Risk Factors Comparison 2024-02-23 to 2023-02-24 Form: 10-K

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You should carefully consider each of the following risks and all the other information contained in this ~~2022~~ **2023** 10- K Report in evaluating us and our common stock. Although the risks are organized by headings, and each risk is discussed separately, many are interrelated. Our business, financial condition, results of operations and cash flows could be materially and adversely affected by these risks, and, as a result, the trading price of our common stock could decline. We have in the past been adversely affected by certain of, and may in the future be affected by, these risks. You should not interpret the disclosure of any risk factor to imply that the risk has not already materialized. Strategic & Operational Risks We extend credit to ~~most~~ **many** of our customers in connection with their purchase of fuel and services from us, and our **business,** financial condition, results of operations and cash flows will be adversely affected if we are unable to collect accounts receivable. Our success in attracting customers has been partly due to our willingness to extend credit on an unsecured basis to customers instead of requiring prepayment, letters of credit or other forms of credit support. Even in cases where we do obtain credit enhancements, such as guarantees, offset rights, collateral or other forms of security, such rights may not be sufficient to ensure amounts owed to us are fully collectible. Furthermore, our credit risk is concentrated in the aviation, land and marine transportation industries, which exposes us to greater risk when there are global impacts to these industries ~~, such as what occurred during the COVID- 19 pandemic~~ . Our exposure to credit losses depends primarily on the financial condition of our customers and other factors beyond our control. Such factors include decreased demand for travel and other transportation services, weakness in the world economy or in the industries we serve, significant changes in oil prices and political instability, among others. Sudden and unexpected negative changes in the financial condition of our customers, including insolvency or bankruptcy, could have a negative impact on our sales, make it more difficult to collect on receivables, and may cause us to incur bad debt expense at levels higher than we have historically experienced. ~~For example, our provision for bad debt in our aviation segment was materially higher during 2020 due to the impact of the COVID- 19 pandemic on the aviation industry.~~ Our efforts to manage our credit exposure and respond to changes in our customers' financial condition and other macroeconomic events may not be sufficient to mitigate these risks. Substantial credit losses could have a material **and** adverse effect on our **business,** financial condition, results of operations and cash flows. Changes in the market ~~price~~ **prices** of ~~fuel~~ **energy and commodities** may have a material adverse effect on our business. ~~Fuel~~ **Energy and commodity** prices are volatile and can be impacted by many factors beyond our control, including: expectations about future supply and demand for ~~fuel~~ **petroleum** products; oil and gas production levels set and maintained by the Organization of Petroleum Exporting Countries (" OPEC") as well as non- OPEC countries; global economic and political conditions that impact or create uncertainty in the global energy markets, such as the ongoing military ~~conflict~~ **conflicts** in Eastern Europe **and the Middle East** , threatened or actual acts of terrorism, war or civil unrest; laws, regulations or taxes related to environmental matters, including those mandating or incentivizing alternative energy sources or otherwise addressing global climate change; energy conservation efforts and technological advances affecting energy consumption or supply; regulatory changes in commodities markets; and extreme weather and other natural disasters. As described above, we extend credit to many of our customers in connection with their purchase of fuel and services from us. During periods of high fuel prices, our customers may not be able to purchase the same volumes of fuel from us because of their financial credit limits with us. An inability to purchase fuel from us or other suppliers can have an adverse impact on their business, causing them to be unable to make payments owed to us for fuel they previously purchased on credit. In addition, high fuel prices can impact our own credit limits with our suppliers, preventing us from purchasing enough fuel to meet customer demand unless we provide additional credit support for fuel purchases, such as letters of credit, bank guarantees or prepayments, any of which could adversely impact our liquidity and increase our working capital costs. Conversely, extended periods of low fuel prices, particularly when coupled with low price volatility, can also have an adverse effect on our results of operations and overall profitability. This can occur due to many factors, such as reduced demand for our price risk management products and decreased sales to our customers involved in the oil exploration sector. Low fuel prices also facilitate increased competition by reducing financial barriers to entry and enabling existing, lower- capitalized competitors to conduct more business because of the lower working capital requirements. We may also experience negative results in volatile market pricing environments experiencing severe disruption. For example, in the first six months of 2022, our aviation segment was significantly and adversely affected by severe backwardation, a market condition in which oil futures forward prices trade at lower levels than the current market price. Our ~~enhanced~~ efforts to limit our exposure to this type of market risk may not be fully effective in the future. Finally, we maintain fuel inventories for competitive and logistical reasons. Significant variations in the market prices of products held in our inventories may require us to record inventory valuation charges. Our inventory is principally valued using the weighted average cost methodology and is stated at the lower of average cost or net realizable value. The hedging transactions we undertake to limit the financial effects of commodity price fluctuations may not be fully effective. Accordingly, if the market value of our inventory is less than our average cost and to the extent our hedges are not effective at mitigating fluctuations in prices, we may be required to record a write- down of inventory on hand and incur a non- cash charge or suffer losses as fuel is sold, which could adversely impact our earnings. ~~Adverse conditions~~ **Conditions** ~~or~~ **and** events affecting the aviation, marine and land transportation industries **can** ~~may have a material adverse effect~~ **affect** ~~on~~ our business. Our business is focused on the marketing of energy and other related products and services primarily to the aviation, land and marine transportation industries, which are generally affected by economic cycles and other global events. ~~Therefore, weak~~ **Weak** economic conditions ~~generally~~ **that** have a negative impact on our customers' business ~~which~~ may, in turn, have an adverse effect on our business. Additionally, our business and that of our customers can be adversely impacted by political instability, terrorist activities, piracy, military action, transportation, terminal or pipeline capacity constraints, natural disasters and other weather- related events that disrupt shipping, flight operations, land transportation or the availability of fuel, which may negatively impact sales of our products and services. Certain of our customers are affected by variations in demand for business and leisure travel. Business travel can be impacted by increased use of conferencing and collaboration technology, increased remote work and cost- driven business travel limitations, while leisure travel demand can be impacted by reductions in consumer discretionary income and other economic factors. **Our customers may also choose to reduce the amount of fuel they consume in their operations. For example, our customers in the shipping industry may elect to sail their vessels at reduced speeds, known as" slow steaming," to conserve fuel and reduce emissions.