

## Risk Factors Comparison 2025-02-24 to 2024-02-22 Form: 10-K

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

Risks Related to Our Business Operations Our growth strategy includes acquisitions. We may not be able to identify suitable acquisition candidates, complete acquisitions, or integrate acquisitions successfully. Our future rate of growth is highly dependent on our ability to acquire and successfully integrate new businesses. We intend to seek additional acquisition opportunities, both to expand into new markets and to enhance our position in existing markets. There are no assurances, however, that we will be able to successfully identify suitable candidates, negotiate appropriate terms, obtain financing on acceptable terms, complete proposed acquisitions, receive the necessary regulatory approvals **(including clearance under the Hart-Scott-Rodino Act in the U. S. and similar antitrust regulations in foreign countries)**, successfully integrate acquired businesses, or expand into new markets. Once acquired, operations may not achieve anticipated levels of revenues, profitability, or cash flows. Acquisitions involve risks, including difficulties in the integration of the operations, technologies, services, and products of the acquired companies and the diversion of management's attention from other business concerns. Although our management will endeavor to evaluate the risks inherent in any particular transaction, including but not limited to cybersecurity risks, there are no assurances that we will properly ascertain all such risks. Acquisitions may involve significant cash expenditures, debt incurrences, equity issuances, and expenses. Difficulties encountered with acquisitions may have a material adverse effect on our business, financial condition, and results of operations. Our technology is important to our success, and our failure to protect this technology could put us at a competitive disadvantage. Many of our products and services rely on proprietary technology; therefore, we believe that the development and protection of intellectual property rights through patents, copyrights, trade secrets, trademarks, confidentiality agreements, and other contractual provisions are important to the future success of our business. Despite our efforts to protect proprietary rights, unauthorized parties or competitors may copy or otherwise obtain and use our products or technology. Actions to enforce these rights may result in substantial costs and diversion of resources, and we make no assurances that any such actions will be successful. **Unfavorable changes in foreign exchange rates may..... reported net revenues and net earnings.** We rely on information and technology, including third- party cloud computing platforms **and other third- party business partners**, for many of our business operations which could fail and cause disruption to our business operations. Our business operations are dependent upon information technology networks and systems to securely transmit, process, and store ~~electronic~~ information and to communicate among our locations around the world and with clients ~~and~~, suppliers **, and business partners**. A shutdown of, or inability to access, one or more of our facilities, a power outage, or a failure of one or more of our information technology, telecommunications, or other systems could significantly impair our ability to perform such functions on a timely basis. Our compliance, cyber and data privacy programs, cybersecurity technology, and risk management cannot eliminate all system risk. **Cybersecurity incidents, ransomware attacks, systems disruptions or interruptions, Cyberattacks-cyberattacks**, configuration or human error, insider threat, and / or other external hazards ~~or threats~~ could result in the misappropriation of assets or ~~sensitive~~ information, corruption of data, or ~~operational disruption~~ **disruptions in our business strategy, results of operations, and financial condition. These disruptions may include, but are not limited to, interruptions to business operations, loss of intellectual property, release of confidential information, malicious alteration or corruption of data or systems, costs related to remediation or the payment of ransom, litigation including individual claims or consumer class actions, commercial litigation, administrative, and civil or criminal investigations or actions, regulatory intervention and sanctions or fines, investigation and remediation costs, and possible prolonged negative publicity**. We rely on **business partners such as** third- party data centers and cloud platforms, such as Amazon Web Services, Google Cloud Platform, and Microsoft Azure to host certain enterprise and customer systems. Our ability to monitor such third parties' security measures and the full impact of the systemic risk is limited. If any **third- party system or** cloud platform that we use is unavailable to us for any reason, our customers may experience service interruptions, which could significantly impact our operations, reputation, business, and financial results. Failure of our systems or those of our third- party service providers, may result in interruptions in our service and loss of data or processing capabilities, all of which may cause a loss in customers, refunds of product fees, and / or material harm to our reputation and operating results. **While certain of our businesses have experienced temporary disruptions, their impact has been limited and did not have a significant impact on our businesses.