
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2025

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 001-8966

H2O AMERICA

(Exact name of registrant as specified in its charter)

Delaware

77-0066628

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

110 West Taylor Street, San Jose, CA

95110

(Address of principal executive offices)

(Zip Code)

(408) 279-7800

(Registrant's telephone number, including area code)

SJW Group

(Former name or former address, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$0.001 per share	HTO	Nasdaq Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Non-accelerated filer
Accelerated filer Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of July 22, 2025, there were 35,287,080 shares of the registrant's Common Stock outstanding.

TABLE OF CONTENTS

	Page
Forward-Looking Statements	3
PART I FINANCIAL INFORMATION	4
Item 1. Financial Statements	4
Condensed Consolidated Statements of Comprehensive Income (unaudited) For the Three and Six Months Ended June 30, 2025 and 2024	4
Condensed Consolidated Balance Sheets (unaudited) as of June 30, 2025 and December 31, 2024	5
Condensed Consolidated Statements of Changes in Stockholders' Equity (unaudited) For the Three and Six Months Ended June 30, 2025 and 2024	7
Condensed Consolidated Statements of Cash Flows (unaudited) For the Six Months Ended June 30, 2025 and 2024	8
Notes to Unaudited Condensed Consolidated Financial Statements	9
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	21
Item 3. Quantitative and Qualitative Disclosures About Market Risk	29
Item 4. Controls and Procedures	30
PART II OTHER INFORMATION	31
Item 1. Legal Proceedings	31
Item 1A. Risk Factors	31
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	33
Item 3. Defaults Upon Senior Securities	33
Item 4. Mine Safety Disclosures	33
Item 5. Other Information	34
Item 6. Exhibits	35
Signatures	36

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. Some of these forward-looking statements can be identified by the use of forward-looking words such as “believes,” “expects,” “may,” “will,” “should,” “seeks,” “approximately,” “intends,” “plans,” “estimates,” “projects,” “strategy,” or “anticipates,” or the negative of those words or other comparable terminology. These forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions that are difficult to predict.

The accuracy of such statements is subject to a number of risks, uncertainties and assumptions including, but not limited to, the following factors:

- the risks associated with the proposed transactions with Quadvest, L.P., a Texas limited partnership and Quadvest Wholesale, LLC, a Texas limited liability company (together “Quadvest”), including, the risk of the proposed transactions not closing on the anticipated timeline, or at all, the ability to obtain required regulatory approvals, and the ability to successfully integrate Quadvest’s operations and realize the projected financial and other benefits of the proposed transactions;
- the effect of water, utility, environmental and other governmental policies and regulations, including regulatory actions concerning rates, authorized return on equity, authorized capital structures, capital expenditures, per- and polyfluoroalkyl substances (“PFAS”) and other decisions;
- changes in demand for water and other services;
- unanticipated weather conditions and changes in seasonality including those affecting water supply and customer usage;
- the effect of the impacts of climate change;
- unexpected costs, charges or expenses;
- our ability to successfully evaluate investments in new business and growth initiatives;
- contamination of our water supplies and damage or failure of our water equipment and infrastructure;
- the risk of work stoppages, strikes and other labor-related actions;
- catastrophic events such as fires, earthquakes, explosions, floods, ice storms, tornadoes, hurricanes, terrorist acts, physical attacks, cyber-attacks, epidemic, or other similar occurrences;
- changes in general economic, political, business and financial market conditions;
- the ability to obtain financing on favorable terms, which can be affected by various factors, including credit ratings, changes in interest rates, compliance with regulatory requirements, compliance with the terms and conditions of our outstanding indebtedness and general market and economic conditions; and
- legislative and general market and economic developments.

These risks, uncertainties and other factors may cause the actual results, performance or achievements of H2O America to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Results for a quarter are not indicative of results for a full year due to seasonality and other factors. In addition, actual results, performance or achievements are subject to other risks and uncertainties that relate more broadly to our overall business, including those more fully described in our filings with the SEC, including our most recent reports on Form 10-K, Form 10-Q and Form 8-K. Forward-looking statements are not guarantees of future performance, and speak only as of the date made, and we undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law.

In May 2025, the Company changed the corporate name from SJW Group to H2O America. We will not distinguish between our prior and current corporate name and will refer to our current corporate name throughout this quarterly report on Form 10-Q. As such, unless expressly indicated or the context requires otherwise, the terms “H2O America,” “company,” “we,” “us,” and “our” in this document refer to H2O America, a Delaware corporation, and, where appropriate, its subsidiaries.

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

H2O America and Subsidiaries
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(UNAUDITED)
(in thousands, except share and per share data)

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Operating revenue	\$ 198,255	176,174	\$ 365,854	325,556
Operating expense:				
Production Expenses:				
Purchased water	37,421	38,129	63,374	64,321
Power	3,851	2,737	7,334	5,164
Groundwater extraction charges	26,354	17,552	44,645	29,678
Other production expenses	13,243	12,052	24,483	23,101
Total production expenses	80,869	70,470	139,836	122,264
Administrative and general	28,795	20,468	56,555	46,256
Maintenance	7,470	7,881	14,969	14,568
Property taxes and other non-income taxes	8,506	8,419	17,701	17,249
Depreciation and amortization	28,750	28,366	57,032	56,736
Total operating expense	154,390	135,604	286,093	257,073
Operating income	43,865	40,570	79,761	68,483
Other (expense) income:				
Interest on long-term debt and other interest expense	(18,122)	(18,294)	(36,394)	(35,878)
Pension non-service credit	1,620	939	3,223	1,889
Other, net	1,982	1,205	2,777	3,856
Income before income taxes	29,345	24,420	49,367	38,350
Provision for income taxes	4,670	3,724	8,141	5,955
Net income	24,675	20,696	41,226	32,395
Other comprehensive loss, net	—	—	—	(442)
Comprehensive income	\$ 24,675	20,696	\$ 41,226	31,953
Earnings per share				
—Basic	\$ 0.71	0.64	\$ 1.20	1.00
—Diluted	\$ 0.71	0.64	\$ 1.20	1.00
Dividends per share	\$ 0.42	0.40	\$ 0.84	0.80
Weighted average shares outstanding				
—Basic	34,777,152	32,397,501	34,280,727	32,237,115
—Diluted	34,860,349	32,460,894	34,367,212	32,302,741

See Accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

H2O America and Subsidiaries
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)
(in thousands, except share and per share data)

	June 30, 2025	December 31, 2024
Assets		
Utility plant:		
Land	\$ 44,681	44,657
Depreciable plant and equipment	4,395,856	4,249,314
Construction work in progress	241,793	179,486
Intangible assets	51,604	51,604
Total utility plant	4,733,934	4,525,061
Less: accumulated depreciation and amortization	1,079,538	1,036,450
Net utility plant	3,654,396	3,488,611
Nonutility properties	1,314	1,314
Less: accumulated depreciation	99	98
Net nonutility properties	1,215	1,216
Current assets:		
Cash and cash equivalents	19,849	11,114
Accounts receivable:		
Customers, net of allowances for credit losses of \$994 and \$1,172 on June 30, 2025 and December 31, 2024, respectively	76,758	68,679
Income tax	—	5,953
Other	7,666	7,059
Accrued unbilled revenue	67,960	60,847
Prepaid expenses	8,427	10,297
Current regulatory assets	12,626	18,172
Other current assets	7,164	8,593
Total current assets	200,450	190,714
Other assets:		
Regulatory assets, less current portion	232,650	224,055
Investments	18,878	18,087
Postretirement benefit plans	68,682	66,422
Goodwill	640,311	640,311
Other	30,344	28,893
Total other assets	990,865	977,768
Total assets	\$ 4,846,926	4,658,309

See Accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

H2O America and Subsidiaries
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)
(in thousands, except share and per share data)

	June 30, 2025	December 31, 2024
Capitalization and liabilities		
Capitalization:		
Stockholders' equity:		
Common stock, \$0.001 par value; authorized 70,000,000 shares; issued and outstanding shares 35,287,080 on June 30, 2025 and 33,629,169 on December 31, 2024	\$ 35	34
Additional paid-in capital	914,330	827,796
Retained earnings	549,646	537,184
Accumulated other comprehensive income	1,960	1,960
Total stockholders' equity	1,465,971	1,366,974
Long-term debt, less current portion	1,692,212	1,706,904
Total capitalization	3,158,183	3,073,878
Current liabilities:		
Lines of credit	160,840	119,124
Current portion of long-term debt	18,923	3,648
Accrued groundwater extraction charges, purchased water and power	38,310	25,118
Accounts payable	48,231	56,256
Accrued interest	16,126	17,476
Accrued payroll	11,579	15,193
Current regulatory liabilities	2	1,122
Other current liabilities	20,223	23,236
Total current liabilities	314,234	261,173
Deferred income taxes	286,031	276,043
Advances for construction	172,612	155,397
Contributions in aid of construction	339,949	340,738
Postretirement benefit plans	44,033	45,063
Regulatory liabilities, less current portion	508,980	483,719
Other noncurrent liabilities	22,904	22,298
Commitments and contingencies		
Total capitalization and liabilities	\$ 4,846,926	4,658,309

See Accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

H2O America and Subsidiaries
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(UNAUDITED)
(in thousands, except share and per share data)

	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total Stockholders' Equity
	Number of Shares	Amount				
Balances, December 31, 2024	33,629,169	\$ 34	827,796	537,184	1,960	1,366,974
Net income	—	—	—	16,551	—	16,551
Stock-based compensation	—	—	1,210	(9)	—	1,201
Issuance of restricted and deferred stock units	31,587	—	(908)	—	—	(908)
Employee stock purchase plan	26,129	—	1,116	—	—	1,116
Common stock issuance, net of costs	495,900	—	26,545	—	—	26,545
Dividends paid (\$0.42 per share)	—	—	—	(14,142)	—	(14,142)
Balances, March 31, 2025	34,182,785	\$ 34	855,759	539,584	1,960	1,397,337
Net income	—	—	—	24,675	—	24,675
Stock-based compensation	—	—	1,464	(9)	—	1,455
Issuance of restricted and deferred stock units	16,702	—	(61)	—	—	(61)
Common stock issuance, net of costs	1,087,593	1	57,168	—	—	57,169
Dividends paid (\$0.42 per share)	—	—	—	(14,604)	—	(14,604)
Balances, June 30, 2025	35,287,080	\$ 35	914,330	549,646	1,960	1,465,971

	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total Stockholders' Equity
	Number of Shares	Amount				
Balances, December 31, 2023	32,023,004	\$ 32	736,191	495,383	1,791	1,233,397
Net income	—	—	—	11,699	—	11,699
Unrealized loss on investment, net of tax of \$163	—	—	—	—	(442)	(442)
Stock-based compensation	—	—	1,538	(9)	—	1,529
Issuance of restricted and deferred stock units	30,432	—	(1,215)	—	—	(1,215)
Employee stock purchase plan	21,755	—	1,101	—	—	1,101
Common stock issuance, net of costs	126,025	—	7,006	—	—	7,006
Dividends paid (\$0.40 per share)	—	—	—	(12,824)	—	(12,824)
Balances, March 31, 2024	32,201,216	\$ 32	744,621	494,249	1,349	1,240,251
Net income	—	—	—	20,696	—	20,696
Stock-based compensation	—	—	1,275	(8)	—	1,267
Issuance of restricted and deferred stock units	9,083	—	(2)	—	—	(2)
Common stock issuance, net of costs	458,605	1	25,295	—	—	25,296
Dividends paid (\$0.40 per share)	—	—	—	(12,900)	—	(12,900)
Balances, June 30, 2024	32,668,904	\$ 33	771,189	502,037	1,349	1,274,608

See Accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

H2O America and Subsidiaries
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(in thousands)

	Six months ended June 30,	
	2025	2024
Operating activities:		
Net income	\$ 41,226	32,395
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	59,606	57,847
Deferred income taxes	8,642	1,278
Stock-based compensation	2,674	2,813
Allowance for equity funds used during construction	(823)	(1,145)
Changes in operating assets and liabilities:		
Accounts receivable and accrued unbilled utility revenue	(15,275)	(9,746)
Accounts payable and other current liabilities	(9,400)	(1,952)
Accrued groundwater extraction charges, purchased water and power	13,192	8,102
Tax receivable and payable, and other accrued taxes	118	3,617
Postretirement benefits	(1,420)	(1,080)
Regulatory assets and liabilities excluding cost of removal, income tax temporary differences and postretirement benefits	4,931	8,621
Other changes, net	546	(218)
Net cash provided by operating activities	104,017	100,532
Investing activities:		
Additions to utility plant:		
Company-funded	(204,440)	(158,368)
Contributions in aid of construction	(11,963)	(11,779)
Cost to retire utility plant, net of salvage	(1,471)	(1,434)
Proceeds from sale of real estate investments	—	40,628
Other changes, net	—	(29)
Net cash used in investing activities	(217,874)	(130,982)
Financing activities:		
Borrowings from lines of credit	114,959	151,668
Repayments of lines of credit	(73,243)	(106,556)
Long-term borrowings	—	25,000
Repayments of long-term borrowings	(1,738)	(41,488)
Issuance of common stock, net of issuance costs	83,713	32,302
Dividends paid	(28,746)	(25,724)
Receipts of advances and contributions in aid of construction	30,293	10,054
Refunds of advances for construction	(2,760)	(1,341)
Other changes, net	114	(384)
Net cash provided by financing activities	122,592	43,531
Net change in cash and cash equivalents	8,735	13,081
Cash and cash equivalents, beginning of period	11,114	9,723
Cash and cash equivalents, end of period	\$ 19,849	22,804
Cash paid (refunded) during the period for:		
Interest	\$ 40,867	38,100
Interest, net of amounts capitalized	\$ 37,895	36,509
Income taxes	\$ (2,370)	702
Supplemental disclosure of non-cash activities:		
Accrued payables for additions to utility plant	\$ 36,941	29,125
Utility property installed by developers	\$ 1,459	748
Proceeds receivable from sale of real estate investments	\$ —	2,801
Accrued selling expenses on sale of real estate investments	\$ —	2,386

See Accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

H2O AMERICA AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025
(in thousands, except share and per share data)

Note 1. General

In the opinion of management, the accompanying unaudited condensed consolidated financial statements reflect all adjustments (consisting only of normal, recurring adjustments) necessary for a fair presentation of the results for the interim periods.

The unaudited interim financial information has been prepared in accordance with accounting principles generally accepted in the United States of America and in accordance with the instructions for Form 10-Q and Rule 10-01 of Regulation S-X promulgated by the Securities and Exchange Commission (“SEC”). The Notes to Consolidated Financial Statements in H2O America’s 2024 Annual Report on Form 10-K, filed with the SEC on February 28, 2025, should be read in conjunction with the accompanying unaudited condensed consolidated financial statements.

In May 2025, the Company changed the corporate name from SJW Group to H2O America and the trading symbol from SJW to HTO on the Nasdaq Global Select Market. H2O America is a holding company that conducts its business through the following wholly owned subsidiaries: San Jose Water Company (“SJWC”), SJWTX Holdings, Inc., SJW Land Company, SJWNE LLC, and National Water Utility Service, LLC (“NWU”). SJWTX Holdings, Inc., is a holding company for its wholly owned subsidiaries, SJWTX, Inc., doing business as The Texas Water Company (“TWC”), Texas Water Operation Services, LLC, (“TWOS”) and Texas Water Resources, LLC (“TWR”). SJWNE LLC is the holding company for Connecticut Water Service, Inc. (“CTWS”) whose wholly owned subsidiaries are The Connecticut Water Company (“CWC”), The Maine Water Company (“MWC”), New England Water Utility Services, Inc. (“NEWUS”), and Chester Realty, Inc.

Revenue

Water sales are seasonal in nature and influenced by weather conditions. The timing of precipitation and climatic conditions can cause seasonal water consumption by customers to vary significantly. Due to the seasonal nature of the water business, the operating results for interim periods are not indicative of the operating results for a 12-month period. Revenue is generally higher in the warm, dry summer months when water usage and sales are greater, and lower in the winter months when cooler temperatures and increased precipitation curtail water usage resulting in lower sales.

H2O America’s revenue components are as follows:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Revenue from contracts with customers	\$ 197,777	173,106	\$ 362,640	323,114
Alternative revenue programs, net	1,759	1,314	2,351	(523)
Other balancing and memorandum accounts and regulatory mechanisms, net	(2,288)	977	(988)	413
Rental income	1,007	777	1,851	2,552
	<u>\$ 198,255</u>	<u>176,174</u>	<u>\$ 365,854</u>	<u>325,556</u>

Nonutility Properties

The major components of nonutility properties as of June 30, 2025 and December 31, 2024, are as follows:

	June 30, 2025	December 31, 2024
Land	\$ 915	915
Buildings and improvements	399	399
Subtotal	1,314	1,314
Less: accumulated depreciation	99	98
Total	<u>\$ 1,215</u>	<u>1,216</u>

Fair Value Measurement

The following instruments are not measured at fair value on H2O America’s condensed consolidated balance sheets as of June 30, 2025, but require disclosure of their fair values: cash and cash equivalents, accounts receivable and accounts payable. The estimated fair value of such instruments as of June 30, 2025 approximates their carrying value as reported on the

H2O AMERICA AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025
(in thousands, except share and per share data)

condensed consolidated balance sheets. There have been no changes in valuation techniques during the three and six months ended June 30, 2025. The fair value of these instruments would be categorized as Level 2 in the fair value hierarchy, with the exception of cash and cash equivalents, which would be categorized as Level 1.

The fair value of H2O America's long-term debt was \$1,513,238 and \$1,490,024 as of June 30, 2025 and December 31, 2024, respectively, and was determined using a discounted cash flow analysis, based on the current rates for similar financial instruments of the same duration and creditworthiness of the company. Of the total fair value of long-term debt at June 30, 2025 and December 31, 2024, \$1,496,137 and \$1,473,393, respectively, would be categorized as Level 2 in the fair value hierarchy and \$17,101 and \$16,631, respectively, would be categorized as Level 3 in the fair value hierarchy.

CTWS's additional retirement benefits under the supplemental executive retirement plans and retirement contracts are funded by investment assets held by a Rabbi Trust. The fair value of the money market funds, mutual funds and fixed income investments in the Rabbi Trust was \$2,567 and \$2,812 as of June 30, 2025 and December 31, 2024, respectively, and are categorized as Level 1 in the fair value hierarchy.

Earnings per Share

Basic earnings per share is calculated using income available to common stockholders, divided by the weighted average number of shares outstanding during the period. Diluted earnings per share is calculated using income available to common stockholders divided by the weighted average number of shares of common stock including both shares outstanding and shares potentially issuable in connection with restricted common stock awards under H2O America's long-term incentive plans and shares potentially issuable under H2O America's employee stock purchase plan. For the three months ended June 30, 2025 and 2024, 8,900 and 6,567 anti-dilutive restricted common stock units were excluded from the diluted earnings per share calculation, respectively. For the six months ended June 30, 2025 and 2024, 23,346 and 9,394 anti-dilutive restricted common stock units were excluded from the diluted earnings per share calculation, respectively.

H2O AMERICA AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025
(in thousands, except share and per share data)

New Accounting Standards

The recently issued accounting standards that have not yet been adopted by the company as of June 30, 2025 are as follows:

Standard	Description	Date of Adoption	Application	Effect on the Condensed Consolidated Financial Statements
Accounting Standards Update (“ASU”) 2023-09 “Improvements to Income Tax Disclosures”	The ASU amends certain income tax disclosure requirements, including adding requirements to present the reconciliation of income tax expense computed at the statutory rate to actual income tax expense using both percentages and amounts and providing a disaggregation of income taxes paid. Further, certain disclosures are eliminated, including the current requirement to disclose information on changes in unrecognized tax benefits in the next 12 months.	H2O America will adopt the ASU beginning with its annual financial statements for the year ending December 31, 2025.	Prospective, with retrospective application also permitted.	H2O America is currently evaluating the requirements of ASU 2023-09.
ASU 2024-03 “Disaggregation of Income Statement Expenses”	The ASU requires disclosure, in the notes to the financial statements, of specified information about certain costs and expenses. The ASU requires disclosure of purchases of inventory, employee compensation, depreciation, and intangible asset amortization in interim and annual reporting periods. Further, other amounts already required to be disclosed in accordance with current U.S. GAAP would be included in the same disclosure as the other disaggregation requirements. Additionally, the ASU requires qualitative descriptions of amounts remaining in relevant expense captions that are not separately disaggregated quantitatively as well as disclosure of selling expenses in annual periods and an entity’s definition of selling expenses.	The ASU is effective for H2O America for its annual financial statements for the year ending December 31, 2027 and for interim reporting periods for the year ending December 31, 2028. Early adoption is permitted.	Prospective, with retrospective application also permitted.	H2O America is currently evaluating the requirements of ASU 2024-03.

