

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

FORM 10-K

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

For the fiscal period ended December 31, 2025

OR

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

<i>Commission File Number</i>	<i>Exact name of registrant as specified in its charter and principal office address and telephone number</i>	<i>State of Incorporation</i>	<i>I.R.S. Employer Identification No.</i>
001-37976	Southwest Gas Holdings, Inc. 8360 S. Durango Dr. Las Vegas, Nevada 89113 (702) 876-7237	Delaware	81-3881866
1-7850	Southwest Gas Corporation 8360 S. Durango Dr. Las Vegas, Nevada 89113 (702) 876-7237	California	88-0085720

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

Title of each class	<i>Southwest Gas Holdings, Inc.:</i> Trading Symbol	Name of each exchange on which registered
Southwest Gas Holdings, Inc. Common Stock, \$1 par value	SWX	New York Stock Exchange
<i>Southwest Gas Corporation:</i> None.		

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Southwest Gas Holdings, Inc.

Yes No

Southwest Gas Corporation

Yes No

Indicate by check mark if each registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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

Southwest Gas Holdings, Inc.:

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

Southwest Gas Corporation:

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Exchange Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

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

Aggregate market value of the voting and non-voting common stock held by nonaffiliates of the registrant

Southwest Gas Holdings, Inc.

\$5,354,455,918 as of June 30, 2025

The number of shares outstanding of Southwest Gas Holdings, Inc. common stock:

Common Stock, \$1 Par Value, 72,269,125 shares as of February 18, 2026

All of the outstanding shares of common stock (\$1 par value) of Southwest Gas Corporation were held by Southwest Gas Holdings, Inc. as of February 18, 2026.

SOUTHWEST GAS CORPORATION MEETS THE CONDITIONS SET FORTH IN GENERAL INSTRUCTION (I)(1)(a) and (b) OF FORM 10-K AND IS THEREFORE FILING THIS REPORT WITH THE REDUCED DISCLOSURE FORMAT AS PERMITTED BY GENERAL INSTRUCTION I(2).

DOCUMENTS INCORPORATED BY REFERENCE

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2026 Proxy Statement	Part III

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FILING FORMAT

This annual report on Form 10-K is a combined report being filed by two separate registrants: Southwest Gas Holdings, Inc. and Southwest Gas Corporation. Except where the content clearly indicates otherwise, any reference in the report to “we,” “us,” or “our” is to the holding company or the consolidated entity of Southwest Gas Holdings, Inc. and all of its subsidiaries, including Southwest Gas Corporation, which is a distinct registrant that is a wholly owned subsidiary of Southwest Gas Holdings, Inc. Information contained herein relating to Southwest Gas Corporation is filed by Southwest Gas Holdings, Inc. and Southwest Gas Corporation. Southwest Gas Corporation makes no representation as to information relating to Southwest Gas Holdings, Inc. or its subsidiaries except as it may relate to Southwest Gas Corporation and its subsidiaries.

Part II—Item 8. Financial statements and supplementary data in this Annual Report on Form 10-K includes separate financial statements (i.e., balance sheets, statements of income, statements of comprehensive income, statements of cash flows, and statements of equity) for Southwest Gas Holdings, Inc. and Southwest Gas Corporation, in that order. The notes to consolidated financial statements are presented on a combined basis for both entities. All Items other than Part II – Item 8 are combined for the reporting companies.

GLOSSARY OF KEY TERMS

The following is a glossary of frequently used abbreviations or acronyms that are found throughout this report.

Abbreviation or Acronym	Definition	Abbreviation or Acronym	Definition
ACC	Arizona Corporation Commission	Company	Southwest Gas Holdings, Inc. (together with its subsidiaries)
AFUDC	Allowance for Funds Used During Construction	Congress	United States Congress
AGA	American Gas Association	Cooperation Agreement	Cooperation agreement with Icahn Group
ANPRM	Advance Notices of Proposed Rulemakings	COSO	Committee of Sponsoring Organizations of the Treadway Commission
AOCI	Accumulated Other Comprehensive Income (Loss)	COYL	Customer-Owned Yard Line
APBO	Accumulated Postretirement Benefit Obligation	CPCN	Certificate of Public Convenience and Necessity
ARA	Annual Rate Adjustment	CPUC	California Public Utilities Commission
ASU	Accounting Standards Update	DCA	Delivery Charge Adjustment
ATM Program	At-the-market equity offering program	DEAA	Deferred Energy Accounting Adjustment
Audit Committee	Southwest Gas Holdings, Inc. Audit Committee of the Board of Directors	EADIT	Excess accumulated deferred income taxes
Board	Board of Directors of Southwest Gas Holdings, Inc.	EIP	Employees’ Investment Plan
Cal Advocates	California Public Advocate's Office	El Paso	El Paso Natural Gas Company
CARB	California Air Resources Board	EPA	Environmental Protection Agency
CBA	Collective Bargaining Agreement	EPS	Earnings per share
Centuri Common Stock	Shares of Centuri common stock, par value \$0.01 per share	Exchange Act	Securities Exchange Act of 1934, as amended
Centuri IPO	Centuri Initial Public Offering	FASB	Financial Accounting Standards Board
Centuri, or Utility Infrastructure Services	Centuri Group Inc, for periods prior to April 22, 2024, or subsequently, Centuri Holdings, Inc.	FERC	Federal Energy Regulatory Commission
CEO	Chief Executive Officer	Fitch	Fitch Ratings
CFO	Chief Financial Officer		Accounting principles generally accepted in the United States
CIO	Chief Information Officer	GAAP	
CNG	Compressed natural gas	GCBA	Gas Cost Balancing Account
CODM	Chief operating decision maker	GHG	Greenhouse gases
COLI	Company-owned life insurance	GRA	General Revenues Adjustment
		Great Basin	Great Basin Gas Transmission Company

Abbreviation or Acronym	Definition	Abbreviation or Acronym	Definition
Icahn Designees	Nominees designated by the Icahn Group to the Company's Board of Directors	PTY	Post-Test Year
Icahn Group	Carl C. Icahn and the persons and entities listed in the cooperation agreement	PUCN	Public Utilities Commission of Nevada
Icahn investment entities	Icahn Partners LP and Icahn Partners Master Fund LP, investment entities associated with Carl C. Icahn	QRP	Qualified Retirement Plan
IDRB	Industrial Development Revenue Bonds	Reform Act	Private Securities Litigation Reform Act of 1995
IPO	Initial public offering	Restated Periods	Unaudited quarterly financial information for the three and six months ended June 30, 2025 and the three and nine months ended September 30, 2025, collectively
IRC	Internal Revenue Code	RFP	Request for Proposal
IRRAM	Infrastructure Reliability and Replacement Adjustment Mechanism	RNG	Renewable Natural Gas
IRS	Internal Revenue Service	ROU	Right-of-use
ITC	Investment tax credit	Ruby	Ruby Pipeline LLC
Kern River	Kern River Gas Transmission Company	S&P	Standard & Poor's
LDC	Local distribution company	SB	Senate Bill
LDI	Liability-driven investment	SEC	U.S. Securities and Exchange Commission
LNG	Liquefied natural gas	Separation Agreement	That certain Separation Agreement, dated as of April 11, 2024, by and between the Company and Centuri
Moody's	Moody's Investors Service, Inc.	Series A Preferred	Series A Junior Participating Preferred Stock
MountainWest, or Pipeline and Storage	MountainWest Pipelines Holding Company	SERP	Supplemental executive retirement plan
NAV	Net asset value	SIM	System Integrity Mechanism
NPRM	Notice of proposed rulemaking	SOFR	Secured Overnight Financing Rate
NSPS	New Source Performance Standard	Southwest Gas Holdings	Southwest Gas Holdings, Inc. (standalone)
NWPL	Northwest Pipeline Corporation	Southwest Gas, or Natural Gas Distribution	Southwest Gas Corporation and its subsidiaries
NYSE	New York Stock Exchange	Tax Assets	Unutilized tax assets
OFR	Office of the Federal Register	Tax Assets Agreement	Unutilized Tax Assets Settlement Agreement
OOOOb	New Source Performance Standard Subpart OOOOb	TEAM	Tax Expense Adjustor Mechanism
OOOObc	New Source Performance Standard Subpart OOOObc	Transwestern	Transwestern Pipeline Company
PBO	Postretirement benefit Obligation	Tuscarora	Tuscarora Gas Pipeline Company
PBOP	Postretirement benefits other than pensions	U.S.	United States
PCAOB	Public Company Accounting Oversight Board	Universal Shelf	Automatic Shelf Registration Statement (File No. 333-275774)
PGA	Purchased gas adjustment	VCOs	Voluntary carbon offsets
PHMSA	Pipeline and Hazardous Materials Safety Administration	Williams	Williams Partners Operating LLC
PII	Personally identifiable information		

Forward-Looking Statements

This annual report contains statements which constitute “forward-looking statements” within the meaning of the Reform Act. All statements other than statements of historical fact included or incorporated by reference in this annual report are forward-looking statements, including, without limitation, statements regarding the Company’s plans, objectives, goals, intentions, projections, strategies, future events or performance, negotiations, and underlying assumptions. The words “may,” “if,” “will,” “should,” “could,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “project,” “potential,” “continue,” “forecast,” “intend,” “endeavor,” “promote,” “seek,” “pursue,” and similar words and expressions are generally used and intended to identify forward-looking statements. For example, statements regarding operating margin patterns, customer growth, the composition of our customer base, price volatility, utility optimization initiatives, the level of expense or cost containment, seasonal patterns, the ability to pay debt, the Company’s COLI strategy, the magnitude of future acquisition or divestiture impacts related thereto, the impacts of U.S. tax reform including the One Big Beautiful Bill Act and disposition in any regulatory proceeding and bonus depreciation tax deductions, tariffs, the impact of any Pipeline and Hazardous Materials Safety Administration rulemaking or proposed rulemaking, the amounts and timing for completion of estimated future capital expenditures, forecasted operating cash flows and results of operations, net earnings impacts or recovery of costs from gas infrastructure replacements, programs and mechanisms, or other mechanisms, funding sources of cash requirements, amounts generally expected to be reflected in future period revenues from regulatory rate proceedings including amounts requested or settled from recent and ongoing general rate cases or other regulatory proceedings, rates and surcharges, PGA administration, recovery and timing, and other rate adjustments, sufficiency of working capital and current credit facilities or the ability to cure negative working capital balances, bank lending practices, the Company’s views regarding its liquidity position, ability to raise funds and receive external financing capacity and the intent and ability to issue various financing instruments and stock under our ATM program or otherwise, expectations with respect to the use of net proceeds from the Centuri separation transactions, future dividends and the Board’s current payout strategy, pension and postretirement benefits, assumptions used and the expectations regarding the treasury futures overlay, the effect of any other rate changes or regulatory proceedings, impacts of ASUs, statements regarding future gas prices, gas purchase contracts and pipeline imbalance charges or claims related thereto, recoverability of regulatory assets, the impact of certain legal proceedings or claims, statements related to the Great Basin 2028 expansion project, and the timing and results of future rate hearings, including any ongoing or future general rate cases and other proceedings, and statements regarding pending approvals, including proposed regulatory mechanisms and the approval of the application for the triennial resource plan, or references to impacts believed to be timing-related, are forward-looking statements. All forward-looking statements are intended to be subject to the safe harbor protection provided by the Reform Act.

A number of important factors affecting the business and financial results of the Company could cause actual results to differ materially from those stated in the forward-looking statements. These factors include, but are not limited to, customer growth rates, conditions in the housing market, inflation, interest rates and related government actions, including the impact of tariffs, sufficiency of labor markets and ability to timely hire qualified employees or similar resources, acquisition and divestiture decisions including prices paid or received, adjustments, indemnifications, or commitments related thereto, and their impacts to impairments, write-downs, or losses or expenses generally, the ability to collect on outstanding customer accounts receivable in any or all jurisdictions, the ability to obtain regulatory recovery of related costs, the ability to recover or requirement to return, as applicable, and timing thereof related to costs associated with the PGA mechanisms or other regulatory assets or programs, potential disallowances by the ACC, the PUCN, the CPUC, and/or the FERC, the effects of regulation/deregulation, governmental or regulatory policy regarding pipeline safety, greenhouse gas emissions, natural gas, potential prohibitions on the use of natural gas by customers or potential customers, including related to electric generation or natural gas appliances, or regarding alternative energy, the regulatory support for ongoing infrastructure programs or expansions, the timing and amount of rate relief, the impact of other regulatory proceedings, the timing and methods determined by regulators to refund amounts to customers resulting from U.S. tax reform, changes in rate design, impacts of other tax regulations, impacts to rate base or otherwise from deferred tax balances, including from IRS gas industry guidelines and the safe harbor method related to tax repairs or otherwise, variability in volume of gas or transportation service sold to customers, changes in gas procurement practices, changes in capital requirements and funding, the impact of credit rating actions and conditions in the capital markets on financing costs, changes in federal policies that affect U.S. relations with other countries, including with respect to taxes, trade policies, and tariffs, changes in capital expenditures and financing, resources/efforts dedicated to construction activities and all other business activities, levels of or changes in operations and maintenance expenses, or other costs, including fuel costs and other costs impacted by inflation, including from tariffs or otherwise, benefit plan costs and actuarial estimates, other estimates, and changes thereto, the results of any cost containment efforts, geopolitical influences on the business or its costs, effects of pension or other postretirement benefit expense forecasts or plan modifications, accounting changes and regulatory treatment related thereto, currently unresolved and future liability claims and disputes, changes in pipeline capacity for the transportation of gas and related costs, projections about acquired businesses’ earnings, or those that may be planned, future acquisition-related costs, differences between the actual experience and projections in costs to integrate or stand-up portions of newly acquired business operations, acquisitions and management’s plans related thereto, the ability of management to successfully finance, close, and assimilate any acquired businesses, the impact on our stock price or our credit ratings due to

undertaking or failing to undertake acquisition or divestiture activities or other strategic endeavors, the impact on our stock price, costs, actions or disruptions thereof related to significant stockholders and their activism, our ability to raise capital in external financings, our ability to continue to remain within the ratios and other limits subject to our debt covenants, and ongoing evaluations in regard to goodwill or other intangible assets, regulatory approvals for the Great Basin 2028 expansion project along with negotiation and execution of binding transportation agreements and capital construction costs, and utility optimization initiatives. In addition, the Company can provide no assurance that its discussions regarding certain trends or plans relating to its financing and operating expenses will continue, proceed as planned, or cease to continue, or fail to be alleviated, in future periods. For additional information on the risks associated with the Company's business, see **Item 1A. Risk Factors** and **Item 7A. Quantitative and Qualitative Disclosures About Market Risk** in this Annual Report on Form 10-K for the year ended December 31, 2025.

All forward-looking statements in this annual report are made as of the date hereof, based on information available to the Company and Southwest Gas as of the date hereof, and the Company and Southwest Gas assume no obligation to update or revise any of their forward-looking statements even if experience or future changes show that the indicated results or events will not be realized. **We caution you not to unduly rely on any forward-looking statement(s).**

PART I

Item 1. BUSINESS

The Company, a Delaware corporation, is a holding company headquartered in Las Vegas, Nevada, owning all of the shares of common stock of Southwest Gas and, until the Centuri IPO on April 22, 2024, all of the shares of common stock of Centuri. The Company operated two reportable segments until August 2025, the Natural Gas Distribution segment (Southwest Gas) and Utility Infrastructure Services segment (Centuri). After the deconsolidation of Centuri in August 2025, the business is solely comprised of the Natural Gas Distribution segment. The Company is incorporated in Delaware, and Southwest Gas is incorporated in California.

The Company, through its operating wholly-owned subsidiary Southwest Gas, engages in the business of purchasing, distributing, and transporting natural gas for its customers. Southwest Gas is a dynamic energy company committed to exceeding the expectations of its more than two million customers throughout Arizona, Nevada, and California by providing safe and reliable service while innovating sustainable energy solutions to fuel the growth in its communities.

Southwest Gas and its subsidiaries provide regulated natural gas delivery services to customers in portions of Arizona, Nevada, and California to meet heating, cooking, and other household needs in residential communities across these territories, as well as to facilitate the ongoing business operations of commercial and industrial customers. Southwest Gas makes investments in infrastructure to support customer demand associated with population growth and economic development activity, and the safe and reliable operation of its system through adherence to integrity management programs. Public utility rates, practices, facilities, and service territories of Southwest Gas are subject to regulatory oversight. The timing and amount of rate relief can materially impact results of operations. Natural gas purchases and the timing of related recoveries can materially impact liquidity. Results for the natural gas distribution segment are higher during winter periods due to the seasonality incorporated in its regulatory rate structures.

The Company maintains a website (www.swgasholdings.com) for the benefit of stockholders, investors, customers, and other interested parties. Similarly, Southwest Gas maintains a website (www.swgas.com) mainly focused on utility operations. The Company's annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all amendments to those reports are available, free of charge, through the SEC's website at www.sec.gov and the www.swgasholdings.com website as soon as reasonably practicable after such material is electronically filed with, or furnished to, the SEC. All additional Company SEC filings are also available on the www.swgasholdings.com website. The Corporate Governance Guidelines, Code of Business Conduct and Ethics, and charters of the Nominating and Corporate Governance, Audit, and Compensation Committees of the Board are also available on the www.swgasholdings.com website. Print versions of these documents are available to stockholders upon request directed to the Corporate Secretary, Southwest Gas Holdings, Inc., 8360 S. Durango Drive, Las Vegas, NV 89113. Nothing included on the Company's website shall be deemed to be incorporated by reference into Form 10-K.

NATURAL GAS DISTRIBUTION

General Description

Southwest Gas is subject to regulation by the ACC, the PUCN, and the CPUC. These commissions regulate public utility rates, practices, facilities, and service territories in their respective states. The CPUC also regulates the issuance of all debt securities by Southwest Gas, with the exception of short-term borrowings. Certain accounting practices, transmission facilities, and rates are subject to regulation by the FERC.

As of December 31, 2025, Southwest Gas purchased and distributed or transported natural gas to approximately 2,281,000 residential, commercial, and industrial customers in geographically diverse portions of Arizona, Nevada, and California. Southwest Gas added 37,000 first-time meter sets during 2025.

The table below lists the percentage of operating margin (operating revenues less net cost of gas) by major customer class for the years indicated:

For the Year Ended December 31,	Distribution		
	Residential and Small Commercial	Other Sales Customers	Transportation
2025	85 %	4 %	11 %
2024	85 %	4 %	11 %
2023	85 %	4 %	11 %

Southwest Gas is not dependent on any one or a few customers such that the loss of any one or several would have a significant adverse impact on earnings or cash flows.

Transportation of customer-secured gas to end-users accounted for 41% of total system throughput in 2025, but represents only 11% of operating margin as shown in the table above. Customers who utilized this service transported 83.7 million dekatherms in 2025, 92.7 million dekatherms in 2024, and 85.7 million dekatherms in 2023.

The demand for natural gas is seasonal with greater demand in the colder winter months and decreased demand in the warmer summer months. It is the opinion of management that comparisons of earnings for interim periods do not reliably reflect overall trends and changes in operations due to this seasonality. The decoupled rate mechanisms in place in the three state service territories, as described below, are structured with seasonal variations. Also, earnings for any periods, including interim, can be significantly affected by the timing of general rate relief.

Rates and Regulation

Rates that Southwest Gas is authorized to charge its distribution system customers are determined by the ACC, PUCN, and CPUC, primarily in general rate cases and are notably derived using rate base, cost of service, and cost of capital experienced in an historical test year, as adjusted in Arizona and Nevada, and projected for a future test year in California. The FERC regulates the northern Nevada transmission and LNG storage facilities of Great Basin, a wholly owned subsidiary, and the rates it charges for transportation of gas directly to certain end-users and to various LDCs. The LDCs transporting on the Great Basin system are NV Energy (serving Reno and Sparks, Nevada) and Southwest Gas (serving Truckee, South and North Lake Tahoe in California, and various locations throughout northern Nevada).

Rates charged to customers vary according to customer class and rate jurisdiction and are set at levels that are intended to allow for the recovery of all commission-approved costs, including a return on rate base sufficient to pay interest on debt as well as a reasonable return on common equity in financing rate base investments. Rate base consists generally of the original cost of utility plant in service, net of amounts associated with costs borne by third parties; plus certain other assets, such as working capital and inventories; less accumulated depreciation on utility plant in service, net deferred income tax liabilities, and certain other deductions. Southwest Gas files rate cases as necessary or required to reduce the effect regulatory lag may have on revenue levels necessary to support its cost to serve customers, and in turn, to better align actual returns with allowable returns authorized in rate proceedings.

Rate structures in all service territories allow Southwest Gas to separate or “decouple” the recovery of operating margin from natural gas consumption, through decoupled structures (alternative revenue programs) that vary by state. In California, authorized operating margin levels are established in total dollars by jurisdiction and vary by month. In Nevada and Arizona, the decoupled rate structures apply to most customer classes on the basis of margin per customer by jurisdiction, which varies by month. Collectively, these mechanisms provide stability in annual operating margin. Nearly all of our customers, and resulting revenue and margin, are served under rate schedules included as part of mechanisms that reduce the impact of weather and volume variability on our earnings.

Rate schedules in all service areas contain deferred energy or PGA provisions, which allow Southwest Gas to file rate adjustments as the cost of purchased gas changes. Deferred energy and PGA rate changes affect cash flows, but have no direct impact on margin. Filings to change rates in accordance with PGA provisions are subject to audit by the appropriate state regulatory commission staff.

Information with respect to recent general rate cases, PGA filings, and other regulatory proceedings can be found in the Rates and Regulatory Proceedings section of Management’s Discussion and Analysis included in Item 7.

The table below lists recent docketed general rate filings and the status of such filing within each ratemaking area:

Rate-making Area	Type of Filing	Month Filed	Month Final Rates Effective
Arizona ⁽¹⁾	General rate case	February 2024	March 2025
California:			
Northern, Southern, and South Lake Tahoe ⁽²⁾	General rate case	September 2024	January 2026
Nevada:			
Northern and Southern ⁽³⁾	General rate case	September 2023	April 2024
FERC:			
Great Basin	General rate case	March 2024	April 2025

⁽¹⁾In January 2026, Southwest Gas filed with the ACC its Notice of Intent to file a general rate case in February 2026, with rates anticipated to become effective April 2027.

⁽²⁾Southwest Gas filed a general rate case in California in September 2024, requesting rates effective January 1, 2026. While a decision has not been issued, the CPUC granted Southwest Gas’ motion seeking authority to establish a general rate case memorandum account effective January 1, 2026, through the effective date of the CPUC’s final decision in the event the decision is issued after January 1, 2026. This will allow Southwest Gas to track changes in the revenue requirement beginning January 1, 2026. The settlement agreement filed in September 2025 recommended commission approval of the consolidation of the Northern California and South Lake Tahoe rate jurisdictions.

⁽³⁾In January 2026, Southwest Gas filed with the PUCN its Notice of Intent to file a general rate case in March 2026, with rates anticipated to become effective in October 2026.

Demand for Natural Gas

Deliveries of natural gas by Southwest Gas are made under a priority system established by state regulatory commissions. The priority system is intended to ensure that the gas requirements of higher-priority customers, primarily residential customers and other customers who use 500 therms or less of gas per day, are fully satisfied on a daily basis before lower-priority customers, primarily electric generation and large industrial customers able to use alternative fuels, are provided any quantity of gas or capacity.

Demand for natural gas is greatly affected by temperature. On cold days, residential and commercial customers’ gas consumption can often be an order of magnitude greater than on warmer days, primarily due to increased space heating demand. To fully satisfy this increased high-priority demand, gas is withdrawn from storage in certain service areas, or peaking supplies are purchased from suppliers. If necessary, service to interruptible lower-priority customers may be curtailed to provide the needed delivery system capacity. Southwest Gas maintains no significant backlog on its orders for gas service.

Natural Gas Supply

Southwest Gas is responsible for acquiring and arranging delivery of natural gas to its system in sufficient quantities to meet its customers’ needs. Southwest Gas’ primary natural gas procurement objective is to ensure that adequate supplies of natural gas are available at a reasonable cost. Southwest Gas acquires natural gas from a wide variety of sources with a mix of purchase provisions, which includes spot market and firm supplies. The purchases may have terms from one day to several years and utilize both fixed and indexed pricing. During 2025, Southwest Gas acquired natural gas from 44 suppliers. Southwest Gas regularly monitors the number of suppliers, their performance, and their relative contribution to the overall customer supply portfolio. New suppliers are contracted when possible, and solicitations for supplies are extended to the largest practicable list of suppliers. Competitive pricing, flexibility in meeting Southwest Gas’ requirements, and demonstrated reliability of service are instrumental to any one supplier’s inclusion in Southwest Gas’ portfolio. The goal of this practice is to mitigate the risk of nonperformance by any one supplier and ensure competitive prices in the portfolio.

Balancing reliability with supply cost results in a continually changing mix of purchase provisions within the supply portfolios. To address the unique requirements of its various market areas, Southwest Gas assembles and administers a separate natural gas supply portfolio for each of its jurisdictional areas. Southwest Gas facilitates most natural gas purchases through competitive bid processes.

To mitigate customer exposure to short-term market price volatility, during 2025 Southwest Gas sought to fix the price on a portion of its forecasted annual normal-weather volume requirement (up to 25% in the California jurisdiction and to a limited extent, in the Arizona jurisdiction) primarily using firm fixed-price purchasing arrangements that are secured periodically throughout the year. Southwest Gas does not currently plan to make fixed-price term purchases broadly, other than in California (as set forth above), nor engage in financial swap transactions for any of its territories. However, that could change as Southwest Gas monitors conditions and collaborates with regulatory commissions over time.

For the 2025/2026 heating season, firm fixed-price physical commodity purchases ranged from approximately \$4.02 to approximately \$5.37 per dekatherm. Southwest Gas makes natural gas purchases, not covered by firm fixed-price contracts, under variable-price contracts with firm quantities or on the spot market. Prices for these contracts are determined at the beginning of each month to reflect that month's published first-of-month index price or based on a published daily price index. These monthly or daily index prices are not published or known until the purchase period begins.

The baseload firm natural gas supply arrangements are structured such that Southwest Gas must nominate a stated volume of natural gas and the supplier must confirm that nomination. Contracts provide for fixed or market-based penalties to be paid by the non-performing party.

Storage availability may influence the average annual price of natural gas, as storage may allow a company to purchase natural gas quantities during the off-peak season and store it for use in high demand periods when prices may be greater or supplies/capacity, tighter. Dependent upon the rate jurisdiction, Southwest Gas has some access to storage services, but overall there are small quantities of storage services available for Southwest Gas' use. For available storage services, Southwest Gas purchases natural gas for injection during the off-peak period for use in the high demand months; however, since storage is limited, its impact is also limited in regard to Southwest Gas' annual average price of natural gas. Additionally, Southwest Gas utilizes most available storage services for operational purposes to meet customer demand and not for economic purposes. This also limits the influence the available storage services have on Southwest Gas' average annual price of natural gas.

Southwest Gas receives supply area storage services from Spire Storage West that is used for the southern Nevada rate jurisdiction, but could also be used to service the northern Nevada or northern California rate jurisdictions. Southwest Gas generally has limited market area storage services availability for the southern and northern California, northern Nevada, and Arizona rate jurisdictions. The following summarizes Southwest Gas' access to storage services for those rate jurisdictions.

Southwest Gas has a storage services contract with Southern California Gas Company for use only within Southwest Gas' southern California rate jurisdiction.

Southwest Gas contracts for storage services from Great Basin's above-ground LNG regasification facility. This storage service generally provides vaporization and injection, as well as peaking capability only for the northern Nevada and northern California rate jurisdictions.

Southwest Gas also has interruptible storage contracts with NWPL for the northern Nevada and northern California rate jurisdictions. NWPL has the discretion to limit Southwest Gas' ability to inject or withdraw from this interruptible storage, which consequently limits Southwest Gas' use of this interruptible storage capacity. As such, this storage provides limited operational flexibility to adjust daily flowing supplies to meet demand.

For the Arizona rate jurisdiction, Southwest Gas operates a 233,000 dekatherm above-ground LNG regasification facility in southern Arizona. This facility is intended to enhance service reliability and flexibility in natural gas deliveries in the area by providing a local storage option that is operated by Southwest Gas and connected directly to its distribution system.

Natural gas supplies for Southwest Gas' southern system (Arizona, southern Nevada, and southern California jurisdictions) are primarily obtained from producing regions in Colorado and New Mexico (San Juan basin), Texas (Permian basin), and Rocky Mountain areas. For its northern system (northern Nevada and northern California rate jurisdictions), Southwest Gas primarily obtains natural gas from Rocky Mountain producing areas.

The landscape for national natural gas supply is continuously changing, including impacts related to governmental policies. Advanced drilling techniques continue to provide access to abundant and sustainable natural gas supplies. The natural gas market has responded to the abundant supply of natural gas at prices that are competitive with other forms of energy. Natural gas prices were relatively stable in 2024 and 2025 when compared to the latter part of 2022 and early 2023 as upstream maintenance events have been resolved and storage inventory impacting the southwest region has replenished to above five-year average levels. Current forecasts show that an ample and diverse natural gas supply continues to be available to Southwest Gas' customers at a competitive price when compared to competing energy forms.

Southwest Gas arranges for transportation of natural gas to its Arizona, Nevada, and California service territories through the pipeline systems of El Paso, Kern River, Transwestern, NWPL, Tuscarora, Southern California Gas Company, Great Basin, and Ruby, the costs for which are recovered from Southwest Gas' customers through each states' respective PGA mechanism.

Southwest Gas regularly monitors short-term and long-term supply and pipeline capacity availability to ensure the reliability of service to its customers. Southwest Gas currently receives firm transportation service, both on a short-term and long-term basis, for all its service territories on the pipeline systems noted above. Southwest Gas also contracts for firm natural gas supplies that are delivered to its city gates to supplement its firm capacity on the interstate pipelines and to meet projected peak-day demands. Southwest Gas could also utilize its interruptible contracts on the interstate pipelines for the transportation of additional natural gas supplies.

Southwest Gas believes that the current levels of contracted firm interstate capacity and delivered purchases are sufficient to serve each of its service territories' forecasted peak-day requirements. As the need arises to acquire additional capacity on one of the interstate pipeline transmission systems and to secure additional supply, primarily due to customer growth and increased demand, Southwest Gas will continue to consider available options to obtain that capacity, either through the use of firm contracts with a pipeline company or by purchasing capacity on the open market, and will also consider options for the purchase of additional firm bundled delivered natural gas supplies.

Competition

Electric utilities are the principal competitors of Southwest Gas for the residential and small commercial markets throughout its service areas. Competition for space heating and small commercial energy needs, such as water heating and cooking, generally occurs at the initial installation phase when the customer/builder typically makes the decision as to which type of equipment to install and operate. The customer will generally continue to use the chosen energy source for the life of the equipment, meaning that notwithstanding a premise vacancy, customers will continue their service each month and on an ongoing basis. Southwest Gas interfaces with regulators and directly with the various home builders and commercial property developers in its service territories to ensure that infrastructure to allow for natural gas appliances are considered in new developments and commercial centers. As a result of these efforts, Southwest Gas has continued to experience growth in the new construction market among residential and small commercial customer classes. In 2025, Southwest Gas provided natural gas to a large majority of the new homes constructed during the year in the major metropolitan markets composing our service territories.

Certain large commercial, industrial, and electric generation customers have the capability to switch to alternative energy sources. To date, Southwest Gas has been successful in retaining most of these customers by setting rates (subject to conditions of the respective state tariffs) at levels competitive with commercially available alternative energy sources such as electricity and fuel oils. To address potential state policies surrounding electrification and reducing fossil fuels, Southwest Gas has taken steps to align with these efforts by supporting energy efficiency in our jurisdictions, being part of GHG protocols and initiatives in California, partnering on hydrogen blending innovation, and utilizing biogas and RNG tariff schedules in Arizona, California, and Nevada. In 2023, the legislature in Nevada passed SB 281 that establishes a long-term planning process for gas utilities before the PUCN. Under SB 281, natural gas utilities are required to file a three-year plan to include current and projected demands, significant projects and investments, energy efficiency and load management programs, and renewable energy and low carbon fuel initiatives. The bill creates an opportunity to seek regulatory pre-approval for certain investments and reinforces natural gas' role in providing safe, reliable, and affordable energy. Proposed regulations were adopted on December 30, 2025. The first plan under the new law was required to be filed by October 1, 2025. Southwest Gas filed its first Nevada Triennial Resource Plan on September 17, 2025. The PUCN is expected to provide their decision in Spring of 2026. Additionally, Arizona has in place certain protections prohibiting municipalities and counties from banning or restricting natural gas use. Specifically, it prevents municipalities and counties from adopting a code, ordinance, land use regulation, or general or specific plan that would prohibit or have the effect of restricting a person's or entity's ability to use the services of a utility provider that is capable and authorized to provide service, and also prevents municipalities and counties from denying a building permit or imposing discriminatory fees or requirements on a building permit based on the utility provider proposed to serve a project. While certain forms of renewable energy initiatives compete with natural gas, the abundance, low cost, resiliency, and reliability of natural gas, as well as the convenience and comfort it provides to our customers, result in competitive advantages across our portfolio of customers. Overall, management does not anticipate any material adverse impact on operating margin from fuel switching or alternative energy initiatives over the near term. See also "Environmental Matters" below.

Southwest Gas competes with interstate transmission pipeline companies, such as El Paso, Kern River, Transwestern, Tuscarora, and Ruby to provide service to certain large end-users. End-use customers located in proximity to these interstate pipelines pose a potential bypass threat. Southwest Gas closely monitors each customer situation and provides competitive service in order to retain the customer. Southwest Gas has remained competitive through the use of negotiated transportation contract rates (subject to conditions of the respective state tariffs), special long-term contracts with electric generation and cogeneration customers, and other tariff programs. These competitive response initiatives have mitigated the loss of operating margin earned from large customers.

Great Basin, a wholly owned subsidiary of Southwest Gas, is an interstate pipeline company regulated by the FERC. Great Basin, like other interstate pipelines, is not granted a CPCN for a service territory by the FERC. Instead, project-specific CPCNs are granted. Great Basin provides both firm and interruptible transportation service to natural gas and electric utilities along with large industrial and commercial customers. Great Basin competes with other FERC regulated interstate transmission pipelines in the region, such as the Ruby, Tuscarora, and Northwest Pipelines. Great Basin also competes with intrastate pipelines in the region, such as the Pinyon Pipeline and Prospector Pipeline, constructed specifically to serve large customers. Great Basin closely monitors those competing transmission pipelines to ensure that Great Basin's tariff rates and services remain competitive. Great Basin enters into long-term transportation service agreements aimed at offering competitive rates to mitigate the loss of operating margin. Great Basin is also currently undertaking an expansion project to increase system capacity and better serve customer demand.

