Risk Factors Comparison 2024-03-08 to 2023-03-08 Form: 10-K

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Our businesses are subject to a number of risks. You should carefully consider the following risk factors, together with all of the other information included or incorporated by reference in this Report, before you decide whether to purchase our common or preferred units. These factors are not intended to represent a complete list of the general or specific risks that may affect us. It should be recognized that other risks may be significant, presently or in the future, and the risks set forth below may affect us to a greater extent than indicated. If any of the following risks occur, our business, financial condition and results of operations could be materially adversely affected. In such case, the trading price of our common and preferred units could decline, and you may lose all or part of your investment. **In addition, we own approximately 85. 1 % of Steel Connect, which is also a publicly listed company and files periodic reports with the SEC. You should carefully consider the risk factors described in Steel Connect' s Annual Reports on Form 10- K and Quarterly Reports on Form 10- Q which are filed with the SEC and are available at www. sec. gov.** Risks Related to Our Business Economic downturns in various sectors could disrupt and materially harm our businesses. Negative trends in the general economy, including rising interest rates and commodity prices, could cause a downturn in the markets for our products and services. A significant portion of our revenues in the Diversified Industrial segment are received from customers in transportation, oil and gas exploration and construction- related industries, which have experienced significant financial downturns in the past. These industries are cyclical, and demand for their products tends to fluctuate due to changes in national and global economic conditions, availability of credit and other factors. ~~A worsening of customer demand in these industries would adversely affect our profitability, operating results, cash flows and could lead to further impairments.~~ In our Energy segment, the level of oil and natural gas exploration and production activity in the United States is affected by the price of oil. Reduced discovery rates of new oil and natural gas reserves, or a decrease in the development rate of reserves in our market areas, weakness in oil and natural gas prices, or our customers' perceptions that oil and natural gas prices will decrease in the future, could result in a reduction in the utilization of our equipment and result in lower revenues or rates for the services of our Energy segment. **In addition, revenues in our Supply Chain segment are dependent on customer traffic and demand for supply chain management services.** Our customers ~~'~~ **'** willingness to undertake ~~these~~ activities **in our business segments** depends largely upon prevailing industry conditions that are influenced by many factors over which we have no control. **In our Supply Chain segment, our supply chain management services are tied to the demand of our customers' goods. If demand for our customers' products declines, our customers may experience a decline in volumes, which may impact our financial results. As a result, our business may begin to slow before overall market slowdowns, at the point of customer uncertainty, and may recover later than overall market recoveries, as our customers may continue to feel uncertain about future market conditions. If uncertainty around macroeconomic conditions increase, such as due to recessionary conditions, unexpected interest rate fluctuations or inflationary pressures, our future growth prospects, business and results of operations could be materially adversely affected.** Our Financial Services segment could be impacted by tightening of the credit markets and other general economic declines that could result in a decrease in lending and demand for consumer loans. We may also experience a slowdown **in our other segments** if some customers experience difficulty in obtaining adequate financing due to tightness in the credit markets. ~~Furthermore~~ **In the short term** , **our customers could react to negative market conditions, and may seek to renegotiate** ~~the~~ **their contracts with us or to cancel their contracts with us even if cancellation involves their paying a cancellation fee. Continued market deterioration could also jeopardize the ability to perform certain counterparty obligations, including those of our insurers, customers and financial institutions. Although we assess the creditworthiness of our counterparties, prolonged business decline or disruptions as a result of economic downturns or lower oil and gas prices could lead to changes in a counterparty' s** financial stability ~~of our customers~~ **, liquidity and increase** ~~or~~ **our** ~~suppliers may be compromised~~ **exposure to credit risk** , ~~which could result in additional~~ bad debts ~~for us~~ or non- performance by **our** suppliers. Our assets may also be impaired or subject to write- down or write- off as a result of these conditions. There could also be adverse impacts to several of our businesses due to overall negative economic conditions, changes in gross domestic product growth, financial and credit market fluctuations or the unavailability of credit, or geopolitical challenges, including global security concerns and the **ongoing conflicts between** ~~possibility of retaliatory action by various actions in response to~~ Russia **and** ~~' s recent invasion of~~ Ukraine **and the Middle East** . These adverse effects would likely be exacerbated if global economic conditions worsen, resulting in wide- ranging, adverse and prolonged effects on general business conditions, ~~and~~ **which could** materially and adversely affect our operations, financial results and liquidity. ~~We may be negatively impacted by inflation~~ **Inflation** ~~, raw material price increases~~ and supply chain disruptions **have, and may continue to negatively impact our business and results of operations** . Inflation could continue to increase our costs of labor and other costs related to our business, which could have an adverse impact on our business, financial position, results of operations and cash flows. Current and future inflationary effects may be driven by, among other things, supply chain disruptions, governmental stimulus or fiscal policies, and geopolitical instability, including the ongoing conflict between Ukraine and Russia **or the Middle East** . ~~The~~ **We have generally been able to offset increases in these costs through various** cost **reduction initiatives, as well as adjusting our selling prices to pass some** of ~~raw materials is a key element in the~~ **these higher** ~~cost~~ **costs** ~~of~~ **to our customers. Our ability to raise** ~~our~~ - **or maintain** ~~products, particularly in~~ our **selling** ~~Diversified Industrial segment. Prices~~ **prices** ~~for raw materials necessary for production have fluctuated significantly in~~ **depends on market conditions and certain competitive dynamics. Given the timing of our actions compared to the timing of** ~~the~~ **these** ~~past and~~ **inflationary pressures, there may**

be periods during which we **are unable** ~~experienced and could continue~~ to **fully recover the** ~~experience upward pricing pressure on raw materials such as steel, resins and chemicals. Price~~ increases ~~have had and could continue to have an adverse effect on our results of operations and operating margins. Disruptions to the supply chain resulting from shortages of raw materials and components have had and could continue to have an adverse effect on our ability to meet commitments to customers. Continuing increases~~ in ~~inflation increased and could continue to increase~~ our costs ~~of labor and other costs related to our business, which could have an adverse impact on our business, financial position, results of operations and cash flows. Inflation has also resulted in higher interest rates in the U. S., which could increase our cost of debt borrowing in the future~~ . Significant volatility in prices of, and declines in customer demand for, crude oil due to factors beyond our control have materially and adversely affected our diversified industrial and energy business segments, and any prolonged instability in the oil industry could negatively impact our business, operations and financial condition. Certain of our operating companies, particularly those in our Diversified Industrial and Energy segments, are highly dependent on customer demand for, and the availability of, crude oil and natural gas. For example, our portfolio of quality energy segment companies provide a multitude of oilfield services and oil and gas equipment rentals, operate numerous oil rigs and perform well servicing and workover services. The oil and gas industry has historically experienced periodic downturns, which have been characterized by diminished demand for our products and services and downward pressure on the prices that we are able to charge. Sustained market uncertainty can also result in lower demand and pricing for our products and services. Customer demand is generally dependent on our customers' views of future demand for oil and gas and future oil and gas prices, as well as our customers' ability to access capital. Since the first quarter of 2020, crude oil prices, as well as supply and demand for oil and natural gas, have fluctuated significantly as a result of national and international economic and political conditions, such as the conflict between Ukraine and Russia. In particular, the announcement of price reductions and production increases by members of the Organization of the Petroleum Exporting Countries and its broader partners, including Russia and their allies (" OPEC ") in March 2020 resulted in reduced a sharp decline in oil commodity prices. In October 2022, due to uncertainty in the global economy and oil market outlook, OPEC announced it would decrease oil production by 2 million barrels a day, the largest cut since the COVID- 19 pandemic began. As a result, the market and our businesses currently continue to experience demand loss, as well as volatility in oil prices, which have recently risen significantly after remaining depressed due to an oil oversupply and lack of available storage capacity. Additionally, oil prices are particularly sensitive to actual and perceived threats to global political stability, including conflicts in oil and gas producing regions, and changes in production from OPEC member states. Demand for our services and products may be sensitive to the level of exploration, development and production activity of, and the corresponding capital spending by, oil and natural gas companies. For instance, continuing tensions and instability resulting from the Russian invasion of Ukraine **, and conflicts in the Middle East,** have increased and could continue to increase volatility in global oil and gas prices, which may adversely affect our profitability of our Diversified Industrial and Energy segments. In addition, the market prices and demand for oil and natural gas are impacted by governmental regulations and the level of oil and natural gas production in the United States and non- OPEC countries, as well as the oil and gas industry' s view of future oil and gas prices, which generally determine the level of capital spending for the exploration, development and production of crude oil and natural gas reserves. These and other changes in the oil and natural gas industry have had, and are likely to continue to have for the foreseeable future, a significant adverse impact on **our** ~~the Company' s~~ financial condition, results of operations and cash flows **. A significant industry downturn, sustained market uncertainty, or increased availability of economical alternative energy sources could result in a reduction in demand for our products and services, which could adversely affect our business, financial condition, results of operations, cash flows and prospects** . Due to numerous uncertainties surrounding the resolutions by OPEC with respect to oil production discussions, we cannot predict when oil prices, inventory and demand will improve or stabilize. Our results of operations are affected by fluctuations in commodity prices **. The cost of raw materials is a key element in the cost of our products** . In the normal course of business, our operations, particularly those of our Diversified Industrial segment, require the purchase and use of commodities used as raw materials, such as precious metals, steel products and certain non- ferrous metals. The availability of, and prices for, these raw materials expose our businesses to market risk and volatility as a result of, among other factors: worldwide economic conditions; speculative actions; world supply and demand balances; inventory levels; availability of substitute metals; the U. S. dollar exchange rate; production costs of U. S. and foreign competitors; and anticipated or perceived shortages. In particular, in recent years we have experienced significant fluctuations in precious metal prices, including gold and silver, which has impacted our ability to find suitable sources for use in our manufacturing and maintain adequate inventory levels. Increases in the costs of these commodities and the costs of energy, transportation and other necessary services may adversely affect our profit margins if we are unable to pass along any higher costs in the form of price increases or otherwise achieve cost efficiencies such as in manufacturing and distribution. **Price increases have had and could continue to have an adverse effect on our results of operations and operating margins. Disruptions to the supply chain resulting from shortages of raw materials and components have had and could continue to have an adverse effect on our ability to meet commitments to customers.