H2O AMERICA AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025
(in thousands, except share and per share data)

Note 2. Regulatory Matters

Regulatory assets and liabilities are comprised of the following as of June 30, 2025 and December 31, 2024:

	June 30, 2025	December 31, 2024
Regulatory assets:		
Income tax temporary differences (a) (p)	\$ 185,239	180,103
Monterey Water Revenue Adjustment Mechanism (“MWRAM”) (b)	14,753	9,985
Business combinations debt premium (c) (p)	11,043	12,313
Employee benefit costs (d) (p)	6,144	6,370
Revenue adjustment mechanisms (e) (p)	5,780	5,024
Customer Assistance Program (“CAP”) balancing account (f)	4,686	6,599
Unrecognized pensions and other postretirement benefits (g) (p)	1,506	3,177
2022 general rate case interim memorandum account (h)	1,106	3,392
Other (j)	15,019	15,264
Total regulatory assets	245,276	242,227
Less: current regulatory assets (k)	12,626	18,172
Total regulatory assets, less current portion	\$ 232,650	224,055
Regulatory liabilities:		
Cost of removal (l)	379,624	364,398
Future income tax benefits due to customers (m)	83,326	84,128
Unrecognized pensions and other postretirement benefits (g)	27,696	27,872
PFAS legal settlement proceeds (q)	6,352	—
Employee benefit costs (d)	4,933	1,137
Water supply costs (i)	4,405	3,386
Revenue adjustment mechanisms (e)	2	1,122
Other (n)	2,644	2,798
Total regulatory liabilities	508,982	484,841
Less: current regulatory liabilities (o)	2	1,122
Total regulatory liabilities, less current portion	\$ 508,980	483,719

- (a) Consists primarily of temporary income tax differences that are flowed through to customers, which will be recovered in future rates as these temporary differences reverse. The company expects to recover regulatory assets related to plant depreciation income tax temporary differences over the lives of the plant assets, which are between 5 to 100 years.
- (b) MWRAM is described in the following section.
- (c) Consists of debt fair value adjustments recognized through purchase accounting for the completed merger with CTWS in 2019.
- (d) Includes deferrals of pension and other postretirement benefit expense and cost of accrued benefits for vacation, and group health insurance.
- (e) Primarily relates to Water Rate Adjustment mechanism (“WRA”). WRA and Water Conservation Memorandum Account (“WCMA”) are described in the following section.
- (f) Represents costs associated with SJWC’s CAP.
- (g) Represents actuarial losses and gains and prior service cost that have not yet been recognized as components of net periodic benefit cost for certain pension and other postretirement benefit plans.
- (h) Represents the difference between revenues collected in interim rates in effect as of January 1, 2022 and revenues that would result from rates authorized in SJWC’s 2022 general rate case retroactive to January 1, 2022.
- (i) Reflects primarily SJWC’s Full Cost Balancing Account (“FCBA”), which tracks differences in actual water supply costs compared to amounts assumed in base rates, including applicable changes and variations in costs and quantities that affect the overall mix of the water supply.
- (j) Other includes other balancing and memorandum accounts and regulatory mechanisms, deferred costs for certain information technology activities, asset retirement obligations, tank painting, well reconditioning and rate case expenses.
- (k) Primarily relates to SJWC’s balancing and memorandum account surcharge in accordance with Decision No. 24-12-077 and the current portion of CWC’s deferred well redevelopment and rate case costs.
- (l) Represents amounts collected in rates from customers for estimated costs to retire assets at the end of their expected useful lives before the costs are incurred.

H2O AMERICA AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025
(in thousands, except share and per share data)

- (m) On December 22, 2017, the Tax Cuts and Jobs Act of 2017 (the “Tax Act”) was signed into law. The Tax Act included a reduction in the federal income tax rate from 35% to 21%. The rate reduction was effective on January 1, 2018 and resulted in a regulatory liability for the excess deferred income taxes. The benefit of amortization of excess deferred income taxes flows back to the customers under current normalization rules and agreed upon methods with the commissions.
- (n) Other includes accrued tank painting costs and other regulatory mechanisms.
- (o) Primarily relates to the current portion of WRA.
- (p) Generally, not earning a return either by interest on the regulatory asset or as a component of rate base at the allowed rate of return.
- (q) Primarily relates to legal settlements received by SJWC and CWC from ongoing PFAS water contamination litigation against manufacturers which will be used to offset future costs incurred, recorded as Contributions in Aid of Construction (“CIAC”), or returned to customers through future rates. Water Contamination Litigation Memorandum Account (“WCLMA”) has been established to track net proceeds and costs resulting from water contamination litigation related to SJWC.

SJWC has established balancing accounts for the purpose of tracking the under-collection or over-collection associated with expense changes and the revenue authorized by the CPUC to offset those expense changes. SJWC has been authorized for the use of the FCBA to track water supply costs and energy consumption. The MWRAM balancing account tracks the difference between the revenue received for actual metered sales through the tiered volumetric rate and the revenue that would have been received with the same actual metered sales if a uniform rate would have been in effect.

SJWC also maintains memorandum accounts to track impacts due to catastrophic events, certain unforeseen water quality expenses related to new federal and state water quality standards, energy efficiency, water conservation, water tariffs, and other approved activities or as directed by the CPUC. The WCLMA allows SJWC to track net proceeds and costs resulting from water contamination litigation. The WCMA allows SJWC to track lost revenue, net of related water costs, associated with reduced sales due to water conservation and associated calls for water use reductions, both mandatory and voluntary. SJWC records the lost revenue captured in the WCMA balancing accounts, including amounts related to a 20-basis point reduction in the authorized return on equity per the terms of the WCMA. Applicable drought surcharges collected are used to offset the revenue losses tracked in the WCMA. All balancing accounts and memorandum accounts not included for recovery or refund in the current general rate case will be reviewed by the CPUC in SJWC’s next general rate case or at the time an individual account balance reaches a threshold of 2% of authorized revenue, whichever occurs first. On December 19, 2024, the CPUC issued General Rate Case Decision No. 24-12-077, which approved a recovery of \$15,792 in balancing and memorandum accounts from customers through a 12-month surcharge effective January 1, 2025.

CWC has been authorized by the Connecticut Public Utilities Regulatory Authority (“PURA”) to utilize a WRA, a decoupling mechanism, to mitigate risk associated with changes in demand. The WRA is used to reconcile actual water demands with the demands projected in the most recent general rate case and allows the company to implement a surcharge or sur-credit as necessary to recover or refund the revenues approved in the general rate case. The WRA allows the company to defer, as a regulatory asset or liability, the amount by which actual revenues deviate from the revenues allowed in the most recent general rate proceedings.

Note 3. Capitalization

In October 2024, H2O America entered into an equity distribution agreement (the, “Equity Distribution Agreement”) with BofA Securities, Inc., J.P. Morgan Securities LLC, RBC Capital Markets, LLC and Wells Fargo Securities, LLC, pursuant to which the company may offer and sell shares of its common stock, \$0.001 par value per share, from time to time in “at-the-market” offerings, having an aggregate gross sales price of up to \$200,000. The Equity Distribution Agreement replaced the previous agreement that ended in 2024. For the three and six months ended June 30, 2025, H2O America issued and sold a total of 1,087,593 and 1,583,493 shares of common stock, respectively, with a weighted average price of \$52.82 and \$53.15 per share respectively, and received \$57,168 and \$83,713 in net proceeds, respectively, under the Equity Distribution Agreement. Since the inception of the Equity Distribution Agreement, H2O America has issued and sold 1,959,006 shares of common stock at a weighted average price of \$53.59 for a total net proceeds of \$103,882 and has \$95,017 of aggregate gross sales price of shares remaining to issue under the Equity Distribution Agreement as of June 30, 2025.

H2O AMERICA AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025
(in thousands, except share and per share data)

Note 4. Lines of Credit and Long-Term Liabilities

H2O America's contractual obligations and commitments include senior notes, bank term loans, revenue bonds, state revolving fund loans and other obligations.

Lines of Credit

The weighted average interest rate on short-term borrowings outstanding at June 30, 2025, was 5.43%, compared to 6.08% at December 31, 2024.

As of June 30, 2025, the unused portion of the lines of credit was \$199,160.

On April 15, 2025, CTWS extended the maturity date on its \$40,000 credit agreement from May 15, 2025 to August 13, 2025.

SJWC has entered into a \$10,000 credit agreement with JPMorgan Chase Bank, N.A., dated June 11, 2025. The credit agreement has a maturity date of June 11, 2026. This line of credit was unused at June 30, 2025.

Note 5. Income Taxes

Income tax expense was \$4,670 and \$3,724 for the three months ended June 30, 2025 and 2024, respectively. Income tax expense was \$8,141 and \$5,955 for the six months ended June 30, 2025 and 2024, respectively. The effective consolidated income tax rates were 16% and 15% for the three months ended June 30, 2025 and 2024, respectively, and 16% for the six months ended for both June 30, 2025 and 2024, respectively.

H2O America had unrecognized tax benefits, before the impact of deductions of state taxes, excluding interest and penalties, of \$3,896 and \$3,707 as of June 30, 2025 and December 31, 2024, respectively. H2O America currently does not expect uncertain tax positions to change significantly over the next 12 months, except in the case of a lapse of the statute of limitations.

Note 6. Commitments and Contingencies

H2O America and its subsidiaries are subject to ordinary routine litigation incidental to its business.

In October 2023, CWC, a subsidiary of H2O America, was named as a defendant in a putative class action lawsuit alleging that the water provided by CWC contained contaminants. The case is currently pending in the State of Connecticut Superior Court. CWC intends to vigorously defend itself in this lawsuit. H2O America is unable to provide a reasonable estimate of loss, if any, at this time.

SJWC and CWC are plaintiffs in a lawsuit against manufacturers of certain PFAS compounds for damages, contribution and reimbursement of costs incurred and continuing to be incurred to address the presence of such PFAS compounds in public water supply systems owned and operated by these utility subsidiaries and throughout their respective service areas. The lawsuit is part of Multi-District Litigation ("MDL") that commenced on December 7, 2018, in the United States District Court for the District of South Carolina. MWC has submitted timely claims as a settlement class member.

On February 8, 2024, the MDL court approved settlements involving defendants The Chemours Company, Corteva, Inc., and DuPont de Nemours, Inc. to resolve claims brought in the MDL against them by public water systems, including SJWC and CWC. On March 29, 2024, the MDL court approved a similar settlement involving defendant 3M Company. On November 22, 2024, the MDL court approved settlements involving defendants Tyco Fire Products LP and BASF Corporation. H2O America is entitled to a portion of the settlements and is monitoring and evaluating the ongoing litigation and settlement activity with the PFAS manufacturers for potential impacts to the various claims that these utility subsidiaries have asserted.

During the quarter ended June 30, 2025, the Company received \$6,443 in cash proceeds from a legal settlement with 3M related to PFAS contamination. These proceeds were allocated as follows: SJWC received \$4,420; CWC received \$1,906; and MWC received \$117, which includes \$91 payable to contract operators. The proceeds are compensatory in nature and are intended to reimburse the Company for costs incurred to address the presence of PFAS compounds in public water supply systems or to be refunded to customers through rate reductions, and have been recorded as a regulatory liability subject to regulatory approval.

H2O America is entitled to receive additional cash proceeds from 3M Company during the remainder of 2025 and the subsequent nine years, pursuant to the terms of the settlement agreement. In addition, the Company is party to pending settlements with DuPont de Nemours, Inc., Tyco Fire Products LP, and BASF Corporation. Proceeds from these settlements are also expected to be received in 2025 and will be accounted for in a manner consistent with the 3M Company settlement. H2O

H2O AMERICA AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025
(in thousands, except share and per share data)

America is monitoring and evaluating the ongoing litigation and settlement activity with the PFAS manufacturers for potential impacts to the various claims that these utility subsidiaries have asserted. However, the amount of these additional proceeds is not estimable as of the date of this filing.

Note 7. Benefit Plans

H2O America maintains noncontributory defined benefit pension plans for its eligible employees. SJWC employees hired before March 31, 2008 and CWC and MWC employees hired before January 1, 2009 are entitled to benefits under the pension plans based on the employee's years of service and compensation. For SJWC employees hired on or after March 31, 2008, benefits are determined using a cash balance formula based upon compensation credits and interest credits for each employee. Starting in 2023, TWC employees are also eligible to participate under SJWC's cash balance plan. Certain employees hired before March 1, 2012, and covered by a plan merged into the CWC plan in 2013 are also entitled to benefits based on the employee's years of service and compensation. CTWS employees hired on or after January 1, 2009, are entitled to an additional 1.5% of eligible compensation to their company sponsored savings plan. H2O America does not have multi-employer plans.

In addition, senior management hired before March 31, 2008, for SJWC and January 1, 2009 for CWC, are eligible to receive additional retirement benefits under supplemental executive retirement plans and retirement contracts. SJWC's senior management hired on or after March 31, 2008, are eligible to receive additional retirement benefits under SJWC's Cash Balance Executive Supplemental Retirement Plan. The supplemental retirement plans and Cash Balance Executive Supplemental Retirement Plan are non-qualified plans in which only senior management and other designated members of management may participate. H2O America also provides health care and life insurance benefits for retired employees under employer-sponsored postretirement benefits that are not pension plans.

The components of net periodic benefit costs for the defined benefit plans and other postretirement benefits for the three and six months ended June 30, 2025 and 2024 are as follows:

	Pension Benefits		Other Benefits	
	Three months ended June 30,			
	2025	2024	2025	2024
Service cost	\$ 1,644	1,666	\$ 156	166
Interest cost	3,901	3,613	337	295
Expected return on assets	(4,944)	(4,463)	(295)	(267)
Amortization of actuarial (gain) loss	(458)	(18)	(214)	(161)
Amortization of prior service cost	4	4	—	—
Total	\$ 147	802	\$ (16)	33

	Pension Benefits		Other Benefits	
	Six months ended June 30,			
	2025	2024	2025	2024
Service cost	\$ 3,287	3,331	\$ 312	332
Interest cost	7,801	7,226	674	591
Expected return on assets	(9,887)	(8,926)	(590)	(534)
Amortization of actuarial (gain) loss	(915)	(35)	(428)	(322)
Amortization of prior service cost	7	7	—	—
Total	\$ 293	1,603	\$ (32)	67

In 2025, H2O America expects to make required and discretionary cash contributions of up to \$6,113 to the pension plans and other postretirement benefits. For the three and six months ended June 30, 2025, H2O America has made \$628 and \$2,105, respectively, contributions to such plans.

H2O AMERICA AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025
(in thousands, except share and per share data)

Note 8. Equity Plans

H2O America’s long-term incentive plans provide employees, non-employee board members or the board of directors of any parent or subsidiary, consultants, and other independent advisors who provide services to the company or subsidiary the opportunity to acquire an equity interest in H2O America. H2O America also maintains stock plans in connection with its acquisition of CTWS which are no longer granting new stock awards. In addition, shares are issued to employees under H2O America’s employee stock purchase plan (“ESPP”). As of June 30, 2025, 230,275 shares are issuable upon the vesting of outstanding restricted stock units and deferred restricted stock units and an additional 913,976 shares are available for award issuances under the long-term incentive plans.

A summary of compensation costs charged to income, by award type, and proceeds from the ESPP, are presented below for the three and six months ended June 30, 2025 and 2024:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Compensation costs charged to income:				
ESPP	\$ 100	—	\$ 189	195
Restricted stock and deferred restricted stock	1,364	1,275	2,485	2,618
Total compensation costs charged to income	<u>\$ 1,464</u>	<u>1,275</u>	<u>\$ 2,674</u>	<u>2,813</u>
ESPP proceeds	<u>\$ —</u>	<u>—</u>	<u>\$ 1,116</u>	<u>1,101</u>

Restricted Stock and Deferred Restricted Stock

For the three months ended June 30, 2025 and 2024, H2O America granted 19,909 and 24,692, respectively, of one year and three-year service-based restricted stock awards with a weighted average grant date fair value per unit of \$48.57 and \$50.04, respectively. For the six months ended June 30, 2025 and 2024, H2O America granted 66,314 and 64,482, respectively, of one-year and three-year service-based restricted stock awards with a weighted average grant date fair value per unit of \$45.49 and \$58.39, respectively.

For the three months ended June 30, 2025 and 2024, H2O America granted 1,562 and 356 target units, respectively, of performance-based and market-based restricted stock awards with a weighted-average grant date fair value per unit of \$53.19 and \$52.90, respectively. For the six months ended June 30, 2025 and 2024, H2O America granted 58,208 and 45,763 target units, respectively, of performance-based and market-based restricted stock awards with a weighted average grant date fair value per unit of \$51.91 and \$55.60, respectively. Based upon actual attainment relative to the target performance metric, the number of shares issuable can range between 0% to 150% of the target number of shares for performance-based restricted stock awards, or between 0% and 200% of the target number of shares for market-based restricted stock awards.

As of June 30, 2025, the total unrecognized compensation costs related to restricted and deferred restricted stock plans was \$8,405. This cost is expected to be recognized over a weighted average period of 1.93 years.

H2O AMERICA AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025
(in thousands, except share and per share data)

Note 9. Segment Reporting

H2O America's single reportable segment provides water utility and utility-related services to its customers through H2O America's subsidiaries, SJWC, CWC, TWC, MWC, and Acequia, which are aggregated and referred to as "Water Utility Services." Water Utility Services' activities are water utility operations with both regulated and non-tariffed businesses. Other business activities that do not comprise separately reportable segments primarily include SJWC's City of Cupertino service concession arrangement operations, property management and investment activity conducted by SJW Land Company and Chester Realty, Inc., contract water and sewer operations and other water-related services provided by NEWUS and are referred to as "Other Services."

H2O America's operating segments have been determined based on information used by the chief operating decision maker. H2O America's chief operating decision maker ("CODM") includes the Chairman, President, and Chief Executive Officer; the Chief Financial Officer and Treasurer; the Chief Operating Officer; the Senior Vice President and Chief Administrative Officer; and the Vice President and General Counsel. However, ultimate decision-making authority rests with the Chairman, President, and Chief Executive Officer. The CODM reviews financial information presented on a consolidated basis that is accompanied by certain disaggregated information about operating revenue, expenses, net income, and total assets. The CODM uses the net income to assess the financial performance of the segments and allocate resources (including employees, financial, or capital resources) in the budgeting and forecasting process.

Certain allocated assets, such as goodwill, revenue and expenses have been included in the reportable segment amounts. Certain corporate costs and expenses are not allocated to Water Utility Services or Other Services and are shown separately to reconcile to the applicable consolidated amounts. As previously disclosed, H2O America updated its segment presentation in the fourth quarter of 2024. Accordingly, prior period information has been recast to conform with the current period presentation.

The following tables set forth information relating to H2O America's reportable segment and other business activities:

	For the three months ended June 30, 2025			
	Reportable Segment		Unallocated Corporate (2)	Consolidated
	Water Utility Services	Other Services (1)		
Operating revenue	\$ 194,674	3,581	—	198,255
Less:				
Production expenses	79,324	1,545	—	80,869
Administrative and general	24,967	252	3,576	28,795
Maintenance	6,745	725	—	7,470
Property taxes and other non-income taxes	8,506	9	(9)	8,506
Depreciation and amortization	28,485	34	231	28,750
Interest on long-term debt and other interest expense	12,719	—	5,403	18,122
Provision (benefit) for income taxes	6,706	283	(2,319)	4,670
Other (3)	(1,748)	(38)	(1,816)	(3,602)
Net income (loss)	\$ 28,970	771	(5,066)	24,675
Capital expenditures	\$ 132,058	—	—	132,058

H2O AMERICA AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025
(in thousands, except share and per share data)

	For the three months ended June 30, 2024				
	Reportable Segment			Unallocated Corporate (2)	Consolidated
	Water Utility Services	Other Services (1)			
Operating revenue	\$ 172,046	4,128	—	176,174	
Less:					
Production expenses	69,176	1,293	1	70,470	
Administrative and general	19,292	820	356	20,468	
Maintenance	7,261	620	—	7,881	
Property taxes and other non-income taxes	8,463	20	(64)	8,419	
Depreciation and amortization	28,057	86	223	28,366	
Interest on long-term debt and other interest expense	12,037	224	6,033	18,294	
Provision (benefit) for income taxes	5,325	233	(1,834)	3,724	
Other (3)	(1,570)	583	(1,157)	(2,144)	
Net income (loss)	\$ 24,005	249	(3,558)	20,696	

Capital expenditures	\$ 96,636	—	—	96,636
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	For the six months ended June 30, 2025				
	Reportable Segment			Unallocated Corporate (2)	Consolidated
	Water Utility Services	Other Services (1)			
Operating revenue	\$ 359,830	6,024	—	365,854	
Less:					
Production expenses	137,309	2,527	—	139,836	
Administrative and general	51,718	812	4,025	56,555	
Maintenance	13,748	1,221	—	14,969	
Property taxes and other non-income taxes	17,715	(50)	36	17,701	
Depreciation and amortization	56,517	61	454	57,032	
Interest on long-term debt and other interest expense	25,758	—	10,636	36,394	
Provision (benefit) for income taxes	12,012	509	(4,380)	8,141	
Other (3)	(2,870)	(137)	(2,993)	(6,000)	
Net income (loss)	\$ 47,923	1,081	(7,778)	41,226	

Capital expenditures	\$ 216,403	—	—	216,403
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H2O AMERICA AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025
(in thousands, except share and per share data)

	For the six months ended June 30, 2024				
	Reportable Segment			Unallocated Corporate (2)	Consolidated
	Water Utility Services	Other Services (1)			
Operating revenue	\$ 316,961	8,595	—	325,556	
Less:					
Production expenses	120,213	2,051	—	122,264	
Administrative and general	43,142	1,630	1,484	46,256	
Maintenance	13,504	1,064	—	14,568	
Property taxes and other non-income taxes	17,053	258	(62)	17,249	
Depreciation and amortization	56,118	172	446	56,736	
Interest on long-term debt and other interest expense	23,579	445	11,854	35,878	
Provision (benefit) for income taxes	9,021	817	(3,883)	5,955	
Other (3)	(4,455)	575	(1,865)	(5,745)	
Net income (loss)	<u>\$ 38,786</u>	<u>1,583</u>	<u>(7,974)</u>	<u>32,395</u>	
Capital expenditures	\$ 170,147	—	—	170,147	

(1) The “Other Services” category includes the accounts of SJW Land Co, Chester Reality, Inc., SJWC’s Cupertino service concession arrangement operations, TWOS, TWR, and NEWUS, on a stand-alone basis.