Environmental Matters

Federal, state, and local laws and regulations governing the discharge of materials into the environment have a direct impact upon Southwest Gas. Environmental efforts, with respect to matters such as storm water management, emissions of air pollutants, hazardous material management, and protection of endangered species and archaeological resources, directly impact the complexity and time required to obtain pipeline rights-of-way and construction permits. There have also been several federal and state legislative and regulatory initiatives proposed and implemented in recent years attempting to control or limit the effects of global warming and overall climate change, including those focused on GHGs, such as carbon dioxide or methane. The adoption of this type of legislation by Congress or similar legislation by state governments mandating a substantial reduction in GHGs, reduction in pipeline or project permitting, or decarbonization generally, could have significant impacts on the energy industry. Such new legislation or regulations could result in increased energy costs overall, increased compliance costs or additional operating restrictions on our business, affect the demand for natural gas, or impact the supply costs we incur and prices we charge our customers. Additionally, it is not uncommon for outgoing or incoming U.S. administrations to vary energy policy and to take certain executive actions related thereto, from limiting or expanding federal land leases and permits for the extractive or mid-stream industries, to limiting offshore energy activities, or others. At this time, we cannot predict the potential impact of such actions, laws or regulations, if adopted or upheld, on our future business, financial condition, or results. However, increased environmental legislation and regulation can be beneficial to the natural gas industry. Natural gas can be more environmentally friendly than many other fuels currently available and its use can help energy users comply with stricter environmental air quality standards. While motor vehicle transportation is typically cited as the leading source of carbon dioxide emissions in the U.S., natural gas for residential consumption/use is cited as accounting for approximately 5% of total U.S. GHG emissions (U.S. Energy Information Administration, 2024).

Southwest Gas remains committed to providing customers with safe, reliable, sustainable, and affordable natural gas service and continues to work with policy makers and regulators to support and adopt renewable initiatives and expanded use of RNG and CNG as a transportation fuel. Additionally, in 2025, Southwest Gas held a public hearing for its 2024 hydrogen blending application in California to help determine a hydrogen injection standard. Southwest Gas serves multiple companies with CNG across Arizona and Nevada. Southwest Gas has converted part of its own vehicle fleet to CNG. These steps demonstrate part of Southwest Gas' response to support state GHG emission reduction goals where they exist. In recent years, regulatory activity in Arizona, California, and Nevada led to provisions allowing for the development of RNG projects. In addition, Southwest Gas currently has authority to make certain purchases of RNG in California and Nevada.

The State of California EPA regulations require the reporting of GHG emissions from large sources and suppliers. Southwest Gas reports required information to the State of California EPA including the volume of natural gas that it receives for distribution to LDC customers and the GHG emissions that result from the operation of its LDC pipelines.

The U.S. EPA proposed in September 2025 to largely rescind its Greenhouse Gas Reporting Program, eliminating reporting for 46 of 47 source categories after the 2024 reporting year, while suspending the remaining oil and natural gas reporting until 2034 due to new legislation and Supreme Court interpretations. The U.S. EPA cites reduced costs for industry and legal interpretations following cases like *Loper Bright Enterprises*, arguing it lacks broad authority to regulate GHGs under the Clean Air Act.

California legislation and regulations promulgated by the CARB require Southwest Gas to comply with the California GHG Emissions Reporting Program and the California Cap and Trade Program, which is intended to help the state reach its goal of reducing GHG emissions to 40% below 1990 levels by 2030. In 2025, the California legislature passed AB 1207 renaming the program to Cap and Invest and extending the program to 2045 from 2030. The extended program will maintain currently established offset usage limits for the duration of the program; however, the program will begin incorporating offset credit usage into the annual allowance allocation. In addition, AB 1207 contemplates the transition of gas utilities' free allowances to electric utilities. While this transition is expected to occur gradually, it may result in higher costs for natural gas utilities over time.

Southwest Gas must report annual GHG emissions each year. The CARB annually allocates to Southwest Gas a certain number of allowances based on Southwest Gas' reported 2011 GHG emissions. Of those allocated allowances, Southwest Gas must consign a certain percentage to the CARB for auction. Southwest Gas can use any allocated allowances that remain after consignment, along with allowances it can purchase through CARB auctions or reserve sales, or through over-the-counter purchases with other market participants, to meet its compliance obligations.

As part of this program, there are ongoing annual and three-year compliance periods. Southwest Gas successfully met its earlier compliance obligations by surrendering a sufficient number of allowances prior to the required date. Southwest Gas met its three-year compliance obligation ending in 2023 by surrendering a sufficient number of allowances and carbon offsets prior to November 1, 2024. The next three-year compliance period will conclude in 2026. Southwest Gas may purchase carbon offsets applicable towards compliance periods. Carbon offsets can be used to satisfy a portion of the compliance obligations. The CPUC previously issued a decision that provides for the regulatory treatment of the program costs. The decision also implemented the California Climate Credit in October 2018, representing a return of auction proceeds, which is updated annually and normally distributed each April. There is no expected direct impact on earnings.

California legislation and regulations require Southwest Gas to incorporate RNG produced from diverted waste into its California gas supply portfolios. Southwest Gas representatives have been actively working with the other major California natural gas distribution companies and the state's regulatory bodies on the processes, procedures, and plans needed to meet this requirement. During the fourth quarter of 2023, Southwest Gas issued a RFP seeking RNG supplies compatible with the requirements and received responses in early 2024. As a result of this RFP, Southwest Gas entered into a purchasing agreement which was filed for approval with the CPUC on July 28, 2025. In December 2025, the CPUC issued a draft resolution conditionally approving Southwest Gas' purchasing agreement. There is no expected direct impact on earnings.

In October 2023, California's Governor signed into law two state senate bills and one state assembly bill that collectively require certain public and private U.S. companies that perform certain business activities in California to provide disclosures about their GHG emissions, climate-related financial risks, VCOs, and certain climate-related emission claims. The two senate bills, SB 253, Climate Corporate Data Accountability Act, and SB 261, Greenhouse Gases: Climate-Related Financial Risks, established the first U.S. regulations that mandate the corporate reporting of GHG emissions and climate risks in the U.S. In 2024, a follow up bill, SB 219, was passed modifying some of the reporting requirements under SB 253 and SB 261 by delegating implementation authority to CARB and extending the timeline the agency has to adopt implementation regulations to July 1, 2025. SB 253 and SB 261 are currently being challenged in the courts and are pending final adoption by the CARB. The state assembly bill, AB 1305, Voluntary Carbon Markets Disclosure, establishes requirements for both U.S. and international entities that operate in California and make certain climate-related emission claims (whether or not they purchase or use VCOs). AB 1305 was effective January 1, 2024; however, the reporting obligations of the earliest compliance date do not apply to Southwest Gas, as Southwest Gas does not currently have a voluntary carbon offset program in California.

In 2024, the U.S. EPA finalized the latest NSPS for Crude Oil and Natural Gas Facilities. There are two main sections to this rule: Subpart OOOOb and Subpart OOOOc. Subpart OOOOb applied to infrastructure that is new, modified, or reconstructed after December 6th, 2022, while subpart OOOOc is a set of guidelines for how states should develop their own requirements in the coming months and years via State Implementation Plans. This NSPS aims to reduce methane and volatile organic compounds from crude oil and natural gas sources.

HUMAN CAPITAL

Employees are critical to our success. Their talent and dedication are what allow us to provide safe and reliable service to customers and explore new opportunities that align with our strategies, while carrying out organizational core values related to safety, quality, stewardship, integrity, relationships, and sustainability, among others. The Board oversees matters relating to our vision, values, and culture where employee health and safety; the employee experience; and human and workplace rights are priorities. The Board receives regular reports from management and subject matter experts in these areas, and in turn provides guidance on current and future initiatives. The Board also assists management in integrating responsibility and sustainability into strategic activities to create long-term customer and shareholder value.

The Company and the Board are committed to a culture of continuous improvement in operations and efficiency, and with respect to the safety of our employees and the communities we serve every day. Employees and contract workers receive initial safety orientation training to learn practices, procedures, and policies established by our businesses. New and recurring safety training occurs at regular intervals thereafter. Frontline safety strategies, developed with executive leadership, contribute to the improvement of our safety management systems. Safety metrics also form part of incentive compensation programs for leaders of the Company's business segments, reinforcing our top priority to safeguard our communities, our employees, and our assets. At Southwest Gas, such metrics include Damages per 1,000 Tickets and Incident Response Time, which are widely used in our industry. Additional behavioral-based programs and extensive employee training initiatives are also in place to promote safe work.

At December 31, 2025, Southwest Gas had 2,453 regular full-time equivalent employees. Southwest Gas believes that a skilled, highly trained workforce is a key to success in the utility industry, and is a driver of Southwest Gas' safety performance and high customer satisfaction ratings. Southwest Gas has a positive reputation as an employer and strong relationships with its employees. The compensation, benefits, and working conditions of Southwest Gas' employees are comparable to those generally found in the utility industry. Employee engagement surveys are periodically conducted to better understand employee perspectives and guide continuous improvement in workplace practices, fostering an environment where employees feel valued and supported. Flexible working arrangements are available to employees, which supports work-life balance. A stable workforce has been important to knowledge transfer and succession processes, with the average tenure of Southwest Gas employees being approximately 11 years. In 2024, certain employees from our southern California division voted in the United Steelworkers Union to represent them. Contract negotiations to establish a CBA are ongoing. We are not aware of any organizing activities in our other locations.

Germane to attracting and retaining employees are our compensation and benefits programs, which are regularly reviewed by management and the Compensation Committee of the Board, as applicable. For employees hired on or before December 31, 2021, Southwest Gas offers an employee pension and employer matching contributions to the employee defined contribution plan. Employees hired on or after January 1, 2022, do not participate in the employee pension plan, but receive non-elective employer contributions and increased employer matching contributions to the employee defined contribution plan. The health and wellness of our workforce are supported by group insurance programs, incentive programs in support of total health, and related employee programs. We continue to review and evaluate potential enhancements to our total rewards program to ensure market competitiveness and employee satisfaction. Southwest Gas also offers a tuition assistance program and encourages employees to leverage this program to remain current in their role or to acquire new skills for career advancement. Regular succession planning helps ensure that talent is identified and prospective leaders are developed in order to build their skills and be prepared for future roles.

We commit to creating a safe and respectful workplace and strive to have a workforce that reflects the communities we serve and that benefits from diverse backgrounds, cultures, skills, experiences and perspectives. Our belief is that adherence to these principles forms the genesis of a workforce that is capable and inclusive. Southwest Gas supports several programs, including employee resource groups that are open to all employees, educational outreach programs, and other initiatives designed to attract and retain a qualified and engaged workforce. Through these and other efforts, we are committed to the success of our employees and their development while ensuring opportunity for everyone.

Item 1A. RISK FACTORS

Described below (and in Item 7A. Quantitative and Qualitative Disclosures about Market Risk of this report) are risk factors that we have identified that may have a material negative impact on our future financial performance or affect whether we achieve the goals or expectations expressed or implied in any forward-looking statements contained herein. Additional risks or uncertainties not currently known to us, or that we currently deem immaterial, may also ultimately have a material adverse effect on our business, financial condition, prospects, results of operations, or cash flows. We cannot assure our stockholders that any of the events discussed in the risk factors below will not occur. References below to "we," "us," and "our" should be read to refer to Southwest Gas Holdings, Inc. and any combination of its subsidiaries, including Southwest Gas Corporation.

Operational Risks

Southwest Gas relies on having access to interstate pipelines' transportation capacity, including extractive-sector supply paths and midstream pipeline infrastructure. If these pipelines and related transportation capacity were not available, it could impact Southwest Gas' ability to meet customers' full requirements.

Southwest Gas must acquire both sufficient natural gas supplies and interstate pipeline capacity to meet customer requirements. We must contract for reliable and adequate delivery capacity for our distribution system while considering the dynamics of the interstate pipeline capacity market, our own on-system resources, as well as the characteristics of our customer base. Interruptions to or reductions of interstate pipeline service caused by physical constraints, other restrictions, excessive customer usage, cyber attacks, or other force majeure events could reduce our normal supply of gas. Restrictions placed on pipelines or the extractive and mid-stream industries could disrupt our business and reduce cash flows and earnings. A prolonged interruption or reduction of interstate pipeline service or availability of natural gas in any of our jurisdictions, particularly during the winter heating season, would reduce cash flow and earnings.

Failure to attract and retain an appropriately qualified employee workforce, including executives and other management, could adversely affect our collective operations and ability to timely deploy on our plans.

Our ability to implement our business strategy and serve our customers with safe, reliable, and affordable service is dependent upon our continuing ability to attract and retain talented professionals, including executives and other management, and a technically skilled workforce overall, and it impacts our ability to transfer the knowledge and expertise of our workforce to new employees as tenured employees retire. It also impacts our ability to timely deploy on strategic initiatives we plan. Failure to attract, hire, onboard, and adequately train new and existing employees, including strategic leaders, including the transfer of significant institutional knowledge and expertise to the employees and management, or the future availability and cost of contract labor, could adversely affect our ability to manage and operate our business, and to execute on our strategic plans, or to do so within the timeframes we plan.

We have recently experienced turnover including at the executive level in 2025. Turnover at this level could limit or delay our ability to deploy on plans, including strategic plans, which could adversely impact our business, service to customers, credibility with regulators, stock price, financial condition, results of operations, and cash flows. In addition, executive leadership transition periods can often be difficult and may result in changes in leadership strategy and style. We can provide no assurances that any associated organizational change, or changes in business strategy, will be beneficial or have the desired impact on the Company.

Limited availability of contract labor and critical materials could delay or increase the cost of the Great Basin Expansion Project

We are planning and executing pre-construction activities in 2026, with initial construction anticipated to begin in the fourth quarter of 2027, subject to approval from the FERC, associated with the Great Basin's 2028 Expansion Project. Natural gas transmission infrastructure requires specialized construction capabilities, including but not limited to, skilled pipeline labor, certified welders, heavy equipment operators, engineering contractors, and technical inspection resources. These labor categories continue to experience tight market conditions driven by industry demand, geographic constraints, and competition from other large-scale natural gas transmission infrastructure projects.

Our ability to complete the 2028 Expansion Project on schedule and within the estimated budget depends on, among other things, securing contract labor, securing additional rights of way, and securing construction resources when needed. If qualified personnel are unavailable or if labor costs escalate beyond current expectations, we may experience schedule delays, productivity impacts, or increases in project spending.

In addition, the project requires significant volumes of steel pipe, valves, compression equipment, coatings, and other materials that are subject to long lead times, supply chain variability, and commodity price fluctuations. Any shortage, delay, or cost increase in these materials could adversely affect our construction timeline, procurement strategy, or total project cost.

If we are unable to obtain qualified labor or materials in the quantities, timelines, or price ranges assumed in our project plan and estimated budget, the 2028 Expansion Project may experience delays or cost overruns. Such outcomes could negatively impact projected returns, contracted capacity additions, system reliability objectives, regulatory milestones, customer relations, and our overall financial performance.

Certain of our costs, such as operating expenses (including labor, fuel, and materials) at Southwest Gas, and interest and general and administrative expenses at both Southwest Gas and the Company could be adversely impacted by periods of heightened inflation, which could have an adverse impact on our results of operations.

In recent years, the consumer price index has increased substantially and may continue to remain at elevated levels for an extended period of time. Federal policies and global events, such as the volatility in prices of oil and natural gas, the implementation of and potential increase in tariffs by the current U.S. presidential administration, retaliatory tariffs as a result thereof, the failure of current energy policy intended to combat inflation, market instability, geopolitical conditions and conflicts, health crises, and natural disasters may continue to exacerbate increases in the consumer price index. In addition, during periods of rising inflation, variable interest rates and the interest rates of any newly issued debt securities will likely be higher than those incurred in connection with previous debt issuances, which will further tend to reduce returns to our stockholders. A sustained or further increase in inflation could have a material adverse impact on our operating expenses incurred in connection with, among others, the cost of fuel, labor, equipment/equipment-related, and materials costs, as well as general administrative expenses, operating supplies and expenses, and maintenance of our system, as well as increasing outlays for gas supply passed on to customers and the cost of capital improvements at Southwest Gas, in addition to requiring us to borrow amounts to fund the incremental outlays.

Rate schedules in each of Southwest Gas' service territories contain purchased gas adjustment clauses which permit Southwest Gas to file for rate adjustments to recover increases in the cost of purchased gas. Increases in the cost of purchased gas have no direct impact on our profit margins but do affect cash flows and can therefore impact the amount of our capital resources. In order to help cope with the effects of inflation on its operations, Southwest Gas has filed and may file requests for rate increases to cover the increased cost of purchased gas included in a regulatory asset, when applicable, or expense items noted above. However, there can be no assurance that Southwest Gas will be able to obtain timely rate relief to offset the effects of inflation or to timely or adequately cover borrowing costs to fund the increased cost of purchased gas and capital expenditures; any non-recovery of costs or regulatory lag will reduce our cash flows and earnings. As a result, during periods in which the inflation rate exceeds customer rate increases we may not adequately mitigate the impact of inflation, which may adversely affect our business, financial condition, results of operations, and cash flows.

Inflationary pressures, including any related impacts of increased indebtedness, on customers of Southwest Gas may influence the timely remittance (or any remittance) of customer payments for services, which may adversely affect our cash flows and associated reserves for uncollectible accounts and earnings.

As a result of the inflationary factors discussed above affecting the Company and Southwest Gas, our business, financial condition, results of operations, cash flows, and liquidity could be adversely affected over time.

The nature of our operations presents inherent risks of loss that could adversely affect our results of operations.

Our natural gas distribution operations are subject to inherent hazards and risks, such as gas leaks, fires, natural disasters, catastrophic accidents, explosions, pipeline ruptures, and other hazards and risks that may cause unforeseen interruptions, personal injury, or property damage. Lapses in judgment or failure to follow protocol could lead to warranty and indemnification liabilities or catastrophic accidents causing property damage or personal injury. Additionally, our facilities, machinery, and equipment, including our pipelines, are subject to third-party damage from construction activities, vandalism, or acts of terrorism. Such incidents could result in severe business disruptions, significant decreases in revenues, and/or significant additional costs to us. Any such incident could have an adverse effect on our financial condition, earnings, and cash flows. In addition, any of these or similar events could result in legal claims against us, environmental pollution, personal injury or death claims, damage to our properties or the properties of others, or loss of revenue by us or others.

The Company maintains liability insurance that covers Southwest Gas for some, but not all, risks associated with the operation of our natural gas pipelines and facilities. In connection with these liability insurance policies, each entity is responsible for an initial deductible or self-insured retention amount per incident after which the insurance carriers would be responsible for amounts up to the policy limits. Liability insurance policies at Southwest Gas require us to be responsible for the first \$1.0 million (self-insured retention) of each incident plus the first \$4.0 million in total claims above our self-insured retention in the policy year. We cannot predict the likelihood that any future event will occur which will result in a claim exceeding these amounts, however a large claim for which we were deemed liable would reduce our earnings, up to and including these self-insurance maximums, and uninsured claims for which we were deemed liable would reduce our earnings in the amount of the claim, net of taxes.

Regulatory and legislative developments related to climate change, renewable portfolio standards, or costs for renewables, may adversely affect our operations and financial results.

While natural gas can be more environmentally friendly than many other fuels currently available and its use has assisted energy users to comply with stricter environmental air quality standards, there have been several federal and state legislative and regulatory initiatives proposed, some of which have been implemented in recent years, attempting to control or limit the effects of global warming and overall climate change including a focus on GHG emissions, such as carbon dioxide or methane. The adoption of this type of legislation by Congress, or similar legislation by state or local governments, mandating a substantial reduction in GHG emissions, decarbonization generally, or electrification, could have significant impacts on the utility industry. Any resulting legislation or regulations could result in increased compliance costs or additional operating restrictions on our business, affect the demand for natural gas, or impact the prices we charge our customers.

Furthermore, changes in renewable portfolio standards or costs related to renewable initiatives may result in decreased demand for renewable natural gas projects related to Southwest Gas.

At this time, we cannot predict the likelihood of the adoption or elimination of such laws or regulations, or U.S. energy policies overall; nor can we predict potential impacts, related thereto, on our future businesses, financial condition, or results.

Southwest Gas may be impacted by the effects of weather and climate change, including physical and transition risks.

Southwest Gas' revenues are highest during the first and fourth quarters of the year as customer consumption increases during the winter months. While Southwest Gas has decoupling mechanisms in place in all three states in which it operates, warmer than normal weather can reduce the amount of billed revenue, as well as amounts collected or returned related to regulatory tracking mechanisms under various programs, thereby impacting cash flows. Deviations from normal weather conditions, as well as the seasonal nature of our business, can create fluctuations in short-term cash requirements and earnings of Southwest Gas.

Extreme weather events and climate change could adversely impact our business. To the extent climate change or extreme weather events materially increase temperatures, financial results or our financial position could be adversely affected through lower gas volumes and revenues. While Southwest Gas has in place decoupling mechanisms to guard against weather and volume variability in all three states, lower volumes could protract the period of recovery of certain regulatory mechanisms, and, for jurisdictions in which decoupling benchmarks are designed on a per-customer basis, earnings may deteriorate if these factors cause shifts in population, notably, customers moving away from our service territories.

Drought and high temperature variations are common occurrences in the southwestern U.S. and could impact Southwest Gas' growth and results of operations. In addition, if we were unable to obtain a sufficient supply of natural gas as a result of extreme weather events impacting our suppliers, or if extreme weather events impact our ability to deliver natural gas to our customers, our reputation may suffer, and financial results could be impacted by insufficient cash flows from lower billed revenues and higher borrowing costs, even if decoupling mechanisms permit recognition of revenues for later cash collection under the mechanisms.

Additionally, if the Company does not evolve its business practices to participate in a lower-carbon economy, its business and reputation may be negatively impacted. Although the number of renewable energy sources is growing, it will take time for North America to transition to a lower-carbon economy and will require innovation, technological advancements, and substantial investments that result in new low- and no-carbon energy options. As a natural gas service provider, Southwest Gas plays a vital role. Transition activities, such as reducing GHG emissions; investing in RNG, hydrogen, and other sustainable sources of energy; increasing customer participation in energy efficiency programs; displacing higher carbon intensive fuels with natural gas and reducing carbon intensity of fuels we deliver; working with upstream suppliers on certified or responsibly sourced gas; and taking additional measures by offering and using carbon offset purchases, could result in significant capital outlays and increased expenses.

A cybersecurity incident has the potential to disrupt normal business operations, expose sensitive and confidential customer, employee or Company information, and/or lead to physical damages, and may result in legal claims or damage to our reputation.

As a natural gas provider, maintaining business operations is critical for our customers, business partners, suppliers, and employees. Our operations and information technology systems may be vulnerable to a cyber attack by individuals or organizations intending to disrupt our business operations and information technology systems, even though the Company has implemented policies, procedures, and controls designed to help prevent and detect these activities. Third-party service providers, including those in our supply chain or who have access to customer and employee data or our systems, can also be the target of cyber attacks. We use our information technology systems to manage our intrastate and interstate pipeline and storage operations and other business processes. Disruption of those systems could adversely impact our ability to safely deliver natural gas to our customers and operate our pipeline and storage systems, result in harm to our reputation, and result in adverse financial impacts, including damages from possible legal claims.

We process and store sensitive and confidential data, including certain PII, intellectual property, and business proprietary information as part of normal business operations. A cybersecurity breach resulting in unauthorized access could have a material adverse effect on our business reputation, increase our costs, and expose us to material legal claims and liability from customers, suppliers, business partners, government agencies, and others. The federal and state legislative and regulatory environment surrounding PII, information security, and data privacy is evolving and is likely to become increasingly demanding. Should the Company experience a material breach and/or become subject to additional regulation, it could face substantial compliance costs, reputational damage, and uncertain litigation risks.

In addition, physical damage due to a cybersecurity incident or acts of cyber terrorism could impact our utility sales, transportation, storage, and related services provided to customers and could lead to material liabilities. The Company has taken the initiative in fortifying the core infrastructure that supports the provision of these services. While these measures provide layers of defense to mitigate these risks, there can be no assurance that the measures will be effective against any particular cyber attack. Even though we have insurance coverage in place for cyber-related risks, if such an attack or act of terrorism were to occur, the Company's operations and financial results could be adversely affected to the extent not fully covered by such insurance.

The failure of technology may hinder the Company's business operations and adversely affect its financial condition and results of operations.

The Company uses Company-owned information technology, cloud-based software platforms, and technology hosted by third parties to support critical functions, including scheduling and dispatching of service technicians, automated meter reading systems, customer care and billing, operational plant logistics, management reporting, and external financial reporting. The failure of these or other similarly important technologies, or the Company's inability to have these technologies supported, updated, expanded, or integrated into other technologies, could hinder its business operations and adversely impact its financial condition and results of operations. Although the Company has, when possible, developed alternative sources of technology and built redundancy into its computer networks and tools, and cloud-hosted environments, there can be no assurance that these efforts would protect against all potential issues related to the loss of any such technologies.

Our operations are subject to increased competition.

Electric utilities are the principal competitors of Southwest Gas for the residential and small commercial markets throughout its service areas. In residential and small commercial markets, our distribution operations compete with other energy products for space heating, general household, and small commercial energy needs. In addition, Southwest Gas competes for certain large commercial, industrial, and electric generation customers, who have the capability to switch to alternative energy sources. Further, Southwest Gas competes with interstate transmission pipeline companies, such as El Paso, Kern River, Transwestern, Tuscarora, and Ruby to provide service to certain large end-users. End-use customers located in proximity to these interstate pipelines pose a potential bypass threat. Southwest Gas closely monitors each customer situation and provides competitive service in order to retain the customer.

If customer growth slows or existing customers choose to conserve their use of gas or choose another energy product, reduced gas purchases and customer billings could adversely impact our business. In the case of industrial customers, such as manufacturing plants, adverse economic conditions, including higher gas costs, could cause these customers to use alternative sources of energy, such as electricity, or bypass our systems in favor of special competitive contracts with lower per-unit costs. Our pipeline and storage operations historically have faced limited competition from other existing intrastate pipelines and gas marketers seeking to provide or arrange transportation, storage, and other services for customers. The completion of new pipelines in our service area may increase competition.

The concentration of our operations in the States of Arizona, Nevada and California exposes our operations and financial results to economic conditions, weather patterns, and regulatory decisions in Arizona, Nevada, and California.

All of our consolidated operations are located in the States of Arizona, Nevada and California. For the year ended December 31, 2025, 53% of our operating margin came from Arizona, 35% came from Nevada and 12% came from California. This concentration of our business in Arizona, Nevada, and California means that our operations and financial results may be significantly affected by, changes in the Arizona, Nevada, and California economies in general, weather patterns, and regulatory decisions by state and local regulatory authorities in Arizona, Nevada and California. Given the concentration of revenue from Arizona and Nevada, our results will be more heavily impacted by events in these states than in California.

Financial, Economic, and Market Risks

As a holding company, the Company depends on our operating subsidiary, Southwest Gas, to meet financial obligations.

The Company is a holding company with no significant assets other than the stock of our operating subsidiary, Southwest Gas, and is not expected to have significant operations on its own. The Company's ability to pay dividends to stockholders is largely dependent on the ability of Southwest Gas to generate sufficient net income and cash flows to service debt and pay upstream dividends. Substantial dependency on the utility operations of Southwest Gas exists. The ability of the Company to pay upstream dividends and make other distributions are subject to relevant debt covenant restrictions of Southwest Gas and applicable state law.

Southwest Gas' liquidity, and in certain circumstances, its earnings, may be reduced from historical amounts or expectations during periods in which natural gas prices are rising significantly or are more volatile.

Increases in the cost of natural gas may arise from a variety of factors, including weather, changes in demand, the level of production and availability of natural gas, transportation constraints, transportation capacity cost increases, federal and state energy and environmental regulation and legislation, the degree of market liquidity, natural disasters, wars and other catastrophic events, national and worldwide economic and political conditions, the price and availability of alternative fuels, and the success of our strategies in managing price risk.

Rate schedules in each of Southwest Gas' service territories contain purchased gas adjustment clauses which permit Southwest Gas to file for rate adjustments to recover increases in the cost of purchased gas. Increases in the cost of purchased gas currently have no impact on our profit margins, but do affect cash flows and can therefore impact the amount of our capital resources. Southwest Gas has used short-term borrowings in the past to temporarily finance increases in purchased gas costs and would expect to do so again if the need arises.

Southwest Gas may file requests for rate increases to cover the rise in the cost of purchased gas. Due to the nature of the regulatory process, there is a risk of disallowance of full recovery of these costs during any period in which there has been a substantial run-up of these costs or our costs are more volatile. Any disallowance of purchased gas costs would reduce cash flows and earnings.

Southwest Gas' earnings may be materially impacted due to volatility in the cash surrender value of our COLI policies during periods in which stock market changes are significant.

Southwest Gas has life insurance policies on members of management and other key employees to indemnify against the loss of talent, expertise, and knowledge, as well as to provide indirect funding for certain nonqualified benefit plans. Cash surrender values are directly influenced by the investment portfolio underlying the insurance policies. This portfolio includes both equity and fixed income investments (mutual funds). As a result, the cash surrender value (but not the net death benefits) moves up and down consistent with the movements in the broader stock and bond markets. Current tax regulations provide for tax-free treatment of life insurance proceeds (death benefit). Therefore, changes in the cash surrender value components of COLI policies, as they progress towards the ultimate death benefits, are also recorded without tax consequences. Currently, we intend to hold the COLI policies for their duration. Changes in the cash surrender value of COLI policies, except as related to the purchase of additional policies, affect our earnings but not our cash flows.

The cost of providing pension and postretirement benefits is subject to changes in pension asset values, changing demographics, and actuarial assumptions which may have an adverse effect on our financial results.

Southwest Gas provides pension and postretirement benefits to eligible employees. The costs of providing such benefits are subject to changes in the market value of our pension fund assets, discount rate changes, changing demographics, life expectancies of beneficiaries, current and future legislative changes, and various actuarial calculations and assumptions. The actuarial assumptions used may differ materially from actual results due to changing market and economic conditions, withdrawal rates, interest rates, and other factors. These differences may result in a significant impact on the amount of pension expense, or other postretirement benefit costs, recorded in future periods. For example, lower than assumed returns on investments and/or reductions in bond yields could result in increased contributions and higher pension expense, which would have a negative impact on our cash flows and reduce net income. While a treasury futures overlay is part of the pension plan investment strategy since 2024 intending to reduce funded ratio volatility and cost volatility by increasing protection with regard to changes in discount rates, there is no assurance that intended results will sufficiently materialize.

Uncertain economic conditions may affect Southwest Gas' ability to finance capital expenditures, including the Great Basin Expansion Project.

Southwest Gas' business is capital intensive. We must make significant capital expenditures on a long-term basis to modernize our distribution and transmission system and to comply with the safety rules and regulations issued by the regulatory authorities responsible for the service areas we operate. In addition, we must continually build new capacity to serve the growing needs of the communities we serve. We are also undertaking the Great Basin Expansion Project, which is expected to require significant capital investment through 2028. The magnitude of these expenditures may be affected by a number of factors, including new policy regulations and the general state of the economy. Our ability to finance capital expenditures and other matters will depend upon general economic conditions in the capital markets. Declining interest rates are generally believed to be favorable to utilities while rising interest rates are believed to be unfavorable because of the high capital costs of utilities. In addition, our authorized rate of return is based in part upon certain assumptions regarding interest rates. If interest rates are lower than assumed rates, our authorized rate of return in the future could be reduced. If interest rates are higher than assumed rates, it will be more difficult for us to earn our currently authorized rate of return. Furthermore, declines in our stock price resulting from economic downturns or otherwise could impact our ability to finance our operations as planned. Historically, we have frequently used an ATM Program to fund certain liquidity requirements. During 2024, we established a new ATM Program under which we may, from time to time, sell up to \$340.0 million of shares of our common stock. However, as of the date of this Annual Report on Form 10-K, we have not issued any shares of our common stock through this ATM Program. If the ATM Program is insufficient to meet all of our capital needs, we may have to explore alternative financing sources which may not be available to us on attractive terms or at all. Future issuances of securities could be more expensive than ATM Program issuances and may dilute our existing stockholders' percentage of ownership.

Our business could be negatively affected as a result of actions of activist stockholders.

We have in the past, and may again in the future, be the subject of actions by activist stockholders. Following the initiation of a tender offer to purchase shares of our common stock and the initiation of a proxy contest in 2021, we entered into a cooperation agreement with Icahn Partners LP and Icahn Partners Master Fund LP, investment entities affiliated with Carl C. Icahn, which was subsequently amended and restated and, on February 11, 2026, was ultimately terminated by mutual agreement of the parties thereto. Following such termination, there can be no assurances that the Icahn Group, if the Amended and Restated Cooperation Agreement expires, or other activist stockholders will not pursue similar actions with respect to us in the future.

Responding to actions by activist stockholders can be costly and time-consuming, disrupt our operations, and divert the attention of management and our employees. Perceived uncertainties among current and potential customers, employees, and other parties as to our future direction may result in the loss of potential business opportunities and may make it more difficult to attract and retain qualified personnel and business partners. These actions could also cause our stock price to experience periods of volatility, which could disrupt our plans to access the capital markets for financing purposes.

Increases in market interest rates may have an adverse effect on the market price of our common stock.

One of the factors that investors may consider in deciding whether to buy or sell our common stock is our dividend yield, which is our dividend rate as a percentage of the share price of our common stock, relative to market interest rates. If market interest rates increase, prospective investors may desire a higher dividend yield on our common stock or may seek securities paying higher dividends or interest. As a result, interest rate fluctuations and capital market conditions may affect the market price of our common stock and such effects could be significant. For instance, if interest rates, including those on interest-bearing securities such as bonds, rise without an increase in our dividend rate, the market price of our common stock could decrease because potential investors may require a higher dividend yield on our common stock.

The Company identified a material weakness in the Company's internal control over financial reporting, which could impact the Company's ability to report its results of operations and financial condition accurately and in a timely manner.

In January 2026, we identified a material weakness in our internal control over financial reporting related to a management review control to assess the impact on estimated future state apportionment rates following a major change in the business related to deferred taxes and the calculation of income tax expense. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. This material weakness resulted in the misstatement of our income tax expense and net deferred income tax liabilities, and in the restatement of the Company's unaudited quarterly financial information for the Restated Periods. For additional information, see "Item 9A. Controls and Procedures — Remediation of Prior Material Weakness in Internal Control Over Financial Reporting."

Although we are implementing remediation measures, we will not be able to conclude whether the steps the Company has taken will remediate the material weakness until a sufficient period of time has passed to allow management to test the design and operational effectiveness of the new and enhanced controls. If we fail to remediate the material weakness, or if additional material weaknesses are identified, we may be required to restate our financial statements again, which could further adversely affect our stock price, liquidity, access to capital markets, and compliance with listing and debt covenant requirements. The Company may be unable to remediate this material weakness in a timely manner, which could adversely impact the accuracy and timeliness of future reports and filings the Company makes with the SEC. Further, additional errors may be identified as a result of the Company's remediation efforts, or additional material weaknesses could be identified; any of which could result in additional corrections or adjustments, which may be material or could impact the Company's ability to report its results of operations and financial condition in an accurate and timely manner.

Our regulated operations plant and other assets may be subject to impairment in the future.

We assess long-lived assets, including intangible assets, for impairment when events or circumstances indicate that an asset's carrying amount may not be recoverable. The recoverability of our assets depends in part on our ability to recover costs through customer rates, as determined by the ACC, CPUC, PUCN, and FERC. If one or more of these were to disallow or limit our recovery of certain costs, we may be required to recognize an impairment of the related assets. Changes in regulatory policies, adverse rulings, or other factors affecting cost recovery could increase the likelihood of impairments. We cannot predict the amount and timing of any future impairments, if any. Any future impairment of our long-lived assets or intangible assets could have an adverse effect on results of operations, financial condition, and the trading price of our common stock.

Regulatory, Legislative, and Legal Risks

The Company is currently subject to, and may in the future be subject to, litigation or threatened litigation, which may result in liability exposure that could have a material adverse effect on its business and results of operations.

