Risk Factors Comparison 2024-02-14 to 2023-02-22 Form: 10-K

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The factors described below represent the principal risks associated with our business. Global Conditions Competition and market conditions may adversely affect our operating results. In certain markets, our competitors are larger than us and may have greater access to financial, technological and other resources. As a result, competitors may be better able to adapt to changes in conditions in our industries, fluctuations in the costs of raw materials or changes in global economic conditions. Competitors may also be able to introduce new products with enhanced features that may cause a decline in the demand and sales of our products. Consolidation of customers or competitors, or economic problems of customers in our markets could cause a loss of market share for our products, place downward pressure on prices, result in payment delays or non- payment, or declining plant utilization rates. These risks could adversely impact our results of operations, financial position and cash flows ~~.~~ ~~Russian military invasion of the sovereign state of Ukraine. On February 24, 2022, Russia launched an invasion into Ukraine which has had some effect on our ability to obtain and import certain raw materials used to manufacture our products and our ability to export and sell our products in these countries. The ongoing conflict, and sanctions imposed upon Russia and Belarus, may impact on the Company' s sales, cost of procuring raw materials or distribution costs in future periods. The wider implications of the conflict have driven up the cost of energy and utilities used to operate our manufacturing plants, particularly in Europe, with the further potential for issues relating to the supply of energy, particularly natural gas, for our manufacturing sites in countries reliant on supplies from Russia. The fluidity and continuation of the conflict may result in additional economic sanctions and other impacts which could have a negative impact on the Company' s financial condition, results of operations and cash flows. These include decreased sales; supply chain and logistics disruptions; volatility in foreign exchange rates and interest rates; inflationary pressures on raw materials and energy; and heightened cybersecurity threats~~ . Continuing adverse global economic conditions could materially affect our current and future businesses. Global economic factors affecting our business include, but are not limited to, geopolitical instability in some markets, consumer demand for premium personal care and cosmetic products, miles driven by passenger and commercial vehicles, legislation to control fuel quality, impact of alternative propulsion systems, and oil and gas drilling and production rates. The availability, cost and terms of credit have been, and may continue to be, adversely affected by the foregoing factors and these circumstances have produced, and may in the future result in, illiquid markets and wider credit spreads, which may make it difficult or more expensive for us to obtain credit. The level of inflation and energy costs ~~, particularly in Europe,~~ may result in an adverse impact to the ~~Group~~ **group** ' s results from employee wages and other costs of operations of our manufacturing sites. Continuing uncertainties in the U. S. and international markets and economies leading to a decline in business and consumer spending could adversely impact our results of operations, financial position and cash flows. Domestic or international natural disasters or terrorist attacks may disrupt our operations, decrease the demand for our products or otherwise have an adverse impact on our business. Chemical related assets, and U. S. corporations such as us, may be at greater risk of future terrorist attacks than other possible targets in the U. S., the U. K. and throughout the world. Extraordinary events such as natural disasters may negatively affect local economies, including those of our customers or suppliers. The occurrence and consequences of such events cannot be predicted, but they can adversely impact economic conditions in general and in our specific markets. The resulting damage from such events could include loss of life, severe injury and property damage or site closure. Any of these matters could adversely impact our results of operations, financial position and cash flows. While Innospec maintains business continuity plans that are intended to allow it to continue operations or mitigate the effects of events that could disrupt its business, Innospec cannot provide assurances that its plans would fully protect it from all such events. In addition, insurance maintained by Innospec to protect against property damage, loss of business and other related consequences resulting from catastrophic events is subject to coverage limitations, depending on the nature of the risk insured. This insurance may not be sufficient to cover all of Innospec' s damages or damages to others in the event of a catastrophe. In addition, insurance related to these types of risks may not be available now or, if available, may not be available in the future at commercially reasonable rates. Our business and operations have been, and may in the future ~~,~~ be **,** adversely affected by epidemics, pandemics, outbreaks of disease and other adverse public health developments, including COVID- 19. Epidemics, pandemics, outbreaks of novel diseases and other adverse public health developments in countries and states where we operate may arise at any time. Such developments, including the COVID- 19 pandemic, have had, and in the future may have, an adverse effect on our business, financial condition and results of operations. These effects include a potentially negative impact on the availability of our key personnel, labor shortages and