(2) The “Unallocated Corporate” category includes the accounts of H2O America, SJWNE LLC, SJWTX Holdings, Inc., CTWS, NWU on a stand-alone basis.

(3) Primarily comprised of pension non-service credit (cost) and items of miscellaneous non-operating income (expense).

H2O America’s assets for the Water Utility Services reportable segment and all other are as follows as of:

	June 30, 2025	December 31, 2024
Water Utility Services (reportable segment)	\$ 4,728,012	4,567,182
Other Services	27,994	25,053
Unallocated Corporate	90,920	66,074
Total assets	<u>\$ 4,846,926</u>	<u>4,658,309</u>

H2O AMERICA AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025
(in thousands, except share and per share data)

Note 10. Subsequent Events

H2O America acquisition

On July 7, 2025, the Company, through its indirect subsidiary, TWC, entered into an Asset Purchase Agreement (the “Regulated Business APA”), with Quadvest, L.P., a Texas limited partnership, as seller (“Quadvest Retail”) and the Company, as guarantor, pursuant to which, and subject to the terms and conditions set forth therein, Quadvest Retail has agreed to sell, and TWC has agreed to acquire, substantially all of the assets of Quadvest Retail related to the operation of Quadvest Retail’s water and sewer utility business (the “Regulated Business”) at a purchase price consisting of a base amount of \$483,600, with certain adjustments based on capital expenditures (the “Regulated Business Transaction”). The Regulated Business Transaction will be subject to the satisfaction of various closing conditions set forth in the Regulated Business APA, including satisfaction of the closing conditions with respect to the Wholesale Business Transaction described below.

Concurrently on July 7, 2025, the Company, its indirect subsidiary, Texas Water Operation Services, LLC (“TWOS”) and TWC (together with the Company and TWOS, the “Purchasers”), entered into another Asset Purchase Agreement (the “Wholesale Business APA” and together with the Regulated Business APA, the “Agreements”), with Quadvest Retail and its affiliate, Quadvest Wholesale, LLC, a Texas limited liability company (“Quadvest Wholesale” and together with Quadvest Retail, the “Sellers”), pursuant to which, and subject to the terms and conditions set forth therein, Quadvest Wholesale has agreed to sell, and TWOS has agreed to acquire substantially all of the assets of Quadvest Wholesale related to the operation of the Quadvest Wholesale’s wholesale water and sewer business (the “Wholesale Business” and together with the Regulated Business, the “Businesses”) at a purchase price consisting of a base amount of \$56,400, with certain adjustments based on capital expenditures (the “Wholesale Business Transaction”, and together with the Regulated Business Transaction, the “Transactions”). The Wholesale Business Transaction will be subject to the satisfaction of various closing conditions set forth in the Wholesale Business APA, including the simultaneous closing of the Regulated Business Transaction described above.

Maine and Connecticut financing agreements

On May 23, 2025, MWC submitted an application with MPUC seeking approval to issue unsecured notes in an amount up to \$25,000. The MPUC granted approval on June 17, 2025. On July 10, 2025, MWC issued a promissory note to a national cooperative bank under an existing master loan agreement for a principal amount of \$25,000 at a fixed interest rate of 6.70%. The note is an unsecured obligation of MWC due on July 20, 2055. Interest is payable quarterly in arrears on the 20th day of January, April, July and October of each year.

On July 11, 2025, CTWS repaid the \$25,000 outstanding balance on a credit agreement originally due on August 13, 2025. Concurrently, CTWS terminated this credit agreement, which had a credit limit of \$40,000, on July 11, 2025.

One Big Beautiful Bill Act (“OBBBA”)

On July 4, 2025, Public Law No. 119-21, known as the OBBBA was signed into law. The OBBBA contains several tax provisions affecting business taxpayers. The company is evaluating the impact of these provisions on the income tax provision in our consolidated financial statements. Any changes will be recognized in the period of enactment which is the third quarter of 2025.

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
(Dollar amounts in thousands, except per share amounts and where otherwise noted)

The information in this Item 2 should be read in conjunction with the financial information and the notes thereto included in Item 1 of this Form 10-Q and the condensed consolidated financial statements and notes thereto and the related “Management’s Discussion and Analysis of Financial Condition and Results of Operations” contained in H2O America’s Annual Report on Form 10-K for the year ended December 31, 2024.

This report contains forward-looking statements within the meaning of the federal securities laws relating to future events and future results of H2O America and its subsidiaries that are based on current expectations, estimates, forecasts, and projections about H2O America and its subsidiaries and the industries in which H2O America and its subsidiaries operate and the beliefs and assumptions of the management of H2O America. Actual results may differ materially from those currently anticipated and expressed in such forward-looking statements as a result of a number of factors. For more information about such forward-looking statements, including some of the factors that may affect our actual results, please see our disclosures under “Forward-Looking Statements,” and elsewhere in this Form 10-Q, including Part II, Item 1A under “Risk Factors” as well as the disclosures under Part I, Item 1A in H2O America’s Annual Report on Form 10-K for the year ended December 31, 2024 under “Risk Factors.”

General:

In May 2025, the Company changed the corporate name from SJW Group to H2O America. H2O America is a holding company whose primary business involves ownership of public utilities that provide water and wastewater services, including the production, purchase, storage, purification, distribution, wholesale and retail sale of water. The water utility business of H2O America is conducted through the following wholly owned subsidiaries: San Jose Water Company (“SJWC”), The Connecticut Water Company (“CWC”), The Maine Water Company (“MWC”), SJWTX, Inc. doing business as The Texas Water Company (“TWC”). These subsidiaries provide water service to approximately 407,000 water and wastewater service connections and serve a combined population of over 1.6 million people in California, Connecticut, Maine and Texas. Water utility services provided by these businesses are subject to regulation by the applicable state public utility commissions. These subsidiaries also engage in non-tariffed operations that are not subject to public utility commission regulation, including contract water and sewer operations, maintenance agreements, and antenna site leases.

Together, SJWC, excluding the City of Cupertino (“Cupertino”) service concession arrangement operations, CWC, MWC and TWC are referred to as “Water Utility Services,” which is our single reportable segment.

Other business activities that are not separately reportable segments are SJWC’s Cupertino service concession arrangement operations, Texas Water Operation Services, LLC (“TWOS”), Texas Water Resources, LLC (“TWR”), New England Water Utility Services, Inc. (“NEWUS”), SJW Land Company and Chester Realty, Inc. and are collectively referred to as “Other Services.”

Business Strategy for Water Utility Services:

H2O America focuses its business initiatives in three strategic areas:

- (1) Investing in regional regulated water utility operations to support the health, safety and quality of life of our customers;
- (2) Regional non-tariffed water utility-related services provided in accordance with the guidelines established by applicable state public utility commissions; and
- (3) Out-of-region water and utility-related services.

As part of our pursuit of the above three strategic areas, we consider from time to time opportunities to acquire businesses and assets. However, we cannot be certain we will be successful in identifying and consummating any strategic business combinations or acquisitions relating to such opportunities. In addition, the execution of our business strategy will expose us to different risks than those associated with the current utility operations. We expect to incur costs in connection with the execution of this strategy and any integration of an acquired business could involve significant costs, the assumption of certain known and unknown liabilities related to the acquired assets, the diversion of management’s time and resources, the potential for a negative impact on our financial position and operating results, entering markets in which we have no or limited direct prior experience and the potential loss of key employees of any acquired company. Any strategic combination or acquisition we decide to undertake may also impact our ability to finance our business, affect our compliance with regulatory requirements, and impose additional burdens on our operations. Any businesses we acquire may not achieve sales, customer growth and projected profitability that would justify the investment. Any difficulties we encounter in the integration process, including the

integration of controls necessary for internal control and financial reporting, could interfere with our operations, reduce our operating margins and adversely affect our internal controls. H2O America cannot be certain that any transaction will be successful or that it will not materially harm operating results or our financial condition.

As previously disclosed, H2O America, through its indirect subsidiary, TWC, is set to acquire regulated systems owned by Quadvest L.P. for \$483,600, and TWOS will acquire systems owned by Quadvest Wholesale LLC for \$56,400. Please see [Note 10](#), “Subsequent Events” for further discussion. On the completion of this acquisition, Quadvest will bring operational scale, a strong development pipeline, and increased exposure to one of America’s fastest growing regions, Houston, TX. Quadvest brings a strong legacy of local relationships and reliable service. It has been providing water and sewer service in Southeast Texas for nearly 50 years through its operating entities. As previously disclosed, H2O America updated its segment presentation in the fourth quarter of 2024. Accordingly, prior period information has been recast to conform with the current period presentation.

Critical Accounting Estimates:

The discussion and analysis of our financial condition and results of operations is based on the accounting estimates used and disclosed in our 2024 consolidated financial statements and accompanying notes that were prepared in accordance with accounting principles generally accepted in the United States of America and included as part of our Annual Report on Form 10-K for the year ended December 31, 2024, that was filed with the Securities and Exchange Commission on February 28, 2025.

Our critical accounting estimates are described in Management’s Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the year ended December 31, 2024. Our significant accounting policies are described in the notes to the 2024 consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2024. There have been no changes to critical accounting estimates or significant accounting policies during the three and six months ended June 30, 2025.

New Accounting Pronouncements:

See Note 1 of “Notes to Unaudited Condensed Consolidated Financial Statements” for a discussion of new accounting pronouncements.

Results of Operations:

Water sales are seasonal in nature and are influenced by weather conditions. The timing of precipitation and climatic conditions can cause seasonal water consumption by customers to vary significantly. Due to the seasonal nature of the water business, the operating results for interim periods are not indicative of the operating results for a 12-month period. Revenue is generally higher in the warm, dry summer months when water usage and sales are greater, and lower in the winter months when cooler temperatures and increased precipitation curtail water usage and sales.

Overview

H2O America’s consolidated net income for the three months ended June 30, 2025 was \$24,675, an increase of \$3,979, or 19%, from \$20,696 for the same period in 2024. H2O America’s consolidated net income for the six months ended June 30, 2025 was \$41,226, an increase of \$8,831, or approximately 27%, from \$32,395 for the same period in 2024. The increase in net income for the three and six months ended June 30, 2025 was primarily driven by rate increases in California and Connecticut. These factors were offset by higher water production expenses and increased other operating expenses as discussed below.

Operating Revenue

H2O America has a single reportable segment, referred to as “Water Utility Services.” All other business activities not separately reportable are included in “Other Services.” Operating revenue for the Water Utility Services reportable segment and Other Services was as follows:

	Operating Revenue by Segment			
	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Water Utility Services	\$ 194,674	172,046	\$ 359,830	316,961
Other Services	3,581	4,128	6,024	8,595
Total operating revenue	\$ 198,255	176,174	\$ 365,854	325,556

The change in consolidated operating revenue was due to the following factors:

	Increase/(decrease)			
	Three months ended June 30, 2025 vs. 2024		Six months ended June 30, 2025 vs. 2024	
Water Utility Services:				
Consumption changes	\$ 4,885	3 %	\$ 5,870	2 %
Increase in customers	331	— %	559	— %
Rate increases for:				
Pass-through water costs ¹	6,675	4 %	12,000	4 %
All other increases ²	10,935	6 %	22,827	7 %
Regulatory mechanisms ³	(2,255)	(1)%	(2,435)	(1)%
Service and other revenue	(546)	— %	(2,571)	(1)%
Other Services	2,056	1 %	4,048	1 %
Total change in operating revenue	\$ 22,081	13 %	\$ 40,298	12 %

(1) Consists of rate increases specifically associated with changes in the water supply costs that are passed through to customers.

(2) Primarily associated with general rate cases and related annual escalation adjustments, infrastructure surcharges, and cost of capital adjustments.

(3) Excludes portion attributable to rate increases, which are shown in the rate increase lines above.

Operating Expense

Operating expense is summarized below:

	Operating Expense by Segment			
	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Water Utility Services	\$ 148,027	132,249	\$ 277,007	250,030
Other Services	2,565	2,839	4,571	5,175
Unallocated Corporate	3,798	516	4,515	1,868
	\$ 154,390	135,604	\$ 286,093	257,073

The change in consolidated operating expense was due to the following factors:

	Increase/(decrease)			
	Three months ended June 30, 2025 vs. 2024		Six months ended June 30, 2025 vs. 2024	
Water production expenses:				
Change in surface water use	\$ 1,650	1 %	\$ 5,149	2 %
Change in usage	2,732	2 %	5,162	2 %
Change in new customers	91	— %	133	— %
Purchased water and groundwater extraction charge, energy price change and other production expenses, net	8,009	6 %	13,621	5 %
Balancing and memorandum account cost recovery	(2,083)	(1)%	(6,493)	(2)%
Total water production expenses	10,399	8 %	17,572	7 %
Administrative and general	8,327	6 %	10,299	4 %
Maintenance	(411)	— %	401	— %
Property taxes and other non-income taxes	87	— %	452	— %
Depreciation and amortization	384	— %	296	— %
Total change in operating expense	\$ 18,786	14 %	\$ 29,020	11 %

Sources of Water Supply

SJWC's water supply consists of groundwater from wells, surface water from watershed run-off and diversion, reclaimed water, and imported water purchased from Santa Clara Valley Water District ("Valley Water") under the terms of a master contract with Valley Water expiring in 2051. During normal rainfall years, purchased water provides approximately 40% to 50% of SJWC's annual production. An additional 40% to 50% of its water supply is pumped from the underground basin which is subject to a groundwater extraction charge paid to Valley Water. Surface supply, which during a normal rainfall year satisfies about 6% to 8% of SJWC's annual water supply needs, provides approximately 1% of its water supply in a dry year and approximately 14% in a wet year. In dry years, the decrease in availability of water from surface run-off and diversion and the corresponding increase in purchased and pumped water increases production expenses substantially. The opposite is also true where water production expenses decrease in wet years. In both instances, the impacts of surface water, purchased water, groundwater charges and purchased power are tracked in SJWC's Full Cost Balancing Account ("FCBA") authorized by the California Public Utilities Commission ("CPUC") for cost recovery.

For the six months ended June 30, 2025, water conditions remained positive across the State of California. As a result, the California Department of Water Resources ("DWR") announced an increase in the State Water Project allocation from 35% to 40% of the contract amount during the first quarter of 2025, and the U.S. Bureau of Reclamation kept the Central Valley Project allocation at 75% during the same period. The DWR further announced an increase in the State Water Project allocation from 40% to 50% of the contract amount during the second quarter of 2025, while the U.S. Bureau of Reclamation's Central Valley Project allocation increased from 75% to 80% during the same period. On July 1, 2025, Valley Water's 10 reservoirs were at 75% of restricted capacity, with 15.3 billion gallons of water in storage. Valley Water's largest reservoir, Anderson, remained drained for a dam seismic retrofit project. Valley Water also reported that managed groundwater recharge from January 2025 to June 2025 in the Santa Clara Plain was 111% of the five-year average. The groundwater level in the Santa Clara Plain is approximately 12 feet lower than in June 2024. According to Valley Water, the projected total groundwater storage at the end of 2025 is expected to be in the Normal Stage of the Water Shortage Contingency Plan.

As of June 30, 2025, SJWC's Lake Elsman was at 93.5% of capacity with 1.9 billion gallons of water, approximately 156.5% of the five-year seasonal average. In addition, the rainfall at SJWC's Lake Elsman was measured at 37.68 inches for the period from July 1, 2024 through June 30, 2025, which is 84.9% of the five-year average. SJWC's Montevina Water Treatment Plant treated 1.4 billion gallons of water through the second quarter of 2025, which is 101.1% of the five-year average. SJWC's Saratoga Water Treatment Plant treated 40 million gallons of water through the second quarter of 2025, which is 78.5% of the five-year average. The Saratoga Water Treatment Plant was taken out of service during the second quarter of 2025 due to a lack of surface water runoff and will remain offline until the next rain season. SJWC believes that its various sources of water supply will be sufficient to meet customer demand in 2025.

California faces long-term water supply challenges. SJWC actively works with Valley Water to meet these challenges by continuing to educate customers on responsible water use practices and conducting long-range water supply planning. Valley Water's 15% voluntary call for conservation and certain watering and water waste rules established in 2023 are still in place for 2025. The call for continued conservation is due to a major storage reservoir currently offline for seismic retrofits.

CWC's water sources vary among the individual systems, but overall, approximately 60% of the total dependable yield comes from surface water supplies and 40% from wells. In addition, CWC has water supply agreements to supplement its water supply with the South Central Connecticut Regional Water Authority and The Metropolitan District that expire in 2058 and 2053, respectively. CWC believes that it will be able to meet customer demand for 2025 with its existing water supply which consists of groundwater from wells, surface water in reservoirs and purchased water treated by neighboring water utilities.

TWC's water supply consists of groundwater from wells and purchased treated and untreated raw water from local water agencies. TWC has long-term agreements with the Guadalupe-Blanco River Authority ("GBRA"), which expire in 2037, 2040, 2044 and 2050. The agreements, which are take-or-pay contracts, provide TWC with an aggregate of approximately 7,602 acre-feet of water per year from Canyon Lake at prices that may be adjusted periodically by GBRA. TWC also has raw water supply agreements with the Lower Colorado River Authority and West Travis County Public Utility Agency expiring in 2059 and 2046, respectively, to provide for 350 acre-feet of water per year from Lake Austin and the Colorado River, respectively, at prices that may be adjusted periodically by the agencies. Forty active production wells located in a Comal Trinity Groundwater Conservation District, a regulated portion of the Trinity aquifer, are charged a groundwater pump tax based upon usage. TWC also owns eight wells and the associated water rights of KT Water Resources, LLC. These wells have been projected to yield at least 6,000 acre-feet per year. Development of the KT Water System continues.

Despite ongoing drought conditions in the Texas service area, which have led to water usage restrictions for customers, TWC expects to meet customer demand for 2025 based on current conditions. This expectation is supported by its diversified water supply portfolio, including groundwater wells, surface water, and purchased treated water from the GBRA. To ensure long-term system resilience, significant capital investments in transmission mains, storage facilities, and new supply sources are planned for 2025 and beyond.

Water sources at MWC vary among the individual systems, but overall, approximately 90% of the total dependable yield comes from surface water supplies and 10% from wells. MWC has a water supply agreement with the Kennebec Water District expiring in 2040. MWC believes that it will be able to meet customer demand for 2025 with its existing water supply which consists of groundwater from wells, surface water in reservoirs and rivers, and purchased water treated by neighboring water utilities.

The following table presents the change in sources of water supply:

	Three months ended June 30,				Six months ended June 30,			
	2025	2024	Increase/ (decrease)	% of Total Change	2025	2024	Increase/ (decrease)	% of Total Change
	(billion gallons)				(billion gallons)			
Purchased water	4.7	4.4	0.3	2 %	7.5	6.5	1.0	5 %
Groundwater	5.2	4.9	0.3	2 %	9.4	8.8	0.6	3 %
Surface water	2.8	3.1	(0.3)	(2)%	5.4	6.1	(0.7)	(3)%
Reclaimed water	0.3	0.2	0.1	1 %	0.3	0.2	0.1	— %
	13.0	12.6	0.4	3 %	22.6	21.6	1.0	5 %

The changes in the source of supply mix were consistent with the changes in the water production expenses.

Water Production Expenses

The increase in water production expenses of \$10,399 for the three months ended June 30, 2025, compared to the same period in 2024, was primarily attributable to increases in average per unit costs for purchased water and groundwater extraction, increases in production volume, and decreases in availability of surface water, offset by decreases resulting from regulatory adjustments through SJWC's FCBA.

The change in water production expenses of \$17,572 for the six months ended June 30, 2025, compared to the same period in 2024, was primarily attributable to increases in average per unit costs for purchased water and groundwater extraction, and increases in production volume, and decreases in availability of surface water, offset by decreases resulting from regulatory adjustments.

