~ portion of available funds in a portfolio consisting of both equity and debt securities of various types and maturities pending the deployment of these funds in our business. Our equity investments consist of strategic investments in both marketable and non- marketable securities. Investments in marketable securities are measured at fair value on a recurring basis. We have elected to apply the measurement alternative for non- marketable securities. Under the alternative, we measure investments without readily determinable fair values at cost, less impairment, adjusted by observable price changes. Our debt securities generally are classified as held to maturity and are recorded in our financial statements at amortized cost. Our earnings performance could suffer from declines in fair value or impairment of our investments. Unfavorable results of legal proceedings could harm our business and result in substantial costs. We are involved in various claims, suits, investigations, and legal proceedings that arise from time to time in the ordinary course of business or otherwise. Additional legal claims or regulatory matters affecting us and our subsidiaries may arise in the future and could involve stockholder, consumer, regulatory, compliance, intellectual property, antitrust, tax, and other issues on a global basis. Litigation is inherently unpredictable. Regardless of the merits of a claim, litigation may be both time- consuming and disruptive to our business. We could incur judgments or enter into settlements of claims that could adversely affect our operating results or cash flows in a particular period. Even if we are not named a party to a particular suit, we may be subject to indemnification obligations to the named parties that could subject us to liability for damages or other amounts payable as a result of such judgments or settlements. In addition, our business, operating results, and financial condition could be adversely affected if any infringement or other intellectual property claim made against us by any third party is successful, or if we fail to develop non- infringing technology or license the proprietary rights on commercially reasonable terms and conditions. ~~Expectations relating~~ **Our failure** to **achieve our** ~~environmental, social and governance (~~ESG ~~) considerations~~ **goals and initiatives, comply with ESG legal standards or meet the expectations of our stakeholders regarding our ESG activities could harm our reputation, adversely affect our business, and** expose us to **regulatory proceedings** ~~potential liabilities, increased costs, reputational harm,~~ and **litigation** ~~other adverse effects on our business~~ . Many governments, regulators, investors, employees, customers, and other stakeholders are increasingly focused on environmental, social and governance (" ESG ") considerations relating to businesses, including climate change and greenhouse gas emissions, human and civil rights, and diversity and inclusion. We make statements about our **ESG** ~~environmental, social and governance~~ goals and initiatives through our SEC filings, our annual ESG report, our other non- financial reports, information provided on our website, press statements and other communications. Responding to these ESG considerations and implementation of these goals and initiatives involves risks and uncertainties, requires investments, and depends in part on third- party performance or data that is outside our control. We cannot guarantee that we will achieve our announced ESG goals and initiatives. In addition, some stakeholders may disagree with our goals and initiatives. Any failure, or perceived failure, by us to achieve our goals, further our initiatives, adhere to our public statements, comply with federal, state, or international ESG laws and regulations, or meet evolving and varied stakeholder expectations **could harm our reputation, adversely affect our business, financial condition or results of operations,** and **expose us to liabilities under regulatory proceedings or litigation instituted in the United States or in other countries. We are or soon will be obligated to comply with new climate- related reporting requirements. Sustainability reporting frameworks may require us to provide detailed public disclosures about the greenhouse gas emissions and other climate- related effects our activities produce, the climate- related operating and financial risks we face, and the strategies we pursue to reduce and adapt to the impacts of climate change. We expect to incur substantial costs to prepare these disclosures. If we fail to compile, assess, and report the required information in a timely manner and in accordance with mandatory reporting** standards **,we could be exposed to fines and other sanctions.