** We seek multiple sources of supply for each of our major raw materials in order to avoid significant dependence on any one or a few suppliers. However, the supply of such materials have been and are likely to continue to be disrupted by higher commodity prices, which increase our costs of production and can result in tighter supplies. Moreover, to the extent customers delay or decrease purchases of our products as a result of raw material cost increases or we are otherwise unable **to** pass cost increases on to our customers, our results of operations and financial condition could be materially adversely effected. In addition, raw material price fluctuations impact the value of our commodity inventories, in particular, our precious metal inventory. Adjustments to our inventory carrying values could have a negative impact on our profitability and cash flows. Additionally, commodity prices may also fall rapidly from time to time. If commodity prices significantly decline for a sustained period of time, the net realizable value of our existing inventories could be reduced or we could be required to take impairment charges on our inventories, which could adversely affect our results of operations. ~~For more information, see Part II, Item 7A, " Quantitative and Qualitative Disclosures About Market Risk – Risks Relating to Commodity Prices. "~~ Rising interest rates may negatively impact our investments and have an adverse effect on our business, financial condition, results of operations and cash flows. Changes in interest rates could have an adverse impact on our business by increasing the cost of borrowing, affecting our interest costs (including with respect to our senior credit agreement, which is comprised primarily of variable rate options), and our ability to make new investments on favorable terms or at all. The Federal Reserve Board significantly increased the federal funds rate in 2022 and **2023 and** ~~has indicated that further rate increases~~ may ~~be announced~~ in the **future continue** ~~short- term~~ to **raise increase rates** ~~combat rising inflation in the United States~~ . Such rate increases have **a** corresponding impact to our costs of borrowing and may have an adverse impact on our ability to raise funds through the offering of our securities or through the issuance of debt due to higher debt capital costs, diminished credit availability, and less favorable equity markets. Any significant additional federal fund rate increases may have a material adverse effect on our business, results of operations, and financial condition. More generally, interest rate fluctuations and changes in credit spreads on floating rate loans may have a negative impact on our investments and investment opportunities and, accordingly, may have a material adverse effect on our rate of return on invested capital, our net investment income, our net asset value and the market price of our securities. In addition, an increase in interest rates may make it difficult or impossible to make payments on outstanding indebtedness. Any increase in interest rates could have a negative effect on our net interest costs and investments, which could negatively impact our operating results, financial condition and cash flows . As more fully described in Part...... limit interest rate risk will be successful . Certain of the Company' s subsidiaries sponsor defined benefit pension plans, which could subject the Company to substantial cash funding requirements in the future. The Company' s ongoing operating cash flow requirements include arranging for the funding of the minimum requirements of its subsidiaries' defined benefit pension plans. The Company is generally jointly and severally liable for such subsidiaries' underfunded pension liabilities. The performance of the financial markets and interest rates (given the mix of investment assets in the plan), as well as healthcare trends and associated mortality rates, impact our defined benefit pension plan expense and funding obligations. Significant changes in these factors, including adverse changes in discount rates, investment losses on plan assets and increases in participant life expectancy, may increase our funding obligations and adversely impact our financial condition. Required future contributions are estimated based upon assumptions such as discount rates on future obligations, assumed rates of return on plan assets and legislative changes. Actual future pension costs and required funding obligations will be affected by changes in the factors and assumptions described in the previous sentences, as well as other changes such as any plan termination or other acceleration events. For more information, see Part II, Item 7, " Management' s Discussion and Analysis of Financial Condition and Results of Operations- Liquidity and Capital Resources " of this Report. We are subject to risks associated with environmental, health and safety matters. We (including our businesses) are subject to U. S. federal, state, local and foreign environmental, health and safety (" EHS ") laws and regulations in connection with our ongoing and former operations. These requirements include, but are not limited to regulations related to: the development, manufacture, shipping and use of the products produced by our businesses; the handling, storage, transportation, discharge, recycling, treatment and disposal of raw materials and / or hazardous materials, by-products or wastes used in such products or in production; and the operation of facilities and the use of real property. Compliance with these and other EHS requirements may require us to engage in environmental remediation activities of property currently or previously owned by us or our subsidiaries, retrofit existing facilities with additional pollution- control equipment, undertake new measures in connection with the management of hazardous materials, by- products and wastes or to take other steps to ensure compliance with various legal and regulatory agencies and entities, all of which could require our subsidiaries to incur substantial costs. Many of the customers in our Energy segment use hydraulic fracturing services, which is the process of creating or expanding cracks, or fractures, in formations underground where water, sand and other additives are pumped under high pressure into the formation. Although our Energy segment is not a provider of hydraulic fracturing services, many of its services complement the hydraulic fracturing process. Fracturing regulations vary widely because they are regulated at the state level. States continue to evaluate fracturing activities and their impact on the environment. Legislation for broader federal regulation of hydraulic fracturing operations and the reporting and public disclosure of chemicals used in the fracturing process could be enacted. Additionally, the U. S. Environmental Protection Agency (the " EPA ") has asserted federal regulatory authority over certain hydraulic fracturing activities involving diesel fuel under the U. S. Safe Drinking Water Act. Our Energy segment' s customers' operations could be adversely affected if additional regulation or permitting requirements were to be required for hydraulic fracturing activities, which could have an adverse effect on our results of operations. Although our subsidiaries maintain environmental insurance coverage, this insurance may not be sufficient to cover the financial, legal, business or reputational losses that may result from litigation, regulatory actions, proceedings or investigations as a result of non- compliance or violations of EHS requirements, as well as any other EHS- related matters. A failure or inability by us or any of our subsidiaries to comply with existing or future EHS regulations could therefore require us to incur substantial costs, including cleanup costs, fines or sanctions, and subject us to third- party claims for property damage or personal injury. Any material violations of these laws can lead to significant remediation requirements and administrative oversight, substantial liability, revocations of discharge permits, fines or penalties, and any new laws, regulations and enforcement policies could become more stringent and significantly increase our compliance costs or limit our future business opportunities, negatively impacting our financial condition, business and results of operations. In addition to EHS legal and regulatory requirements, growing stakeholder engagement with respect to sustainability matters could cause our subsidiaries to alter their manufacturing processes or business operations, which could require them to incur substantial expense. Any failure to comply with stakeholder requests, in particular, the ability to meet customer requirements or sustainability targets, could adversely impact the demand of our businesses' products and subject us and our subsidiaries to significant costs and liabilities and reputational risks, any of which could adversely affect our business, financial condition and results of operations. For more information on regulations relating to **greenhouse gases ("** GHG **")** emissions, see " The risks associated with climate change, including our ability to comply with legislation or regulations restricting emissions of greenhouse gases, could result in increased costs and reduced demand for our services in our Energy segment. " **Increased** ~~The risks that climate change poses through chronic environmental changes and acute, weather- related events continues to attract considerable~~ public **concern** and ~~scientific attention in the United States and abroad. Governmental~~ **governmental** ~~bodies at~~ **action may result in more** international, ~~national~~ **U. S. federal** , regional, state and local **requirements** ~~levels are taking actions~~ to monitor, limit, restrict and / or eliminate emissions of ~~greenhouse gases ("~~ GHG ~~")~~ . In addition, companies and their stakeholders, including shareholders and non- governmental organizations, are seeking ways to reduce GHG emissions through private ordering. Any such regulation of GHG emissions, or climate impacts generally, could adversely affect our Energy business' s operations, as well as the operations of its customers, as a result of their links to the production and processing of fossil fuels and GHG emissions. Although we are not a fossil fuel producer, our Energy segment directly services companies involved in the production and processing of fossil fuels. In the United States, no comprehensive climate change legislation has been implemented federally. However, the ~~U. S. Environmental Protection Agency (the "~~ EPA ~~")~~ has adopted rules that, among other things, establish construction and operating permit reviews for GHG emissions from certain large stationary sources, require the monitoring and reporting of GHG emissions from certain petroleum and natural gas system sources, implement standards directing the reduction of methane from certain facilities in the oil and gas sector, and, together with the U. S. Department of Transportation, implement GHG emissions limits on vehicles manufactured for domestic operations. Additionally, various states have adopted or are considering adopting legislation and regulation focused on GHG cap- and- trade programs, carbon taxes, reporting and tracking programs and emissions limits. Additionally, the Biden administration continued to highlight its nascent climate agenda, which includes targets of a (i) carbon pollution- free power sector by 2035 and (ii) net- zero (i. e., carbon reduction is equal to or greater than carbon emissions) economy by 2050. A social and climate bill aimed at achieving certain of these goals is currently undergoing revision and reconsideration at the congressional level, but if passed, would expand spending and incentives to reduce corporate levels of fossil energy production. President Biden has also announced the United States' Nationally Determined Contribution (the " NDC ") under the Paris Agreement at his summit on climate change on April 22, 2021, which focuses on achieving, by 2030, a 50 % to 52 % reduction from 2005 levels in economy- wide net GHG pollution. In addition, the SEC proposed rules in March 2022 that would require public companies to include extensive climate- related disclosures in their SEC filings. Among other things, the proposed SEC rules, if adopted as written, would mandate disclosures on (i) GHG emissions, including Scope 3 emissions if material or part of a company' s emissions goal, (ii) financial impact and expenditure metrics relating to severe weather and climate change and (iii) a company' s use of scenario analysis and climate targets. Although the SEC has not finalized these rules, we would expect to incur substantial additional compliance costs to the extent these or similar rules are adopted. The Inflation Reduction Act of 2022 (the " IRA "), which was signed into law in August 2022, directs nearly $ 400 billion of federal spending to be used toward reducing carbon emissions and funding clean energy over the next 10 years and is designed to encourage private investment in clean energy, transport and manufacturing. In addition, fossil fuel producers face increasing litigation risks from local governments and financial risks from liquidity sources that have become more attentive to sustainability, such as shareholders who may shift their investments into other sectors and institutional lenders who may decrease to funding fossil fuel companies. These changes in the investing and financing markets, and cost increases or demand volatility in connection with the adoption and implementation of new or more stringent GHG- related legislation or regulation on the oil and gas sector, could in turn reduce demand for our Energy business' s well servicing, workover and other services. Additionally, measures taken with respect to GHG emissions, whether through governmental mandates or private ordering, could increase costs in our Energy segment businesses in the form of taxes or emission allowances, facilities improvements, and energy costs, which would increase our operating expenses through higher utility, transportation, and more expensive materials. Political, litigation and financial risks could also result in the oil and gas customers of our Energy business restricting or cancelling production activities, incurring liability in connection with climate- related changes or impairing their ability to continue operating economically, which could also decrease demand for that business' s services. We could incur significant costs, as a result of complying with or failing to comply with other extensive regulations, including banking regulations, to which our businesses are subject. We and our businesses are subject to extensive regulation by U. S. and non- U. S. governmental and self- regulatory entities at the federal, state and local levels, including laws related to anti- corruption, privacy matters, banking, health and safety, import laws and export control and economic sanctions, and the sale of products and services to government entities. In addition, the consumer and business lending programs offered by WebBank are subject to extensive legal requirements at the federal and state levels, **as** described ~~in more detail~~ below ~~. If WebBank or its programs do not comply with these laws, it may be subject to claims for damages, fines, penalties or other relief, and may face regulatory examination and enforcement action, and some violations could result in an underlying loan being found invalid or unenforceable, or subject to payment defenses~~ . As discussed above, our businesses must comply with substantial additional regulations. Failure to comply with these or any other regulations could result in civil and criminal, monetary and non- monetary penalties, disruptions to our business, limitations on our ability to manufacture, import, export and sell products and services, disbarment from selling to certain federal agencies, damage to our reputation and loss of customers and could cause us to incur significant legal and investigatory fees. Compliance with these and other regulations may also require us to incur significant expenses. The products and operations of our businesses are also often subject to the rules of industrial standards bodies such as the International Organization for Standardization (**"** ISO **"**), and failure to comply with these rules could result in withdrawal of certifications needed to sell our products and services and otherwise adversely impact our financial condition. WebBank operates in a highly regulated environment, and its lending programs are subject to extensive federal and state regulation. Ongoing legislative and regulatory actions may significantly affect our liquidity or financial condition. The consumer and business lending programs offered by WebBank are subject to extensive legal requirements at the federal and state levels.

