

Risk Factors Comparison 2024-02-22 to 2023-02-23 Form: 10-K

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For an enterprise as diverse and complex as the Company, a wide range of factors present risks to the Company and could materially affect future developments and performance. In addition to the factors affecting specific business operations identified in connection with the description of the Company's operations and the financial results of its operations elsewhere in this report, the most material of these factors are included below. Current global economic events and conditions may amplify many of these risks. These risks are not the only risks that may affect the Company. Additional risks that the Company is not aware of or does not believe are material at the time of this filing may also become important factors that adversely affect the Company's business. Risks Related to the Company's Operations The Company's Inability to Continue to Develop New Products Could Limit Sales Growth. The Company's ability to continue to grow organically is tied in large part to its ability to continue to develop new products. A failure to continue to develop and deliver new, innovative and competitive products to the market could limit sales growth and negatively impact the Company and its financial condition, results of operations and cash flow. The Company's Growth Strategy Includes Acquisitions and the Company May Not be Able to Make Acquisitions of Suitable Candidates or Integrate Acquisitions Successfully. The Company's historical growth has included, and the Company's future growth is likely to continue to include, acquisitions. The Company intends to continue to seek acquisition opportunities both to expand into new markets and to enhance its position in existing markets throughout the world. The Company may not be able to successfully identify suitable candidates, negotiate appropriate acquisition terms, obtain financing needed to consummate those acquisitions, complete proposed acquisitions or successfully integrate acquired businesses into its existing operations. In addition, any acquisition, once successfully integrated, may not perform as planned, be accretive to earnings, or otherwise prove beneficial to the Company. Acquisitions involve numerous risks, including the assumption of undisclosed, uninsured or unindemnified liabilities; difficulties in the assimilation of the operations, technologies, services and products of the acquired companies and the diversion of management's attention from other business concerns. In addition, prior acquisitions have resulted in, and future acquisitions could result in, the incurrence of substantial additional indebtedness and other expenses. The Markets Served by the Company are Highly Competitive and this Competition Could Reduce Sales and Profit Margins. Most of the Company's products are sold in competitive markets. Maintaining and improving a competitive position will require continued investment in manufacturing, engineering, quality standards, marketing, **technology**, customer service and support and distribution networks. The Company may not be successful in maintaining its competitive position. The Company's competitors may develop products that are superior, may develop methods of more efficiently and effectively providing products and services or may adapt quicker to new technologies or evolving customer requirements. **Additionally, the Company's competitors may adopt new technologies and technological advancements using artificial intelligence and machine learning to pursue new products and approaches more quickly, successfully and effectively than the Company.** The Company may not be able to compete successfully with existing competitors or with new competitors. Pricing pressures may require the Company to adjust the prices of products to stay competitive. Failure to continue competing successfully could reduce sales, profit margins and overall financial performance. The Company is Dependent on the Availability of Raw Materials, Parts and Components Used in Its Products and Changes in Supply of, or Price for, Raw Materials, Parts and Components May Materially Adversely Affect the Company. While the Company manufactures certain parts and components used in its products, the Company also requires substantial amounts of raw materials and purchases certain parts and components from suppliers. The availability of and prices for raw materials, parts and components may be subject to curtailment or change due to, among other things, suppliers' allocations to other purchasers, interruptions in production by suppliers, including due to geopolitical or civil unrest, unfavorable economic or industry conditions, labor disruptions, supply chain disruptions, catastrophic weather events, natural disasters, **public health concerns** ~~the occurrence of a contagious disease or illness~~, changes in exchange rates and prevailing price levels. Any change in the supply of, or price for, ~~these~~ raw materials or parts and components could materially affect the Company and its financial condition, results of operations and cash flow. ~~The Company and its Results of Operations and Financial Condition Have Been and May Continue To Be Materially Adversely Impacted by Public Health Conditions, Including Epidemics or Pandemics Such as COVID-19. The Company faces various risks related to public health issues, including epidemics, pandemics and other outbreaks, including the global outbreak of the COVID-19 pandemic. The ongoing COVID-19 pandemic continues to be a rapidly-changing situation that has negatively impacted and could continue to negatively impact the global economy. The impact of COVID-19, including changes in consumer behavior, pandemic fears, market downturns and restrictions on business and individual activities, has periodically created significant volatility in the global economy. There have been extraordinary actions taken by international, federal, state and local public health and governmental authorities to contain and combat the outbreak and spread of COVID-19 in regions throughout the world, including travel