We are currently subject, and may be subject in the future, to litigation or threatened litigation, including claims brought by stockholders and otherwise in the ordinary course of business. Although we believe that adequate insurance coverage is maintained to protect against risk exposure, it is difficult to predict with absolute certainty the costs associated with litigation, indemnity obligations, or other claims asserted in any given year. Moreover, it is possible that not all liabilities and costs experienced will be covered by third-party insurance and potential further claims against us may result in significant additional defense costs and potentially significant judgments against us, some of which may not be, or cannot be, insured against. Additionally, whether or not any dispute actually proceeds to litigation, we may be required to pay damages or expenses, which may be significant, or involve our agreement with terms that restrict the operation of our business. Resolution of these types of matters against us may result in our having to pay significant fines, judgments, or settlements, which, if in excess of insured levels, could have an adverse effect on our financial condition, results of operations, cash flows, the per share trading price of our common stock, and our ability to pay dividends to our stockholders. As a consequence, liability exposure could materially and adversely affect our business and results of operations to the extent it is not fully mitigated by such insurance coverage.

Governmental policies and regulatory actions can reduce or impact the stability of Southwest Gas' earnings or cash flows.

Regulatory commissions set our utility customer rates and determine what we can charge for our rate-regulated services. Our ability to obtain timely future rate increases depends on regulatory discretion. Governmental policies and regulatory actions, including those of the ACC, CPUC, PUCN, and FERC relating to allowed rates of return, allowable rate base, rate structure, allowed rate decoupling mechanisms, allowed PGA mechanisms, purchased gas and investment recovery, operation and construction of facilities; present or prospective wholesale and retail competition, including electrification or decarbonization policies or proposed policies by governmental entities or other parties; changes in tax laws and policies (including regulatory recovery or refunds thereof); and changes in and compliance with environmental and safety laws, including state or federal EPA or PHMSA regulations, and regulations placed on us or our customers regarding the product we deliver in meeting customer energy needs, could reduce our earnings. Risks and uncertainties relating to delays in obtaining, or failure to obtain, regulatory approvals, conditions imposed in regulatory approvals, and determinations in regulatory investigations can also impact financial performance. The timing and amount of rate relief can materially impact results of operations. The timing and amount associated with the recovery of regulatory assets and associated with the return of regulatory liabilities can materially impact cash flows.

In general, we are unable to predict what types of conditions might be imposed on Southwest Gas or what types of determinations might be made in pending or future regulatory proceedings or investigations. We nevertheless believe that it is not uncommon for conditions to be imposed in regulatory proceedings, for our regulated operations to agree to conditions as part of a settlement of a regulatory proceeding, or for determinations to be made in regulatory investigations that reduce our earnings and liquidity. For example, we may request recovery of a particular operating expense in a general rate case filing that a regulator disallows, negatively impacting our earnings and cash flows if the expense continues to be incurred. Southwest Gas records regulatory assets in the consolidated financial statements to reflect the ratemaking and regulatory decision-making authority of the regulators, or expected ratemaking treatment to be upheld, as allowed by U.S. GAAP. The creation of a regulatory asset allows for the deferral of costs which, absent a mechanism to recover such costs from customers in rates approved by regulators, would be charged to expense in the consolidated income statement in the period incurred. If there was a change in regulatory positions surrounding the collection of these deferred costs, there could be a material impact on financial position, results of operations, and cash flows.

Southwest Gas may be subject to increased costs related to the operation of natural gas pipelines under regulations concerning natural gas pipeline safety, which could have an adverse effect on our results of operations, financial condition, and/or cash flows.

We are committed to consistently monitoring and maintaining our distribution and transmission systems and storage operations to ensure that natural gas is acquired, stored, and/or delivered safely, reliably, and efficiently. Due to the combustible nature of our (or our customer-procured) product, we anticipate that the natural gas industry could be the subject of increased federal, state, and local regulatory oversight over time. We continue to work diligently with industry associations and federal, state, and local regulators to ensure compliance with any applicable laws. We expect there to be increased costs associated with compliance (and potential penalties for any non-compliance) with applicable laws over time. If these costs are not recoverable in our customer rates, or if there are delays in recoverability due to regulatory lag, they could have a negative impact on our operating costs and financial results.

Southwest Gas' delivery and related systems require numerous permits and other approvals from various federal, state, and local governmental agencies, and others, including for pipeline expansion or infrastructure development; any failure to obtain or maintain required permits or approvals, or other factors that could prevent or delay planned development, could negatively affect our business and results of operations.

Southwest Gas' existing and planned development projects require multiple permits and approvals. More broadly, the acquisition, ownership, and operation of natural gas pipelines and storage facilities require numerous permits, rights-of-way, approvals, and certificates from federal, state, and local governmental agencies, and others. Various factors may prevent or delay us from completing such projects or may make completion more costly, including the inability to obtain approvals, public opposition to one or more projects, regulatory opposition to one or more projects or related programs or their delayed recovery and returns thereon, inability to obtain adequate financing, competition for labor and materials, construction delays, cost overruns, and inability to negotiate acceptable agreements relating to rights-of-way, construction, or other material development components. Once received, approvals may be subject to litigation, and projects may be delayed or approvals reversed. Furthermore, areas in which we operate may include concentrations of federal lands that may limit or increase the cost for economic development, which could impact the amount or timing of growth in our areas. If there is a delay in obtaining any required approvals by us or others, or if we or others fail to obtain or maintain any required approvals, easements or rights of way or to comply with any applicable laws or regulations, we may not be able to construct or operate our facilities, may not be able to adequately service existing customers or support or realize customer growth, or such conditions could cause us to incur additional costs. These circumstances could negatively impact our earnings.

General Risks

The Company's operating results may be adversely impacted by an economic downturn.

If an economic slowdown occurs, our financial condition, results of operations, and cash flows could be adversely affected. Fluctuations and uncertainties in the economy make it challenging for us to accurately forecast and plan future business activities and to identify risks that may affect our business, financial condition, and operating results. However, current global economic events such as, the war in Ukraine, the ongoing conflicts in the Middle East and the rising instability in Venezuela or elsewhere, rising inflation, tariffs, and elevated interest rates may cause the global economy to enter a period of economic slowdown or recession. We cannot predict the timing, strength, or duration of any future economic slowdown or recession. If the economy or the markets in which we operate decline from present levels, it may have an adverse effect on our business, financial condition, and results of operations.

A significant reduction in the Company's and Southwest Gas' credit ratings could materially and adversely affect our business, financial condition, and results of operations.

We cannot be certain that any of our current credit ratings will remain in effect for any given period of time or that a credit rating will not be lowered or withdrawn entirely by a rating agency if, in its judgment, circumstances in the future so warrant. Our credit ratings are subject to change at any time at the discretion of the applicable ratings agencies. Numerous factors, including many which are not within our control, are considered by the ratings agencies in connection with assigning credit ratings.

Any downgrade could increase our future borrowing costs, which would diminish our financial results. We would likely be required to pay a higher interest rate in certain current, as well as future financings, and our potential pool of investors and funding sources could decrease. A downgrade could require additional support in the form of letters of credit or cash or other collateral and could otherwise adversely affect our business, financial condition, and results of operations.

We may pursue acquisitions, divestitures, and other strategic opportunities which, if not successful, may adversely impact our results of operations, cash flows and financial condition.

As part of our strategic objectives, we may pursue acquisitions to complement or expand our business, as well as divestitures and other strategic opportunities. We may not be able to successfully negotiate, finance, or receive regulatory approval for future acquisitions or integrate the acquired businesses with our existing business and services. These efforts may also distract our management and employees from day-to-day operations and require substantial commitments of time and resources. Future acquisitions could result in potentially dilutive issuances of equity securities, a decrease in our liquidity as a result of our using a significant portion of our available cash or borrowing capacity to finance the acquisition, the incurrence of debt, contingent liabilities and amortization expenses and substantial goodwill. The effects of these strategic decisions may have long-term implications that are not likely to be known to us in the short-term. We may be materially and adversely affected if we are unable to successfully integrate businesses that we acquire.

In addition, business acquisitions are expected to result in various benefits, including among other things, being accretive to earnings in future periods. The achievement of the anticipated benefits of such acquisitions is subject to a number of uncertainties, including whether the businesses are integrated efficiently and effectively. Failure to achieve the anticipated benefits of acquisitions could result in increased costs, decreases in the amount of expected revenues generated, and the potential diversion of management's time and energy, all of which could have an adverse effect on the consolidated financial position, results of operations, cash flows, credit ratings, or market price of our common stock. Acquisitions may also cause us to issue debt which would increase our liabilities and borrowing cost, or to issue equity securities, which would dilute our existing stockholders' percentage of ownership.

Natural disasters, public health crises and epidemic or pandemic related illness, war, or terrorist activities, and other extreme events could adversely affect the Company's business, results of operations, financial condition, liquidity, and/or cash flows.

Local or national natural disasters, pandemic, or epidemic illness, actual or threatened acts of war or terrorist activities, including the political and economic disruption and uncertainty related to Russia's military invasion of Ukraine, the conflicts or any resurgence in the Middle East and the rising instability in Venezuela, catastrophic failure of pipeline systems, and other extreme events may cause a threat to our assets and operations. Our service territories may face a heightened risk due to exposure to acts of terrorism that could target or impact our natural gas distribution, transmission, and storage facilities and disrupt our operations and ability to meet customer requirements. In addition, the threat of terrorist activities could lead to increased economic instability and volatility in the price of natural gas that could affect our operations. Natural disasters, political unrest or actual or threatened terrorist activities may also disrupt capital markets and our ability to raise capital or may impact our suppliers or our customers directly. A local disaster, pandemic, or epidemic illness could result in part of our workforce being unable to operate or maintain our infrastructure or perform other tasks necessary to conduct our business. In addition, these risks could result in loss of human life, significant damage to property, environmental damage, impairment of our operations, and substantial loss to the Company. Our regulators may not allow us to recover from our customers part or all of the increased costs related to the foregoing events, which could negatively affect our financial condition, results of operations, and cash flows.

A slow or inadequate response to events that could cause business interruption may have an adverse impact on operations and earnings. We may be unable to obtain sufficient insurance to cover all risks associated with local and national disasters, pandemic or epidemic illness, terrorist activities, catastrophic failure of the pipeline system and other events, which could increase the risk that an event adversely affects our financial condition, results of operations, and cash flows.

If securities or industry analysts do not publish research or reports or publish unfavorable research or reports about our business, our stock price and trading volume could decline.

The trading market for our common stock depends in part on the research and reports that securities or industry analysts publish about us, our business, our market, or our competitors. We currently have limited research coverage by securities and industry analysts. If securities or industry analysts do not continue coverage of our Company, the trading price for our stock would be negatively impacted. In the event one or more of the analysts who cover us downgrades our stock, our stock price would likely decline. If one or more of these analysts ceases to cover us or fails to regularly publish reports on us, interest in our stock could decrease, which could cause our stock price or trading volume to decline.

Item 1B. UNRESOLVED STAFF COMMENTS

None.

Item 1C. CYBERSECURITY

Risk Management and Strategy

We recognize the importance of assessing, identifying, and managing material risks associated with cybersecurity threats. These risks include, among other things: operational risks, intellectual property and proprietary business information theft, fraud, extortion, harm to employees or customers, violation of privacy or security laws and other litigation and legal risk, physical damage to utility and transmission infrastructure, and reputational harm. We have implemented cybersecurity processes, technologies, and controls to aid in our efforts to assess, identify, and manage these risks. As part of our enterprise risk management program, we consider cybersecurity risks alongside other risks in our overall risk assessment process. Our enterprise risk professionals collaborate with subject matter specialists, as necessary, to gather insights for identifying material cybersecurity threats, assessing their severity, and deploying potential mitigation strategies.

Southwest Gas' cybersecurity program focuses on people, processes, and technology, and takes a defense-in-depth approach by seeking to align with industry best practices. We employ ongoing cybersecurity awareness training and testing for employees, by means of which we teach employees about remaining vigilant in daily work activities and practicing good security awareness. Specialized cybersecurity training is provided to those in specific job functions particularly susceptible to cyber incidents and phishing simulations are conducted monthly. Annually, a cybersecurity fair is held, and every employee is encouraged to participate. During this fair, outside experts present current and relevant information in an engaging and educational atmosphere. Tabletop exercises are periodically conducted to evaluate controls, processes, and procedures within Southwest Gas, and with our partners, in the handling of a cybersecurity incident. Southwest Gas maintains partnerships with law enforcement and other participants within the natural gas and electric utility industries. We also participate in the Information Sharing and Analysis Center to share threat intelligence and collaborate on cybersecurity issues affecting our industry.

As a natural gas LDC, Southwest Gas' objective is to comply with the TSA security directives for our gas monitoring and control systems. Pursuant to these directives, Southwest Gas engages outside consultants to regularly review our technical architecture and alignment with the TSA security directives. In addition to complying with these regulations, Southwest Gas takes a risk-based approach to identify areas for future cybersecurity investment and periodically engages experts to attempt to infiltrate our information systems to further strengthen our security posture. We invest in a range of cybersecurity technologies within the perimeter, network, and endpoints; creating a defense-in-depth architecture designed for prevention and response to cybersecurity events and to help minimize risk exposure.

To provide for the availability of critical data and systems, maintain regulatory compliance, manage our risks from cybersecurity threats, and to protect against, detect, and respond to cybersecurity incidents, Southwest Gas undertakes the following activities:

- deploys a defense-in-depth approach with security measures in place at multiple layers;
- closely monitors information systems using a suite of technologies and a specialized cybersecurity team;
- reviews emerging data protection laws and implements changes to our processes designed for compliance;
- avoids, where possible, the storage on our information systems of sensitive customer information, such as social security numbers or banking information, where practicable;
- conducts regular phishing email simulations for employees and contractors with access to corporate email systems to enhance awareness and responsiveness to possible threats;
- through policy, practice, and contracts (as applicable), encourages employees, as well as third parties who provide services on our behalf, to treat customer information and data with care;
- runs tabletop exercises to simulate response activities to a cybersecurity incident and use the findings to improve our processes and technologies;
- leverages the National Institute of Standards and Technology ("NIST") Computer Security Incident Handling Process as a guideline to help identify, protect, detect, respond, and recover when there is an actual or potential cybersecurity incident; and
- conducts vulnerability and penetration assessments, with associated remediation activities.

Southwest Gas' incident response plan is designed to coordinate the activities we take to prepare for, detect, respond to, and recover from cybersecurity incidents. These activities include processes to triage, assess severity, communicate, contain, investigate, and remediate the incident, as well as to comply with applicable legal obligations and mitigate reputational damage.

Southwest Gas' processes also address cybersecurity threat risks associated with our use of third-party service providers, including those in our supply chain or those who have access to customer and employee data or our systems. Third-party risks are included within our cybersecurity-specific risk identification program. In addition, cybersecurity considerations affect the selection and oversight of our third-party service providers. We perform diligence on third parties that have access to our systems, data, or facilities that house such systems or data, and monitor cybersecurity threat risks identified through our diligence review. Our due diligence process involves the use of technology-enabled assessments of the third-party's cybersecurity posture, which are reviewed by both business representatives and cybersecurity specialists. We use the results of the assessments to assist in finding ways to mitigate risks presented by a particular third-party service provider, consistent with the services provided. Additionally, contracts with third parties that could introduce significant cybersecurity risk to Southwest Gas include terms to assist in the mitigation of cybersecurity risks, including but not limited to, requiring counterparties to report data privacy or cybersecurity incidents to us and where appropriate, other risk-mitigation measures.

We describe whether and how risks from identified cybersecurity threats, including as a result of any previous cybersecurity incidents, have materially affected or are reasonably likely to materially affect us, including our business strategy, results of operations, or financial condition, under the heading “Operational Risks” as part of our risk factor disclosures in Item 1A of this Annual Report on Form 10-K, which are incorporated by reference herein. In the last three fiscal years, we have not experienced any material cybersecurity incidents and the expenses we have incurred from cybersecurity incidents were immaterial. However, because Southwest Gas’ operations involve critical infrastructure, as defined under federal law and by the TSA, we have been and will continue to be the target of cybersecurity attacks from time to time.

Governance

Cybersecurity is an important part of our risk management processes and an area of increasing focus for our Board and management. The responsibility for oversight of risks from cybersecurity threats rests with our entire Board, but the Audit Committee oversees certain cybersecurity related items as described below. At least twice per year the entire Board receives an overview from management on our cybersecurity threat risk management and strategy processes covering topics such as data security posture, results from third-party assessments, and cybersecurity threat risks or incidents and developments, as well as the steps management took to respond to such risks. Additionally, our Chief Information Officer attends Audit Committee meetings to present cybersecurity information for consideration in financial reporting, as necessary, and attends private Executive Sessions with the Audit Committee. Our Director of Internal Audit reports to the Audit Committee regarding attack and penetration exercise results and remediation. Members of the Board are also encouraged to regularly engage in ad hoc conversations with management on cybersecurity-related news or events and discuss any significant updates to our cybersecurity risk management and strategy programs. Material cybersecurity threat risks are also considered during separate Board meeting discussions of matters such as enterprise risk management, operational budgeting, mergers and acquisitions, and other relevant matters.

At the management level for Southwest Gas, our cybersecurity risk management and strategy processes, which are discussed in greater detail above, are led by Southwest Gas’ President and the Vice President/Information Services/Chief Information Officer, along with the Director of Information Security. A Cybersecurity Executive Committee, consisting of officer-level management appointees representing key areas of our business, exists to maintain situational awareness of cybersecurity risks, support methods of addressing cybersecurity risks, and support the Chief Information Officer’s efforts to help Southwest Gas follow natural gas sector-specific regulations and reporting. The Cybersecurity Executive Committee meets regularly with legal advisors and cybersecurity professionals. In our Information Services department, the cybersecurity management team members hold relevant degrees and industry-recognized certifications in cybersecurity, and each has many years of relevant work experience in various roles involving managing information security, developing cybersecurity strategy, and implementing effective information and cybersecurity programs. Cybersecurity team members are expected to keep their knowledge, skills, and training current by participating in industry events and continuing education programs as applicable.

These members of management are informed about and monitor the prevention, mitigation, detection, and remediation of cybersecurity incidents through their management of, and participation in, the cybersecurity risk management and strategy processes described above, including the operation of our incident response plan. Our cybersecurity playbooks and incident response plan outline our procedures, communication protocols, and information escalation processes applicable throughout the lifecycle of a cybersecurity incident. The playbooks and plans cover information flow from discovery of a possible issue through the reporting of it to Information Services management, legal counsel, executive management, and Board as necessary. As discussed above, members of management report to the entire Board about cybersecurity threat risks, among other cybersecurity related matters, at least twice per year, with the Audit Committee receiving more frequent updates as needed to assist in maintaining or enhancing cybersecurity posture in financial reporting and monitoring attack and penetration testing results.

Item 2. PROPERTIES

Southwest Gas is engaged in the retail transmission, distribution, transportation and sale of natural gas for domestic, commercial, agricultural and industrial uses in Arizona, Nevada, and California. Service areas in Arizona includes Phoenix Tucson and surrounding communities. Service areas in Nevada include the Las Vegas valley and surrounding communities in Clark County in the south and the Lake Tahoe area to Elko and surrounding communities in the north. Service areas in California include high desert communities in San Bernardino County in the south and in communities in Placer, El Dorado and Nevada counties in the Lake Tahoe area in the northern part of the state.

Southwest Gas, through two subsidiaries, operates two primary pipeline transmission systems:

- a system (including an LNG storage facility) owned by Great Basin extending from the Idaho-Nevada border to the Reno, Sparks, and Carson City areas and communities in the Lake Tahoe area in both California and Nevada and other communities in northern and western Nevada; and

- a system owned by Southwest Gas Transmission Company extending from the Colorado River at the southern tip of Nevada to the Las Vegas distribution area.

The plant investment of Southwest Gas consists primarily of transmission and distribution mains, compressor stations, peak shaving/storage facilities, service lines, meters, and regulators, which comprise the pipeline systems and facilities located in and around the communities served. Southwest Gas also includes other properties such as land, buildings, furnishings, work equipment, vehicles, and software systems in utility plant. Total gas plant, including construction work in progress, at December 31, 2025, was \$11.8 billion at Southwest Gas. It is the opinion of management that the properties of Southwest Gas are suitable and adequate for its purposes. Subject to approval from FERC to construct and operate the system expansion, Great Basin estimates a potential estimated capital investment of approximately \$1.7 billion in the next three years with an expected in-service date of late 2028.

Substantially all gas main and service lines are constructed across property owned by others under right-of-way grants obtained from the record owners thereof, under the streets and on the grounds of municipalities under authority conferred by franchises or otherwise, or beneath public highways or public lands under authority of various federal and state statutes. None of the numerous county and municipal franchises are exclusive, and some are of limited duration. These franchises are renewed regularly as they expire, and Southwest Gas anticipates no serious difficulties in obtaining future renewals.

With respect to the right-of-way grants, Southwest Gas generally has had continuous and uninterrupted possession and use of such rights-of-way, and the associated gas mains and service lines, commencing with the initial stages of construction of such facilities. Permits have been obtained from public authorities and other governmental entities in certain instances to cross or to install facilities through public lands and along roads and highways. These permits typically are revocable at the election of the grantor, and Southwest Gas occasionally must relocate its facilities when requested to do so by the grantor. Permits have also been obtained from railroad companies to cross over or under railroad lands or rights-of-way, which in some instances require annual or other periodic payments and are revocable at the election of the grantors.

Item 3. LEGAL PROCEEDINGS

The Company and Southwest Gas are named as a defendant in various legal proceedings. The ultimate dispositions of these proceedings are not presently determinable; however, it is the opinion of management that none of this litigation individually or in the aggregate will have a material adverse impact on the Company's or Southwest Gas' financial position or results of operations. For discussion regarding legal proceedings, please refer to **Note 15 - Commitments and Contingencies** in the accompanying notes to our financial statements included elsewhere in this Annual Report.

Item 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS, AND ISSUER PURCHASES OF EQUITY SECURITIES

The principal market on which the common stock of the Company is traded is the NYSE and the ticker symbol of the stock is "SWX." At February 18, 2026, there were 9,193 holders of record of common stock, and the market price of the common stock was \$86.64.

Dividends are payable on the Company's common stock at the discretion of the Board. In setting the dividend rate, the Board considers, among other factors, projected capital requirements, the Company's liquidity position and overall financial condition, the competitiveness of the dividend yield, economic conditions, equity dilution, and impacts on credit ratings. The Company has paid dividends on its common stock since 1956. The quarterly dividend was \$0.62 in 2025, and in February 2026, the Board approved an increase to \$0.645 per share for the 2026 regular quarterly dividends. No assurances can be provided on our future dividend payments and the actual declarations of dividend payments remain at the discretion of the Board.

Item 6. [RESERVED]

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Southwest Gas Holdings is a holding company that owns all of the shares of common stock of Southwest Gas; until April 22, 2024, all of the shares of common stock of Centuri; and until February 14, 2023, all of the shares of common stock of MountainWest. The Company's businesses were managed within three separate reportable segments until February 2023, our Natural Gas Distribution segment (Southwest Gas), our Utility Infrastructure Services segment (Centuri), and our Pipeline and Storage segment (MountainWest). After February 2023 and until August 2025, the businesses were managed within two reportable segments, our Natural Gas Distribution segment (Southwest Gas) and our Utility Infrastructure Services segment (Centuri). After the deconsolidation of Centuri in August 2025, our business is solely comprised of our Natural Gas Distribution segment.

Consistent with the Company's earlier determination to simplify the Company's portfolio of businesses, the Company completed the Centuri IPO in April 2024. From the Centuri IPO and through September 2025, the Company completed a series of sales of its remaining interests in Centuri. The Company completed subsequent sales of Centuri stock in May through September 2025. Following the August 11, 2025 transaction, the Company owned 30.9% of Centuri, at which time it no longer had a financial controlling interest in Centuri and therefore met the requirements for deconsolidation. On September 5, 2025, the Company sold its remaining shares of Centuri common stock and no longer owns any shares of Centuri nor has any governance rights afforded to it under the Separation Agreement.

Our business includes Southwest Gas, which is engaged in the business of purchasing, distributing, and transporting natural gas for customers in portions of Arizona, Nevada, and California. Southwest Gas is the largest regulated distributor of natural gas in Arizona and Nevada, and also distributes and transports natural gas for customers in portions of California. Additionally, through its subsidiaries, Southwest Gas operates two regulated interstate pipelines, including Great Basin, serving portions of Nevada and California. Southwest Gas makes investments in infrastructure to support customer demand associated with population growth and economic development activity and the safe and reliable operation of its system through adherence to integrity management programs.

As of December 31, 2025, Southwest Gas had approximately 2,281,000 residential, commercial, industrial, and other natural gas customers, of which 1,224,000 customers were located in Arizona, 849,000 in Nevada, and 208,000 in California. First-time meter sets were approximately 37,000 in 2025, of which 21,000 were located in Arizona, 15,000 in Nevada, and 1,000 in California; compared to 41,000 in 2024, of which 23,000 were located in Arizona, 17,000 in Nevada, and 1,000 in California. Residential and commercial customers represented over 99% of the total customer base. During 2025, 53% of operating margin (gas operating revenues less the net cost of gas sold) was earned in Arizona, 35% in Nevada, and 12% in California. During this same period, Southwest Gas earned 85% of its operating margin from residential and small commercial customers, 4% from other sales customers, and 11% from transportation customers. These general patterns are expected to remain materially consistent for the foreseeable future, subject to the ultimate outcome of the Great Basin Expansion Project. Refer to *Potential 2028 Great Basin Expansion Project* discussion below.

Southwest Gas recognizes operating revenues from the distribution and transportation of natural gas (and related services) to customers. Operating margin is a financial measure defined by management as Regulated operations revenues less the net cost of gas sold. However, operating margin is not specifically defined in U.S. GAAP. Thus, operating margin is considered a non-GAAP measure. Management uses this financial measure because Regulated operations revenues include the net cost of gas sold, which is a tracked cost that is passed through to customers without markup under PGA mechanisms. Fluctuations in the net cost of gas sold impact revenues on a dollar-for-dollar basis, but do not impact operating margin or operating income. Therefore, management believes operating margin provides investors and other interested parties with useful and relevant information to analyze Southwest Gas' financial performance in a rate-regulated environment. The principal factors affecting changes in operating margin are generally the timing and amount of updated rates (to better align with Southwest Gas' cost of service and capital investments, including impacts of infrastructure trackers) and customer growth. Public utility commission decisions on the amount and timing of relief may impact our earnings. Refer to the Summary Operating Results table below for a reconciliation of utility gross margin to operating margin, and refer to *Rates and Regulatory Proceedings* in this Management's Discussion and Analysis for details of various rate proceedings.

The demand for natural gas is seasonal, with greater demand in the colder winter months and decreased demand in the warmer summer months. All of Southwest Gas' service territories have decoupled rate structures (alternative revenue programs), which are designed to eliminate the direct link between volumetric sales and revenue, thereby mitigating the impacts of weather variability and conservation on operating margin, allowing Southwest Gas to pursue energy efficiency initiatives. Nearly all of our customers, and resulting revenue and margin, are included as part of mechanisms that reduce the impact of weather and volume variability on our earnings.

Our business may be impacted by economic conditions that impact businesses generally, such as inflationary impacts on goods and services consumed in the business, rising or sustained high interest rates, labor markets and other costs (including in regard to contracted or professional services), and the availability of those resources.

Executive Summary

The items discussed in this Executive Summary are intended to provide an overview of the results of the Company's and Southwest Gas' operations and are covered in greater detail in later sections of this Management's Discussion and Analysis.

Summary Operating Results

(In thousands, except per share amounts)	Year ended December 31,		
	2025	2024	2023
Contribution to net income (loss)			
Natural gas distribution	\$ 300,308	\$ 261,176	\$ 242,226
Pipeline and storage	—	—	(16,288)
Corporate and administrative ⁽¹⁾	(65,472)	(40,197)	(85,944)
Income (loss) from continuing operations	234,836	220,979	139,994
Income (loss) from discontinued operations, net of taxes	204,990	(22,164)	10,895
Net income attributable to Southwest Gas Holdings, Inc.	\$ 439,826	\$ 198,815	\$ 150,889
Weighted average common shares - basic	72,162	71,841	70,787
Basic earnings (loss) per share			
Continuing operations	\$ 3.25	\$ 3.08	\$ 1.98
Discontinued operations	2.84	(0.31)	0.15
Net earnings (loss) per share - basic	\$ 6.09	\$ 2.77	\$ 2.13
Natural Gas Distribution Segment			
Reconciliation of Utility Gross Margin to Operating Margin (Non-GAAP measure)			
Utility Gross Margin	\$ 785,619	\$ 696,964	\$ 640,955
Plus:			
Operations and maintenance (excluding Admin. & General) expense	328,501	325,152	316,246
Depreciation and amortization expense	330,724	303,095	295,462
Operating margin	\$ 1,444,844	\$ 1,325,211	\$ 1,252,663
Southwest Gas Corporation⁽²⁾			
Reconciliation of Utility Gross Margin to Operating Margin (Non-GAAP measure)			
Utility Gross Margin	\$ 785,619	\$ 697,379	\$ 632,404
Plus:			
Operations and maintenance (excluding Admin. & General) expense	328,501	325,152	314,987
Depreciation and amortization expense	330,724	303,095	295,462
Operating margin	\$ 1,444,844	\$ 1,325,626	\$ 1,242,853

⁽¹⁾ In connection with the deconsolidation of Centuri, certain amounts in Corporate and administrative that relate to the Centuri separation have been reclassified to discontinued operations for all periods presented, as applicable.

⁽²⁾Historically, Southwest Gas Corporation's operating results have corresponded to the operating results of the Natural Gas Distribution Segment. The amounts reported in the table above differ from Natural Gas Distribution Segment due to the revision described in **Note 3 - Revision of Previously Issued Financial Statements**.

Overview

Southwest Gas Holdings, Inc.:

- Completed sale of entirety of remaining Centuri common stock through secondary public offerings and private placements resulting in net proceeds of approximately \$1.3 billion during the year; collective net proceeds used to repay \$709.0 million of outstanding indebtedness, which includes the full payment of the \$550.0 million term loan and \$159.0 million paydown of the credit facility, and to pay quarterly dividends to stockholders, with expectation to use the remainder for general corporate purposes, including support for the potential 2028 Great Basin expansion.
- Finished the year with approximately \$576.6 million of cash on a consolidated basis; the Company did not issue equity in 2025.
- Full year utility gross margin of \$785.6 million and operating margin of \$1.4 billion for the Natural Gas Distribution segment.

Southwest Gas Corporation:

- Full year utility gross margin of \$785.6 million and operating margin of \$1.4 billion.
- 37,000 first-time meters sets (1.6% growth rate) added over the past 12 months.
- \$840.2 million capital investment in 2025.
- Executed binding precedent agreements in support of the 2028 Great Basin Expansion Project.
- Completion of Arizona General Rate Case.

Results of Operations

Southwest Gas' revenues and cost of gas sold can change depending on natural gas cost included in customer rates but these changes do not directly affect the company's profits. Regulatory commissions have set up mechanisms that allow Southwest Gas to adjust customer rates to reflect fluctuations in natural gas cost.

If the actual cost of gas differs from what is recovered through customer rates, the difference is recorded as a deferred amount.

- If Southwest Gas has under-recovered costs, it records a regulatory asset on the consolidated balance sheets as deferred purchase gas costs and interest income on the consolidated statements of income within the Other income (deductions) line item.
- If Southwest Gas has over-recovered costs, it records a regulatory liability on the balance sheet as deferred purchased gas costs and interest expense on the consolidated statements of income within the Net interest deductions line item.

These deferred amounts are either refunded to or recovered from customers during periods approved by the regulatory commissions. The rates are designed to be refunded or collected over a 12-month period.

Historically, the Natural Gas Distribution segment operating results have corresponded to the operating results of Southwest Gas Corporation. The amounts reported in the table above differ from Southwest Gas Corporation due to the revision described in **Note 3 - Revision of Previously Issued Financial Statements**.

Results of Natural Gas Distribution Segment

(Thousands of dollars)	Year Ended December 31,		
	2025	2024	2023
Regulated operations revenues	\$ 1,942,480	\$ 2,475,216	\$ 2,499,564
Net cost of gas sold	497,636	1,150,005	1,246,901
Operating margin	1,444,844	1,325,211	1,252,663
Operations and maintenance expense	537,644	520,820	511,646
Depreciation and amortization	330,724	303,095	295,462
Taxes other than income taxes	94,070	88,965	87,261
Operating income	482,406	412,331	358,294
Other income (deductions)	52,402	54,276	70,661
Net interest deductions	181,677	162,257	149,830
Income before income taxes	353,131	304,350	279,125
Income tax expense	52,823	43,174	36,899
Contribution to consolidated results	\$ 300,308	\$ 261,176	\$ 242,226

2025 vs. 2024

Contribution to consolidated net income from natural gas distribution operations increased \$39.1 million between 2025 and 2024 primarily due to:

- \$119.6 million higher Operating margin primarily driven by updated rates in Arizona and all other territories that better align with Southwest Gas' cost of service and capital investments adding approximately \$95.2 million of incremental margin and \$11.5 million attributable to customer growth. Customer growth is reflective of approximately 37,000 first-time meter sets added in 2025. Contributing to the increase is also \$8.0 million related to the combined impacts of increases in recovery/return, offset by a comparable increase in depreciation and amortization expense in regulatory account balances noted below, and \$5.9 million attributable to the variable interest expense adjustment mechanism in Nevada, offset by a comparable increase in amortization that is recognized in interest expense.

Partially offset by:

- \$27.6 million, or 9%, higher Depreciation and amortization expense reflecting a \$672.1 million, or 6%, increase in gas plant in service in the current year, in addition to \$8.0 million in higher amortization related to regulatory account balances noted above. The increase in plant was primarily attributable to scheduled pipe replacement activities, new infrastructure, pipeline capacity reinforcement work, and franchise requirements.
- \$19.4 million higher Net interest deductions primarily due to amounts incurred on higher over-collected PGA balances for Arizona and Nevada when compared to 2024, as well as higher variable interest expense adjustment mechanism in Nevada of \$5.9 million associated with Southwest Gas' industrial development revenue bonds noted above.
- \$16.8 million higher Operations and maintenance expense primarily attributable to increases in incentive compensation costs of \$5.8 million, higher outside services costs of \$4.8 million, higher cloud-computing costs of \$4.4 million, and higher employee-related labor costs of \$4.3 million. These increases were partially offset by reductions in leak survey and line locating expenses.
- \$9.6 million higher Income tax expense resulting from increases of approximately \$26.0 million primarily due to higher pre-tax income and lower amortization of excess accumulated deferred income taxes, partially offset by a tax benefit of \$16.4 million due to changes in estimated future state apportionment rates.
- \$5.1 million higher Taxes other than income taxes due primarily to increases in property taxes across all of Southwest Gas' jurisdictions.
- \$1.9 million lower Other income (which is net of other deductions) primarily driven by a \$12.6 million decrease in interest income. This decrease was mainly driven by lower interest income earned on money market investments and interest income earned on Southwest Gas' regulatory asset balances. Additionally, Arizona and Nevada transitioned from net under-collected balances during the beginning of 2024 to over-collected balances at the end of 2024 and remained over-collected at the end of 2025. Offsetting the decrease in interest income was \$6.9 million primarily related to timing differences in contributions to the Southwest Gas Foundation in 2025 compared to 2024, \$1.9 million increase in values associated with COLI policies, and \$1.6 million gain on the sale of certain miscellaneous assets in 2025.