Among the laws that may be applicable to some or all of the programs offered by WebBank are: • the Federal Truth in Lending Act and Regulation Z promulgated thereunder, which require certain disclosures to borrowers regarding the terms of their loans **and impose requirements and restrictions when extending consumer credit** ; • the Dodd- Frank Wall Street Reform and Consumer Protection Act (the" Dodd- Frank Act"), the Federal Trade Commission Act and state laws that prohibit unfair, deceptive, or abusive acts or practices; • the Federal Equal Credit Opportunity Act and Regulation B promulgated thereunder, which prohibit discrimination in the extension of credit on the basis of age, race, color, sex, religion, marital status, national origin, receipt of public assistance or the exercise of any right under the Consumer Credit Protection Act; • the Fair Credit Reporting Act, which governs the use of credit reports and the reporting of information to credit bureaus, and imposes restrictions on the marketing of credit products through prescreened solicitations based on credit report information; • the Electronic Fund ~~Transaction~~ **Transfer** Act and Regulation E promulgated thereunder, which ~~requires~~ - **require** certain disclosures and imposes certain requirements on banks that provide electronic transfers of funds for consumers; • the Service Members Civil Relief Act and the Military Lending Act, which impose rate limitations and other requirements in connection with the credit obligations of active duty military personnel and certain of their dependents; • federal and state laws relating to privacy and the safeguarding of personally identifiable consumer information and data breach notification; • the Bank Secrecy Act, which relates to compliance with anti- money laundering, customer due diligence and record- keeping policies and procedures; and • laws governing the permissibility of the interest rates and fees that are charged to borrowers. The ~~Dodd- Frank Act, which was signed into law in 2010, is intended primarily to overhaul the financial regulatory framework and impacts all financial institutions, including WebBank. The Dodd- Frank Act, among other things, established the Consumer Financial Protection Bureau (" CFPB") and Financial Stability Oversight Council, consolidated certain federal bank regulators and imposed increased corporate governance and executive compensation requirements. The Economic Growth, Regulatory Relief, and Consumer Protection Act, which was signed into law in May 2018, amended the Dodd- Frank Act in some respects, but many of the requirements of the Dodd- Frank Act remain in effect. The~~ extent and complexity of this regulatory **environment** ~~framework and other regulations~~ has increased WebBank' s regulatory compliance burden and therefore has increased its regulatory risk. If WebBank or its programs do not comply with these laws, it may be subject to claims for damages, fines, penalties or other relief, and may face regulatory scrutiny ~~. In addition~~ , **including examination and enforcement action, and** some violations could result in an underlying loan being found invalid or unenforceable, or subject to payment defenses. Any of these violations could result in the imposition of liability on WebBank, although WebBank may have indemnification rights for certain claims. In addition, there could be limitations on WebBank' s ongoing or future business. **As part of the bank regulatory process, the Federal Reserve, the FDIC and the UDFI, among other federal and state agencies, may periodically conduct examinations of** WebBank **, including compliance** ~~offers lending programs through relationships~~ with ~~Marketing Partners~~ **laws and regulations** . **The authority of the FDIC and the UDFI includes the ability to examine** WebBank **,** and its Marketing Partners ~~are subject to supervision by the FDIC~~ and the **lending programs with such** ~~UDFI. The authority of the FDIC and the UDFI includes the ability to examine WebBank, the~~ Marketing Partners ~~and the programs~~ . The FDIC and **the** UDFI also may bring enforcement actions against WebBank and its Marketing Partners if they detect any violations of law. These enforcement actions could result in monetary liability on WebBank, increased compliance obligations or limitations on its ongoing and future business. Other regulators, including the **Consumer Financial Protection Bureau ("** CFPB **")** , the Federal Trade Commission (" FTC") and state regulators and attorneys- general, **has, and** may **in the future,** bring investigations and enforcement actions against WebBank' s Marketing Partners ~~. In 2018, the FTC brought such an enforcement action against one of WebBank' s Marketing Partners. That matter was settled in 2021, with the Marketing Partner agreeing to certain changes in its practices and to pay $ 18, 000, of which $ 17, 600 was ultimately paid in customer refunds. In 2019, the FTC reached a settlement with another WebBank Marketing Partner, in which the Marketing Partner agreed to change certain practices and to pay $ 3, 850 to the FTC as equitable monetary relief~~ . These actions against Marketing Partners may increase WebBank' s own regulators' scrutiny of WebBank' s business and could result in an increased risk of investigations or claims being brought against WebBank. The U. S. Congress and state legislatures and federal and state regulatory authorities continually review banking laws, regulations and policies for possible changes. ~~In October 2021 a new Director took office at the CFPB, and he has announced new priorities that include some of the financial products and services offered by WebBank.~~ The CFPB may revise or enact new regulatory requirements or revise or adopt new regulatory interpretations that could affect WebBank, its Marketing Partners and programs. ~~A~~ **In 2023, a** new chairman **took** ~~has also taken~~ office at the FDIC, and he ~~has~~ adopted a different set of priorities than ~~under~~ the prior agency leadership, which could result in increased scrutiny on WebBank' s business. The Biden administration may make other ~~agency~~ changes that could also affect WebBank. The FDIC has adopted a final rule codifying its practices for supervising certain industrial banks and their parent companies. Although the rule does not directly apply to us or to WebBank at this time, the potential impact that the rule may have on our business, financial condition or results of operations in the future remains uncertain. **The FDIC and other banking regulators have also adopted a final rule regarding the obligations of banks when contracting with third parties, which includes WebBank' s relationships with its Marketing Partners. In June 2023, Colorado enacted a law to opt out from interest rate preemption afforded state- chartered banks, such as WebBank, with respect to loans and certain types of credit cards issued to Colorado consumers, pursuant to the Depository Institutions Deregulation and Monetary Control Act of 1980 (" DIDMCA"). The law becomes effective July 1, 2024. Iowa and Puerto Rico previously opted out of the DIDMCA. The consumer and business lending programs offered by WebBank rely on WebBank' s ability to charge the interest rates and fees permitted by WebBank' s home state of Utah to consumers and businesses that are residents of other jurisdictions. Colorado' s opt out from the DIDMCA and any opt outs by other states or jurisdictions, could negatively impact WebBank' s ongoing or future business.** We cannot predict whether additional legislation or regulations will be enacted and, if enacted, the effect that it would have on our business, financial condition or results of operations. Future cash flows from operations or through financings may not be sufficient to enable the Company to meet its obligations under its senior credit facility, and this would likely have a material adverse effect on its businesses, financial condition and results of operations, and credit market volatility may affect our ability to refinance our existing debt, borrow funds under our existing lines of credit or incur additional debt. As of December 31, ~~2022~~ **2023** , the Company had $ ~~410~~ **399** , ~~700~~ **300** available under its senior credit facility and $ ~~178~~ **190** , ~~650~~ **449** of outstanding indebtedness under its senior credit facility. There can be no assurances that the Company or its subsidiaries will continue to have access to their lines of credit if their financial performance does not satisfy the financial covenants set forth in the applicable financing agreements. If the Company or its subsidiaries do not meet certain of its financial covenants, and if they are unable to secure necessary waivers or other amendments from the respective lenders on terms acceptable to management, their ability to access available lines of credit could be limited, their debt obligations could be accelerated by the respective lenders and liquidity could be adversely affected. If the Company' s or its subsidiaries' cash needs are significantly greater than anticipated or they do not materially meet their business plans, or there are unanticipated downturns in the markets for the Company' s and its subsidiaries' products and services, the Company or its subsidiaries may be required to seek additional or alternative financing sources. Future disruption and volatility in credit market conditions could have a material adverse impact on the Company' s ability or that of its subsidiaries to refinance debt when it comes due on terms similar to our current credit facilities, or to draw upon existing lines of credit or incur additional debt if needed. There can be no assurance therefore that any such financing will be available or available on acceptable terms. The inability to generate sufficient cash flows from operations or through financings could impair the Company' s or its subsidiaries' liquidity and would likely have a material adverse effect on their businesses, financial condition and results of operations. Our business strategy includes acquisitions, and acquisitions entail numerous risks, including the risk of management diversion and increased costs and expenses, all of which could negatively affect the Company' s profitability. Our business strategy includes, among other things, strategic acquisitions, as well as potential opportunistic acquisitions and strategic actions with respect to our existing investments, such as restructurings, strategic partnerships and collaborations and activist activity. This overall acquisition and investment strategy entails several risks, including the diversion of management' s attention from other business concerns, the incurrence of substantial legal and other advisory fees (including, in the case of activist activity, proxy solicitation fees) and the potential need to finance such acquisitions with additional equity and / or debt. Additionally, to the extent that we are already invested in the entities that are the subject of our acquisitions and other activities, our actions may be temporarily disruptive to the value of the investments, which could adversely affect our financial condition. In addition, once completed, acquisitions may entail further risks, including: unanticipated costs and liabilities of the acquired businesses, including environmental liabilities, that could materially adversely affect our results of operations; increased regulatory compliance relating to the acquired business; difficulties in assimilating acquired businesses, their personnel and their financial reporting systems, which would prevent the expected benefits from the transaction from being realized within the anticipated timeframe; negative effects on existing business relationships with suppliers and customers; and loss of key employees of the acquired businesses. In addition, any future acquisitions could result in the incurrence of additional debt and related interest expense, contingent liabilities and amortization expense related to intangible assets, which could have a material adverse effect on our business, financial condition, operating results and cash flows, or the issuance of additional equity, which could dilute our unitholders' interests. There can be no assurance that we will be able to negotiate any pending acquisition successfully, receive the required approvals for any acquisition or otherwise conclude any acquisition successfully, or that any acquisition will achieve the anticipated synergies or other positive results. Overall, if our acquisition strategy is not successful or if acquisitions are not well integrated into our existing operations, the Company' s profitability, business and financial condition could be negatively affected. Divestitures and contingent liabilities from divested businesses could adversely affect our business and financial results. We continually evaluate the performance and strategic fit of all of our businesses and may sell businesses or product lines. Divestitures involve risks, including difficulties in the separation of operations, services, products and personnel, the diversion of management' s attention from other business concerns, the disruption of our business, the potential loss of key employees and the retention of uncertain contingent liabilities, including environmental liabilities, related to the divested business. When we decide to sell assets or a business, we may encounter difficulty in finding buyers or alternative exit strategies on acceptable terms in a timely manner, which could delay the achievement of our strategic objectives. We may also dispose of a business at a price or on terms that are less desirable than we had anticipated, which could result in significant asset impairment charges, including those related to goodwill and other intangible assets, that could have a material adverse effect on our financial condition and results of operations. In addition, we may experience greater dis- synergies than expected, the impact of the divestiture on our revenue growth may be larger than projected, and some divestitures may be dilutive to earnings. There can be no assurance whether the strategic benefits and expected financial impact of any divestiture will be achieved. We cannot assure you that we will be successful in managing these or any other significant risks that we encounter in divesting a business or product line, and any divestiture we undertake could materially and adversely affect our business, financial condition, results of operations and cash flows. We may sustain losses in our investment portfolio, which could have an adverse effect on our results of operations, financial condition and liquidity. A portion of our assets consists of equity securities which are adjusted to fair value each period, as well as other investments. An adverse change in economic conditions or setbacks to such companies, their operations or business models may result in a decline in the value of these investments. Such declines in value are principally recognized in net income or loss in accordance with U. S. GAAP. Any adverse changes in the financial markets and declines in value of our investments may result in additional losses and could have an adverse effect on our results of operations, financial condition and liquidity. If our businesses are unable to adequately obtain or protect the intellectual property and licenses upon which they rely, or other third parties claim that our businesses have infringed upon or otherwise violated their intellectual property, we could face material adverse effects to our financial condition, businesses and results of operations. The success of each of our businesses depends in part on the trademarks and patents that they own, or their licenses to use