** Additionally, political or governmental developments or other global health concerns or crises in the countries in which we or our customers operate, could also result in further social, economic or labor instability. Further, personnel or other shortages can impact our customers' ability to meet demand, which may in turn adversely affect their demand for our fuel products. Accordingly, the effects of any of the foregoing risks and uncertainties on us or our customers could have a material adverse effect on our business, results of operations and financial condition. Our business may **also** be adversely affected by consolidation in the aviation, land or marine transportation industries, which may reduce the number of customers that purchase our products and services. Larger shipping companies and airlines often have greater leverage and have a greater ability to buy directly from major oil companies and suppliers. Accordingly, this can negatively impact our value proposition to these types of customers and increases the risk of disintermediation. Our ~~physical~~ operations **are subject to** ~~have inherent risks that could negatively impact our~~ business **interruptions** ~~, financial condition~~ and ~~results of~~ **casualty losses. Our** operations ~~. Operating fuel storage~~ **are subject to business interruptions** and **casualty losses** ~~distribution terminals and transporting fuel products involve inherent risks~~ , **such as** ~~including: •~~ fires, ~~collisions~~ **floods** and other catastrophic ~~disasters~~ **incidents or events** ; **vehicle collisions** ~~• traffic accidents~~ , injuries and loss of life; ~~•~~ spills, discharges, contaminations and other releases; ~~•~~ severe damage and destruction of property and equipment; and ~~•~~ loss of product and business interruption. Any of the foregoing ~~could~~ **can** result in distribution difficulties and disruptions, environmental pollution, government- imposed fines or clean- up obligations, personal injury or wrongful death claims, or damage to our properties or the properties of others. The occurrence of any of these events could also damage our reputation, which could adversely affect our business, whether or not we are ultimately held financially liable for such event. While we keep business continuity plans to address these types of contingencies, our failure to timely or properly implement these plans could exacerbate the impact on the business. Certain losses may exceed our insurance coverage limits or be outside the scope of our coverage. If we are held liable for any material damages, and the liability is not adequately covered by insurance, our financial position and results of operations would likely be adversely affected. In addition, as we invest more heavily in physical assets in certain locations, our ability to quickly reposition our business in the event of a downturn in the economy of a particular geographic area becomes increasingly difficult. Accordingly, we may be forced to incur significant costs in maintaining or even exiting a physical location, which would have an adverse effect on our results of operations. Some of our workforce is unionized,...... dividends or otherwise restrict our operations. Information technology failures and data security breaches, including as a result of cybersecurity attacks, could negatively impact our results of operations and financial condition, subject us to increased operating costs, and expose us to litigation. We rely heavily on the proper functioning and availability of both internal and third- party information technology systems, including network infrastructure and cloud applications and services, to support a variety of business processes and activities across our global operations. ~~Our~~ **All information** technology systems **are subject to disruptions, outages, failures,** and ~~those of~~ **security breaches** ~~our~~ - **or incidents. Cybersecurity incidents may arise from employee or contractor error or misuse or unauthorized use of information technology systems or confidential information, to individual attempts to gain unauthorized access to these information systems, to sophisticated cybersecurity attacks, known as advanced persistent threats, any of which may target us directly or indirectly through our customers, suppliers or** third- party service providers **. Cybersecurity attacks** are **increasing in number** ~~subject to various interruptions~~ , **attackers** ~~including damage, disability or failures due to physical theft, power outages, telecommunication failures, programming or operational errors, natural disasters and other catastrophic events. These systems~~ are ~~also subject to cybersecurity~~ **increasingly organized and well- financed, and at times supported by state- sponsored actors, and** attacks **often target critical infrastructure** ~~, such as hacking, malware, ransomware, denial- of- service attacks, computer viruses, misconduct by our employees or those of third- party providers, and other unauthorized access, release, corruption or loss of data~~ . **Cybersecurity** ~~Given the nature of cyber attacks, some~~ incidents can remain undetected for a period of time despite efforts to detect and respond to them in a timely manner. **Cybersecurity incidents** ~~Furthermore, cyber attacks are becoming more sophisticated, including those carried out by state- sponsored actors, and increasingly target critical infrastructure. Additionally, cyber attacks~~ can **also** affect third- party networks outside of our control that are required to operate trading platforms, pipelines, and other infrastructure we rely on to conduct our business. For example, in 2021, Colonial Pipeline Company temporarily shut down its pipeline system following a ransomware attack on its systems. While this shutdown did not have a material adverse impact on us or our operations, future cyberattacks affecting pipelines or other critical fuel delivery infrastructure could significantly impact our ability to procure supply or deliver our fuel products to customers. Our reliance on email transmissions over public networks also exposes us to risks associated with the failure of our employees, customers, business partners and other third parties to use appropriate controls to protect sensitive information, due to risks associated with social engineering (e. g., phishing and impersonation), fraud and email scams. External parties may attempt to fraudulently induce employees, customers, suppliers or other users of our systems to disclose sensitive information to gain access to our data or use electronic means to induce us to enter into fraudulent transactions. **We may also face increased cybersecurity risk for a period of time after acquisitions as we transition the acquired entity' s historical systems and networks to our standards.** In addition, due to the large number of transactions that run through our systems each day, significant system downtime or disruption could have a material impact on our, and in the case of our technology offerings, our customers', ability to conduct business, process and record transactions, make operational and financial decisions or damage our reputation with customers or suppliers, particularly in the event of billing errors or payment delays. Similarly, if ours or any of our cloud service providers' access to cloud- based platforms and services is disrupted for any reason and leads to disruptions in our critical systems, our operations and ability to manage our business could be adversely impacted. While we seek to obtain contractual protections in our agreements with these providers, we may not have sufficient recourse against these parties in the event they experience a significant cybersecurity attack or other security breach affecting our or our customers' data. Our cybersecurity and infrastructure protection technologies, disaster recovery plans and systems, employee training and vendor risk management that we use to mitigate cybersecurity threats may not be sufficient to defend us against all unauthorized attempts to access our information or impact our systems. As cybersecurity threats continue to evolve, we may be required to dedicate significant additional resources and incur substantial costs to modify or enhance our security measures or to investigate and remediate any vulnerabilities. Despite these efforts, we may be unable to fully anticipate or implement adequate preventive measures or mitigate potential harm **. We and our third party providers have experienced, and expect to continue to experience, cybersecurity incidents** . To our knowledge, we have not experienced any material losses relating to cybersecurity attacks. However, there can be no assurance that we will not suffer material losses in the future. We currently maintain insurance to protect ~~against~~ **us from certain losses arising as a result of** cybersecurity ~~risks and~~ incidents, but this insurance may not be sufficient to cover the financial, legal, business or reputational losses that may result from such incidents. Any of the adverse effects described above could damage our brand, competitiveness and ability to conduct our business, impact our credit and risk exposure decisions, cause us to lose customers or revenues, subject us to significant remediation costs, litigation or regulatory actions, fines and penalties, or otherwise have a material adverse effect on our cash flows, financial condition or results of operations. Our **Some** ~~the underlying commodity prices~~ of **our workforce is unionized** ~~the proprietary positions taken.Although we have established limits on such exposure~~ , **and we may face labor disruptions and cost increases that adversely affect our business.Some of our employees,including certain of our drivers that transport and deliver fuel products,are represented by labor unions under collective bargaining agreements.Additional unionization of our workforce or** any ~~adverse changes could~~ **renegotiation of current collective bargaining agreements may** result in ~~losses~~ **terms that are less favorable to us.Any strike,work stoppage or other dispute with our unionized employees or those of third parties who provide us services or operate assets upon** which **we rely** ~~can be further exacerbated by volatility in the financial and other markets.In addition,derivative and other trading transactions,including our energy trading transactions,are subject~~ to **distribute** ~~employee and