2024 vs. 2023

Contribution to consolidated net income from natural gas distribution operations increased \$19.0 million between 2024 and 2023 primarily due to:

- \$72.5 million higher Operating margin primarily driven by updated rates in Arizona and all other territories that better align with Southwest Gas' cost of service and capital investments, adding approximately \$65.3 million of incremental margin and \$11.7 million attributable to customer growth. Customer growth is reflective of approximately 41,000 first-time meter sets added in 2024. Favorable impacts (\$9.2 million, combined) were also realized in connection with certain rate components of infrastructure trackers and the Nevada variable interest rate expense mechanism. Furthermore, late fee assessments on customer account balances provided approximately \$2.7 million in incremental margin. Offsetting these increases was a decrease in recoveries associated with regulatory programs, totaling \$6.8 million for which an associated comparable decrease is also reflected in amortization expense (discussed below). In addition, certain immaterial out-of-period corrections occurred in both 2023 and 2024 resulting in an unfavorable variance between comparative periods, primarily driven by an \$8.0 million favorable adjustment in 2023. Customary gas used in operations (the effects of which are offset in Operations and Maintenance expense) also reduced operating margin (\$3.8 million).

Partially offset by:

- \$16.4 million lower Other income (which is net of other deductions) primarily due to a decline of \$17.2 million in interest income compared to the prior year, related to a reduction in carrying charges associated with regulatory account balances, notably PGA balances, which decreased from an asset balance of \$465.3 million as of December 31, 2023 to a net liability balance of \$241.6 million as of December 31, 2024. Interest income is earned when these balances are in asset positions and interest expense is incurred when balances are in liability positions.
- \$12.4 million higher Net interest deductions primarily due to the impacts of surcharges/surcredits and deferral activity related to a regulatory mechanism associated with interest on Southwest Gas' industrial development revenue bonds. Interest also increased due to amounts incurred on the over-collected PGA balance. Additionally, contributing to the increase was a lower level of debt-related AFUDC, which had the impact of increasing interest expense on a relative basis in 2024.
- \$9.2 million higher Operations and maintenance expense primarily driven by general cost increases in benefit, incentive, and pension related costs, and leak survey and line locating costs, partially offset by contractor and professional services costs (the majority of which related to utility optimization consulting fees in 2023). Both periods exclude costs attributable to construction that are part of Net regulated operations plant and costs that would otherwise be expensed but are instead permissible to be deferred into regulatory assets (e.g., incremental leak survey costs in Nevada).
- \$7.6 million, or 2.6%, higher Depreciation and amortization expense primarily due to a \$704.5 million, or 7%, increase in gas plant in service in the current year. The increase in gas plant was attributable to pipeline capacity reinforcement work, franchise requirements, scheduled pipe replacement activities, and new infrastructure. This increase was offset by a decrease in amortization of regulatory account balances of \$6.8 million as noted above.
- \$6.3 million higher Income tax expense primarily due to higher pre-tax income and lower amortization of excess accumulated deferred income taxes.

Corporate and Administrative

2025 vs. 2024

The increase in net loss of \$25.3 million from 2025 compared to 2024 was primarily due to:

- \$53.2 million higher Income tax expense primarily due to increases in estimated future state apportionment rates from Arizona and California of \$45.3 million combined with lower pre-tax loss.

Partially offset by:

- \$22.9 million lower Net interest deductions primarily driven by the repayment of the \$550.0 million term loan in the Summer of 2025 as well as the decrease in the balance that was previously outstanding on the revolving credit facility.
- \$7.8 million higher Other income (which is net of other deductions) driven by an increase in interest income earned on money market accounts.

2024 vs. 2023

The decrease in net loss of \$45.7 million from 2024 compared to 2023 was primarily due to:

- \$50.0 million Goodwill impairment and loss on sale from the sale of MountainWest in 2023 compared to none in 2024.

Partially offset by:

- \$6.7 million lower Income tax benefit primarily due to lower pre-tax loss in 2024 compared to 2023.

Discontinued Operations

2025 vs. 2024

Net income from discontinued operations increased \$227.2 million in 2025 compared to 2024 primarily due to:

- \$343.1 million gain from Centuri deconsolidation inclusive of a \$222.9 million remeasurement gain from adjusting the 30.9% retained interest to fair value as of August 11, 2025. This retained interest was later sold on September 5, 2025 as described in **Note 13 - Dispositions**.
- \$3.7 million lower Centuri separation related costs.

Partially offset by:

- \$100.4 million higher income tax expense primarily related to the sale of Centuri.
- \$9.7 million loss from the sale of the Company's 30.9% retained interest on September 5, 2025.
- \$9.6 million higher in Centuri's pre-tax operating loss attributable to the Company.

2024 vs. 2023

Net income from discontinued operations decreased \$33.1 million in 2024 compared to 2023 primarily due to:

- \$262.1 million, or 9%, lower utility infrastructure services revenue in 2024 driven primarily by decreased gas utility infrastructure services revenues of \$133.8 million and decreased electric utility infrastructure services revenues of \$128.3 million. The decrease in gas utility infrastructure services revenues was primarily due to a reduction in net volumes under existing customer MSAs stemming primarily from delayed or unfavorable regulatory decisions faced by key customers and timing of bid projects, and the prior year benefited from the commencement of a large project that was substantially complete in 2023.

Partially offset by:

- \$202.3 million, or 8%, lower utility infrastructure services expenses in 2024 due primarily to lower volume of infrastructure services provided. Subcontractor costs decreased during 2024 compared to the prior year primarily due to decreased work under offshore wind projects and changes in mix of work. Project margin in 2024 decreased primarily due to lower margins on bid work (the prior year benefited from a highly profitable bid that did not recur in the current year);
- \$11.0 million lower Income tax expense primarily due to a decrease in pre-tax income in 2024.
- \$10.1 million lower Depreciation and amortization expense primarily due to a number of small tools within electric utility infrastructure services operations becoming fully depreciated in 2023 and not requiring replacement based on project needs.
- \$7.0 million lower Net interest deductions were primarily due to activity with regard to Centuri's debt balance.

Results of Southwest Gas Corporation

(Thousands of dollars)	Year Ended December 31,		
	2025	2024	2023
		As Adjusted	As Adjusted
Regulated operations revenues	\$ 1,942,480	\$ 2,482,990	\$ 2,494,220
Net cost of gas sold	497,636	1,157,364	1,251,367
Operating margin	1,444,844	1,325,626	1,242,853
Operations and maintenance expense	537,644	520,820	510,387
Depreciation and amortization	330,724	303,095	295,462
Taxes other than income taxes	94,070	88,965	87,261
Operating income	482,406	412,746	349,743
Other income (deductions)	52,402	54,276	70,661
Net interest deductions	181,677	162,257	149,830
Income before income taxes	353,131	304,765	270,574
Income tax expense	52,823	42,669	42,162
Net income	\$ 300,308	\$ 262,096	\$ 228,412

2025 vs. 2024

Contribution to consolidated net income from natural gas distribution operations increased \$38.2 million between 2025 and 2024 consistent with the Natural Gas Distribution segment except for:

- \$10.2 million higher Income tax expense consistent with the Natural Gas Distribution segment explanation combined with an increase in income taxes related to the prior year adjustments as described in **Note 3 - Revision of Previously Issued Financial Statements**.

2024 vs. 2023

Contribution to consolidated net income from natural gas distribution operations increased \$33.7 million between 2024 and 2023 consistent with the Natural Gas Distribution segment except for:

- \$82.8 million higher Operating margin consistent with the Natural Gas Distribution segment explanation combined with an increase in operating margin of \$10.3 million due to revisions. See **Note 3 - Revision of Previously Issued Financial Statements** for additional information.

Partially offset by:

- \$10.4 million higher Operations and maintenance expense consistent with the Natural Gas Distribution segment explanation combined with an increase in Operations and maintenance expense related to the prior year adjustments as described in **Note 3 - Revision of Previously Issued Financial Statements** for additional information.
- \$0.5 million higher Income tax expense consistent with the Natural Gas Distribution segment explanation offset by a decrease in income taxes of \$5.8 million related to the prior year adjustments as described in **Note 3 - Revision of Previously Issued Financial Statements** for additional information.

Rates and Regulatory Proceedings

With respect to rates and regulatory proceedings, Southwest Gas is subject to the regulation of the ACC, the PUCN, the CPUC, and two of Southwest Gas' subsidiaries are subject to regulation by the FERC.

General Rate Relief and Rate Design

Rates charged to customers vary according to customer class and rate jurisdiction and are set by the individual state and federal regulatory commissions that govern Southwest Gas' service territories. Southwest Gas makes periodic filings for rate adjustments as the cost of providing service changes, including the cost of natural gas purchased, and as additional investments in new or replacement pipeline and related facilities are made. Rates are intended to provide for recovery of all commission-approved costs along with a reasonable return on investment. On their own, the mix of fixed and variable components in rates assigned to various customer classes can significantly impact the operating margin actually realized by Southwest Gas. Management has worked with its regulatory commissions in designing rate structures that support the timely recovery of our costs, including returns to investors, in providing safe, affordable, and reliable service to its customers while mitigating volatility in prices to customers and providing stable returns to investors. Such rate structures were in place in each of Southwest Gas' operating areas during all periods for which results of natural gas distribution operations are disclosed above.

Arizona Jurisdiction

Arizona General Rate Case. Southwest Gas filed its 2024 Arizona rate case application in February 2024, proposing an increase in revenue of approximately \$125.6 million and a return on common equity of 10.15%, relative to a 50% target equity ratio, and a proposed twelve-month post-test year adjustment for non-revenue producing plant to reflect the continued significant capital investments in the state and to update rates to more closely align with Southwest Gas' current level of operations and maintenance expense. The ACC's final decision in March 2025 authorized an overall annual rate increase of approximately \$80.2 million and a return on common equity of 9.84% relative to a 48.5% equity ratio. Southwest Gas' proposals for the continuation of full revenue decoupling under the DCA mechanism and a property tax tracking mechanism were approved, but the proposed Unrecovered Gas Cost Expense mechanism, which was intended to address timelier recovery of the purchased gas cost portion of uncollectible customer accounts following write-off, was ultimately withdrawn in favor of the historical regulatory treatment for uncollectible accounts and related expense. The legacy COYL program was discontinued; however, an application was filed in June 2025 requesting recovery of the associated outstanding revenue requirement of approximately \$5.2 million for work completed through March 2025. Recovery of the outstanding COYL revenue requirement over three years, as requested, was approved by the ACC in September 2025. Rates associated with the ACC's decision in the general rate case became effective in March 2025. In January 2026, Southwest Gas filed with the ACC its notice of intent to file its next general rate case in February 2026, including a proposal for an annual rate adjustment to promote customer rate gradualism and mitigate regulatory lag by adjusting rates annually to provide recovery of the Company's cost of service.

Initially included as part of the rate case application, Southwest Gas proposed the establishment of the SIM, a capital tracker designed to support non-revenue producing code and regulatory-related infrastructure replacements in Arizona, which was subsequently bifurcated from the rate case hearing. In April 2025, a settlement agreement supporting implementation of the SIM was reached with the majority of the parties, including a SIM surcharge effective April 1 each year subject to refund, to recover the revenue requirement associated with eligible plant placed in service by December 31 of the prior calendar year. The settlement considered by the ACC included a surcharge cap of \$0.02 per therm, which represented approximately \$150.0 million of annual SIM-related investment. In July 2025, the ACC modified the settlement to limit SIM-related

investments to \$50.0 million annually. Other key provisions of the settlement remain unchanged. The first SIM surcharge application is expected to be filed with the ACC in March 2026.

Delivery Charge Adjustment. The DCA, or the Arizona decoupling mechanism, includes a filing each April, which along with other reporting requirements, contemplates a rate to return/recover the over- or under-collected margin tracker balance. The most recent filing was made in April 2025 to request a rate adjustment to address the under-collected balance of \$40.7 million existing as of March 31, 2025. In August 2025, the ACC approved the application, as filed, to recover the under-collected balance of approximately \$40.7 million, which is expected to be recovered over 12 months from the time of the approved application.

Tax Reform. A TEAM was approved in Southwest Gas' 2019 general rate case to timely recognize effective income tax rate changes resulting from federal or state tax legislation and returns/recovers the revenue requirement impact of changes in amortization of EADIT, including that which resulted from the 2017 Tax Cuts and Jobs Act, compared to the amount authorized in the most recently concluded general rate case. Following the inaugural surcredit rate establishment under the TEAM mechanism in December 2022, Southwest Gas has filed subsequent TEAM rate applications. The current surcharge rate designed to recover approximately \$5.2 million resulting from changes related to the amortization of EADIT was approved and became effective June 1, 2025.

In December 2025, Southwest Gas filed its most recent TEAM rate application seeking authority to recover \$0.7 million, which includes the current-year TEAM adjustment of approximately \$7.9 million, primarily offset by the impact of Southwest Gas' election of the natural gas safe harbor tax method of accounting for determining whether certain natural gas repair and maintenance expenditures are capitalized or expensed for income tax purposes. As a result of this accounting method change, approximately \$27.1 million of EADIT associated with historic tax repairs shifts from protected treatment amortized under the Average Rate Assumption Method to unprotected treatment. Southwest Gas proposed the amortization of the \$27.1 million in unprotected EADIT over a five-year period, consistent with the approximate remaining amortization period of the unprotected EADIT established in Southwest Gas' 2019 general rate case. The application was approved in February 2026, as filed, with a rate effective date of June 1, 2026.

PGA Modification. On January 27, 2025, Southwest Gas filed a request to increase the GCBA adjustment to allow for a greater credit rate to be implemented more quickly in order to facilitate the return of the existing over-collected balance. Typical adjustments authorized by previous decisions limit the increase in the GCBA rate to \$0.01 per month. The ACC approved Southwest Gas' request to implement a credit rate of \$0.08138 per therm effective the first quarter 2025, and is expected to be in place for approximately one year and terminates when the GCBA balance is reduced to less than \$10.0 million.

Nevada Jurisdiction

Nevada General Rate Case. Southwest Gas filed its most recent general rate case in September 2023, updated with a certification filing primarily for plant placed in service, and incremental annual leak survey costs, through November 2023. Those updates resulted in an updated overall request of approximately \$74.0 million. The PUCN issued a decision approving an annual increase in revenues of \$59.1 million, approving the earlier proposed settlement, and authorizing a return on common equity of 9.5%, including the use of a hypothetical capital structure of 50% debt and 50% equity. Included in the settled items were: a continuation of full revenue decoupling; authority to continue tracking incremental annual leak survey costs in a regulatory asset; and refreshed depreciation rates somewhat lower than those proposed. New rates became effective in April 2024. In January 2026, Southwest Gas filed with the PUCN its notice of intent to file a general rate case in March 2026, with new rates expected to be effective October 2026.

General Revenues Adjustment. The GRA, or Nevada decoupling mechanism, was affirmed as part of Southwest Gas' most recently concluded general rate case and adjustments are included in the ARA filings intended to update rates to recover/return amounts associated with various regulatory mechanisms, including the GRA. Recovery of rates and adjustments thereto as part of the ARA primarily impact cash flows, but not net income overall. Rates for the GRA and other regulatory mechanisms relating to the November 2024 ARA filing, associated with balances as of September 30, 2024, became effective July 1, 2025. Southwest Gas filed its 2025 ARA filing in November 2025 requesting to adjust the GRA rates to recover the approximate \$28.2 million balance as of September 30, 2025, effective July 1, 2026.

Line Locate Activity Expenses Application. Southwest Gas filed an application with the PUCN for authority to establish regulatory accounting treatment for line locate activity expenses, allowing Southwest Gas to track the actual level of line locate costs in operation and maintenance expense and to record, in a regulatory asset or liability account, the difference between amounts incurred and the level established in the most recent general rate case. In July 2025, the PUCN approved regulatory accounting treatment of the line locate activity expenses, effective January 1, 2025. The proposal did not include carrying charges on the regulatory account balance in order to focus solely on stemming the financial attrition experienced in between rate cases related to this work. Amounts deferred in the regulatory asset are expected to be considered in the next general rate case, where authority to continue regulatory accounting treatment must be requested.

DEAA Modification. Southwest Gas filed an application with the PUCN for approval to adjust the DEAA rates in excess of the maximum allowable adjustment of 2.5 cents per therm contemplated by the Nevada Revised Statutes given the significant over-collected balances of the PGA in both southern and northern Nevada. A stipulation was reached with the parties and approved by the PUCN providing for the implementation of a DEAA credit of \$0.20000 per therm applicable to southern Nevada customers and a credit of \$0.25000 per therm applicable to northern Nevada customers effective July 1, 2025. The October 1, 2025 quarterly adjustment was calculated consistent with the statutory cap range resulting in an increased credit rate of \$0.22500 in southern Nevada and \$0.27500 in northern Nevada. The PGA balance at December 31, 2025 was over-collected by approximately \$203.2 million for southern Nevada and by approximately \$38.5 million for northern Nevada. These amounts represent reductions from the September 30, 2025 over-collected balances of \$234.5 million and \$48.2 million for southern and northern Nevada, respectively. This modification is expected to impact near-term liquidity at Southwest Gas when compared to earlier projections over 2025-2026 while modestly reducing interest expense on a net basis.

Resource Plan. In September 2025, Southwest Gas filed an application seeking approval of its first triennial resource plan, required by October 1, 2025, pursuant to SB 281 (2023). The application seeks approval of certain significant operational or capital requirements, as defined by SB 281, during the three-year action plan period, including two single extension facilities projects in southern Nevada designed to serve more than 2,000 customers, safety-related and system integrity management investments in southern and northern Nevada, and a proposal to commence a vintage 1984/1985 pipe replacement program in southern Nevada. The estimated capital investment associated with these programs is approximately \$208.2 million over the three-year action plan period. The application also seeks approval of an approximate \$4.8 million investment over the action plan period in two new safety-related programs (the natural gas alarm pilot program and the meter protection program), and includes a request to establish regulatory accounting treatment for each program. The natural gas alarm pilot program proposes the purchase and installation of approximately 10,000 natural gas alarms in high occupancy facilities across Southwest Gas' southern and northern Nevada service territories. The meter protection program proposes the purchase and installation of meter snow shelters to enhance the protection of existing meters in heavy snow load areas in Southwest Gas' northern Nevada service territory around Lake Tahoe. Southwest Gas is seeking approval to extend the currently authorized COYL replacement program, including the annual statewide capital investment amount of \$5.0 million, and associated regulatory accounting treatment beyond the current program sunset date of July 30, 2027, through the end of 2028. Also included in the application is a request for approval of Southwest Gas' customer demand forecasting methodology for the applicable three-year action plan period. With respect to gas resources, Southwest Gas requested modification of its currently authorized price cap of \$14/dekatherm to \$25/dekatherm for RNG purchases to better align with evolving RNG market conditions and to extend its current contract term length and purchasing authority for RNG beyond the currently approved date of December 31, 2029.

The application also requests authority to purchase responsibly sourced gas, in the form of carbon capture and storage-enabled natural gas, for incorporation into Southwest Gas' gas supply portfolio to meet up to 5% of its normal weather demand in northern and southern Nevada. Southwest Gas is also seeking approval of a demand-side management plan and proposed activities and programs, with a total statewide budget of \$9.8 million over the three-year action plan period, to promote energy efficiency and conservation. Southwest Gas expects a decision on its triennial resource plan in April 2026.

California Jurisdiction

California General Rate Case. Southwest Gas filed its most recent general rate case in September 2024 related to a future test year (2026), originally proposing a statewide revenue increase of approximately \$48.8 million. Southwest Gas later updated its request to \$43.7 million through supplemental testimony, requesting a revised revenue increase of \$36.6 million for the southern California rate jurisdiction, a decrease of \$2.8 million for the northern California rate jurisdiction, and an increase of \$9.8 million for the South Lake Tahoe rate jurisdiction. The request is based on a capital structure consisting of 50% long-term debt and 50% common equity with a requested return on common equity of 11.35%, a modest increase compared to the 11.16% currently authorized. A continuation of Southwest Gas' 2.75% PTY margin attrition adjustment for attrition years 2027 – 2030 is included, as well as continued use of the automatic trigger mechanism in lieu of annual cost of capital filings. Southwest Gas' filing also includes a risk-based decision-making framework, proposing the continuation of the targeted pipe replacement program, the meter protection program, and COYL Program, along with the addition of a new annual leak survey program, collectively under the IRRAM umbrella. Authority to establish a damage prevention cost balancing account to record and recover (or return) certain costs associated with damage prevention expenses, specifically those related to line locating activities, was also requested. Consolidation of Southwest Gas' northern California and South Lake Tahoe rate jurisdictions into a single rate-making jurisdiction was also proposed. The Cal Advocates filed direct testimony April 4, 2025, recommending a statewide revenue increase of approximately \$26.1 million based on a capital structure consisting of 48% common equity and 52% long-term debt, as well as support for the continuation of the 2.75% PTY margin attrition adjustment and the automatic trigger mechanism. Cal Advocates also supported Southwest Gas' proposed infrastructure investments under the IRRAM, though the level of overall investment was slightly lower than the amount proposed by Southwest Gas. As a result of constructive settlement discussions, Southwest Gas and Cal Advocates successfully reached a partial settlement and agreed to litigate the outstanding issues, limited to capital structure, return on equity and the resultant overall rate of return. The limited-

issue hearing was held on July 29, 2025. The all-party partial settlement filed in September 2025 included an agreed-to revenue increase of \$39.5 million before consideration of the litigated capital structure and cost of capital issues. Southwest Gas anticipates a final decision in the first quarter of 2026, and new rates are expected to be effective by April 2026, subject to the timing of the issuance of the final decision. The CPUC granted Southwest Gas' motion seeking authority to establish a general rate case memorandum account effective January 1, 2026, through the effective date of the CPUC's final decision allowing Southwest Gas to track changes in the revenue requirement beginning January 1, 2026.

Attrition Filing. Following the 2021 implementation of rates approved as part of the previous general rate case, the continuation of annual PTY margin attrition increases of 2.75% began in January 2022. The most recent annual margin attrition increase was also inclusive of adjustments related to the amortization of EADIT. The cumulative impact resulted in an annual increase of \$7.3 million effective January 2025 for Southwest Gas' combined southern California, northern California, and South Lake Tahoe rate jurisdictions. The PTY increase of \$3.6 million associated with the North Lake Tahoe Lateral revenue requirement became effective February 1, 2025.

FERC Jurisdiction

General Rate Case. Great Basin, a wholly owned subsidiary of Southwest Gas, filed a notice of a change in rates (pursuant to applicable regulations) on March 6, 2024 requesting that rates for natural gas service subject to the filing be made effective April 6, 2024. The FERC, however, suspended the case for a five-month period, which allowed rates to go into effect, subject to refund, on September 6, 2024. The filing included a request to continue a term-differentiated rate structure, which was adopted as part of Great Basin's previous general rate case, to provide an overall annual revenue increase of approximately \$13.4 million, a return on equity of 11.95%, and a capital structure of 50% long-term debt and 50% common equity. A primary driver of the increase was approximately \$99.0 million of capital investments, much of which was placed in service by the end of the August 2024 test year. An all-party settlement was reached recommending approval of a \$9.6 million revenue increase based on a 9.76% pre-tax rate of return. Rate base increased to approximately \$191.0 million; a 41.0% increase over the previously authorized \$135.5 million. The settlement was filed with the FERC for final consideration in December 2024 and a Letter Order approving the uncontested settlement was issued in March 2025. Since no party requested reconsideration, the Letter Order became effective April 2, 2025, and refund amounts in excess of the base tariff rates established in the settlement were issued timely.

Potential 2028 Great Basin Expansion Project. In response to inquiries related to available capacity and changing market needs, Great Basin posted notice of a Binding Open Season for a 2028 system expansion. The Binding Open Season, initially scheduled from January 28, 2025, through April 30, 2025, to determine the level of interest of existing and potential shippers for new or additional firm transportation service, was extended through June 2025 to allow for consideration of alternative in-service date requests as part of the bids and resulted in a potential incremental capacity of up to ~1.76 billion cubic feet of demand per day. To accommodate continued interest following the Open Seasons held earlier in 2025, a second supplemental open season launched on November 11, 2025, to provide potential shippers additional opportunity to submit binding requests, refine capacity needs, consider alternative in-service dates, and evaluate the final scope of the expansion project to support energy demand growth across northern Nevada. In December 2025, precedent agreements were executed with shippers to accommodate capacity requests totaling approximately 800 million cubic feet per day. Subject to approval from FERC to construct and operate the system expansion, Great Basin estimates a potential capital investment of approximately \$1.7 billion in the next three years with an expected in-service date of late 2028.

PGA Filings

The rate schedules in all of Southwest Gas' service territories contain provisions that permit adjustments to rates as the cost of purchased gas changes. These deferred energy provisions and purchased gas adjustment clauses are collectively referred to as "PGA" clauses. Differences between gas costs recovered from customers and amounts paid for gas by Southwest Gas result in over- or under-collections. Balances are recovered from, or refunded to, customers on an ongoing basis with interest. As of December 31, 2025, over-collections in both the Arizona and Nevada service territories resulted in a liability of approximately \$310.1 million and under-collections in California resulted in an asset of approximately \$5.2 million on the Company's and Southwest Gas' Consolidated Balance Sheets. The over-collected balances in the table below reflect the impacts related to specific recovery rates under existing mechanisms, which have exceeded the cost of recent gas supply purchases by Southwest Gas.

Filings to change rates in accordance with PGA clauses are subject to audit by the staff of state regulatory commissions. The operation of the mechanism in California is typically the most responsive to changes in gas supply costs and maximum rate adjustments for the earlier build-up (positive or negative) apply to Nevada and Arizona; however, refer to the *PGA Modification* discussion above related to Arizona and the *DEAA Modification* in Nevada. PGA changes impact cash flows but have no direct impact on operating margin. However, gas cost deferrals and recoveries can impact comparisons between periods of individual consolidated income statement components. These include Regulated operations revenues, Net cost of gas sold, Net interest deductions, and Other income (deductions).

The following table presents Southwest Gas' outstanding PGA, including accrued purchased gas costs, balances receivable/(payable) at the end of its two most recent fiscal years:

(Thousands of dollars)	December 31,	
	2025	2024
Arizona	\$ (68,423)	\$ (47,700)
Nevada	(241,662)	(207,698)
California	5,214	13,807
	<u>\$ (304,871)</u>	<u>\$ (241,591)</u>

Arizona PGA Filings. In Arizona Southwest Gas calculates the change in the gas cost component of customer rates monthly (to allow for timely refunds to/recoveries from customers) utilizing a rolling twelve-month average. In early 2025, the ACC approved an elevated GCBA credit rate authorizing the elevated credit rate to remain in effect until the GCBA balance is reduced to less than \$10.0 million. The rates are designed to recover/refund the balances over a twelve-month period subject to fluctuations in natural gas prices and actual customer usage.

California Gas Cost Filings. In California a monthly gas cost adjustment based on forecasted monthly prices is utilized. Monthly adjustments modeled in this fashion provide the timeliest recovery of gas costs in any Southwest Gas jurisdiction.

Nevada Gas Cost Filings. In November 2025, Southwest Gas filed its quarterly adjustments to its gas cost rates, which consist of the Base Tariff Energy Rate and the DEAA rate, to be effective January 1, 2026. The quarterly adjustment was calculated consistent with the statutory cap range of \$0.025 for the DEAA component resulting in credit rates of \$0.25 and \$0.30 in southern and northern Nevada, respectively. Gas cost rates otherwise are updated on an ongoing basis quarterly, with changes effective each January, April, July, and October. The rates are designed to recover/refund the balances over a twelve-month period, subject to fluctuations in natural gas prices and actual customer usage.

Gas Price Volatility and Mitigation

To mitigate price volatility to its customers, Southwest Gas periodically enters into fixed-price term contracts under its volatility mitigation programs for up to 25% of the California jurisdictions' annual normal weather supply needs and, to a limited extent, in the Arizona jurisdiction. For the 2025/2026 heating season, contracts contained in the fixed-price portion of the supply portfolio ranged from approximately \$4.02 to approximately \$5.37 per dekatherm. In consultation with its regulators, Southwest Gas does not currently plan to make any fixed-price term purchases other than in California nor to enter into financial swap agreements. Southwest Gas' natural gas purchases not covered by fixed-price contracts are under variable-price contracts with firm quantities or on the spot market. The contract price for these contracts is either determined at the beginning of each month, to reflect the published first-of-month index price, or at market prices based on a published daily price index. In each case, the index price is not published or known until the purchase period begins. Plans with regard to fixed-price portfolios or other hedging programs could change as Southwest Gas monitors conditions and collaborates with regulatory commissions over time.

Pipeline Safety Regulations

PHMSA issues direct final rules and periodic standard updates that incorporate newer editions of industry consensus standards. This brings federal pipeline safety regulations into alignment with the latest industry standards and helps maintain or improve safety while reducing regulatory ambiguity. In 2025, fourteen direct final rules were approved with an effective date of January 1, 2026, and twenty periodic standards were approved with an effective date of January 10, 2026. Southwest Gas has integrated these new standards into its operating procedures.

Notices of Proposed Rulemaking. PHMSA published the following two significant NPRMs in 2023:

1. The first is the Pipeline Leak Detection and Repair NPRM, which aims to mandate methane emissions reductions through the revision of operations and maintenance procedures for natural gas operators, the promulgation of advanced leak detection equipment, and accelerated leak repair criteria. The final rule was expected to be published in mid-2024; however, it was not sent to OFR until January 17, 2025. Shortly thereafter, on January 20, 2025, a “Regulatory Freeze Pending Review” directive was issued by the White House requiring all agencies to withdraw any rules that had been sent to the OFR for publication in the Federal Register that was not yet published. Subsequently, PHMSA withdrew the final rule on January 22, 2025. The future of this rulemaking under the current administration is uncertain; however, Southwest Gas continues to evaluate potential impacts from this NPRM and monitor progress.
2. The second item, the Safety of Gas Distribution NPRM, resulted from congressional mandates and National Transportation Safety Board recommendations stemming from a 2018 incident in the Merrimack Valley, in Massachusetts. This NPRM was expected to be finalized in late 2024; however, a final rule has not been finalized as of the date of this Annual Report and it is uncertain as to when a final rule will be published. The final rule is expected to include provisions that are primarily aimed at mitigating over pressurization incidents, particularly on utilization pressure systems. Southwest Gas does not own or operate any utilization pressure systems but is monitoring the progress and potential impacts, if any, of this NPRM.

PHMSA published the following four NPRMs on July 1, 2025:

1. Atmospheric Corrosion Reassessment for Pipeline Replacements: This NPRM proposes to exempt replaced service lines from the three-year reinspection requirement. This change will allow replaced service lines to default to the standard five-year atmospheric corrosion inspection interval. Southwest Gas continues to evaluate potential impacts from this NPRM and monitor progress.
2. Eliminating Burdensome and Duplicative Deadlines for Gas Pipeline Coating Damage Assessments and Remedial Actions: Under current regulatory requirements operators must assess coating damage “promptly” after backfilling and no later than 6 months after the pipeline is placed in service (for projects that involve 1,000 ft or more of continuous backfill length along the pipeline). This NPRM would eliminate the vague timing language of “promptly after backfill” as a compliance milestone and set assessments to occur within 6-months of placing the pipeline back in service. Southwest Gas continues to evaluate potential impacts from this NPRM and monitor progress.
3. Exemption for In-Plant Piping Systems: Currently no explicit exemption exists in Part 192 for in-plant piping systems. This NPRM would add a new definition for in-plant piping systems clarifying the point of demarcation and explicitly exclude any “in-plant system” from the scope of Part 192. Southwest Gas continues to evaluate potential impacts from this NPRM and monitor progress.
4. Harmonize Class Location Change Pressure Test Requirements with Subpart J Pressure Test Requirements: Current regulation excludes the use of a 4-hour pre-installation test when a pipeline segment undergoes a class location change. Operators must confirm or revise Maximum Allowable Operating Pressure using a pressure test conducted in place for at least 8-hours. This NPRM proposes to allow either the 8-hour test or the 4-hour pre-installation strength test, which better aligns with existing Subpart J pressure testing provisions. Southwest Gas continues to evaluate potential impacts from this NPRM and monitor progress.

Advance Notices of Proposed Rulemakings. On May 21, 2025, PHMSA published in the Federal Register an ANPRM for “Pipeline Safety: Repair Criteria for Hazardous Liquid and Gas Transmission Pipelines” asking stakeholders for feedback on potential opportunities to improve cost-effectiveness of its repair requirements for gas transmission pipelines. Southwest Gas met with other members of the AGA to prepare joint industry comments back to PHMSA on potential changes to the following regulations: Reporting safety-related conditions, verification of pipeline material properties & attributes for transmission pipelines, transmission assessments outside of high consequence areas, analysis of anomalies, reassessments, and schedules for evaluation and remediation.

On June 4, 2025, PHMSA published in the Federal Register an ANPRM for “Pipeline Safety: Mandatory Regulatory Reviews to Unleash American Energy and Improve Government Efficiency” asking stakeholders to comment on whether any existing Pipeline Safety Regulations (across 49 CFR Parts 190-199) should be repealed or amended to eliminate undue regulatory burdens on energy resources and improve government efficiency while still ensuring pipeline safety. Southwest Gas met with other members of the AGA to complete a retrospective review of the current regulations and provide joint industry comments and recommendations back to PHMSA regarding numerous Procedural and Pipeline Safety Regulations.

Southwest Gas continues to monitor changing pipeline safety legislation and participates, to the extent possible, in providing public comments and works with industry associations, such as the AGA, in shaping regulatory language associated with these new mandates and reporting requirements. Additionally, management works with state and federal commissions, to which Southwest Gas, including its subsidiaries, are subject, to develop customer rates that are responsive to incremental costs of compliance. However, due to the timing of when rates are implemented in response to new requirements and as additional rules are developed, compliance requirements could impact expenses and the timing and amount of capital expenditures for Southwest Gas.

Capital Resources and Liquidity

Historically, cash on hand and cash flows from operations have provided a substantial portion of cash used in investing activities (primarily construction expenditures and property additions). In recent years, Southwest Gas has undertaken substantial pipe replacement activities to fortify system integrity and reliability, including on an accelerated basis in association with certain gas infrastructure replacement programs. Southwest Gas Holdings and Southwest Gas' capitalization strategy is to maintain an appropriate balance of equity and debt to preserve investment-grade credit ratings, which helps minimize interest costs. Investment-grade credit ratings have been maintained by Southwest Gas Holdings and Southwest Gas.

Cash Flows

Southwest Gas Holdings, Inc.:

Operating Cash Flows. Cash flows provided by operating activities decreased \$799.7 million between 2025 and 2024. The decrease was primarily from the decrease of continuing operations operating cash flow of \$611.2 million driven by the substantial reduction of collection of previously deferred purchased gas costs for Southwest Gas. Recovery rates were in place to collect the earlier build-up of PGA balances, which are collectively now in a liability position. The remaining difference reflects the impacts of changes in other components of working capital overall. Discontinued operations operating cash flow also contributed to the decrease of \$188.5 million. The decrease was mainly attributable to Centuri's change of working capital.

Investing Cash Flows. Cash flows used in investing activities decreased \$896.8 million in 2025 as compared to 2024. The decrease in cash flow used in discontinued operations of \$866.1 million was primarily due to the proceeds received from the sale of Centuri stock on August 11, 2025 and September 5, 2025 of \$879.2 million. Cash flow used in continuing operations also contributed to the decrease of \$30.7 million. The overall change was driven by reduced outflows for capital expenditures and property additions compared to 2024.