bans, quarantines, "stay-at-home" orders and similar mandates for many individuals to substantially restrict daily activities and for many businesses to curtail or cease normal operations. Any changes in or resurgence of COVID-19, or any other widespread public health conditions, could have a material impact on the Company's ability to get the raw materials, parts and components it needs to manufacture its products as its suppliers face disruptions in their businesses, closures or bankruptcy as a result of COVID-19 or other widespread public health conditions. The Company depends greatly on its suppliers for items that are essential to the manufacturing of its products. If its suppliers fail to meet its manufacturing needs in the future, it would delay the Company's production and product shipments to customers and negatively affect operations. Further, as new strains or variants of COVID-19 or other viruses, diseases or public health conditions develop or if sufficient~~

amounts of vaccines or treatments are not available, not widely administered or otherwise prove ineffective, the impact of a widespread public health condition on the global economy, and in turn, our financial condition and operating results could be material. The impacts of the COVID-19 pandemic or any future widespread public health conditions may impact our employees' ability to work in proximity to others or travel for work. Due to large remote workforce populations resulting from COVID-19 or other widespread public health conditions, the Company may also face informational technology infrastructure and connectivity issues from the vendors that it relies on for certain information technologies to administer, store and support the Company's multiple business activities. IDEX is heavily dependent on the availability and support of its technology landscape, several of which are provided by external third party service providers (e. g., Microsoft, AT & T and Verizon). Although the Company has not suffered any disruptions to date, any future disruptions in their operations could also negatively impact the Company and its operating results and financial condition. To the extent COVID-19 or any future widespread public health conditions adversely affects the Company and its financial results, they may also have the effect of heightening many of the other risks described in Item 1A, "Risk Factors" of this annual report, such as those relating to international operations, the Company's ability to develop new products, the Company's ability to execute on its growth strategy of acquisitions, the Company's dependency on raw materials, parts and components, the effects on movements in foreign currency exchange rates on the Company, the effects on the Company that result from declines in commodity prices and the Company's reliance on labor availability to operate and grow the business. The Company's Business Operations May Be Materially Adversely Affected by Information Systems Interruptions or Intrusion, Including those Arising From Cybersecurity Attacks or Incidents **or Violations of Laws Regulating Privacy and Data Security**. The Company depends on various internal and third party information technologies to administer, store, process and transmit electronic information (including sensitive **or controlled** data such as confidential business information and personal data relating to employees, customers and other business partners) and to support a variety of critical business activities. **Our business has an increasing reliance on IT systems and a growing digital footprint as a result of changing technologies, increasing connected devices and digital offerings, and an increase in remote and hybrid workforce populations. Additionally, some of our products contain computer hardware and software and offer the ability to connect to computer networks. Our customers, including government customers, are also requiring cybersecurity protections and mandating cybersecurity standards for our businesses with more frequency. If these--- the Company's systems, technologies, products or services (including those we acquire through business acquisitions), or the systems, technologies, products or services of the Company's customers or third- party hosting services (including third- party data centers and cloud platforms upon which we rely), are damaged or cease to function properly, or if the Company or third- party hosting service systems are subject to deliberate cyber- security attacks, such as those involving unauthorized access or malicious software, or unintentional cybersecurity incidents, such as those involving systems misconfigurations, misuse or human error and / or other intrusions, the Company, its operating results and financial condition could be materially adversely impacted. These impacts could include production downtimes, operational delays or other detrimental impacts on operations or the ability to provide products and services to its customers; the compromise, destruction, corruption or theft of confidential or otherwise protected information, data or intellectual property; security breaches; other manipulation or improper use of the Company's systems or networks; financial losses from fraudulent transactions; financial losses from remedial actions; loss of business or potential liability; adverse media coverage; legal claims or legal proceedings including regulatory investigations, actions, penalties or fines, including those arising from the violation of any applicable data privacy laws; and / or damage to the Company's reputation. While we have experienced, and expect to continue to experience, these types of threats and incidents, based on our analysis at this time, we have not experienced a cybersecurity threat or incident that we believe has or is reasonably likely to materially affect the Company. As a global organization, we are also subject to data privacy and security laws, regulations and customer- imposed controls in numerous jurisdictions as a result of having access to and processing confidential, personal and / or sensitive data in the course of our business. Governmental investigations and enforcement actions can be costly and interrupt the regular operations of our business, and data breaches or violations of data privacy laws can result in civil and criminal, monetary and non- monetary penalties and damages to our reputation, any of which may adversely affect our business and financial statements. As cybersecurity threats continue to evolve and as cybersecurity and data protection laws and regulations continue to develop globally, we expect to expend additional resources to continue to develop our compliance programs, strengthen our information security, data protection, disaster recovery and business continuity measures, and investigate and remediate vulnerabilities.