system risks.For example,our employees may fail to comply with our policies and procedures,may engage in unauthorized trading activity,may fail to comply with our internal limits on exposure or~~ **our products** ~~any applicable statutory or regulatory requirements,or may otherwise make errors in connection with the trading process.These and other risks may result in substantial losses.For example,as previously disclosed in a Form 8- K filed with the SEC on November 27,2023,in November 2023,one of our subsidiaries submitted an erroneous bid in the Finnish power market.During the fourth quarter of 2023,the Company recognized related extraordinary losses totaling $ 48.8 million.See Note 11.Commitments and Contingencies for additional information.Furthermore,the enforceability of our transactions may depend on our compliance with applicable statutory,commodity and other regulatory requirements,which if violated could lead to our derivative transaction being voided,as well as penalties and fines.The impact of any of the foregoing~~ could have a material adverse effect on our ~~business,financial condition,~~ results of operations and cash flows. ~~Finally,~~ **Our customers** ~~many~~ - **may** ~~of our derivative transactions are not designated as hedges~~ **also experience strikes,labor negotiations,labor disputes and work stoppages that could reduce their demand** for ~~accounting purposes.Therefore,changes in the fair market value of these derivatives are reflected as a component of revenue or~~ **our products and services** ~~cost of revenue (based on the underlying transaction type) in our~~ - **or** ~~Consolidated Statements of Income and Comprehensive Income.Since the~~ **their ability** ~~fair market value of these derivatives is marked~~ to **pay** ~~market at the end of each quarter,changes in the value of our derivative instruments because of gains or~~ **for products and services already provided** ~~losses may cause our earnings to fluctuate from period to period~~ .If we fail to provide products or services to our customers as agreed,it could adversely affect our business.Our business depends on the availability and supply of fuel and fuel- related products,as well as the satisfactory performance of services by us or third parties on our behalf.If the fuel and other products we sell or the services we provide,whether directly or through a third party,fail to meet the requirements we have agreed to with customers or those mandated by law or regulation,whether due to contamination,arising in connection with our advisory services or otherwise,our relationship with our customers can be adversely affected and we may be subject to material claims and liabilities.Changes in product quality specifications or blending requirements could reduce demand,impact our throughput volume,require us to incur additional costs or require capital expenditures.We may also incur material liabilities if our products cause physical damage to a vessel or aircraft,bodily injury or result in the assertion of substantial claims of civil liability against us.In addition,adverse publicity about any allegations of contaminated products may negatively impact our business,regardless of whether such allegations are true.Although most of our agreements with suppliers provide that we have recourse against them for products that fail to meet contractual specifications,such recourse may be time- barred or otherwise insufficient to adequately cover the liability we may incur and our ability to enforce such recourse may be limited or costly.For example,several of our supply agreements are with foreign entities,including foreign governments,and are governed by the laws of foreign jurisdictions.We may incur substantial costs in seeking to enforce our rights against a local supplier in a foreign jurisdiction and the ultimate outcome can be unpredictable.In certain markets,we also rely on a single or limited number of suppliers to sell us fuel or provide services on our behalf.We may have limited alternatives if such supplier fails to meet applicable standards or requirements.Any of the foregoing can result in material liabilities that may exceed any applicable insurance coverage or other form of recourse and ultimately,could have a material adverse effect on our business,financial condition,results of operations and cash flows.We may be unable to successfully integrate our acquisitions or fully realize the anticipated benefits of our acquisitions and other strategic ~~transactions~~ **investments** .As part of our business strategy,we may pursue acquisition **opportunities** and ~~other~~ strategic ~~transactions~~ **investments,as well as divest certain businesses to enable us to invest in our core business activities.In early 2022,we completed our largest acquisition to date,the acquisition of Flyers Energy Group,LLC,significantly increasing the scale and geographic footprint of our land segment in North America** .The integration of acquired businesses with our existing business ~~can be~~ **is a** complex,costly and time- consuming **process** .We have incurred,and expect to continue incurring,expenses related to the integration of businesses we acquire.The success of our ~~acquisitions~~ **inorganic growth strategy will** ~~depends~~ **depend,in part,** on our ability to successfully combine our existing business with acquired businesses and realize the anticipated benefits from such acquisitions,including synergies,cost savings,earnings growth,and operational efficiencies.Acquiring and integrating businesses may place a strain on our management,operational and financial resources,and expose us to additional risks and unexpected expenses,some of which we have experienced in the past and which we may experience in the future,including:• increased operating costs and difficulties in efficiently integrating the operations,financial reporting,IT systems,technology,and personnel of acquired businesses ~~or of new business operations~~ ;• challenges managing acquired businesses while maintaining uniform standards,controls and risk management processes appropriate for a public company;• using estimates and judgments when evaluating the various risks and opportunities of the acquired business that may ultimately prove to be incorrect;• diversion of management' s time and attention from other business concerns;• negative impacts of changes in management on existing business relationships and other disruptions of the acquired business;• entry into markets in which we may have no or limited direct prior experience;• challenges in retaining key employees,customers or **suppliers of the acquired businesses;• reduced liquidity or increased indebtedness if we use a material portion of our available cash or borrowing capacity to fund acquisitions;• assumption of material liabilities,exposure to litigation,regulatory noncompliance or unknown liabilities associated with the acquired businesses;and • limited indemnities,or security supporting such indemnities,from sellers in an acquisition or ongoing indemnity obligations to purchasers in a divestiture.These risks may result in an adverse effect on our results of operations or financial condition or result in costs that outweigh the financial benefit of such opportunities.We may also undertake dilutive issuances of equity securities to fund the purchase or ongoing operations of the acquired business.This could adversely affect the market price of our common stock,inhibit our ability to pay dividends or otherwise restrict our operations.** sales to government customers subject us to additional risks. ~~Sales~~ **We supply fuel and provide equipment and services** to **U. S. and foreign** government **and military** customers ~~have accounted for a material portion of our profitability in the recent past~~ . Government sales can be materially impacted by factors such as administration policy changes, supply disruptions, ~~border closures, road blockages,~~ inventory shortages and other logistical difficulties that can arise when conducting business in areas with active military conflicts, natural disasters or other severe circumstances. Moreover, there ~~is~~ **can be** a risk of serious injury or loss of life for our employees or subcontractors **when** operating in high- risk locations. We may therefore incur substantial operating costs as a result of, among other things, hostility- related product losses, utilizing alternate supply routes or increased security requirements, particularly where our facilities are likely to be subject to terrorist activity or extreme weather- related impacts. In addition, complying with government contracting rules and regulations is complex and government customers routinely audit contractors to review performance, cost structure and compliance with applicable laws, regulations, and standards, as well as the adequacy of and compliance with internal control systems and policies. Any inadequacies in our systems and policies could result in payments being withheld, penalties and reduced future business. Improper or illegal activities, including those caused by our subcontractors, could also subject us to civil or criminal penalties or administrative sanctions, including contract termination, fines, forfeiture of fees, suspension of payment and suspension or debarment from doing business with government agencies, any of which could materially adversely affect our reputation, business, financial condition or results of operations. See Part I. Item 1. – Business of this ~~2022~~ **2023** 10- K Report for additional details regarding applicable laws and regulations **.