Financing Cash Flows. Cash flows used in financing activities increased \$141.9 million in 2025 as compared to 2024. The increase was primarily from the increase of cash flow used in continuing operations of \$722.9 million driven by the payment in full on Southwest Gas Holdings' term loan of \$550.0 million and \$130.0 million (net of borrowings) paydown on its revolving credit facility utilizing proceeds from the sale of Centuri stock. Offsetting this impact was a decrease in cash flow used in discontinued operations of \$581.0 million which was primarily due to proceeds received from the sale of Centuri stock on May 22, 2025, June 18, 2025 and July 8, 2025 of 470.7 million.

Corporate and administrative expenses/outflows for Southwest Gas Holdings in 2025 overall primarily include interest paid on outstanding borrowings.

The capital requirements and resources of the Company generally are determined independently at the segment level. Our Natural Gas Distribution segment is generally responsible for securing its own debt financing sources. However, Southwest Gas Holdings may raise funds through equity issuances or other external financing sources in support of our Natural Gas Distribution segment.

Southwest Gas Corporation:

Operating Cash Flows. Cash flows provided by operating activities decreased \$634.2 million between 2025 and 2024 primarily attributable to the substantial reduction in collection of deferred purchased gas costs (as discussed above), in addition to reflecting cash flows from other working capital changes overall.

Investing Cash Flows. Cash used in investing activities decreased \$32.8 million in 2025 as compared to 2024. Outflows for capital expenditures decreased by \$38.7 million in 2025 as well as reduced outflows related to customer advances for construction. Partially offsetting these impact was lower inflows from the sale of property in 2025 compared to 2024. See also *2025 Construction Expenditures* below.

Financing Cash Flows. Net cash used in financing activities decreased \$106.8 million in 2025 as compared to 2024. The decrease was primarily due to a decrease in dividends paid to Southwest Gas Holdings between periods.

2025 Construction Expenditures

During the five-year period ended December 31, 2025, total gas plant in service increased from \$8.4 billion to \$11.5 billion or at an average annual rate of 7%. Replacement, new business, and reinforcement work was a substantial portion of the plant increase during the five-year period. Customer growth also impacted expenditures as Southwest Gas set approximately 197,000 meters during this time, which is reflected in new business.

During 2025, construction expenditures (including accruals) for Southwest Gas were \$840.2 million. The majority of these expenditures represented costs associated with replacement of existing transmission and distribution plant to fortify system integrity and reliability, as well as general plant additions. Cash flows from operating activities of Southwest Gas were \$618.8 million; exceeding 2025 construction expenditures and dividend requirements of the natural gas operations segment.

2025 Financing Activity

As of December 31, 2025, the Company had up to \$340.0 million of common stock available for sale under its ATM Program. No issuances have occurred under the ATM Program in 2025.

Net proceeds received under the Dividend Reinvestment and Stock Purchase Plan during 2025 were approximately \$19.2 million from the issuance of approximately 256,000 shares of Company common stock.

Natural Gas Distribution Segment Construction Expenditures, Debt Maturities, and Financing

Management estimates natural gas distribution segment construction expenditures during the five-year period ending December 31, 2030 will be approximately \$6.3 billion, including approximately \$1.7 billion for the 2028 Great Basin Expansion Project.

(In billions)	2026	2027	2028	2029	2030	Total ⁽¹⁾
Capital Expenditures	\$ 1.3	\$ 1.3	\$ 1.8	\$ 0.9	\$ 1.0	\$ 6.3

⁽¹⁾ Includes approximately \$190.0 million that would be recorded in Deferred charges and other assets.

Southwest Gas plans to continue to request regulatory support to undertake projects, or to accelerate projects as necessary, for the improvement of system flexibility and reliability or to expand, where relevant, to unserved or underserved areas. Southwest Gas may expand existing or initiate new programs. Significant replacement activities are expected to continue well beyond the next few years. During the five-year period ending December 31, 2030, cash flows from operating activities of Southwest Gas are expected to provide approximately 60% of the funding for total construction expenditures, and dividend requirements. From a debt maturity standpoint, Southwest Gas has a \$75.0 million 8% senior unsecured debenture due in 2026. Any additional cash requirements, including construction-related, and any paydown or refinancing of debt are expected to be provided by credit facilities, equity contributions from the Company, and/or other external financing sources. During the five-year period, Southwest Gas will have \$1.5 billion of long-term debt maturing. The timing, types, and amounts of any additional external financings will be dependent on a number of factors, including the cost of gas purchases, conditions in the capital markets, timing and amounts of rate relief, timing and amounts of surcharge collections from or amounts returned to customers related to regulatory mechanisms, including the PGA, maturities of long-term debt instruments, as well as growth levels in Southwest Gas' service areas and earnings. External financings could include the issuance of debt securities, bank and other short-term borrowings, and other forms of financing.

The Great Basin Expansion Project is a planned investment by Great Basin Gas Transmission Company, a subsidiary of Southwest Gas, to expand firm transportation capacity on its Northern Nevada pipeline system. Subject to regulatory approvals and execution of long-term transportation agreements, the project is expected to add up to 800 Mcf/d of capacity with capital expenditures of approximately \$1.7 billion through an anticipated late 2028 in-service date. The expansion is expected to support regional energy demand and contribute to the company's regulated earnings base.

Liquidity

Several factors (some of which are out of the control of the Company) that could significantly affect liquidity in future years include: Variability of natural gas prices, changes in ratemaking policies of regulatory commissions, regulatory lag, customer growth in the natural gas distribution segment, the ability to access and obtain capital from external sources, the level of interest rates, changes in income tax laws, pension funding requirements, inflation, the availability and cost of contract labor, supply chain constraints within the compression and steel pipe markets, and the level of earnings. Natural gas prices and related gas cost recovery rates, as well as plant investment and ratemaking activities, have historically had the most significant impact on liquidity, aside from the Company's strategic undertakings, in the recent past, including acquisition and disposition activity.

On an interim basis, Southwest Gas defers over- or under-collections of gas costs to PGA balancing accounts. In addition, Southwest Gas uses this mechanism to either refund amounts over-collected or recoup amounts under-collected as compared to the price paid for natural gas during the period since the last PGA rate change went into effect. At December 31, 2025, the balance in the PGA accounts included an under-collection of approximately \$5.2 million pertaining to the California jurisdiction and an over-collection of \$310.1 million pertaining to Arizona and Nevada.

In April 2023, Southwest Gas Holdings entered into a \$550.0 million Term Loan Credit Agreement that was set to mature in October 2024. The Company utilized a majority of the proceeds to make an equity contribution to Southwest Gas. In August 2024, Southwest Gas Holdings amended its Term Loan agreement; extending the maturity date to July 31, 2025, and changing the interest with reference to SOFR from an applicable margin of 1.300% to 1.125%, among other miscellaneous changes. In June 2025, Southwest Gas Holdings entered into a second amended and restated term loan credit agreement; extending the maturity date of this agreement to June 2026. Prior to the execution of the amendment, Southwest Holdings prepaid a portion of the indebtedness, decreasing the balance from \$550.0 million to \$225.0 million, utilizing proceeds received from the Centuri separation transactions. In August 2025, Southwest Gas Holdings paid the remaining balance of \$225.0 million utilizing proceeds received from additional Centuri separation transactions. See **Note 13 - Dispositions**.

Southwest Gas Holdings has a credit facility with a borrowing capacity of \$300.0 million that expires in August 2029. This facility is intended for short-term financing needs. At December 31, 2025, no borrowings were outstanding under this facility. The maximum amount outstanding during 2025 occurred during the second quarter and was \$144.0 million.

Southwest Gas has a credit facility with a borrowing capacity of \$400.0 million, which matures in August 2029. Southwest Gas designates \$150.0 million of the facility for long-term borrowing needs and the remaining \$250.0 million for working capital purposes. There was no activity on either the long-term or short-term portions of the existing facility during 2025. As of December 31, 2025, no borrowings were outstanding on the long-term portion of the credit facility (including no borrowings outstanding under the commercial paper program) and no borrowings were outstanding on the short-term portion. The credit facility has been used as necessary to meet liquidity requirements, including temporarily financing under-collected PGA balances, meeting the refund needs of over-collected balances, or temporarily funding capital expenditures. The credit facility has generally been adequate for Southwest Gas' needs outside of funds raised through operations and other types of external financing.

Southwest Gas has a \$50.0 million commercial paper program. Any issuance under the commercial paper program is supported by the revolving credit facility and therefore, does not represent additional borrowing capacity. Any borrowing under the commercial paper program is designated as long-term debt. Interest rates for the commercial paper program are calculated at the then current commercial paper rate. At December 31, 2025, there were no borrowings outstanding under this program.

In April 2024, Centuri successfully completed the Centuri IPO. Since the Centuri IPO and through September 5, 2025, the Company sold portions of its interests in Centuri through secondary public offerings and private placements. On September 5, 2025, the Company completed its divestiture of its ownership in Centuri and no longer retains any governance or consent rights over the actions of Centuri under the Separation Agreement. The Company used a portion of the \$1.3 billion in proceeds from the Centuri sale transactions in 2025 for the repayment of outstanding indebtedness, dividends to stockholders, and expects to use the remainder for general corporate purposes, including support for future capital investments at Southwest Gas, as well as the potential 2028 expansion of Great Basin, and future dividend payments to stockholders that would otherwise be funded by Southwest Gas.

Credit Ratings

Credit ratings apply to debt securities, which constitute a significant portion of total capitalization, such as bonds, notes, and other debt instruments, and do not apply to equity securities such as common stock. Borrowing costs and the ability to raise funds are directly impacted by the credit ratings of the Company. Credit ratings issued by nationally recognized ratings agencies (Moody's, S&P, and Fitch) provide a method for determining the creditworthiness of an issuer. These credit ratings are a factor considered by lenders when determining the cost of current and future debt for each debt obligor (i.e., generally the better the rating, the lower the cost to borrow funds). The current unsecured long-term debt ratings of the Company and Southwest Gas are considered investment grade.

A credit rating, including the foregoing, is not a recommendation to buy, sell, or hold a debt security but is intended to provide an estimation of the relative level of credit risk of debt securities and is subject to change or withdrawal at any time by the rating agency. Numerous factors, including many that are not within management's control, are considered by the ratings agencies in connection with the assigning of credit ratings.

	Moody's ⁽¹⁾	Standard & Poor's ⁽²⁾	Fitch ⁽³⁾
Southwest Gas Holdings, Inc.:			
Issuer rating	Baa2	BBB+	BBB
Outlook	Stable	Stable	Stable
Last reaffirmed	April 2025	September 2025	August 2025
Southwest Gas Corporation:			
Senior unsecured long-term debt	Baa1	BBB+	A-
Outlook	Stable	Stable	Stable
Last reaffirmed	April 2025	September 2025	August 2025

⁽¹⁾ Moody's debt ratings range from Aaa (highest rating possible) to C (lowest quality, usually in default). A numerical modifier of 1 (high end of the category) through 3 (low end of the category) is included with the rating to indicate the approximate rank of a company within the range.

⁽²⁾ S&P debt ratings range from AAA (highest rating possible) to D (obligation is in default). The ratings from 'AA' to 'CCC' may be modified by the addition of a plus "+" or minus "-" sign to show relative standing within the major rating categories.

⁽³⁾ Fitch debt ratings range from AAA (highest credit quality) to D (defaulted debt obligation). The modifiers "+" or "-" may be appended to a rating to denote relative status within major rating categories.

None of Southwest Gas' debt instruments have credit triggers or other clauses that result in default if these bond ratings are lowered by rating agencies. Interest and fees on certain debt instruments are subject to adjustment depending on Southwest Gas' bond ratings. Certain debt instruments are subject to a leverage ratio cap and the 6.1% Notes due 2041 are also subject to a minimum net worth requirement. At December 31, 2025, Southwest Gas was in compliance with all of its covenants. Under the most restrictive of the financial covenants, approximately \$4.7 billion in additional debt could be issued and the leverage ratio requirement would still be met. At least \$3.0 billion of cushion in equity relating to the minimum net worth requirement exists at December 31, 2025. No specific limitations as to dividends exist under the collective covenants. None of the debt instruments contain material adverse change clauses.

At December 31, 2025, Southwest Gas Holdings was also in compliance with all of the covenants of its credit facility. The credit facility is subject to a leverage ratio cap. Under the most restrictive of the financial covenants, approximately \$5.7 billion in additional debt could be issued while still meeting the leverage ratio requirement. No specific limitations as to dividends exist under the collective covenants. The credit facility and term loan agreements do not contain material adverse change clauses.

Inflation

Inflation can impact results of operations for each of the Company's business segments and, while the level of increase has waned over the past year, the level of improvement is only in relation to the multi-decade high inflation in 2022. Labor, employee benefits, fuel, natural gas, professional services, and construction costs are the categories most significantly impacted by inflation. Changes to the cost of gas are generally recovered through PGA mechanisms and do not directly impact earnings overall; indirect impacts primarily result from interest carrying charges on accumulated PGA balances, or through borrowing costs incurred to fund purchases or to repay overcollected PGA balances. Labor, employee benefits, and professional services are components of the cost of service, and gas infrastructure costs are the primary component of utility rate base. In order to recover increased costs and earn a fair return on rate base, general rate cases or other procedural filings are made by our regulated operations, when deemed necessary, for review and approval by regulatory authorities. Regulatory lag, that is the time between the date increased costs are incurred and the time such increases are recovered through the ratemaking process, can negatively impact earnings. See **Rates and Regulatory Proceedings** for a discussion of recent rate case proceedings.

Contractual Obligations

Our largest contractual obligations as of December 31, 2025, consisted of:

- Debt-related obligations for scheduled principal payments, other borrowings, and interest payments over the life of the debt. Debt obligations are included in our consolidated balance sheets. See **Note 9 - Debt** for additional information.
- Southwest Gas has gas purchase obligations that include fixed-price and variable-rate gas purchase contracts. Variable-rate contracts reflect minimum contractual obligations with estimation in pricing based on market information. Actual future variable-rate purchase commitments may vary depending on market prices at the time of delivery and values may change significantly from their estimated amounts. Certain other variable-rate contracts allow for variability in quantities for which associated demand charges are included in the gas purchase obligations based on the maximum daily quantities available under the contracts. As of December 31, 2025, gas purchase obligations of \$175.1 million are payable within the next 12 months.

- Southwest Gas has pipeline capacity and storage contracts for firm transportation service, both on a short- and long-term basis with several companies in all of its service territories, some with terms extending to 2050. Southwest Gas also has interruptible contracts in place that allow additional capacity to be acquired should an unforeseen need arise. Costs associated with these pipeline capacity contracts, similar to gas purchase/supply arrangements, are a component of the cost of gas sold and are recovered from customers primarily through the PGA mechanisms. As of December 31, 2025, pipeline capacity and storage obligations of \$108.8 million are payable within 12 months.
- Other commitments associated with noncancellable obligations consist primarily of software licensing, equipment, outsourced processing subscriptions, and operating and/or maintenance agreements, as applicable. These agreements generally range from one to five years. As of December 31, 2025, other commitment obligations totaled \$39.8 million and \$23.8 million are payable within 12 months.
- Estimated funding for pension and other postretirement benefits during calendar year 2026 is \$23.5 million. Funding amounts for years beyond 2026 are not currently known.

Recently Issued Accounting Standards Updates

The FASB routinely issues ASUs. See **Note 2 - Summary of Significant Accounting Policies** for more information regarding these ASUs and their potential impact on the Company's and Southwest Gas' financial position, results of operations, and disclosures.

Application of Critical Accounting Policies and Estimates

A critical accounting policy is one that is very important to the portrayal of the financial condition and results of a company and requires the most difficult, subjective, or complex judgments of management. The need to make estimates about the effect of items that are uncertain is what makes these judgments difficult, subjective, and/or complex. Management makes subjective judgments about the accounting and regulatory treatment of many items and bases its estimates on historical experience and on various other assumptions that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments. These estimates may change as new events occur, as more experience is acquired, as additional information is obtained, and as the operating environment changes. While management may make many estimates and judgments, many would not be materially altered, or provide a material impact to the financial statements taken as a whole, if different estimates or means of estimation were employed. The following are accounting policies that are deemed critical to the financial statements. For more information regarding significant accounting policies, see notes to the consolidated financial statements.

Regulatory Accounting

Natural gas distribution operations are subject to the specific regulation of the ACC, PUCN, CPUC, or the FERC, as applicable. The accounting policies of the Company and Southwest Gas conform to U.S. GAAP applicable to rate-regulated entities and reflect the effects of the ratemaking process. As such, the Company and Southwest Gas are allowed to defer, as regulatory assets, costs that otherwise would be expensed, if it is probable that future recovery from customers (subject to our rate-regulated operations) will occur. Companies are also permitted to recognize as regulatory assets amounts associated with various revenue decoupling mechanisms as long as the conditions for recognition of alternative revenue programs permitted under U.S. GAAP continue to be met. Management reviews the regulatory assets to assess their ultimate recoverability within the approved regulatory guidelines. If rate recovery is no longer probable, due to competition or the actions of regulators, write-off of the related regulatory asset (which would be recognized as current-period expense) is required. Regulatory liabilities are recorded if it is probable that revenues will be reduced for amounts that will be refunded to customers through the ratemaking process. The timing and inclusion of costs in rates is often delayed (regulatory lag) and results in a reduction of current-period earnings. Discontinuing the application of this method of accounting for regulatory assets and liabilities or changes in the accounting for our various regulatory mechanisms could significantly increase our operating expenses as fewer costs would likely be capitalized or deferred on the balance sheet, which could reduce our net income. Factors influencing application of this policy include decisions of regulatory authorities, implementation of new regulations or regulatory mechanisms, assessing the probability of the recoverability of deferred costs, and continuing to meet the criteria of a rate regulated entity for accounting purposes. Refer also to **Note 5 - Regulatory Assets and Liabilities**.

Accrued Utility Revenues

Revenues related to the sale and/or delivery of natural gas are generally recorded when natural gas is delivered to customers. However, the determination of natural gas sales to individual customers is based on the reading of their meters, which is performed on a systematic basis throughout the month. At the end of each month, operating margin associated with natural gas service that has been provided but not yet billed is accrued. This accrued utility revenue is estimated each month based primarily on applicable rates, number of customers, rate structure, analyses reflecting significant historical trends, seasonality, and experience. The interplay of these assumptions can impact the variability of the accrued utility revenue estimates. Additionally, all Southwest Gas rate jurisdictions have decoupled rate structures, limiting variability due to extreme weather conditions.

Accounting for Income Taxes

The Company is subject to income taxes in the U.S. Income tax calculations require estimates due to known future effective income tax rate changes, book to tax differences, and uncertainty with respect to regulatory treatment of certain property items. The asset and liability method of accounting is utilized for income taxes. Under the asset and liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Regulatory tax assets and liabilities are recorded to the extent management believes they will be recoverable from, or refunded to, customers in future rates. Deferred tax assets and liabilities are measured using enacted income tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Management regularly assesses financial statement tax provisions to identify any change in the regulatory treatment or tax-related estimates, assumptions, or enacted income tax rates that could have a material impact on cash flows, financial position, and/or results of operations.

Accounting for Pensions and Other Postretirement Benefits

Southwest Gas has a noncontributory QRP with defined benefits covering substantially all employees hired on or before December 31, 2021. In addition, there is a separate unfunded supplemental retirement plan which is limited to officers hired on or before December 31, 2021. Pension obligations and costs for these plans are affected by the amount and timing of cash contributions to the plans, the return on plan assets, discount rates, and by employee demographics, including age, compensation, and length of service. Changes made to the provisions of the plans may also impact current and future pension costs. Actuarial formulas are used in the determination of pension obligations and costs and are affected by actual plan experience and assumptions about future experience. Key actuarial assumptions include, the expected return on plan assets, the discount rate used in determining the projected benefit obligation and pension costs, and the assumed rate of increase in employee compensation. Relatively small changes in these assumptions (particularly the discount rate) may significantly affect pension obligations and costs for these plans. For example, a change of 0.25% in the discount rate assumption would change the pension plan projected benefit obligation by approximately \$39.0 million and pension expense by \$4.0 million. A change of 0.25% in the employee compensation assumption would change the pension obligation by approximately \$8.0 million and pension expense by \$2.0 million. A 0.25% change in the expected asset return assumption would change the pension expense by approximately \$3.0 million (but would have no impact on the pension obligation). Beginning in 2024, a treasury futures overlay hedging strategy was implemented, intending to mitigate the impact of changes in the discount rate over time and thus reducing the pension plan's overall sensitivity to changes in interest rates as well as to lessen volatility in the plan's funded status. However, there is no guarantee that the mechanism implemented will achieve these results.

Given the recent interest rate environment applicable to long-term high-quality corporate bonds, which are utilized by Southwest Gas in selecting a discount rate based on relevant provisions in U.S. GAAP, the discount rate applicable to the pension plan remained the same at 5.75% as of December 31, 2025 and 2024, respectively. The methodology utilized to determine the discount rate was consistent with prior years. A decrease in the discount rate increases the pension obligation in the current year and expense in the year ahead; funding levels, among other items, are also impactful. Southwest Gas maintained the return on assets expected over the long term at 7.00%, which was supported by available data. The salary escalation assumption was left unchanged at 3.50% given recent and expected salary changes and market conditions over a longer-term horizon. Southwest Gas plans to slightly decrease its funding in 2026 compared to 2025, with the intention to provide a strong funded ratio overall for participants, while also striving to avoid a significantly overfunded position in the future. The pension is approximately 102% funded as of December 31, 2025, and due to the foregoing updated conditions, including amortization of actuarial gains/losses, pension expense is expected to be higher in 2026 by approximately \$10.4 million. The funded status improved in 2025 compared to 2024, including impacts from the change in the discount rate, and is forecasted to improve further in the future using the current assumptions outlined above and management's funding expectations. However, the funded status and expense levels in the future will continue to be influenced by, as applicable, long-term discount rates, the treasury futures hedging overlay, asset returns, and plan funding by Southwest Gas.

Certifications

The SEC requires the filing of certifications of the CEO and CFO of registrants regarding reporting accuracy, disclosure controls and procedures, and internal control over financial reporting as exhibits to periodic filings. The CEO and CFO certifications for the period ended December 31, 2025, are included as exhibits to this Annual Report on Form 10-K filed with the SEC.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to various forms of market risk, including commodity price risk, rate design risk, and interest rate risk. The following describes our exposure to these risks.

Commodity Price Risk

In managing its natural gas supply portfolios, Southwest Gas has historically entered into short duration (generally one year or less) fixed-price contracts for its California rate jurisdictions as well as variable-price contracts (firm and spot) for all its rate jurisdictions. Southwest Gas has experienced price volatility over the past several years and such volatility could continue into 2026 and beyond.

Southwest Gas is protected financially from commodity price risk by deferred energy or PGA mechanisms in each of its jurisdictions. These mechanisms generally allow Southwest Gas to defer over- or under-collections of gas costs to PGA balancing accounts. With regulatory approval, Southwest Gas can either refund amounts over-collected or recoup amounts under-collected in future periods. In addition to the PGA mechanism, Southwest Gas has historically utilized a Volatility Mitigation Program attempting to further reduce price volatility for its California rate jurisdiction customers. During 2025, Southwest Gas continued to fix the price on a portion of its California natural gas portfolios using fixed-price contracts. Southwest Gas does not currently plan to make fixed-price term or financial swap purchases broadly for the Arizona or Nevada jurisdictions; however, it will continue to make fixed-price purchases for the California jurisdictions and will monitor conditions and otherwise work collaboratively with regulators to address any changes to these plans.

Southwest Gas' natural gas purchasing practices are subject to prudence reviews by the various regulatory bodies in each jurisdiction. PGA changes affect cash flows and potentially short-term borrowing requirements but do not directly impact profit margin.

Rate Design Risk

Rate design is the primary mechanism available to Southwest Gas to mitigate weather risk. All of Southwest Gas' service territories have decoupled rate structures which mitigate weather risk. In California, CPUC regulations allow Southwest Gas to decouple operating margin from usage and offset weather risk based on monthly margin levels. In Arizona and Nevada, a decoupled rate structure applies to most customer classes based on monthly margin per customer benchmarks. All such mechanisms provide stability in annual operating margin by insulating Southwest Gas from variations in customer usage associated with abnormal weather conditions (including margin protection during warm weather and limits on margin during cold weather). Southwest Gas is not assured that decoupled rate structures will continue to be supported in future rate cases.

Similarly, Southwest Gas has in place ongoing infrastructure replacement protocols for certain pipe replacement activity. These programs are designed to mitigate the financial attrition associated with pipe replacement activity between rate cases by providing for the recovery of and return on eligible expenditures. The programs have historically included the replacement of Early Vintage Plastic Pipe, Vintage Steel Pipe, and COYL, in addition to programs for the conversion of master-metered mobile home parks to individually metered mobile homes. More recently, Southwest Gas received approval of the SIM, a capital tracker designed to support non-revenue producing code and regulatory-related infrastructure replacements proposed in its 2023 Arizona general rate case. It is not assured that currently approved programs will continue to be supported in future regulatory proceedings nor that requested programs will be approved.

Interest Rate Risk

Changes in interest rates could adversely affect earnings or cash flows. The primary interest rate risks for the Company are the risk of increasing interest rates on variable-rate obligations and the risk of increasing interest rates between the time of an anticipated debt offering and the time of actual issuance. Interest rate risk sensitivity analysis is used to measure this risk by computing estimated changes in cash flows as a result of assumed changes in market interest rates. In Nevada, fluctuations in interest rates on \$150.0 million of variable-rate tax-exempt IDRBS are tracked and recovered from customers through a variable interest rate expense recovery mechanism, which mitigates risk to earnings and cash flows from interest rate fluctuations on these IDRBS.

The following table represents the variable rate debt as of December 31, 2025 and 2024 and interest rate sensitivity analysis for a hypothetical 1% change in interest rates, assuming a constant outstanding balance in such debt over the next twelve months:

(Millions of dollars)	<u>2025</u>	<u>Increase/Decrease in Interest Expense from 1% Rate Change</u>	<u>2024</u>	<u>Increase/Decrease in Interest Expense from 1% Rate Change</u>
Variable Rate Debt:				
Southwest Gas ⁽¹⁾	\$ 50.0	\$ 0.50	\$ 50.0	\$ 0.50
Corporate	—	—	680.0	6.80
Discontinued Operations	—	—	819.9	8.20
Total Southwest Gas Holdings, Inc.	<u>\$ 50.0</u>	<u>\$ 0.50</u>	<u>\$ 1,549.9</u>	<u>\$ 15.50</u>

⁽¹⁾ Excludes the IDRBs noted above.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The following financial statements and reports are included in Item 8.

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Southwest Gas Holdings, Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Southwest Gas Holdings, Inc. and its subsidiaries (the "Company") as of December 31, 2025 and 2024, and the related consolidated statements of income, of comprehensive income, of equity and of cash flows for each of the three years in the period ended December 31, 2025, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company did not maintain, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO because a material weakness in internal control over financial reporting existed as of that date related to not designing an effective control to assess the impact on estimated future state tax apportionment rates upon a significant change in the business and structure in interim periods.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis. The material weakness referred to above is described in Management's Report on Internal Control Over Financial Reporting for the Company appearing under Item 9A. We considered this material weakness in determining the nature, timing, and extent of audit tests applied in our audit of the 2025 consolidated financial statements, and our opinion regarding the effectiveness of the Company's internal control over financial reporting does not affect our opinion on those consolidated financial statements.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in management's report referred to above. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Regulatory Assets and Liabilities

As described in Note 5 to the consolidated financial statements, the Company's net regulatory liabilities were \$676 million as of December 31, 2025. The Company is subject to the regulation of the Arizona Corporation Commission, the Public Utilities Commission of Nevada, the California Public Utilities Commission, and the Federal Energy Regulatory Commission. Accounting treatment for rate-regulated entities allows for deferral as regulatory assets, costs that otherwise would be expensed, if it is probable that future recovery from customers will occur. If rate recovery is no longer probable, due to competition or the actions of regulators, the related regulatory asset is required to be written-off. Regulatory liabilities are recorded if it is probable that revenues will be reduced for amounts that will be refunded to customers through the ratemaking process.

The principal considerations for our determination that performing procedures relating to regulatory assets and liabilities is a critical audit matter are a high degree of auditor effort in performing procedures and evaluating audit evidence related to the probability of recovery of regulatory assets and refund of regulatory liabilities.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's assessment of regulatory proceedings, including controls over the probability of recovery of regulatory assets, refund of regulatory liabilities, and the related accounting and disclosure impacts. These procedures also included, among others (i) obtaining the Company's correspondence with regulators; (ii) evaluating the reasonableness of management's assessment regarding the probability of recovery of regulatory assets and refund of regulatory liabilities; and (iii) testing regulatory assets and liabilities on a sample basis, based on the provisions and formulas outlined in rate orders and other regulatory correspondence.

/s/ PricewaterhouseCoopers LLP
Las Vegas, Nevada
February 25, 2026

We have served as the Company's or its predecessor's auditor since 2002.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholder of Southwest Gas Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Southwest Gas Corporation and its subsidiaries (the "Company") as of December 31, 2025 and 2024, and the related consolidated statements of income, of comprehensive income, of equity and of cash flows for each of the three years in the period ended December 31, 2025, including the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Regulatory Assets and Liabilities

As described in Note 5 to the consolidated financial statements, the Company's net regulatory liabilities were \$676 million as of December 31, 2025. The Company is subject to the regulation of the Arizona Corporation Commission, the Public Utilities Commission of Nevada, the California Public Utilities Commission, and the Federal Energy Regulatory Commission. Accounting treatment for rate-regulated entities allows for deferral as regulatory assets, costs that otherwise would be expensed, if it is probable that future recovery from customers will occur. If rate recovery is no longer probable, due to competition or the actions of regulators, the related regulatory asset is required to be written-off. Regulatory liabilities are recorded if it is probable that revenues will be reduced for amounts that will be refunded to customers through the ratemaking process.

The principal considerations for our determination that performing procedures relating to regulatory assets and liabilities is a critical audit matter are a high degree of auditor effort in performing procedures and evaluating audit evidence related to the probability of recovery of regulatory assets and refund of regulatory liabilities.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's assessment of regulatory proceedings, including controls over the probability of recovery of regulatory assets, refund of regulatory liabilities, and the related accounting and disclosure impacts. These procedures also included, among others (i) obtaining the Company's correspondence with regulators; (ii) evaluating the reasonableness of management's assessment regarding the probability of recovery of regulatory assets and refund of regulatory liabilities; and (iii) testing regulatory assets and liabilities on a sample basis, based on the provisions and formulas outlined in rate orders and other regulatory correspondence.

/s/ PricewaterhouseCoopers LLP
Las Vegas, Nevada
February 25, 2026

We have served as the Company's auditor since 2002.

SOUTHWEST GAS HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(In thousands, except par value and share amounts)

	December 31,	
	2025	2024
ASSETS		
Regulated operations plant:		
Gas plant	\$ 11,517,031	\$ 10,844,895
Less: accumulated depreciation	(3,063,363)	(2,914,457)
Construction work in progress	236,871	178,647
Net regulated operations plant	8,690,539	8,109,085
Other property and investments, net	178,826	165,448
Current assets:		
Cash and cash equivalents	576,645	314,770
Accounts receivable, net of allowances	170,601	203,012
Accrued utility revenue	101,600	96,600
Income taxes receivable, net	9,611	—
Deferred purchased gas costs	5,214	13,807
Materials, supplies & gas inventories	93,823	93,755
Prepaid and other current assets	234,598	141,017
Current assets classified as discontinued operations	—	601,384
Total current assets	1,192,092	1,464,345
Noncurrent assets:		
Goodwill	11,155	11,155
Deferred charges and other assets	356,865	395,747
Noncurrent assets classified as discontinued operations	—	1,927,126
Total noncurrent assets	368,020	2,334,028
Total assets	<u>\$ 10,429,477</u>	<u>\$ 12,072,906</u>
CAPITALIZATION AND LIABILITIES		
Capitalization:		
Common stock, \$1 par (authorized – 120,000,000 shares; issued and outstanding – 72,224,593 and 71,782,756 shares)	\$ 73,854	\$ 73,413
Additional paid-in capital	2,898,965	2,721,343
Accumulated other comprehensive loss, net	(34,546)	(49,218)
Retained earnings	1,022,846	758,649
Total equity attributable to Southwest Gas Holdings, Inc. stockholders	3,961,119	3,504,187
Noncontrolling interest	—	177,235
Total equity	3,961,119	3,681,422
Redeemable noncontrolling interest	—	7,660
Long-term debt, less current maturities	3,433,012	3,504,477
Total capitalization	7,394,131	7,193,559
Commitments and contingencies (Note 15)		
Current liabilities:		
Current maturities of long-term debt	75,000	—
Short-term debt	—	680,000
Accounts payable	225,732	190,918
Customer deposits	67,249	63,876
Accrued general taxes	54,384	59,353
Accrued interest	35,319	35,668
Deferred purchased gas costs	310,085	255,398
Dividends declared	44,779	44,505
Other current liabilities	117,350	119,357
Current liabilities of discontinued operations	—	382,892
Total current liabilities	929,898	1,831,967
Deferred income taxes and other credits:		
Deferred income taxes and investment tax credits, net	977,312	857,982
Accumulated removal costs	496,000	472,000
Other deferred credits and other long-term liabilities	632,136	700,672
Noncurrent liabilities classified as discontinued operations	—	1,016,726
Total deferred income taxes and other credits	2,105,448	3,047,380
Total capitalization and liabilities	<u>\$ 10,429,477</u>	<u>\$ 12,072,906</u>

The accompanying notes are an integral part of these statements.

SOUTHWEST GAS HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share amounts)

	Year Ended December 31,		
	2025	2024	2023
Operating revenues:			
Regulated operations revenues	\$ 1,940,380	\$ 2,475,216	\$ 2,534,696
Total operating revenues	<u>1,940,380</u>	<u>2,475,216</u>	<u>2,534,696</u>
Operating expenses:			
Net cost of gas sold	497,636	1,150,005	1,253,269
Operations and maintenance	544,064	526,679	533,009
Depreciation and amortization	330,724	303,095	295,462
Taxes other than income taxes	94,070	88,965	88,751
Goodwill impairment and loss on sale	—	—	71,230
Total operating expenses	<u>1,466,494</u>	<u>2,068,744</u>	<u>2,241,721</u>
Operating income	<u>473,886</u>	<u>406,472</u>	<u>292,975</u>
Other income and (expenses):			
Net interest deductions	(203,081)	(206,528)	(194,810)
Other income (deductions)	60,068	54,192	71,239
Total other income and (expenses)	<u>(143,013)</u>	<u>(152,336)</u>	<u>(123,571)</u>
Income from continuing operations before income taxes	330,873	254,136	169,404
Income tax expense	96,037	33,157	29,410
Income from continuing operations	<u>234,836</u>	<u>220,979</u>	<u>139,994</u>
Income (loss) from discontinued operations, net of income tax	<u>200,344</u>	<u>(16,143)</u>	<u>15,523</u>
Net income	435,180	204,836	155,517
Net income (loss) attributable to noncontrolling interests	(4,646)	6,021	4,628
Net income attributable to Southwest Gas Holdings, Inc.	<u>\$ 439,826</u>	<u>\$ 198,815</u>	<u>\$ 150,889</u>
Earnings (loss) per share attributable to Southwest Gas Holdings, Inc.:			
Continuing operations	\$ 3.25	\$ 3.08	\$ 1.98
Discontinued operations	2.84	(0.31)	0.15
Net earnings per share - basic	<u>\$ 6.09</u>	<u>\$ 2.77</u>	<u>\$ 2.13</u>
Diluted earnings (loss) per share:			
Continuing operations	\$ 3.25	\$ 3.07	\$ 1.98
Discontinued operations	2.83	(0.31)	0.15
Net earnings per share - diluted	<u>\$ 6.08</u>	<u>\$ 2.76</u>	<u>\$ 2.13</u>
Weighted average shares:			
Basic	72,162	71,841	70,787
Diluted	72,337	72,032	70,990

The accompanying notes are an integral part of these statements.