** Global climate change,and legal,regulatory,or market measures to address climate change,may negatively affect our business,operations,and financial results.We are subject to risks associated with the long- term effects of climate change on the global economy and on the IT industry in particular.The physical risks associated with climate change include the adverse effects of carbon dioxide and other greenhouse gases on global temperatures,weather patterns,and the frequency and severity of natural disasters.Extreme weather and natural disasters within or outside the United States could make it more difficult and costly for us to manufacture and deliver our products to our customers,obtain production materials from our suppliers,or perform other critical corporate functions ~~.For example,tornadoes in Tennessee,wildfires in California,and typhoons in the Philippines disrupted our operations in those areas in recent periods~~ .The increasing concern over climate change could also result in transition risks such as shifting customer preferences or regulatory changes.Changing customer preferences may result in increased demands regarding our solutions,products,and services,including the use of packaging materials and other components in our products and their environmental impact on sustainability.These demands may cause us to incur additional costs or make other changes to other operations to respond to such demands,which could adversely affect our financial results.If we fail to manage transition risks,including such demands,in an effective manner,customer demand for our solutions,products,and services **could diminish,and our profitability could suffer.The increasing concern over climate change** could result in **new domestic or international** legal **requirements for us to reduce greenhouse gas emissions** and **other environmental impacts of our operations, improve our energy efficiency, or undertake sustainability measures that exceed those we currently pursue. Any such** regulatory ~~proceedings against us and materially adversely affect~~ **requirements could cause disruptions in the manufacture of** our ~~business~~ **products and result in increased procurement** , **production, and distribution costs. Our** reputation **and** ~~, results of operations, and~~ **brand** ~~financial condition~~ **could be harmed if we fail, or are seen as having failed, to respond responsibly and effectively to changes in legal and regulatory measures adopted to address climate change** . Compliance requirements of current or future environmental and safety laws, human rights laws, or other laws may ~~increase costs,~~ expose us to potential liability **, increase our operating costs** and otherwise harm our business. Our operations are subject to environmental and safety regulations in all areas in which we conduct business. Product design and procurement operations must comply with new and future requirements relating to climate change laws and regulations, materials composition, sourcing, energy efficiency and collection, recycling, treatment, transportation, and disposal of electronics products, including restrictions on mercury, lead, cadmium, lithium metal, lithium ion, and other substances. If we fail to comply with applicable rules and regulations regarding the transportation, source, use, and sale of such regulated substances, we could be subject to liability. The costs and timing of costs under environmental and safety laws are difficult to predict, but could have an adverse impact on our business. In addition, we and our subsidiaries are subject to various anti- corruption laws that prohibit improper payments or offers of payments to foreign governments and their officials for the purpose of obtaining or retaining business, and are also subject to export controls, customs, economic sanctions laws, including those currently imposed on Russia, and embargoes imposed by the U. S. government. Violations of the U. S. Foreign Corrupt Practices Act or other anti-corruption laws or export control, customs, or economic sanctions laws may result in severe criminal or civil sanctions and penalties, and we and our subsidiaries may be subject to other liabilities that could have a material adverse effect on our business, results of operations, and financial condition. We are subject to various human rights laws, including provisions of the Dodd- Frank Wall Street Reform and Consumer Protection Act intended to improve transparency and accountability concerning the supply of minerals originating from the conflict zones of the Democratic Republic of the Congo or adjoining countries. We incur costs to comply with the disclosure requirements of this law and other costs relating to the sourcing and availability of minerals used in our products. Further, we may face reputational harm if our customers or other stakeholders conclude that we are unable to sufficiently verify the origins of the minerals used in our products. Natural disasters, terrorism, armed hostilities, or public health issues could harm our business. Natural disasters, terrorism or armed hostilities, such as the war between Russia and Ukraine, **the conflict in the Middle East, or tensions across the Taiwan Strait,** or public health issues, such as those ~~resulting~~ **that have resulted** from the **coronavirus** ~~COVID- 19~~ pandemic, whether in the United States or in other countries, could cause damage or disruption to us or our suppliers and customers, or could create political or economic instability, any of which impacts could harm our business. Any such events could cause a decrease in demand