** Some of our workforce is unionized,and we may face labor disruptions and cost increases that adversely affect our business.Some of our employees,including ~~certain~~ **many** of our drivers that transport ~~and deliver~~ fuel products,are represented by labor unions under collective bargaining agreements.Additional unionization of our workforce **,wage negotiations with unions** or ~~any~~ renegotiation of ~~current~~ collective bargaining agreements may result in **increased labor costs or other** terms that are less favorable to us **,or a strike or work stoppage** .Any strike,work stoppage or other dispute with **unions representing** our ~~unionized~~ employees **(** or ~~those~~ **representing employees** of third parties who provide us services or operate assets **or** upon which we **otherwise** rely to distribute ~~our~~ products **or deliver services)** could have a material adverse effect on our results of operations and cash flows.Our customers may also experience strikes **or other** ~~,labor negotiations,~~ labor disputes ~~and work stoppages~~ that could reduce their demand for our products and services or their ability to pay for products and services already provided ~~.If we fail to provide products or services to our customers as agreed,it could~~ . Financial, Economic & Market Risks Economic, political and other risks associated with international sales and operations could adversely affect our business and future operating results. Because we offer fuel products and services on a worldwide basis, our business is subject to risks associated with doing business internationally, such as: • trade protection measures and import, export and other licensing requirements, which could increase our costs or prevent us from doing certain business internationally; • higher costs associated with hiring and retaining senior management for overseas operations; • difficulty in staffing and managing widespread operations, which could reduce our productivity; • changes in regulatory requirements, which may be costly and require significant time to implement; • laws that restrict us from repatriating profits earned from our activities within certain foreign countries; • fluctuations in foreign currency exchange rates and severe currency devaluations; • governmental actions that may result in expropriation, the deprivation of our contractual rights or the inability to obtain or retain authorizations required to conduct our business; • political risks, including changes in governments, corruption and uncertain regulatory environments; **• changes in multilateral conventions, treaties, tariffs or other arrangements between or among sovereign nations,**

including, for example, the U. K.' s exit from the E. U., which can increase costs and lead to legal uncertainties and potentially divergent national laws and regulations with regard to tax, licensing and other regulatory rights and obligations; and • terrorism, war, civil unrest, natural disasters and other severe weather- related events ~~. Additionally, we have substantial operations in the U. K., particularly in our land segment, and the U. K.' s exit from the E. U. in January 2020 (commonly referred to as" Brexit") may adversely affect our business in the U. K. and relationships with our customers, suppliers and other stakeholders. These risks include disruptions in our supply chains and the free movement of goods, services and people between the U. K. and the E. U., staffing challenges, increased costs, legal uncertainties and potentially divergent national laws and regulations in areas such as tax, licensing and other regulatory rights and obligations~~ . There can be no assurance that any or all of these events will not have a material adverse effect on our business operations, results of operations and financial condition. Our business depends on our ability to adequately finance our capital requirements and fund our investments, which, if not available to us, would impact our ability to conduct our operations. We rely on credit arrangements with banks, suppliers and other parties as an important source of liquidity for capital requirements that are not satisfied by our operating cash flow. Future market volatility, inflation, and persistent weakness in global energy markets may adversely affect our ability to access capital and credit markets or to obtain funds at low interest rates or on other advantageous terms. If we are unable to obtain credit on acceptable terms or at all, perhaps due to a substantial tightening of the global credit markets, our liquidity, business, financial condition, and cash flows, as well as our future development and growth could be negatively impacted. In addition, if we are unable to obtain debt or other forms of financing and resort to raising capital through equity issuances, our existing shareholders would be diluted. Our business is also impacted by the availability of trade credit to fund our fuel purchases from suppliers. An actual or perceived decline in our liquidity or business could cause our suppliers to reduce our credit lines, seek credit support in the form of additional collateral, or otherwise materially modify their payment terms. Adverse changes in our payment terms from principal suppliers, including shortened payment cycles or requiring prepayment, could impact our liquidity, business, results of operations and cash flows. **Certain of the** ~~Finally, our Credit Agreement~~ **agreements governing our credit arrangements** ~~imposes~~ **impose** certain operating and **/ or** financial covenants on us, which, among other things, restrict our ability to pay dividends or make certain other restricted payments, incur additional debt, create liens and sell a material amount of assets. Our failure or inability to comply with ~~the~~ **these** requirements ~~of these facilities~~, including ~~meeting certain~~ financial ratios or other covenants, could limit the availability under our Credit Facility or result in an event of default. An event of default, if not cured or waived, would permit acceleration of any outstanding indebtedness under these facilities, could trigger cross- defaults under other agreements to which we are a party (such as certain derivative contracts), and would impair our ability to obtain working capital advances and letters of credit, any of which could have a material adverse effect on our business, financial condition, results of operations and cash flows. Our business is subject to seasonal variability, which ~~has~~ **can** ~~caused~~ **cause** our **financial** ~~revenues and operating~~ results to fluctuate and can adversely affect the market price of our shares. Our operating results ~~are~~ **can be** subject to seasonal variability. Seasonality results from numerous factors, including demand changes related to seasonal travel and weather patterns. As such, our results for the second and third quarters of the year **have historically been** ~~tend to be the strongest~~ **stronger** for our aviation segment and our results for the fourth and first quarters of the year **have historically been** ~~tend to be the strongest~~ **stronger** for our land segment. However, extreme or unseasonable weather conditions can **affect seasonal** ~~substantially reduce the~~ demand **patterns** ~~for our products~~ and ~~services or significantly increase~~ the prices of the ~~fuel~~ products we sell, which can in turn adversely impact our results of operations ~~. For example, unseasonably warm winter weather in the U. S. and U. K. in the recent past has adversely impacted our results in the land segment~~ . Furthermore, we cannot provide any assurances that the seasonal variability will continue in future periods. Accordingly, results for any one quarter may not necessarily be indicative of the results that may be achieved for such quarter the following year or for the full fiscal year. These seasonal fluctuations in our quarterly operating results can therefore adversely affect the market price of our shares. A material impairment of our goodwill or intangible assets could reduce our earnings or adversely impact our results of operations. When we acquire a business, a substantial portion of the purchase price of the acquisition may be allocated to goodwill and other identifiable intangible assets. Factors that could affect whether goodwill or intangible assets may be impaired include a decline in our stock price or market capitalization, changes in our marketing or branding strategy, reduced estimates of future cash flows in our annual operating plan and slower growth rates in our industry. Our valuation methodology for assessing impairment requires us to make judgments and assumptions based on several factors including industry experience, the economic environment, and our projections of future operating performance. If our estimates and assumptions prove to be incorrect, we may be required to impair some or all of the carrying amount of goodwill and intangible assets within one or more of our reporting units. In the past, we have recorded impairment charges in connection with actions such as exiting certain markets or lines of business. Due to continual changes in market and general business conditions, we cannot predict whether, and to what extent, our goodwill and long- lived intangible assets may be impaired in future periods. Our operating results may be negatively affected by both the impairment and the underlying business trends that triggered the impairment. See Note 6. Goodwill and Identifiable Intangible Assets. Significant inflation and higher interest rates may adversely affect our business and financial condition. ~~After being relatively moderate in recent years, inflation~~ **Inflation** in the United States and other jurisdictions in which we do business increased significantly in late 2021 into 2022, driven in part by supply chain disruptions, labor shortages and increased commodity prices **, which has generally resulted in higher costs in 2022 and 2023** . A significant or prolonged period of high inflation, particularly when combined with rising interest rates due to actions taken by governments to attempt to control inflation, could adversely impact our results if costs, including employee compensation driven by competitive job market conditions, were to increase at a rate greater than the increase in the revenues we generate. Higher interest rates also typically increase the interest expense associated with our credit arrangements with banks and other parties that serve as important sources of liquidity for us, which can therefore negatively impact our results of operations for a particular period. For additional information on the effects of inflation on our business, see