SOUTHWEST GAS HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)

	Year Ended December 31,		
	2025	2024	2023
Net income	\$ 435,180	\$ 204,836	\$ 155,517
Other comprehensive income (loss), net of tax			
Defined benefit pension plans:			
Net actuarial gain (loss), net of tax expense (benefit) of \$13,114, \$1,162 and \$(765), respectively	41,526	3,680	(2,423)
Amortization of prior service cost, net of tax expense of \$42, \$42 and \$42, respectively	133	133	133
Amortization of net actuarial loss, net of tax expense of \$906, \$1,834 and \$319, respectively	2,869	5,807	1,014
Regulatory adjustment, net of tax benefit of \$(12,844), \$(2,360) and \$(319), respectively	(40,673)	(7,473)	(1,011)
Net defined benefit pension plans, net of tax	3,855	2,147	(2,287)
Other comprehensive income (loss) related to discontinued operations	5,153	(10,123)	2,742
Total other comprehensive income (loss), net of tax	9,008	(7,976)	455
Comprehensive income	444,188	196,860	155,972
Comprehensive income (loss) attributable to noncontrolling interests	(4,357)	4,680	4,628
Comprehensive income attributable to Southwest Gas Holdings, Inc.	\$ 448,545	\$ 192,180	\$ 151,344

The accompanying notes are an integral part of these statements.

SOUTHWEST GAS HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Year Ended December 31,		
	2025	2024	2023
CASH FLOW FROM OPERATING ACTIVITIES:			
Net income	\$ 435,180	\$ 204,836	\$ 155,517
Less: Income (loss) from discontinued operations, net of income tax	200,344	(16,143)	15,523
Income from continuing operations, net of income tax	234,836	220,979	139,994
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	330,724	303,095	295,462
Impairment of assets and other charges	—	—	71,230
Deferred income taxes	118,112	57,730	59,392
Gains on sale of property and equipment	(1,604)	—	(136)
Share-based compensation expense	14,631	11,372	6,228
Equity AFUDC	(5,809)	(6,597)	(1,951)
Changes in current assets and liabilities:			
Accounts receivable, net of allowances	32,411	66,275	(38,387)
Accrued utility revenue	(5,000)	(3,600)	(4,900)
Deferred purchased gas costs	63,280	706,896	177,177
Accounts payable	13,172	(20,006)	(256,399)
Accrued taxes	(20,460)	2,152	(5,386)
Other current assets and liabilities	(97,689)	(57,160)	16,837
Changes in deferred charges and other assets	(62,028)	(47,914)	(32,046)
Changes in other liabilities and deferred credits	(20,415)	(27,890)	(76,610)
Net cash provided by operating activities of continuing operations	594,161	1,205,332	350,505
Net cash provided by (used in) operating activities of discontinued operations	(38,085)	150,448	158,706
Net cash provided by operating activities	\$ 556,076	\$ 1,355,780	\$ 509,211
CASH FLOW FROM INVESTING ACTIVITIES:			
Capital expenditures and property additions	(807,866)	(846,590)	(765,871)
Proceeds from the sale of business, net of cash sold	—	—	1,022,483
Proceeds from the sale of property	5,306	21,377	—
Changes in customer advances	2,023	(5,995)	(8,905)
Other	(955)	(985)	(1,891)
Net cash provided by (used in) investing activities of continuing operations	(801,492)	(832,193)	245,816
Net cash provided by (used in) investing activities of discontinued operations ⁽¹⁾	776,678	(89,375)	(94,850)
Net cash provided by (used in) investing activities	(24,814)	(921,568)	150,966
CASH FLOW FROM FINANCING ACTIVITIES:			
Issuance of common stock, net	19,727	8,884	251,759
Dividends paid	(178,509)	(177,628)	(174,574)
Issuance of long-term debt, net	—	—	847,759
Change in short-term portion of credit facility	(130,000)	51,500	(94,000)
Change in long-term credit facility and commercial paper	—	—	(50,000)
Issuance of short-term debt	—	—	450,000
Repayment of short-term debt	(550,000)	—	(1,822,748)
Withholding remittance – share-based compensation	(3,063)	(2,677)	(1,777)
Other, including principal payments on finance leases	(4,678)	(3,656)	(3,768)
Net cash used in financing activities of continuing operations	(846,523)	(123,577)	(597,349)
Net cash provided by (used in) financing activities of discontinued operations	528,244	(52,758)	(103,446)
Net cash used in financing activities	(318,279)	(176,335)	(700,795)

	Year Ended December 31,		
	2025	2024	2023
Effects of currency translation in discontinued operations	(127)	(624)	273
Change in cash and cash equivalents, including discontinued operations	212,856	257,253	(40,345)
Change in cash and cash equivalents included in current assets held for sale	—	—	23,803
Cash and cash equivalents, including discontinued operations, at beginning of period	363,789	106,536	123,078
Cash and cash equivalents, including discontinued operations, at end of period	<u>\$ 576,645</u>	<u>\$ 363,789</u>	<u>\$ 106,536</u>

⁽¹⁾ Includes change in cash and cash equivalent of Centuri of \$49 million for the year ended December 31, 2025.

SUPPLEMENTAL INFORMATION:

Interest paid, net of amounts capitalized - continuing operations	\$ 196,875	\$ 200,623	\$ 184,284
Interest paid, net of amounts capitalized - discontinued operations	43,300	78,265	98,342
Interest paid, net of amounts capitalized	<u>\$ 240,175</u>	<u>\$ 278,888</u>	<u>\$ 282,626</u>
Increase (decrease) of capital expenditures in Accounts payable or Other current liabilities- continuing operations	\$ 25,800	\$ (6,100)	\$ (22,753)
Increase (decrease) of capital expenditures in Accounts payable or Other current liabilities - discontinued operations	(9,186)	(2,605)	5,698
Increase (decrease) of capital expenditures in Accounts payable or Other current liabilities	<u>\$ 16,614</u>	<u>\$ (8,705)</u>	<u>\$ (17,055)</u>
Equity AFUDC capitalized in regulated operations plant - continuing operations	\$ 5,809	\$ 6,597	\$ 1,951
Equity AFUDC capitalized in regulated operations plant - discontinued operations	—	—	—
Equity AFUDC capitalized in regulated operations plant	<u>\$ 5,809</u>	<u>\$ 6,597</u>	<u>\$ 1,951</u>

The accompanying notes are an integral part of these statements.

SOUTHWEST GAS HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EQUITY
(In thousands, except per share amounts)

	Common stock shares		Additional Paid-in Capital	AOCI	Retained Earnings	Southwest Gas Holdings, Inc. Equity	Noncontrolling Interest	Total Equity
	Number of Shares	Stated Value						
Balance, December 31, 2022	67,119	\$ 68,749	\$ 2,287,183	\$ (44,242)	\$ 747,069	\$ 3,058,759	\$ —	\$ 3,058,759
Net income	—	—	—	—	150,889	150,889	—	150,889
Common stock issuances	4,445	4,445	254,557	—	—	259,002	—	259,002
Dividends declared (\$2.48 per share)	—	—	—	—	(178,485)	(178,485)	—	(178,485)
Promissory notes in association with redeemable noncontrolling interest	—	—	50	—	—	50	—	50
Foreign currency exchange translation adjustment	—	—	—	2,742	—	2,742	—	2,742
Net actuarial loss arising during period, less amortization of unamortized benefit plan cost, net of tax	—	—	—	(2,287)	—	(2,287)	—	(2,287)
Redemption value adjustments	—	—	—	—	19,366	19,366	—	19,366
Balance, December 31, 2023	71,564	73,194	2,541,790	(43,787)	738,839	3,310,036	—	3,310,036
Net income	—	—	—	—	198,815	198,815	—	198,815
Common stock issuances	219	219	21,360	—	—	21,579	—	21,579
Dividends declared (\$2.48 per share)	—	—	—	—	(178,811)	(178,811)	—	(178,811)
Promissory notes in association with redeemable noncontrolling interest	—	—	4,187	—	—	4,187	—	4,187
Centuri IPO	—	—	154,006	1,204	—	155,210	172,457	327,667
Net income attributable to noncontrolling interest holders	—	—	—	—	—	—	6,119	6,119
Foreign currency exchange translation adjustment	—	—	—	(8,782)	—	(8,782)	(1,341)	(10,123)
Net actuarial gain arising during period, less amortization of unamortized benefit plan cost, net of tax	—	—	—	2,147	—	2,147	—	2,147
Redemption value adjustments	—	—	—	—	(194)	(194)	—	(194)
Balance, December 31, 2024	71,783	73,413	2,721,343	(49,218)	758,649	3,504,187	177,235	3,681,422
Net income	—	—	—	—	439,826	439,826	—	439,826
Common stock issuances	441	441	36,835	—	—	37,276	—	37,276
Dividends declared (\$2.48 per share)	—	—	—	—	(179,845)	(179,845)	—	(179,845)
Centuri stock sales and other ⁽¹⁾	—	—	140,787	1,598	4,216	146,601	279,469	426,070
Centuri deconsolidation	—	—	—	4,355	—	4,355	(452,299)	(447,944)
Net income attributable to noncontrolling interest holders	—	—	—	—	—	—	(4,694)	(4,694)
Foreign currency exchange translation adjustment	—	—	—	4,864	—	4,864	289	5,153
Net actuarial gain arising during period, less amortization of unamortized benefit plan cost, net of tax	—	—	—	3,855	—	3,855	—	3,855
Balance, December 31, 2025	72,224	\$ 73,854	\$ 2,898,965	\$ (34,546)	\$ 1,022,846	\$ 3,961,119	\$ —	\$ 3,961,119

⁽¹⁾ Includes the impact of the contributed Tax Assets - see **Note 13 - Dispositions**.

The accompanying notes are an integral part of these statements.

SOUTHWEST GAS CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(In thousands)

	December 31,	
	2025	2024
ASSETS		
Regulated operations plant:		
Gas plant	\$ 11,517,031	\$ 10,844,895
Less: accumulated depreciation	(3,063,363)	(2,914,457)
Construction work in progress	236,871	178,647
Net regulated operations plant	8,690,539	8,109,085
Other property and investments, net	169,947	159,678
Current assets:		
Cash and cash equivalents	56,408	311,073
Accounts receivable, net of allowance	170,524	200,847
Accrued utility revenue	101,600	96,600
Income taxes receivable, net	1,007	—
Deferred purchased gas costs	5,214	13,807
Receivable from parent	105,550	—
Materials, supplies, and gas inventories	93,823	93,755
Prepaid and other current assets	234,003	140,873
Total current assets	768,129	856,955
Noncurrent assets:		
Goodwill	11,155	11,155
Deferred charges and other assets	354,221	394,852
Total noncurrent assets	365,376	406,007
Total assets	\$ 9,993,991	\$ 9,531,725
CAPITALIZATION AND LIABILITIES		
Capitalization:		
Common stock	\$ 49,112	\$ 49,112
Additional paid-in capital	2,195,489	2,165,002
Accumulated other comprehensive loss, net	(34,546)	(38,401)
Retained earnings	1,314,911	1,059,773
Total equity	3,524,966	3,235,486
Long-term debt, less current maturities	3,433,012	3,504,477
Total capitalization	6,957,978	6,739,963
Commitments and contingencies (Note 15)		
Current liabilities:		
Current maturities of long-term debt	75,000	—
Accounts payable	225,337	192,609
Customer deposits	67,249	63,876
Accrued general taxes	54,384	59,353
Accrued interest	35,319	35,460
Deferred purchased gas costs	310,085	253,401
Payable to parent	—	370
Dividends declared	—	44,600
Other current liabilities	117,350	119,357
Total current liabilities	884,724	769,026
Deferred income taxes and other credits:		
Deferred income taxes and investment tax credits, net	1,027,921	854,249
Accumulated removal costs	496,000	472,000
Other deferred credits and other long-term liabilities	627,368	696,487
Total deferred income taxes and other credits	2,151,289	2,022,736
Total capitalization and liabilities	\$ 9,993,991	\$ 9,531,725

The accompanying notes are an integral part of these statements.

SOUTHWEST GAS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(In thousands)

	Year Ended December 31,		
	2025	2024	2023
Operating revenues:			
Regulated operations revenues	\$ 1,942,480	\$ 2,482,990	\$ 2,494,220
Operating expenses:			
Net cost of gas sold	497,636	1,157,364	1,251,367
Operations and maintenance	537,644	520,820	510,387
Depreciation and amortization	330,724	303,095	295,462
Taxes other than income taxes	94,070	88,965	87,261
Total operating expenses	<u>1,460,074</u>	<u>2,070,244</u>	<u>2,144,477</u>
Operating income	<u>482,406</u>	<u>412,746</u>	<u>349,743</u>
Other income and (expenses):			
Net interest deductions	(181,677)	(162,257)	(149,830)
Other income (deductions)	52,402	54,276	70,661
Total other income and (expenses)	<u>(129,275)</u>	<u>(107,981)</u>	<u>(79,169)</u>
Income before income taxes	<u>353,131</u>	<u>304,765</u>	<u>270,574</u>
Income tax expense	<u>52,823</u>	<u>42,669</u>	<u>42,162</u>
Net income	<u>\$ 300,308</u>	<u>\$ 262,096</u>	<u>\$ 228,412</u>

The accompanying notes are an integral part of these statements.

SOUTHWEST GAS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)

	Year Ended December 31,		
	2025	2024	2023
Net income	\$ 300,308	\$ 262,096	\$ 228,412
Other comprehensive income (loss), net of tax			
Defined benefit pension plans:			
Net actuarial gain (loss), net of tax expense (benefit) of \$13,114, \$1,162 and \$(765), respectively	41,526	3,680	(2,423)
Amortization of prior service cost, net of tax expense of \$42, \$42 and \$42, respectively	133	133	133
Amortization of net actuarial loss, net of tax expense of \$906, \$1,834 and \$319, respectively	2,869	5,807	1,014
Regulatory adjustment, net of tax benefit of \$(12,844), \$(2,360) and \$(319), respectively	(40,673)	(7,473)	(1,011)
Net defined benefit pension plans, net of tax	3,855	2,147	(2,287)
Total other comprehensive income (loss), net of tax	3,855	2,147	(2,287)
Comprehensive income	<u>\$ 304,163</u>	<u>\$ 264,243</u>	<u>\$ 226,125</u>

The accompanying notes are an integral part of these statements.

SOUTHWEST GAS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Year Ended December 31,		
	2025	2024	2023
CASH FLOW FROM OPERATING ACTIVITIES:			
Net income	\$ 300,308	\$ 262,096	\$ 228,412
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	330,724	303,095	295,462
Deferred income taxes	172,454	68,954	71,874
Gain on sale of property	(1,604)	—	(136)
Share-based compensation expense	12,989	10,022	4,877
Equity AFUDC	(5,809)	(6,597)	(1,869)
Changes in current assets and liabilities:			
Accounts receivable, net of allowances	30,322	68,348	(35,114)
Accrued utility revenue	(5,000)	(3,600)	(4,900)
Deferred purchased gas costs	65,277	714,958	188,226
Accounts payable	11,086	(19,735)	(253,239)
Accrued taxes	(6,043)	1,393	(8,964)
Receivable from parent	(105,550)	—	2,130
Other current assets and liabilities	(97,340)	(67,791)	19,859
Changes in deferred charges and other assets	(62,003)	(50,216)	(38,975)
Changes in other liabilities and deferred credits	(20,996)	(27,945)	(76,098)
Net cash provided by operating activities	<u>618,815</u>	<u>1,252,982</u>	<u>391,545</u>
CASH FLOW FROM INVESTING ACTIVITIES:			
Capital expenditures and property additions	(807,866)	(846,590)	(762,081)
Proceeds from the sale of property	5,306	21,377	—
Changes in customer advances	2,023	(5,995)	(8,905)
Other	2,199	115	414
Net cash used in investing activities	<u>(798,338)</u>	<u>(831,093)</u>	<u>(770,572)</u>
CASH FLOW FROM FINANCING ACTIVITIES:			
Contributions from parent	20,000	—	530,000
Dividends paid	(89,209)	(178,000)	(150,900)
Issuance of long-term debt, net	—	—	297,759
Change in long-term credit facility and commercial paper	—	—	(50,000)
Issuance of short-term debt	—	—	450,000
Repayment of short-term debt	—	—	(675,000)
Withholding remittance – share-based compensation	(3,064)	(2,199)	(1,776)
Other, including principal payments on finance leases	(2,869)	(1,771)	(1,725)
Net cash provided by (used in) financing activities	<u>(75,142)</u>	<u>(181,970)</u>	<u>398,358</u>
Change in cash and cash equivalents	(254,665)	239,919	19,331
Cash and cash equivalents at beginning of period	311,073	71,154	51,823
Cash and cash equivalents at end of period	<u>\$ 56,408</u>	<u>\$ 311,073</u>	<u>\$ 71,154</u>
SUPPLEMENTAL INFORMATION:			
Interest paid, net of amounts capitalized	<u>\$ 176,958</u>	<u>\$ 156,998</u>	<u>\$ 139,747</u>
Increase (decrease) of capital expenditures in Accounts payable or Other current liabilities	<u>\$ 25,800</u>	<u>\$ (6,100)</u>	<u>\$ (20,900)</u>
Equity AFUDC capitalized in regulated operations plant	<u>\$ 5,809</u>	<u>\$ 6,597</u>	<u>\$ 1,869</u>

The accompanying notes are an integral part of these statements.

SOUTHWEST GAS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EQUITY
(In thousands)

	Common stock shares		Additional Paid-in Capital	AOCI	Retained Earnings	Total Southwest Gas Corporation Equity
	Number of Shares	Stated Value				
Balance, December 31, 2022	47,482	\$ 49,112	\$ 1,622,969	\$ (38,261)	\$ 911,873	\$ 2,545,693
Net income	—	—	—	—	228,412	228,412
Dividends declared to Southwest Gas Holdings, Inc.	—	—	—	—	(158,600)	(158,600)
Share-based compensation	—	—	3,608	—	(507)	3,101
Contributions from Southwest Gas Holdings, Inc.	—	—	530,000	—	—	530,000
Net actuarial loss arising during period, less amortization of unamortized benefit plan cost, net of tax	—	—	—	(2,287)	—	(2,287)
Balance, December 31, 2023	47,482	49,112	2,156,577	(40,548)	981,178	3,146,319
Net income	—	—	—	—	262,096	262,096
Dividends declared to Southwest Gas Holdings, Inc.	—	—	—	—	(182,900)	(182,900)
Share-based compensation	—	—	8,425	—	(601)	7,824
Net actuarial gain arising during period, less amortization of unamortized benefit plan cost, net of tax	—	—	—	2,147	—	2,147
Balance, December 31, 2024	47,482	49,112	2,165,002	(38,401)	1,059,773	3,235,486
Net income	—	—	—	—	300,308	300,308
Dividends declared to Southwest Gas Holdings, Inc.	—	—	—	—	(44,609)	(44,609)
Contributions from Southwest Gas Holdings, Inc.	—	—	20,000	—	—	20,000
Share-based compensation	—	—	10,487	—	(561)	9,926
Net actuarial gain arising during period, less amortization of unamortized benefit plan cost, net of tax	—	—	—	3,855	—	3,855
Balance, December 31, 2025	47,482	\$ 49,112	\$ 2,195,489	\$ (34,546)	\$ 1,314,911	\$ 3,524,966

The accompanying notes are an integral part of these statements.

Note 1 - Background and Organization

Nature of Operations. This is a combined annual report of the Company and Southwest Gas. The combined notes to the consolidated financial statements apply to the Company and Southwest Gas unless otherwise described. Southwest Gas Holdings, a Delaware corporation, is a holding company owning all of the shares of common stock of Southwest Gas; until April 22, 2024, all of the shares of common stock of Centuri Holdings, Inc. (“Centuri”); and until February 14, 2023, all of the shares of common stock of MountainWest.

The Company’s businesses were managed within three separate reportable segments until February 2023, our Natural Gas Distribution segment (Southwest Gas), our Utility Infrastructure Services segment (Centuri), and our Pipeline and Storage segment (MountainWest). After February 2023, the businesses were managed within two reportable segments, our Natural Gas Distribution segment (Southwest Gas) and our Utility Infrastructure Services segment (Centuri) until August 2025. After August 2025, our business is solely comprised of our Natural Gas Distribution segment (see **Note 16 - Segment Information**).

Southwest Gas is engaged in the business of purchasing, distributing, and transporting natural gas for customers in portions of Arizona, Nevada, and California. Public utility rates, practices, facilities, and service territories of Southwest Gas are subject to regulatory oversight. The timing and amount of rate relief can materially impact results of operations. Natural gas purchases and the timing of related recoveries can materially impact liquidity. While mechanisms exist in all states in which Southwest Gas operates which decouple authorized operating cost recovery and profitability from the volume of natural gas sold, thereby also incentivizing energy conservation, results for the Natural Gas Distribution segment are higher during winter periods due to the seasonality incorporated in its regulatory rate structures.

In December 2022, the Company announced that its Board unanimously determined to take strategic actions to simplify the Company’s portfolio of businesses. These actions included entering into a definitive agreement to sell 100% of MountainWest in an all-cash transaction to Williams for \$1.5 billion in total enterprise value, subject to certain adjustments. The sale closed on February 14, 2023.

Also as part of this simplification strategy, the Company previously communicated that it would pursue a separation of Centuri. In April 2024, the Company and Centuri announced the completion of the Centuri IPO. Following the Centuri IPO, the Company owned approximately 81% of Centuri. From May 2025 through September 2025, the Company completed a series of secondary public offerings and private placements of its holdings of Centuri common stock and, on September 5, 2025, completed a sale of its remaining shares. The Company’s sale of Centuri (which represents the entirety of the Company’s Utility Infrastructure Services segment) met the criteria to be presented as discontinued operations in accordance with U.S. GAAP. See **Note 2 - Summary of Significant Accounting Policies** and **Note 13 - Dispositions**. After completion of the offering, the Company no longer owns any shares of Centuri common stock and no longer has governance rights afforded to it under the Separation Agreement including the right to nominate any of Centuri’s directors and any remaining consent rights over certain of Centuri’s corporate actions.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation. The Company follows U.S. GAAP in accounting for all of its businesses. Unless specified otherwise, all amounts are in U.S. dollars. Accounting for regulated operations conforms with U.S. GAAP as applied to rate-regulated companies and as prescribed by federal agencies and commissions of the various states in which the rate-regulated companies operate. The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Certain items in the prior period financial statements have been reclassified to conform to the current year presentation. Such reclassifications did not affect revenue, operating income, net income, or total cash flows from operations, investing or financing activities. These include \$74.3 million and \$294.9 million of changes in accrued purchased gas costs, included in the changes in other current assets and liabilities, that were reclassified to changes in deferred purchased gas costs in the Company’s and Southwest’s consolidated statements of cash flows for the years ended December 31, 2024 and 2023, respectively. See **Note 3 - Revision of Previously Issued Financial Statements** for the discussion of the revision to the prior year financial statements.

Discontinued Operations. On August 11, 2025, the Company completed a secondary public offering and a concurrent private placement transaction with Icahn investment entities. These transactions resulted in the sale of a combined total of 18,823,500 shares of Centuri common stock previously held by the Company (see **Note 13 - Dispositions**). Following the completion of these transactions, the Company no longer maintained a controlling financial interest in Centuri. Accordingly, Centuri’s assets, liabilities, and results of operations are no longer included in the Company’s consolidated financial statements.

In addition, the sale of Centuri, which comprised the Company's Utility Infrastructure Services segment, represented a strategic shift that had a significant impact on the Company's operations and financial results. Therefore, Centuri met the criteria to be reported as discontinued operations in accordance with U.S. GAAP. The results of discontinued operations are aggregated and presented separately in the Consolidated Statements of Income and Consolidated Statements of Cash Flows for all periods presented. Assets and liabilities of the discontinued operations are aggregated and reported separately on the Consolidated Balance Sheets as of December 31, 2024. Unless otherwise noted, the financial disclosures and related information provided herein relate to our continuing operations, which exclude our former Utility Infrastructure Services segment, and we have recast prior period amounts to reflect discontinued operations.

Consolidation. The accompanying financial statements (as of and for the periods presented) are presented on a consolidated basis for the Company and Southwest Gas. All significant intercompany balances and transactions have been eliminated with the exception of transactions between Southwest Gas and Centuri in accordance with accounting treatment for rate-regulated entities.

Fair Value Measurements. Certain assets and liabilities are reported at fair value, which is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

U.S. GAAP states that a fair value measurement should be based on the assumptions that market participants would use in pricing the asset or liability and establishes a fair value hierarchy that ranks the inputs used to measure fair value by their reliability. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to fair values derived from unobservable inputs (Level 3 measurements). Financial assets and liabilities are categorized in their entirety based on the lowest level of input that is significant to the fair value measurement. The three levels of the fair value hierarchy are as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that a company has the ability to access at the measurement date.

Level 2 – inputs other than quoted prices included within Level 1 that are observable for similar assets or liabilities, either directly or indirectly.

Level 3 – unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

The Company primarily used quoted market prices and other observable market pricing information (exclusive of any purchase accounting adjustments) in valuing cash and cash equivalents, long-term debt outstanding, and assets of the qualified pension plan and the postretirement benefits other than pensions required to be recorded and/or disclosed at fair value. The Company uses prices and inputs that are current as of the measurement date and recognizes transfers between levels at either the actual date of an event or a change in circumstance that caused the transfer.

Net Regulated Operations Plant. Net regulated operations plant includes gas plant at original cost less the accumulated provision for depreciation and amortization plus any unamortized balance of acquisition adjustments. Original cost generally includes contracted services, material, payroll, and related costs such as taxes and certain benefits, general and administrative expenses applicable to construction efforts, and an allowance for funds used during construction less contributions in aid of construction. Aligned with regulatory treatment, when plant is retired the cost of such plant, net of any salvage value, is charged to accumulated depreciation. See also *Depreciation and Amortization* below.

Other Property and Investments. Other property and investments on Southwest Gas' and the Company's Consolidated Balance Sheets include:

(Thousands of dollars)	December 31,	
	2025	2024
Net cash surrender value of COLI policies	\$ 165,551	\$ 155,199
Other property	4,396	4,479
Total Southwest Gas Corporation	169,947	159,678
Other property and investments	8,879	5,770
Total Southwest Gas Holdings, Inc.	\$ 178,826	\$ 165,448

Included in the table above are the net cash surrender values of COLI policies. These life insurance policies on members of management and other key employees are used by Southwest Gas to indemnify itself against the loss of talent, expertise, and knowledge, as well as to provide indirect funding for certain nonqualified benefit plans.

Cash and Cash Equivalents. For purposes of reporting consolidated cash flows, cash and cash equivalents include cash on hand, money market funds, and financial instruments with original maturities of three months or less. Such investments are carried at cost, which approximates fair value. Cash and cash equivalents of the Company include \$250.5 million and \$64.3 million of money market fund investments at December 31, 2025 and 2024, respectively. Of these amounts, \$34.4 million and \$48.8 million at December 31, 2025 and 2024, respectively, were held by Southwest Gas. The money market fund investments were acquired and are generally redeemable at their net asset value.

Income Taxes. The asset and liability method of accounting is utilized for the recognition of income taxes. Under the asset and liability method, deferred income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred income tax assets and liabilities are measured using enacted income tax rates expected to apply to taxable income in the years in which those temporary differences are anticipated to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in income tax rates is recognized in the period that includes the enactment date. For regulatory and financial reporting purposes, ITCs related to gas utility operations are deferred and amortized over the life of related fixed assets.

Deferred Purchased Gas Costs. The various regulatory commissions have established procedures to enable Southwest Gas to adjust billing rates for changes in the cost of natural gas purchased. The difference between the current cost of gas purchased and the cost of gas recovered in billed rates is deferred. Generally, these deferred amounts are recovered or refunded within one year.

Materials, supplies, and gas inventories. Materials, supplies, and gas inventories for Southwest Gas and the Company includes gas pipe materials and operating supplies of \$78.1 million and \$77.8 million as of December 31, 2025 and 2024, respectively (carried at weighted average cost).

Prepaid and other current assets. Prepaid and other current assets for Southwest Gas and the Company include, among other things, \$91.1 million and \$32.4 million related to a regulatory asset associated with the Arizona decoupling mechanism as of December 31, 2025 and 2024, respectively. Additionally, included in the balance for the Company is prepaid insurance premiums of \$35.4 million and \$25.3 million as of December 31, 2025 and 2024, respectively, and \$33.9 million and \$25.2 million as of December 31, 2025 and 2024, respectively, at Southwest Gas.

Goodwill. As required by U.S. GAAP, goodwill is assessed for impairment annually or more frequently if circumstances indicate impairment to the carrying value of goodwill may have occurred. The goodwill impairment analysis was conducted as of October 1, 2025 using a qualitative assessment, as permitted by U.S. GAAP. Management of the Company and Southwest Gas evaluated its reporting unit and operating segment and concluded that, following the sale of the of the Utility Infrastructure Services segment (Centuri), the Company operates solely within the Natural Gas Distribution segment (Southwest Gas); see **Note 16 - Segment Information**. The Company and Southwest Gas determined that it is more likely than not that the fair value of Southwest Gas' reporting unit exceeds their carrying amounts in both 2025 and 2024 and therefore no quantitative assessment was performed.

Deferred charges and other assets. Deferred charges and other assets for Southwest Gas and the Company include, among other things, cloud-based software of \$33.9 million and \$24.8 million as of December 31, 2025 and 2024, respectively, and a regulatory asset associated with pension for Arizona and Nevada of \$246.4 million and \$300.0 million as of December 31, 2025 and 2024, respectively. The change is due to the net actuarial gain (refer to **Note 10 - Pension and Other Postretirement Benefits**).

Noncontrolling Interest. In connection with the Centuri IPO, the Company recorded a noncontrolling interest as part of equity in the Consolidated Balance Sheet (associated with the interests held by the new investors in Centuri) and recognized the excess of the fair value of the Centuri IPO proceeds over the carrying value of the noncontrolling interest, in addition to a portion of AOCI relevant to the proportional interest of the noncontrolling parties in Centuri, within Additional paid-in capital. The Consolidated Statements of Income include multiple components of comprehensive income attributable to noncontrolling interests following the Centuri IPO. These amounts, including those distinguishable from net income attributed to these parties, are separately presented in the Consolidated Statements of Equity. Following the completion of the Centuri Separation (see **Note 13 - Dispositions** below), the Company no longer maintained a controlling financial interest in Centuri. Accordingly, the noncontrolling interests in Centuri are no longer included in the Company's consolidated financial statements.

Redeemable Noncontrolling Interest. Separate from the noncontrolling ownership interest in Centuri, redeemable noncontrolling interests have been established in association with certain business acquisitions by Centuri. Following the completion of the Centuri Separation (see **Note 13 - Dispositions** below), the Company no longer maintained a controlling financial interest in Centuri. Accordingly, the redeemable noncontrolling interests in Centuri are no longer included in the Company's consolidated financial statements.

Other Current Liabilities. Management recognizes in its balance sheets various liabilities that are expected to be settled through future cash payments within the next twelve months, including certain regulatory mechanisms (refer to **Note 5 - Regulatory Assets and Liabilities**), customary accrued expenses for employee compensation and benefits, declared but unpaid dividends, and miscellaneous other accrued liabilities.

Accumulated Removal Costs. Approved regulatory practices allow Southwest Gas to include in depreciation expense a component intended to recover removal costs associated with regulated operations plant retirements. In accordance with the SEC position on presentation of these amounts, management reclassifies estimated removal costs from Accumulated depreciation to Accumulated removal costs within the liabilities section of the Consolidated Balance Sheets. Management regularly updates the estimated accumulated removal costs as amounts fluctuate between periods depending on the level of replacement work performed (and actual cost experience) compared to the estimated cost of removal in rates.

Revenue. See **Note 6 - Revenue** for information related to revenue recognition for Southwest Gas.

Intercompany Transactions. Centuri recognizes revenues generated from contracts with Southwest Gas (see **Note 16 - Segment Information**). The accounts receivable balance, revenues, and associated profits were included in the consolidated financial statements of the Company and Southwest Gas and were not eliminated during consolidation in accordance with accounting treatment for rate-regulated entities through the period prior to deconsolidation (see **Note 13 - Dispositions**).

Net Cost of Gas Sold. Components of net cost of gas sold include natural gas commodity costs (fixed-price and variable-rate), pipeline capacity/transportation costs, and any actual settled costs of natural gas derivative instruments, where relevant. Also included are the net impacts of PGA deferrals and recoveries which by their inclusion result in net cost of gas sold overall that is comparable to amounts included in billed gas operating revenues. Differences between amounts incurred with suppliers, transmission pipelines, etc. and amounts already included in customer rates are temporarily deferred in PGA accounts pending inclusion in customer rates.

Operations and Maintenance Expense. Operations and maintenance expense includes, Southwest Gas' operating and maintenance costs associated with serving utility customers and maintaining its distribution and transmission systems, uncollectible customer accounts expense, administrative and general salaries and expense, and employee benefits expense excluding relevant non-service cost components (that have been reclassified to Other income (deductions) due to requirements in U.S. GAAP), as well as legal expenses (including injuries and damages), professional and other external contracted services, and other business expenses.

Depreciation and Amortization. Regulated operations plant depreciation is computed on the straight-line remaining life method at composite rates considered sufficient to amortize costs over estimated service lives, including components which compensate for removal costs (net of salvage value), and retirements, as approved by the appropriate regulatory agency. When plant is retired from service, the original cost of plant, including cost of removal, less salvage, is charged to the accumulated provision for depreciation. See also discussion regarding *Accumulated Removal Costs* above. Other regulatory assets, including acquisition adjustments, are amortized, when appropriate, over time periods authorized by regulators. Costs and gains related to refunding regulated operations debt and debt issuance expenses are deferred and amortized over the weighted-average lives of the new issues and become a component of interest expense.

AFUDC. AFUDC represents the cost of both debt and equity funds used to finance regulated operations plant construction. AFUDC is capitalized as part of the cost of regulated operations plant. The debt portion of AFUDC is reported in the Company's and Southwest Gas' Consolidated Statements of Income as an offset to Net interest deductions and the equity portion is reported as Other income. Regulated operations plant construction costs, including AFUDC, are recoverable as part of authorized rates through depreciation when completed projects are placed into operation and general rate relief is requested and granted. AFUDC, disaggregated by type, included in the Company's and Southwest Gas' Consolidated Statements of Income are presented in the table below:

(Thousands of dollars)	2025	2024	2023
AFUDC:			
Debt portion	\$ 2,707	\$ 3,126	\$ 6,851
Equity portion ⁽¹⁾	5,809	6,597	1,951
AFUDC capitalized as part of regulated operations plant	\$ 8,516	\$ 9,723	\$ 8,802
AFUDC rate	6.77 %	6.76 %	6.30 %

⁽¹⁾Equity AFUDC for the year ended December 31, 2023 includes MountainWest activity.

Debt and equity AFUDC at Southwest Gas were impacted in 2023 by the amount of short-term debt outstanding based on the regulatory formula for each component.

