**Risk Factors Comparison 2024-02-22 to 2023-02-16 Form: 10-K**

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

**Generally, pricing competition is very aggressive in the industry, and we expect pricing pressures to continue. There can be no assurance that we will be able to negotiate prices as favorable as those negotiated by our competitors or that we will be able to offset the effects of price reductions with an increase in the number of clients, higher net sales, cost reductions or higher sales of services, which are typically at higher gross margins, or otherwise. Price reductions by our competitors that we either cannot or choose not to match could result in an erosion of our market share and / or reduced sales or, to the extent we match such reductions, could result in** reduced operating margins or inventory impairment charges, any of which could have a material adverse effect on our business, financial condition and results of operations. Some of our competitors in each of our operating segments may have greater technical, marketing and other resources than we do. In addition, some of these competitors may be able to respond more quickly to new or changing opportunities, technologies and client requirements. Many current and potential competitors also may have greater name recognition and engage in more extensive promotional activities, offer more attractive terms to their customers and adopt more aggressive pricing policies than we do. Additionally, some of our competitors have higher margins and / or lower operating cost structures, allowing them to price more aggressively. There can be no assurance that we will be able to compete effectively with current or future competitors or that the competitive pressures we face will not have a material adverse effect on our business, financial condition and results of operations **. INSIGHT ENTERPRISES, INC** . We rely on our partners for product availability, competitive products to sell and marketing funds and purchasing incentives, which can change significantly in the amounts made available and the requirements year over year. We acquire products for resale both directly from manufacturers and publishers and indirectly through distributors, and the loss of a significant partner relationship could cause a disruption in the availability of products to us. We typically do not have long- term contracts with our vendor partners. As such, many of these arrangements with partners are easily terminable, and there can be no assurance that manufacturers and publishers will continue to sell or will not limit or curtail the availability of their product to resellers like us. The loss of, or change in business relationship with, any of our key vendor partners could negatively impact our business. In addition, certain manufacturers, publishers and distributors provide us with substantial incentives in the form of rebates, marketing funds and other investments, purchasing incentives, early payment discounts, referral fees and price protections (collectively, " partner funding "). Partner funding is used to offset, among other things, inventory costs, costs of goods sold, marketing costs and other operating expenses. Certain of these funds are based on our volume of sales or purchases, growth rate of net sales, increases in client usage, or purchases and marketing programs. If we do not meet the goals of these programs or if we are not in compliance with the terms of these programs, there could be a material negative effect on the amount of incentives offered or paid to us by manufacturers and publishers. We regularly experience partner funding program changes that reduce the incentives many partners make available to us and that change the requirements for earning such incentives. If we are unable to react timely to remediate and effectively respond to these changes in the partner funding programs of publishers and manufacturers, including the elimination of, or significant reductions in, partner funding for some of the activities for which we have been compensated in the past, the changes could have a material adverse effect on our business, financial condition and results of operations. This is especially true in connection with the incentive programs of our largest partners: Microsoft, Dell, Cisco Systems, HP Inc. **, Google** and Lenovo. There can be no assurance that we will continue to receive such incentives in the future. We may not be able to keep pace with rapidly evolving technological advances and the evolving competitive marketplace in which we sell our service offerings. Our success depends on our ability to continue to develop and implement services and solutions that anticipate and respond to rapid and continuing changes in technology and market demand to serve the needs of our clients. For example, cloud, security, and digital- related solutions are continuously evolving, and there is rapid development and technological evolution in areas such as IoT, edge- computing, computer vision, advanced machine learning and AI **(including GenAI)** , automation, augmented reality, blockchain and as- a- service solutions. If we do not invest sufficiently in new technologies, successfully adapt to industry developments and evolving client demand at sufficient speed and scale, we may be unable to develop or maintain a competitive advantage in the market ~~INSIGHT ENTERPRISES, INC.~~ and execute on our growth strategy and initiatives, which could have a material adverse effect on our business. General economic and political conditions, including unfavorable conditions in a particular region, business or industry sector, may lead our clients to delay or forgo investments in IT hardware, software and services. Weak economic conditions generally or any broad- based reduction in IT spending ~~, including as a result of the COVID- 19 pandemic,~~ would adversely affect our business, operating results and financial condition. A prolonged slowdown in the global economy, including the possibility of recession or financial market instability or similar crisis, or in a particular region or business or industry sector, or the tightening of credit markets, could cause our clients to have difficulty accessing capital and credit sources, delay contractual payments, or delay or forgo decisions to upgrade or add to their existing IT environments, license new software or purchase products or services (particularly with respect to discretionary spending for hardware, software and services). Such events could have a material adverse effect on our business, financial condition and results of operations. Economic or industry downturns could result in longer payment cycles, increased collection costs and defaults in excess of our expectations. A significant deterioration in our ability to collect on accounts receivable could also impact the cost or availability of financing under our accounts receivable securitization program. Our sales to public sector clients are also impacted by government spending policies, government shutdowns, budget priorities and revenue levels. An adverse change in government spending policies (including budget cuts at the federal, state and local level), budget priorities or revenue levels could cause our public sector clients to reduce their purchases or to terminate or not renew their contracts with us. These possible actions or the adoption of new or modified procurement regulations or practices could have a material adverse effect on our business, financial position and results of operations. Worldwide economic conditions and market volatility as a result of political leadership in certain countries and other disruptions to global and regional economies and markets, including continuing increases in inflation and interest rates, the possibility of recession, or financial market instability, may impact future business activities. External factors, such as potential terrorist attacks, acts of war, geopolitical and social turmoil or epidemics and other similar outbreaks in many parts of the world, could prevent or hinder our ability to do business, increase our costs and negatively affect our stock price. More generally, these geopolitical, social and economic conditions could result in increased volatility in the United States and worldwide in financial markets and in the economy, as well as other adverse impacts. ~~For example, on February 24, 2022, Russian forces launched significant military actions against Ukraine, and sustained conflict and disruption in the region remains ongoing.