** Global cybersecurity threats are rapidly evolving ~~and becoming increasingly more sophisticated~~ and attacks to networks, platforms, systems, and endpoints can range from uncoordinated individual attempts to sophisticated and targeted measures known as advanced persistent threats, directed at the Company, its businesses, its customers, and / or its third- party service providers, including, but not limited to, cloud providers and providers of network management services. These may include such things as unauthorized access, phishing attacks, denial of service, **insider threats**, data exfiltration and extortion, introduction of malware or ransomware, and other disruptive problems caused by threat actors. While we have experienced and expect to continue to experience these types of **cybersecurity** threats and incidents, none of them to date have been material to the Company. We seek to deploy measures to protect, detect, respond, and recover from cybersecurity threats **and incidents**, including identity and access controls, employee training, data protection, vulnerability management, incident response, secure product development, continuous monitoring of our networks, platforms, endpoints, and systems, and maintenance of ransomware resilient backup and recovery capabilities. Our customers are increasingly requiring cybersecurity protections and mandating cybersecurity standards in our products and services, and we may incur additional costs to comply with such demands. Despite these efforts, we can make no assurances that we will be able to mitigate, detect, prevent, timely and adequately respond, or fully recover from the negative effects of

cyberattacks, **cybersecurity incidents**, or other security compromises, and such **attacks, compromises, or** cybersecurity incidents, depending on their nature and scope, could potentially result in the misappropriation, destruction, corruption, or unavailability of critical data and confidential or proprietary information (our own or that of third parties) and the disruption of business operations. The potential consequences of a material cybersecurity incident include financial loss, reputational damage, damage to our IT systems, data loss, litigation with third parties, theft of intellectual property, fines, customer attrition, diminution in the value of our investment in research and development, and increased cybersecurity protection and remediation costs due to the increasing sophistication and proliferation of threats, which in turn could adversely affect our competitiveness and results of operations. Any imposition of liability, particularly liability that is not covered by insurance or is in excess of insurance coverage, could materially harm our operating results and financial condition. Product liability, insurance risks, **product recalls**, and increased insurance costs could harm our operating results. Our business exposes us to product liability risks in the design, manufacture, and distribution of our products. **Manufacturing or design defects could lead to recalls or safety alerts relating to our products (either voluntary or as required by regulatory authorities), and could result, in certain cases, in the removal of a product from the market which could result in significant costs, lost sales and customers, enforcement actions and / or investigations, as well as negative publicity and damage to our reputation. Personal injuries relating to the use of our products can also result in product liability claims being brought against us.** We currently have product liability insurance; however, we may not be able to maintain our insurance at a reasonable cost or in amounts sufficient to adequately protect us against losses. We also maintain other insurance policies, including directors' and officers' liability insurance and cybersecurity insurance. We believe we have adequately accrued estimated losses, principally related to deductible amounts under our insurance policies, with respect to all product liability and other claims, based upon our past experience and available facts. However, a successful product liability or other claim or series of claims brought against us could have a material adverse effect on our business, financial condition, and results of operations. In addition, a significant increase in our insurance costs or the imposition of a liability that is not covered by insurance or is in excess of insurance coverage, could have an adverse impact on our operating results. Our operating results could be adversely affected by a reduction in business with our large customers. In some of our businesses, we derive a significant amount of revenue from large customers. The loss or reduction of any significant contracts with any of these customers could reduce our net revenues and cash flows. Additionally, many of our customers are government entities. In many situations, government entities can unilaterally terminate or modify our existing contracts without cause and without penalty to the government agency. Unfavorable changes in foreign exchange rates may harm our business. Several of our **subsidiaries operating companies** have transactions and balances denominated in currencies other than the U.S. dollar. Most of these transactions and balances are denominated in British pounds, Canadian dollars, or euros. Sales by our operating companies whose functional currency is not the U.S. dollar represented ~~9%~~ **11%** of our total net revenues for **both** the years ended December 31, ~~2024~~ **2023** and ~~2023~~ **2022**, respectively. Unfavorable changes in exchange rates between the U.S. dollar and those currencies could reduce our reported net revenues and **net earnings**. We face intense competition. If we do not compete effectively, our business may suffer. We face intense competition from numerous competitors in our various businesses. Our products compete primarily on the basis of product quality, performance, innovation, technology, price, applications expertise, system and service flexibility, distribution channel access, and established customer service capabilities. We may not be able to compete effectively on all of these fronts or with all of our competitors. Moreover, competition may require us to adjust prices to stay competitive. In addition, new competitors may emerge, and product lines may be threatened by new technologies or market trends that reduce the value of these product lines. To remain competitive, we must develop new products, respond to new technologies, and enhance our existing products in a timely manner. Our indebtedness may affect our business and may restrict our operating flexibility. As of December 31, ~~2023~~ **2024**, we had \$ ~~67,330,623~~ **10** in total consolidated indebtedness. In addition, we had approximately \$ 3, ~~133,369~~ of undrawn availability under our unsecured **revolving** credit facility. Subject to restrictions contained in our credit facility, we may incur additional indebtedness in the future, including indebtedness incurred to finance acquisitions. Our level of indebtedness and the debt servicing costs associated with that indebtedness could have substantial effects on our operations and business strategy. For example, our indebtedness could: • limit our ability to borrow additional funds; • limit our ability to complete future acquisitions; • limit our ability to pay dividends; • limit our ability to make capital expenditures; • place us at a competitive disadvantage relative to our competitors, some of which have lower debt service obligations and greater financial resources; and • increase our vulnerability to general adverse economic and industry conditions. Our ability to make scheduled principal payments of, to pay interest on, or to refinance our indebtedness and to satisfy our other debt obligations will depend upon our future operating performance, which may be affected by factors beyond our control. In addition, there can be no assurance that future borrowings or equity financing will be available to us on favorable terms for the payment or refinancing of our indebtedness. If we are unable to service our indebtedness, our business, financial condition, and results of operations would be materially adversely affected. Our credit facility contains covenants requiring us to achieve certain financial and operating results and maintain compliance with a specified financial ratio. Our ability to meet the financial covenants or requirements in our credit facility may be affected by events beyond our control, and we may not be able to satisfy such covenants and requirements. A breach of these covenants or our inability to comply with the financial ratio, tests, or other restrictions contained in our credit facility could result in an event of default under this facility. Upon the occurrence of an event of default under our credit facility, and the expiration of any grace periods, the lenders could elect to declare all amounts outstanding under the facility, together with accrued interest, to be immediately due and payable. If this were to occur, our assets may not be sufficient to fully repay the amounts due under this facility or our other indebtedness. Our goodwill and other intangible assets are a significant amount of our total assets, and any write-off of our intangible assets would negatively affect our results of operations. Our total assets reflect substantial intangible assets, primarily goodwill. At December 31, ~~2023~~ **2024**, goodwill totaled \$ ~~17,19,118,312~~ **89** compared to \$ ~~17,18,444,867~~ **86** of total stockholders' equity, and represented ~~61~~ **62** % of our

total assets of \$ 2831, 167334. 5-7. The goodwill results from our acquisitions, representing the excess purchase price over the fair value of the net identifiable assets acquired. We assess at least annually whether there has been an impairment in the value of our goodwill and other indefinite-lived intangible assets. If future operating performance at one or more of our business units were to fall significantly below current **or expected** levels, if competing or alternative technologies emerge, if discount rates rise, or if business valuations decline, we could incur a non-cash charge to operating income. Any determination requiring the write-off of a significant portion of goodwill or unamortized intangible assets would negatively affect our results of operations, the effect of which could be material. We depend on our ability to develop new products and software, and any failure to develop or market new products and software could adversely affect our business. The future success of our business will depend, in part, on our ability to design and manufacture new competitive products, including the development of software, and to enhance existing product and software offerings. This product development may require substantial internal investment. There can be no assurance that unforeseen problems will not occur with respect to the development, performance, or market acceptance of new technologies, products, or software or that we will otherwise be able to successfully develop and market new products and software. Failure of our product or software offerings to gain market acceptance or our failure to successfully develop and market new products and software could reduce our margins, which would have an adverse effect on our business, financial condition, and results of operations. Changes in the supply of, or price for, raw materials, parts and components used in our products, or third-party services used in the delivery of our SaaS solutions could affect our business. The availability and prices of raw materials, parts, and components are subject to curtailment or change due to, among other things, suppliers' allocations to other purchasers, interruptions in production by suppliers, supply chain delays and disruptions, component shortages, changes in exchange rates, and prevailing price levels. In addition, some of our products are provided by sole source suppliers and our SaaS offerings are increasingly reliant on a limited number of third-party cloud computing platforms. Any change in the supply of, or price for, these parts and components, as well as any increases in commodity prices or the price and availability of **, or any decrease in the reliability of,** third-party cloud computing platforms could affect our business, financial condition, and results of operations. Our operating results may be adversely impacted by the performance of Indicor, in which we own a minority interest. In 2022, we divested a 51% majority equity stake in our industrial businesses to ~~Clayton, Dubilier & Rice, LLC ("CD & R")~~ and retained a minority equity interest in the new parent entity, Indicor. Although we have certain limited consent, board representation, and other governance