Item 7. **–** Management' s Discussion and Analysis of Financial Condition and Results of Operations. We face intense competition and, if we are not able to effectively compete in our markets, our revenues and profits may decrease. Competitive pressures in our markets could adversely affect our competitive position, leading to a possible loss of market share or a reduction in prices, either of which can result in lower revenues and profits. We have numerous competitors, ranging from large multinational corporations, which have significantly greater capital resources than we do, to relatively small and specialized firms that compete with us in a particular line of business. Industry developments, such as fuel price transparency, procurement technology tools, increased regulation and increasing customer sophistication may, over time, reduce demand for our services and thereby exacerbate the risks associated with competition. In addition, we rely on a single or limited number of suppliers for the provision of fuel and related products and services in certain markets. These parties may have significant negotiating leverage over us, and if they are unable or unwilling to supply us on commercially reasonable terms, our business would be adversely affected. In addition to competing with resellers, we also compete with the major oil producers that market fuel and other energy products directly to large commercial airlines, shipping companies **, petroleum distributors operating in the** ~~and~~ **land transportation market, fuel resellers, and other** commercial and industrial ~~users~~ **customers** . In recent years, a lower fuel price environment caused many major oil companies to remain in or re- enter the downstream markets. Our business could be adversely affected and subject to the risk of disintermediation if our suppliers choose to increase their direct marketing to our customers to compete with us or provide less advantageous price and credit terms to us than to our other competitors. **We are subject to counterparty risk with respect to the bond hedge transactions which serve to mitigate the dilutive impact of our Convertible Notes. In connection with our offering of Convertible Notes in June 2023, we entered into bond hedge transactions with multiple financial institutions, which increased the effective conversion price of the Convertible Notes to approximately $ 40. 14 (from the nominal conversion price of $ 28. 43). Consequently, the bond hedge transaction is expected to reduce the potential dilution upon conversion of the Convertible Notes and / or offset any cash payments we are required to make in excess of the principal amount of the Convertible Notes upon their conversion. We also entered into warrant transactions with the bond hedge counterparties, which could have a dilutive effect on our common stock to the extent that the market price per share of our common stock exceeds the strike price of the warrants. Our exposure to the credit risk of the bond hedge counterparties is not secured by any collateral. Global economic conditions have, from time- to- time, resulted in the actual or perceived failure or financial difficulties of several financial institutions. If any bond hedge counterparty becomes subject to insolvency proceedings, we would become an unsecured creditor in those proceedings with a claim equal to our exposure at that time under the bond hedge transaction. If any of these counterparties were to fail to comply with their contractual obligations under bond hedge transactions, we would (i) be exposed to greater dilution with respect to their respective portion of the hedge, to the extent that our stock price exceeded the nominal conversion price upon conversion, (ii) may suffer adverse tax consequences, or (iii) incur additional costs associated with entering into a replacement bond hedge transaction with a different bond hedge counterparty.** Legal & Regulatory Risks Climate change and the market and regulatory responses relating to GHG emissions could have a significant impact on our business operations and financial results. Climate change continues to attract considerable public and scientific attention in the U. S. and in foreign countries. As a result, numerous proposals have been adopted and will likely continue to be made at various levels of governments globally to monitor and limit GHG emissions, reduce the use of hydrocarbon- based fuels or require substantial additional and costly disclosure relating to emissions. These include the adoption of cap- and- trade regimes, carbon taxes, trade tariffs, minimum renewable usage requirements, restrictive permitting, increased efficiency standards, and incentives or mandates for renewable energy ~~. In 2015, various countries adopted the Paris Agreement, which seeks to reduce GHG emissions and calls for nations to undertake efforts with respect to global temperatures and GHG emissions by submitting emission reduction goals every five years after 2020~~ . In the U. S., various federal, state and local laws and regulations have been enacted relating to GHG emissions. However, the direction of future U. S. climate change regulations is difficult to predict given the potential for policy changes under different Presidential administrations and Congressional leadership. President Biden has signed executive orders recommitting the U. S. to the Paris Agreement and calling for the federal government to begin formulating emissions reduction goals and increasing the emphasis on climate- related risk across governmental agencies and economic sectors. Additionally, in August 2022 the Inflation Reduction Act of 2022 was signed into law, which appropriates significant federal funding for renewable energy initiatives and, for the first time, imposes a fee on GHG emissions from certain facilities in the oil and natural gas sector. The emissions fee and renewable and low carbon energy funding provisions of the law could accelerate the transition away from fossil fuels or otherwise adversely impact the use of petroleum- based motor fuels, which could in turn have an indirect adverse effect on our business and results of operations. Under the Biden Administration, it is anticipated that efforts by the EPA or other federal agencies to restrict GHG emissions will continue. It is unclear the extent to which any new environmental laws or regulations, or any repeal of existing environmental laws or regulations, will impact our business or that of our customers. There have also been significant governmental incentives and consumer pressures to increase the use of alternative fuels in the U. S. and throughout the world. Automotive, industrial and power generation manufacturers are developing more fuel- efficient engines, hybrid engines and alternative clean power systems. Several automobile manufacturers have announced goals to substantially increase the proportion of their new vehicle sales from battery electric, fuel cell and plug- in hybrid vehicles. Further, in August 2022, the California Air Resources Board finalized its Advanced Clean Cars II (ACC II) program, including requiring an increasing percentage of new passenger vehicles sold in the state to be zero emission vehicles for the 2026- 2035 model years, ending with a 100 % sales target in the 2035 model year. Additional U. S. jurisdictions could adopt similar requirements. The more prevalent these vehicles become as a result of governmental incentives or regulations, technological advances, consumer demand, improved pricing or otherwise, the greater the potential negative impact on pricing and demand for our fuel products and accordingly, our profitability. Additional changes in regulatory policies or any adverse publicity in the global marketplace about our potential impact on climate change or the impact of other companies in our industry could also lead to a reduction in the demand for products that are deemed to contribute to GHGs, harm our reputation and adversely impact our sales of fuel products. Finally, the potential physical impacts of climate change