~~ Potential impacts related to ~~the conflict~~ **conflicts , such as those ongoing in Ukraine and Gaza,** include further market disruptions, including significant volatility in commodity prices, credit and capital markets, supply chain and logistics disruptions, adverse global economic conditions resulting from escalating geopolitical tensions, volatility and fluctuations in foreign currency exchange rates and interest rates, inflationary pressures on raw materials and heightened cybersecurity threats, all of which could adversely impact our business, particularly our European ~~operations. Political developments, economic instability or natural disasters impacting international trade, including continued uncertainty surrounding the Referendum on the United Kingdom' s Membership in the European Union (" EU ") (referred to as " Brexit ") and, political tensions, trade disputes and increased tariffs, particularly between the United States and China, may also negatively impact markets and cause weaker macroeconomic conditions or drive sentiment that weakens demand for our products and services. Potential adverse consequences of Brexit such as global market uncertainty and increased regulatory complexities could have a negative impact on our business, financial condition and results of~~ operations. Changes in the IT industry and / or rapid changes in technology may reduce demand for the IT hardware, software and services we sell or change who makes purchasing decisions for IT hardware, software and services. Our results of operations are influenced by a variety of factors, including the condition of the IT industry, shifts in demand for, or availability of, IT hardware, software, peripherals and services, and industry innovation and the introduction of new products and technologies. The IT industry is characterized by rapid technological change and the frequent introduction of new products and changing delivery channels and models, which can decrease demand for current products and services and can disrupt purchasing patterns. If we fail to react in a timely manner to such changes, we may experience lower sales and, with respect to hardware, as has occurred we may have to record write- downs of obsolete inventory. In addition, in order to satisfy client demand, protect ourselves against product shortages, obtain greater purchasing discounts and react to changes in original equipment manufacturers' terms and conditions, we may decide to carry inventory of products that may have limited or no return privileges. There can be no assurance that we will be able to avoid losses related to inventory obsolescence on these products. Additionally, if purchasing power within our clients shifts from centralized procurement functions to business units or individual end users and we are unable to react timely to any such changes, these shifts in purchasing power could have a material adverse effect on our business, financial conditions and results of operations. The cloud and " as- a- service " models are transforming the IT market and introducing new products, services and competitors to the market. In many cases, these new distribution models allow enterprises to obtain the benefits of commercially licensed, internally operated software with less complexity and lower initial set- up, operational and licensing costs, which increases competition for us. There can be no assurance that we will be able to adapt to, or compete effectively with, current or future distribution channels or competitors or that the competitive pressures we face will not have a material adverse effect on our business, financial condition and results of operations. Failure to provide high quality services to our clients could adversely affect our reputation, brand, business, results of operations or cash flows. Our services include professional, managed, configuration and partner services as well as warranties. In addition, we deliver and manage mission critical software, systems and network solutions for our clients. We also offer certain services, such as implementation and installation services and repair services, to our clients through various third **-** party service providers engaged to perform these services on our behalf. If we or our third **-** party service providers fail to provide high quality services to our clients or such services result in an unplanned disruption of our clients' businesses, this could, among other things, result in legal claims and proceedings and liability for us. As we expand our services and solutions offerings and provide increasingly complex services and solutions, we may be exposed to additional operational, regulatory and other risks. We could also incur liability for failure to comply with the rules and regulations applicable to new services and solutions we provide to our clients. The occurrence of any of the aforementioned could adversely affect our reputation, brand, business, results of operations or cash flows ~~. We are exposed to accounts receivable risks. We extend credit to our clients for a significant portion of our net sales, typically on 30- day payment terms. We are subject to the risk that our clients may not pay for the products and services they have purchased, or may pay at a slower rate than we have historically experienced, the risk of which is heightened during periods of economic downturn or uncertainty or, in the case of public sector clients, during periods of budget constraints~~ . We rely on independent shipping companies for delivery of products and are subject to price increases or service interruptions from these carriers. We generally ship hardware products to our clients by FedEx, United Parcel Service and other commercial delivery services and invoice clients for delivery charges. If we are unable to pass on to our clients current costs and future increases in the cost of commercial delivery services, our profitability could be adversely impacted. Additionally, strikes, inclement weather, natural disasters **, public health issues such as pandemics or endemics, terrorist attacks** or other service interruptions ~~, including as a result of the COVID- 19 pandemic,~~ sustained by such shippers could adversely impact our ability to deliver products on a timely basis. Such events could have a material adverse effect on our business, financial condition and results of operations. There are risks associated with our international operations that are different than the risks associated with our operations in the United States, and our exposure