others', brand names, proprietary technology and manufacturing techniques. In addition to trademark and patent protection, these businesses rely on copyrights, trade secrets, confidentiality procedures and contractual provisions to protect their intellectual property rights. The steps they have taken to protect their intellectual property rights may not prevent third parties, including our competitors, from using their intellectual property without their authorization or independently developing substantially similar intellectual property. Infringement or misappropriation of our businesses' intellectual property rights, such as the unauthorized manufacture or sale of materials, could result in uncompensated lost market and revenue opportunities. Despite these steps to monitor and detect unauthorized use of our businesses' intellectual property by third parties, any such unauthorized use could reduce or eliminate any competitive advantage our businesses have developed, cause them to lose sales or otherwise harm their business. The businesses' ability to enforce their intellectual property rights is subject to litigation risks, as well as uncertainty as to the protection and enforceability of those rights in some countries. If the businesses seek to enforce their intellectual property rights, it may be subject to claims that those rights are invalid or unenforceable, and others may seek counterclaims against the businesses, which could have a negative impact on their business. If the businesses are unable to enforce and protect intellectual property rights, or if they are circumvented, rendered obsolete or invalidated by the rapid pace of technological change, or stolen or misappropriated by employees or third parties, it could have an adverse impact on their competitive position and business. Third parties may also assert claims that the products, solutions and services of our businesses' infringe upon the rights of others. Whether or not meritorious, defense of these claims can be expensive and time- consuming to defend and resolve, and may divert the efforts and attention of management and personnel. In addition, the laws of foreign countries may not effectively protect our businesses' intellectual property rights. In such cases, the unauthorized use of proprietary information and intellectual property may be made more difficult, time- consuming and costly and could subject our businesses to significant liability for damages and invalidate their property rights. If our businesses face claims based on the theft or unauthorized use or disclosure of third- party trade secrets and other confidential business information, defense against such claims could result in significant expenses and harm our competitive position, all of which could have a significant adverse impact on our business and results of operations. We conduct business outside of the United States, which may expose us to additional risks not typically associated with companies that operate solely in the United States. We conduct business and have operations or own interests in securities of companies with operations outside the United States. These operations have additional risks, including risks relating to currency exchange, changes in tariffs, less developed or efficient financial markets than in the United States, absence of uniform accounting, auditing and financial reporting standards, differences in the legal and regulatory environment, different publicly available information in respect of companies in non- U. S. markets, economic and political risks, public health crises ~~(such as the ongoing coronavirus outbreak)~~ and possible imposition of non- U. S. taxes. There can be no assurance that adverse developments with respect to such risks will not adversely affect our assets that are held in certain countries or the returns from these assets. We also face several risks inherent in conducting business internationally, including compliance with international and U. S. laws and regulations that apply to our international operations. These laws and regulations include data privacy requirements, labor relations laws, tax laws, anti- competition regulations, import and trade restrictions, U. S. laws such as export control laws and the Foreign Corrupt Practices Act, and similar laws in other countries which also prohibit corrupt payments to governmental officials or certain payments or remunerations to customers. Given the high level of complexity of these laws, there is a risk that some provisions may be inadvertently breached. Also, we may be held liable for actions taken by our local partners. Violations of these laws and regulations could result in fines and penalties, criminal sanctions against us, our officers or our employees, administrative remedies and prohibitions on the conduct of our business. Any such violations could include prohibitions on our ability to offer our products and services in one or more countries **. In addition, a significant portion of Steel Connect' s revenue historically has come from Mainland China, and Steel Connect' s business in turn faces certain specific risks relating to operations in Mainland China and its complex and unpredictable political, economic and legal environment. The interpretation and enforcement of many laws, regulations and rules in China involve significant uncertainties, including with respect to intellectual property protection. The legal protections and remedies available in the event of any claims or disputes related to, among other things, confidential information or intellectual property, may be limited and any litigation in Mainland China may be protracted and result in substantial costs and diversion of resources and management attention. Moreover, Steel Connect' s ability to operate in Mainland China may be adversely affected by changes in U. S. and Chinese laws and regulations, such as those related to, among other things, international trade, taxation, intellectual property, currency controls, network security, employee benefits and other matters. Additionally, the U. S. administration has advocated greater restrictions on trade generally and significant increases on tariffs on certain goods imported into the United States, particularly from Mainland China and has taken steps toward restricting trade in certain goods. China and other countries have retaliated in response to new trade policies, treaties and tariffs implemented by the United States. If any of these events occur, Steel Connect' s business, financial condition and results of operations could be materially and adversely affected** . Global trade issues and changes in and uncertainties with respect to trade policies, trade sanctions, tariffs and international trade disputes, may significantly increase the costs or limit supplies of materials and products used in our operations. We import raw materials and products used in our operations from jurisdictions outside of the United States. There is inherent risk, based on the complex relationships among the United States and the countries in which we conduct our business, that political, diplomatic, and national security factors can lead to global trade issues and changes in trade policies and export regulations. Trade restrictions, including withdrawal from or modification of existing trade agreements, negotiation of new trade agreements, non- tariff trade barriers, local content requirements, and imposition of new or retaliatory tariffs against certain countries or covering certain products, including developments in U. S.- China trade relations and sanctions against Russia, could limit our ability to Import certain raw materials and products used in our operations. Policies impacting exchange rates and commodity prices or those limiting the export or import of commodities could have a material adverse effect on the international flow of commodities, which may result in a corresponding negative effect on our operations. These trade conflicts and related escalating governmental actions that result in additional tariffs, duties and / or trade restrictions could increase our operating costs, cause disruptions or shortages in our supply chains and / or negatively impact the United States, regional or local economies, and, individually or in the aggregate, materially and adversely affect our business and our consolidated financial results. Litigation or compliance failures could adversely affect our profitability. The nature of our businesses and our investment strategies expose us to various litigation matters. We contest these matters vigorously and make insurance claims where appropriate. However, litigation is inherently costly and unpredictable, making it difficult to accurately estimate the outcome of any litigation. These lawsuits may include claims for compensatory damages, punitive and consequential damages and / or injunctive relief. The defense of these lawsuits may divert our management' s attention, we may incur significant expenses in defending these lawsuits, and we may be required to pay damage awards or settlements or become subject to equitable remedies that could adversely affect our operations and financial condition. Moreover, any insurance or indemnification rights that we may have may be insufficient or unavailable to protect us against such losses or result in significantly higher premiums in the future. In addition, developments in legal proceedings in any given period may require us to adjust the loss contingency estimates that we have recorded in our consolidated financial statements, record estimates or reserves for liabilities or assets previously not susceptible of reasonable estimates or pay cash settlements or judgments. Any of these developments could adversely affect our financial condition in any particular period. Although we make accruals as we believe warranted, the amounts that we accrue could vary significantly from any amounts we actually pay due to the inherent uncertainties in the estimation process. For more information, see Part I, Item 3, " Legal Proceedings ". A significant disruption in, or breach in security of, our technology systems could adversely affect our business. We rely on information and operational technology systems in the conduct of our business to process, transmit and store electronic information, to manufacture our products and to manage or support a variety of critical business processes and activities. In some cases, we may rely upon third- party providers of hosting, support and other services to meet our information technology requirements. Our information and operational technology systems are subject to disruption, damage or failure from a variety of sources, including, without limitation, computer viruses, security breaches, cyber- attacks, ransomware attacks, natural disasters and defects in design. We may also face increased cybersecurity risks associated with an extensive workforce now working remotely, as remote working environments have become less secure and more susceptible to hacking attacks, including phishing and social engineering attempts. Cybersecurity incidents in particular are evolving and include, but are not limited to, use of malicious software, attempts to gain unauthorized access to data or control of automated production systems, and other security breaches that could lead to disruptions in systems, unauthorized release of confidential or otherwise protected information and the corruption of data. We have implemented various measures to manage and mitigate risks related to technology systems and network disruption. We maintain an information security program that includes cybersecurity awareness training for employees, consistent infrastructure security practices across user account access, endpoint protection, email and perimeter security, as well as continuous monitoring and logging of network activity and tracking for rapid incident response. We believe that these preventative actions provide us and our businesses with adequate measures of protection against security breaches and work to reduce technology disruptions and cybersecurity risks. However, given the unpredictability of the timing, nature and scope of technology security incidents and disruptions, our businesses have been, and could potentially be, subject to production downtimes, operational delays, the compromising of confidential or otherwise protected information, destruction or corruption of data, security breaches, theft, other manipulation or improper use of our systems and networks or financial losses from remedial actions, any of which could have a material adverse effect on our competitive position, financial condition, reputation or results of operations. We have experienced, and could experience in the future, actual or attempted cyber- attacks of our information technology systems or networks, yet none of these actual or attempted cyber- attacks has had a material effect on our operations or financial condition. Further, any failure by our hosting and support partners or other third- party service providers in the performance of their services could materially harm our business. A breach of our information technology systems could also result in the misappropriation of intellectual property, business plans or trade secrets. Any failure of our systems or those of our third- party service providers could result in unauthorized access or acquisition of such proprietary information, and any actual or perceived security breach could cause significant damage to our reputation and adversely impact our relationships with our customers. Additionally, while our security systems are designed to maintain the physical security of our facilities and information systems, accidental or willful security breaches or other unauthorized access by third parties to our facilities or our information systems could lead to misappropriation of proprietary and confidential information. If any person, including any of our employees or those with whom we share such information, negligently disregards or intentionally breaches our established controls with respect to our client, customer or employee data, or otherwise mismanages or misappropriates that data, we could be subject to significant monetary damages, litigation, regulatory enforcement actions, fines and / or criminal prosecution in one or more jurisdictions. We take cybersecurity seriously and devote significant resources and tools to protect our systems, products and data, prevent unwanted intrusions and disclosures and provide periodic training to our employees, in compliance with applicable U. S. federal and state laws and non- U. S. laws and regulations addressing cybersecurity. However, these security and compliance efforts are costly to implement and may not be successful. As cyber threats are continually evolving, our controls and procedures may become inadequate and we may be required to devote additional resources to modifying or enhancing our systems in the future. There can be no assurance that we will be able to prevent, detect and adequately address or mitigate such cyber- attacks or security breaches. We may also be required to expend resources to remediate cyber- related incidents or to enhance and strengthen our cybersecurity. Based on our cybersecurity program, we do not maintain dedicated cybersecurity insurance. Any such breach could have a material adverse effect on our operations and our reputation and could cause irreparable damage to us or our systems, regardless of whether we or our third- party providers are able to adequately recover critical systems following a systems failure. Current and proposed laws and regulations regarding the protection of personal data could result in increased risks of liability or increased cost to us or could limit our service offerings.