for our products, make it difficult or impossible to deliver products or for suppliers to deliver components, and create delays and inefficiencies in our supply chain . The COVID- 19 pandemic negatively...... regulatory measures adopted to address climate change . We are highly dependent on the services of Michael S. Dell, our Chief Executive Officer, and our loss of, or our inability to continue to attract, retain, and motivate, executive talent and other employees in this highly competitive market could harm our business. We are highly dependent on the services of Michael S. Dell, our founder, Chief Executive Officer, and largest stockholder. Further, we rely on key personnel, including other members of our executive leadership team, to support our business and increasingly complex product and services offerings. Our experienced executives are supported by employees in our U. S. and international operations who are highly skilled in product development, manufacturing, sales, and other functions critical to our future growth and profitability. If we lose the services of Mr. Dell or other key personnel, we may not be able to locate suitable or qualified replacements, and we may incur additional expenses to recruit replacements, which could severely disrupt our business and growth. We face intensive competition, both within and outside of our industry, in retaining and hiring individuals with the requisite expertise. As a result of this competition, we may be unable to continue to attract, retain, and motivate suitably qualified individuals at acceptable compensation levels who have the managerial, operational, and technical knowledge and experience to meet our needs. Any failure by us to do so could adversely affect our competitive position and results of operations. We have outstanding indebtedness and may incur additional debt in the future, which could adversely affect our financial condition. As of February ~~3~~ **2** , ~~2023~~ **2024** , we and our subsidiaries had approximately $ ~~29~~ **26** . ~~6~~ **0** billion aggregate principal amount of indebtedness. As of the same date, we and our subsidiaries also had an additional $ 6. 0 billion available for borrowing under our revolving credit facility and $ 5. 0 billion of availability under our commercial paper program. Although continued debt paydown is part of our overall capital allocation strategy, a substantial portion of our cash flow from operations is used to make interest and other debt service payments, which reduces funds available to us for other purposes such as working capital, capital expenditures, other general corporate purposes, and potential acquisitions. Our indebtedness could also reduce our flexibility in responding to current and changing industry and financial market conditions. We may be able to incur significant additional secured and unsecured indebtedness under the terms of our existing debt, which generally do not restrict our ability to incur additional unsecured debt and contain significant exceptions to the covenant restricting our ability to incur additional secured debt. Risks Relating to Ownership of Our Class C Common Stock Our multi- class common stock structure with different voting rights may adversely affect the trading price of the Class C Common Stock. Each share of our Class A Common Stock and each share of our Class B Common Stock has ten votes, while each share of our Class C Common Stock has one vote. Because of these disparate voting rights, Michael Dell and the Susan Lieberman Dell Separate Property Trust (the " MD stockholders ") and certain investment funds affiliated with Silver Lake Partners (the " SLP stockholders ") collectively held common stock representing approximately ~~95~~ **94** . ~~2~~ **0** % of the total voting power of our outstanding common stock as of ~~February 3~~ **March 18** , ~~2023~~ **2024** . The limited ability of holders of the Class C Common Stock to influence matters requiring stockholder approval may adversely affect the ~~market~~ **trading** price of the Class C Common Stock. ~~In addition~~ **Because of our multi- class share structure** , ~~in recent years,~~ **we have been and will likely continue to be excluded from certain stock indices.** FTSE Russell **has changed its eligibility criteria to exclude certain companies with multiple classes of shares of common stock from being added to some of its stock indices. Under the current criteria, new and, beginning in September 2022, existing constituents of its indices must have greater than 5 % of their voting rights in the** ~~and~~ **hands of public stockholders, as calculated by FTSE Russell. Previously,** S & P Dow Jones **also had** ~~changed their eligibility criteria to exclude~~ **excluded** ~~new~~ companies with multiple **share** classes ~~of shares of common stock~~ **, such as Dell Technologies,** from ~~being added to certain stock indices. FTSE Russell instituted a requirement that new and, beginning in September 2022, existing constituents of~~ its indices **, including** ~~have greater than 5 % of their~~ -- **the** ~~voting rights in the~~ **S & P 500, S & P MidCap 400,** ~~hands~~ -- **and** ~~of public stockholders~~ **S & P SmallCap 600** , ~~as calculated by FTSE Russell~~ **which together make up the S & P Composite 1500. In April 2023** , ~~whereas~~ S & P Dow Jones **reversed this policy and** announced that companies with ~~multiple~~ --- **multi** ~~share~~ **-** ~~classes~~ -- **class capital structures** ~~, such as Dell Technologies,~~ will ~~not~~ **again** be eligible for inclusion ~~in the S & P 500~~ **on its indices. We cannot be sure that such policy** , **or the policies of** ~~S & P MidCap 400, and S & P SmallCap 600, which together~~ --- **other indices, will not change further and** make ~~up~~ **us ineligible for inclusion in** the S & P Composite 1500 ~~.