Other Income (Deductions). The following table provides the composition of significant items included in Other income (deductions) on the Consolidated Statements of Income:

(Thousands of dollars)	2025	2024	2023
Southwest Gas Corporation:			
Change in COLI policies	\$ 10,300	\$ 8,400	\$ 10,100
Interest income	20,944	33,581	50,757
Equity AFUDC	5,809	6,597	1,869
Non-service components of net periodic benefit cost	17,475	16,523	20,387
Miscellaneous expense	(2,126)	(10,825)	(12,452)
Southwest Gas Corporation – total other income (deductions)	52,402	54,276	70,661
Southwest Gas Holdings, Inc.:			
Equity AFUDC	—	—	82
Equity in earnings of unconsolidated investments	—	—	394
Miscellaneous income and (expense)	—	—	(49)
Corporate and administrative	7,666	(84)	151
Southwest Gas Holdings, Inc. - total other income (deductions)	\$ 60,068	\$ 54,192	\$ 71,239

Included in the table above is the change in COLI policies (including net death benefits recognized, where relevant). Current tax regulations provide for tax-free treatment of life insurance (death benefit) proceeds. Therefore, changes in the cash surrender value components of COLI policies, as they progress towards the ultimate death benefits, are also recorded without tax consequences.

For 2025, interest income relates to interest income earned on money market investments and interest income earned on Southwest Gas' regulatory asset balances, including the Arizona decoupling mechanism. For 2023 and 2024, interest income primarily relates to Southwest Gas' regulatory asset balances, including its deferred purchased gas cost mechanisms, the combined balance of which was a net asset balance of \$465.3 million as of December 31, 2023 and transitioned to a net liability balance of \$241.6 million as of December 31, 2024. Interest income is earned on asset balances and interest expense is incurred on liability balances. Interest earned on money market accounts, as discussed in the cash and cash equivalent section above, also contributes to interest income. In regard to net periodic benefit cost, refer to **Note 10 - Pension and Other Postretirement Benefits**. Miscellaneous expense for Southwest Gas between years includes a variety of items, not limited to, but including where applicable, write-offs for uncompleted software projects and the reduction in value of Southwest Gas' previous corporate campus property.

Derivatives. In managing its natural gas supply portfolios, Southwest Gas has historically entered into fixed- and variable-price contracts, which qualify as derivatives. The fixed-price contracts, firm commitments to purchase a fixed amount of gas in the future at a fixed price, qualify for the normal purchases and normal sales exception that is allowed for contracts that are probable of delivery in the normal course of business and are exempt from fair value reporting. The variable-price contracts meet the definition of derivative financial instruments; however, because the contract price is set at the prevailing market price on the future transaction date, no mark-to-market adjustment is required. Southwest Gas does not utilize derivative financial instruments for speculative purposes, nor does it have trading operations.

EPS. Basic EPS in each period of this report were calculated by dividing net income (loss) attributable to the Company by the weighted-average number of shares during those periods. Diluted EPS includes additional weighted-average common stock equivalents (performance share units and restricted stock units), if dilutive. Unless otherwise noted, the term EPS refers to Basic EPS. A reconciliation of the denominator used in Basic and Diluted EPS calculations is shown in the following table:

(In thousands)	2025	2024	2023
Weighted average basic shares	72,162	71,841	70,787
Effect of dilutive securities:			
Restricted stock units ⁽¹⁾⁽²⁾	175	191	203
Weighted average diluted shares	72,337	72,032	70,990

⁽¹⁾ The number of securities granted for 2025, 2024, and 2023 includes 146,000, 158,000, and 173,000 performance stock units, respectively, the total of which was derived by assuming that target performance will be achieved during the relevant performance period.

⁽²⁾ The number of anti-dilutive restricted stock units excluded from the calculation of diluted shares from discontinued operations in 2024 is 191,000.

Recent Accounting Standards Updates.

Recently issued accounting pronouncement adopted in 2025:

In December 2023, the FASB issued ASU 2023-09 “Income Taxes (Topic 740): Improvements to Income Tax Disclosures.” The update, among other amendments, provides for additional disclosure requirements related to the effective income tax rate reconciliation and income taxes paid. Under the revised guidance for the effective income tax reconciliations, entities would be required to disclose: (1) eight specific categories in the effective income tax rate reconciliation in both percentages and reporting currency amount, (2) additional information for reconciling items over a certain threshold, (3) explanation of individual reconciling items disclosed, and (4) provide a qualitative description of the state and local jurisdictions that contribute to the majority of the state income tax expense. For each annual period presented, the new standard requires disclosure of the year-to-date amount of income taxes paid (net of refunds received) disaggregated by federal, state, and foreign. It also requires additional disaggregated information on income taxes paid (net of refunds received) to an individual jurisdiction equal to or greater than 5% of total income taxes paid (net of refunds received). The standard is effective for annual periods beginning January 1, 2025. The Company and Southwest Gas have retrospectively adopted this update in the fourth quarter of 2025, the impact of which is reflected in **Note 11 - Income Taxes**, with no impact on results of operations, cash flows, or financial condition of the Company or Southwest Gas.

In July 2025, the FASB issued ASU 2025-05 “Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets.” The amendments in this update provide a practical expedient permitting an entity to assume that conditions at the balance sheet date remain unchanged over the life of the asset when estimating expected credit losses for current accounts receivable and current contract assets. The update is effective for annual periods beginning after December 15, 2025; early adoption is permitted. Management adopted ASU 2025-05 beginning with the fourth quarter of fiscal 2025 and utilized the practical expedient provided therein. The adoption of this ASU did not have a material impact on the Company’s or Southwest Gas’ financial position or results of operations.

Recently issued accounting pronouncements that will be effective in 2026 and thereafter:

In November 2024, the FASB issued ASU 2024-03 “Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses.” The update requires disclosure of disaggregated information about certain income statement expense line items in the notes to the financial statements. The update is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027; early adoption is permitted. The update should be applied prospectively; however, retrospective application is also permitted. Management is evaluating the impacts this update might have on the Company’s and Southwest Gas’ disclosures.

In September 2025, the FASB issued ASU 2025-06 “Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software.” The amendments in this update improve the operability of the guidance by removing all references to software development project stages so that the guidance is neutral to different software development methods. This update is effective for annual periods beginning after December 15, 2027, including interim periods within those fiscal years; early adoption is permitted. Management is evaluating the impacts this update might have on the Company’s and Southwest Gas’ consolidated financial statements.

Subsequent Events. Management monitors events occurring after the balance sheet date and prior to the issuance of the financial statements to determine the impacts, if any, of events on the financial statements to be issued or disclosures to be made and has reflected them where appropriate.

Note 3 - Revision of Previously Issued Financial Statements

In connection with the preparation of the Company's 2025 Form 10-K for Southwest Gas, management identified errors in the calculation of the estimated deferred income tax liabilities associated with state income taxes. The issues result from not timely updating estimated apportionment rates to reflect certain events. For Southwest Gas, the errors date back to the formation of Southwest Gas Holdings in 2017, when Southwest Gas and Centuri became wholly-owned subsidiaries of Southwest Gas Holdings. These errors were determined to be not material to any previously issued Southwest Gas financial statements. However, Southwest Gas revised the historical financial statements due to the magnitude of the cumulative effect of the prior year errors. Southwest Gas also revised the historical financial statements to correct other previously identified immaterial errors.

The effects of the correction of the errors on the Consolidated Financial Statements are as follows:

	December 31, 2024		
	As Reported ⁽¹⁾	Adjustments	As Revised
ASSETS			
Accounts receivable, net of allowance	\$ 202,947	\$ (2,100)	\$ 200,847
Total current assets	859,055	(2,100)	856,955
Total assets	\$ 9,533,825	\$ (2,100)	\$ 9,531,725
CAPITALIZATION AND LIABILITIES			
Retained earnings	\$ 1,096,149	\$ (36,376)	\$ 1,059,773
Total equity	3,271,862	(36,376)	3,235,486
Total capitalization	6,776,339	(36,376)	6,739,963
Accounts payable	190,612	1,997	192,609
Deferred purchased gas costs	255,398	(1,997)	253,401
Total current liabilities	769,026	—	769,026
Deferred income taxes and investment tax credits, net	819,973	34,276	854,249
Total deferred income taxes and other credits	1,988,460	34,276	2,022,736
Total capitalization and liabilities	\$ 9,533,825	\$ (2,100)	\$ 9,531,725

⁽¹⁾ Previously reported amounts also reflect the reclassification discussed in **Note 2 - Summary of Significant Accounting Policies**.

SOUTHWEST GAS CORPORATION AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF INCOME (In thousands)

	Year Ended December 31, 2024		
	As Reported	Adjustments	As Revised
Regulated operations revenues	\$ 2,475,216	\$ 7,774	\$ 2,482,990
Net cost of gas sold	1,150,005	7,359	1,157,364
Total operating expenses	2,062,885	7,359	2,070,244
Operating income	412,331	415	412,746
Income before income taxes	304,350	415	304,765
Income tax expense (benefit)	43,174	(505)	42,669
Net income	\$ 261,176	\$ 920	\$ 262,096

	Year Ended December 31, 2023		
	As Reported	Adjustments	As Revised
Regulated operations revenues	\$ 2,499,564	\$ (5,344)	\$ 2,494,220
Net cost of gas sold	1,246,901	4,466	1,251,367
Operations and maintenance	511,646	(1,259)	510,387
Total operating expenses	2,141,270	3,207	2,144,477
Operating income (loss)	358,294	(8,551)	349,743
Income (loss) before income taxes	279,125	(8,551)	270,574
Income tax expense	36,899	5,263	42,162
Net income (loss)	\$ 242,226	\$ (13,814)	\$ 228,412

SOUTHWEST GAS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)

	Year Ended December 31, 2024		
	As Reported	Adjustments	As Revised
Net income	\$ 261,176	\$ 920	\$ 262,096
Comprehensive income	\$ 263,323	\$ 920	\$ 264,243

	Year Ended December 31, 2023		
	As Reported	Adjustments	As Revised
Net income (loss)	\$ 242,226	\$ (13,814)	\$ 228,412
Comprehensive income (loss)	\$ 239,939	\$ (13,814)	\$ 226,125

SOUTHWEST GAS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Year Ended December 31, 2024		
	As Reported ⁽¹⁾	Adjustments	As Revised
CASH FLOW FROM OPERATING ACTIVITIES:			
Net income	\$ 261,176	\$ 920	\$ 262,096
Adjustments to reconcile net income to net cash provided by operating activities:			
Deferred income taxes	69,459	(505)	68,954
Changes in current assets and liabilities:			
Accounts receivable, net of allowances	66,248	2,100	68,348
Deferred purchased gas costs	706,896	8,062	714,958
Accounts payable	(19,032)	(703)	(19,735)
Other current assets and liabilities	(57,917)	(9,874)	(67,791)
Net cash provided by operating activities	\$ 1,252,982	\$ —	\$ 1,252,982

⁽¹⁾ Previously reported amounts also reflect the reclassification discussed in **Note 2 - Summary of Significant Accounting Policies**.

	Year Ended December 31, 2023		
	As Reported ⁽¹⁾	Adjustments	As Revised
CASH FLOW FROM OPERATING ACTIVITIES:			
Net income (loss)	\$ 242,226	\$ (13,814)	\$ 228,412
Adjustments to reconcile net income to net cash provided by operating activities:			
Deferred income taxes	66,611	5,263	71,874
Changes in current assets and liabilities:			
Deferred purchased gas costs	192,182	(3,956)	188,226
Accounts payable	(260,403)	7,164	(253,239)
Other current assets and liabilities	14,516	5,343	19,859
Net cash provided by operating activities	\$ 391,545	\$ —	\$ 391,545

⁽¹⁾ Previously reported amounts also reflect the reclassification discussed in **Note 2 - Summary of Significant Accounting Policies**.

SOUTHWEST GAS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EQUITY
(In thousands)

	As Reported	Adjustments	As Revised
Retained earnings, December 31, 2022	\$ 935,355	\$ (23,482)	\$ 911,873
Total equity, December 31, 2022	2,569,175	(23,482)	2,545,693
Net income (loss) for the year ended December 31, 2023	242,226	(13,814)	228,412
Retained earnings, December 31, 2023	1,018,474	(37,296)	981,178
Total equity, December 31, 2023	3,183,615	(37,296)	3,146,319
Net income for the year ended December 31, 2024	261,176	920	262,096
Retained earnings, December 31, 2024	1,096,149	(36,376)	1,059,773
Total equity, December 31, 2024	\$ 3,271,862	\$ (36,376)	\$ 3,235,486

Note 4 - Regulated Operations Plant

Net Regulated Operations Plant

Major classes of regulated operations plant and their respective balances as of December 31, 2025 and 2024 were as follows:

(Thousands of dollars)	December 31,	
	2025	2024
Gas plant:		
Storage	\$ 122,543	\$ 121,817
Transmission	461,260	447,719
Distribution	9,940,646	9,343,955
General	623,303	587,423
Software and software-related	354,567	328,769
Other	14,712	15,212
Total gas plant	11,517,031	10,844,895
Less: accumulated depreciation and amortization	(3,063,363)	(2,914,457)
Construction work in progress	236,871	178,647
Net regulated operations plant	\$ 8,690,539	\$ 8,109,085

Regulated operations plant depreciation is computed on the straight-line remaining life method at composite rates considered sufficient to amortize costs over estimated service lives, including components which are intended to compensate for removal costs (net of salvage value), and retirements, based on the processes of regulatory proceedings and related regulatory commission approvals and/or mandates. In 2025, annual regulated operations depreciation and amortization expense in regard to Southwest Gas averaged 2.7% of the original cost of depreciable and amortizable property, and 2.6% in 2024 and 2023. Transmission and distribution plant are associated with the core natural gas delivery infrastructure, and combined, constitute the

majority of gas plant. Annual regulated operations depreciation expense for Southwest Gas averaged approximately 2.3% of the original cost of depreciable transmission and distribution plant during the period 2023 through 2025.

Depreciation and amortization expense on gas plant was as follows:

(Thousands of dollars)	2025	2024	2023
Depreciation and amortization expense	\$ 295,661	\$ 274,556	\$ 256,847

Leases

Determinations are made as to whether an arrangement is a lease at inception. ROU assets represent the right to use an underlying asset for the lease term; lease liabilities represent obligations to make lease payments arising from the lease. Operating lease ROU assets and lease liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. When leases do not provide an implicit interest rate, an incremental borrowing rate based on information available at commencement is used in determining the present value of lease payments; an implicit rate, if readily determinable, is used. Lease terms utilized in the computations may include options to extend or terminate the lease when it is reasonably certain that the option will be exercised. When lease agreements include non-lease components, they are included with the lease component and accounted for as a single component, for all asset classes. Southwest Gas has no significant operating, finance, or short-term leases.

Note 5 - Regulatory Assets and Liabilities

Southwest Gas is subject to the regulation of the ACC, the PUCN, the CPUC, and the FERC. Accounting policies for Southwest Gas conform to U.S. GAAP applicable to rate-regulated entities and reflect the effects of the ratemaking process. Accounting treatment for rate-regulated entities allows for deferral as regulatory assets, costs that otherwise would be expensed, if it is probable that future recovery from customers will occur. If rate recovery is no longer probable, due to competition or the actions of regulators, the related regulatory asset is required to be written off. Regulatory liabilities are recorded if it is probable that revenues will be reduced for amounts that will be refunded to customers through the ratemaking process. Management records regulatory assets and liabilities based on decisions of the commissions noted above, including the issuance of regulatory orders and precedents established by these commissions. Southwest Gas has generally been successful in seeking recovery of regulatory assets and regularly files rate cases or other administrative filings in the various jurisdictions, in some cases, to establish the basis for recovering regulatory assets reflected in accounting records.

The following table represents existing regulatory assets and liabilities. The amounts reported in the table below differ from Southwest Gas due to the revision **Note 3 - Revision of Previously Issued Financial Statements**.

(Thousands of dollars)	December 31,	
	2025	2024
Regulatory assets:		
Accrued pension and other postretirement benefit costs ⁽¹⁾	\$ 246,444	\$ 299,961
Deferred purchased gas costs ⁽²⁾	5,214	13,807
Unamortized premium on reacquired debt ⁽³⁾	10,016	11,529
Accrued absence time ⁽⁴⁾	22,430	21,231
Margin, interest- and property tax-tracking ⁽⁵⁾	142,813	57,477
Other ⁽⁹⁾	92,820	90,083
Total regulatory assets	\$ 519,737	\$ 494,088
Regulatory liabilities:		
Deferred purchased gas costs ^{(2),(10)}	(310,085)	(255,398)
Accumulated removal costs ⁽⁶⁾	(496,000)	(472,000)
Unamortized gain on reacquired debt ⁽⁷⁾	(4,963)	(5,500)
Regulatory excess deferred/other taxes and gross-up ⁽⁸⁾	(348,243)	(363,353)
Margin, interest- and property tax-tracking ⁽⁵⁾	(26,019)	(25,112)
Other ⁽⁹⁾	(10,374)	(3,465)
Total regulatory liabilities	(1,195,684)	(1,124,828)
Net regulatory assets (liabilities) ⁽¹¹⁾	\$ (675,947)	\$ (630,740)

(1) Included in Deferred charges and other assets on the Consolidated Balance Sheets. Recovery period is greater than five years. (See **Note 10 - Pension and Other Postretirement Benefits**).

(2) Balance recovered or refunded on an ongoing basis with interest.

(3) Included in Deferred charges and other assets on the Consolidated Balance Sheets. Recovered over life of debt instruments.

(4) Recovery through cost of service generally on a one-year lag basis and part of overhead loading processes. Included in Prepaid and other current assets on the Consolidated Balance Sheets.

(5) Margin tracking/decoupling mechanisms are alternative revenue programs; revenue associated with under-collections (for the difference between authorized margin levels and amounts billed to customers through rates currently) is recognized as revenue so long as recovery is expected to take place within 24 months. The property tax tracking mechanism reflects differences in property tax expense and the amount included in the current general rate case. Total category asset balances are included in Prepaid and other current assets and Deferred charges and other assets on the Consolidated Balance Sheets. For 2025, total category liability balances are included in Other deferred credits and other long-term liabilities. For 2024, total category liability balances are included in Other current liabilities and Other deferred credits and other long-term liabilities.

(6) Included in Accumulated removal costs on the Consolidated Balance Sheets; a component of ongoing depreciation rates as part of margin rates overall and of benchmarks under trackers as part of general rate cases.

(7) Included in Other deferred credits and other long-term liabilities on the Consolidated Balance Sheets; amortized over life of debt instruments.

(8) Includes remeasurement/reduction of the net accumulated deferred income tax liability from U.S. tax reform. The reduction (EADIT) became a regulatory liability with tax gross-up. EADIT reduces rate base, and is expected to be returned to utility customers in accordance with IRS and regulatory requirements. Included generally in Other deferred credits and other long-term liabilities on the Consolidated Balance Sheets, except for \$10.0 million in 2025 and \$21.0 million in 2024, which is in Other current liabilities.

(9) The following tables detail the components of Other regulatory assets and liabilities. Other regulatory assets are included in either Prepaid and other current assets or Deferred charges and other assets on the Consolidated Balance Sheets (as indicated). Recovery periods vary. Other regulatory liabilities are included in either Other current liabilities or Other deferred credits and other long-term liabilities on the Consolidated Balance Sheets (as indicated).

(10) Deferred purchased gas costs as of December 31, 2024 differs from Southwest Gas due to the revision discussed in **Note 3 - Revision of Previously Issued Financial Statements**.

(11) Net regulatory assets (liabilities) for the year ended December 31, 2024 differs from Southwest Gas due to the revision discussed in **Note 3 - Revision of Previously Issued Financial Statements**.

(Thousands of dollars)	December 31,	
	2025	2024
Other Regulatory Assets:		
State mandated public purpose programs (including low income and conservation programs) ^{(a) (f)}	\$ 21,308	\$ 24,404
Infrastructure replacement programs and similar ^{(b) (f)}	32,516	24,262
Environmental compliance programs ^{(c) (f)}	7,087	3,730
Pension tracking mechanism ^(d)	16,727	16,151
Other ^(e)	15,182	21,536
	<u>\$ 92,820</u>	<u>\$ 90,083</u>

(a) Included in Prepaid and other current assets on the Consolidated Balance Sheets.

(b) Included in Deferred charges and other assets on the Consolidated Balance Sheets.

(c) In 2025, approximately \$5.5 million of these balances included in Prepaid and other current assets and \$1.6 million in Deferred charges and other assets on the Consolidated Balance Sheets. In 2024, approximately \$2.6 million included in Prepaid and other current assets and \$1.1 million included in Deferred charges and other assets on the Consolidated Balance Sheets.

(d) Included in Deferred charges and other assets on the Consolidated Balance Sheets.

(e) In 2025, approximately \$7.6 million included in Prepaid and other current assets and \$7.6 million included in Deferred charges and other assets on the Consolidated Balance Sheets. In 2024, \$11.7 million included in Prepaid and other current assets and \$9.9 million included in Deferred charges and other assets on the Consolidated Balance Sheets.

(f) Balance recovered or refunded on an ongoing basis, generally with interest.

(Thousands of dollars)	December 31,	
	2025	2024
Other Regulatory Liabilities:		
Infrastructure replacement programs and similar ^(g)	\$ (2,484)	\$ (2,069)
Environmental compliance programs ^{(g) (h)}	(6,710)	(733)
Other ^{(h) (i)}	(1,180)	(663)
	<u>\$ (10,374)</u>	<u>\$ (3,465)</u>

(g) Included in Other current liabilities on the Consolidated Balance Sheets.

^(h) Balance typically recovered or refunded on an ongoing basis, generally with interest.

⁽ⁱ⁾ Included in Other deferred credits and other long-term liabilities on the Consolidated Balance Sheets.

Regulatory Assets/Liabilities Not Earning a Return

- Regulatory assets/liabilities related to accrued pension and other postretirement benefit costs are offset by corresponding liabilities/assets. The assets are recovered in rates as the plans are funded.
- Margin-related mechanisms exist in various forms in each of the Company's regulatory jurisdictions. Balances related to the decoupling mechanisms in Nevada do not earn a return. Recovery rates are designed to recover the outstanding balances over a twelve-month period.

Regulatory Assets/Liabilities Earning a Return

- Over- and undercollected regulatory balancing accounts and other regulatory assets, net, reflect the difference between customer billings and recorded or authorized by the ACC, CPUC, PUCN, or FERC. Depreciation, taxes and return on rate base may also be included in certain accounts. Amounts in the balancing accounts are recoverable (receivable) or refundable (payable) in future rates, subject to ACC, CPUC, PUCN, or FERC approval. These relate to the following:
 - The following mechanisms earn a return on based on the monthly one-year nominal Treasury Constant Maturities for Arizona and Commercial Paper for California and are generally designed to address the outstanding balances over a twelve-month period:
 - Deferred purchased gas cost
 - Margin-related mechanisms
 - State mandated public purpose programs
 - The following mechanisms are revenue requirement and earn the authorized rate of return per the general rate cases for the applicable jurisdiction:
 - Deferred purchased gas cost - Nevada
 - Unamortized premium on reacquired debt
 - Accrued absence time
 - Interest-tracking mechanism
 - Property tax-tracking mechanisms
 - Accumulated removal costs
 - Unamortized gain on reacquired debt
 - Regulatory excess deferred/other taxes and gross-up mechanism
 - Pension tracking mechanism
 - Infrastructure replacement programs vary by jurisdiction and program type.

Note 6 - Revenue

Southwest Gas recognizes revenue when it satisfies its performance by transferring gas to the customer. Revenues also include the net impacts of margin tracker and decoupling accruals based on criteria in U.S. GAAP for rate-regulated entities associated with alternative revenue programs. Revenues from customer arrangements and from alternative revenue programs are described below.

Southwest Gas acts as an agent for state and local taxing authorities in the collection and remittance of a variety of taxes, including sales and use taxes and surcharges. These taxes are not included in Regulated operations revenues. Management uses the net classification method to report taxes collected from customers to be remitted to governmental authorities.

Southwest Gas generally offers two types of services to its customers: tariff sales and transportation-only service. Tariff sales encompass sales to primarily residential and small commercial customers under various rate schedules, subject to cost-of-service ratemaking, which is based on the rate-regulation of the ACC, CPUC, PUCN, and FERC. Southwest Gas provides both the commodity and the related distribution service to nearly all of its approximate 2.3 million customers, and only several hundred customers subscribe to transportation-only service. Natural gas is delivered and consumed by the customer simultaneously. The provision of service is represented by the turn of the meter dial and is the primary representation of the satisfaction of all performance obligations required for Southwest Gas to recognize revenue. The amount billable via regulated rates, billed via both volumetric and fixed monthly rates as part of rate design, corresponds to the value to the customer, and Southwest Gas believes that the amount billable is appropriate to utilize for purposes of recognizing revenue. Estimated amounts remaining unbilled since the last meter read date are also recognized for service provided through the balance sheet date. While natural gas service is typically recurring, there is generally not a contract term for utility service. Therefore, the contract term is not generally viewed to extend beyond the service provided to date and customers are able to generally terminate service at will.

Transportation-only service is also governed by tariff rate provisions. Transportation-only service is generally only available to large customers under requirements of Southwest Gas' various tariffs. With this service, customers secure their own gas supply and Southwest Gas provides transportation services to move the customer-supplied gas to the intended location. Southwest Gas recognizes transportation service revenue over time through a combination of volumetric charges and fixed charges through a variety of design mechanisms approved by regulators. These types of fixed charges represent a separate performance obligation associated with standing ready over the period of the month to deliver quantities of gas regardless of whether the customer takes delivery of any quantity of gas. The performance obligations under these circumstances are satisfied over the course of the month under an output measure of progress based on time, which correlates to the period for which the charges are eligible to be invoiced.

Under its regulations, Southwest Gas enters into negotiated-rate contracts with customers located near competing pipelines that pose a risk of bypassing its distribution system. Southwest Gas may also enter into similar contracts for customers that are otherwise able to satisfy their energy needs through a fuel alternative to natural gas. Less than two dozen customers are party to contracts with rate components subject to negotiation. Many rate provisions and terms of service for these less common types of contracts are also subject to regulatory oversight and tariff provisions. The performance obligations for these customers are satisfied similarly to those for other customers by means of transporting and delivering natural gas to the customer. Many or most of the rate components and structures for these types of customers are the same as those for similar customers that do not have without negotiated rate components and the negotiated rates are within the parameters of the tariff guidelines. Furthermore, while some of these contracts may include multi-year contract periods because amounts billable under the contract are based on rates in effect for the customer for service provided to date, no significant financing component is believed to exist.

As indicated above, revenues also include the net impacts of margin tracker and decoupling accruals. All of Southwest Gas' service territories have decoupled rate structures that are designed to eliminate the direct link between volumetric sales and revenue, thereby mitigating the impacts of unusual weather variability and conservation on margin. These decoupled rate structures qualify as alternative revenue programs. The primary alternative revenue programs involve adjustments for differences between stated tariff benchmarks and amounts billed through revenue from contracts with customers via existing rates. Such adjustments are recognized monthly in revenue and in the associated regulatory asset or liability accounts in advance of rate adjustments intended to collect or return the amounts recognized. Revenues recognized for the adjustment to the benchmarks noted are required to be presented separately from revenues from contracts with customers, as such, these revenues are disaggregated in the table below as Alternative revenue program revenues.

Southwest Gas' operating revenues, but not its operating margin, are directly impacted by variability between comparative periods in the cost of natural gas procured for customers as these costs are incorporated in customer rates. When included in rates (for customers except those taking transportation-only service), these costs are passed through to customers generally dollar-for-dollar without markup. Operating margin is a non-GAAP financial measure and should be considered in addition to, not as a substitute for, measures of financial performance prepared in accordance with GAAP. Southwest Gas' revenues overall, reflected on the Consolidated Statements of Income of both the Company and Southwest Gas, include revenue from contracts with customers, which is shown below disaggregated by customer type, in addition to other categories of revenue:

(Thousands of dollars)	December 31,		
	2025	2024	2023
Residential	\$ 1,276,677	\$ 1,654,685	\$ 1,725,223
Small commercial	333,408	493,709	513,366
Large commercial	72,367	111,350	117,973
Industrial and other	44,941	62,997	75,219
Transportation	116,579	115,782	104,298
Revenue from contracts with customers	1,843,972	2,438,523	2,536,079
Alternative revenue program revenues	86,593	23,055	(52,365)
Other revenues ⁽¹⁾	9,815	13,638	15,850
Total Regulated operations revenues ⁽²⁾⁽³⁾⁽⁴⁾	\$ 1,940,380	\$ 2,475,216	\$ 2,499,564

⁽¹⁾ Amounts include late fees and other miscellaneous revenues and may also include the impact of certain regulatory mechanisms.

⁽²⁾ The amounts differ from Southwest Gas due to the revision discussed in **Note 3 - Revision of Previously Issued Financial Statements**.

⁽³⁾ The Company's Total Regulated operations revenues differ from Southwest Gas due to the revision discussed in **Note 3 - Revision of Previously Issued Financial Statements**.

⁽⁴⁾ The Company's revenues for the period ended December 31, 2023 represent the amounts for the Natural Gas Distribution segment and do not include amounts attributable to MountainWest. As these amounts are not material, management has not provided disaggregated revenue disclosures.

As of December 31, 2025, the Company and Southwest had backlog performance obligations through Great Basin, excluding intercompany transactions, totaling \$58.2 million for the next four years. Of the current backlog, \$15.9 million is expected to be fulfilled within the year ended December 31, 2026. \$15.9 million within the year ended December 31, 2027, \$15.9 million within the year ended December 31, 2028, and \$10.5 million within the year ended December 31, 2029. Under the terms of Great Basin's current settlement agreement, new rates will become effective no later than September 1, 2029. Accordingly, the Company and Southwest Gas are unable to reasonably estimate performance obligations that may arise beyond September 1, 2029. The backlog consists of firm customer contracts for natural gas distribution services. Seasonal fluctuation may impact the timing of fulfillment as demand for natural gas typically increases during winter months. The Company defines backlog as the aggregate value of signed contracts for which performance obligations remain unsatisfied.

Note 7 - Receivables and Related Allowances

Business activity with respect to natural gas utility operations is conducted with customers located within the three-state region of Arizona, Nevada, and California. Southwest Gas' accounts receivable are short-term in nature with billing due dates customarily not extending beyond one month. Customers' credit worthiness is assessed upon account creation by evaluation of other utility service or their credit file and related payment history. Although Southwest Gas seeks to minimize its credit risk related to utility operations by requiring security deposits from new customers, imposing late fees, and actively pursuing collection on overdue accounts where possible, some accounts are ultimately not collected. Customer accounts are subject to collection procedures that vary by jurisdiction, such as late fee assessment, notice requirements for disconnection of service, and procedures for actual disconnection and/or reestablishment of service. After disconnection of service, accounts are customarily written off approximately two months after disconnection if the account remains inactive. Depending upon the jurisdiction, reestablishment of service requires both the payment of previously unpaid balances and additional deposit requirements. Generally, costs related to uncollectible accounts are included in the ratemaking process as a cost of service. However, the Nevada and California jurisdictions have certain regulatory mechanisms in place to separately track and collect portions of uncollectible accounts through the mechanisms. Eligible amounts are deferred and collected through a surcharge in the ratemaking process. Southwest Gas continues to actively work with customers experiencing financial hardship by means of flexible payment options and partnering with assistance agencies. Provisions for uncollectible accounts are recorded monthly based on each customer's current ability to pay amounts that are due, payment history, consideration of current conditions, customer and rate composition, regulatory requirements, and write-off processes.

The table below contains information about Southwest Gas' gas utility customer accounts receivable balance (net of allowance) at December 31, 2025 and 2024:

(Thousands of dollars)	December 31,	
	2025	2024
Gas utility customer accounts receivable balance	\$ 163,752	\$ 194,177

The following table represents the percentage of customers in each of Southwest Gas' three states at December 31, 2025, which was consistent with the prior year:

Percent of customers by state:	
Arizona	54 %
Nevada	37 %
California	9 %

Southwest Gas activity in the allowance account for uncollectibles is summarized as follows:

(Thousands of dollars)	Allowance for Uncollectibles
Balance, December 31, 2022	\$ 4,830
Additions charged to expense	11,877
Accounts written off, less recoveries	(10,612)
Balance, December 31, 2023	6,095
Additions charged to expense	12,400
Accounts written off, less recoveries	(11,428)
Balance, December 31, 2024	7,067
Additions charged to expense	11,955
Accounts written off, less recoveries	(11,372)
Balance, December 31, 2025	\$ 7,650

The table above does not provide the effect for amounts included in the regulatory tracking mechanisms noted earlier.

Note 8 - Common Stock

Shares of the Company's common stock are publicly traded on the NYSE under the ticker symbol "SWX." Share-based compensation related to Southwest Gas is based on awards to be issued in shares of the Company.

In November 2023, the Company and Southwest Gas jointly filed an automatic shelf registration statement (File No. 333-275774), or a Universal Shelf, which became effective upon filing and includes a prospectus detailing the Company's ability to offer and sell, from time to time in amounts at prices and on terms that will be determined at the time of such offering, any combination of common stock, preferred stock, debt securities (which may or may not be guaranteed by one or more of its directly or indirectly wholly owned subsidiaries if indicated in the relevant prospectus supplement), guarantees of debt securities issued by Southwest Gas, depository shares, warrants to purchase common stock, preferred stock or depository shares issued by the Company or debt securities issued by the Company or Southwest Gas, units and rights. Additionally, as part of the Universal Shelf, Southwest Gas may offer and sell, from time to time in amounts at prices and on terms that will be determined at the time of such offering, any combination of debt securities (which may or may not be guaranteed by one or more of its directly or indirectly wholly owned subsidiaries if indicated in the relevant prospectus supplement) and guarantees of debt securities issued by the Company or by one or more of its directly or indirectly wholly owned subsidiaries, if indicated in the relevant prospectus supplement. The Universal Shelf is set to expire in November 2026.

On August 6, 2024, the Company entered into an Equity Distribution Agreement with J.P. Morgan Securities LLC and Wells Fargo Securities, LLC for the offer and sale of up to 340,000,000 of common stock from time to time in an ATM Program. The offering amount was carried forward from the Company's previous at-the-market equity offering program. The shares are issuable pursuant to the Company's Universal Shelf. No issuances have occurred under the ATM Program as of December 31, 2025.

During 2025, the Company issued approximately 186,000 shares of common stock through the omnibus incentive plan and restricted stock/unit plan.

During 2025, the Company issued 256,000 shares of common stock through the Dividend Reinvestment and Stock Purchase Plan, raising proceeds of approximately \$19.2 million.

As of December 31, 2025, there were 5.0 million shares of common stock registered and available for issuance under the provisions of the various stock issuance plans.

Note 9 - Debt

Long-Term Debt

Long-term debt is recognized in the Company's and Southwest Gas' Consolidated Balance Sheets generally at the carrying value of the obligations outstanding. Details surrounding the fair value and individual carrying values of instruments are provided in the table that follows.