** There has been a rise in the number of cyberattacks targeting confidential business information generally and in the manufacturing industry specifically by both state- sponsored and criminal organizations. **Moreover- These may include such things as denial of service attacks, introduction of ransomware or other malicious software programs, and other disruptive problems. In addition ,** there has been a rise in the number of cyberattacks that depend on human error or manipulation, including phishing attacks or schemes that use social engineering to gain access to systems or perpetuate wire transfer or other frauds. **Moreover, the rapid evolution and increased adoption of artificial intelligence technologies may intensify our cybersecurity risks.** These trends increase the likelihood of such events occurring . **The Company regularly identifies, defends as well as the costs associated with protecting against such attacks and responds to cyber threats and security incidents**. While the Company attempts to mitigate these cybersecurity risks by employing a number of measures, including employee training, technical security controls and maintenance of **certain** backup and protective systems, the Company's systems, networks, products and services remain potentially vulnerable to known or unknown threats or other intrusions, **and there are risks that our cybersecurity defenses will be insufficient to fully mitigate cyber risks and losses related to cybersecurity events,** any of which ~~could have~~ **may result in** a material adverse effect on the Company and its financial condition or results of operations. **Moreover, until we have migrated businesses we acquire onto our IT systems or ensured compliance with our information technology and cybersecurity standards, we have in the past and may in the**

future face additional risks because of the continued use of predecessor IT systems, procedures and cybersecurity risk mitigation measures. Given the unpredictability, nature and scope of ~~cyber-security~~ **cybersecurity** attacks and incidents, it is possible that potential vulnerabilities could go undetected for an extended period, and it could take considerable time for the Company to obtain full and reliable information as to the extent, amount and type of information and / or systems compromised. Any imposition of liability, particularly liability that is not covered by insurance or is in excess of our insurance coverage, could materially adversely harm our operating results and financial condition. **Uncertainty Related to Environmental Regulation and Industry Standards, or Other Risks Associated with a Potential Global Transition to a Lower- Carbon Economy**, as well as Physical Risks of Climate Change, Could Adversely Impact the Company's Results of Operations and Financial Position. Increased public awareness and concern regarding environmental risks, including global climate change **and the potential global transition to a lower- carbon economy**, may result in more international, regional, **federal** and / or **federal-state** requirements or industry standards to reduce or mitigate global warming and other environmental risks. New climate change laws and regulations could require the Company to change its manufacturing processes or obtain substitute materials that may cost more or be less available for its manufacturing operations. ~~For example, various~~ **Various** jurisdictions in which the Company does business have implemented, or in the future could implement or amend, restrictions on emissions of carbon dioxide or other greenhouse gases, taxation of or caps on the use of carbon- based energy, limitations or restrictions on water use, limitations or restrictions on the production of single use plastics, regulations on energy management and waste management and other rules and regulations to address climate change and other environmental risks, which may increase the Company's expenses and adversely affect its operating results. In addition **to changes in regulations or industry standards, a failure by the Company to innovate and adapt products to new markets, changing customer preferences for higher- efficiency products, or increasing scrutiny around fossil fuels usage could limit sales growth and negatively impact the Company and its financial condition, results of operations and cash flow.** The physical risks of climate change are highly uncertain and differ in the geographic regions in which the Company operates. These physical risks, **including wildfires, rising sea levels, floods and other extreme weather events,** may impact the availability and cost of materials, sources and supply of energy, product demand and manufacturing and could increase insurance and other operating costs. Any future increased worldwide regulatory activity relating to climate change could expand the nature, scope and complexity of matters that the Company is required to control, assess and report. If environmental laws or regulations or industry standards are either changed or adopted and impose significant operational restrictions and compliance requirements upon the Company, its suppliers, its customers or its products, or the Company's operations are disrupted due to physical impacts of climate change on the Company, its customers or its suppliers, the Company's business, results of operations and financial condition could be adversely impacted. Further, any failure to adequately address stakeholder