Some of our businesses collect and store personal data and any security breaches of our systems could result in the misappropriation or unauthorized disclosure of personal data belonging to us or to our employees, partners, customers or suppliers. The regulatory environment surrounding information security and privacy is increasingly demanding. We are subject to numerous U. S. federal and state laws and non- U. S. laws and regulations governing the privacy, security and protection of personal and confidential information of our customers and employees. In particular, the European Union (" E. U.") has adopted the General Data Protection Regulation, (the “ GDPR ”), which contains numerous requirements for processing personal data of, and honoring the exercise of GDPR specific rights by, E. U.- based data subjects and provides for penalties up to the greater of € 20, 000 or 4 % of worldwide gross revenue for violation. We are subject to the GDPR with respect to our E. U. operations and employees. Privacy laws such as the GDPR and similar laws and regulations are increasing in complexity and number, change frequently and sometimes conflict. In particular, as the E. U. member states reframe their national legislation to harmonize with the GDPR, we will need to monitor compliance with each relevant E. U. member states’ laws and regulations, including where permitted derogations from the GDPR are introduced. ~~In addition~~ **U. S. states** , ~~in 2018~~ **such as** California **,** ~~enacted a comprehensive data privacy law that granted new rights to California residents; that law was subsequently amended by a ballot initiative in 2020. Other states~~ have ~~also~~ adopted comprehensive data privacy laws. Additional laws may be enacted ~~in~~ **at** ~~other--~~ **the** ~~states--~~ **state** or at the U. S. federal level. The GDPR, any resultant changes in E. U. member states’ national laws and regulations, and existing or new U. S. federal or state data privacy laws and regulations may increase our compliance obligations and may necessitate the review and implementation of policies and processes relating to our collection, security and use of data. This increase in compliance obligations could also lead to an increase in compliance costs which may have an adverse impact on our business, financial condition and results of operations. Moreover, failure to comply with these data protection and privacy regulations and rules in various jurisdictions, or to resolve any serious privacy or security complaints, could subject us to regulatory sanctions, criminal prosecution or civil liability. Additionally, if we violate applicable laws, regulations or duties relating to the use, privacy or security of personal data, we could be subject to civil liability or criminal prosecution, be forced to alter our business practices and suffer reputational harm. Labor disputes, as well as the continued or further unionization of our **, and our suppliers’,** workforce ~~and at our suppliers,~~ could increase our costs and cause work stoppages that may have an adverse effect on the Company’ s business. Some of our businesses are party to collective bargaining agreements with various labor unions in the United States and internationally. For more information, see Part I, Item 1, “ Business – Employees ”. We may be subject to, among other things, strikes, work stoppages or work slowdowns as a result of disputes under these collective bargaining agreements and labor contracts or our potential inability to negotiate acceptable contracts with these unions. If the unionized workers in the ~~United States~~ **U. S.** or internationally were to engage in a strike, work stoppage or other slowdown, if other employees were to become unionized or if the terms and conditions in future labor agreements were renegotiated, our businesses could experience a significant disruption in their operations, which could cause them to be unable to deliver products to customers on a timely basis. Such disruptions could also result in loss of business and higher ongoing labor costs **. In addition, our Diversified Industrial segment may be impacted by work stoppages or slowdowns experienced by automakers, or their suppliers, which could result in slowdowns or closures of assembly plants where our products are included in assembled vehicles. The labor strike by the United Auto Workers (" UAW") resulted in temporary work stoppages or slowdowns at the U. S. locations of assembly plants and distribution facilities of certain of the Diversified Industrial segment' s customers. The strike has impacted our operations, but to date has not had a material impact on our consolidated results. The UAW has recently reached a tentative labor agreement with each of the impacted auto makers. If the tentative agreements are not ratified, and a continued or expanded strike ensues, it could materially adversely impact our automotive supply chain (causing delay or non- delivery of goods and services) and could materially reduce the demand for our goods and services to our customers. If this occurs, it could have a material adverse effect on our business and our results of operations** . Additionally, we believe some of our direct and indirect suppliers have unionized workforces. Strikes, work stoppages or slowdowns experienced by suppliers could result in slowdowns or closures of facilities where components of our products are manufactured or delivered. Any interruption in the production or delivery of these components could reduce sales, increase costs and have a material adverse effect on us. WebBank ~~’~~**'** s status as lender of the loans it offers, and the ability of assignees to collect interest, may be challenged, and these challenges could negatively impact WebBank’ s ongoing and future business. WebBank ~~’~~**'** s business includes lending programs with Marketing Partners, where the Marketing Partners provide origination servicing for the loans and subsequently purchase the loans (or interests in the loans) that are originated by WebBank. There have been litigation and regulatory actions which have challenged lending arrangements where a bank has made a loan and then sold and assigned it to an entity that is engaged in assisting with the origination and servicing of the loan. Some of these cases have alleged that the marketing and servicing entity should be viewed as the “ true creditor ” of the loans originated through the lending program, and the bank should be disregarded. If this type of challenge is successful, state law interest rate limitations and other requirements that apply to non- bank lenders would then be applicable, instead of the federal interest rate laws that govern bank lenders. Other cases have relied on the claim that even if a bank originated a loan based on the federal interest rate laws, an assignee of a bank is not permitted to rely on the federal law and is instead subject to state law limitations. **In addition, several states have adopted laws that purport to identify which entity is the lender of a loan. For example, in 2021, Maine adopted a law that, among other things, may deem an entity to be the lender of a loan if it meets certain statutory requirements.** Certain of these challenges have been brought or threatened in programs involving WebBank. In 2021, Congress enacted a joint resolution under the Congressional Review Act that was signed by the president that had the effect of repealing a regulation adopted by the Office of the Comptroller of the Currency. That regulation had provided clarity on the question of when a bank is the lender of a loan and, although not directly applicable to WebBank, may have provided support for the manner in which WebBank conducts its lending business. Because of the repeal, these arguments will not be available in the event of a future challenge. Additional cases or regulatory actions ~~of this type~~, if successfully brought against WebBank or its Marketing Partners or others, could negatively impact WebBank' s ongoing and future business ~~. In addition, several states have adopted laws that purport to identify which entity is the lender of a loan. For example, in 2021, Maine adopted a law that, among other things, may deem an entity to be the lender of a loan if it (a) holds, acquires or maintains the " predominant economic interest in the loan, " (b) markets, arranges or facilitates the loan and holds the right to purchase the loan or interest in the loan, or (c) based on the totality of the circumstances, appears to be the lender, and the transaction is structured to evade certain state statutory requirements~~. WebBank continues to structure its programs, and to exercise control over these programs, to address these risks, although there can be no assurance that additional cases or regulatory actions will not be brought in the future. **State regulators have also made claims that WebBank and its Marketing Partners are required to obtain licenses under state laws, and those licenses may have the effect of restricting the business of the licensed entity.** WebBank is subject to capital requirements, and SPLP could be called upon by the FDIC to infuse additional capital into WebBank to the extent that WebBank fails to satisfy its capital requirements. ~~In July 2013,~~ **WebBank is subject to capital requirements administered by various federal regulators in** the **U. S. and, accordingly, must meet specific capital guidelines. The** Federal Reserve **and** ~~Board, the~~ **other federal banking regulators have** ~~Office of the Comptroller of the Currency and the FDIC issued rules that~~ implemented the **global regulatory capital requirements of** Basel III ~~changes to the international regulatory capital framework~~ and **certain** ~~revised the U. S. risk-based and leverage capital~~ requirements **implemented by** ~~for U. S. banking organizations in order to strengthen identified areas of weakness in capital rules and to address relevant provisions of~~ the Dodd- Frank Act. FDIC regulations implementing the Basel III Accord modified WebBank' s minimum capital requirements by defining what constitutes capital for regulatory capital purposes and adding a 4. 5 % Common Equity Tier 1 ratio and increased the Tier 1 capital ratio requirement from 4 % to 6 %. FDIC regulations also require WebBank to comply with a total capital ratio of 8 % and a leverage ratio of 4 %. Additionally, WebBank is expected to maintain a Capital Conservation Buffer (composed solely of common equity Tier 1 capital) equal to 2. 5 % above the new regulatory minimum capital requirements. The Capital Conservation Buffer is on top of the minimum risk-weighted capital ratios and had the effect of increasing those ratios by 2. 5 % each. A failure of WebBank to maintain the aggregate minimum capital required by the Capital Conservation Buffer will impair its ability to make certain distributions (including dividends and stock repurchases) and discretionary bonus payments to executive officers. A failure of WebBank to maintain capital as required by the FDIC' s minimum capital requirements would subject WebBank to the FDIC' s prompt corrective action regime, which may further impair WebBank' s ability to make payments or distributions and may require a capital restoration plan or other corrective regulatory measures. **As a result, our business, results of operations, financial condition and prospects could be adversely affected.** The Federal Reserve Board, the Office of the Comptroller of the Currency and the FDIC have continued to amend regulations implementing Basel III in the United States in certain respects and are expected to make further amendments to these regulatory capital rules **. On July 27, 2023, the Federal Reserve Board, the Office of the Comptroller of the Currency and the FDIC issued a proposal that would significantly revise U. S. regulatory capital requirements for large banking organizations. If adopted as proposed, it would not directly modify the capital requirements applicable to WebBank. However, the Company cannot predict whether any changes adopted in the final rule will have an impact on WebBank or whether there will be any additional amendments to the regulatory capital rules directly applicable to WebBank**. The Company currently cannot predict the specific impact and long- term effects that Basel III and its implementation in the U. S. will have on WebBank and the banking industry more generally. Furthermore, the Dodd- Frank Act codified a longstanding policy that all companies that directly or indirectly control an FDIC- insured bank are required to serve as a source of financial strength for such institution. As a result, SPLP could be called upon by the FDIC to infuse additional capital into WebBank to the extent that WebBank fails to satisfy its capital requirements, including at times that SPLP might not otherwise be inclined to provide it and even if doing so may adversely affect SPLP' s ability to meet its other obligations, which include limitations on capital contributions to WebBank specified in the Company' s senior credit facility. WebBank' s lending programs depend on relationships with Marketing Partners. WebBank offers its lending programs with Marketing Partners. For the years ended December 31, **2023 and** 2022 ~~and 2021~~, the two highest grossing contractual lending programs combined accounted for approximately **24. 9 % and** 18 ~~% and 7~~ %, respectively, of WebBank' s total net revenue. If its Marketing Partners do not provide origination services or other services to WebBank, or provide those services in a faulty manner, that may negatively impact WebBank' s ongoing and future business. In addition, if the Marketing Partners or other third parties do not purchase the loans (or interests in loans) that are originated by WebBank, then WebBank may need to retain those loans (or interests in loans), which may negatively impact its ongoing and future business. Marketing Partners are also required to indemnify WebBank for certain liabilities that may arise from the lending programs. If Marketing Partners are unable or unwilling to satisfy their indemnification obligations, then WebBank would face increased risk from liability for claims made in private litigation or regulatory enforcement actions. Additionally, Marketing Partners may rely on outside sources of capital to meet their obligations. Market conditions and other factors may affect the availability of capital for Marketing Partners. The availability of capital may affect the volume of loans that can be originated through WebBank' s lending programs. In recent periods, the availability of capital has been more limited for several of WebBank' s Marketing Partners, resulting in a decrease in loan volume and a negative impact on WebBank' s business. WebBank is subject to risks of litigation from its borrowers or others regarding the processing of loans for the Paycheck Protection Program **, or PPP,** and risks that the Small Business Administration may not fund some or all **PPP** ~~Paycheck Protection Program~~ loan guaranties. The CARES Act included a $ 349, 000, 000 loan program administered through the **Small Business Administration' s ("** SBA **")** referred to as the Paycheck Protection Program. The PPP had subsequently been expanded and extended under additional legislation. Under the PPP, small businesses and other entities and individuals could apply for loans from existing SBA lenders and other approved regulated lenders. WebBank participated as a lender in the PPP. Because of the short timeframe between the passing of the CARES Act and the opening of the PPP, there was some ambiguity in the laws, rules and guidance regarding the operation of the PPP along with the continually evolving nature of the SBA rules, interpretations and guidelines concerning this program, which exposes WebBank to risks relating to noncompliance with the PPP. Since the launch of the PPP, several banks have been subject to litigation regarding the process and procedures that such banks used in processing applications for the PPP. As such, WebBank may be exposed to the risk of litigation, from both borrowers and non- borrowers that approached WebBank regarding PPP loans, regarding its process and procedures used in processing applications for the PPP. WebBank may also be subject to investigations or enforcement actions by state and federal authorities, including the SBA. If any such litigation or government action is brought against WebBank and is not resolved in a manner favorable to WebBank, it may result in significant financial liability or adversely affect its reputation. In addition, litigation and government actions can be costly, regardless of outcome. Any financial liability, litigation costs or reputational damage caused by PPP- related litigation or government actions could have a material adverse impact on WebBank' s business, financial condition and results of operations. WebBank also has credit risk on PPP loans if a determination is made by the SBA that there is a deficiency in the manner in which the loan was originated, underwritten, certified by the borrower, funded, or serviced by WebBank or its third- party servicers, such as an issue with the eligibility of a borrower to receive a PPP loan, which may or may not be related to the ambiguity in the laws, rules and guidance regarding the operation of the PPP. In the event of a loss resulting from a default on a PPP loan and a determination by the SBA that there was a deficiency in the manner in which the PPP loan was originated, certified by the borrower, funded, or serviced by WebBank or its third- party services, the SBA may deny its liability under the guaranty, reduce the amount of the guaranty, or, if it has already paid under the guaranty, seek recovery of any loss related to the deficiency from WebBank ~~that could result~~ **.As more fully described** in ~~a decrease in lending~~ **Part II,Item 7A," Quantitative** and ~~demand for consumer loans.