increased turnover, temporary closures of our facilities or facilities of our business partners, customers, suppliers, third- party service providers or other vendors, and interruption of domestic and global supply chains, distribution channels and liquidity and capital or financial markets. In particular, restrictions on or disruptions of transportation, port closures or increased border controls or closures, or other impacts on domestic and global supply chains or distribution channels, could increase our costs for raw materials and commodity costs, ~~12~~ increase demand for raw materials and commodities from competing purchasers, limit our ability to meet customer demand or otherwise have a material adverse effect on our business, financial condition and results of operations or cash flows. Precautionary measures that we may take in the future intended to limit the impact of any epidemic, pandemic, disease outbreak or other public health development, may result in additional costs. In addition, such epidemics, pandemics, disease outbreaks or other public health developments may adversely affect economies and financial markets throughout the world, such as the effect that COVID- 19 has had on world economies and financial markets, which may affect our ability to obtain additional financing for our businesses and demand for our products and services. The extent to which

COVID- 19 or other pandemics will impact our business and our financial results in the future will depend on future developments, which are highly uncertain and cannot be predicted. Such developments may include ongoing spread of the virus, disease severity, outbreak duration, extent of any reoccurrence of the ~~coronavirus~~ **COVID- 19** or any evolutions or mutations of the virus, and availability, administration and effectiveness of vaccines and development of therapeutic treatments that can restore consumer and business economic confidence. Business Operations We face risks related to our foreign operations that may adversely affect our business. We serve global markets and operate in certain countries with political and economic instability, including the Middle East, Northern Africa, Asia- Pacific, Eastern Europe and South American regions. Our international operations are subject to numerous international business risks including, but not limited to, geopolitical and economic conditions, military actions and war, risk of expropriation, import and export restrictions, trade wars, exchange controls, national and regional labor strikes, high or unexpected taxes, government royalties and restrictions on repatriation of earnings or proceeds from liquidated assets of overseas subsidiaries. Any of these could have a material adverse impact on our results of operations, financial position and cash flows. We may not be able to consummate, finance or successfully integrate future acquisitions, partnerships or other opportunities into our business, which could hinder our strategy or result in unanticipated expenses and losses. Part of our strategy is to pursue strategic acquisitions, partnerships and other opportunities to complement and expand our existing business. The success of these transactions depends on our ability to efficiently complete transactions, integrate assets and personnel acquired in these transactions and apply our internal control processes to these acquired businesses. Consummating acquisitions, partnerships or other opportunities and integrating acquisitions involves considerable expense, resources and management time commitments, and our failure to manage these as intended could result in unanticipated expenses and losses. Post- acquisition integration may result in unforeseen difficulties and may deplete significant financial and management resources that could otherwise be available for the ongoing ~~13~~ development or expansion of existing operations. Furthermore, we may not realize the benefits of an acquisition in the way we anticipated when we first entered the transaction. Any of these risks could adversely impact our results of operations, financial position and cash flows. Our success depends on our management team and other key personnel, the loss of any of whom could disrupt our business operations. Our future success will depend in substantial part on the continued services of our senior management. The loss of the services of one or more of our key executive personnel could affect the implementation of our business plan and result in reduced profitability. Our future success also depends on the continued ability to attract, develop, retain and motivate highly- qualified technical and support staff. We cannot guarantee that we will be able to retain our key personnel or attract or retain qualified personnel in the future. If we are unsuccessful in our efforts in this regard, this could adversely impact our results of operations, financial position and cash flows. An information technology system failure may adversely affect our business. We rely on information technology systems to transact our business. Like other global companies, we and our third **-** party service providers have, from time to time, been and will likely in the future be, subject to or targets of unauthorized or fraudulent access, including, but not limited to, physical or electronic break- ins or unauthorized tampering, as well as attempted cyber and other security threats and other computer- related penetrations including by state actors, terrorists or organized crime. Also, like other global companies, we have an increasing challenge of attracting and retaining highly qualified security personnel to assist us in ~~combatting~~ - **combating** these security threats. The frequency and sophistication of such threats continue to increase, with malicious actors frequently changing tactics and techniques. These threats often become further heightened in connection with geopolitical tensions. **The rapid evolution and increased adoption of artificial intelligence technologies may intensify our cyber security risks. The proliferation of third- party financial data aggregators and emerging technologies, including our use of automation, artificial intelligence and robotics, increase our cyber security risks and exposure. Artificial intelligence capabilities may be used to identify vulnerabilities and craft increasingly sophisticated cyber security attacks. Vulnerabilities may be introduced from the use of artificial intelligence by us, our customers, suppliers and other business partners and third- party providers.