on our operations are highly uncertain and vary amongst the geographic areas in which we operate. These may include changes in rainfall and storm patterns and intensities, hurricanes, changing sea levels, and changing temperatures that may impact the seasonality of our business, such as our heating oil business in the U. K. The occurrence of any of the foregoing factors could increase our costs and the prices we charge our customers, reduce the demand for our products, and therefore adversely affect our business, financial condition, results of operations and cash flows. Changes in U. S. or foreign tax laws or adverse outcomes from governmental challenges to our tax position could adversely affect our business and future operating results. As a global company, we are subject to various U. S. and foreign taxes, including income taxes and taxes imposed on the purchase and sale of aviation, marine and land fuel products, such as sales, excise, value- added tax (" VAT"), mineral oil, energy, environmental and other taxes. We are also subject to a variety of tax collection obligations including obligations to withhold or collect these types of taxes or other taxes or other requirements that may result in liability for third party obligations. We may recognize additional tax expense and be subject to additional tax liabilities, including other liabilities for tax collection obligations due to changes in laws, regulations, administrative practices, and interpretations related to tax. Our results of operations and cash flows could be adversely affected by additional carbon or other taxes imposed on us prospectively or retroactively or additional taxes and penalties resulting from the failure to comply with any collection obligations or failure to provide information about our customers, suppliers, and other third parties for tax reporting purposes to various government agencies. In some cases, we also may not have sufficient notice to enable us to timely build systems and adopt sufficient processes to timely comply with new reporting or collection obligations. Our ~~operating results and cash flows can be adversely affected by changes in our tax expense and the~~ effective tax rate ~~because of a~~ **is subject to significant variation due to numerous factors, including variability in our pre- tax and taxable income and loss,** ~~change~~ **changes to our corporate structure, changes** in the mix of earnings in countries with differing statutory tax rates ~~or our overall profitability~~ , **foreign currency fluctuations** ~~changes in tax legislation, our failure to comply with tax regulations or the applicability of special or extraterritorial tax regimes. Our effective tax rate is subject to significant variation due to numerous factors, including variability in our pre- tax and taxable income and loss and the mix of jurisdictions to which they relate~~ , intercompany transactions **, changes in the valuation of deferred tax assets and liabilities, changes in tax laws or in their interpretation or enforcement** , and the applicability of tax concessions. For example, we have benefited from an income tax concession in Singapore since 2008, which reduces the income tax rate on qualified sales and derivative gains and losses. We ~~recently~~ renewed the concession for an additional five- year period beginning January 1, 2023. The concession remains conditioned upon our meeting certain employment and investment thresholds which, if not met, may eliminate the benefit beginning with the first year in which the conditions are not satisfied. Our effective tax rate can be ~~more or less~~ volatile based on the amount of pre- tax income or loss. For example, the impact of discrete items and non- deductible expenses on our effective tax rate is greater when our pre- tax income is lower ~~. Furthermore, significant judgment is required in determining our worldwide provision for income taxes and other tax liabilities. Our tax expense includes estimates of additional tax that may be incurred for tax exposures and reflects various estimates and assumptions, including assessments of future earnings that could affect the realizability of our net deferred tax assets~~ . Tax rates in the various jurisdictions in which we and our subsidiaries are organized and conduct operations may also change significantly because of political or economic factors beyond our control. Ongoing developments regarding the projects by the Organisation for Economic Co- operation and Development (" OECD") including global minimum tax and other initiatives, could adversely affect our worldwide effective tax rate. Countries ~~including the U. K.~~ have begun the process to introduce the OECD model rules on a global minimum tax and other OECD initiatives into their tax regimes ~~; South Korea enacted minimum tax rules that will be effective for our 2024 year~~ . The extent to which countries in which we operate adopt and implement these rules and actions could have a material adverse impact on our income tax expense, effective tax rate, financial condition, and results of operations and cash flows. We are continuing to review and evaluate the potential impact of these rules as additional guidance and clarification becomes available. **Furthermore, significant judgment is required in determining our worldwide provision for income taxes and other tax liabilities. Our tax expense includes estimates of additional tax that may be incurred for tax exposures and reflects various estimates and assumptions, including assessments of future earnings that could affect the realizability of our net deferred tax assets.** We are regularly audited by various domestic and foreign tax authorities and are involved in various inquiries, audits, challenges and litigation in a number of countries, including Brazil, Denmark, South Korea ~~,~~ and the U. S., where the amounts under controversy may be material ~~. We are in the process of addressing and responding to inquiries in various jurisdictions and challenging a number of tax assessments in several administrative and legal proceedings, each of which is at various stages in the process~~ . In some jurisdictions, these challenges require the posting of collateral or payment of the contested amount, which may affect our flexibility in operating our business or our liquidity. Although we believe our tax estimates are reasonable, the final determination of tax audits and any related litigation could be materially different than what is reflected in our income tax provisions and accruals. If these challenges are ultimately determined unfavorably to us, these proceedings may have a material adverse effect on our business, financial condition, results of operations and cash flows. Furthermore, any failure to comply with applicable laws and regulations or appropriately resolve these challenges could subject us to administrative, civil or criminal penalties, including fines, penalties, disgorgement, injunctions and damage to our reputation. See Notes 10. Income Taxes and 11. Commitments and Contingencies for additional details regarding certain tax matters. Increasing attention to environmental, social and governance issues, including those related to climate change and sustainability, may increase our costs and impose difficult and expensive compliance requirements. Customers, consumers, investors, and other stakeholders are increasingly focusing on environmental, social and governance (“ ESG ”) matters, including climate, water use and other sustainability concerns. Furthermore, numerous institutional investors and financial institutions have indicated a focus on matters affecting the environment, which may result in reduced investments in, or financing available to, industries that emit GHG emissions. Many of these groups believe that climate change will significantly influence companies' long- term prospects and have developed ESG standards and guidelines to measure companies' performance. We, along with many of our customers and suppliers, are seeking to reduce carbon emissions throughout our supply chains. The achievement of initiatives we may undertake relating to the reduction of GHG emissions or other ESG matters, however, may increase our costs, particularly if they require significant changes to our operations, infrastructure or businesses. If our ESG initiatives fail to satisfy our investors, customers, suppliers, or other stakeholders, our reputation, ability to sell products and services to customers, our ability to attract or retain employees, and our attractiveness as an investment or business partner could be negatively impacted. In addition, various governmental authorities, as well as voluntary sustainability initiatives and organizations, have promulgated different environmental and social responsibility laws, regulations, policies, and initiatives, which are under active development, can be unpredictable and conflicting, and may change rapidly in future periods. **For example, the EU Corporate Sustainability Reporting Directive became effective in 2023 and applies to both EU and certain non- EU entities. In October 2023, California enacted the Climate Corporate Data Accountability Act and the Climate Related Financial Risk Act that will require large public and private companies that do business within the state to disclose their Scopes 1, 2 and 3 greenhouse gas (" GHG") emissions, with third party assurance of GHG emissions information for certain entities, and issue public reports on their climate- related financial risk and related mitigation measures. In 2023, California also enacted the Voluntary Carbon Market Disclosures Act, which requires companies that operate within the state and make certain climate-related claims to provide enhanced disclosures around the achievement of such claims.