~~ **Qualitative Disclosures About Market Risk,"** WebBank derives a portion of its income from the excess of interest collected over interest paid.The rates of interest WebBank earns on assets and pays on liabilities generally are established contractually for a period of time.Market interest rates change over time.Accordingly,WebBank' s results of operations,like those of most financial institutions,are impacted by changes in interest rates and the interest rate sensitivity of its assets and liabilities.WebBank monitors and measures its exposure to changes in interest rates in order to comply with applicable government regulations and to limit the risk that changing interest rates could have a negative impact on its results of operations.There can be no assurance,however,that,in the event of adverse changes in interest rates,WebBank' s efforts to limit interest rate risk will be successful ~~.Our businesses have been,and may~~ . Our subsidiaries do not have long- term contracts with all of their customers, and the loss of customers with which we do not have long- term contracts could materially adversely affect our financial condition, business and results of operations. Our businesses are based primarily upon individual orders, sales and service agreements with customers and not long- term contracts. As such, these customers could cease buying products or using our services at any time, for any reason, and with little or no notice, and we will have no recourse in the event a customer no longer wants to purchase products from us or use our services. If a significant number of our customers reduce or elect not to purchase products or use our services, or we have to make price concessions in order to retain certain customers, it could materially adversely affect our financial condition, business and results of operations. In the event of termination, our subsidiaries' contracts sometimes provide for fees for winding down the products or services, but these fees may not be sufficient for us to maintain the revenues associated with the canceled contract or to compensate for the losses incurred in finding replacement sources of revenue. Failure to maintain effective internal control over financial reporting could result in material misstatements in our financial statements, and a failure to meet its reporting and financial obligations, each of which could adversely affect our results of operations and financial condition. We **have** ~~are required to maintain internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of our financial statements for external purposes~~ in ~~accordance with current accounting principles generally accepted in~~ the **past** ~~United States (" U. S. GAAP "). Under the direction of our Principal Executive Officer and Principal Financial Officer~~ , ~~in 2020, our management conducted an~~ **and may** ~~evaluation of the effectiveness of our disclosure controls and procedures and internal control over financial reporting and identified control deficiencies that constituted material weaknesses~~ in **the future,** ~~our internal control over financial reporting. This led management to~~ conclude that our ~~disclosure~~ **internal** controls and procedures ~~and internal control~~ over financial reporting were not effective ~~as of December 31, 2020 and again as of December 31, 2021~~ . ~~These~~ **Several years ago we identified** material weaknesses ~~resulted~~ in ~~revisions to~~ our ~~consolidated financial statements for the 2019 and interim 2020 periods. As discussed in Part II, Item 9A, " Controls and Procedures, " the Company developed and implemented a remediation plan designed to address these material weaknesses, and our management has re- evaluated its assessment of the effectiveness of its disclosure controls and procedures and~~ internal control over financial reporting **which** ~~,~~ ~~concluding that they~~ were ~~effective~~ **remediated** as of December 31, 2022. However, the use of such remediation measures may not be sufficient going forward, and any failure to maintain effective internal control could lead us to conclude that we have one or more material weaknesses in the future. Failure to maintain effective internal control or further revisions of our prior financial statements, among other things, could cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of our common and preferred units and limit our ability to raise capital, may cause us to fail to meet our reporting obligations and may require us to incur additional costs to improve our internal control system. If we cannot provide reliable financial reports or prevent fraud and errors in our financial statements, our reputation and operating results could also be materially adversely affected. In addition, we could become subject to investigations by the stock exchange on which our securities are listed, the SEC and other regulatory authorities or private litigation, which could require additional financial and management resources. For more information, including on our remediation plan, see Part II, Item 9A, ~~"~~ **"** Controls and Procedures. ~~"~~ **"** Epidemics, pandemics, outbreaks of disease and other adverse public health developments **have** ~~,~~ ~~including COVID- 19, previously had~~ , and may in the future have, an adverse effect on our business, results of operations, financial condition and cash flows. Epidemics, pandemics, outbreaks of novel diseases and other adverse public health developments in countries and states where we operate may arise at any time. Such developments, including the COVID- 19 pandemic, have had, and in the future may have, an adverse effect on our business, results of operations, financial condition and cash flows. These effects include **disruption in the global financial markets** ~~a potentially negative impact on our business activity and limited availability and productivity among our workforce and suppliers. In particular~~ , reduced customer demand for our businesses' products, disruption in or closures of our manufacturing operations or those of our customers and suppliers, delays and disruption in the supply chain, limited productivity and efficiency of our personnel, availability of qualified personnel and increased cybersecurity risks associated with remote working environments, could increase our costs ~~for raw materials and commodity costs~~ , limit our ability to meet customer demand or otherwise have a material adverse effect on our business, results of operations, financial condition and cash flows. ~~Precautionary measures that we~~ **The extent to which our operating and financial results will be and** may **continue** ~~take in the future intended~~ to **be affected by** ~~limit the impact of any epidemic, pandemic, disease outbreak or other~~ public health **emergencies** ~~development, may result in additional costs. In addition, such epidemics, pandemics, disease outbreaks or other public health developments may adversely affect economies and financial markets throughout the world, such as the effect that COVID- 19 has had on world economies and financial markets, which may affect our ability to obtain additional financing for our businesses and demand for our products and services. The extent to which COVID- 19 or other pandemics will impact our business and our financial results in the future~~ will depend on ~~future developments~~ **various factors beyond our control** , ~~which are highly uncertain and cannot be predicted. Such~~ **such** ~~developments~~ **as the continued severity and duration of the public health emergencies, including any sustained geographic resurgence; the emergence of new variants and strains of a contagious disease or virus; and the success of actions to contain or mitigate the effects of the public health emergency. A public health emergency, and volatile regional and global economic conditions stemming from a public health emergency,** may ~~include ongoing spread~~ **also magnify the impact** of ~~the~~ **other risks described in** ~~virus, disease severity, outbreak duration, extent of any reoccurrence of the coronavirus or any evolutions or mutations of the virus, and availability, administration and effectiveness of vaccines and development of therapeutic treatments that can restore consumer and business economic confidence. As a result, we cannot predict at~~ this **" Risk Factors " section** ~~time the full extent to which COVID- 19 may continue to impact adversely our business, results of operations and financial condition, and in particular, the disruption to the supply and manufacturing of, and demand for, our businesses' products, which will depend on such future developments~~ . The conflict in Ukraine and related price volatility and geopolitical instability could negatively impact our business. In late February 2022, Russia launched significant military action against Ukraine. The conflict has caused, and could intensify, volatility in crude oil and natural gas, and the extent and duration of the military action, sanctions and resulting market disruptions could be significant and could potentially have a substantial negative impact on the global economy and / or our business for an unknown period of time. There is evidence that the increase in crude oil prices during the first half of calendar year 2022 was partially due to the impact of the conflict between Russia and Ukraine on the global commodity and financial markets, and in response to economic and trade sanctions that certain countries have imposed on Russia. Any such volatility and disruptions may also magnify the impact of other risks described in this " Risk Factors " section. **Loss of essential employees could have a significant negative impact on our business. Our success is largely dependent on the skills, experience and efforts of our management and other employees. The loss of the services of one or more members of our senior management or of numerous employees with essential skills could have a negative effect on our business, financial condition and results of operations. In particular, we rely on an adequate supply of skilled employees at our businesses. Trained and experienced personnel in our businesses' industries are in high demand. We cannot predict whether we will be able to attract, motivate and maintain an adequate skilled workforce necessary to operate our existing and future businesses efficiently, or that labor expenses will not increase as a result of a shortage in the supply of skilled personnel and inflationary pressures on wages thereby adversely impacting our financial performance. While our businesses generally operate with high employee turnover, any material increases in employee turnover rates or any widespread employee dissatisfaction could also have a material adverse effect on our business, financial condition and results of operations.** Risks Related to Our Structure The unitholders have limited recourse to maintain actions against the General Partner, the Board of Directors, our officers and the Manager. The Limited Partnership Agreement of SPLP, or the " Partnership Agreement, " contains broad indemnification and exculpation provisions that limit the right of a unitholder to maintain an action against the General Partner, the Board of Directors, our officers and the Manager, or to recover losses or costs incurred due to action or inaction by these parties which have a negative effect on the Company. Our Partnership Agreement contains certain provisions that may limit the voting rights of some unitholders. Our Partnership Agreement contains specific provisions that are intended to comply with regulatory limitations on the ownership of our securities as a result of our ownership of WebBank. Under the Partnership Agreement, a person or group that acquires beneficial ownership of 10 % or more of the common units without the prior approval of the Board of Directors may lose voting rights with respect to all of its common units in excess of 9. 9 %. We may have conflicts of interest with the minority shareholders of our businesses and decisions may need to be made by disinterested directors, without the participation of directors or officers associated with the Manager and the Company. These decisions may be different from the decisions we would make and may or may not be in the best interests of our unitholders. Because we own less than 100 % of certain affiliates, and we may engage in transactions with these affiliates from time to time, the boards of directors and officers of those businesses, including directors and officers associated with our Manager and the Company, have fiduciary duties to their respective shareholders. As a result, they may make decisions that are in the best interests of their shareholders generally but which are not necessarily in the best interest of our unitholders. In dealings with us, the directors and officers of our businesses may have conflicts of interest and decisions may have to be made without their participation. Such decisions may be different from the decisions we would make and may not be in the best interests of our common and preferred unitholders, which may have an adverse effect on our business and results of operations. There are certain interlocking relationships among us and certain affiliates of Warren G. Lichtenstein, our Executive Chairman, which may present potential conflicts of interest. Warren