to the risks of a global market could hinder our ability to maintain and expand international operations. Outside of the United

States, we have operation centers in **Armenia,** Australia, Canada, France, Germany, India, the Netherlands, the Philippines **, Ukraine** and the United Kingdom, as well as sales offices throughout EMEA and APAC. In the regions in which we do not currently have a physical presence, we serve our clients through strategic relationships. In implementing our international strategy, we may face barriers to entry and competition from local companies and other companies that already have established global businesses, as well as the risks generally associated with conducting business internationally. The success and profitability of international operations are subject to numerous risks and uncertainties, many of which are outside of our control, such as: • political or economic instability, including the possibility of recession or financial market instability, or acts of war ~~, such as the Russian invasion of Ukraine and its regional and global ramifications discussed above~~ ; • changes in governmental regulation or taxation (foreign and domestic); • currency exchange fluctuations; • changes in import / export laws, regulations, customs, duties and tariffs (foreign and domestic); • trade restrictions (foreign and domestic); • difficulties of conducting business, managing operations, and costs of staffing in certain foreign countries; • work stoppages or other changes in labor conditions; • taxes and other restrictions on repatriating foreign profits back to the United States; • extended payment terms; • seasonal reductions in business activity in some parts of the world; and • natural disasters, terrorism, civil unrest, public health **issues** ~~concerns (including health epidemics or outbreaks of communicable diseases~~ such as ~~the COVID- 19 pandemic~~ **pandemics** ~~)~~ **or endemics** and other geopolitical uncertainties. In addition, changes in policies and / or laws of the United States or foreign governments, including data privacy restrictions such as the General Data Protection Regulation (" GDPR ") resulting in, among other changes, higher taxation, tariffs or similar protectionist laws, currency conversion limitations, limitations on business operations, or the nationalization of private enterprises could reduce the anticipated benefits of international operations and could have a material adverse effect on our business, financial condition and results of operations. We have currency exposure arising from both sales and purchases denominated in foreign currencies, including intercompany transactions outside the United States, and we currently conduct only limited hedging activities. International operations also expose us to currency fluctuations as we translate the financial statements of our foreign operations to the U. S. dollar, which has been very strong in recent years in foreign currency exchange rates and which has **, at times,** adversely impacted our results of operations and cash flows from our operations in EMEA. In addition, some currencies may be subject to limitations on conversion into other currencies, which can limit the ability to otherwise react to rapid foreign currency devaluations. We cannot predict with precision the effect of future exchange- rate fluctuations, and significant rate fluctuations could have a material adverse effect on our business, financial condition and results of operations. The interruption of the flow of products from our suppliers has and could continue to disrupt our supply chain. Our business depends on the timely supply of products in order to meet the demands of our clients. Manufacturing interruption or delays, including as a result of the financial instability or bankruptcy of manufacturer, labor and supply shortages, significant labor disputes such as strikes, natural disasters (which may increase in number or severity as a result of climate change), political or social unrest, ~~pandemics (~~ **public health issues,** such as **pandemics** ~~COVID- 19)~~ or **endemics,** ~~other public health crises~~ or other adverse occurrences affecting our suppliers' facilities, could disrupt our supply chain. We have experienced and could continue to experience product constraints due to the failure of suppliers to accurately forecast demand, or to manufacture sufficient quantities of product to meet demand (including as a result of shortages of product components), among other reasons. ~~The COVID- 19 global pandemic has adversely impacted our business and, if it reemerges in severity in the future, may further adversely impact, our business, results of operations and financial condition. The widespread outbreak of any other illnesses or communicable diseases could also adversely affect our business, results of operations and financial condition. In general, the occurrence of regional epidemics or a global pandemic, such as COVID- 19, may adversely affect our operations, financial condition, and results of operations. The COVID- 19 outbreak resulted in government authorities around the world implementing various measures to try to reduce the spread of COVID- 19, such as travel bans and restrictions, quarantines," shelter- in- place,"" stay- at- home," total lock- down orders, business limitations or shutdowns and similar orders. As a result, the COVID- 19 pandemic has negatively impacted the global economy, disrupted global supply chains and workforce participation, and initially created significant volatility and disruption of financial markets. Since the initial outbreak, new variants of COVID- 19 that are significantly more contagious than previous strains, have emerged. The spread of these new strains initially caused many government authorities and businesses to reimplement prior restrictions in an effort to lessen the spread of COVID- 19 and its variants; however, while many of these restrictions have been lifted, uncertainty remains as to whether additional restrictions may be initiated or again reimplemented in responses to surges in COVID- 19 cases. The COVID- 19 pandemic has adversely impacted our business and, if it reemerges in severity in the future, may further adversely impact, our business, results of operations and financial condition. We observed a pronounced impact of COVID- 19 on our 2020 financial results when compared to internal expectations and minimal negative impact on our 2021 and 2022 financial results. However, prolonged supply constraints stemming from shortages of chips and displays resulted in sustained elevated bookings coming into and throughout the first half of 2022. While supply constraints for certain products, such as devices, have eased limitations on other products, such as infrastructure products, remain. See " Management' s Discussion and Analysis of Financial Condition and Results of Operations – Overview – COVID- 19 and Supply Chain Constraints Update " for additional information. Additionally, our business operations, financial performance and results of operations have been and could be further adversely impacted in a number of ways, which may include, but are not limited to, the following: • disruptions to our operations, including closures of our offices and facilities; restrictions on our operations and sales, marketing and distribution efforts; and interruptions to our other important business activities; • reduced demand for our products and services due to disruptions to the businesses and operations of our clients; • interruptions, availability or delays in global shipping to transport our products; • disruptions, slowdowns or stoppages in the supply chain for our products; • limitations on employee resources and availability, including due to sickness, government restrictions, labor supply shortages, the desire of employees to avoid contact with large groups of people or mass transit disruptions; • the ability of our clients to pay for our products, services and solutions; • a continuation or worsening of general economic conditions, including increased~~