~~ **, or** ~~Other~~ **other** ~~major stock~~ indices **,** ~~might adopt similar requirements~~ in the future. **After this rule** ~~FTSE Russell' s determination may~~ change **by** ~~at any time. Under~~ the ~~current criteria, at a minimum, our multi- class capital structure makes our Class C Common Stock ineligible for inclusion in specified~~ S & P Dow Jones **, the Russell 2000 continues to have, and other** indices **may have** , **limitations on** ~~including~~ - **inclusion based on multiple share** ~~those making up the S & P Composite 1500,~~

~~and, as a result, mutual funds, exchange- traded funds, and other investment vehicles that track these indices will not invest in the Class~~ **class structures** ~~C Common Stock~~ . It is unclear what effect, if any, exclusion from any indices has on the valuations of the affected publicly- traded companies. It is possible that such policies may depress the valuations of public companies excluded from such indices compared to valuations of companies that are included. Future sales, or the perception of future sales, of a substantial amount of shares of the Class C Common Stock could depress the trading price of the Class C Common Stock. Sales of a substantial number of shares of the Class C Common Stock in the public market, or the perception that these sales may occur, could adversely affect the market price of the Class C Common Stock, which could make it more difficult for investors to sell their shares of Class C Common Stock at a time and price that they consider appropriate. These sales, or the possibility that these sales may occur, also could impair our ability to sell equity securities in the future at a time and at a price we deem appropriate, and our ability to use Class C Common Stock as consideration for acquisitions of other businesses, investments, or other corporate purposes. As of ~~February 3~~ **March 18** , ~~2023~~ **2024** , we had a total of approximately ~~242~~ **305** million shares of Class C Common Stock outstanding. As of ~~February 3~~ **March 18** , ~~2023~~ **2024** , the ~~378~~ **328** , 224, 977 outstanding shares of Class A Common Stock held by the MD stockholders and the ~~95~~ **80** , ~~350~~ **311** , ~~227~~ **277** outstanding shares of Class B Common Stock held by the SLP stockholders are convertible into shares of Class C Common Stock at any time on a one- to- one basis. Such shares, upon any conversion into shares of Class C Common Stock, will be eligible for resale in the public market pursuant to Rule 144 under the Securities Act of 1933 (the " Securities Act "), subject to compliance with conditions of Rule 144. ~~We~~ **From February 2, 2024 to March 18, 2024, the MD stockholders converted 25 million shares of Class A Common Stock and the SLP stockholders converted approximately 6 million shares of Class B Common Stock on a one- for- one basis into a total of approximately 31 million shares of Class C Common Stock. As of March 18, 2024, we** have entered into a registration rights agreement with holders of **substantially all** ~~378, 224, 977~~ outstanding shares of Class A Common Stock (which are convertible into the same number of shares of Class C Common Stock), holders of all ~~of the 95, 350, 227~~ outstanding shares of Class B Common Stock (which are convertible into the same number of shares of Class C Common Stock), and holders of approximately **42 million** ~~6, 000, 000~~ outstanding shares of Class C Common Stock, pursuant to which we granted such holders and their permitted transferees shelf, demand and / or piggyback registration rights with respect to such shares **(including the shares of Class C Common Stock into which the Class A Common Stock and the Class B Common Stock may be converted)** . Registration of those shares under the Securities Act would permit such holders to sell the shares into the public market. **As** ~~Further, as~~ of February ~~3~~ **2** , ~~2023~~ **2024** , ~~52~~ **40** , ~~112~~ **188** , ~~831~~ **647** shares of Class C Common Stock that were issuable upon the exercise, vesting, or settlement of outstanding stock options, restricted stock units, or deferred stock units under our stock incentive plan, all of which would have been, upon issuance, eligible for sale in the public market, subject where applicable to compliance with Rule 144, and an additional ~~28~~ **58** , ~~075~~ **080** , ~~072~~ **682** shares of Class C Common Stock were authorized and reserved for issuance pursuant to potential future awards under the stock incentive plan. We also