rights under existing contractual arrangements, we are a minority owner of Indicor and do not control its management, its policies, or the operation of its business, and have no further funding requirements associated with our investment. As a result, our ability to realize the ultimate anticipated benefits of the transaction depends upon the operation and management of Indicor by CD & R and the Indicor management team. In addition, Indicor is an industrial business that is subject to risks that are different than the risks associated with our existing businesses. Many of these risks are outside of CD & R's or Indicor's control and could materially impact Indicor's business, financial condition, and results of operations. Moreover, CD & R may have economic or other business interests that are inconsistent with ours, and we may be unable to prevent strategic decisions that may adversely affect the value of our investment in Indicor. We have applied the fair value option to value our equity investment in Indicor. The assessment of fair value requires significant judgments to be made. Although we believe that our judgments and assumptions are reasonable, changes in estimates or the application of alternative assumptions could produce significantly different results. In the event of a decrease in fair value, we ~~could~~**would** incur ~~a non-cash charges~~**charge** within non-operating income with a corresponding reduction in the balance of our equity investment. See Note 10 of the Notes to Consolidated Financial Statements included in this Annual Report for additional information on this equity investment. Divestitures or other dispositions could negatively impact our business. Divestitures pose risks and challenges that could negatively impact our business. For example, when we decide to sell or otherwise dispose of a business or assets, we may be unable to do so on satisfactory terms within our anticipated timeframe or at all, and even after reaching a definitive agreement to sell or dispose of a business, the sale is typically subject to the satisfaction of pre-closing conditions which may not become satisfied. The consummation of any divestiture can be difficult, time-consuming, and costly, and we may not be able to successfully complete identified divestitures. They may also cause diversion of management time and focus away from operating our business. In addition, divestitures or other dispositions may have other adverse financial and accounting impacts, and disputes may arise with buyers or with partners in businesses in which we own a minority interest that could be difficult or costly to resolve. We use artificial intelligence in our business, and challenges with properly managing its use could result in reputational harm, competitive harm, and legal liability, and adversely affect our results of operations. We **are increasingly incorporate incorporating** artificial intelligence ("AI") solutions into ~~some of~~ our platforms, offerings, services, and ~~features~~**operations**, and ~~these applications may~~**we expect that AI will** become more important ~~in to~~ our ~~operations~~**company** over time. Our competitors or other third parties may incorporate AI into their products **or operations** more quickly or ~~more~~ successfully than us, **or develop superior products and services with the aid of AI**, which could impair our ability to compete effectively and adversely affect our results of operations. Additionally, if ~~our we use~~ AI applications are **that is** based on data, algorithms, or other inputs that are flawed, or if ~~they~~**the AI assist assists** in producing content, analyses, or recommendations that are or are alleged to be deficient, inaccurate, **violative of third-party intellectual property**, or biased, our business, financial condition, and results of operations may be adversely affected. The use of AI applications has resulted in, and may in the future result in, cybersecurity incidents that implicate the personal data of end users of such applications. Any such cybersecurity incidents related to our use of AI applications could adversely affect our reputation and results of operations. AI also presents emerging ethical issues, and if our use of AI becomes controversial we may experience brand, reputational, or competitive harm, or legal liability. ~~The rapid evolution~~**We may be affected by laws and regulations that govern the use of AI. For example, including the EU potential regulation of AI by government or Act places new requirements on providers of AI technologies that will need to be addressed in alignment with various deadlines in the coming years. These and other laws** regulatory agencies, will require significant resources to develop, test, and maintain our

**or regulations may cause us platforms, offerings, services, and features in order to implement AI ethically modify our data handling and compliance practices minimize any unintended, harmful which could be costly or disruptive to our operations, and may also impact impact our ability to use certain data to support our products or our product development efforts or hinder our customers' ability to adopt or continue to use our products.** Risks Related to Government Regulations Regulation of privacy and data security may adversely affect sales of our products and services and result in increased compliance costs. There has been, and likely will continue to be, increased regulation with respect to the collection, use, and handling of an individual's personal and financial information. Regulatory authorities around the world have passed or are considering legislative and regulatory proposals concerning data protection, privacy, and data security. In the U. S., **the at least 20** states of Virginia, Colorado, Connecticut, Utah, Oregon, Texas, Montana, Delaware, Iowa, Tennessee, Indiana, and New Jersey have each **individually** passed comprehensive privacy legislation, **and joined California (which further enhanced its existing privacy laws)** in directly regulating the collection, use, and sharing of personal information. In addition, there has been an increased