~~inflation; • the willingness of clients in the travel, hospitality, retail and other industries significantly impacted by the pandemic to continue with current and expected projects and initiate new projects; • a fluctuation in foreign currency exchange rates or interest rates, which could result from market uncertainties; • an increase in the cost or the difficulty to obtain debt or equity financing, which could affect our financial condition or our ability to fund operations or future investment opportunities; • changes to the carrying value of our goodwill and intangible assets; and • an increase in regulatory restrictions or continued market volatility, which could hinder our ability to execute strategic business activities, including acquisitions, as well as negatively impact our stock price. The potential effects of the COVID- 19 pandemic may also impact other factors discussed in this " Risk Factors " section. The ultimate extent of the impact of the COVID- 19 pandemic on our business operations, financial performance and results of operations, including our ability to execute our business strategies and initiatives in the expected time frame, is currently unknown and will depend on future developments, which are highly uncertain, continuously evolving and cannot be predicted. This includes, but is not limited to, the duration and spread of the COVID- 19 pandemic and its severity; the emergence and severity of its variants; the availability and efficacy of vaccines (particularly with respect to emerging strains of the virus) and potential hesitancy to utilize them; the reduction in travel and increase in teammates working from remote locations and other protective actions taken to contain the virus or treat its impact; general economic factors, such as increased inflation; supply chain constraints; labor supply issues; and how quickly and to what extent normal economic and operating conditions can resume.~~ A natural disaster or other adverse occurrence at one of our primary facilities could damage our business. We have warehouse and distribution facilities in the United States and Canada and in the United Kingdom and Germany. If the warehouse and distribution equipment at one of our distribution centers were to be seriously damaged, or negatively impacted, by a natural disaster **, act of terrorism, or public health issue** or other adverse occurrence, we could utilize another distribution center or third- party distributors to ship products to our clients. However, this may not be sufficient to avoid interruptions in our service and may not enable us to meet all of the needs of our clients and would cause us to incur incremental operating costs. In addition, we operate numerous sales offices which may contain both business- critical data and confidential information of our clients. A natural disaster **, act of terrorism, or public health issue** or other adverse occurrence at any of our major sales offices ~~, including any closures or restrictions on operations as a result of the COVID- 19 pandemic,~~ could **also** negatively impact our business, results of operations or cash flows. Risks Related to Our Technology, Data and Intellectual Property Disruptions in our IT systems and voice and data networks could affect our ability to service our clients and cause us to incur additional expenses. We believe that our success to date has been, and future results of operations will be, dependent in large part upon our ability to provide prompt and efficient service to our clients. Our ability to provide that level of service is largely dependent on the ease of use, accuracy, quality and utilization of our IT systems, which impacts our ability to manage our sales, client service, distribution, inventories and accounting systems, and the reliability of our voice and data networks and managed services offerings. If our current technology is determined to have a shorter economic life or the value of our current system is impaired, or necessary improvements to our technology are significantly delayed, we could incur additional expense and / or charges. The continuing development of our IT systems is crucial for our success. Accordingly, some of our IT systems are subject to ongoing IT projects designed to streamline or optimize the information systems ~~. In addition, we recently migrated our EMEA operations to the same core IT systems and tools used in North America and APAC. There is no guarantee that we will be successful in these efforts at all times or that there will not be implementation or integration difficulties~~. In addition, a substantial interruption in our IT systems or in our voice and data networks, however caused, could occur and could have a material adverse effect on our business, financial condition and results of operations. Cyberattacks, data incidents and breaches in the security (i) of our information systems and networks, (ii) of the products we sell and services we provide, and (iii) of the electronic and confidential information in our possession could materially adversely impact our financial condition, results of operations, reputation, and relationships with clients, partners, vendors, and teammates. We are dependent upon automated information technology processes. Privacy, security, and compliance concerns have continued to increase as technology has evolved to facilitate commerce and as cross- border commerce increases. As part of our normal business activities, we collect and store or have access to certain proprietary confidential, and personal information, including information about teammates and information about partners, vendors, and clients which may be entitled to protection under a number of regulatory regimes. In the course of normal and customary business practice, we may share some of this information with vendors and partners who assist us with certain aspects of our business. Moreover, the success of our operations depends upon the secure transmission of confidential and personal data over public networks, including the use of cashless payments. The protection and security of our network systems, our clients' systems, applications, and platforms to which we have access, and our own information, as well as information relating to our clients, partners, vendors, and teammates, is vitally important to us as the compromise, loss, theft, misuse, or unauthorized access to such networks or information could lead to significant reputational or competitive harm, result in litigation involving us or our business partners, expose us to regulatory proceedings, and cause us to incur substantial liability or expenses. ~~The frequency, intensity, and sophistication of cyberattacks and data security incidents has significantly increased in recent years and is constant.