expectations or to achieve previously announced initiatives or goals with respect to **sustainability or** environmental, social and governance matters may adversely impact our reputation, business, financial condition and results of operations. **Business Disruptions Due to Catastrophic Weather Events, Natural Disasters and Public Health Threats Could Adversely Affect the Company. The Company faces various risks related to the occurrence of catastrophic weather events or significant natural disasters, including earthquakes, wildfires, droughts, fires, power- outages or other catastrophic events, in areas in which we have manufacturing facilities or from which we obtain products. Severe weather conditions, including any that may be caused or exacerbated by global climate change, may cause physical damage to our properties, closure of one or more of our manufacturing or distribution facilities, lack of an adequate work force in a market, temporary disruption in the supply of inventory, disruption in the transport of products and utilities and delays in the delivery of products to our customers. Additionally, public health threats may negatively impact the global economy by causing changes in consumer behavior, market downturns, restrictions on business and individual activities and increased volatility. Any widespread public health threats could have a significant impact on the Company's supply chain, such as the Company experienced during the global outbreak of the COVID- 19 pandemic. To the extent that any of the foregoing adversely affect the Company and its financial results, they may also have the effect of heightening many of the other risks described in Item 1A, " Risk Factors " of this annual report, such as those relating to international operations, the Company's ability to develop new products, the Company's ability to execute on its growth strategy of acquisitions, the Company's dependency on raw materials, parts and components, the effects on movements in foreign currency exchange rates on the Company, the effects on the Company that result from declines in commodity prices and the Company's reliance on labor availability to operate and grow the business.** Risks Related to Economic **and Political** Conditions A Slowdown in the U. S. or International Economy Could Materially Adversely Affect the Sales and Profitability of the Company's Businesses. In ~~2022~~ **2023**, ~~52-50~~ **52-50** % of the Company's sales were derived from domestic operations ~~while 48 and 50~~ **while 48 and 50** % were derived from international operations. The Company's largest end markets include industrial, ~~semiconductor~~ **fire and safety**, ~~automotive~~ **energy**, life sciences, ~~water~~ **water** and ~~wastewater treatment~~ **wastewater treatment, semiconductor, automotive,** analytical instruments, food and ~~pharmaceuticals~~ **pharma, fire & safety, energy,** paint, ~~agriculture and~~ **agriculture and** chemical processing, ~~agriculture and water and wastewater treatment~~. A slowdown in the U. S. or global economy and, in particular, any of these specific end markets could materially reduce the Company's sales and profitability. Changes to Geopolitical and Economic Conditions in the U. S. and Foreign Countries in Which the Company Operates Could Adversely Affect the Company. The Company expects international operations and export sales to continue to be significant for the foreseeable future. The Company's sales from international operations and sales from export are both subject in varying degrees to risks inherent in doing business outside the U. S. These risks include the following: • possibility of unfavorable circumstances arising from host country laws or regulations and the risks related to required compliance with local laws; • risks of economic instability, including due to inflation; • currency exchange rate fluctuations and restrictions on currency repatriation; • potential negative consequences from changes to taxation policies; • disruption of operations from labor and political disturbances; • withdrawal from or renegotiation of international

trade agreements and other restrictions on the trade between the United States and other countries; • the effects of the Trade and Cooperation Agreement between the European Union, the European Atomic Energy Community and the United Kingdom that went into force on May 1, 2021, following the United Kingdom's decision to exit the European Union, and other long term economic, legal, political and social implications of the United Kingdom's exit from the European Union; • the imposition of and changes in the United States' and other governments' trade regulations, trade wars, tariffs and other trade barriers, including as a result of geopolitical developments (such as escalating tensions in the Middle East) and relations between the United States and China and the United States and Russia; and • geopolitical events, including natural disasters, catastrophic weather events, climate change, public health conditions, including epidemics, pandemics and other outbreaks (such as the global outbreak of the COVID- 19 pandemic), political instability or other geopolitical events, including civil or political unrest (such as the current conflict between Ukraine and Russia), terrorism, insurrection or war. Any of these events could have a materially adverse impact on the Company and its operations. Significant Movements in Foreign Currency Exchange Rates May Harm the Company's Financial Results. The Company is exposed to fluctuations in foreign currency exchange rates, particularly with respect to the Euro, Swiss Franc, Canadian Dollar, British Pound, Indian Rupee, Chinese Renminbi, Swedish Krona and Brazilian Real. Any significant change in the value of the currencies of the countries in which the Company does business against the U. S. Dollar could affect the Company's ability to sell products competitively and control its cost structure, which could have a material adverse effect on results of operations. For additional detail related to this risk, see Part II, Item 7A, "Quantitative and Qualitative Disclosures About Market