focus on industry- specific privacy laws, including in the financial, healthcare, and educational sectors. These statutes and regulations create civil penalties for violations, and in the case of California **and some sector- specific laws**, **creates create** a limited private right of action for data breaches, **that increases increase** the risk of data breach litigation. Absent a preemptive Federal privacy law, as more states pass privacy legislation, there is a strong possibility that we will be required to comply with a patchwork of inconsistent privacy regulations. Globally, personal information collected within the European Union and United Kingdom remains subject to the GDPR, which is a UK and European Union- wide legal framework that governs data collection, use, and sharing of an individual's personal data and creates a range of consumer privacy rights. GDPR provides significant penalties for non- compliance (up to 4 % of global annual revenue) and EU data protection authorities have already issued significant fines. **Canada (Quebec) has also significantly updated its privacy laws.** The interpretation and application of consumer and data protection laws and industry standards in the U. S., Europe, and elsewhere can be uncertain and currently is in flux. Cloud- based solutions may be subject to further regulation, including data localization requirements and other restrictions limiting the international transfer of data. The operational and cost impact of these cannot be fully known at this time. In addition to the possibility of fines, the application of these existing laws in a manner inconsistent with our current data and privacy practices requires that we change our data and privacy practices, which could have an adverse effect on our business and results of operations. Complying with these various laws could cause us to incur substantial costs or require us to change our business practices in a manner adverse to our business. Also, any new law or regulation imposing greater fees or taxes or restriction on the collection, use, or transfer of information or data internationally or over the Internet, could result in a decline in the use of our products and services and adversely affect our sales and results of operations. Finally, as we increasingly provide technological solutions, our customers and regulators will expect that we can demonstrate compliance with current data privacy and security regulations as well as new industry- developed standards, and our inability to do so may adversely impact sales of our solutions and services to certain customers. This is particularly true for customers in highly- regulated industries, such as the healthcare industry and government contractors, and could result in regulatory actions, fines, and legal proceedings as well as negative impacts to our brand, reputation, and business. Expectations relating to **sustainability environmental, social, and governance** considerations expose the Company to potential liabilities, increased costs, reputational harm, and other adverse effects on the Company's business. Many governments, regulators, investors, employees, customers, and other stakeholders are focused on environmental, social, and governance, **and other sustainability ("ESG")** considerations relating to businesses, including climate change and greenhouse gas emissions, human capital, and diversity, **equity, and inclusion**. The Company makes statements about **ESG sustainability** goals and initiatives through information provided on its website, press statements, and other communications, including through its annual **ESG sustainability Report report**. Responding to these **ESG sustainability** considerations and implementation of these goals and initiatives involves risks and uncertainties, including those described under "Information About Forward- Looking Statements," requires investments, and is impacted by factors that may be outside of the Company's control. In addition, some stakeholders may disagree with the Company's goals and initiatives and the focus of stakeholders may change and evolve over time. Stakeholders also may have very different views on where **environmental, social, and governance**-focus **on sustainability topics** should be placed, including differing views of regulators in various jurisdictions in which we operate. Any failure, or perceived failure, by the Company to achieve its goals, further its initiatives, adhere to its public statements, comply with federal, state, or international **ESG sustainability** laws and regulations, or meet evolving and varied stakeholder expectations and standards could result in legal and regulatory proceedings against the Company and materially adversely affect the Company's business, reputation, results of operations, financial condition, and stock price. Risks Related to Economic and Political Conditions Economic, political, and other risks associated with our international operations could adversely affect our business. For the year ended December 31, **2023-2024, +3-14 %** of our net revenues **were generated from customers outside of the U. S.** and 7 % of our long- lived assets, excluding goodwill and other intangibles, were attributable to operations outside of the U. S. We expect our international operations to contribute materially to our business for the foreseeable future. Our international operations are subject to varying degrees of risk inherent in doing business outside of the U. S. including, without limitation, the following: • adverse changes in a specific country's or region's political or economic conditions, particularly in emerging markets; • oil price volatility; • trade protection measures, tariffs, and import or export requirements, **including uncertainty about what actions may be taken by governments with respect to tariffs or trade relations, what products may be subject to such actions, and what actions may be taken by foreign countries in retaliation to proposed or imposed U. S. tariffs**; • subsidies or increased access to capital for firms that are currently, or may emerge as, competitors in countries in which