~~ As with many other businesses, we **, our third- party service providers and a number of our vendors have been and** are continually subject to **cyberattacks** ~~cyber- attacks~~ and the risk of data security incidents **, the frequency, intensity, and sophistication of which continue to increase year over year** . Due to the ~~increased~~ **constant** risk of these types of attacks and incidents, we expend significant resources on information technology and data security tools, measures, and processes designed to protect our networks systems, services, and the personal, confidential or proprietary information in our possession, and to ensure an effective response to any cyber- attack or data security incident. We have privacy and data security policies in place that are designed to detect, prevent, and / or mitigate cyberattacks and data security incidents. Whether or not these policies, tools, and measures are ultimately successful, the expenditures could have an adverse impact on our financial condition and results of operations, and divert management' s attention from pursuing our strategic objectives. As newer technologies evolve, and the portfolio of the service providers we share confidential information with grows, we could be exposed to increased risks from cyberattacks, data security events, and data breaches, including those from human error, negligence or mismanagement or from illegal or fraudulent acts. Although we take the security of our network systems and information very seriously, there can be no assurance that the security measures we employ will effectively prevent unauthorized persons from obtaining unauthorized access to our systems and information due to the evolving nature and intensity of cyberattacks and threats to data security **. New** ~~, in light of new~~ and sophisticated tools and methods ~~used~~ **are constantly being developed** by criminals and **cyber** ~~cyberterrorists~~ ----- **terrorists** to penetrate and compromise systems, including computer viruses, malware, ransomware, phishing, misrepresentation, social engineering and forgery, which make it increasingly challenging to anticipate, harder to detect, and more difficult to adequately mitigate these risks. ~~and successfully defending against them.~~ Malicious individuals,organizations,and nation- state threat actors **have and** may **continue to** attempt to penetrate or compromise our network systems,the products we sell,or services we **and our third- party contractors** provide in order to access,acquire,misappropriate,disclose,alter,or otherwise compromise our teammates',clients',and partners' proprietary,confidential,technical business,and / or personal information in our possession or to which we have access,create system disruptions,cause system or operations shutdowns or perpetrate secondary attacks against our clients,partners,and teammates.Such individuals or organizations also may develop or deploy viruses,worms,ransomware or otherwise exploit security vulnerabilities of our systems or our product offerings,or attempt to fraudulently induce our employees,clients or others to disclose passwords or other sensitive information or unwittingly provide access to our systems,data,or client environments. ~~Cyberthreats,cyberattacks,~~ Any failure on the part of us **, our third- party service providers** or our vendors to maintain the security of our network systems and the proprietary, confidential, and personal data in our possession, including via the penetration of our network security and ~~the~~ **attempted or actual** misappropriation **, disclosure, alteration, or compromise** of proprietary, confidential and personal information, could **disrupt the security of our systems and business applications, as well as impair our ability to provide services to our clients and protect the privacy of their data. These disruptions could further** result in costly investigations and remediation, business disruption, damage to our reputation, financial obligations to third parties, fines, penalties, regulatory proceedings and private litigation with potentially large costs, and also result in deterioration in our teammates', partners' and clients' confidence in us and other competitive disadvantages, and thus could have a material adverse effect on our business, financial condition and results of operations. Cyberthreats are constantly evolving, increasing the...... data security incidents. Additionally, some **Some** of the hardware and software products we resell could have defects, viruses, vulnerabilities, or otherwise be the subject of cyberattacks, data security events, or data breaches. We would consider the consequences of such attacks to be the responsibility of the respective manufacturers and publishers of such products, however, if such circumstances were to arise, we may be required to notify clients, regulators and individuals and thereby could be subject to litigation, regulatory inquiry, loss of business, and reputational harm. We may not be able to protect our intellectual property adequately, and we may be subject to intellectual property infringement claims. To protect our intellectual property, we rely on copyright, trademark and trade secret laws, unpatented proprietary know- how, and patents, as well as confidentiality, invention assignment, non- solicitation and non- competition agreements. There can be no assurance that these measures will afford us sufficient protection of our intellectual property, and it is possible that third parties may copy or otherwise obtain and use our proprietary information without authorization or otherwise infringe on our intellectual property rights. The disclosure of our trade secrets could impair our competitive position and could have a material adverse effect on our business, financial condition and results of operations. In addition, our registered trademarks and trade names are subject to challenge by third parties. This may impact our ability to continue using those marks and names. Likewise, many businesses are actively investing in, developing and seeking protection for intellectual property in the areas of search, indexing, e- commerce and other Web- related technologies, as well as a variety of on- line business models and methods, all of which are in addition to traditional research and development efforts for IT products and application software, and non- practicing entities continue to invest in acquiring patent portfolios for the purpose of turning the portfolios into income- generating assets, whether through licensing campaigns or litigation. If there is a determination that we have infringed the proprietary rights of others, we could incur substantial monetary liability, be forced to stop selling infringing products or providing infringing services, be required to enter into costly royalty or licensing agreements, if available, or be prevented from using the rights, which could force us to change our business practices or hardware, software or services offerings in the future. These types of claims and challenges could have a material adverse effect on our business, financial condition and results of operations. **The development, adoption and use of GenAI may result in increased liability exposure and competitive risk. The development, adoption, and use of GenAI technologies are complex and still in their early stages, and there are technical challenges associated with achieving the desired level of accuracy, efficiency, and reliability. For example, GenAI systems that we deploy may be flawed or may be based on datasets that are biased or insufficient. In addition, any latency, disruption, or failure in our GenAI systems could result in vulnerabilities, delays or errors in our offerings and compromise the integrity, security, or privacy of the generated content and applicable infrastructure. These limitations or failures could result in reputational damage, legal liabilities, increased regulatory scrutiny, or loss of client confidence which, in turn, could result in lower than anticipated demand and have a material adverse effect on our business, financial condition and results of operations.