More System Extension Conflicts:

The other reason has to do with the types of changes that are often attempted with control panel devices and extensions. Many control panel devices and INITs perform some type of manipulation of the normal operation of the System Software of the machine. Things like changing the way menus work or other manipulations of the "Standard Macintosh Interface" can lead to problems.

One reason for this is that such efforts are not generally sanctioned by Apple. Apple doesn't provide any easy way to do these things, so programmers resort to methods that can cause compatibility problems.