G. Lichtenstein, our Executive Chairman and a substantial unitholder, is the Chief Executive Officer of our Manager. As of December 31, ~~2022~~ **2023** , Mr. Lichtenstein directly owned approximately 3. ~~0~~ **7** % of our outstanding common units. In addition, affiliates of our Manager, including Mr. Lichtenstein, beneficially own approximately 75. ~~2~~ **9** % of our outstanding common units, although Mr. Lichtenstein disclaims beneficial ownership of any common units not directly held by him. We have entered into transactions and / or agreements with these entities. There can be no assurance that such entities will not have interests in conflict with our own, or that Mr. Lichtenstein will not have interests different than those of our unitholders. Certain members of our management team may be involved in other business activities that may involve conflicts of interest, possibly diverting their attention from the Company' s operations. Certain individual members of our management team, including Warren G. Lichtenstein, our Executive Chairman, and Jack L. Howard, our President, may from time to time be involved in the management of other businesses, including those owned or controlled by our Manager and its affiliates. Accordingly, these individuals may focus a portion of their time and attention on managing these other businesses. Conflicts may arise in the future between our interests and the interests of the other entities and business activities in which such individuals are involved. Risks Related to Our Manager We depend on Warren G. Lichtenstein, the Chairman and Chief Executive Officer of the Manager, and Jack L. Howard, the President of the Manager, in running our businesses. The loss of their services could have a material adverse effect on our business, results and financial condition. Our success depends on the efforts, skills, reputation and business contacts of Warren G. Lichtenstein, the Chairman and Chief Executive Officer of the Manager and Jack L. Howard, the President of the Manager. While the key members of the Manager have worked for the Manager and its affiliates for many years, our Manager does not have any employment agreements with any of the key members of its management team, and their continued service is not guaranteed. The loss of the services of Mr. Lichtenstein or Mr. Howard could have a material adverse effect on our asset values, revenues, net income and cash flows and could harm our ability to maintain or grow our existing operations or pursue additional opportunities in the future. We cannot determine the amount of the Management Fee that will be paid or Class C partnership units that will be issued over time with any certainty. The Manager is entitled to receive a fee (the ~~“~~ **"** Management Fee ~~”~~ **"**) at an annual rate of 1. 5 % of total partners' capital. Our total partners' capital will be impacted by the performance of our businesses and other businesses we may acquire in the future, as well as the issuance of additional common or preferred units. Changes in our total partners' capital and in the resulting Management Fee could be significant, resulting in a material adverse effect on our results of operations. In addition, if our performance declines, assuming our total partners' capital remains the same, the Management Fee will increase as a percentage of our income. In addition, SPH SPV- I LLC, an affiliate of the Manager, holds incentive units which entitle the holder generally to share in 15 % of the increase in the equity value of the Company, as calculated for the twenty trading days prior to each year end. The incentive units' share of such appreciation is reflected by classifying a portion of the incentive units as Class C units of the Company. Any issuance of such Class C units will result in dilution to existing limited partners' holdings in the Company. ~~As of the annual measurement date on December 31, 2022, 200, 253 incentive units vested. The incentive units are expected to be issued in the first quarter of our fiscal year ending December 31, 2023.~~ Our Manager' s liability is limited under the Management Agreement, and we have agreed to indemnify our Manager against certain liabilities. Such indemnification may incentivize our Manager to take unnecessary risks with respect to actions for which it will be indemnified. Under the Management Agreement, our Manager, its members, officers, employees, affiliates, agents and legal representatives are not liable for, and we have agreed to indemnify such persons from, any loss or expense, including without limitations, any judgment, settlement, reasonable attorneys' fees and other costs and expenses incurred in connection with the defense of any actual or threatened proceeding, other than losses resulting from willful misconduct or gross negligence in the performance of such indemnified person' s obligations and duties. Such indemnification may incentivize our Manager to take unnecessary risks with respect to actions for which it will be indemnified. **The Partnership Agreement limits the General Partner' s fiduciary duties to our unitholders. The Partnership Agreement contains provisions that modify and reduce the fiduciary standards to which the General Partner otherwise would be held by state fiduciary duty law. For example, our limited partnership agreement provides that when our General Partner is acting in its individual capacity, as opposed to in its capacity as our General Partner, it may act without any fiduciary obligations to holders of our units, whatsoever. When our General Partner, in its capacity as our general partner, is permitted or required to make a decision in its" sole discretion" or" discretion" or that it deems" necessary or appropriate" or" necessary or advisable," then, except as otherwise provided in our limited partnership agreement, our General Partner will be entitled to consider only such interests and factors as it desires and will have no duty or obligation (fiduciary or otherwise) to give any consideration to any interest of or factors affecting us or any holder of our units and will not be subject to any different standards imposed by our limited partnership agreement, the Delaware Limited Partnership Act, or under any other law, rule or regulation or in equity. These standards reduce the obligations to which our General Partner would otherwise be held. The above modifications of fiduciary duties are expressly permitted by Delaware law. Hence, we and holders of our units will only have recourse and be able to seek remedies against our General Partner if our General Partner breaches its obligations pursuant to our limited partnership agreement. Unless our General Partner breaches its obligations pursuant to our limited partnership agreement, we and holders of our units will not have any recourse against our General Partner even if our General Partner were to act in a manner that was inconsistent with traditional fiduciary duties. Furthermore, even if there has been a breach of the obligations set forth in our limited partnership agreement, our limited partnership agreement provides that our General Partner and its officers and directors will not be liable to us or holders of our units for errors of judgment or for any acts or omissions unless there has been a final and non- appealable judgment by a court of competent jurisdiction determining that our General Partner or its officers and directors acted in bad faith or engaged in fraud or willful misconduct. These provisions restrict the remedies available to unitholders for actions that without such limitations might constitute breaches of duty including fiduciary duties.** Risks Related to ~~our~~ **Our** Common and Preferred Units We may issue additional common or preferred units, or other series of units, in the future without the consent of unitholders and at a discount to the market price of such units. In particular, sales of significant amounts of the common or preferred units may cause the respective prices of the units to decline. Under the terms of the Partnership Agreement, additional common or preferred units, or additional series of units, may be issued without the consent of unitholders at a discount to the market price. In addition, other classes of securities may be issued with rights that are senior to or which otherwise have preferential rights to the rights of the common and preferred units. Sales of significant amounts of the common or preferred units in the public market or the perception that such sales of significant amounts may occur could adversely affect their respective market prices. Moreover, the perceived risk of any potential dilution could cause common or preferred unitholders to attempt to sell their units and investors to “ short ” the common or preferred units, a practice in which an investor sells units that he or she does not own at prevailing market prices, hoping to purchase units later at a lower price to cover the sale. Any event that would cause the number of common or preferred units being offered for sale to increase would likely cause the respective units’ market price to further decline. These sales might also make it more difficult for us to sell additional common or preferred units in the future at a time and price that we deem appropriate. Transfer restrictions contained in the Company’ s Partnership Agreement and other factors could hinder the development of an active market for our common or preferred units. There can be no assurance as to the volume of our common or preferred units or the degree of price volatility for our common and preferred units traded on the New York Stock Exchange. There are transfer restrictions contained in the Company' s Partnership Agreement to help protect the tax benefits of the net operating loss (~~“~~ **"** NOL ~~”~~ **"**) carryforwards of certain of the Company’ s corporate subsidiaries and other portfolio companies, and such transfer restrictions could hinder development of an active market for our common and preferred units. Unless renewed, the transfer restrictions will expire on June 1, 2025. **The preferred units give the holders thereof liquidation and distribution preferences over our common unitholders. We currently have one series of preferred units outstanding. All of these units rank senior to the common units with respect to distribution rights and rights upon liquidation. Subject to certain exceptions, as long as any preferred units remain outstanding, we may not declare any distribution on our common units unless all accumulated and unpaid distributions have been declared and paid on the preferred units. In the event of our liquidation, winding- up or dissolution, the holders of the preferred units would have the right to receive proceeds from any such transaction before the holders of the common units. The payment of the liquidation preference could result in common unitholders not receiving any consideration if we were to liquidate, dissolve or wind up, either voluntarily or involuntarily.** Risks Related to Taxation All statutory references in this section are to the Internal Revenue Code of 1986, as amended, or the ~~“~~ **"** Code. ~~”~~ **"** Our common unitholders may be subject to U. S. federal, state and other income tax on their share of our taxable income, regardless of whether they receive any cash distributions from us. ~~The~~ **As long as the** Company ~~operates,~~ **is treated** for U. S. federal income tax purposes ~~,~~ as a partnership and not as a publicly traded partnership taxable as a corporation ~~. Our~~ **, our** common unitholders will be subject to U. S. federal, state, local and possibly, in some cases, foreign income tax on their allocable share of our taxable income, whether or not they receive cash distributions from us **. Distributions to a unitholder will generally be taxable to the unitholder for U. S. federal income tax purposes only to the extent the amount distributed exceeds the unitholder’ s tax basis in the unit, in contrast with the treatment of a shareholder in a corporation, who will generally report a distribution of earnings from the corporation as dividend income for U. S. federal income tax purposes. In contrast, unitholders who receive a distribution of earnings from the Company will not report the distribution as dividend income but will instead report the holder’ s allocable share of the Company’ s items of income, gain, loss, deduction, and credit for U. S. federal income tax purposes** . Any future determination to declare distributions on the Company’ s common units will remain at the discretion of the Board of Directors of the General Partner and is separately determined regardless of the allocation of taxable income. Accordingly, our common unitholders may be required to make tax payments in connection with their ownership of common units that exceed their cash distributions in any given year. **Common unitholders may not receive cash distributions equal to their allocable share of our net taxable income or gain, or even the amount of their U. S. federal, state, and local income tax liability that results from that income or gain. To the extent taxable income is allocated to unitholders in excess of the cash distributions made, the excess amount would typically be applied to increase the tax basis of unitholders’ investment in the Company under applicable U. S. federal income tax laws.** Items of income, gain, loss and deduction with respect to the units could be reallocated if the IRS does not accept the assumptions or conventions used by the Company in allocating such items. U. S. federal income tax rules applicable to partnerships are complex and often difficult to apply to publicly traded partnerships. The Company will apply certain assumptions and conventions in an attempt to comply with applicable rules and to report items of income, gain, loss and deduction to unitholders in a manner that reflects the unitholders’ beneficial interest in such tax items, but these assumptions and conventions may not be in compliance with all aspects of the applicable tax requirements. It is possible that the U. S. Internal Revenue Service (the ~~“~~ **"** IRS ~~”~~ **"**) will successfully assert that the conventions and assumptions used by the Company do not satisfy the technical requirements of the Code or the Federal Tax Regulations codified under 26 C. F. R., referred to herein as the Treasury Regulations, and could require that items of income, gain, loss and deduction be adjusted or reallocated in a manner that adversely affects one or more unitholders. **The Company and its current unitholders may be liable for adjustments to the Company' s prior year tax returns as a result of centralized partnership audit procedures.** For tax years beginning on or after January 1, 2018, the Company is subject to partnership audit rules enacted as part of the Bipartisan Budget Act of 2015 (the ~~“~~ **"** Centralized Partnership Audit Regime ~~”~~ **"**). Under the Centralized Partnership Audit Regime, any IRS audit of the Company would be conducted at the Company level, and if the IRS determines an adjustment is warranted, the default rule is that the Company would pay an ~~“~~ **"** imputed underpayment ~~”~~ **"** including interest and penalties, if applicable, resulting from such adjustment. The Company may instead elect to make a ~~”~~ **"** push- out ~~”~~ **"** election, in which case the partners for the year that is under audit would be required to take into account the adjustment on their own ~~personal~~ income tax returns **and the Company would not be liable for such adjustments. There can**

be no assurance that the Company will be eligible to make such an election or that the Company will, in fact, make such an election for any given adjustment. If the Company is not able to or otherwise does not make such an election, then our then- current unitholders, in the aggregate, could indirectly bear income tax liabilities in excess of the aggregate amount of taxes that would have been due had the Company elected the alternate procedure, and then- current unitholders may bear taxes attributable to income allocable to other unitholders or former unitholders, including taxes (as well as penalties and interest, if applicable) with respect to periods prior to such holder' s ownership of common units. Amounts available for distribution to our unitholders may be reduced as a result of our obligation to pay taxes associated with an adjustment . Changes in tax rates, laws or regulations, including U. S. government tax reform, could have a negative impact on ~~the~~ **our** results of ~~future~~ operations. The Company and its subsidiaries are subject to taxation in the U. S. and foreign jurisdictions. Changes in various tax laws can and do occur. For example, **tax legislation was enacted** on December 22, 2017, **that** ~~the U. S. Tax Cuts and Jobs Act (the " TCJA ") was enacted. The TCJA made substantial changes to the Internal Revenue Code~~ , ~~some of which could have an adverse effect on our business. Among~~ **among** other things, ~~the TCJA (i) reduces~~ **reduced** the U. S. corporate income tax rate from 35 % to 21 % **but also** ~~beginning in 2018, (ii) limits~~ **limited** annual **interest** deductions **and the use** ~~for interest net expense to no more than 30 %~~ of ~~our " adjusted~~ **U. S. NOLs to offset** taxable income ~~, " plus 100 % of our business interest income for the year and (iii) permits a taxpayer to offset only 80 % (rather than 100 %) of its taxable income with any U. S. NOLs generated for taxable years beginning after 2017. The U. S. Department of the Treasury has broad authority to issue regulations and interpretative guidance that may significantly impact how we will apply the law and impact our results of operations in the period issued. Although Treasury Regulations and other guidance have been issued to provide clarification, the interpretation of certain aspects of the TCJA remains unclear. It is expected, however, that additional Treasury Regulations and other guidance will be issued to provide more clarification on certain provisions, although the timing of such guidance is, in many cases, not yet known~~ . In addition, on August 16, 2022, the U. S. enacted the ~~IRA~~ **Inflation Reduction Act** , which **,** among other provisions, imposes a 15 % minimum tax on the adjusted financial statement income of certain large corporations and a 1 % excise tax on corporate stock repurchases by U. S. publicly traded corporations and certain U. S. subsidiaries of non- U. S. publicly traded corporations, as well as significant enhancements of U. S. tax incentives relating to climate and energy investments. Although no material impact is currently expected, the full effect of ~~the~~ **these** ~~TCJA and the Inflation Reduction Act to an~~ **and** ~~investment in the~~ **other** ~~Company,~~ **tax legislation in the U. S.