** Unfavorable ratings under **or non-compliance with** these evolving **laws,** standards ~~or~~ **and** benchmarks could adversely impact our reputation, business, stock price or access to capital. Non- compliance with any applicable laws, regulations or standards may also result in potential cost increases, litigation, fines, penalties, sales restrictions or loss of customers. Our business is subject to extensive laws and regulations, including environmental protection, health and safety, that can result in material costs and liabilities. We are required to comply with extensive and complex laws and other regulations at the international, federal, state / provincial and local government levels in the countries in which we operate. See Part I. Item 1. – Business for additional information about laws and regulations applicable to our business. Laws and regulations relating to environmental protection and occupational safety and health ~~,~~ can be particularly complex and can impose strict liability on us for remediation of spills and releases of oil and hazardous substances without regard to whether we were negligent or at fault. Violations of these laws and regulations, or any future environmental law or regulation, could result in significant liability, including administrative, civil or criminal penalties, fines, injunctions, or the suspension or termination of our operations at an affected area. We may also be held responsible for remediation costs for natural resource damages as well as third- party damages. In our marine segment, we utilize fuel delivery barges and store refined products adjacent to water, thereby potentially subjecting us to strict, joint, and potentially unlimited liability for removal costs and other consequences of where a spill is into navigable waters, along shorelines or in the exclusive economic zone of the U. S. Any of these occurrences and any resulting negative media coverage could have a material adverse effect on our stock price and on our business, financial condition, results of operations and cash flows. In addition, increasingly stringent U. S. and foreign environmental laws and regulations have resulted and will likely continue to increase our operating costs. For example, compliance with existing and future laws that regulate the delivery of fuel by barge, truck, vessel, pipeline or railcar; or fuel storage terminals or underground storage tanks that we own, lease or operate may require significant capital expenditures and increased operating and maintenance costs, particularly as we acquire businesses with more physical assets. In addition, continuing changes in environmental laws and regulations may also require capital expenditures by our customers or otherwise increase our customers' operating costs, which could in turn, reduce the demand for our products and services or impact the pricing or availability of the products we sell. Although the ultimate impact of any regulations is difficult to predict accurately, the occurrence of any of the foregoing could have an adverse effect on our business or on the businesses of our customers. The data that we collect may be vulnerable to breach, loss or misuse, and our handling of such data may be impacted by changes in data privacy and protection laws and regulations, which could increase operational costs or result in regulatory penalties or litigation. **We** ~~In connection with various businesses we operate, we~~ have access to sensitive, confidential or personal data from our employees, customers (both corporate and individual consumers), suppliers and other third parties, some of which **is** ~~may be~~ subject to privacy, security or residency laws, regulations and customer- imposed controls. In the ordinary course of business, we collect, retain, process, and transmit such data across national boundaries. Despite our efforts to properly handle and protect this information in compliance with such requirements, our facilities and systems and those of our third- party service providers may be vulnerable to security breaches, theft, misplaced or lost data, and programming, procedural or human errors that **may** ~~could potentially~~ lead to such information being compromised or handled improperly. There has been increased public attention regarding the use of personal data and security of data transfers, accompanied by legislation and regulations intended to strengthen data protection, information security and consumer and personal privacy. The evolving nature of privacy laws in the U. S., the European Union (" E. U."), Australia, Brazil and other countries where we have operations and customers, could impact our processing of this data, including requiring us to make costly changes to our IT systems to properly handle such data. For example, the E. U.' s General Data Protection Regulation imposes strict rules on handling personal data related to the E. U. and imposes significant sanctions for violations. We have substantial operations in the E. U. and are therefore subject to these heightened standards. Similarly, the California Consumer Privacy Act ~~,~~ grants certain rights to California residents with respect to their personal data and requires that companies take or refrain from taking certain actions. **Several** ~~As the interpretation and enforcement of these and~~ other ~~future~~ **U. S. states have enacted similar** data privacy **legislation that has gone into effect in 2023** , ~~security~~ **and additional states have passed** or ~~residency~~ **are considering additional privacy** laws ~~, regulations and industry standards evolve, it may create a range of new compliance obligations, which could cause us to change our business practices, with the possibility for~~

~~significant financial penalties for noncompliance~~ that ~~could have an adverse~~ **are expected to take** effect **in** ~~on our financial condition and results of operations. While we cannot yet determine~~ the **near future. Our** ~~full impact such laws, regulations, and requirements may have on our business, our~~ failure to adequately comply with ~~them~~ **these requirements** could lead to substantial fines, penalties, third- party liability, remediation costs, potential cancellation of existing contracts and the inability to compete for future business. Any significant breach of data privacy- related regulations or related customer requirements could have a material adverse effect on our business and reputation, as well as our financial condition, results of operations and cash flows. Our international operations subject us to international trade control, anti- money laundering and anti- corruption laws that can impose substantial compliance costs and expose us to civil and / or criminal penalties. Our global operations are subject to applicable anti- corruption laws, such as the U. S. Foreign Corrupt Practices Act and the U. K. Bribery Act 2010, anti- money laundering laws, international trade controls, and competition laws. Anti- corruption laws generally prohibit us from providing anything of value to foreign officials for the purposes of improperly influencing official decisions or improperly obtaining or retaining business and may also apply to commercial bribery. As part of our business, we operate in countries with a high degree of corruption and frequently interact with state- owned enterprises and government officials. This may increase the risk of improper payments being demanded of, offered by, or made by one of our employees or a party acting on our behalf. The risk of enforcement has also grown in recent years as more of the countries in which we operate have passed anti- corruption laws and prioritized enforcement of those laws which can result in significant fines and penalties. International trade controls, including economic sanctions such as those administered by the U. S. Treasury' s Office of Foreign Assets Control (" OFAC") or the U. K.' s HM Treasury, export controls and anti- boycott regulations, restrict our business dealings with certain countries and individuals, are complex, may conflict with each other, are continually changing and may be adopted quickly. For example, as a result of the military conflict in Eastern Europe, the U. S., the E. U., the U. K. and other countries in which we operate have imposed ~~numerous~~ sanctions on Russia and certain other individuals and entities with connections to the Russian state ~~. Russia has responded in kind, and the continuation of the conflict may result in additional sanctions being enacted by the U. S., other North Atlantic Treaty Organization member states, or other countries~~ . Additional restrictions may be enacted, amended, enforced or interpreted in a manner that materially impacts our operations. From time to time, certain of our subsidiaries have limited business dealings in countries subject to comprehensive OFAC administered sanctions. While such activities currently represent an immaterial amount of our consolidated revenue and income and are undertaken pursuant to general and / or specific licenses issued by OFAC or as otherwise permitted by applicable sanctions