Risk." Fluctuations in Interest Rates Could Adversely Affect the Company's Results of Operations and Financial Position. The Company's profitability may be adversely affected during any periods of unexpected or rapid increases in interest rates. The Company maintains a Credit Agreement with both a term facility and revolving credit facility (the "Revolving Facility") in an aggregate principal amount of \$ 800 million and a term credit facility (the "Term Facility") in an aggregate principal amount of \$ 200 million (together, the "Credit Facility"), which bears interest at either an alternate base rate or adjusted Term SOFR (or appropriate alternative currency reference rates) plus, in each case, an applicable margin based on the lower of the Company's senior, unsecured, long- term debt rating or the Company's applicable leverage ratio. A significant increase in Term SOFR or the other rates the Company has agreed to use as an alternative to Term SOFR (should Term SOFR become unavailable) under the Credit Facility, as amended, would significantly increase the Company's cost of borrowings. Further, any changes in regulatory standards or industry practices, such as the discontinuation of the use of Term SOFR and / or the transition to alternative benchmark rates may result in the usage of higher interest rates under the Credit Facility, and the Company's current or future indebtedness may be adversely affected. The Company is also exposed to risks if the U. S. Federal Reserve raises its benchmark interest rate, which may reduce the availability of and increase the cost of obtaining new debt and refinancing existing indebtedness. For additional detail related to this risk, see Part II, Item 7A, "Quantitative and Qualitative Disclosures About Market Risk." A Significant or Sustained Decline in Commodity Prices, Including Oil, Could Negatively Impact the Levels of Expenditures by Certain of the Company's Customers. Demand for the Company's products depends, in part, on the level of new and planned expenditures by certain of its customers. The level of expenditures by the Company's customers is dependent on, among other factors, general economic conditions, availability of credit, economic conditions within their respective industries and expectations of future market behavior. Volatility in commodity prices, including oil, can negatively affect the level of these activities and can result in postponement of capital spending decisions or the delay or cancellation of existing orders. The ability of the Company's customers to finance capital investment and maintenance may also be affected by the conditions in their industries. Reduced demand for the Company's products could result in the delay or cancellation of existing orders or lead to excess manufacturing capacity, which unfavorably impacts the absorption of fixed manufacturing costs. This reduced demand could have a material adverse effect on the Company and its financial condition and results of operations. Risks Related to Legal, Accounting and Regulatory Matters An Unfavorable Outcome of Any Pending Contingencies or Litigation Could Adversely Affect the Company. The Company is currently involved in pending and threatened legal, regulatory and other proceedings arising in the ordinary course of business. These proceedings may pertain to matters such as product liability or contract disputes, and may also involve governmental inquiries, inspections, audits or investigations relating to issues such as tax matters, intellectual property, environmental, health and safety issues, governmental regulations, employment and other matters. Where it is reasonably possible to do so, the Company accrues estimates of the probable costs for the resolution of these matters. These estimates are developed in consultation with outside counsel and are based upon an analysis of potential results and the availability of insurance coverage, assuming a combination of litigation and settlement strategies. It is possible, however, that future operating results for any particular quarter or annual period could be materially affected by changes in assumptions, the continued availability of insurance coverage or the effectiveness of the Company's strategies related to these proceedings. For additional detail related to this risk, see Item 3, "Legal Proceedings" and Note H-10 in Part II, Item 8, "Financial Statements and Supplementary Data." Failure to Adequately Protect the Company's Intellectual Property and the Risk of Disputes Involving Intellectual Property Infringement Could Adversely Impact the Company's Competitive Position, Results of Operations, and Financial Condition. The Company owns patents, trademarks, licenses and other forms of intellectual property related to its products and continuously invests in research and development that may result in technological innovations and general intellectual property rights. The Company employs various measures to develop, maintain and protect its intellectual property rights. If these measures are not effective, or if the Company's intellectual property is otherwise infringed, challenged, invalidated or circumvented, the Company may face adverse impacts to its results of operations and / or financial condition. Further, if intellectual property is infringed, challenged, invalidated or circumvented, this could reduce barriers to entry into the Company's existing lines of business and may result in a loss of market share and adversely impact the Company's competitive position. Additionally, the Company has registered intellectual property in multiple countries, and the Company's ability to protect and enforce its intellectual property rights may be limited in foreign countries due to differences in intellectual