Effective July 1, 2024, Valley Water increased the unit price of purchased water by approximately 12% and the groundwater extraction charge by approximately 13% for SJWC. SJWC was notified by Valley Water that the unit price of purchased water and the groundwater extraction charge were increased by 9% and 10%, respectively, effective July 1, 2025.

Other Operating Expenses

Operating expenses, excluding water production expenses, increased \$8,387 for the three months ended June 30, 2025, compared to the same period in 2024. The increase was primarily attributable to increases in general and administrative expenses for customer credit losses as a result of funds received from the California Extended Water and Wastewater Arrearage Payment Program in the prior year, and increases in acquisition costs, insurance, and contracted work.

Operating expenses, excluding water production expenses, increased \$11,448 for the six months ended June 30, 2025, compared to the same period in 2024. The increase was primarily attributable to an increase in general and administrative expenses related to customer credit losses as a result of funds received from the California Extended Water and Wastewater Arrearage Payment Program in the prior year, and increases in acquisition costs, insurance, and contracted work.

Other (Expense) Income

For the three months ended June 30, 2025, compared to the same period in 2024, the change in other (expense) income was primarily due to increases in pension non-service credit and a loss on sale of real estate investments recorded in prior year.

For the six months ended June 30, 2025, compared to the same period in 2024, the change in other (expense) income was primarily due to lower income from certain service and other activities, and an increase in interest expense, offset by an increase in pension non-service credit, and a loss on sale of real estate investments recorded in prior year.

Provision for Income Taxes

For the three and six months ended June 30, 2025, compared to the same period in 2024, income tax expense increased \$946 and \$2,186, respectively. The increase in income tax expense for the three and six months ended June 30, 2025 was primarily due to a higher pre-tax income in 2025. The effective consolidated income tax rates were 16% and 15% for the three months ended June 30, 2025 and 2024, respectively, and 16% for six months ended for both June 30, 2025 and 2024, respectively.

On July 4, 2025, Public Law No. 119-21, known as the One Big Beautiful Bill Act (“OBBBA”) was signed into law. The OBBBA contains several tax provisions affecting business taxpayers. The company is evaluating the impact of these provisions on the income tax provision in our consolidated financial statements. Any changes will be recognized in the period of enactment which is the third quarter of 2025.

Regulation and Rates

Almost all of the operating revenue of H2O America results from the sale of water at rates authorized by the subsidiaries’ respective state utilities commissions. The state utilities commissions set rates that are intended to provide revenue sufficient to recover operating expenses and the opportunity to achieve a specified return on common equity. The timing of rate decisions could have an impact on the results of operations.

Please also see [Note 2](#) of “Notes to Condensed Consolidated Financial Statements.”

California Regulatory Affairs

On January 2, 2024, SJWC filed General Rate Case Application No. 24-01-001 with the CPUC to increase rates charged for water service by \$55,196 or 11.11% in 2025, by \$22,041 or 3.99% in 2026, and by \$25,809 or 4.49% in 2027. The application proposed a \$540,000 three-year capital budget and included requests to recover \$23,462 from balancing and memorandum accounts, further alignment between actual and authorized usage, and a shift to greater revenue collection in the service charge. On December 19, 2024, the CPUC approved a final decision, Decision No. 24-12-077, for rate increases of \$21,318 or 3.91% in 2025, \$14,432 or 2.55% in 2026, and \$17,373 or 2.98% in 2027. The decision also provides a three-year capital budget of \$450,000 and recovery of \$15,792 in balancing and memorandum accounts.

On December 18, 2024, SJWC, along with three other California water utilities, filed a joint request for a one-year deferment on the cost of capital filings which would otherwise be due on May 1, 2025. Postponing the filing a year alleviates administrative processing costs on the utilities as well as the CPUC staff and provides relief for both CPUC and utility resources already strained by numerous other proceedings. The request was conditioned on leaving the current Water Cost of Capital Mechanism in place such that any adjustments will be made to the respective utilities’ cost of capital during the one-year deferment based on the mechanism. The request was approved on January 14, 2025.

SJWC filed Advice Letter No. 613 on December 20, 2024, to increase the authorized revenue requirement by \$21,318, or 3.91%, and implement new water rates and recover \$15,792 in balancing and memorandum accounts in accordance with Decision No. 24-12-077. This filing was approved with an effective date of January 1, 2025.

SJWC filed Advice Letter No. 616 on May 27, 2025, to increase the authorized revenue requirement by \$22,536, or 4.00%, to offset the increases to purchased potable water charges, the groundwater extraction fee, and purchased recycled water charges from its water wholesalers effective July 1, 2025. Advice Letter No. 616 was approved with an effective date of July 1, 2025.

SJWC filed Advice Letter No. 617 on May 28, 2025, to increase the authorized revenue requirement by \$6,818, or 1.16%, to recover revenue related to the plant additions for the Advanced Metering Infrastructure (AMI) project. Advice Letter No. 617 was approved with an effective date of July 1, 2025.

SJWC filed Advice Letter No. 618 on June 24, 2025, to establish the Water Contamination Litigation Memorandum Account (“WCLMA”) to track net proceeds and costs resulting from water contamination litigation. Advice Letter No. 618 was approved in July 2025 by the CPUC with an effective date of June 24, 2025.

Connecticut Regulatory Affairs

On January 28, 2025, CWC filed for a Water Infrastructure Conservation Adjustment (“WICA”) increase of \$1,600 in annualized revenues for \$15,700 in completed projects. On March 26, 2025, PURA approved the filing in its entirety. The cumulative WICA surcharge as of April 1, 2025, is 4.90%, collecting \$6,000 on an annual basis.

On February 24, 2025, CWC filed its 2024 Water Rate Adjustment mechanism (“WRA”). The mechanism reconciles 2024 revenues as authorized in the CWC’s most recent rate case as well as provides for recovery of certain amounts of executive compensation as the result of the achievement of performance metrics as prescribed by PURA. The 2024 WRA surcharge of 3.62%, approved by PURA on March 26, 2025, is effective for 12 months beginning April 1, 2025.

On March 6, 2025, CWC submitted an application requesting that PURA approve the issuance of \$19,402 in Drinking Water State Revolving Fund Loans that the Company proposes to use to fund three projects pertaining to: (1) the interconnection of the Green Springs Water System in Madison, Connecticut with the Guilford Water System; (2) a facility for centralized treatment of raw water from certain wells in CWC’s Gallup System in Plainfield, Connecticut; and (3) a Lead Service Line Identification Program. A decision was received from PURA on April 30, 2025, approving CWC’s request.

On June 4, 2025, the Connecticut General Assembly approved Public Act No. 25-142, An Act Concerning Water Utility Systems and Water Quality and Treatment Surcharges. The Act, signed by the Governor on July 1, 2025, allows CWC to

surcharge customers for investments related to emerging contaminants, primarily per- and polyfluoroalkyl substances (“PFAS”). In accordance with the legislation, CWC submitted its Water Quality and Treatment Adjustment (“WQTA”) Assessment Report (“AR”) on July 2, 2025. PURA has 180 days to approve the AR, after which the Company will be able to apply annually to PURA for cost recovery of eligible projects.

Texas Regulatory Affairs

TWC has no current general rate case pending. However, it filed its application to establish a System Improvement Charge (“SIC”) with the Public Utilities Commission of Texas (“PUCT”) under Docket No. 54430 on December 30, 2022. SIC filings are used to include certain utility plant additions made since 2020, thereby increasing revenue and avoiding the immediate need for a general rate case. TWC’s SIC application included capital investment that improves its water and wastewater systems to better serve its customers. On March 21, 2024, the PUCT filed the final order approving TWC’s request to implement its SIC which applies to certain customers. As a result of this final order, TWC increased its annual water rates by \$1,574 and its annual sewer rates by \$28 on an annual basis.

On September 12, 2024, TWC filed its application to amend its SIC with the PUCT under Docket No. 56974. Its amended SIC applies to all customers and increases its annual water revenue by \$3,915 and its annual sewer revenue by \$195, in addition to the original SIC filed with the PUCT under Docket No. 54430 on December 30, 2022. On May 15, 2025, the PUCT filed the final order approving TWC’s amended SIC application.

Additionally, TWC is required to file a general rate case on or before March 21, 2028. Notwithstanding any SIC filing, TWC will continue to file its annual adjustments for the Water Pass-through Charges (“WPC”) for Canyon Lake, Deer Creek, Kendall West, Clear Water Estates, and Saddleridge customers. All water supply cost increases are recoverable when the next annual WPC adjustment for each system is filed.

Maine Regulatory Affairs

On October 25, 2024, MWC filed an application with MPUC to adjust customer rates in the Camden Rockland division. The proposal requested an increase in annual revenues of approximately \$1,057, or 15.9%, over current authorized revenues. On June 27, 2025, MPUC approved a settlement stipulation, authorizing an increase in rates of \$865, or 13.00%, with an effective date of July 1, 2025.

On December 31, 2024, MWC filed for a unified tariff across its 10 separate rate divisions. A decision in this case is expected in the fourth quarter of 2025.

On April 15, 2025, MWC filed a Water Infrastructure Surcharge in both the Oakland and Biddeford Saco divisions. The combined requested surcharge is 3.00% or \$547. The MPUC issued an order approving the surcharges on June 24, 2025, with an effective date of July 1, 2025.

Liquidity:

Cash Flow from Operating Activities

During the six months ended June 30, 2025, H2O America generated cash flows from operations of \$104,017, compared to \$100,532 for the same period in 2024. Cash flow from operations is primarily generated by net income from revenue producing activities, adjusted for non-cash expenses for depreciation and amortization, deferred income taxes, stock-based compensation, allowance for equity funds used during construction, gains or losses on the sale of assets, and changes in working capital items. Cash flow from operations increased by \$3,485 for the six months ended June 30, 2025 from the same period in the prior year. This increase was primarily the result of a combination of the following factors: (1) net income, adjusted for non-cash items, increased by \$18,137, (2) an increase of \$5,090 attributable to changes in payments of amounts previously invoiced and accrued for production costs, offset by (3) a decrease of \$3,690 attributable to changes in regulatory assets and liabilities, (4) a decrease in tax accruals of \$3,499 compared to the prior period, (5) a decrease attributable to accounts receivable and accrued unbilled utility revenue of \$5,529 and (6) a decrease of \$7,448 attributable to changes in payments related to accounts payable and other current liabilities.

As of June 30, 2025, Water Utility Services’ write-offs for credit losses represented less than 1% of its total revenue, unchanged from June 30, 2024. Management believes that the collection rate will continue to improve for its accounts receivables as service disconnections return to normal operations.

Cash Flow from Investing Activities

Net cash used in investing activities for the six months ended June 30, 2025, increased by \$86,892 from the same period in the prior year, primarily as a result of (1) an increase in company-funded utility capital expenditures of \$46,072 and (2) a decrease in proceeds received from the sale of real estate investments in 2025 by \$40,628 due to the completed sale of Tennessee properties in 2024.

Cash Flow from Financing Activities

Net cash provided by financing activities for the six months ended June 30, 2025 increased by \$79,061 from the same period in the prior year, primarily as a result of (1) an increase in net proceeds from our common stock equity offerings of \$51,411, (2) an increase attributable to lower repayments on long-term debt of \$39,750, (3) an increase in cash receipts of advances and contributions in aid of construction of \$20,239, offset by (4) an increase in dividend paid of \$3,022, (5) a decrease in net borrowings on the lines of credit of \$3,396 and (6) a decrease in proceeds of \$25,000 from the issuance of long-term debt.

Budgeted Capital Expenditures

Water Utility Services' estimated utility capital expenditures for 2025, exclusive of capital expenditures financed by customer contributions and advances, are anticipated to be approximately \$451,000. The budgeted capital expenditures exclude capitalizable costs of \$22,000 budgeted in 2025 that are associated with cloud-based computing arrangements. As of June 30, 2025, \$204,440, or 45%, of the \$451,000 has been invested.

Water Utility Services' capital expenditures are incurred in connection with normal upgrading and expansion of existing facilities and to comply with environmental regulations. Over the next five years, Water Utility Services expects to incur approximately \$1,900,000 in capital expenditures, which includes replacement of pipes and mains, maintaining water systems, and installing approximately \$300,000 in PFAS treatment. A significant portion of this amount is subject to future respective state regulatory utility commissions' approval. Capital expenditures have the effect of increasing utility plant rate base on which Water Utility Services earns a return. Water Utility Services' actual capital expenditures may vary from their projections due to changes in the expected demand for services, weather patterns, actions by governmental agencies, and general economic conditions. Total additions to utility plant normally exceed company-financed additions as a result of new facilities construction funded with advances from developers and contributions in aid of construction.

The Water Utility Services' distribution systems were constructed during the period from the early 1900's through today. Expenditure levels for renewal and modernization will occur as the components reach the end of their useful lives. In most cases, replacement costs will significantly exceed the original installation costs of the retired assets due to increases in the costs of goods and services and increased regulation.

In addition to these capital expenditures, Water Utility Services expects to incur approximately \$105,000 over the next five years, including \$22,000 in 2025, in capitalizable costs associated with cloud-based computing arrangements. For the six months ended June 30, 2025, Water Utility Services' incurred \$2,786 in cloud-based computing expenses.

Sources of Capital:

H2O America's ability to finance future construction programs and sustain dividend payments depends on its ability to maintain or increase internally generated funds and attract external financing. The level of future earnings and the related cash flow from operations is dependent, in large part, upon the timing and outcome of regulatory proceedings.

Short-term Financing Agreements

H2O America and its subsidiaries have unsecured line of credit agreements where borrowings are used to refinance existing debt, for working capital, and for general corporate purposes.

A summary of the line of credit agreements as of June 30, 2025 are as follows:

	<u>Maturity Date</u>	<u>Line Limit</u>	<u>Amounts Outstanding</u>	<u>Unused Portion</u>
Syndicated credit agreement:	August 2, 2029			
H2O America		\$ 50,000	—	50,000
SJWC		140,000	66,000	74,000
CTWS		90,000	67,000	23,000
TWC		20,000	—	20,000
Total syndicated credit agreement		300,000	133,000	167,000
SJWC credit agreement	June 11, 2026	10,000	—	10,000
CTWS credit agreement	August 2, 2028	10,000	2,840	7,160
CTWS credit agreement (1)	August 13, 2025	40,000	25,000	15,000
		<u>\$ 360,000</u>	<u>160,840</u>	<u>199,160</u>

(1) On July 11, 2025, CTWS repaid the outstanding balance under this credit agreement and concurrently terminated this credit agreement.

SJWC has entered into a \$10,000 credit agreement with JPMorgan Chase Bank, N.A., dated June 11, 2025. The credit agreement has a maturity date of June 11, 2026.

For the six months ended June 30, 2025, cost of borrowing on the lines of credit averaged 5.45% compared to 6.53% in the same period in 2024.

All of H2O America's and subsidiaries' lines of credit contain customary representations, warranties and events of default, as well as certain restrictive covenants customary for facilities of this type, including restrictions on indebtedness, liens, acquisitions and investments, restricted payments, asset sales, and fundamental changes. All of the lines of credit also include certain customary financial covenants such as a funded debt to capitalization ratio and a minimum interest coverage ratio. As of June 30, 2025, H2O America and its subsidiaries were in compliance with all covenants on their lines of credit.

Long-term Financing Agreements

The debt and credit agreements of H2O America and its subsidiaries contain various financial and other covenants. Non-compliance with these covenants could result in accelerated due dates and termination of the agreements. In addition, the credit agreements contain customary representations and warranties and are subject to customary events of default, which may result in the outstanding debt becoming immediately due and payable. As of June 30, 2025, H2O America and its subsidiaries were in compliance with all covenants in their long-term debt agreements.

On May 23, 2025, MWC submitted an application with MPUC seeking approval to issue unsecured notes in an amount up to \$25,000. The MPUC granted approval on June 17, 2025. On July 10, 2025, MWC issued a promissory note to a national cooperative bank under an existing master loan agreement for a principal amount of \$25,000 at a fixed interest rate of 6.70%. The note is an unsecured obligation of MWC due on July 20, 2055. Interest is payable quarterly in arrears on the 20th day of January, April, July and October of each year.

Equity Financing Arrangements

In October 2024, H2O America entered into an equity distribution agreement (the "Equity Distribution Agreement") with BofA Securities, Inc., J.P. Morgan Securities LLC, RBC Capital Markets, LLC and Wells Fargo Securities, LLC, pursuant to which the company may offer and sell shares of its common stock, \$0.001 par value per share, from time to time in "at-the-market" offerings, having an aggregate gross sales price of up to \$200,000. The Equity Distribution Agreement replaced the previous agreement that ended in 2024. For the three and six months ended June 30, 2025, H2O America issued and sold a total of 1,087,593 and 1,583,493 shares of common stock, respectively, with a weighted average price of \$52.82 and \$53.15 per share respectively, and received \$57,168 and \$83,713 in net proceeds, respectively, under the Equity Distribution Agreement. Since the inception of the Equity Distribution Agreement, H2O America has issued and sold 1,959,006 shares of common stock at a weighted average price of \$53.59 for a total net proceeds of \$103,882 and has \$95,017 of aggregate gross sales price of shares remaining to issue under the Equity Distribution Agreement as of June 30, 2025.

Credit Rating

The condition of the capital and credit markets or the strength of financial institutions could impact H2O America's ability to draw on its lines of credit, issue long-term debt, sell its equity or earn interest income. In addition, government policies, the state of the credit markets and other factors could result in increased interest rates, which would increase H2O America's cost of capital. While our ability to obtain financing will continue to be a risk, we believe that based on our 2025 and 2024 activities, we will have access to the external funding sources necessary to implement our ongoing capital investment programs in the future. On July 15, 2025, Standard & Poor's Ratings Services revised the outlook for H2O America, CTWS and CWC from stable to negative following the announcement of the Quadvest acquisition.

The following table presents the current Standard & Poor's Ratings Services assigned company ratings:

Entity	Rating	Outlook
H2O America	A-	Negative
SJWC	A	Stable
CTWS	A-	Negative
CWC	A-	Negative

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

H2O America is subject to market risks in the normal course of business, including changes in interest rates, pension plan asset values, and equity prices. The exposure to changes in interest rates can result from the issuance of debt and short-term funds

obtained through the company's variable rate lines of credit. H2O America's subsidiaries sponsor noncontributory pension and other post-retirement plans for its employees. Pension and other post-retirement costs and the funded status of the plans may be affected by a number of factors including the discount rate, mortality rates of plan participants, investment returns on plan assets, and pension reform legislation.

H2O America has no derivative financial instruments, financial instruments with significant off-balance sheet risks, or financial instruments with concentrations of credit risk.

ITEM 4. CONTROLS AND PROCEDURES

H2O America's management, with the participation of its Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of H2O America's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, the "Exchange Act"), as of the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that H2O America's disclosure controls and procedures as of the end of the period covered by this report have been designed and are functioning effectively to provide reasonable assurance that the information required to be disclosed by H2O America in the reports that it files or submits under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. H2O America believes that a control system, no matter how well designed and operated, cannot provide absolute assurance that the objectives of the control system are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected.

There has been no change in internal control over financial reporting during the second fiscal quarter of 2025 that has materially affected, or is reasonably likely to materially affect, the internal controls over financial reporting of H2O America.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

H2O America is subject to ordinary routine litigation incidental to its business.

In October 2023, CWC, a subsidiary of H2O America, was named as a defendant in a putative class action lawsuit alleging that the water provided by CWC contained contaminants. The case is currently pending in the State of Connecticut Superior Court. CWC is vigorously defending itself in this lawsuit.

SJWC and CWC are plaintiffs in a lawsuit against manufacturers of certain PFAS compounds for damages, contribution and reimbursement of costs incurred and continuing to be incurred to address the presence of such PFAS compounds in public water supply systems owned and operated by these utility subsidiaries and throughout their respective service areas. The lawsuit is part of MDL, that commenced on December 7, 2018, in the United States District Court for the District of South Carolina. MWC has submitted timely claims as a settlement class member.

On February 8, 2024, the MDL court approved settlements involving defendants The Chemours Company, Corteva, Inc., and DuPont de Nemours, Inc. to resolve claims brought in the MDL against them by public water systems, including SJWC and CWC. On March 29, 2024, the MDL court approved a similar settlement involving defendant 3M Company. On November 22, 2024, the MDL court approved settlements involving defendants Tyco Fire Products LP, and BASF Corporation. H2O America is entitled to a portion of the settlements and is monitoring and evaluating the ongoing litigation and settlement activity with the PFAS manufacturers for potential impacts to the various claims that these utility subsidiaries have asserted.

During the quarter ended June 30, 2025, the Company received \$6,443 in cash proceeds from a legal settlement with 3M related to PFAS contamination. These proceeds were allocated as follows: SJWC received \$4,420; CWC received \$1,906; and MWC received \$117, which includes \$91 payable to contract operators. The proceeds are compensatory in nature and are intended to reimburse the Company for costs incurred to address the presence of PFAS compounds in public water supply systems or to be refunded to customers through rate reductions, subject to regulatory approval.