** Although we have implemented administrative and technical controls and take protective actions to reduce the risk of cyber incidents and breaches of our information technology, and we endeavor to modify such procedures as circumstances warrant, such measures may be insufficient to prevent physical and electronic break- ins, cyber- attacks or other security breaches to our computer systems. Our systems, processes, software and network and those of our third **-** party service providers may be vulnerable to internal or external security breaches, computer viruses, malware or other malicious code or cyber- attacks, catastrophic events, power interruptions, hardware failures, fire, natural disasters, human error, system failures and disruptions, and other events that could have security consequences. An information technology failure or disruption could prevent us from being able to process transactions with our customers, operate our manufacturing facilities, and properly report those transactions in a timely manner. Our information technology costs may increase to ensure the appropriate level of cyber security as we continuously adapt to the changing technological environment. While we have limited insurance coverage in place that may, subject to policy terms and conditions, cover certain aspects of cyber risks, this insurance coverage is subject to certain ~~14~~ limitations and may not be applicable to a particular incident or otherwise be sufficient to cover all **of** our losses beyond any coverage limitations. Furthermore, a significant or protracted information technology system failure may result in a material adverse effect on our results of operations, financial position and cash flows. Decline in our AvGas business **.** The sales of our AvGas product line for use in aviation fuel are recorded within our Fuel Specialties business. The piston aviation industry has been, and is currently, researching a safe replacement fuel to replace leaded fuel. The U. S. Federal Aviation Administration (“ FAA ”) program (Piston Aviation Fuels Initiative) has been established to identify a replacement fuel, and candidate fuels are at an early pre- screening stage. In 2022, the FAA created a new team named Eliminate Aviation Gasoline Lead Emissions (“ EAGLE ”). This is a government- industry partnership that also encompasses fuel producers and distributors, airport operators, communities that support general aviation airports, and environmental experts. The most significant announcement impacting the Company is the stated aim of EAGLE to eliminate lead emissions from general aviation by the end of 2030. There are also regulatory projects underway for the ~~European Union~~

E. U. , which are considering the phase out of leaded fuel for the aviation industry earlier than the FAA timetable. While we expect that at some point in the future a replacement fuel will be identified, trialed and supplied to the industry, there is no currently available alternative. If a suitable product is identified and the use of leaded fuel is prohibited in piston aviation **,** the Company' s future operating income and cash flows from operating activities would be adversely impacted. Failure to protect our intellectual property rights could adversely affect our future performance and cash flows. Failure to maintain or protect our intellectual property rights may result in the loss of valuable technologies, or us having to pay other companies for infringing on their intellectual property rights. Measures taken by us to protect our intellectual property may be challenged, invalidated, circumvented or rendered unenforceable. In addition, international intellectual property laws may be more restrictive or may offer lower levels of protection than under U. S. law. We may also face patent infringement claims from our competitors which may result in substantial litigation costs, claims for damages or a tarnishing of our reputation even if we are successful in defending against these claims, which may cause our customers to switch to our competitors. Any of these events could adversely impact our results of operations, financial position and cash flows. Industry Matters Trends in oil and gas prices affect the level of exploration, development and production activity of our customers, and the demand for our services and products, which could have a material adverse impact on our business. Demand for our services and products in our Oilfield Services business is particularly sensitive to the level of exploration, development and production activity of, and the ~~15~~ corresponding capital spending by, oil and gas companies. The level of exploration, development and production activity is directly affected by trends in demand for and prices of oil and gas, which historically have been volatile and are likely to continue to be volatile. Prices for oil and gas are subject to large fluctuations in response to relatively minor changes in the supply of and demand for oil and gas, market uncertainty, and a variety of other economic and political factors that are beyond our control. Even the perception of longer- term lower oil and gas prices by oil and gas companies can similarly reduce or defer major