** Risks Related to Regulatory and Legal Matters We are exposed to risks from legal proceedings and client audits and failure to comply with the laws and regulations applicable to our operations could adversely impact our business, results of operations or cash flows. We are party to various legal proceedings that arise in the ordinary course of our business, which include commercial, employment, tort and other litigation. Because of our significant sales to governmental entities, we also are subject to audits by federal, state, international, national, provincial and local authorities in the ordinary course of our business. We also are subject to and currently engaged in audits by various vendor partners and large clients, including government agencies, relating to purchases and sales under various contracts. In addition, we are subject to indemnification claims under various contracts. Current and future litigation, infringement claims, governmental proceedings and investigations, audits or indemnification claims that we face may result in substantial costs and expenses and significantly divert the attention of our management regardless of the outcome. Additionally, our operations are subject to numerous U. S. and foreign laws and regulations in a number of areas including areas of labor and employment, advertising, e- commerce, tax, import and export requirements, anti- corruption, data privacy requirements, including data privacy restrictions such as the GDPR or the California Consumer Privacy Act (“ CCPA ”), data breach notification laws, and certain data security regulations, anti- competition, and environmental, health, and safety. Compliance with these laws, regulations and similar requirements may be onerous and expensive, and they may be inconsistent from jurisdiction to jurisdiction, further increasing the cost of compliance and doing business, and the risk of noncompliance. We have implemented policies and procedures designed to help ensure compliance with applicable laws and regulations, but there can be no guarantee against teammates, contractors, or agents violating such laws and regulations or our policies and procedures. **Our** ~~The failure to comply with the terms and conditions of our commercial and~~ public sector contracts ~~could result in, among other things, damages, fines or other liabilities. Sales to commercial clients~~ are ~~based~~ **subject to unique risks and uncertainties, including termination rights, delays in payment, audits and investigations, any of which could have a material adverse effect** on ~~stated contractual terms, the terms and conditions on our website or~~ **our business** ~~terms contained in purchase orders on a transaction by transaction basis~~. ~~Sales to~~ **Revenue from** public sector ~~clients are~~ **contracts is** derived from sales to federal, state and local governmental **entities** ~~departments and agencies~~, as well as to educational institutions, through open market sales and various **contractual frameworks and programs. Non-compliance with requisite procurement, billing or ordinance- specific administrative rules, procedures, and processes could subject our** contracts ~~and programs.~~ **to protest or make them voidable regardless of whether we bear any responsibility for non-** ~~Noncompliance~~ --- **compliance. This could also subject us to debarment, suspension, or disqualification from doing business** with **governmental entities, and could also result in civil, criminal, and administrative liability. Public sector** ~~contract~~ **contracts can contain** ~~terms, or stated terms and conditions on~~ **one** ~~our website, particularly to highly regulated~~ **- sided provisions and certifications in favor of** public sector clients, **including broad indemnification obligations, uncapped liability** or **liquidated damages obligations, which can impose financial risks that are beyond those associated** with **ordinary course commercial** ~~government procurement regulations and other requirements could result in fines or penalties against us or termination of~~ contracts ~~, and, in the public sector, could also result in civil, criminal, and administrative liability. With~~ **with non-** ~~respect to our~~ public sector clients ~~, the government' s remedies may include suspension or debarment~~. In addition, ~~almost all of our contracts have default provisions, and substantially all of our contracts in the~~ public sector **contracts may be subject to audits and investigations by government agencies. Public sector contracts** are **generally** terminable at any time for convenience ~~of the~~ **and in some instances** contracting ~~agency~~ **agencies are subject to non- appropriation of funding which impairs their ability to pay us for multi- year contract obligations. Any of the foregoing or any other reduction in revenue from public sector clients could have a material adverse effect on our business, financial condition, and results of operations**. Changes in, interpretations of, or enforcement trends related to tax rules and regulations may adversely affect our effective income tax rates or operating margins and we may be required to pay additional tax assessments. We conduct business globally and file tax returns in various U. S. and foreign tax jurisdictions. Our effective income tax rate could be adversely affected by various factors, many of which are outside of our control, including: • changes in pre- tax income in various jurisdictions in which we operate that have differing statutory tax rates; • increases in corporate tax rates and the availability of deductions or credits in the United States and elsewhere; • changes in tax laws, regulations, and / or interpretations of such tax laws in multiple jurisdictions, including but not limited to U. S. federal and state regulations or interpretations and enforcement trends; • tax effects related to acquisition accounting; and • resolutions of issues arising from tax examinations and any related interest or penalties. The determination of our worldwide provision for income taxes and other tax liabilities requires estimation, judgment and complex calculations in situations where the ultimate tax determination may not be certain. Our determination of tax liabilities is always subject to review or examination by tax authorities in various jurisdictions. Any adverse outcome of such review or examination could have a material adverse effect on our financial condition and results of operations. Risks Related to Our Indebtedness We have a substantial amount of indebtedness, which could have important consequences to our business. We have a substantial amount of indebtedness. As of December 31, ~~2022~~ **2023**, we had $ ~~637~~ **940**. ~~9~~ **5** million of total long- term debt outstanding, as defined by U. S. generally accepted accounting principles (“ GAAP ”), and an additional $ ~~301~~ **231**. ~~3~~ **9** million of obligations outstanding under our inventory financing agreements. At December 31, ~~2022~~ **2023**, $ ~~346~~ **348**. ~~2~~ **0** million of our outstanding debt relates to the Notes that are convertible at