H2O America is entitled to receive additional cash proceeds from 3M Company during the remainder of 2025 and the subsequent nine years, pursuant to the terms of the settlement agreement. In addition, the Company is party to pending settlements with DuPont de Nemours, Inc., Tyco Fire Products LP, and BASF Corporation. Proceeds from these settlements are also expected to be received in 2025 and will be accounted for in a manner consistent with the 3M Company settlement. H2O America is monitoring and evaluating the ongoing litigation and settlement activity with the PFAS manufacturers for potential impacts to the various claims that these utility subsidiaries have asserted. However, the amount of these additional proceeds is not estimable as of the date of this filing.

ITEM 1A. RISK FACTORS

In addition to the other information set forth in this report, you should carefully consider the factors discussed in “Risk Factors” in H2O America’s annual report on Form 10-K for the year ended December 31, 2024 and our other public filings, which could materially affect our business, financial condition or future results. Other than the risk factors listed and referenced to below, there have been no material changes from risk factors previously disclosed in “Risk Factors” in H2O America’s annual report on Form 10-K for the year ended December 31, 2024.

The following discusses certain risk factors relating to the proposed transactions with Quadvest, L.P., a Texas limited partnership, (“Quadvest Retail”) and Quadvest Wholesale, LLC, a Texas limited liability company (“Quadvest Wholesale” and together with Quadvest Retail, “Quadvest”) and does not include all of the risk factors associated with the proposed transactions and H2O America after the proposed transactions.

Our proposed transactions with Quadvest are subject to the receipt of consents and clearances from regulatory authorities that may impose conditions that could have an adverse effect on H2O America or, if not obtained, could prevent completion of the proposed transactions.

Completion of the proposed transactions is contingent upon, among other things, the receipt of all required regulatory approvals, which consist of compliance with and filings and the applicable waiting period under the Hart Scott-Rodino Antitrust Improvements Act, compliance with and applications for permits with state and municipal agencies and consent required by the PUCT for the transfer of Quadvest’s water and sewer utility business (the “Regulated Business”).

The terms and conditions of the approvals that are granted by such governmental entities and regulatory authorities may impose requirements, limitations, costs, or place restrictions on the conduct of H2O America’s business. The asset purchase agreements may require H2O America to comply with conditions imposed by regulatory entities and, in certain circumstances, either company may refuse to close the proposed transactions on the basis of regulatory conditions imposed. There can be no assurance that regulators will not impose conditions, terms, obligations or restrictions or that such conditions, terms, obligations or restrictions will not have the effect of delaying completion of the proposed transactions or imposing additional material costs

on or materially limiting the revenues of H2O America following the proposed transactions. Additionally, H2O America cannot provide assurance that any such conditions, terms, obligations or restrictions will not result in the delay or abandonment of the proposed transactions, or the consummation of the proposed transactions on terms different than those contemplated by the asset purchase agreements.

The length of the regulatory approval process required by the PUCT, which may be extended beyond its current estimates, may reduce or eliminate the benefits to be achieved under the proposed transactions.

As a condition to the consummation of the proposed transactions, the sale of the Regulated Business must be approved by the PUCT. While we expect the transaction to receive PUCT approval by mid-2026, the exact timeline for this approval process is unknown and may not occur until later, if at all.

In addition to the required regulatory clearances, the proposed transactions are subject to a number of other conditions beyond H2O America's control that may prevent, delay or otherwise materially adversely affect its completion. We cannot predict whether and when these other conditions will be satisfied. Furthermore, the requirements for obtaining the required clearances and approvals could delay the completion of the proposed transactions for a significant period of time or prevent them from occurring. Any delay in completing the proposed transactions could cause H2O America to not realize, or to be delayed in realizing, some or all of the benefits that we expect to achieve if the proposed transactions are successfully completed within the expected time frame. Failure to achieve these anticipated benefits within the expected time frame could result in increased costs and/or lower-than-expected revenues or income generated by H2O America after the completion of the proposed transactions.

We may be unable to successfully integrate Quadvest's business with ours and realize the anticipated benefits of the acquisition, which could negatively impact the future business and financial results of H2O America.

The anticipated benefits expected from the proposed transactions are based on projections and assumptions about the combined Quadvest and H2O America businesses, which may not materialize as expected or which may prove to be inaccurate. Achieving the benefits of the proposed transactions will depend, in part, on H2O America's ability to integrate the business and operations of Quadvest successfully and efficiently with our business. The challenges involved in this integration, which will be complex and time-consuming, include the following:

- successfully managing relationships with our combined customer base and retaining Quadvest's customers;
- the ability to successfully integrate Quadvest's business with ours in a manner that permits H2O America to achieve the synergies and other benefits anticipated to result from the proposed transactions;
- integrating complex systems, operating procedures, regulatory compliance programs, technology, networks, and other assets of Quadvest and H2O America in a manner that minimizes any adverse impact on customers, suppliers, employees, and other constituencies;
- diversion of the attention of the management and other key employees of Quadvest and H2O America;
- integrating the workforces of Quadvest and H2O America while maintaining focus on providing clean, high quality water and exceptional service;
- disruption of, or the loss of momentum in, the ongoing business of H2O America;
- liabilities that are significantly larger than we currently anticipate and unforeseen increased expenses or delays associated with the proposed transactions, including transition costs to integrate the businesses of Quadvest and H2O America, that may exceed the costs that we currently anticipate; and
- the increased scale of our operations resulting from the proposed transactions.

If we do not successfully manage these issues and the other challenges inherent in integrating Quadvest, then we may not achieve the anticipated benefits of the proposed transactions and our business, financial condition and results of operations could be materially adversely affected.

The fair market value determination made in connection with the PUCT approval process may result in a lower realized value for the Regulated Business.

As a part of the application process, H2O America and Quadvest will submit appraisal reports to the PUCT for approval of a fair market value of the assets of the Regulated Business (the "FMV") which H2O America may use for purposes of setting water rates in Texas by a separate application filed with the PUCT following the consummation of the proposed transactions. If the approved FMV is lower than H2O America anticipates, H2O America may, under certain circumstances, still be required to consummate the proposed transactions (subject to the satisfaction of all other conditions contained in the asset purchase agreements) but may not be able to realize the full expected value of the Regulated Business in rates following the consummation of the proposed transactions.

Failure to complete the proposed transactions as currently contemplated or at all could negatively impact the stock prices, business operations and financial results of H2O America.

Completion of the proposed transactions is not assured and is subject to risks, including the risks that approval of the proposed transactions by governmental entities will not be obtained or that certain other closing conditions will not be satisfied. If the proposed transactions are not completed, or are completed on different terms than as contemplated by the asset purchase agreements, the ongoing businesses and financial results of H2O America may be adversely affected and H2O America will be subject to several risks, including the following:

- having to pay certain significant costs relating to the proposed transactions without receiving the benefits of the proposed transactions, including, in certain circumstances, payment of a termination fee;
- reputational harm due to the adverse public perception of any failure to successfully complete the proposed transactions; and
- H2O America's management having focused on the proposed transactions instead of on conducting its day-to-day business and operational matters and pursuing other opportunities that could have been beneficial to the companies.

Any delay in the completion of the proposed transactions, any uncertainty about the completion of the proposed transactions on terms other than those contemplated by the asset purchase agreements and any failure to complete the proposed transactions could adversely affect the business, financial results and stock price of H2O America.

The asset purchase agreements with Quadvest may be terminated in certain circumstances, which would result in the benefits of the proposed transactions not being realized, and under certain circumstances, we may be required to pay a termination fee.

Either H2O America or Quadvest may terminate the asset purchase agreements under certain circumstances, including if the proposed transactions have not been consummated by January 7, 2027 (unless such date is extended to a date mutually agreed to by the parties to obtain regulatory approval under certain circumstances, which could be up to an additional eighteen months). However, this termination right will not be available to a party if such failure to complete the proposed transactions on or before such date is the result of such party's failure to perform or comply, in all material respects, with any of the covenants, agreements or conditions of the asset purchase agreements. If we are not able to complete the proposed transactions by the end date, even if we decide not to terminate the asset purchase agreements, we may not be able to prevent Quadvest from exercising its right to terminate the asset purchase agreements.

In addition, if the asset purchase agreements are terminated under certain circumstances related to regulatory approvals, H2O America may be required to pay to Quadvest a termination fee of \$21 million.

Failure to obtain financing for the proposed transactions on favorable terms or at all could negatively impact the operating results and financial condition of H2O America.

H2O America may seek to raise capital to finance the proposed transactions, including through the issuance of debt or equity securities. There can be no assurance that such financing will be available on favorable terms, or at all. The incurrence of additional indebtedness could adversely affect H2O America's financial condition, results of operations, or cash flows. Additionally, equity financings may result in dilution to our existing stockholders and debt financings may contain covenants that restrict the actions of H2O America and its subsidiaries. Furthermore, any downgrade in H2O America's credit ratings by rating agencies may negatively impact the market value and liquidity of H2O America's debt and equity securities.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Changed the Corporate Name to H2O America

On May 5, 2025, SJW Group filed a Certificate of Amendment to its Certificate of Incorporation with the Secretary of State of the State of Delaware to change its name to H2O America which became effective upon filing.

Quarterly Dividend

On July 25, 2025, the Board of Directors (the “Board”) of H2O America declared the regular quarterly dividend of \$0.42 per share of common stock. The dividend will be paid on September 2, 2025, to stockholders of record as of the close of business on August 11, 2025.

Executive Officers

In connection with the company’s previously announced leadership transition, the Board designated the following as its executive officers:

- (1) Andrew F. Walters, Chief Executive Officer;
- (2) Ann P. Kelly, Chief Financial Officer and Treasurer;
- (3) Bruce A. Hauk, President and Chief Operating Officer;
- (4) Kristen A. Johnson, President of Shared Services, Senior Vice President, and Chief Administrative Officer; and
- (5) Willie Brown, Vice President and General Counsel.

Tanya Moniz-Witten (President, SJWC), Craig J. Patla (President, CTWS and CWC), and Douwe Busschops (Chief Information Officer) will each continue in their current roles and responsibilities and are no longer designated executive officers, effective July 25, 2025.

Insider Trading Arrangements

In the quarter ended June 30, 2025, none of our directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted or terminated a plan for the purchase or sale of our securities intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or a non-Rule 10b5-1 trading arrangement for the purchase or sale of our securities, within the meaning of Item 408 of Regulation S-K.

Information Web Sites

H2O America posts information about the operating and financial performance of H2O America and its subsidiaries on its web sites at www.h2o-america.com, www.sjwater.com, www.ctwater.com, www.txwaterco.com, and www.mainewater.com from time to time. The information on our web sites is not a part of and should not be considered incorporated by reference into this Form 10-Q.

ITEM 6. EXHIBITS

Exhibit Number	Description
3.1	Certificate of Amendment of the Certificate of Incorporation of SJW Group, dated May 5, 2025. Incorporated by reference to Exhibit 3.1 to Form 8-K filed on May 7, 2025.
3.2	Amended and Restated Bylaws of H2O America. (1)
10.1	Asset Purchase Agreement, dated July 7, 2025, by and among Quadvest, L.P., SJWTX, Inc., and H2O America. Incorporated by reference to Exhibit 2.1 to Form 8-K filed on July 8, 2025.
10.2	Asset Purchase Agreement, dated July 7, 2025, by and among Quadvest Wholesale, LLC, Quadvest, L.P., Texas Water Operation Services, LLC, SJWTX, Inc., and H2O America. Incorporated by reference to Exhibit 2.2 to Form 8-K filed on July 8, 2025.
31.1	Certification Pursuant to Rule 13a-14(a)/15d-14(a) by Chief Executive Officer. (1)
31.2	Certification Pursuant to Rule 13a-14(a)/15d-14(a) by Chief Financial Officer and Treasurer. (1)
32.1	Certification Pursuant to 18 U.S.C. Section 1350 by Chief Executive Officer, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (1)
32.2	Certification Pursuant to 18 U.S.C. Section 1350 by Chief Financial Officer and Treasurer as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (1)
101.INS	XBRL Instance Document - the instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File – the cover page XBRL tags are embedded within the Inline XBRL document

(1) Filed currently herewith.

AMENDED AND RESTATED BYLAWS OF H2O AMERICA

Effective as of May 14, 2025 ARTICLE I

STOCKHOLDERS' MEETING.

1. **Place of Meeting.** Meetings of the stockholders shall be held at the registered office of the Corporation in Delaware, or at such other place within or without the State of Delaware as may be designated by the Board of Directors or the stockholders. The Board of Directors may, in its sole discretion, determine that the meeting shall not be held at any place, but may instead be held solely by means of remote communication as provided under the Delaware General Corporation Law (“DGCL”).
2. **Annual Meeting.** The annual meeting of the stockholders shall be held on such date and at such time and place, if any, as the Board of Directors may designate. The date, time, and place (or means of remote communication) of the annual meeting shall be stated in the notice of such meeting delivered to or mailed to stockholders. At such annual meeting, the stockholders shall elect directors, in accordance with the requirements of the Certificate of Incorporation of the Corporation (the “Certificate of Incorporation”), and transact such other business as may properly be brought before the meeting.
3. **Quorum.** The holders of stock representing a majority of the voting power of all shares of stock issued and outstanding and entitled to vote at the meeting, present in person or represented by proxy, shall be requisite for and shall constitute a quorum of all meetings of the stockholders, except as otherwise provided by law, by the Certificate of Incorporation or by these Bylaws. If a quorum shall not be present or represented at any meeting of the stockholders, the meeting may be adjourned from time to time by the vote of holders of stock representing a majority of the voting power of all shares present or represented at the meeting or by the chair of the meeting, in the manner provided in Section 4 of Article I, until a quorum shall be present or represented. A quorum, once established, shall not be broken by the subsequent withdrawal of any stockholders or their proxies.
4. **Adjournments; Postponement.** In the absence of a quorum, holders of stock representing a majority of the voting power of all shares present in person or represented by proxy at the meeting, or the chair of the meeting, may adjourn any meeting of stockholders, annual or special, from time to time, to reconvene at the same or some other place or by means of remote communication, and notice need not be given of any such adjourned meeting if the time and place or means of remote communication thereof are announced at the meeting at which the adjournment is taken. Furthermore, after the meeting has been duly organized, the chair of the meeting may adjourn any meeting of stockholders, annual or special, from time to time for any reason, to reconvene at the same or some other place or by means of remote communication, and notice need not be given of any such adjourned meeting if the time and place or means of remote communication thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Corporation may transact any business which might have been transacted at the original meeting. Notwithstanding the foregoing, if the

adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. Any previously scheduled annual or special meeting of the stockholders may be postponed, and any previously scheduled annual or special meeting of the stockholders called by the Board of Directors may be canceled, by resolution of the Board of Directors upon public notice given prior to the time previously scheduled for such meeting of stockholders. In no event shall any adjournment or postponement of a stockholders meeting (whether or not already publicly noticed) or the announcement thereof commence a new time period (or extend any time period) for the giving of a stockholder notice pursuant to Section 10 or Section 13 of Article I.

5. *Voting; Proxies.*

(a) At each meeting of the stockholders of the Corporation, every stockholder having the right to vote may authorize another person to act for him or her by proxy. Such authorization must be in writing and executed by the stockholder or his or her authorized officer, director, employee, or agent. To the extent permitted by law, a stockholder may authorize another person or persons to act for him or her as proxy by transmitting or authorizing the transmission of an electronic transmission to the person who will be the holder of the proxy or to a proxy solicitation firm, proxy support service organization or like agent duly authorized by the person who will be the holder of the proxy to receive such transmission provided that the electronic transmission either sets forth or is submitted with information from which it can be determined that the electronic transmission was authorized by the stockholder. A copy, facsimile transmission or other reliable reproduction of a writing or transmission authorized by this Section 5 of Article I may be substituted for or used in lieu of the original writing or electronic transmission for any and all purposes for which the original writing or transmission could be used, provided that such copy, facsimile transmission or other reproduction shall be a complete reproduction of the entire original writing or transmission. No proxy authorized hereby shall be voted or acted upon more than three (3) years from its date, unless the proxy provides for a longer period. No ballot, proxies, or votes, nor any revocations thereof or changes thereto shall be accepted after the time set for the closing of the polls pursuant to Section 14 of Article I unless the Delaware Court of Chancery upon application of a stockholder shall determine otherwise. Each proxy shall be delivered to the inspectors of election prior to or at the meeting. A duly executed proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A stockholder may revoke any proxy which is not irrevocable by attending the meeting and voting in person or by filing an instrument in writing revoking the proxy or by filing a subsequent duly executed proxy with the Secretary of the Corporation (the "Secretary"). The vote for directors shall be by ballot.

(b) At any meeting of stockholders for the election of one or more directors at which a quorum is present, each director shall be elected by the vote of a majority of the votes cast with respect to the director, provided that the directors shall be elected by the vote of a plurality of the votes cast by the stockholders entitled to vote at the election at any meeting at which a quorum is present for which (i) the Corporation receives a notice pursuant to these Bylaws that a stockholder intends to nominate a director or directors at any such meeting and (ii) such proposed nomination has not been withdrawn by such stockholder on or prior to the tenth

(10th) day preceding the date the Corporation first mails its notice of meeting for such meeting to the stockholders (any such meeting, a “contested election”). If an incumbent director then serving on the Board of Directors does not receive the required majority in an uncontested election, the director shall promptly tender his or her resignation to the Board of Directors and such resignation shall become effective upon the Board of Director’s acceptance. Within ninety (90) days after the date of the meeting of stockholders, (i) the Nominating & Governance Committee or other committee that may be designated by the Board of Directors will make a recommendation to the Board of Directors as to whether to accept or reject the resignation, or whether other action should be taken, and (ii) the Board of Directors will act on the tendered resignation, taking into account such committee’s recommendation. The director who tenders his or her resignation will not participate in the recommendation of the committee or the decision of the Board of Directors with respect to his or her resignation. If such incumbent director’s resignation is not accepted by the Board of Directors, the Board of Director shall publicly disclose its decision regarding the tendered resignation and the rationale behind the decision. If a director’s resignation is accepted by the Board of Directors pursuant to this Section 5(b) of Article I, or if a nominee for director is not elected and the nominee is not an incumbent director, then the Board of Directors may fill the resulting vacancy pursuant to the provisions of Section 3 of Article II or may decrease the size of the Board of Directors pursuant to the provisions of Section 1 of Article II. Unless otherwise provided in the Certificate of Incorporation, cumulative voting for the election of directors shall be prohibited.

(c) Any stockholder directly or indirectly soliciting proxies from other stockholders in respect of any nomination or other proposal must use a proxy card color other than white, which shall be reserved for the exclusive use by the Board of Directors.

6. **Notice.** Written notice of an annual or special meeting shall be given to each stockholder entitled to vote thereat, not less than ten (10) nor more than sixty (60) days prior to the meeting. The notice shall specify the place, if any, date and time of the meeting and the means of remote communication, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting. If mailed, such notice shall be deemed to be given when deposited in the mail, postage pre-paid, directed to the stockholder at his or her address as it appears on the records of the Corporation. Notice given by electronic transmission shall only be valid if it complies with Section 232 of the DGCL.

7. **Waiver of Notice.** Whenever notice is required to be given under any provisions of the DGCL, the Certificate of Incorporation or these Bylaws, a written waiver thereof, signed by the person entitled to notice, or a waiver by electronic transmission by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting solely for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders, directors, or members of a committee of directors, need be specified in any written waiver of notice or any waiver by electronic transmission unless so required by the Certificate of Incorporation or these Bylaws.

8. ***Inspectors of Election.*** The Corporation shall, in advance of any meeting of stockholders, appoint one or more inspectors of election to act at the meeting and make a written report thereof. The Corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. In the event that no inspector so appointed or designated is able to act at a meeting of stockholders, the chair of the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspector or inspectors so appointed or designated shall (a) ascertain the number of shares of capital stock of the Corporation outstanding and the voting power of each such share, (b) determine the shares of capital stock of the Corporation present or represented at the meeting and the validity of proxies and ballots, (c) count all votes and ballots, (d) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors, and (e) certify their determination of the number of shares of capital stock of the Corporation present or represented at the meeting and such inspectors' count of all votes and ballots. Such certification shall specify such other information as may be required by law. In determining the validity and counting of proxies and ballots cast at any meeting of stockholders of the Corporation, the inspectors may consider such information as is permitted by applicable law. No person who is a candidate for an office at an election may serve as an inspector at such election. If there are three (3) inspectors, the decision, act, or certificate of a majority is effective in all respects as the decision, act, or certificate of all.

9. ***List of Stockholders Entitled to Vote.*** At least ten (10) days before every meeting of the stockholders a complete list of the stockholders entitled to vote at said meeting, arranged in alphabetical order, with the post office address of each, and the number of shares held by each, shall be prepared by the Secretary. Such list shall be open to the examination of any stockholder for any purpose germane to the meeting, for a period of ten (10) days ending on the date before the meeting date, during ordinary business hours at the Corporation's principal executive offices or on a reasonably accessible electronic network; provided that the information required to gain access to such list is provided with the notice of the meeting. In the event that the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to stockholders of the Corporation. The original or duplicate stock ledger shall be the only evidence as to who are the stockholders entitled to examine the list of stockholders or to vote in person or by proxy at such meeting.