expenditures given the long- term nature of many large- scale development projects. Factors affecting the prices of oil and gas include, but are not limited to, the level of supply and demand for oil and gas; governmental regulations, including the policies of governments regarding the exploration for and production and development of their oil and gas reserves; weather conditions and natural disasters; worldwide political, military and economic conditions; the level of oil and gas production by non- OPEC (" Organization of the Petroleum Exporting Countries ") countries and the available excess production capacity within OPEC; the cost of producing and delivering oil and gas; and potential acceleration of the development of alternative power generation, fuels and engine technologies. Any prolonged reduction in oil and gas prices will depress the immediate levels of exploration, development and production activity, which could have a material adverse impact on our results of operations, financial position and cash flows. We could be adversely affected by technological changes in our industry. Our ability to maintain or enhance our technological capabilities, develop and market products and applications that meet changing customer requirements, and successfully anticipate or respond to technological changes in a cost effective and timely manner will likely impact our future business success. We compete on a number of fronts including, but not limited to, product quality and performance. In the case of some of our products, our competitors are larger than us and may have greater access to financial, technological and other resources. Technological changes include, but are not limited to, the development of electric and hybrid vehicles, and the subsequent impact on the demand for gasoline and diesel. Our inability to maintain a technological edge, innovate and improve our products could cause a decline in the demand and sales of our products, and adversely impact our results of operations, financial position and cash flows. Sharp and unexpected fluctuations in the cost of our raw materials and energy could adversely affect our profit margins. We use a variety of raw materials, chemicals and energy in our manufacturing and blending processes. Many of these raw materials are derived from petrochemical- based and vegetable- based feedstocks which can be subject to periods of rapid and significant cost instability. These fluctuations in cost can be caused by political instability in oil producing nations and elsewhere, weather conditions or other factors influencing global supply and demand of these materials, over which we have little or no control. We use long- term contracts (generally with fixed or formula- based costs) and advance bulk purchases to help ensure availability and continuity of supply, and to manage the risk of cost increases. From time to time, we have ~~16~~ entered into hedging arrangements for certain utilities and raw materials, but do not typically enter into hedging arrangements for all raw materials, chemicals or energy costs. If the costs of raw materials, chemicals or energy increase, and we are not able to pass on these cost increases to our customers, then profit margins and cash flows from operating activities would be adversely impacted. If raw material costs increase significantly, then our need for working capital could increase. Any of these risks could adversely impact our results of operations, financial position and cash flows. Our business is subject to the risk of manufacturing disruptions, the occurrence of which would adversely affect our results of operations. We are subject to hazards which are common to chemical manufacturing, blending, storage, handling and transportation. These hazards include, but are not limited to, fires, explosions, chemical spills and the release or discharge of toxic or hazardous substances together with the more generic risks of labor strikes or slowdowns, mechanical failure in scheduled downtime, extreme weather or transportation interruptions. These hazards could result in loss of life, severe injury, property damage, environmental contamination and temporary or permanent manufacturing cessation. Any of these factors could adversely impact our results of operations, financial position and cash flows. Legal, Regulatory and Tax Matters We are subject to extensive regulation of our international operations that could adversely affect our business and results of operations. Due to our global operations, we are subject to many laws governing international commercial activity, conduct and relations, including, but ~~are~~ not limited to, those that prohibit improper payments to government officials, restrict where and with whom we can do business and limit the products, software and technology that we can supply to certain countries and customers. These laws include, but are not limited to, the U. S. Foreign Corrupt Practices Act and U. K. Bribery Act, sanctions and assets control programs administered by the U. S. Department of the Treasury and / or the ~~European Union~~ **E. U.** from time to time, and the U. S. export control laws such as the regulations under the U. S. Export Administration Act, as well as similar laws and regulations in other countries relevant to our business operations. Violations of any of these laws or regulations, which are often complex in their application, may result in criminal or civil penalties that could have a material adverse effect on our results of operations, financial position and cash flows. Our ~~United Kingdom~~ **U. K.** defined benefit pension plan could adversely impact our financial condition, results of operations and cash flows. Movements in the underlying plan asset value and Projected Benefit Obligation (" PBO ") of our ~~United Kingdom~~ **U. K.