may issue additional stock options in the future that may be exercised for additional shares of Class C Common Stock and additional restricted stock units or deferred stock units that may vest. We expect that all shares of Class C Common Stock issuable with respect to such awards will be registered under one or more registration statements on Form S- 8 under the Securities Act and available for sale in the open market. We are controlled by the MD stockholders, who, together with the SLP stockholders, collectively own a substantial majority of our common stock and are able to effectively control our actions, including approval of mergers and other significant corporate transactions. By reason of their ownership of Class A Common Stock possessing a majority of the aggregate votes entitled to be cast by holders of all outstanding shares of our common stock voting together as a single class, the MD stockholders have the ability to approve any matter submitted to the vote of all of the outstanding shares of the common stock voting together as a single class. Through their control, the MD stockholders are able to control our actions, including actions related to the election of our directors and directors of our subsidiaries, amendments to our organizational documents, and the approval of significant corporate transactions, including mergers and sales of substantially all of our assets that our stockholders may deem advantageous. For example, although our bylaws provide that the number of directors will be fixed by resolution of the Board of Directors, our stockholders may adopt, amend, or repeal the bylaws in accordance with the Delaware General Corporation Law. Through their control, the MD stockholders therefore may amend our bylaws to change the number of directors (within the limits of the certificate of incorporation), notwithstanding any determination by the Board of Directors regarding board size. Further, as of ~~February 3~~ **March 18** , ~~2023~~ **2024** , the MD stockholders and the SLP stockholders collectively beneficially owned ~~67~~ **63** . ~~0~~ **1** % of our outstanding common stock. This concentration of ownership together with the disparate voting rights of our common stock may delay or deter possible changes in control of Dell Technologies, which may reduce the value of an investment in the Class C Common Stock. So long as the MD stockholders and the SLP stockholders continue to own common stock representing a significant amount of the combined voting power of our outstanding common stock, even if such amount is, individually or in the aggregate, less than 50 %, such stockholders will continue to be able to strongly influence our decisions. In addition, the MD stockholders and the SLP stockholders, respectively, have the right to nominate a number of individuals for election as Group I Directors (who constitute all but one of our directors), which is equal to the percentage of the total voting power for the regular election of directors beneficially owned by the MD stockholders or by the SLP stockholders multiplied by the number of directors then on the Board of Directors who are not members of the audit committee, rounded up to the nearest whole number. Further, so long as the MD stockholders or the SLP stockholders each beneficially own at least 5 % of all outstanding shares of the common stock entitled to vote generally in the election of directors, each of the MD stockholders or the SLP stockholders, as applicable, are entitled to nominate at least one individual for election as a Group I Director. The MD stockholders, the MSD Partners stockholders, and the SLP stockholders and their respective affiliates may have interests that conflict with the interests of other stockholders or those of Dell Technologies. In the ordinary course of their business activities, the MD stockholders, certain investment funds affiliated with an investment firm formed by principals of the firm that manages the capital of Michael Dell and his family (the

" MSD Partners stockholders "), and the SLP stockholders and their respective affiliates may engage in activities in which their interests conflict with our interests or those of other stockholders. Our certificate of incorporation provides that none of the MD stockholders, the MSD Partners stockholders, the SLP stockholders, nor any of their respective affiliates or any director or officer of the Company who is also a director, officer, employee, managing director, or other affiliate (other than Michael Dell) have any duty to refrain from engaging, directly or indirectly, in the same business activities or similar business activities or lines of business in which we operate. The MD stockholders, the MSD Partners stockholders, and the SLP stockholders also may pursue acquisition opportunities that may be complementary to our business and, as a result, those acquisition opportunities may not be available to us. In addition, such stockholders may have an interest in pursuing acquisitions, divestitures, and other transactions that, in their judgment, could enhance the value of their investment in Dell Technologies, even though such transactions might involve risks to other stockholders. Because