10. ***Special Meetings.***

(a) Special meetings of the stockholders may be called at any time (i) by the Chair of the Board, (ii) by the President, (iii) by the Board of Directors, or (iv) by the Secretary upon receipt of a written request in proper written form (a "Special Meeting Request") from stockholders (the "Requesting Stockholders") holding not less than twenty percent (20%) of the voting power of the Corporation on the record date established pursuant to Section 12 of Article I (the "Requisite Percentage"); provided that a special meeting requested by the Requisite Holders (a "Stockholder Requested Special Meeting") shall be called by the Secretary only if such Requisite Stockholders and their Special Meeting Request comply with the applicable provisions of these Bylaws (including this Section 10 of Article I), the Certificate of Incorporation and

applicable law. The person or persons calling any such meeting shall concurrently specify the purpose of such meeting and the business proposed to be transacted at such meeting. A Stockholder Requested Special Meeting shall be held at such date, time and place, within or without the State of Delaware, or by such means of remote communication, in each case, as may be designated by the Board of Directors; provided, however, that the date of any such Stockholder Requested Special Meeting shall be not more than ninety (90) days after a valid Special Meeting Request is received by the Secretary. Notwithstanding the foregoing, a Stockholder Requested Special Meeting shall not be held if: (1) the stated business to be brought before the Stockholder Requested Special Meeting is not a proper subject for stockholder action under applicable law, (2) the Board of Directors has called or calls for a meeting of stockholders to be held within ninety (90) days after the Secretary receives the Special Meeting Request and the Board of Directors determines in good faith that the business of such meeting includes an identical or substantially similar item of business to the business specified in the Special Meeting Request (a “Similar Item”), (3) the Special Meeting Request is received during the period commencing ninety (90) days prior to the first anniversary of the date of the preceding annual meeting of the stockholders and ending on the date of the next annual meeting of stockholders, (4) the Special Meeting Request relates to the election or removal of directors and a Similar Item involving the election or removal of directors, a change in the size of the Board of Directors or the filling of vacancies and/or newly created directorships resulting from any increase in the authorized number of directors was presented at any meeting of stockholders held within twelve (12) months prior to the date the Special Meeting Request is received, or (5) the Special Meeting Request relates to a matter other than the election or removal of directors, and a Similar Item was presented at any meeting of stockholders held within twelve (12) months prior to the date the Special Meeting Request is received.

(b) For a Special Meeting Request to be in proper form the Special Meeting Request must be in writing, sent by registered mail and received by the Secretary, and include, as applicable:

(i) in the case of any Requesting Stockholder that is a stockholder of record, the name and address of such Requesting Stockholder as they appear in the Corporation’s books, and, in the case of any Requesting Stockholder that is a beneficial owner, the name and the valid and current address of such Requesting Stockholder;

(ii) a description of the business desired to be brought before the Stockholder Requested Special Meeting (including the text of any proposal to be presented and, in the event such business includes a proposal to amend the Certificate of Incorporation or these Bylaws, the language of the proposed amendment) and the reasons for conducting such business at the meeting (including the text of any reasons for the proposed business that will be disclosed in any proxy statement or supplement thereto to be filed with the Securities and Exchange Commission) (collectively, “Proposal Information”);

(iii) documentary evidence that such Requesting Stockholders hold not less than the Requisite Percentage as of the date of such Special Meeting Request; provided that, if any Requesting Stockholder is not the record holder of any shares representing the Requisite Percentage, then, to be valid, such Special Meeting Request must also include documentary

evidence of such Requesting Stockholder's authority to execute the Special Meeting Request on behalf of one or more record holder(s) of such shares;

(iv) the information required by Section 13(a) of Article I as to each Requesting Stockholder and any Stockholder Associated Person (as defined in clause (h)(i) of this Section 10 of Article I);

(v) an agreement signed by each Requesting Stockholder to own the Requisite Percentage at all times between the date of the Secretary's receipt of the Special Meeting Request, on the one hand, and the date of the Stockholder Requested Special Meeting, on the other hand, to notify the Corporation immediately in the case of any reduction in the shares of capital stock of the Corporation owned by such Requesting Stockholder prior to the date of the Stockholder Requested Special Meeting, and an acknowledgement that the Special Meeting Request shall be deemed to be revoked (and any special meeting scheduled in response thereto may be canceled) if the capital stock of the Corporation owned by such Requesting Stockholder(s) does not represent ownership of at least the Requisite Percentage at all times between the date of the Secretary's receipt of the Special Meeting Request and the date of the Stockholder Requested Special Meeting.

(c) The Requesting Stockholders shall further update and supplement the Special Meeting Request delivered and information previously provided to the Corporation pursuant to this Section 10 of Article I, if necessary, so that the information provided or required to be provided in such Special Meeting Request shall continue to be true and correct as of (x) the record date for determining the stockholders entitled to notice of the Stockholder Requested Special Meeting and (y) the date that is ten (10) business days prior to the Stockholder Requested Special Meeting (or any adjournment or postponement thereof), and such update and supplement must be received by the Secretary not later than five (5) business days after the record date for such Stockholder Requested Special Meeting (in the case of an update required to be made as of the record date) and not later than eight (8) business days prior to the date of such Stockholder Requested Special Meeting (in the case of an update required to be made as of the date that is ten (10) business days prior to such Stockholder Requested Special Meeting or any adjournment or postponement thereof).

(d) The obligation of a Requesting Stockholder to provide information or an update pursuant to this Section 10 of Article I shall not limit the Corporation's rights with respect to any deficiencies in any Special Meeting Request or information provided by such person or enable or be deemed to permit such person to amend or update any proposal or to submit any new proposal, including by substituting or adding proposals.

(e) Any Requesting Stockholder may revoke his, her or its Special Meeting Request at any time by revocation received by the Secretary at the principal executive offices of the Corporation. If, following such revocation (including any revocation resulting from a reduction in the shares of capital stock of the Corporation owned by a Requesting Stockholder), there are outstanding unrevoked Special Meeting Requests from stockholders holding in the aggregate less than the Requisite Percentage, the Board of Directors may, in its discretion, cancel the Stockholder Requested Special Meeting.

(f) Within ten (10) business days after receiving a Special Meeting Request, the Board of Directors shall determine whether such Requesting Stockholders have satisfied the requirements for calling a special meeting of the stockholders pursuant to these Bylaws and notify the Requesting Stockholders of its finding. Nothing contained in this Section 10(f) of Article I shall be construed as limiting, fixing, or affecting the time when a meeting of stockholders called by action of the Board of Directors may be held.

(g) At any special meeting of the stockholders, only such business shall be conducted or considered as shall have been properly brought before the special meeting. For business to be properly brought before a special meeting, it must be (1) specified in the Corporation's notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (2) otherwise properly brought before the special meeting by or at the direction of the Board of Directors, or (3) otherwise properly requested to be brought before a special meeting requested by Requesting Stockholders in a valid Special Meeting Request in accordance with these Bylaws; provided, however, notwithstanding anything in these Bylaws to the contrary, the Board of Directors may submit its own proposal or proposals for consideration at any Stockholder Requested Special Meeting. Notwithstanding anything to the contrary contained herein, stockholders may not nominate persons for election to the Board of Directors at any special meeting of stockholders unless such meeting has been called by the Board of Directors for the purpose of electing directors.

(h) Notwithstanding the foregoing provisions of this Section 10 of Article I, unless otherwise required by law, if the Requesting Stockholder (or a qualified representative of the Requesting Stockholder) does not appear at the special meeting of stockholders to present the proposed business set forth in the Special Meeting Request, such proposed business shall be disregarded, notwithstanding that proxies in respect of such vote may have been received by the Corporation (which proxies shall also be disregarded).

(i) For purposes of these Bylaws:

(A) a "Stockholder Associated Person" of any stockholder submitting a Special Meeting Request or providing a notice pursuant to this Section 10 or Section 13 of Article I, respectively, shall mean (i) any beneficial owner of shares of stock of the Corporation owned of record or beneficially by such stockholder and on whose behalf the request, proposal or nomination, as the case may be, is being made, (ii) any Affiliate of such stockholder (within the meaning of Rule 12b-2 under the Securities and Exchange Act of 1934 (together with the rules and regulations promulgated thereunder, in each case, as may be amended from time to time, the "Exchange Act") for purposes of these Bylaws) of such stockholder or beneficial owner, and (iii) any person controlling, controlled by or under common control with any person referred to in the preceding clauses (i) and (ii); and

(B) to be considered a "qualified representative" of a stockholder, a person must be authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders and such person must

produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of stockholders.

11. **Organization.** The Chair of the Board, or in the absence of the Chair, the President, or in their absence, the Vice Chair, or if no such officer is present, a director designated by the Board of Directors, shall call meetings of the stockholders to order and shall act as chair of the meeting. The Secretary, or in the absence of the Secretary, an Assistant Secretary, shall act as secretary of the meeting of the stockholders, but in the absence of the Secretary and Assistant Secretary at a meeting of the stockholders the chair of the meeting may appoint any person to act as secretary of the meeting.

12. **Fixing Date for Determination of Stockholders of Record.**

(a) In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of the stockholders or any adjournment thereof, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors and which record date: (i) in the case of determination of stockholders entitled to vote at any meeting of stockholders or adjournment thereof, shall, unless otherwise required by law, not be more than sixty (60) nor less than ten (10) days before the date of such meeting; and (ii) in the case of any other action, shall not be more than sixty (60) days prior to such other action. If no record date is fixed pursuant to above: (1) the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the business day next preceding the day on which notice is given or, if notice is waived, at the close of business on the business day next preceding the day on which the meeting is held; and (2) the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

(b) In order that the Corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than ten (10) days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. Any stockholder of record seeking to have the stockholders authorize or take corporate action by written consent shall, by written notice to the attention of the Secretary, request the Board of Directors to fix a record date. The Board of Directors shall promptly, but in all events within ten (10) days after the date on which such a request is received, adopt a resolution fixing the record date. If no record date has been fixed by the Board of Directors within ten (10) days of the date on which such a request is received, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is required by applicable law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is

delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the Board of Directors and prior action by the Board of Directors is required by applicable law, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the date on which the Board of Directors adopts the resolution taking such prior action.

13. ***Advance Notice of Stockholder Business and Nominations.***

(a) Annual Meetings of Stockholders.

(i) Nominations of persons for election to the Board of Directors and the proposal of other business to be considered by the stockholders may be made at an annual meeting of stockholders only (A) pursuant to the Corporation's notice of meeting (or any supplement thereto), (B) by or at the direction of the Board of Directors, or (C) if properly brought before the meeting by any stockholder of the Corporation who is a stockholder of record of the Corporation both at the time the notice provided for in this Section 13(a) of Article I is received by the Secretary and at the time of the meeting, who is entitled to vote at the meeting, and who timely complies with the notice procedures set forth in this Section 13(a) of Article I and all other applicable requirements set forth in these Bylaws, the Certificate of Incorporation and applicable law. For the avoidance of doubt, except for proposals properly made in accordance with Rule 14a-8 under the Exchange Act, and included in the notice of meeting given by or at the direction of the Board of Directors, clause (C) above shall be the exclusive means for a stockholder to bring director nominations or other business before an annual meeting of stockholders. Any matter proposed to be brought by a stockholder must also constitute a proper matter for stockholder action.

(ii) For nominations or other business to be properly brought before an annual meeting of stockholders by a stockholder pursuant to clause (C) of Section 13(a)(i) of Article I, the stockholder must have given timely notice thereof in proper written form to the Secretary. To be timely, a stockholder's notice must be received by the Secretary at the principal executive offices of the Corporation not later than the close of business on the ninetieth (90th) day nor earlier than the close of business on the one hundred twentieth (120th) day prior to the first anniversary of the preceding year's annual meeting (provided, however, that in the event that the date of the annual meeting is more than thirty (30) days before or more than sixty (60) days after such anniversary date, notice by the stockholder must be so received not earlier than the close of business on the one hundred twentieth (120th) day prior to such annual meeting and not later than the close of business on the later of the ninetieth (90th) day prior to such annual meeting or the tenth (10th) day following the day on which public announcement of the date of such meeting is first made by the Corporation). Notwithstanding the foregoing, in the event that the number of directors to be elected to the Board of Directors at an annual meeting is increased and there is no public announcement by the Corporation naming all of the nominees for director or specifying the size of the increased Board of Directors at least one hundred (100) days prior to the first anniversary of the preceding year's annual meeting, a stockholder notice required by this Section 13(a) of Article I shall also be considered timely, but only with respect to nominees for

any new positions created by such increase, if it shall be received by the Secretary at the principal executive offices of the Corporation not later than the close of business on the tenth (10th) day following the day on which such public announcement is first made by the Corporation. In no event shall the public announcement of an adjournment or postponement of an annual meeting of stockholders commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above. To be in proper written form, a stockholder's notice to the Secretary (whether pursuant to this Section 13(a) or Section 13(b) of Article I) must set forth:

- (A) the name and address, as they appear on the Corporation's books, of the stockholder providing the notice and any Stockholder Associated Person;
- (B) (1) the class and number of shares of the Corporation's stock which are, directly or indirectly, held of record or are beneficially owned (as determined by Rule 13(d) of the Exchange Act) by such stockholder or any Stockholder Associated Person on the date of such stockholder's notice, (2) the dates such shares were acquired, (3) the investment intent of such acquisitions and (4) evidence of such beneficial or record ownership;
- (C) a complete and accurate description of any derivative positions with respect to shares of capital stock of the Corporation held of record or beneficially owned by or on behalf of such stockholder or any Stockholder Associated Person;
- (D) whether and the extent to which any hedging or other transaction or series of transactions has been entered into by or on behalf of such stockholder or any Stockholder Associated Person with respect to any securities of the Corporation, and a description of any other agreement, arrangement or understanding (including any short position or any borrowing or lending of shares), the effect or intent of which is to mitigate loss to, or to manage the risk or benefit from share price changes for, or to increase or decrease the voting power of, such stockholder or any Stockholder Associated Person with respect to any securities of the Corporation;
- (E) a complete and accurate description of any agreement, arrangement or understanding pursuant to which such stockholder or any Stockholder Associated Person has received any financial assistance, funding, or other consideration from any other person with respect to the investment by such stockholder or any Stockholder Associated Person in the Corporation;
- (F) a complete and accurate description of any performance- related fees (other than an asset-based fee) to which such stockholder or any Stockholder Associated Person may be entitled as a result of any increase or decrease in the value of any shares of the Corporation or any derivative positions with respect to shares of capital stock of the Corporation;

(G) any material interest of such stockholder or any Stockholder Associated Person in the proposed nomination or other business to be brought at the meeting;

(H) a reasonably detailed description of all agreements, arrangements and understandings (x) between or among the stockholder and any Stockholder Associated Person or (y) between or among the stockholder or any Stockholder Associated Person and any other person or entity (including their names) in connection with the proposed nomination or other business by such stockholder, including without limitation any agreements that would be required to be disclosed pursuant to Item 5 or Item 6 of a Schedule 13D that would be filed pursuant to the Exchange Act (regardless of whether the requirement to file a Schedule 13D is applicable to the stockholder or any Stockholder Associated Person or other person or entity);

(I) a representation that such stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such nomination or other business;

(J) to the extent known by such stockholder, the names and addresses of any other beneficial or record owners of stock of the Corporation known to be supporting such nomination or other business;

(K) a representation whether such stockholder or any Stockholder Associated Person intends or is part of a group that intends (1) to deliver a proxy statement and/or form of proxy to the holders of at least the percentage of the Corporation's outstanding capital stock required to approve or adopt the proposal or elect each proposed nominee, (2) otherwise to solicit proxies from stockholders in support of such proposed nomination or other business, and/or (iii) to solicit the holders of the Corporation's shares in accordance with Rule 14a-19 under the Exchange Act;

(L) as to each proposal of business (other than the nomination of persons for election to the Board of Directors) such stockholder proposes to bring before the meeting, the Proposal Information; and

(M) as to each person whom such stockholder proposes to nominate for election as a director at the meeting:

(1) the stockholder's intent to nominate such person for election as a director of the Corporation, the name of each such nominee proposed by the stockholder giving the notice, and the reason for making such nomination at the annual meeting;

(2) such nominee's name, age, business address and residence address;

(3) a description of all arrangements or understandings between or among any of the stockholder, any Stockholder Associated Person, such nominee, and any other person or persons (naming such person or persons) in connection with such nominee's nomination or service or action as a director;

(4) all of the information that would be required to be disclosed pursuant to Item 404 under Regulation S-K if the stockholder providing the notice or any Stockholder Associated Person were the "registrant" for purposes of such rule and such nominee was a director or executive officer of such registrant;

(5) all of the information with respect to such nominee as would be required to be set forth in the stockholder notice pursuant to this Section 13(a)(ii) of Article I if such nominee were the noticing stockholder;

(6) such nominee's principal occupation(s) during the past five (5) years;

(7) such nominee's previous and/or current memberships on all public company boards of directors;

(8) details of any positions where such nominee has served as an officer or director of any entity that is in the same industry as the Corporation within the three (3) years preceding the submission of the stockholder's notice;

(9) any bankruptcy filings of such nominee or any affiliate of such nominee;

(10) any criminal convictions of such nominee or any affiliate of such nominee;

(11) any civil action(s) by the Securities and Exchange Commission or other regulatory agency against such nominee whereby such nominee was found to have violated any federal or state securities law;

(12) a completed directors' and officers' questionnaire with respect to such nominee in the form required by the Corporation (which form the stockholder giving the notice shall request in writing from the Secretary and which the Secretary shall provide to the stockholder within ten (10) days of receiving such request) and signed by such nominee;

(13) the signed consent of such nominee to being named in the proxy statement, associated proxy card and other proxy materials as

a nominee and to serving as a director if elected or re-elected, as the case may be;

(14) a written representation and agreement in a form reasonably satisfactory to the Board of Directors and signed by such nominee that such nominee:

(a) will comply with the Corporation's processes for evaluating any person being considered for nomination or re-nomination to the Board of Directors, including an agreement to meet with the Nominating & Governance Committee, if requested, to discuss matters relating to the nomination of such nominee, including the information provided by such nominee to the Corporation in connection with his or her nomination and such nominee's eligibility to serve as a member of the Board of Directors;

(b) consents to the running of a background check in accordance with the Corporation's policy for prospective directors and will provide any information requested by the Corporation that is necessary to run such background check;

(c) is not and will not become a party to (i) any compensatory, payment or other financial agreement, arrangement or understanding with any person other than the Corporation in connection with service or action as a director of the Corporation that has not been disclosed to the Corporation; (ii) any agreement, arrangement or understanding with any person as to how such nominee would vote or act on any issue or question as a director of the Corporation (a "Voting Commitment") that has not been disclosed to the Corporation; or (iii) any Voting Commitment that could reasonably be expected to limit or interfere with such nominee's ability to comply, if elected as a director of the Corporation, with his or her fiduciary duties under applicable law;

(d) if elected as a director of the Corporation, (i) will comply with applicable state and federal law (including applicable fiduciary duties under state law), the rules of any stock exchange on which any of the Corporation's shares are traded, and all of the Corporation's corporate governance, ethics, conflict of interest, confidentiality and stock ownership and trading policies and guidelines applicable generally to the

Corporation's directors; and (ii) would be in compliance with any such policies and guidelines that have been publicly disclosed;

(e) will provide facts, statements and other information in all communications with the corporation and its stockholders that are or will be true and correct in all material respects and that do not and will not omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading;

(f) will furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such nominee to serve as an independent director of the Corporation, or that could be material to a reasonable stockholder's understanding of the independence, or lack thereof, of such nominee; and

(g) intends to serve as a director of the Corporation for the full term if elected; and

(15) such other information regarding such nominee as would be required to be included in a proxy statement filed in accordance with the proxy rules of the Securities and Exchange Commission had the nominee been nominated, or intended to be nominated, by the Board of Directors.

The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director or audit committee financial expert of the Corporation under applicable law, securities exchange rule or regulation, or any publicly disclosed corporate governance guideline or committee charter of the Corporation.

(iii) A stockholder providing notice of any nomination or other business proposed to be brought before a meeting of stockholders shall further update and supplement such notice and the information previously provided to the Corporation pursuant to this Section 13(a) of Article I and under any questionnaire, representation or agreement, if necessary, so that the information provided or required to be provided shall continue to be true and correct as of (x) the record date for determining the stockholders entitled to receive notice of the meeting and (y) the date that is ten (10) business days prior to such meeting (or any adjournment or postponement thereof). Such update and supplement must be received by the Secretary at the principal executive offices of the Corporation not later than five (5) business days after the record date for such meeting (in the case of clause (x)) and not later than eight (8) business days prior to the date of such meeting (in the case of clause (y)). The obligation of a stockholder or any proposed nominee to provide information or an update pursuant to this Section 13(a) of Article I (including under any questionnaire, representation or agreement, as

applicable) shall not limit the Corporation's rights with respect to any deficiencies in any notice or information provided by such person, extend any applicable deadlines under this Section 13(a) of Article I or enable or be deemed to permit such person to amend or update any proposal or nomination or to submit any new proposal or nomination, including by substituting or adding proposals or nominees, as applicable. A stockholder may not, after the last day on which a notice would be timely under this Section 13(a) of Article I, cure in any way any defect preventing the submission of the proposal or nomination.