** defined benefit pension plan (" UK Plan ") are dependent on our assumptions in respect of the discount rate, annual member mortality rates, future return on assets and future inflation. A change in any one of these assumptions could impact the plan asset value, PBO and pension credit recognized in the income statement. ~~17~~ In May 2022, the Trustees of the UK Plan entered into an agreement with Legal and General Assurance Society Limited to acquire an insurance policy that operates as an investment asset, with the intent of matching the remaining uninsured part of the UK Plan' s future cash outflow arising from the accrued pension liabilities of members. Such an arrangement is commonly termed as a " buy- in ". The benefit obligation was not transferred to the insurer, and the Company remains responsible for paying pension benefits. The initial value of the asset associated with this contract was equal to the premium paid to secure the contract and is adjusted each reporting period to reflect the estimated fair value of the premium that would be paid for such a contract at that time. The buy-in reduces the UK Plan' s value at risk in relation to key risks associated with improved longevity, inflation and interest rate movements while improving the security to the UK Plan and its members. The Company consequently benefits from the buy- in as it reduces the UK Plan' s potential reliance on the Company for future cash funding requirements. However, should an unexpected issue arise, there could be consequences which adversely impact our results of operations, financial position and cash flows. We may have additional tax liabilities. We are subject to income and other taxes in the U. S., the U. K., and a number of other jurisdictions. Tax laws are dynamic and subject to change as new laws are passed and new interpretations of the law are issued or applied. Significant judgment is required in estimating our worldwide provision for income taxes. In the ordinary course of our business, there are many transactions and calculations where the ultimate tax determination is uncertain. Although we believe our tax estimates are reasonable, any final determination pursuant to tax audits and any related litigation could be materially different to the amounts reflected in our Consolidated Financial Statements. Should any tax authority disagree with our estimates and determine any additional tax liabilities, including interest and penalties for us, this could adversely impact our results of operations, financial position and cash flows **. In 2021, the Organization for Economic Cooperation and Development (" OECD ") released Pillar Two Global Anti- Base Erosion model rules (" Pillar Two Rules "), designed to ensure large corporations are taxed at a minimum rate of 15 % in all countries of operation. Although the U. S. has not yet enacted legislation implementing Pillar Two Rules, other countries where Innospec does business, including the U. K., have enacted legislation implementing Pillar Two Rules which are effective from January 1, 2024. We are continuing to evaluate the Pillar Two Rules and their potential impact on future periods, though we do not expect the Pillar Two Rules to have a material impact on the Company' s effective tax rate** . Our products are subject to extensive government scrutiny and regulation. We are subject to regulation by federal, state, local and foreign government authorities. In some cases, we need government approval of our products, manufacturing processes and facilities before we may sell certain products. Many products are required to be registered with the U. S. Environmental Protection Agency (EPA), with the European Chemicals Agency (ECHA) and with comparable government agencies elsewhere. We are also subject to ongoing reviews of our products, manufacturing processes and facilities by government authorities, and must also produce product data and comply with detailed regulatory requirements. In order to obtain regulatory approval of certain new products we must, among other things, demonstrate that the product is appropriate and effective for its intended uses, that the product has been appropriately tested for safety and that we are capable of manufacturing the product in accordance with applicable regulations. This approval process can be costly, time consuming, and subject to unanticipated and significant delays. We cannot be sure that necessary approvals will be granted on a timely basis or at all. Any delay in obtaining, or any ~~18~~ failure to obtain or maintain, these approvals would adversely affect our ability to introduce new products and to generate income from those products. New or stricter laws and regulations may be introduced that could result in additional compliance costs and prevent or inhibit the development, manufacture, distribution and sale of our products. Such outcomes could adversely impact our results of operations, financial position and cash flows. Diverse chemical regulatory processes in different countries around the world might create complexity and additional cost. U. K. REACH, which was precipitated by the U. K.' s exit from the E. U., is one such example. Legal proceedings and other claims could impose substantial costs on us. We are from time to time involved in legal proceedings that result from, and are incidental to, the conduct of our business, including employee and product liability claims. Although we maintain insurance to protect us against a variety of claims, if our insurance coverage is not adequate to cover such claims, then we may be required to pay directly for such liabilities. Such outcomes could adversely impact our results of operations, financial position and cash flows. Environmental liabilities and compliance costs could have a substantial adverse impact on our results of operations. We operate a number of manufacturing sites and are subject to extensive federal, state, local and foreign environmental, health