we have operations; • partial or total expropriation; • potentially negative consequences from changes in tax laws; • difficulty in staffing and managing widespread operations; • differing labor regulations; • differing protection of intellectual property; and • differing and unexpected changes in regulatory requirements,

including any measures implemented to address data privacy, **cybersecurity**, and impacts of climate change. Any business disruptions due to political instability, armed hostilities, incidents of terrorism, incidents of directed cyberattacks, public health crises, or extreme weather events or other natural disasters could adversely impact our financial performance. If terrorist activity, armed conflict, directed cyberattacks, political instability, public health crises, such as epidemics or pandemics, or extreme weather events or other natural disasters occur in the U. S. or other locations, such events may negatively impact our operations, cause general economic conditions to deteriorate, or cause demand for our products to decline. A prolonged economic slowdown or recession could reduce the demand for our products, and therefore, negatively affect our future sales and profits. Any of these events could have a significant impact on our business, financial condition, or results of operations. Our **Political and geopolitical conditions can adversely affect our business, financial condition** ~~Political and geopolitical conditions~~ **in the markets in which our products and services are sold have been and could continue to be difficult to predict, resulting in adverse effects on our business. The results of operations could be adversely affected by disruptions in elections, geopolitical events and tensions, and wars and the other military global economy caused by the conflict conflicts** ~~between Russia and (such as the ongoing conflicts in Ukraine and the conflict in the Middle East . The global economy has been negatively )~~ **in these markets have in the past impacted and could continue to impact how existing laws, regulations and government programs or policies are implemented or result in uncertainty as to how such laws, regulations, programs or policies may change, including with respect to the negotiation of new trade agreements, new, expanded or retaliatory tariffs against certain countries or covering certain products or materials (including recent U. S. tariffs imposed or threatened to be imposed on China, Canada, Mexico, and other countries and any retaliatory actions taken by such countries)** ~~ongoing military conflict between Russia and Ukraine and the conflict in the Middle East. Changes We have historically had limited operations and suppliers in political administrations in these -- the jurisdictions U. Nevertheless S. and elsewhere may lead to variability in , these military conflicts or reallocation of, government spending priorities, or a reduction in government spend, which could have additional negative an adverse impacts-- impact on the global economy our businesses that serve governmental entities or governmental contractors. Further escalation of In addition, certain geopolitical events have tensions, such as increased trade barriers, economic sanctions or restrictions on global trade, related-- resulted in and to these military conflicts could continue to~~ **continue to** result in, among other things, cyberattacks, supply disruptions, lower consumer demand, **increase in global economic uncertainty**, and changes to foreign exchange rates and financial markets, any of which may adversely affect our business and supply chain. General Risk Factors The potential insolvency or financial distress of third parties could adversely impact our business and results of operations. We are exposed to the risk that third parties to various arrangements who owe us money or goods and services, or who purchase goods and services from us, will not be able to perform their obligations or continue to place orders due to insolvency or financial distress. If third parties fail to perform their obligations under arrangements with us, we may be forced to replace the underlying commitments at current or above- market prices or on other terms that are less favorable to us. In such events, we may incur losses, or our results of operations, financial condition, or liquidity could otherwise be adversely affected. Changes to our executive leadership team and any future loss of members of such team, and the resulting management transitions, could harm our operating results. We have experienced significant changes to our executive leadership team in the past and may do so in the future. Leadership transitions and changes can be inherently difficult to manage and may cause uncertainty or disruption to our business or may increase the likelihood of turnover in key leadership positions. If we cannot effectively manage leadership transitions and changes, it could make it more difficult to successfully operate our business. Legal proceedings to which we are, or may be, a party may adversely affect us. We are currently, and may in the future become, subject to legal proceedings and commercial or contractual disputes. These are typically claims that arise in the normal course of business including, without limitation, commercial or contractual disputes with our suppliers or customers, intellectual property matters, data privacy matters, third party liability, including product liability claims, and employment claims. A downgrade in the ratings of our debt could restrict our ability to access the debt capital markets and increase our interest costs. Unfavorable changes in the ratings that rating agencies assign to our debt may ultimately negatively impact our access to the debt capital markets and increase the costs we incur to borrow funds. Additionally, our credit agreement includes increases in interest rates if the ratings for our debt are downgraded. Furthermore, an increase in the level of our indebtedness may increase our vulnerability to adverse general economic and industry conditions and may affect our ability to obtain additional financing. **15**