(iv) Notwithstanding anything to the contrary in these Bylaws, unless otherwise required by applicable law, if any stockholder (I) provides notice pursuant to Rule 14a-19(b) under the Exchange Act with respect to any proposed nominee and (II) subsequently fails to comply with the requirements of Rule 14a-19(a)(2) or Rule 14a-19(a)(3) under the Exchange Act (or fails to timely provide reasonable evidence sufficient to satisfy the Corporation that such stockholder has met the requirements of Rule 14a-19(a)(3) in accordance with the following sentence), then the nomination of each such proposed nominee shall be disregarded, even if the Corporation has received proxies or votes in respect of such nomination (which proxies and votes shall also be disregarded). Upon request by the Corporation, if any stockholder provides notice pursuant to Rule 14a-19(b) or includes the information required by Rule 14a-19(b) in a preliminary or definitive proxy statement previously filed by such stockholder, then such stockholder shall deliver to the Corporation, no later than five (5) business days prior to the applicable meeting of stockholders, reasonable evidence that it has met the applicable requirements of Rule 14a-19 under the Exchange Act.

(v) For the avoidance of doubt, notwithstanding any notice of the annual meeting sent to stockholders on behalf of the Corporation, a stockholder must comply with Section 13(a) of Article I to conduct business at any annual meeting. If the stockholder's proposed business is the same or relates to business brought by the Corporation and included in its annual meeting notice, the stockholder is nevertheless required to comply and give its own separate and timely written notice to the Secretary pursuant to this Section 13(a) of Article I.

(vi) Nothing contained in this Section 13 of Article I shall be deemed to affect any rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act.

(b) Special Meetings of Stockholders. Only such business shall be conducted at a special meeting of stockholders as provided in Section 10 of Article I. Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of meeting (i) by or at the direction of the Board of Directors or any duly authorized committee thereof or (ii) provided that the Board of Directors or any duly authorized committee thereof has determined that directors shall be elected at such meeting, by any stockholder of the Corporation who is a stockholder of record at the time the notice provided for in this Section 13(b) of Article I is received by the Secretary and at the time of the meeting, who is entitled to vote at the meeting and upon such election and who timely complies with the notice procedures set forth in this Section 13(b) of Article I and all other applicable requirements set forth in these Bylaws, the Certificate of Incorporation and applicable law. In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the Board of

Directors, any such stockholder may nominate a person or persons (as the case may be) for election to such position(s) as specified in the Corporation's notice of meeting, if such stockholder provides written notice in the same form as required by clause (a) of this Section 13 of Article I and such notice is received by the Secretary at the principal executive offices of the Corporation not earlier than the close of business on the one hundred twentieth (120th) day prior to such special meeting and not later than the close of business on the later of the ninetieth (90th) day prior to such special meeting or the tenth (10th) day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. In no event shall the public announcement of an adjournment or postponement of a special meeting commence a new time period (or extend any time period) for the giving of a stockholder notice as described above.

(c) Notwithstanding anything in these Bylaws to the contrary, no business proposed to be brought by a stockholder before an annual meeting shall be conducted and no person nominated by a stockholder shall be eligible to serve as a director of the Corporation unless such proposal or nomination, as applicable, is brought in accordance with the procedures set forth in this Section 13 of Article I. In addition, a nomination or proposal of other business proposed to be brought by a stockholder may not be brought before a meeting if such stockholder or any proposed nominee takes action contrary to the representations made in the stockholder notice applicable to such nomination or business or if the stockholder notice contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein not misleading. The chair of the applicable meeting shall determine and declare at the meeting whether a stockholder nomination or proposal was made in accordance with the terms of this Section 13 of Article I. If the chair of the meeting determines that a stockholder nomination or proposal was not made in accordance with the terms of this Section 13 of Article I, he or she shall declare at the meeting that such nomination or proposal is defective and any such defective nomination or proposal shall be disregarded, notwithstanding that proxies in respect of such vote may have been received by the Corporation (which proxies shall also be disregarded). Notwithstanding the foregoing provisions, a stockholder shall also comply with all applicable requirements of the Exchange Act and other applicable law with respect to the matters set forth in this Section 13 of Article I; for the avoidance of doubt, this Section 13 of Article I is intended as an additional requirement.

(d) Notwithstanding the foregoing provisions of this Section 13 of Article I, unless otherwise required by law, if the stockholder (or a qualified representative of the stockholder) does not appear at the annual or special meeting of stockholders of the Corporation to present a nomination or proposed business set forth in such stockholder's notice given pursuant to this Section 13 of Article I, such proposed nomination or business shall be disregarded, notwithstanding that proxies in respect of such vote may have been received by the Corporation (which proxies shall also be disregarded).

(e) For purposes of this Section 13, "public announcement" shall include disclosure in a press release reported by a national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14, or 15(d) of the Exchange Act.

14. ***Conduct of the Meeting.***

(a) ***Order of Business.*** The chair of the meeting shall have the right to determine the order of business at the meeting.

(b) ***Meeting Protocol.*** To the maximum extent permitted by applicable law, the Board of Directors shall be entitled to make such rules or regulations for the conduct of meetings of stockholders as it shall deem necessary, appropriate, or convenient. Subject to such rules and regulations of the Board of Directors, if any, the chair of the meeting shall have the right and authority to prescribe such rules, regulations and procedures and take such action as, in the discretion of such chair, are deemed necessary, appropriate, or convenient for the proper conduct of the meeting. Such rules, regulations and procedures, whether adopted by the Board of Directors or prescribed by the chair of the meeting, may include, without limitation, the following: (i) establishing an agenda for the meeting and the order for the consideration of the items of business on such agenda; (ii) restricting admission to the time set for the commencement of the meeting; (iii) limiting attendance at the meeting to stockholders of record of the Corporation entitled to vote at the meeting, their duly authorized proxies or other such persons as the chair of the meeting may determine; (iv) limiting participation at the meeting on any matter to stockholders of record of the Corporation entitled to vote on such matter, their duly authorized proxies or other such persons as the chair of the meeting may determine to recognize and, as a condition to recognizing any such participant, requiring such participant to provide the chair of the meeting with evidence of his or her name and affiliation, whether he or she is a stockholder or a proxy for a stockholder, and the class and series and number of shares of each class and series of capital stock of the Corporation which are owned beneficially and/or of record by such stockholder; (v) limiting the time allotted to questions or comments by participants; (vi) taking such actions as are necessary or appropriate to maintain order, decorum, safety and security at the meeting; (vii) removing any stockholder who refuses to comply with meeting procedures, rules or guidelines as established by the Board of Directors or the chair of the meeting; and (viii) complying with any state and local laws and regulations concerning safety and security.

15. ***Action without a Meeting.***

(a) Any action which may be taken at any annual or special meeting of stockholders may be taken without a meeting and without prior notice, if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted; provided that directors may not be elected by written consent of the stockholders except by unanimous written consent of all shares entitled to vote for the election of directors.

(b) Every written consent shall bear the date of signature of each stockholder who signs the consent and no written consent shall be effective to take the corporate action referred to therein unless, within sixty (60) days of the date the earliest dated consent is delivered to the Corporation, a written consent or consents signed by a sufficient number of holders to take action are delivered to the Corporation.

(c) Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing (including by electronic mail or other electronic transmission as permitted by law). If the action which is consented to is such as would have required the filing of a certificate under any section of the DGCL if such action had been voted on by stockholders at a meeting thereof, then the certificate filed under such section shall state, in lieu of any statement required by such section concerning any vote of stockholders, that written notice and written consent have been given as provided in Section 228 of the DGCL.

ARTICLE II DIRECTORS.

1. **Number; Election; Term.** The number of directors which shall constitute the whole Board of Directors shall be fixed from time to time exclusively pursuant to a resolution adopted by a majority of the Board of Directors. At the annual meeting or a special meeting at which directors are to be elected in accordance with the Corporation's notice of meeting, directors shall be elected in accordance with the requirements of these Bylaws and the Certificate of Incorporation.

2. **Place of Meetings; Records.** The directors may hold their meetings and keep the books of the Corporation within or outside of the State of Delaware (including on any electronic database) as they may from time to time determine in accordance with applicable law. Members of the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting of the Board of Directors, or any committee, by means of conference telephone or remote communication by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

3. **Vacancies.** If the office of any director becomes vacant for any reason or any new directorship is created by any increase in the authorized number of directors, such vacancy shall be filled in the manner set forth in the Certificate of Incorporation. Any director so chosen shall hold office until the next annual election and until his or her successor shall be elected and qualified.

4. **Removal.** Any and all of the directors may be removed from office at any time, with or without cause, if such removal is approved by the affirmative vote of the holders of at least a majority of the voting power of the issued and outstanding shares of capital stock of the Corporation then entitled to vote in the election of directors.

5. **Resignation.** Any director may resign at any time upon written notice to the Corporation. Such resignation shall take effect at the time the notice is delivered or at such later time or upon the happening of an event or events as is specified in such notice and, unless otherwise specified therein, no acceptance of such resignation shall be necessary to make it effective.

6. **Regular Meetings.** Regular meetings of the Board of Directors may be held without notice at such time and place, if any, within or outside of the State of Delaware, or by such means of remote communication, as shall from time to time be determined by the Board of Directors.

7. **Special Meetings.** Special meetings of the Board of Directors may be called by the Chair of the Board, a Vice Chair of the Board, the President or, on the written request of any two (2) directors, by the Secretary, by the mailing of notice pursuant to Section 8 of Article II.

8. **Notice of Meetings.** Except in the case of regular meetings, notice of which has been dispensed with, notice of meetings of the Board of Directors shall be provided at least two (2) days in advance if provided by mail or twenty-four (24) hours in advance if delivered personally or by telephone, electronic transmission or other electronic or wireless means, including by a voice or text messaging system. If the address of a director is not shown on the records and is not readily ascertainable, notice shall be addressed to him or her at the city or place in which the meetings of the directors are regularly held. Notice of the time and place or means of remote communication of holding an adjourned meeting need not be given to absent directors if the time and place or means of remote communication are announced at the meeting adjourned.

9. **Quorum.** At all meetings of the Board of Directors the presence of a majority of the total number of directors determined by resolution pursuant to Section 1 of Article II to constitute the Board of Directors shall be necessary and sufficient to constitute a quorum for the transaction of business, and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by law, by the Certificate of Incorporation or by these Bylaws.

10. **Board Committees.** The Board of Directors may, by resolution passed by a majority of the Board of Directors, designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The Board of Directors may designate one or more directors as alternate members of any such additional committee, who may replace any absent or disqualified member at any meeting of the committee. Any such committee shall have such powers as are granted to it by the resolution of the Board of Directors or by subsequent resolutions passed by a majority of the Board of Directors. Unless otherwise provided for in any resolution of the Board of Directors designating a committee pursuant to this Section 10 of Article II: (i) a quorum for the transaction of business of such committee shall be fifty percent (50%) or more of the authorized number of members of such committee; and (ii) the act of a majority of the members of such committee present at any meeting of such committee at which there is a quorum shall be the act of the committee (except as otherwise specifically provided by law, the Certificate of Incorporation or by these Bylaws).

11. **Action Without Meetings.** Any action required or permitted to be taken at any meeting of the Board of Directors or any committee designated by such Board of Directors may be taken without a meeting, if all members of the Board of Directors or committee consent thereto in writing or by electronic transmission and the writing or writings or electronic transmission or transmissions are filed with the minutes of the proceedings of the Board of Directors or committee.

12. ***Fees and Compensation of Director.*** Each director, in consideration of his or her serving as such, shall be entitled to receive from the Corporation such amount per annum or such fees for attendance at meetings of the Board or of any committee, or both, as the Board of Directors shall from time to time determine. The Board may likewise provide that the Corporation shall reimburse each director or member of a committee for any expenses incurred by him or her on account of his or her attendance at any such meeting. Unless otherwise determined by the Board of Directors, directors who are employees of the Corporation shall not receive any compensation for service on the Board of Directors, but shall be reimbursed for expenses of attendance at meetings. Nothing contained in this Section shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

13. ***Emergency Bylaws.*** To the fullest extent permitted by law, in the event of any emergency, disaster or catastrophe, as referred to in Section 110 of the DGCL, or other similar emergency condition, the Board of Directors may adopt emergency bylaws.

14. ***Chair of the Board and Lead Independent Director.*** The Corporation may have, at the discretion of the Board, a Chair of the Board and/or one or more Lead Independent Directors. If there be one, the Chair of the Board of Directors shall preside at meetings of the stockholders and of the Board of Directors, and shall do and perform such other things as may from time to time be assigned to him or her by the Board of Directors. He or she shall have the power and authority to affix the signature of the Corporation to all deeds, conveyances, mortgages, leases, obligations, bonds, contracts, certificates and other papers and instruments in writing which have been authorized or directed by the Board of Directors or which, in his or her judgment, should be executed on behalf of the Corporation. The Chair of the Board and any Lead Independent Director shall perform such duties, and exercise such powers, as from time to time shall be prescribed by these Bylaws or by the Board of Directors.

ARTICLE III OFFICERS.

1. ***Election; Term of Office; Appointments.*** The Board of Directors shall elect at least the following officers: a President, one or more Vice Presidents, a Controller, a Treasurer, and a Secretary. The Board of Directors may also elect, appoint, or provide for the appointment of such other officers and agents as may from time to time appear necessary or advisable in the conduct of the affairs of the Corporation. Such additional officers may include one or more Vice Chairs, who shall not be directors unless otherwise prescribed by the Board of Directors, and whose duties shall be to assist the Chief Executive Officer of the Corporation in establishing and implementing overall corporate policy. The Corporate Secretary or any officer elected by the Board of Directors acting in conjunction with the Corporate Secretary may appoint such assistant officers (including one or more Assistant Secretaries and Assistant Treasurers) as may be necessary or desirable for the conduct of the business of the Corporation. Officers of the Corporation shall hold office until their successors are elected and qualified or until their earlier death, resignation, or removal, and shall perform such duties as from time to time shall be prescribed by these Bylaws and by the Board of Directors and, to the extent not so provided, as generally pertain to their respective offices. The Board of Directors may fill any vacancy

occurring in any office of the Corporation at any regular or special meeting. Two (2) or more offices may be held by the same person.

2. **Removal and Resignation.** Any officer elected or appointed by the Board of Directors may be removed at any time, with or without cause, by the affirmative vote of a majority of the Board of Directors. If the office of any officer elected or appointed by the Board of Directors becomes vacant for any reason, the vacancy may be filled only by the Board of Directors. Any officer may resign at any time upon written notice to the Corporation. Such resignation shall take effect at the time the notice is delivered or at such later time or upon the happening of an event or events as is specified in such notice, and unless otherwise specified therein, no acceptance of such resignation shall be necessary to make it effective.

3. **President.** The President, in the absence of the Chair of the Board or the Vice Chair or the Lead Independent Director, if any, shall preside at meetings of the Directors. He or she shall have such authority and perform such duties in the management of the Corporation as from time to time shall be prescribed by the Board of Directors and, to the extent not so prescribed, he or she shall have such authority and perform such duties in the management of the Corporation, subject to the control of the Board of Directors, as generally pertain to the office of President.

4. **Vice Presidents.** Vice Presidents shall perform such duties as from time to time shall be prescribed by these Bylaws, by the Chair of the Board, by the President or by the Board of Directors, and except as otherwise prescribed by the Board of Directors, they shall have such powers and duties as generally pertain to the office of Vice President.

5. **Secretary.** The Secretary or person appointed as secretary at all meetings of the Board of Directors and of the stockholders shall record all votes and the minutes of all proceedings in a book to be kept for that purpose, and he or she shall perform like duties for the Board of Directors when required. He or she shall give, or cause to be given, notice of all meetings of the stockholders, and of the Board of Directors if required. He or she shall perform such other duties as may be prescribed by these Bylaws or as may be assigned to him or her by the Chair of the Board, the President or the Board of Directors, and, except as otherwise prescribed by the Board of Directors, he or she shall have such powers and duties as generally pertain to the office of Secretary.

6. **Treasurer.** The Treasurer shall have custody of the Corporation's funds and securities. He or she shall perform such other duties as may be prescribed by these Bylaws or as may be assigned to him or her by the Chair of the Board, the President or the Board of Directors, and, except as otherwise prescribed by the Board of Directors, he or she shall have such powers and duties as generally pertain to the office of Treasurer.

7. **Controller.** The Controller shall have charge of the Corporation's books of account, and shall be responsible for the maintenance of adequate records of all assets, liabilities, and financial transactions of the Corporation. The Controller shall prepare and render such balance sheets, profit and loss statements and other financial reports as the Board of Directors, the Chair of the Board or the President may require. He or she shall perform such other duties as may be prescribed by these Bylaws or as may be assigned to him or her by the Chair of the

Board, the President or the Board of Directors, and, except as otherwise prescribed by the Board of Directors, he or she shall have such powers and duties as generally pertain to the office of Controller.

ARTICLE IV STOCK.

1. **Stock.** The shares of the Corporation shall be represented by certificates or shall be uncertificated. Each registered holder of shares, upon request to the Corporation, shall be provided with a certificate of stock representing the number of shares owned by such holder. The certificates of stock of the Corporation shall be in the form or forms from time to time approved by the Board of Directors. Such certificates shall be numbered and registered, shall exhibit the holder's name and the number of shares, and shall be signed in the name of the Corporation by any two (2) authorized officers of the Corporation. If any certificate is manually signed (a) by a transfer agent other than the Corporation or its employee, or (b) by a registrar other than the Corporation or its employee, any other signature on the certificate, including those of the aforesaid officers of the Corporation, may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he or she were such officer, transfer agent or registrar at the date of issue.

2. **Lost Certificates.** The Board of Directors or any officer of the Corporation to whom the Board of Directors has delegated authority may authorize any transfer agent of the Corporation to issue, and any registrar of the Corporation to register, at any time and from time to time unless otherwise directed, a new certificate or certificates of stock in the place of a certificate or certificates theretofore issued by the Corporation, alleged to have been lost or destroyed, upon receipt by the transfer agent of evidence of such loss or destruction, which may be the affidavit of the applicant; a bond indemnifying the Corporation and any transfer agent and registrar of the class of stock involved against claims that may be made against it or them on account of the lost or destroyed certificate or the issuance of a new certificate, of such kind and in such amount as the Board of Directors shall have authorized the transfer agent to accept generally or as the Board of Directors or an authorized officer shall approve in particular cases; and any other documents or instruments that the Board of Directors or an authorized officer may require from time to time to protect adequately the interest of the Corporation. A new certificate may be issued without requiring any bond when, in the judgment of the directors, it is proper to do so.

3. **Transfers of Stock.** Transfers of stock shall be made upon the books of the Corporation: (a) upon presentation of the certificates by the registered holder in person or by duly authorized attorney, or upon presentation of proper evidence of succession, assignment or authority to transfer the stock, and upon surrender of the appropriate certificate(s), or (b) in the case of uncertificated shares, upon receipt of proper transfer instructions from the registered owner of such uncertificated shares, or from a duly authorized attorney or from an individual presenting proper evidence of succession, assignment or authority to transfer the stock.

4. **Holder of Record.** The Corporation shall be entitled to treat the holder of record of any share or shares of stock as the holder in fact thereof and accordingly shall not be bound to recognize any equitable or other claim to or interest in such share on the part of any other person whether or not it shall have express or other notice thereof, save as expressly provided by the laws of the State of Delaware.

ARTICLE V INDEMNIFICATION.

1. **Indemnification of Directors and Officers in Third-Party Proceedings.** Subject to the other provisions of this Article V, the Corporation shall indemnify and hold harmless, to the fullest extent permitted by the DGCL (as the same exists now or as it may be hereinafter amended, but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment), any person (and the heirs, executors, administrators or estate of such person) who was or is a party or is threatened to be made a party to, or otherwise becomes involved in, any threatened, pending or completed action, suit, investigation, inquiry, hearing, mediation, arbitration, other alternative dispute mechanism or any other proceeding, whether civil, criminal, administrative, regulatory, investigative, legislative or otherwise and whether formal or informal (as further defined in Section 19 of Article V, a “Proceeding”) (other than an action by or in the right of the Corporation) by reason of the fact that such person is or was serving, or had agreed to serve, in an Official Capacity (as defined in Section 19 of Article V) for the Corporation, or while serving in an Official Capacity for the Corporation is or was serving at the request of the Corporation in an Official Capacity for another corporation, partnership, limited liability company, joint venture, trust or other enterprise (each, an “Other Enterprise”), including service with respect to employee benefit plans maintained or sponsored by the Corporation, or is an employee of the Corporation specifically designated by the Board of Directors as an indemnified employee (hereinafter, each of the foregoing persons, a “Covered Person”), against Expenses (as defined below), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such Proceeding if, in the Corporation’s determination pursuant to Section 7 of Article V, such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal Proceeding, had no reasonable cause to believe his or her conduct was unlawful.