the option of the holders and as a result are classified as a current liability. We also have the ability to borrow an additional $ 1. ~~5~~ **1** billion under our senior secured credit facility. Our substantial indebtedness could have important consequences, that could have a material adverse effect on our business, financial condition and results of operations, including the following: • requiring us to dedicate a substantial portion of our cash flow from operations to debt service payments on our and our subsidiaries' debt, which reduces the funds available for working capital, capital expenditures, acquisitions and other general corporate purposes; • requiring us to comply with restrictive covenants in our senior secured debt facility, which limits the manner in which we conduct our business; • limiting our flexibility in planning for, or reacting to, changes in the industry in which we operate; • placing us at a competitive disadvantage compared to any of our less- leveraged competitors; • increasing our vulnerability to both general and industry- specific adverse economic conditions; and • limiting our ability to obtain additional debt or equity financing to fund future working capital, capital expenditures, acquisitions or other general corporate requirements and increasing our cost of borrowing. The conditional conversion feature of the Notes, which has been triggered, may adversely affect our financial condition and operating results. In the event the conditional conversion feature of the Notes continues to be triggered, holders of Notes will be entitled to convert the Notes at any time during specified periods at their option. If one or more holders elect to convert their Notes, we would be required to settle the principal portion or all of our conversion obligation through the payment of cash, which could adversely affect our liquidity. In addition, even if holders of Notes do not elect to convert their Notes, we are required under applicable accounting rules to reclassify all of the outstanding principal of the Notes as a current rather than long- term liability, which has and could continue to result in a material reduction of our net current assets. We are subject to counterparty risk with respect to the Call Spread Transactions. The option counterparties are financial institutions or affiliates of financial institutions, and we are subject to the risk that one or more of such option counterparties may default under the Call Spread Transactions. Our exposure to the credit risk of the option counterparties will not be secured by any collateral. If any option counterparty becomes subject to insolvency proceedings, we will become an unsecured creditor in those proceedings with a claim equal to our exposure at that time under the Call Spread Transaction. Our exposure will depend on many factors but, generally, the increase in our exposure will be correlated to the increase in our common stock market price and in the volatility of the market price of our common stock. In addition, upon a default by the option counterparty, we may suffer adverse tax consequences and dilution with respect to our common stock. Our acquisition strategy may increase our outstanding debt and interest expense and decrease the availability under our financing facilities, all of which could have a material adverse effect on our results of operations and financial condition. To fund our acquisition initiatives, we increase our total borrowings from time to time, such as with the ~~PCM~~ **recent** acquisition **of SADA** . These additional borrowings have the effect of increasing our future interest expenses and require escalating amortization payments. Additionally, certain of our financing facilities have interest rates that vary based on market conditions and on utilization, which increases our exposure to interest rate fluctuations and may result in greater interest expense than we have forecasted. Our financing facilities contain covenants that we must comply with in order to avoid an occurrence of an event of default. The covenants include, among other things, limitations on the payment of dividends and compliance with certain minimum fixed charge ratio and minimum receivables requirements, as well as meeting monthly, quarterly and annual reporting requirements. Our ability to maintain compliance with our financial covenants and to make scheduled payments on our financing facilities depends on our financial and operating performance. If we were unable to maintain compliance or to repay the borrowed amounts, the lenders under our financing facilities could declare an event of default and demand payment within a specified period of time. ~~We may face risk associated with the discontinuation of and transition from London Interbank Offered Rate (LIBOR) as a benchmark interest rate. We may face risk associated with the discontinuation of and transition from London Interbank Offered Rate (LIBOR) as a benchmark interest rate. We have outstanding U. S. Dollar denominated debt with variable interest rates based on LIBOR, and it is anticipated that LIBOR for all U. S. Dollar debtors will be discontinued as of the year ending 2023. The expected discontinuation of LIBOR for all U. S. Dollar debtors will require lenders and their borrowers to transition from LIBOR to an alternative benchmark interest rate, which could have an impact on and risk to the Company if not completed in a timely manner. The Company' s current material loan documents include an alternative benchmark interest rate for U. S. Dollars based initially on the Secured Overnight Financing Rate. At this time, however, it is not possible to predict the effect of any changes to LIBOR, any phase out of LIBOR or any establishment of alternative benchmark rates in the future. While various bodies, including governmental agencies, are seeking to identify an alternative rate to replace LIBOR, including the Secured Overnight Financing Rate, there is uncertainty regarding which alternative reference rate will replace LIBOR. Any new benchmark rate will likely not replicate LIBOR exactly, which could impact our contracts which terminate after 2023. In addition, any changes to benchmark rates in the future may have an uncertain impact on our cost of funds and our access to the capital markets, which could impact our results of operations and cash flows.~~ General Risk Factors Our future operating results may fluctuate significantly. Our operating results are highly dependent upon our level of gross profit as a percentage of net sales, which fluctuates due to numerous factors, including changes in prices from partners, changes in the amount and timing of partner funding, volumes of purchases, changes in client mix, management of our cash conversion cycle, the relative mix of products and services sold during the period, general competitive conditions, and strategic product and services pricing and purchasing actions. As a result of significant price competition, our high mix of hardware sales, and our higher concentration of large enterprise clients, our gross margins have been relatively low. We expect our gross margins to improve as our mix of services and solutions increase. Increased competition arising from industry consolidation and low demand for certain IT products and services may hinder our ability to maintain or improve our gross margins. These low gross margins magnify the impact of variations in revenue and operating costs on our operating results. In addition, our expense levels are based, in part, on anticipated