and safety laws and regulations, including, but not limited to, those relating to emissions to the air, discharges to land and water, and the generation, handling, treatment and disposal of hazardous waste and other materials on these sites. We operate under numerous environmental permits and licenses, many of which require periodic notification and renewal, which is not automatic. New or stricter laws and regulations could increase our compliance burden or costs and adversely affect our ability to develop, manufacture, blend, market and supply products. Our operations, and the operations of prior owners of our sites, pose the risk of environmental contamination which may result in fines or criminal sanctions being imposed or require significant amounts in environmental remediation payments. We anticipate that certain manufacturing sites may cease production over time and on closure, will require safely decommissioning and some environmental remediation. The extent of our obligations will depend on the future use of the sites that are affected and the environmental laws in effect at the time. We currently hold a plant closure provision in our Consolidated Financial Statements based on current known obligations, anticipated plans for sites or existing environmental laws. If there were to be unexpected or unknown contamination at these sites, or future plans for the sites or environmental laws change, then current provisions may prove inadequate, which could adversely impact our results of operations, financial position and cash flows. ~~19~~ We may be exposed to certain regulatory and financial risks related to climate change . The outcome of new or potential legislation or regulation in the U. S. and other jurisdictions in which we operate may result in new or additional requirements, additional charges to fund energy efficiency activities, fees or restrictions on certain activities. Compliance with these initiatives may also result in additional costs to us, including, among other things, increased production costs, additional taxes, reduced emission allowances or additional restrictions on production or operations. Any climate change regulations enacted in the future could also negatively impact our ability to compete with companies situated in areas not subject to such limitations. Even without such regulation, increased public awareness and adverse publicity about potential impacts on climate change emanating from us or our industry could harm us. We may not be able to recover the cost of compliance with new or more stringent laws and regulations, which could adversely affect our business and negatively impact our growth. Furthermore, the potential impacts of climate change and related regulation on our customers are highly uncertain and may adversely affect us. Key Third - Party Relationships Having a small number of significant customers may have a material adverse impact on our results of operations. Our principal customers are personal and home care companies, oil refiners, oil and gas exploration and production companies, and other chemical and industrial companies. These industries are characterized by a concentration of a few large participants. The loss of a significant customer, a material reduction in demand by a significant customer or termination or non- renewal of a significant customer contract could adversely impact our results of operations, financial position and cash flows. A disruption in the supply of raw materials or transportation services would have a material adverse impact on our results of operations. Although we try to anticipate problems with supplies of raw materials or transportation services by building certain inventories of strategic importance, transport operations are exposed to various risks such as extreme weather conditions, natural disasters, technological problems, work stoppages, geopolitical tensions, pandemics, as well as transportation regulations. If the Company experiences transportation problems, or if there are significant changes in the cost of these services, the Company may not be able to arrange efficient alternatives and timely means to obtain raw materials or ship finished products, which could adversely impact our results of operations, financial position and cash flows. The inability of counterparties to meet their contractual obligations could have a substantial adverse impact on our results of operations. Credit limits, ongoing credit evaluation and account monitoring procedures are used to minimize bad debt risk. Collateral is not generally required. We have in place a credit facility with a syndicate of banks. From time to time, we use derivatives, including, but not limited to, ~~20~~ interest rate swaps, commodity swaps and foreign currency forward exchange contracts, in the normal course of business to manage market risks. We enter into derivative instruments with a diversified group of major financial institutions in order to manage the exposure to non- performance of such instruments. We remain subject to market and credit risks including the ability of counterparties to meet their contractual obligations and the potential non- performance of counterparties to deliver contracted commodities or services at the contracted price. The inability of counterparties to meet their contractual obligations could have an adverse impact on our results of operations, financial position and cash flows. Finance and Investment We are exposed to fluctuations in foreign currency exchange rates, which may adversely affect our results of operations. We generate a portion of our revenues and incur some operating costs in currencies other than the U. S. dollar. In addition, the financial position and results of operations of some of our overseas subsidiaries are reported in the relevant local currency and then translated to U. S. dollars at the applicable currency exchange