regulations, these activities, as well as rapidly changing sanctions regimes across the globe, may expose us to a heightened risk of violating trade control regulations. We have established policies and procedures designed to assist with our compliance with these laws and regulations. Such policies and procedures may not always prevent us, our employees or parties acting on our behalf from violating these laws and regulations. Violations may expose us to criminal or civil penalties, or other adverse consequences including the denial of export privileges, injunctions, asset seizures, debarment from government contracts, and / or revocations or restrictions of licenses. In addition, the costs associated with responding to a government investigation and remediating any violations can be substantial. Furthermore, violations could trigger an event of default under our Credit Agreement, which if not waived, could result in the acceleration of any outstanding indebtedness, cause cross- defaults under other agreements to which we are a party, and impair our ability to obtain working capital advances or letters of credit. Accordingly, violations could adversely affect, among other things, our reputation, business, financial condition, results of operations and cash flows. General Risks ~~A~~ **We face various risks related to** ~~pandemic~~ **pandemics** , ~~epidemic~~ **epidemics and** ~~, or~~ other ~~outbreak~~ **outbreaks** of infectious disease **, which** may adversely affect our business, results of operations and financial condition **. We face a wide variety of risks related to pandemics, epidemics and other outbreaks of infectious diseases, which have in the past contributed to business slowdowns or shutdowns, labor shortages, supply chain challenges, changes in government spending and requirements, regulatory challenges, inflationary pressures and market volatility** . Public health crises ~~, epidemics, and pandemics~~ , such as the COVID- 19 pandemic, have impacted our operations directly and may in the future impact us directly, or may disrupt the operations of our business partners, suppliers and customers in ways that could have an adverse effect on our business, results of operations and financial condition. ~~Beginning in 2020, the COVID- 19 pandemic negatively impacted the global economy, disrupted global supply chains and created uncertainty and volatility in financial markets. Our business operations and activities have since normalized to near pre- pandemic levels, however, we continue to monitor our business and those of our business partners, suppliers and customers for future disruptions relating to COVID- 19 or other infectious disease outbreaks.~~ To the extent that a pandemic, epidemic or other outbreak of infectious disease adversely affects our business, results of operations and financial condition, it may also have the effect of exacerbating many of the other risks discussed in this ~~2022~~ **2023** 10- K Report or any of our other periodic reports, which could have a material adverse effect on us and our results of operations. ~~Our derivative transactions with customers, suppliers, merchants and financial institutions expose us to price and credit risks, which could have a material adverse effect on our business. As part of our price risk management services, we offer customers various pricing structures for the purchase of energy products, including derivatives products designed to hedge exposure to fluctuations in energy prices. In the ordinary course of business, we enter into fixed forward contracts with some of our counterparties under which we agree to sell or purchase certain volumes of energy products at fixed prices. In addition, we may act as a counterparty in over- the- counter swap transactions with some of our customers where the customer may be required to pay us in connection with changes in the price of the underlying energy product. Further, we may use derivatives to hedge price risks associated with our fuel inventories and purchase and sale commitments. We typically hedge our price risk in any of the foregoing types of transactions by entering into derivative instruments with large energy companies, trading houses and financial institutions. If we have not required a customer to post collateral in connection with a fixed forward contract or swap transaction and there is an outstanding mark- to- market liability owing, we will have effectively extended unsecured credit to that customer and such amounts could be substantial. Based on the volatility of energy prices, our counterparties may not be willing or able to fulfill~~

~~their obligations to us under their fixed forward contracts or swap transactions. In such cases, we would be exposed to potential losses or costs associated with any resulting default. For example, in the event the spot market price of fuel at the time of delivery is substantially less than the fixed price of the contract with the customer, a customer could default on its purchase obligation to us and purchase the fuel at a lower" spot" market price from another supplier. Meanwhile, we may have entered into a corresponding commitment with a supplier to offer our customer specified fixed pricing or terms and would be obligated to perform our fixed price purchase obligations to such supplier. Similarly, the counterparties with whom we may hedge our price risk exposure may not be willing or able to fulfill their obligations to us under their swap transactions. If we are unable to recover losses from a defaulting counterparty, we could sustain substantial losses that would likely have a material adverse effect on our business, financial condition, results of operations and cash flows. Additionally, our hedging activities also result in additional costs and can require cash deposits for margin calls. If there is a sudden a significant change in fuel prices, the amount of cash necessary to cover margin calls can be material and impact our liquidity. We are exposed to various risks in connection with our use of derivatives, which could have a material adverse effect on our results of operations. We enter into financial derivative contracts to mitigate the risk of market price fluctuations in energy products, to offer our customers energy pricing alternatives to meet their needs, to manage price exposures associated with our inventories, and to mitigate the risk of fluctuations in foreign currency exchange rates. Despite our efforts to mitigate risks associated with these transactions, we remain subject to substantial energy price and exchange rate risks. Our efforts to hedge our exposure to fluctuations in energy prices and exchange rates may also be ineffective when the prices of historically correlated commodities diverge from their historical correlations. For example, we hedge jet fuel prices with derivatives tied to other petroleum products that have historically been correlated to aviation jet fuel (e. g., heating oil in the U. S. or gasoil in Europe or Asia). If the price of aviation jet fuel at a specific location diverges from historical correlations, our attempts to mitigate price risk associated with our aviation business may not be effective. Moreover, there may be times where the change in the price of jet fuel at a specific location is disrupted (e. g., hurricanes) and is not correlated to the underlying hedges when compared to historical prices. We may, as a component of our overall business strategy, increase or decrease from time to time our use of such derivative financial instruments in the future. We may also enter into proprietary derivative transactions that are not intended to hedge our own risk but are instead intended to make a profit by capitalizing on arbitrage opportunities associated with basis, time, quality or geographic spreads related to the energy products we sell. Proprietary derivative transactions, by their nature, expose us to changes in the underlying commodity prices of the proprietary positions taken. Although we have established limits on such exposure, any adverse changes could result in losses which can be further exacerbated by volatility in the financial and other markets. In addition, our employees may fail to comply with our policies and procedures with respect to hedging or proprietary trading, such as engaging in unauthorized trading activity, failing to hedge a specific price risk or failing to comply with our internal limits on exposure or any applicable statutory or regulatory requirements. Furthermore, the enforceability of our derivative transactions may depend on our compliance with applicable statutory, commodity and other regulatory requirements, which if violated could lead to our derivative transaction being voided, as well as penalties and fines. The impact of any of the foregoing could have a material adverse effect on our business, financial condition, results of operations and cash flows. Finally, many of our derivative transactions are not designated as hedges for accounting purposes. Therefore, changes in the fair market value of these derivatives are reflected as a component of revenue or cost of revenue (based on the underlying transaction type) in our consolidated statements of income and comprehensive income. Since the fair market value of these derivatives is marked to market at the end of each quarter, changes in the value of our derivative instruments because of gains or losses may cause our earnings to fluctuate from period to period.~~