net sales and the anticipated amount and timing of partner funding, and a portion of our operating expenses are relatively fixed. Therefore, we may not be able to reduce spending quickly enough to compensate for any unexpected net sales shortfall, and we may not be able to reduce our operating expenses as a percentage of revenue to mitigate any further reductions in gross margins in the future. If we cannot proportionately decrease our cost structure, our business, financial condition and results of operations could be impacted. In addition, a reduction in the amount of credit granted to us by our partners could increase our need for and cost of working capital and have a material adverse effect on our business, financial condition and results of operations. **Contractual disputes with our clients and third- party suppliers could be costly, time- consuming, and harm our business and reputation. Our business is contract intensive and we are party to contracts with our clients and suppliers in all of our regions. Our contracts can contain a variety of terms, including passthrough terms from our suppliers, data security and privacy obligations, indemnification obligations, and regulatory requirements. Contract terms may not always be standardized across our clients and suppliers and can be subject to differing interpretations, which could result in disputes from time to time. Our contracts with clients may also include indemnification provisions under which we agree to indemnify for losses incurred as a result of claims of third- party intellectual property rights infringement or other violations of intellectual property rights, damages caused by us to property or persons, or other liabilities relating to or arising from sale of our solutions or the resale of our suppliers' hardware, cloud, software, and services. Large contract damages payments could harm our business, reputation, operating results, and financial condition. Any dispute with respect to such obligations could have adverse effects on our relationships with existing or**

**potential clients and suppliers, and harm our business, financial condition, reputation, and operating results.** We depend on certain key management personnel and our ability to attract, train and retain skilled teammates to satisfy client demand, including highly skilled technical resources with experience in key digital areas. We rely on key management **and qualified engineering, marketing, and sales teammates** to execute our strategy to grow profitable market share. **Competition** ~~The loss of one or~~ **for** ~~more of~~ **skilled and non- skilled workers in the IT industry is intense and** ~~these~~ **there** ~~leaders, or a failure~~ **are risks of sustained labor shortages in key digital areas across various regions. If we are unable to continue** to attract and retain ~~new~~ **highly qualified** executives, **management, sales, service and technical teammates, it** could have a material adverse effect on our business, financial condition and results of operations. We ~~also believe that our future success will be largely dependent on our ability to attract, train and retain highly qualified management, sales, service and technical teammates, and we~~ make significant investments **, and incur significant costs,** in the **recruitment and** development of our leadership team, sales executives, solution architects, services engineers, project managers and other IT resources. If we are not able to retain such personnel or to train them quickly enough to meet changing market conditions, we could experience a drop in the overall quality and efficiency of our ~~sales and services~~ teammates, **which** ~~and that~~ could have a material adverse effect on our business, financial condition and results of operations ~~. Additionally, competition for skilled and non- skilled workers is intense and there are risks of sustained labor shortages in various regions. In some jurisdictions in which we operate, there is increasing demand for qualified resources to fill open positions. Our business has experienced and may continue to experience teammate attrition, which may cause us to incur increased costs to hire new teammates with the desired management and technical skills. Costs associated with recruiting, training and retaining teammates are significant. If we are unable to hire or deploy resources with the needed technical skill set or if we are unable to adequately equip our teammates with the skills needed, this could have a material adverse effect on our business~~ . Furthermore, if we are unable to maintain an environment for teammates that is competitive and appealing, it could have an adverse effect on engagement and retention, and a material adverse effect on our business. The acquisition, integration and operation of acquired businesses may disrupt our business and create additional expenses, and we may not achieve the anticipated benefits of the acquisitions. In connection with our strategic initiatives, we regularly acquire new businesses to expand our technical capabilities, product and service offerings and client base and to realize cost savings. All acquisitions entail various risks such as difficulties in realizing the **intended** benefits of the acquired business, exposure to unexpected liabilities, difficulties in retaining key employees and adverse client reactions. In addition, integration of an acquired business involves numerous risks, including assimilation of operations of the acquired business and difficulties in the convergence of IT systems, the diversion of management' s attention from other business concerns, risks of entering markets in which we have had no or only limited direct experience, assumption of unknown or unquantifiable liabilities, the potential loss of key clients, difficulties assimilating and retaining teammates of those businesses into our culture and organizational structure, difficulties in completing strategic initiatives already underway in the acquired company, and unfamiliarity with partners of the acquired company, each of which could have a material adverse effect on our business, results of operations and financial condition. The continued integration activities of the acquired businesses into our business are difficult and time consuming, and we may be unable to achieve expected synergies and operating efficiencies over the long term. We cannot assure that these risks or other unforeseen factors will not offset the intended benefits of the acquisitions, in whole or in part. Future sales of the Company' s common stock or equity- linked securities in the public market could lower the market price for our common stock. In the future, we may sell additional shares of our common stock or equity- linked securities to raise capital. In addition, a substantial number of shares of our common stock ~~is~~ **are** reserved for issuance upon the exercise of stock options, upon vesting of restricted stock units, upon conversion of the Notes and upon exercise of the warrants that were issued in connection with the Call Spread Transactions. We cannot predict the size of future issuances or the effect, if any, that they may have on the market price for our common stock. The issuance and sale of substantial amounts of common stock or equity- linked securities, or the perception that such issuances and sales may occur, could adversely affect the market price of our common stock and impair our ability to raise capital through the sale of additional equity or equity- linked securities.