property protections or proprietary rights laws. If the Company's intellectual property is infringed, challenged, invalidated, or circumvented due to these lesser protections, the Company may face adverse impacts to its results of operations, financial condition and / or competitive position. Litigation may be necessary to enforce the Company's intellectual property rights or to defend against infringement claims by third parties. Any litigation or claims brought by the Company could result in costs and diversion of resources, which could adversely affect the Company's results of operations and / or financial condition. Any intellectual property litigation or claims brought against the Company may lead to litigation expenses, diversion of resources, losses or licensing expenses, or the cessation of selling certain products, any of which could adversely affect the Company's results of operations and / or financial condition. The Company's Intangible Assets, Including Goodwill, are a Significant Portion of Total Assets and a Write- off of Intangible Assets or Goodwill Would Adversely Impact the Company's Operating Results and Significantly Reduce the Company's Net Worth. The Company's total assets reflect includes substantial intangible assets, primarily goodwill and identifiable intangible assets, which primarily result from acquisitions. At December 31, 2022-2023, goodwill and intangible assets totaled \$ 2, 638-838. 3 million and \$ 1, 011 million and \$ 947. 8 million, respectively. These assets primarily result from acquisitions, representing the excess of the purchase price over the fair value of the tangible net assets acquired. Annually, or when certain events occur that require a more current valuation, the Company assesses whether there has been an impairment in the value of goodwill and identifiable intangible assets. If future operating performance at one or more of the Company's reporting units were to fall significantly below forecasted levels, the Company could be required to reflect, under current applicable accounting rules, a non- cash charge to operating income for an impairment. Any determination requiring the write- off of a significant portion of goodwill or identifiable intangible assets would adversely impact the Company's results of operations and net worth. See Note 6 in Part II, Item 8, " Financial Statements and Supplementary Data " for further discussion on goodwill and intangible assets. The Company May Face Adverse Effects Resulting from Improper Conduct by Our Employees, Agents or Business Partners. While we strive to maintain high standards, the Company cannot guarantee that our internal controls and compliance systems will always protect us from reckless or criminal acts committed by employees, agents or business partners of ours (or businesses that we acquire or partner with) that would violate laws in the U. S. or foreign countries in which the Company operates, including laws governing payment to government officials, bribery, fraud, conflicts of interest, competition, employment practices and workplace behavior, export and import compliance, economic and trade sanctions, money laundering and data privacy. In particular, recent years have seen a substantial increase in anti- bribery law enforcement activity with more frequent and aggressive investigations and enforcement proceedings by both the Department of Justice and the SEC, increased enforcement activity by non- U. S. regulators and increases in criminal and civil proceedings brought against companies and individuals. The Company's policies mandate compliance with all anti- bribery laws, including the U. S. Foreign Corrupt Practices Act, the U. K. Bribery Act and similar anti- bribery laws in other jurisdictions which generally prohibit companies and their intermediaries from making improper payments for the purpose of obtaining or retaining business. However, the Company operates in certain countries that are recognized as having governmental and commercial corruption. Violations of any of these laws may result in criminal or civil sanctions or penalties, both monetary and non- monetary, increased costs of compliance and / or damage to our reputation, any of which could have a material adverse effect on the Company and its financial condition and results of operations. General Risk Factors **A Failure to Retain The Company's Success Depends on Its Executive Management and Other Key Personnel or Recruit Adequate Successors May Adversely Affect the Company's Operations and Implementation of Strategy**. The Company's future success depends to a significant degree on the skills, experience and efforts of its executive management and other key personnel and their ability to provide the Company with uninterrupted leadership and direction. The loss of the services of any of the executive officers or other key personnel or a failure to provide adequate succession plans for key personnel these individuals could have an adverse impact on the Company's operations and implementation of its strategic plan. The availability of highly qualified talent is limited and the competition for talent is robust. However, the Company provides long- term equity awards and certain other benefits for its executive officers which provides incentives for them to make a commitment to the Company. The Company's future success will depend on its ability to have adequate succession plans in place and to attract, retain and develop qualified personnel. A failure to efficiently replace executive management members and other key personnel and to attract, retain and develop new qualified personnel could have an adverse effect on the Company's operations and implementation of its strategic plan. Challenges with Respect to Labor Availability Could Negatively Impact the Company's Ability to Operate or Grow the Business. The Company's success depends in part on the ability of its businesses to proactively attract, motivate and retain a qualified and highly skilled workforce in an intensely competitive labor market. A failure to attract, motivate and retain highly skilled personnel could adversely affect the Company's operating results or its ability to operate or grow the business. Additionally, any labor stoppages or labor disruptions, including due to geopolitical unrest, unfavorable economic or industry conditions, catastrophic weather events, natural disasters or public health threats the occurrence of a contagious disease or illness could adversely affect the Company's operating results or its ability to operate or grow the business.