rates for inclusion in our Consolidated Financial Statements. Fluctuations in these currency exchange rates affect the recorded levels of our assets and liabilities, results of operations and cash flows. The primary exchange rate fluctuation exposures we have are with the E. U. euro, British pound sterling and Brazilian real. Exchange rates between these currencies and the U. S. dollar have fluctuated in recent years and may continue to do so. We cannot accurately predict future exchange rate variability among these currencies or relative to the U. S. dollar. While we take steps to manage currency exchange rate exposure, including entering into hedging transactions, we cannot eliminate all exposure to future exchange rate variability. These exchange risks could adversely impact our results of operations, financial position and cash flows. A high concentration of significant stockholders may have a material adverse impact on our stock price. Approximately ~~44~~ **45** % of our common stock is held by four stockholders. A decision by any of these, or other substantial, stockholders to sell all or a significant part of its holding, or a sudden or unexpected disposition of our stock, could result in a significant decline in our stock price. This could in turn adversely impact our ability to access equity markets, which could adversely impact our results of operations, financial position and cash flows. ~~21~~ Our amended and restated by- laws designate specific Delaware courts as the exclusive forum for certain litigation that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees. Our amended and restated by- laws (the " By- laws ") provide that, unless we consent in writing to the selection of an alternative forum, the appropriate court within the State of Delaware is the sole and exclusive forum, to the fullest extent provided by law, for the following types of actions or proceedings: • any derivative action or proceeding brought on behalf of the Corporation, ~~•~~ any action asserting a claim of breach of a fiduciary duty owed by any director, officer, other employee or stockholder of the Corporation to the Corporation or the Corporation' s stockholders, ~~•~~ any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law (" DGCL "), our amended and restated certificate of incorporation, the By- laws, or as to which the DGCL confers jurisdiction upon the Court of Chancery of the State of Delaware, ~~•~~ any action asserting a claim governed by the internal affairs doctrine, or ~~•~~ any other internal corporate claim as defined in Section 115 of the DGCL. This includes, to the extent permitted by the federal securities laws, lawsuits asserting both state law claims and claims under the federal securities laws. This forum selection provision in the By- laws may limit our stockholders' ability to obtain a favorable judicial forum for disputes with us. It is also possible that, notwithstanding the forum selection clause included in the By- laws, a court could rule that such a provision is inapplicable or unenforceable. Application of the choice of forum provision may be limited in some instances by law. Section 27 of the Securities Exchange Act of 1934 (" Exchange Act ") provides for exclusive federal court jurisdiction over Exchange Act claims. Accordingly, to the extent the exclusive forum provision is held to cover a shareholder derivative action asserting claims under the Exchange Act, such claims could not be brought in the Delaware Court of Chancery and would instead be within the jurisdiction of the federal district court for the District of Delaware. Section 22 of the Securities Act of 1933 (" Securities Act ") creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. Our stockholders will not be deemed by operation of our choice of forum provision to have waived our compliance with the federal securities laws and the regulations promulgated thereunder. The selection of legal jurisdiction for litigation claims may impact the outcome of legal proceedings which could in turn impact our results of operations, financial position and cash flows. ~~22~~ **The provisions of our revolving credit facility may restrict our ability to incur additional indebtedness or to otherwise expand our business. Our revolving credit facility contains restrictive clauses which may limit our activities as well as operational and financial flexibility. We may not be able to borrow under the revolving credit facility if an event of default under the terms of the facility occurs. An event of default under the credit facility includes a material adverse change to our assets, operations or financial condition, and certain other events. The revolving credit facility also contains a number of restrictions that limit our ability, among other things, and subject to certain limited exceptions, to incur additional indebtedness, pledge our assets as security, guarantee obligations of third parties, make investments, undergo a merger or consolidation, dispose of assets or materially change our line of business. In addition, the revolving credit facility requires us to meet certain financial ratios, including ratios based on net debt to earnings before income tax, depreciation and amortization (" EBITDA ") and net interest expense to EBITDA. Net debt, net interest expense and EBITDA are non- GAAP measures of liquidity defined in the credit facility. Our ability to meet these financial covenants depends upon the future successful operating performance of the business. If we fail to comply with these financial covenants, we would be in default under the revolving credit facility and the maturity of our outstanding debt could be accelerated unless we were able to obtain waivers from our lenders. If we were found to be in default under the revolving credit facility, it could adversely impact our results of operations, financial position and cash flows.**