we are a " controlled company " within the meaning of the rules of the New York Stock Exchange and, as a result, qualify for, and rely on, exemptions from certain corporate governance requirements, holders of Class C Common Stock do not have the same protections afforded to stockholders of companies that are subject to such requirements. We are a " controlled company " within the meaning of the rules of the New York Stock Exchange (the " NYSE ") because the MD stockholders hold common stock representing more than 50 % of the voting power in the election of directors. As a **result, holders of Class C Common Stock do not have the same protections afforded to stockholders of companies that are subject to all of the NYSE' s corporate governance requirements. Because we are a** controlled company, we may elect not to comply with certain corporate governance requirements under NYSE rules, including the requirements that we have a board composed of a majority of " independent directors, " as defined under NYSE rules, and that we have a compensation committee and a nominating / corporate governance committee each composed entirely of independent directors. Although we currently maintain a board composed of a majority of independent directors **and three standing committees of the board composed entirely of independent directors** , we ~~currently utilize~~ **may decide in** the **future** ~~exemptions relating~~ to **change our board membership and** committee composition ~~and expect to continue to utilize those exemptions. As a result, none of the committees of the Board of Directors, other than the audit committee, consists entirely of independent directors. Further, we may decide in the future to change our board membership~~ so that the board is not composed of a majority of independent directors **or one or more committees are** ~~. Accordingly, holders of Class C Common Stock do~~ not **composed entirely** ~~have the same protections afforded to stockholders~~ of **independent directors** ~~companies that are subject to all of the NYSE' s corporate governance requirements~~ . Our certificate of incorporation designates a state court of the State of Delaware and the U. S. federal district courts as the sole and exclusive forum for certain types of legal actions and proceedings that may be initiated by our stockholders, which could limit the ability of the holders of Class C Common Stock to obtain a favorable judicial forum for disputes with us or with our directors, officers, or controlling stockholders. Our certificate of incorporation contains provisions requiring an exclusive forum for specified types of legal actions and proceedings. Under our certificate of incorporation, unless we consent in writing to the selection of an alternative forum, the sole and exclusive forum will be, to the fullest extent permitted by law, a state court located within the State of Delaware (or, if no state court located within the State of Delaware has jurisdiction, the federal district court for the District of Delaware) for: • any derivative action or proceeding brought on our behalf; • any action asserting a claim of breach of a fiduciary duty owed by any director or officer or stockholder of Dell Technologies to us or our stockholders; • any action asserting a claim against Dell Technologies or any director or officer or stockholder of Dell Technologies arising pursuant to any provision of the Delaware General Corporation Law or of our certificate of incorporation or bylaws; or • any action asserting a claim against us or any director or officer or stockholder of Dell Technologies governed by our internal affairs doctrine. The foregoing Delaware exclusive forum provision does not apply to suits brought to enforce any liability or duty created by the Exchange Act or the rules or regulations thereunder, or any other claim over which the federal district courts of the United States have exclusive jurisdiction. In addition to the Delaware exclusive forum provision, our certification of incorporation contains a provision stating that, unless we consent in writing to the selection of an alternative forum, the federal courts of the United States shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. These provisions of our certificate of incorporation could limit the ability of the holders of the Class C Common Stock to obtain a favorable judicial forum for disputes with us or with our directors, officers, or controlling stockholders, which may discourage such lawsuits against us and our directors, officers, and stockholders. Alternatively, if a court were to find these provisions inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business, financial condition, and results of operations. We may not continue to pay **cash** dividends or to pay **cash** dividends at the same rate as announced in March ~~2023~~ **2024** . Our payment of **cash** dividends, as well as the rate at which we pay dividends, is solely at the discretion of our Board of Directors. Further, dividend payments, if any, are subject to our financial results and the availability of statutory surplus to pay dividends. These factors could result in a change to our current dividend policy.