** and **other jurisdictions** on **the** operations of the Company and its subsidiaries ~~,~~ is uncertain, and ~~the IRA~~ may impact the Company' s financial results ~~beginning~~ **. Under various provisions of the Code and relevant case law, the IRS has also become increasingly aggressive** in ~~fiscal 2023~~ **deploying" soft doctrines" to challenge transactions as prioritizing form over economic substance and being motivated by tax considerations. The application of these doctrines is often uncertain and could produce adverse tax results with respect to transactions in which we engage** . Additionally, longstanding international tax norms that determine each country ~~'~~ **'** s jurisdiction to tax cross- border international trade are subject to potential evolution. In connection with the Base Erosion and Profit Shifting Integrated Framework provided by Organization for Economic Cooperation and Development (the ~~"~~ **"** OECD ~~"~~ **"**), the OECD recently reached agreement to align countries on a minimum corporate tax rate and an expansion of the taxing rights of market countries, and therefore, determination of multi- jurisdictional taxation rights and the rate of tax applicable to certain types of income may be subject to potential change. There can be no assurance that future changes to the U. S. federal, state and local and foreign tax laws will not be proposed or enacted that could materially or adversely impact our business or financial results. If and when any or all of these changes are put into effect, they could result in tax increases where we do business both in and outside of the United States, and could have a material adverse effect on the results of our operations. Our tax treatment depends on our status as a partnership for U. S. federal income tax purposes and is not assured. If we are taxed as a corporation for U. S. federal income tax purposes, it could adversely impact our results of operations. A partnership generally is not a taxable entity under U. S. federal income tax law, and distributions by a partnership to a partner are generally not taxable to the partnership or the partner unless the amount of money distributed to such partner exceeds the partner' s adjusted basis in its partnership interest. Section 7704 generally provides that publicly traded partnerships are taxed as corporations. However, an exception, referred to as the ~~"~~ **"** Qualifying Income Exception, ~~"~~ **"** exists with respect to publicly traded partnerships of which 90 ~~percent~~ **%** or more of the gross income of such partnership for every taxable year consists of " qualifying income " as defined in the Code **, and for whom registration is not required under the Investment Advisers Act** . We ~~expect~~ **intend to manage our affairs so** that we will meet the Qualifying Income Exception for our current taxable year and ~~the foreseeable future~~ **each succeeding tax year** . ~~However~~ **Nonetheless** , there can be no assurance that the IRS will not disagree with the positions we take or that there will not be changes in our business or to U. S. federal income tax laws that could cause us to be treated as a corporation for U. S. federal income tax purposes or otherwise subject us to U. S. federal income taxation as an entity. If we were taxed as a corporation, among other things, (i) our net income would be taxed at corporate income tax rates, which is currently 21 %, and would likely pay state income tax at varying rates, thereby substantially reducing our profitability, (ii) no income, gains, losses or deductions would flow through to our unitholders and (iii) distributions to our common unitholders generally would constitute dividends for U. S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits (as determined under U. S. federal income tax principles) and would be taxable as such. Because a tax would be imposed upon us as a corporation, our cash available for distribution to a unitholder would be substantially reduced. Therefore, treatment of us as a corporation for U. S. federal income tax purposes would result in a material reduction in the anticipated cash flow and after- tax return to a unitholder, likely causing a substantial reduction in the value of our units. Our structure involves complex provisions of U. S. federal income tax law for which no clear precedent or authority may be available. The U. S. federal income tax treatment of our common unitholders depends in some instances on **determinations of fact and** interpretations of complex provisions of U. S. federal income tax law for which no clear precedent or authority may be available. **The U. S. federal income tax rules are constantly under review by persons involved in the**

legislative process, the Internal Revenue Service, and the U. S. Department of Treasury, frequently resulting in revised interpretations of established concepts, statutory changes, revisions to regulations, and other modifications and interpretations. The present U. S. federal income tax treatment of owning our common units reflected herein may be modified by administrative, legislative, or judicial interpretation at any time, and any such action may affect investments and commitments previously made. Our Partnership Agreement permits our General Partner to modify it from time to time, including the allocation of items of income, gain, loss and deduction (including unrealized gain and unrealized loss to the extent allowable under U. S. federal income tax law), without the consent of our unitholders, to address certain changes in U. S. federal income tax regulations, legislation or interpretation or to preserve the uniformity of our common units. In some circumstances, such revisions could have a material adverse impact on some or all common unitholders. In addition, we formed a subsidiary partnership, to which we contributed certain of our assets (the ~~“~~**"** Subsidiary Partnership ~~”~~**"**). To preserve the uniformity of common units, we (but not the Subsidiary Partnership) made an election permitted under Section 754, and we will adopt the remedial allocation method under Section 704 (c) with respect to items of income, gain, loss and deduction attributable to assets contributed to us (which we will contribute to the Subsidiary Partnership), to account for any difference between the tax basis and fair market value of such assets at the time of contribution, or attributable to the ~~“~~**"** book- up ~~”~~**"** or ~~“~~**"** book- down ~~”~~**"** of our assets prior to their contribution to the Subsidiary Partnership, or while they were held by the Subsidiary Partnership, to account for the difference between the tax basis and fair market value of such assets at the time of a mark- to- market event. We intend generally to make allocations under Section 704 (c) to our common unitholders in accordance with their respective percentage interests. However, built- in gain or built- in loss in existence and allocable to the assets we contributed to the Subsidiary Partnership, when recognized, will be allocated to our common unitholders as of the contribution date. We intend to prepare our tax returns on the basis that buyers of common units from such unitholders will not inherit such unitholders ~~’~~**'** built- in gains or built- in losses as of that date as a result of the election under Section 754. However, it is not clear whether this position will be upheld if challenged by the IRS. While we believe it represents the right result, there is no law directly on point. Tax- exempt entities and non- U. S. persons face unique tax issues from owning common units that may result in adverse tax consequences to them. A holder of common units that is a tax- exempt organization may be subject to U. S. federal income taxation to the extent that its allocable share of our income consists of unrelated business taxable income (~~“~~**"** UBTI ~~”~~**"**). A tax- exempt partner of a partnership may be treated as earning UBTI if the partnership regularly engages in a trade or business that is unrelated to the exempt function of the tax- exempt partner, if the partnership derives income from debt- financed property (as we may borrow money) or if the tax- exempt organization’ s partnership interest itself is debt- financed. Further, with respect to taxable years beginning after December 31, 2017, a tax- exempt entity with more than one unrelated trade or business (including by attribution from investment in a partnership such as ours that is engaged in one or more unrelated ~~trade~~ **trades** or ~~business~~ **businesses**) may be required to compute the **UBTI** ~~unrelated business taxable income~~ of such tax- exempt entity separately with respect to each such trade or business (including for purposes of determining any net operating loss deduction). As a result, it may not be possible for tax- exempt entities to utilize losses from an investment in our partnership to offset unrelated business taxable income from another unrelated trade or business or vice versa. If we ~~were~~ **are** engaged in a U. S. trade or business, distributions to non- U. S. persons generally will be reduced by withholding taxes at the highest applicable effective tax rate, and non- U. S. persons generally will be required to file U. S. federal tax returns and pay tax on their share of our taxable income. Gain recognized from a sale or other disposition of our common units by a non- U. S. person may be subject to federal income tax as income effectively connected with a U. S. trade or business. Moreover, the transferee of our units (or the transferee' s broker, if applicable) is generally required to withhold 10 % of the amount realized by the transferor unless the transferor certifies that it is not a non- U. S. person. Recent final Treasury Regulations provide for the application of this withholding rule to open market transfers of interests in publicly traded partnerships beginning on January 1, 2023. Under these regulations, the ~~“~~**"** amount realized ~~”~~**"** for purposes of this withholding is the gross proceeds paid or credited upon the transfer **. Our interests in certain of our businesses are held in intermediate holding companies treated as corporations for U. S. federal income tax purposes; such corporations may be liable for significant taxes and may create other adverse tax consequences, which could potentially adversely affect the value of our common units. The Company holds its interest in certain of our businesses through intermediate holding companies treated as corporations for U. S. federal income tax purposes. The intermediate holding companies are generally liable for U. S. federal income tax at regular rates on all of their taxable income as well as applicable state, local, and other taxes. These taxes reduce the amount of distributions available to be made on our common units. In addition, these taxes may be increased if the IRS or state tax authorities were to successfully reallocate deductions or income of the related entities conducting our business, which would likewise reduce the amount of cash available for distributions to holders of our common units and adversely affect the value of an investment in the Company** . Our subsidiaries may not be able to fully utilize their tax benefits, which could result in increased cash payments for taxes in future periods. The past operations of certain of our subsidiaries and portfolio companies have generated significant **net operating losses ("** NOLs **")** and other tax benefits. NOLs may be carried forward to offset federal and state taxable income in future years and reduce the amount of cash paid for income taxes otherwise payable on such taxable income, subject to certain limitations and adjustments. If fully utilized, our subsidiaries’ NOLs and other carryforwards could provide them with significant tax savings in future periods. Their ability to utilize these tax benefits in future years will depend upon their ability to generate sufficient taxable income and to comply with the rules relating to the preservation and use of NOLs, as well as potential future changes in tax laws. The potential benefit of the NOLs and other carryforwards may be limited or permanently lost as a result of the following: • the inability to generate sufficient taxable income in future years to use such benefits before they expire as NOLs generated for taxable years beginning on or before December 31, 2017 **,** have a limited carryforward period; • a change in control of our subsidiaries that would trigger limitations on the amount of taxable income in future years that may be offset by NOLs and other carryforwards that existed prior to the change in control; and • examinations and audits by the IRS and other taxing authorities that could reduce the amount of NOLs and other credit carryforwards that are available for future years. Certain of our subsidiaries maintain valuation allowances against their NOLs and other carryforwards due to uncertainty regarding their ability to generate sufficient taxable income in future periods. Their inability to utilize the NOLs and other carryforwards could result in increased cash payments for taxes in future periods. **Holders** ~~General Risk Factors Loss~~ of ~~essential employees could have~~ **our common units may be subject to state, local, and foreign taxes and return filing requirements as** a ~~significant negative impact~~ **result of owning such units. In addition to U. S. federal income taxes, holders of our common units may be subject to other taxes, including state, local, and foreign taxes and estate, inheritance, or intangible taxes that are imposed by the various jurisdictions in which we do business or own property now or in the future, even if the holders of our common units do not reside in any of those jurisdictions. Holders of our common units may be required to file state and local income tax returns and pay state and local income taxes in some or all of these jurisdictions in the U. S. and abroad. Further, holders of our common units may be subject to penalties for failure to comply with those requirements. It is the responsibility of each unit holder to file all U. S. federal, state, local, and foreign tax returns that may be required of such unit holder. The Company may not be able to furnish to each unitholder specific tax information within 90 days after the close of each calendar year, which means that holders of common units who are U. S. taxpayers should anticipate the need to file annually a request for an extension of the due date for their income tax returns. As a publicly traded partnership, our operating results, including distributions of income, dividends, gains, losses, or deductions, and adjustments to carrying basis, will be reported** on ~~our business~~ **Schedule K- 1 and distributed to each unitholder annually** . ~~Our success~~ **It may require longer than 90 days after the end of our fiscal year to obtain the requisite information from all lower- tier entities so that Schedule K- 1s may be prepared for the unitholders. Consequently, holders of common units who are U. S. taxpayers should anticipate the need to file annually with the IRS (and certain states) a request for an extension past the applicable due date of their income tax return for the taxable year. In addition, each unitholder generally** is **required to file U** ~~largely dependent on the skills, experience and efforts of our management and other employees~~ . **S. federal and state tax returns consistently** ~~The loss of the services of one or more members of our senior management or of numerous employees~~ with **the information provided by us for the taxable year for all relevant tax purposes** ~~essential skills could have a negative effect on our business, financial condition and results of operations~~ . In ~~particular~~ **preparing this information** , ~~we rely on an adequate supply of skilled employees at our businesses. Trained and experienced personnel in our businesses' industries are in high demand. We cannot predict whether~~ we will **use various accounting** ~~be able to attract, motivate~~ and ~~maintain~~ **reporting conventions to determine each unitholder' s share of income, gain, loss, deduction, and credit. The IRS or state tax authorities may successfully contend that certain of these reporting conventions are impermissible, which could result in** an **adjustment** ~~adequate skilled workforce necessary~~ to ~~operate~~ **such holder' s income** ~~our~~ **or** ~~existing~~ **loss and could result in** ~~and~~ **an** ~~future businesses efficiently, or that labor expenses will not~~ increase ~~as a result of a shortage~~ in **overall tax due** ~~the supply of skilled personnel and inflationary pressures on wages thereby adversely impacting our financial performance~~ . ~~While our businesses generally operate with high employee turnover, any material increases in employee turnover rates or any widespread employee dissatisfaction could also have a material adverse effect on our business, financial condition and results of operations.~~