2. **Indemnification of Directors and Officers in Actions by or in the Right of the Corporation.** Subject to the other provisions of this Article V, the Corporation shall indemnify and hold harmless, to the fullest extent permitted by the DGCL, any Covered Person who was or is a party or is threatened to be made a party to, or otherwise becomes involved in, a Proceeding by or in the right of the Corporation against Expenses actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if, in the Corporation’s determination pursuant to Section 7 of Article V, such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation; provided that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that Delaware Court of Chancery or the court in which such action or suit was brought

shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Delaware Court of Chancery or such other court shall deem proper.

3. **Successful Defense.** In addition to the rights of indemnifications provided in Section 1 and Section 2 of Article V, to the extent that a Covered Person has been successful on the merits or otherwise in defense of any Proceeding described in Section 1 or Section 2 of Article V, or in defense of any claim, issue or matter therein, such person shall be indemnified against Expenses actually and reasonably incurred by such person in connection therewith.

4. **Indemnification of Others.** Subject to the other provisions of this Article V, the Corporation shall have power to indemnify its employees and its agents to the extent not prohibited by the DGCL or other applicable law. The Board of Directors shall have the power to delegate the determination of whether employees or agents shall be indemnified to such person or persons as the Board of Directors determines.

5. **Advance Payment of Expenses.**

(a) Expenses actually and reasonably incurred by any Covered Person in defending any Proceeding shall be paid by the Corporation in advance of the Final Disposition (as defined below) of such Proceeding. Such advances shall be paid by the Corporation within ten (10) days after the receipt by the Corporation of a written statement or statements from the Covered Person requesting such advance or advances from time to time; provided, that the payment of such expenses incurred by a Covered Person in his or her capacity as a director or officer shall be made only upon delivery to the Corporation of an undertaking (an "Undertaking") in writing by or on behalf of such Covered Person to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right of appeal (a "Final Disposition") that such Covered Person is not entitled to be indemnified for such Expenses under these Bylaws or otherwise. The Covered Person's Undertaking shall not be required to be secured and shall not bear interest.

(b) Except as otherwise provided in the DGCL or this Section 5 of Article V, the Corporation shall not impose on the Covered Person additional conditions to the advancement of Expenses or require from the Covered Person additional undertakings regarding repayment. Advancements of Expenses shall be made without regard to the Covered Person's ability to repay the Expenses.

(c) Advancements of Expenses pursuant to this subsection shall not require approval of the Board of Directors or the stockholders of the Corporation, or of any other person or body. The Secretary shall promptly advise the Board of Directors in writing of the request for advancement of Expenses, of the amount and other details of the request and of the Undertaking provided pursuant to this Section 5 of Article V.

(d) Advancements of Expenses to a Covered Person shall include any and all actual and reasonable Expenses incurred pursuing an action to enforce this right of advancement, including Expenses incurred preparing and forwarding statements to the Corporation to support the advancements claimed.

(e) The right to advancement of Expenses shall not apply to (i) any action, suit or proceeding against a Covered Person brought by the Corporation and approved by a majority of the authorized members of the Board of Directors which alleges willful misappropriation of corporate assets by such agent, wrongful disclosure of confidential information, or any other willful and deliberate breach in bad faith of such agent's duty to the Corporation or its stockholders, or (ii) any claim for which indemnification is excluded pursuant to these Bylaws, but shall apply to any Proceeding referenced in Section 6(b) or Section 6(c) of Article V prior to a determination that the person is not entitled to be indemnified by the Corporation.

6. ***Limitations on Indemnification.*** Except as otherwise required by the DGCL or applicable law, the Corporation shall not be obligated to indemnify any person pursuant to this Article V in connection with any Proceeding (or any part of any Proceeding):

(a) for which payment has actually been made to or on behalf of such person under any statute, insurance policy, indemnity provision, vote or otherwise, except with respect to any excess beyond the amount paid;

(b) where it has been determined by Final Disposition that the person is liable to the Corporation with respect to any claim, issue or matter involved in the Proceeding out of which the claim for indemnification has arisen, including, without limitation, a claim that the person received an improper personal benefit, unless the court of law or another court in which such Proceeding was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, the person is fairly and reasonably entitled to indemnity for such Expenses which such court shall deem proper;

(c) for which payment has actually been made to or on behalf of such person under any statute, insurance policy, indemnity provision, vote or otherwise, except with respect to any excess beyond the amount paid;

(d) for an accounting or disgorgement of profits pursuant to Section 16(b) of the Exchange Act, or similar provisions of federal, state, or local statutory law or common law, if such person is held liable therefor (including pursuant to any settlement arrangements);

(e) for any reimbursement of the Corporation by such person of any bonus or other incentive-based or equity-based compensation or of any profits realized by such person from the sale of securities of the Corporation, as required in each case under the Exchange Act (including any such reimbursements that arise from an accounting restatement of the Corporation pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act") or the rules of any national securities exchange upon which the Corporation's securities are listed, or the payment to the Corporation of profits arising from the purchase and sale by such person of securities in violation of Section 306 of the Sarbanes-Oxley Act), if such person is held liable therefor (including pursuant to any settlement arrangements);

(f) initiated by such person against the Corporation or its directors, officers, employees, agents or other indemnitees, unless (i) the Board of Directors authorized the Proceeding (or the relevant part of the Proceeding) prior to its initiation, (ii) the Corporation

provides the indemnification, in its sole discretion, pursuant to the powers vested in the Corporation under applicable law, (iii) otherwise made under Section 5 of Article V or (iv) otherwise required by applicable law; or

(g) if prohibited by applicable law.

7. ***Indemnification Claims; Determination.***

(a) To obtain indemnification under this Article V, a Covered Person shall submit to the Corporation a written request, including therein or therewith such documentation and information as is reasonably available to the Covered Person and is reasonably necessary to determine whether and to what extent the Covered Person is entitled to indemnification. Upon written request by a Covered Person for indemnification, a determination (the “Determination”) if such determination is required by applicable law, with respect to the Covered Person’s entitlement thereto shall be made as follows, unless otherwise ordered by a court of competent jurisdiction: (i) by the Board of Directors by majority vote of a quorum consisting of Disinterested Directors (as defined in Section 19 of Article V); (ii) if such a quorum of Disinterested Directors cannot be obtained, by majority vote of a committee duly designated by the Board of Directors (all directors, whether or not Disinterested Directors, may participate in such designation) consisting solely of two or more Disinterested Directors; (iii) if such a committee cannot be designated, by any Independent Counsel (as defined in Section 19 of Article V) selected by the Board of Directors, as prescribed in clause (i) above, or by a committee of the Board of Directors, as prescribed in clause (ii) above, in a written opinion to the Board of Directors, a copy of which shall be delivered to the Covered Person, or if a quorum of the Board of Directors cannot be obtained for purposes of clause (i) above and a committee cannot be designated under clause (ii) above, as selected by majority vote of the full Board of Directors (in which directors who are parties may participate); or (iv) if such Independent Legal Counsel determination cannot be obtained, by majority vote of a quorum of stockholders consisting of stockholders who are not parties to such Proceeding, or if no such quorum is obtainable, by a majority vote of stockholders who are not parties to the Proceeding. If it is so determined that the Covered Person is entitled to indemnification, payment to the Covered Person shall be made within thirty (30) days after such determination.

(b) If a claim for indemnification under this Article V is not paid in full by the Corporation within thirty (30) days after a determination has been made pursuant to Section 7(a) of Article V that the Covered Person is entitled to indemnification, or (ii) if a request for advancement of Expenses under this Article V is not paid in full by the Corporation within ten (10) days after a statement pursuant to Section 5 of Article V and the required Undertaking, if any, have been received by the Corporation, the Covered Person may at any time thereafter bring suit against the Corporation in a court of competent jurisdiction to recover the unpaid amount of the claim for indemnification or request for advancement of Expenses and, if successful in whole or in part, the Covered Person shall be entitled to be paid also any and all Expenses incurred in connection with prosecuting such claim. In any such suit, the Corporation shall, to the fullest extent not prohibited by applicable law, have the burden of proving that the Covered Person is not entitled to the requested indemnification or advancement of Expenses. It shall be a defense to any such action that, under the DGCL or other applicable law, the Covered Person has not met the standard of conduct which makes it permissible for the Corporation to indemnify the Covered

Person for the amount claimed or that the Covered Person is not entitled to the requested advancement of Expenses, but (except where the required Undertaking, if any, has not been tendered to the Corporation) the burden of proving such defense shall be on the Corporation. Neither the failure of the Corporation (including its Disinterested Directors, Independent Counsel or stockholders) to have made a determination prior to the commencement of such action that indemnification of the Covered Person is proper in the circumstances because he or she has met the applicable standard of conduct set forth under the DGCL or other applicable law, nor an actual determination by the Corporation (including its Disinterested Directors, Independent Counsel or stockholders) that the Covered Person has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the Covered Person has not met the applicable standard of conduct.

(c) The termination of any Proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that the person's conduct was unlawful.

(d) If a Determination shall have been made pursuant to Section 7(a) of Article V that the Covered Person is entitled to indemnification, the Corporation shall be bound by such determination in any judicial proceeding commenced pursuant to Section 7(b) of Article V.

(e) The Corporation shall be precluded from asserting in any judicial proceeding commenced pursuant to Section 7(b) of Article V that the procedures and presumptions of these Bylaws are not valid, binding, and enforceable and shall stipulate in such proceeding that the Corporation is bound by all the provisions of these Bylaws.

8. ***Procedures for the Determination of Whether Standards Have Been Satisfied.***

(a) Costs. All costs incurred by the Corporation in making the Determination shall be borne solely by the Corporation, including, but not limited to, the costs of legal counsel, proxy solicitations and judicial determinations. The Corporation shall also be solely responsible for paying all costs incurred by it in defending any suits or Proceedings challenging payments by the Corporation to a Covered Person under these Bylaws.

(b) Timing of the Determination. The Corporation shall use its best efforts to make the Determination contemplated by Section 7 of Article V as promptly as is reasonably practicable under the circumstances.

9. ***Non-exclusivity of Rights.*** The rights of indemnification and advancement of Expenses provided in this Article V shall not be deemed exclusive of any other rights to which a person seeking indemnification or advancement of expenses may be entitled under any bylaw, agreement, insurance policy, vote of stockholders or disinterested directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office. The Corporation is specifically authorized to enter into an agreement with any of its

directors, officers, employees or agents providing for indemnification and advancement of expenses, including attorneys' fees, that may change, enhance, qualify or limit any right to indemnification or advancement of Expenses created by this Article V, to the fullest extent not prohibited by the DGCL or other applicable law.

10. **Continuation of Rights.** The rights of indemnification and advancement of Expenses provided in this Article V shall continue as to any person who has ceased to be a director, officer, partner, member, trustee, agent, or employee and shall inure to the benefit of his or her heirs, executors, administrators, and estates.

11. **Contract Rights.** Without the necessity of entering into an express contract, the obligations of the Corporation to indemnify a director, officer, partner, member, trustee, agent or employee under this Article V, including the duty to advance Expenses, shall be considered a contract right between the Corporation and such individual and shall be effective to the same extent and as if provided for in a contract between the Corporation and the director or executive officer. Such contract right shall be deemed to vest at the commencement of such individual's service to or at the request of the Corporation, and no amendment, modification or repeal of this Article V shall affect, to the detriment of such indemnified person and such indemnified person's heirs, executors, administrators and estate, such obligations of the Corporation in connection with a claim based on any act or failure to act occurring before such modification or repeal.

12. **Subrogation.** In the event of payment of indemnification to a Covered Person, the Corporation shall be subrogated to the extent of such payment to any right of recovery such person may have and such person, as a condition of receiving indemnification from the Corporation, shall execute all documents and do all things that the Corporation may deem necessary or desirable to perfect such right of recovery, including the execution of such documents necessary to enable the Corporation effectively to enforce any such recovery.

13. **No Duplication of Payments.** The Corporation shall not be liable under this Article V to make any payment in connection with any claim made against a person described in Section 1 or Section 2 of Article V to the extent such person has otherwise received payment (under any insurance policy, bylaw, agreement or otherwise) of the amounts otherwise payable as indemnity hereunder.

14. **Insurance and Funding.**

(a) The Board of Directors may authorize that the Corporation purchase and maintain, at the Corporation's expense, insurance to protect the Corporation and any person against any liability or Expenses asserted against or incurred by such person in connection with any Proceeding, whether or not the Corporation would have the power to indemnify such person against such liability or Expenses by law, under this Article V or otherwise. The Corporation may create a trust fund, grant a security interest, or use other means (including, without limitation, a letter of credit) to insure the payment of such sums as may become necessary to effect the indemnification provided herein.

(b) Any full or partial payment by an insurance company under any insurance policy covering any director, officer, employee, agent or other person indemnified pursuant to

this Article V made to or on behalf of such person shall relieve the Corporation of its liability for indemnification provided for under this Article V or otherwise to the extent of such payment, and no insurer shall have a right of subrogation against the Corporation with respect to such payment.

(c) Any insurance or other financial arrangement made on behalf of a person pursuant to this Section 14 of Article V may be provided by the Corporation or any other person approved by the Board of Directors, even if all or part of the other person's stock or other securities is owned by the Corporation. In the absence of fraud, (i) the decision of the Board of Directors as to the propriety of the terms and conditions of any insurance or other financial arrangement made pursuant to this Section 14 of Article V and the choice of the person to provide the insurance or other financial arrangement is conclusive; and (ii) the insurance or other financial arrangement is not void or voidable and does not subject any director approving it to personal liability for his or her action, even if a director approving the insurance or other financial arrangement is a beneficiary of the insurance or other financial arrangement.

15. **No Imputation.** The knowledge and/or actions, or failure to act, of any other officer, director, employee or agent of the Corporation or an Other Enterprise shall not be imputed to an indemnified person for purposes of determining the right to indemnification under this Article V.

16. **Reliance.** Persons who, after the date of the adoption of this Article V or any amendment thereto, serve or continue to serve the Corporation in an Official Capacity or who, while serving in an Official Capacity, serve or continue to serve in an Official Capacity for an Other Enterprise, shall be conclusively presumed to have relied on the rights to indemnification and advancement of Expenses contained in this Article V.

17. **Severability.** If this Article V or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify and hold harmless each director and officer and any other person indemnified pursuant to this Article V as to all Expenses with respect to any Proceeding to the full extent permitted by any applicable portion of this Article V that shall not have been invalidated and to the fullest extent permitted by applicable law.

18. **Notices.** Any notice, request or other communication required or permitted to be given to the Corporation under this Article V shall be in writing and either delivered in person or sent by U.S. mail, overnight courier or by e-mail or other electronic transmission, to the Secretary and shall be effective only upon receipt by the Secretary.

19. **Certain Definitions.**

(a) The term "Corporation" shall include, in addition to H2O America and, in the event of a consolidation or merger involving the Corporation, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another

corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article V with respect to the resulting or surviving corporation as such person would have with respect to such constituent corporation if its separate existence had continued.

(b) The term “Disinterested Director” means a director of the Corporation who is not and was not a party to the matter in respect of which indemnification is sought by the Covered Person.

(c) The term “Expenses” shall be broadly construed and shall include, without limitation, all direct and indirect losses, liabilities, expenses, including fees and expenses of attorneys, fees and expenses of accountants, court costs, transcript costs, fees and expenses of experts, witness fees and expenses, travel expenses, printing and binding costs, telephone charges, delivery service fees, the premium, security for, and other costs relating to any bond (including cost bonds, appraisal bonds, or their equivalents), judgments, fines (including excise taxes assessed on a person with respect to an employee benefit plan) and amounts paid in settlement and all other disbursements or expenses of the types customarily incurred in connection with: (i) the investigation, prosecution, defense, appeal or settlement of a Proceeding; (ii) serving as an actual or prospective witness, or preparing to be a witness in a Proceeding, or other participation in, or other preparation for, any Proceeding; (iii) any compulsory interviews or depositions related to a Proceeding; (iv) any non-compulsory interviews or depositions related to a Proceeding, subject to the person receiving advance written approval by the Corporation to participate in such interviews or depositions; and (v) responding to, or objecting to, a request to provide discovery in any Proceeding. Expenses shall also include any federal, state, local and foreign taxes imposed on such person as a result of the actual or deemed receipt of any payments under this Article V.

(d) The term “Independent Counsel” means a law firm, a member of a law firm or an independent practitioner that is experienced in matters of corporation law and shall include any person who, under the applicable standards of professional conduct then prevailing, would not have a conflict of interest in representing either the Corporation or the Covered Person in an action to determine the Covered Person’s rights under this Article V.

(e) The term “Official Capacity” shall mean service as a director or officer of the Corporation or service, at the request of the Corporation while serving in an Official Capacity for the Corporation, as a director, officer, partner, member, manager, trustee, employee, agent, or other representative of an Other Enterprise.

(f) The term “Proceeding” shall be broadly construed and shall include, without limitation, the investigation, preparation, prosecution, defense, settlement, mediation, arbitration, and appeal of, and the giving of testimony in, any Proceeding.

(g) The term “serving at the request of the Corporation” includes any service as a director, officer, employee, or agent of the Corporation that imposes duties on such persons, including duties relating to an employee benefit plan and its participants or beneficiaries.

(h) The term “not opposed to the best interest of the Corporation,” when used in the context of a Covered Person’s service with respect to employee benefit plans maintained or sponsored by the Corporation, describes the actions of a person who acts in good faith and in a manner he or she reasonably believes to be in the best interests of the participants and beneficiaries of an employee benefit plan.

ARTICLE VI MISCELLANEOUS.

1. **Delaware Office.** The address of the Corporation’s registered office in the State of Delaware is 850 New Burton Road, Suite 201, in the City of Dover, County of Kent. The name of its registered agent at such address is Cogency Global, Inc.

2. **Other Offices.** The Corporation may also have an office in the State of California, and such other offices at such places as the Board of Directors from time to time may appoint or the business of the Corporation may require.

3. **Seal.** The corporate seal, if any, shall be in the form adopted by the Board of Directors. Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise. The seal may be affixed by any officer of the Corporation to any instrument executed by authority of the Corporation, and the seal when so affixed may be attested by the signature of any officer of the Corporation.

4. **Instruments in Writing.** The Board of Directors, except as otherwise provided in these Bylaws, may authorize any officer or officers, or agent or agents, to enter into any contract or execute any instrument in the name of or on behalf of the Corporation; such authority may be general or confined to specific instances. Unless so authorized or ratified by the Board of Directors or within the agency power of an officer, no officer, agent, or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

5. **Notice.** Whenever notice is required to be given by law, the Certificate of Incorporation or these Bylaws, a written waiver signed by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

6. **Amendments.** The Board of Directors shall have the power to adopt, amend or repeal the Bylaws of the Corporation by the affirmative action of a majority of its members. The Bylaws may be adopted, amended, or repealed by the affirmative vote of a majority of the stock issued and outstanding and entitled to vote at any regular meeting of the stockholders or at any special meeting of the stockholders if notice of such proposed adoption, amendment or repeal be contained in the notice of such meeting.

7. **Checks.** All checks, drafts, notes, and other orders for the payment of money shall be signed by such officer or officers or agents as from time to time may be designated by

the Board of Directors or by such officers of the Corporation as may be designated by the Board of Directors to make such designation.

8. ***Fiscal Year.*** The fiscal year of the Corporation shall end on December 31st unless otherwise determined by resolution of the Board of Directors.

9. ***Electronic Signatures.*** Unless otherwise required by law, whenever the Certificate of Incorporation or these Bylaws require or permit a signature, such signature may be a manual, facsimile, conformed or electronic signature.

CERTIFICATIONS

I, Andrew F. Walters, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of H2O America (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: July 29, 2025

/s/ ANDREW F. WALTERS

Andrew F. Walters
Chief Executive Officer
(Principal executive officer)

CERTIFICATIONS

I, Ann P. Kelly, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of H2O America (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: July 29, 2025

/s/ ANN P. KELLY

Ann P. Kelly

Chief Financial Officer and Treasurer
(Principal financial officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of H2O America (the "Company") on Form 10-Q for the quarter ended June 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Andrew F. Walters, Chief Executive Officer, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge on the date hereof:

- (1) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ ANDREW F. WALTERS

Andrew F. WALTERS
Chief Executive Officer
(Principal executive officer)
July 29, 2025

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of H2O America (the "Company") on Form 10-Q for the quarter ended June 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ann P. Kelly, Chief Financial Officer and Treasurer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge on the date hereof:

- (1) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ ANN P. KELLY

Ann P. Kelly
Chief Financial Officer and Treasurer
(Principal financial officer)
July 29, 2025