	December 31,			
	2025		2024	
(Thousands of dollars)	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Southwest Gas Holdings, Inc. and Southwest Gas Corporation:				
Debentures:				
8% Series, due 2026	\$ 75,000	\$ 76,388	\$ 75,000	\$ 77,898
Medium-term notes, 7.92% series, due 2027	25,000	26,058	25,000	26,285
Medium-term notes, 6.76% series, due 2027	7,500	7,726	7,500	7,701
Notes, 5.8%, due 2027	300,000	309,090	300,000	306,450
Notes, 3.7%, due 2028	300,000	297,450	300,000	287,460
Notes, 5.45%, due 2028	300,000	307,620	300,000	302,970
Notes, 2.2%, due 2030	450,000	409,365	450,000	385,425
Notes, 4.05%, due 2032	600,000	579,540	600,000	558,120
Notes, 6.1%, due 2041	125,000	130,762	125,000	127,900
Notes, 4.875%, due 2043	250,000	219,350	250,000	210,700
Notes, 3.8%, due 2046	300,000	228,180	300,000	219,390
Notes, 4.15%, due 2049	300,000	237,120	300,000	223,470
Notes, 3.18%, due 2051	300,000	205,710	300,000	187,680
Unamortized discount and debt issuance costs	(23,207)		(26,477)	
	<u>3,309,293</u>		<u>3,306,023</u>	
Industrial development revenue bonds:				
Tax-exempt Series A, due 2028	50,000	50,000	50,000	50,000
2003 Series A, due 2038	50,000	50,000	50,000	50,000
2008 Series A, due 2038	50,000	50,000	50,000	50,000
2009 Series A, due 2039	50,000	50,000	50,000	50,000
Unamortized discount and debt issuance costs	(1,281)		(1,546)	
	<u>198,719</u>		<u>198,454</u>	
Less: current maturities	<u>75,000</u>		<u>—</u>	
Southwest Gas Holdings, Inc. and Southwest Gas Corporation total long-term debt, less current maturities	<u>\$ 3,433,012</u>		<u>\$ 3,504,477</u>	

The fair values of the Company's revolving credit facilities and IDRBS are estimated using observable market inputs, including current interest rates and are therefore classified as Level 2 in the hierarchy. The fair values of Southwest Gas' debentures (which include senior and medium-term notes) were determined utilizing a market-based valuation approach, where fair values are determined based on observable trading data and as such are categorized as Level 2 in the hierarchy.

Southwest Gas has a \$400.0 million credit facility scheduled to expire in August 2029. Southwest Gas designates \$150.0 million of associated capacity as long-term debt and the remaining \$250.0 million for working capital purposes. In June 2025, Southwest Gas amended this revolving credit agreement, which, among other things, added a swingline loan sub-facility in an aggregate principal amount at any time outstanding not to exceed \$30.0 million and added a one-week interest period option with an interest rate equal to Daily Simple SOFR plus 0.03839% plus the applicable margin. At December 31, 2025, the applicable margin was 1.125% for loans bearing interest with reference to SOFR and 0.125% for loans bearing interest with reference to the alternative base rate. Southwest Gas is also required to pay a commitment fee on the unfunded portion of the commitments which ranges from 0.075% to 0.200%. At December 31, 2025, no borrowings were outstanding on the long-term portion (including under the commercial paper program discussed below) nor under the short-term portion of the facility.

Southwest Gas has a \$50.0 million commercial paper program. Issuances under the commercial paper program are supported by Southwest Gas' current revolving credit facility and therefore do not represent additional borrowing capacity. Borrowings under the commercial paper program, if any, are designated as long-term debt. Interest rates for the program are calculated at the then current commercial paper rate. At December 31, 2025, no borrowings were outstanding under the commercial paper program.

The effective interest rates on Southwest Gas' variable-rate IDRBs are included in the table below:

	December 31,	
	2025	2024
2003 Series A	3.50 %	4.86 %
2008 Series A	3.84 %	4.89 %
2009 Series A	3.75 %	4.73 %
Tax-exempt Series A	3.10 %	4.29 %

In Nevada, interest fluctuations due to changing interest rates on Southwest Gas' 2003 Series A, 2008 Series A, and 2009 Series A variable-rate IDRBs are tracked and recovered from customers through a variable interest expense recovery mechanism.

None of Southwest Gas' debt instruments have credit triggers or other clauses that result in default if bond ratings are lowered by rating agencies. Interest and fees on certain debt instruments are subject to adjustment depending on Southwest Gas' bond ratings. Certain debt instruments are subject to a leverage ratio cap, and the 6.1% Notes due 2041 are also subject to a minimum net worth requirement. At December 31, 2025, Southwest Gas was in compliance with all of its covenants. Under the most restrictive of the financial covenants, approximately \$4.7 billion in additional debt could be issued while still meeting the leverage ratio requirement. Relating to the minimum net worth requirement, as of December 31, 2025, there is approximately \$3.0 billion of cushion in equity. No specific dividend restrictions exist under the collective covenants. None of the debt instruments contain material adverse change clauses.

Estimated maturities of long-term debt and the current portion of long-term debt for the next five years are:

(Thousands of dollars)	2026	2027	2028	2029	2030
Southwest Gas Holdings, Inc. and Southwest Gas Corporation:					
Debtures	\$ 75,000	\$ 332,500	\$ 650,000	\$ —	\$ 450,000
Total	\$ 75,000	\$ 332,500	\$ 650,000	\$ —	\$ 450,000

Short-Term Debt

In June 2025, Southwest Gas Holdings entered into a new \$300.0 million revolving credit agreement that matures in August 2029 and replaced Southwest Gas Holdings' existing \$300.0 million credit facility that was set to expire in December 2026. At December 31, 2025, the applicable margin is 1.125% for loans bearing interest with reference to SOFR and 0.125% for loans bearing interest with reference to the alternative base rate. Southwest Gas Holdings has a one-week interest period option with an interest rate equal to Daily Simple SOFR plus 0.03839% plus the applicable margin. Southwest Gas Holdings is also required to pay a commitment fee on the unfunded portion of the commitments which ranges from 0.075% to 0.200%. The revolving credit agreement also contains a swingline loan sub-facility in an aggregate principal amount at any time outstanding not to exceed \$30.0 million. At December 31, 2025, there were no borrowing outstanding under this credit facility.

Southwest Gas Holdings has a \$550.0 million term loan that had been set to mature in June 2026. Prior to the execution of the amendment, Southwest Holdings prepaid a portion of the indebtedness, decreasing the balance from \$550.0 million to \$225.0 million, utilizing proceeds received from the Centuri separation transactions. In August 2025, Southwest Gas Holdings paid the remaining balance of \$225.0 million utilizing proceeds received from additional Centuri separation transactions. See **Note 13 - Dispositions**.

As indicated above in the Long-Term debt table, the 8% Series debenture for \$75.0 million matures in August 2026.

The weighted average effective interest rate of all short-term borrowings is 9.23% at December 31, 2025. There were no short-term borrowings at December 31, 2024.

Note 10 - Pension and Other Postretirement Benefits

Southwest Gas Corporation

Employees' Investment Plan

An EIP is offered to eligible employees of Southwest Gas through deduction of a percentage of base compensation, subject to IRS limitations. The EIP provides for purchases of various mutual fund investments and Company common stock. For employees hired on or before December 31, 2021, one-half of amounts deferred are matched up to a maximum matching contribution of 3.5% of an employee's annual compensation. Employees hired on or after January 1, 2022, are eligible for non-elective employer contributions of 3% plus a matching contribution (dollar-for-dollar) up to 7% of eligible compensation. Officers hired after January 1, 2022, are similarly eligible for non-elective and matching contributions. Contributions to the plan by Southwest Gas were \$12.2 million, \$9.9 million, and \$8.3 million for 2025, 2024, and 2023, respectively.

Deferred Compensation Plan

A deferred compensation plan is offered to all officers of Southwest Gas, regardless of hire date, and a separate deferred compensation plan is offered to members of the Company's Board. The plans provide the opportunity to defer up to 100% of annual cash compensation. One-half of amounts deferred by officers are matched up to a maximum matching contribution of 3.5% of an officer's annual base salary. Upon retirement, payments of compensation deferred, plus interest, are made in equal monthly installments over 10, 15, or 20 years, as elected by the participant. Directors have an additional option to receive such payments over a five-year period. Deferred compensation earns interest at a rate determined each January. The interest rate equals 150% of Moody's Seasoned Corporate Bond Rate Index.

Pension and Postretirement Plans

A noncontributory QRP with defined benefits covering substantially all Southwest Gas employees hired on or before December 31, 2021, is available, in addition to a separate unfunded SERP, which is limited to Southwest Gas' officers. PBOP are provided to qualified retirees for limited benefits related to health care, dental, vision and life insurance, some of which were subject to earlier "sunset" dates. The defined benefit QRP, SERP, and PBOP are not available to Southwest Gas employees hired on or after January 1, 2022. As noted above, employees hired on or after that date, are eligible for enhanced contributions to the EIP.

The overfunded or underfunded positions of defined benefit postretirement plans, including pension plans, are recognized in the Consolidated Balance Sheets. Any actuarial gains and losses, prior service costs, and transition assets or obligations are recognized in AOCI under Stockholders' equity, net of tax, until they are amortized as a component of net periodic benefit cost.

A regulatory asset has been established for the portion of the total amounts otherwise chargeable to AOCI that are expected to be recovered through rates in future periods. Changes in actuarial gains and losses and prior service costs pertaining to the regulatory asset will be recognized as an adjustment to the regulatory asset account as these amounts are amortized and recognized as components of net periodic pension costs each year.

The QRP invests the majority of its plan assets in common collective trusts, which include a well-diversified portfolio of domestic and international equity securities and fixed income securities and are managed by a professional investment manager appointed by Southwest Gas. The investment manager has full discretionary authority to direct the investment of plan assets held in trust within the specific guidelines prescribed by Southwest Gas through the plan's investment policy statement. Southwest Gas previously implemented an LDI strategy for part of the portfolio; a form of investing designed to better match the movement in pension plan assets with the impact of interest rate changes and, indirectly, inflation assumption changes on the pension plan liability. The implementation of the LDI strategy was intended to be phased in over time by using a glide path. The glide path was designed to increase the allocation of the plan's assets to fixed income securities, as the funded status of the plan increases, in order to more closely match the duration of the plan assets to that of the plan liability. During the third quarter of 2025, the asset mix was adapted in accordance with an updated policy statement an allocation of approximately 45% equity securities and 55% fixed income securities with an estimated target hedge ratio of 95%. Beginning in 2024, a treasury futures overlay was added as part of the LDI strategy intending to manage interest rate fluctuations with the goal of reducing funded ratio volatility; as of the end of 2025, the pension plan was approximately 102% funded. While the overlay is intended for these purposes, there is no guarantee that these intentions will be achieved. Pension plan assets are held in a Master Trust. The pension plan funding policy is in compliance with the federal government's funding requirements.

Pension costs for these plans are affected by the amount and timing of cash contributions to the plans, the return on plan assets, discount rates, and by employee demographics, including age, compensation, and length of service. Changes made to the provisions of the plans may also impact current and future pension costs. Actuarial formulas are used in the determination of pension costs and are affected by actual plan experience and assumptions about future experience. Key actuarial assumptions include the expected return on plan assets, the discount rate used in determining the projected benefit obligation and pension costs, and the assumed rate of increase in employee compensation. Relatively small changes in these assumptions, particularly the discount rate, may significantly affect pension costs and plan obligations for the QRP. In determining the discount rate, management matches the plan's projected cash flows to a spot-rate yield curve based on highly rated corporate bonds.

The asset return assumption (which impacts the following year's expense) remained consistent with the prior year. The rates are presented in the table below:

	December 31,	
	2025	2024
Asset return assumption	7.00 %	7.00 %

Future years' expense level movements (up or down) may continue to be greatly influenced by long-term interest rates, asset returns, and funding levels; however, management implemented a treasury futures overlay to primarily be responsive to changing interest rates, and therefore, indirectly, discount rates that will apply to the pension, in attempting to preserve funded status.

The following table sets forth the QRP, SERP, and PBOP funded statuses and amounts recognized on the Consolidated Balance Sheets and Consolidated Statements of Income.

(Thousands of dollars)	Year Ended December 31,					
	2025			2024		
	QRP	SERP	PBOP	QRP	SERP	PBOP
Change in benefit obligations:						
Benefit obligation for service rendered to date at beginning of year (PBO/PBO/APBO)	\$ 1,175,245	\$ 43,183	\$ 62,064	\$ 1,241,177	\$ 45,031	\$ 66,009
Service cost	24,394	231	1,168	28,252	243	1,287
Interest cost	65,588	2,383	3,426	60,387	2,167	3,178
Actuarial loss (gain)	2,877	2,464	1,418	(87,575)	(725)	(2,691)
Benefits paid	(69,232)	(3,688)	(4,897)	(66,996)	(3,533)	(5,719)
Benefit obligation at end of year (PBO/PBO/APBO)	1,198,872	44,573	63,179	1,175,245	43,183	62,064
Change in plan assets:						
Market value of plan assets at beginning of year	1,120,272	—	38,122	1,166,372	—	35,920
Actual return on plan assets	148,883	—	5,337	896	—	3,027
Employer contributions	25,000	3,688	—	20,000	3,533	2,514
Benefits paid	(69,232)	(3,688)	(1,335)	(66,996)	(3,533)	(3,339)
Market value of plan assets at end of year	1,224,923	—	42,124	1,120,272	—	38,122
Funded status at year end	\$ 26,051	\$ (44,573)	\$ (21,055)	\$ (54,973)	\$ (43,183)	\$ (23,942)
Weighted-average assumptions (benefit obligation):						
Discount rate	5.75 %	5.50 %	5.50 %	5.75 %	5.75 %	5.75 %
Weighted-average rate of compensation increase	3.50 %	3.50 %	N/A	3.50 %	3.50 %	N/A

Funding for the plans above during calendar year 2026 is expected to be approximately \$23.5 million, of which \$20.0 million pertains to the QRP. Management monitors plan assets and liabilities and may, at its discretion, increase plan funding levels above the minimum in order to achieve a desired funded status and avoid or minimize potential benefit restrictions.

The accumulated benefit obligation for the QRP and the SERP is presented below:

(Thousands of dollars)	December 31,	
	2025	2024
QRP	\$ 1,091,081	\$ 1,084,462
SERP	42,382	40,753

Benefits expected to be paid for the QRP, SERP, and PBOP over the next 10 years are as follows:

(Millions of dollars)	2026	2027	2028	2029	2030	2031-2035
QRP	\$ 72.0	\$ 73.0	\$ 74.0	\$ 75.0	\$ 77.0	\$ 409.0
SERP	3.5	3.5	3.4	3.4	3.4	16.2
PBOP	5.0	5.1	5.1	5.1	5.2	25.8

No assurance can be made that actual funding and benefits paid will match these estimates.

For PBOP measurement purposes, the per capita cost of the covered health care benefits medical rate trend assumption is 5.0%, declining to 4.5%. Specific contributions are made for health care benefits of employees who retire after 1988, but Southwest Gas pays all covered health care costs for employees who retired prior to 1989. The medical trend rate assumption noted above applies to the benefit obligations of pre-1989 retirees only.

The service cost component of net periodic benefit costs included in the table below is part of an overhead loading process associated with the cost of labor. The overhead process ultimately results in allocation of that portion of overall net periodic benefit costs to the same accounts to which productive labor is charged. As a result, service costs become components of various accounts, primarily Operations and maintenance expense, Net regulated operations plant, and Deferred charges and other assets for both the Company and Southwest Gas. The non-service cost components of net periodic benefit cost are reflected in Other income (deductions) on the Consolidated Statements of Income of each entity, based on accounting guidance for the presentation of such costs. Variability in total net periodic benefit cost between periods, especially with regard to the QRP, is subject to changes in underlying actuarial assumptions between periods, notably the discount rate.

Components of net periodic benefit cost:

(Thousands of dollars)	2025			2024			2023		
	QRP	SERP	PBOP	QRP	SERP	PBOP	QRP	SERP	PBOP
Service cost	\$ 24,394	\$ 231	\$ 1,168	\$ 28,252	\$ 243	\$ 1,287	\$ 25,840	\$ 250	\$ 1,269
Interest cost	65,588	2,383	3,426	60,387	2,167	3,178	59,165	2,123	3,302
Expected return on plan assets	(90,328)	—	(2,495)	(87,812)	—	(2,259)	(84,062)	—	(2,424)
Amortization of prior service cost	—	—	175	—	—	175	—	—	175
Amortization of net actuarial loss	3,007	1,082	(313)	6,308	1,333	—	336	998	—
Net periodic benefit cost	\$ 2,661	\$ 3,696	\$ 1,961	\$ 7,135	\$ 3,743	\$ 2,381	\$ 1,279	\$ 3,371	\$ 2,322
Weighted-average assumptions (net benefit cost)									
Discount rate	5.75 %	5.75 %	5.75 %	5.00 %	5.00 %	5.00 %	5.25 %	5.25 %	5.25 %
Expected return on plan assets	7.00 %	N/A	7.00 %	6.75 %	N/A	6.75 %	6.75 %	N/A	6.75 %
Weighted-average rate of compensation increase	3.50 %	3.50 %	N/A	3.50 %	3.50 %	N/A	3.25 %	3.25 %	N/A

Other Changes in Plan Assets and Benefit Obligations Recognized in Net Periodic Benefit Cost and Other Comprehensive Income

(Thousands of dollars)	Year Ended December 31,											
	2025				2024				2023			
	QRP	SERP	PBOP	Total	QRP	SERP	PBOP	Total	QRP	SERP	PBOP	Total
Net actuarial loss (gain) (a)	\$ (55,680)	\$ 2,463	\$ (1,423)	\$ (54,640)	\$ (659)	\$ (725)	\$ (3,458)	\$ (4,842)	\$ 455	\$ 3,995	\$ (1,262)	\$ 3,188
Amortization of prior service cost (b)	—	—	(175)	(175)	—	—	(175)	(175)	—	—	(175)	(175)
Amortization of net actuarial loss (b)	(3,007)	(1,081)	313	(3,775)	(6,308)	(1,333)	—	(7,641)	(335)	(998)	—	(1,333)
Regulatory adjustment	52,232	—	1,285	53,517	6,200	—	3,633	9,833	(107)	—	1,437	1,330
Recognized in other comprehensive (income) loss	(6,455)	1,382	—	(5,073)	(767)	(2,058)	—	(2,825)	13	2,997	—	3,010
Net periodic benefit costs recognized in net income	2,661	3,696	1,961	8,318	7,135	3,743	2,381	13,259	1,279	3,371	2,322	6,972
Total of amount recognized in net periodic benefit cost and other comprehensive (income) loss	\$ (3,794)	\$ 5,078	\$ 1,961	\$ 3,245	\$ 6,368	\$ 1,685	\$ 2,381	\$ 10,434	\$ 1,292	\$ 6,368	\$ 2,322	\$ 9,982

The table above discloses the net gain or loss and prior service cost recognized in Other comprehensive income, separated into (a) amounts initially recognized in Other comprehensive income, and (b) amounts subsequently recognized as adjustments to Other comprehensive income as those amounts are amortized as components of net periodic benefit cost.

The following table sets forth, by level within the three-level fair value hierarchy, the fair values of the assets of the QRP and the PBOP as of December 31, 2025 and 2024. The SERP has no assets.

(Thousands of dollars)	December 31,					
	2025			2024		
	QRP	PBOP	Total	QRP	PBOP	Total
Assets at fair value:						
Level 2 – Significant other observable inputs						
Government fixed income ⁽¹⁾	\$ 6,974	\$ 6	\$ 6,980	\$ 5,048	\$ 4	\$ 5,052
Total Level 2 assets	6,974	6	6,980	5,048	4	5,052
Investments measured at NAV:						
Mutual funds ⁽²⁾	—	40,790	40,790	—	36,951	36,951
Pooled funds and mutual funds ⁽³⁾	24,289	306	24,595	15,009	191	15,200
Commingled trust equity funds ⁽⁴⁾						
Global	220,661	189	220,850	237,333	211	237,544
International	99,508	85	99,593	105,977	94	106,071
U.S. equity securities	176,970	152	177,122	171,122	153	171,275
Emerging markets	61,510	54	61,564	55,327	49	55,376
Commingled trust fixed income funds ⁽⁵⁾	632,863	542	633,405	528,238	469	528,707
Insurance company general account contracts ⁽⁶⁾	2,148	—	2,148	2,218	—	2,218
Total Plan assets	\$ 1,224,923	\$ 42,124	\$ 1,267,047	\$ 1,120,272	\$ 38,122	\$ 1,158,394

⁽¹⁾ Government fixed income consists of government-related securities including cash and cash equivalent securities as well as assets invested in the Treasury futures overlay and associated cash collateral.

⁽²⁾ The Mutual funds category is a balanced fund that invests in diversified portfolios of common stocks, preferred stocks, and fixed-income securities. Under normal circumstances, the fund invests between 25% and 75% of its total assets in equity securities and at least 25% in fixed-income investments. It may also invest up to 30% in non-U.S. securities. The fund seeks regular income, conservation of principal, and an opportunity for long-term growth of principal and income.

⁽³⁾ These funds are collective short-term funds that invest in Treasury bills and money market funds and are used as a temporary cash repository.

⁽⁴⁾ The commingled trust equity funds include common collective trusts that invest in diversified portfolios of securities regularly traded on securities exchanges. These funds are shown in the above table at NAV, which is the value of securities in the fund less the amount of any liabilities outstanding. Strategies employed by the funds include investment in:

- Global equities, including domestic (U.S.) and international equities
- International developed countries equities
- Domestic (U.S.) equities
- Emerging markets equities

Shares in the commingled trust equity funds may be redeemed given one business day advance notice. The global fund provides diversified exposure to global equity markets. The fund seeks to provide long-term capital growth by investing primarily in securities listed on the major developed equity markets of the U.S., Europe, and Asia, as well as within those listed on emerging country equity markets on a tactical basis.

The international fund invests in international financial markets, primarily those of developed economies in Europe and Asia. The fund invests primarily in equity securities issued by foreign corporations but may invest in other securities perceived as offering attractive investment return opportunities.

The domestic equities securities funds include a large and medium capitalization fund and a small capitalization fund. The large and medium capitalization fund is designed to track the performance of the large and medium capitalization companies contained in the index, which represents approximately 90% of the market capitalization of the U.S. stock market. The small capitalization fund is designed to provide maximum long-term appreciation through investments that are well diversified by industry.

The emerging markets fund invests in countries defined as an emerging market country. Fund investments are made directly in each country or, where direct investment is inefficient or prohibited, through appropriate financial instruments or participation in commingled funds. Major emerging markets include Brazil, India, China, and other developing countries around the world.

⁽⁵⁾ The commingled trust fixed income funds consist primarily of fixed income debt securities issued by the U.S. Treasury, government agencies, and fixed income debt securities issued by corporations. The fixed income fund investments may include the use of high yield international fixed income securities and other instruments, including derivatives, to ensure prudent diversification over a broad spectrum of investments. The changes in the value of the fixed income funds are intended to offset the changes in the pension plan liabilities due to changes in the discount rate.

⁽⁶⁾ The insurance company general account contracts are annuity insurance contracts used to pay the pensions of employees who retired prior to 1989. The balance of the account disclosed in the above table is the contract value, which is the result of deposits, withdrawals, and interest credits.

Note 11 - Income Taxes

Southwest Gas Holdings, Inc.:

The following is a summary of income before taxes from continuing operations:

(Thousands of dollars)	Year ended December 31,		
	2025	2024	2023
Income from continuing operations before income taxes	\$ 330,873	\$ 254,136	\$ 169,404

Income tax expense (benefit) consists of the following:

(Thousands of dollars)	Year Ended December 31,		
	2025	2024	2023
Current:			
Federal	\$ (24)	\$ 1,289	\$ (66)
State	1,777	570	402
Total current tax expense	1,753	1,859	336
Deferred:			
Federal	55,547	28,627	19,400
State	38,737	2,671	9,674
Total deferred tax expense	94,284	31,298	29,074
Total income tax expense	\$ 96,037	\$ 33,157	\$ 29,410

A reconciliation of the U.S. federal statutory rate to the Southwest Gas Holdings, Inc. consolidated effective income tax rate (and the sources of these differences and the effect of each) are summarized as follows:

(Thousands of dollars)	Year Ended December 31,					
	2025		2024		2023	
	Amount	Percent	Amount	Percent	Amount	Percent
U.S. federal statutory income tax	\$ 69,483	21.0 %	\$ 53,369	21.0 %	\$ 35,575	21.0 %
State and local income tax, net of deferred benefit ⁽¹⁾	40,515	12.2 %	3,230	1.2 %	9,420	5.6 %
Tax credits	(2,213)	(0.6)%	(1,716)	(0.7)%	(440)	(0.3)%
Changes in valuation allowance	—	—	1,032	0.4 %	—	—
Nontaxable and nondeductible items:						
Corporate-owned life insurance	(2,242)	(0.7)%	(1,842)	(0.7)%	(2,196)	(1.3)%
Other	848	0.3 %	589	0.2 %	197	0.1 %
Changes in unrecognized tax benefits	(182)	(0.1)%	(1,849)	(0.7)%	(23)	— %
Other adjustments:						
Amortization of excess deferred taxes	(10,172)	(3.1)%	(19,656)	(7.7)%	(23,112)	(13.6)%
MountainWest sale	—	—	—	—	9,989	5.9 %
Total income tax expense and effective income tax rate	<u>\$ 96,037</u>	<u>29.0 %</u>	<u>\$ 33,157</u>	<u>13.0 %</u>	<u>\$ 29,410</u>	<u>17.4 %</u>

⁽¹⁾ State taxes in Arizona made up the majority (greater than 50%) of the tax effect in this category. In addition, this reflects the impact of the revised state apportionment rates recorded in 2025.

Total cash paid for income taxes, net of refunds, are detailed below. Please note that the table below includes totals for both continuing and discontinued operations.

(Thousands of dollars)	Year Ended December 31,		
	2025	2024	2023
Federal	\$ 24,500	\$ (350)	\$ (2,421)
State:			
California	8,502	—	—
Illinois	2,060	—	—
Indiana	—	509	—
Maryland	—	1,104	—
Massachusetts	—	512	—
Pennsylvania	—	—	837
Texas	—	—	723
Other states	4,197	800	1,045
Canada	1,229	7,330	9,181
Total income taxes paid, net	<u>\$ 40,488</u>	<u>\$ 9,905</u>	<u>\$ 9,365</u>

Deferred tax assets and liabilities consist of the following:

(Thousands of dollars)	December 31,	
	2025	2024
Deferred tax assets:		
Deferred income taxes for future amortization of ITC and excess deferred taxes	\$ 78,826	\$ 81,802
Net operating losses	146,287	144,172
Other	3,848	2,107
Valuation allowance	—	(1,117)
Total deferred tax assets	228,961	226,964
Deferred tax liabilities:		
Property-related items, including accelerated depreciation	1,119,822	1,020,885
Regulatory balancing accounts	1,459	3,988
Debt-related costs	1,055	1,384
Employee benefits	29,680	24,118
Other	54,257	34,571
Total deferred tax liabilities	1,206,273	1,084,946
Net noncurrent deferred tax liabilities	\$ 977,312	\$ 857,982

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

(Thousands of dollars)	December 31,	
	2025	2024
Unrecognized tax benefits at beginning of year	\$ 773	\$ 2,622
Gross increases – tax positions in prior period	95	83
Gross increases – current period tax positions	—	171
Gross decreases – current period tax positions	(277)	—
Lapse in statute of limitations	—	(2,103)
Unrecognized tax benefits at end of year	\$ 591	\$ 773

At December 31, 2025, the Company has a U.S. federal net operating loss carryforward of \$599.4 million on a tax return basis. As of the same date, the Company has \$435.7 million of state net operating loss carryforwards on a tax return basis. Depending on the jurisdiction in which the state net operating loss was generated, the carryforwards will begin to expire in 2041.

Southwest Gas Corporation:

Certain amounts in this disclosure have been revised as discussed in **Note 3 - Revision of Previously Issued Financial Statements**.

The following is a summary of income before taxes:

(Thousands of dollars)	Year ended December 31,		
	2025	2024	2023
Total income before income taxes	\$ 353,131	\$ 304,765	\$ 270,574

Income tax expense (benefit) consists of the following:

(Thousands of dollars)	Year Ended December 31,		
	2025	2024	2023
Current:			
Federal	\$ (96,017)	\$ (12)	\$ (21)
State	(9,051)	105	98
Total current tax expense	(105,068)	93	77
Deferred:			
Federal	156,138	39,730	30,980
State	1,753	2,846	11,105
Total deferred tax expense	157,891	42,576	42,085
Total income tax expense	\$ 52,823	\$ 42,669	\$ 42,162

A reconciliation of the U.S. federal statutory rate to the Southwest Gas effective income tax rate (and the sources of these differences and the effect of each) are summarized as follows:

(Thousands of dollars)	Year Ended December 31,					
	2025		2024		2023	
	Amount	Percent	Amount	Percent	Amount	Percent
U.S. federal statutory income tax	\$ 74,157	21.0 %	\$ 64,001	21.0 %	\$ 56,821	21.0 %
State and local income tax, net of deferred benefit ⁽¹⁾	(7,298)	(2.1)%	2,946	1.0 %	10,773	4.0 %
Tax credits	(2,213)	(0.6)%	(1,716)	(0.6)%	(440)	(0.2)%
Nontaxable and nondeductible items	(1,470)	(0.3)%	(1,057)	(0.3)%	(2,100)	(0.7)%
Changes in unrecognized tax benefits	(182)	(0.1)%	(1,849)	(0.6)%	(23)	— %
Other adjustments:						
Amortization of excess deferred taxes	(10,171)	(2.9)%	(19,656)	(6.5)%	(22,869)	(8.5)%
Total income tax expense and effective income tax rate	\$ 52,823	15.0 %	\$ 42,669	14.0 %	\$ 42,162	15.6 %

⁽¹⁾ State taxes in Arizona made up the majority (greater than 50%) of the tax effect in this category. In addition, this reflects the impact of the revised state apportionment rates recorded in 2025.

Income taxes paid, net of refunds, are as follows:

(Thousands of dollars)	Year Ended December 31,		
	2025	2024	2023
Federal	\$ 585	\$ —	\$ —
California	421	—	—
Total income taxes paid, net	\$ 1,006	\$ —	\$ —

Deferred tax assets and liabilities consist of the following:

(Thousands of dollars)	December 31,	
	2025	2024
Deferred tax assets:		
Deferred income taxes for future amortization of ITC and excess deferred taxes	\$ 78,826	\$ 81,802
Net operating losses	89,174	188,458
Other	3,258	2,543
Total deferred tax assets	171,258	272,803
Deferred tax liabilities:		
Property-related items, including accelerated depreciation	1,119,822	1,064,187
Regulatory balancing accounts	1,459	4,157
Debt-related costs	1,055	1,443
Employee benefits	31,865	27,337
Other	44,978	29,928
Total deferred tax liabilities	1,199,179	1,127,052
Net deferred tax liabilities	\$ 1,027,921	\$ 854,249

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

(Thousands of dollars)	December 31,	
	2025	2024
Unrecognized tax benefits at beginning of year	\$ 773	\$ 2,622
Gross increases – tax positions in prior period	95	83
Gross increases – current period tax positions	—	171
Gross decreases – current period tax positions	(277)	—
Lapse in statute of limitations	—	(2,103)
Unrecognized tax benefits at end of year	\$ 591	\$ 773

Southwest Gas Holdings, Inc. and Southwest Gas Corporation:

In assessing whether uncertain tax positions should be recognized in its financial statements, management first determines whether it is more-likely-than-not that a tax position will be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. In evaluations of whether a tax position has met the more-likely-than-not recognition threshold, management presumes that the position will be examined by the appropriate taxing authority that would have full knowledge of all relevant information. For tax positions that meet the more-likely-than-not recognition threshold, management measures the amount of benefit recognized in the financial statements at the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement. Unrecognized tax benefits are recognized in the first financial reporting period in which information becomes available indicating that such benefits will more-likely-than-not be realized. For each reporting period, management applies a consistent methodology to measure unrecognized tax benefits, and all unrecognized tax benefits are reviewed periodically and adjusted as circumstances warrant. Measurement of unrecognized tax benefits is based on management's assessment of all relevant information, including prior audit experience, the status of audits, conclusions of tax audits, lapsing of applicable statutes of limitation, identification of new issues, and any administrative guidance or developments.

The Company and Southwest Gas recognize interest expense and penalties related to income tax matters in income tax expense. The amount of tax-related interest income for 2023 through 2025 was not significant.

The Company and its subsidiaries file a consolidated federal income tax return in the U.S. and in various states. With few exceptions, the Company is no longer subject to U.S. federal, state and local income tax examinations for years before 2021.

The Company and each of its subsidiaries, including Southwest Gas, participate in a tax sharing agreement to establish the method for allocating tax benefits and losses among members of the consolidated group. The consolidated federal income tax is apportioned among the subsidiaries using a separate return method. According to the terms of the tax sharing agreement, the Company will pay Southwest Gas for the tax attributes that will be utilized in 2025 (primarily used to offset the taxable gain on the sale of Centuri).

In April 2023, the IRS issued Revenue Procedure 2023-15, which provides a safe harbor method of accounting that taxpayers may use to determine whether expenditures to repair, maintain, replace, or improve natural gas transmission and distribution property must be capitalized for tax purposes. Southwest Gas adopted this change in tax accounting method with its 2024 U.S. federal income tax return filing in 2025, and the safe harbor method increased the total tax repair deductions. Southwest Gas Holdings, Inc. and Southwest Gas' deferred taxes reflect the impacts of this adoption and are not material to the consolidated financial statements overall.

Note 12 - Share-Based Compensation

At December 31, 2025, the following share-based compensation plans existed at the Company: an omnibus incentive plan and a restricted stock/unit plan. The fair value of share grants is primarily based on the closing price of the Company's stock on the date of grant. All share grants in 2025, including time-lapse restricted stock units and performance stock units, occurred under the omnibus incentive plan. The table below shows total share-based plan compensation expense which was recognized in the Company's Consolidated Statements of Income:

(Thousands of dollars)	Year Ended December 31,		
	2025	2024	2023
Share-based compensation expense - continuing operations	\$ 14,631	\$ 11,372	\$ 6,228
Share-based compensation expense - discontinued operations	8,705	3,527	1,851
Total share-based compensation expense	\$ 23,336	\$ 14,899	\$ 8,079
Tax benefit related to share-based compensation - continuing operations	\$ 2,244	\$ 2,051	\$ 1,495
Tax benefit related to share-based compensation - discontinued operations	1,539	797	444
Total tax benefit	\$ 3,783	\$ 2,848	\$ 1,939

Omnibus Incentive Plan

The omnibus incentive plan is used to promote the long-term growth and profitability of the Company, including its subsidiaries, by providing directors, employees, and certain other individuals, with incentives to increase stockholder value and otherwise contribute to the success of the Company. In addition, the plan enables the Company to attract, retain, and reward the best available persons for positions of responsibility. The omnibus incentive plan provides for the grant of stock options, stock appreciation rights, restricted stock, restricted stock units, performance stock units, and other equity-based, as well as cash, awards. Employees, directors, and consultants who provide services to the Company or any subsidiary may be eligible under this plan. For grants under the omnibus incentive plan, directors continue to immediately vest in the shares upon grant but are provided the option to defer receipt of equity compensation until they leave the Board.

Performance-based incentive opportunities under the ongoing programs of the omnibus plan were granted to all officers of Southwest Gas in the form of performance stock units and are based, depending on the officer, on consolidated or Southwest Gas earnings per share, utility net income, and utility return on equity, with an adjustment, where relevant, based on total shareholder return compared to peer companies and, for all participants, measured over a three-year forward performance period. Performance stock units are restricted based on vesting, and in this case, further subject to future performance determinations against relevant benchmarks. From time to time, special awards may be granted, as permissible under the omnibus plan, that are recognized based on the relevant conditions of the grant and accounting determinations for recognition and, in 2024, three officers received special performance stock unit awards with accelerated vesting provisions for certain termination events. In 2025, one officer received a special performance stock unit award with accelerated vesting provisions for certain termination events. Southwest Gas recorded \$6.2 million, \$5.2 million, and \$1.1 million of estimated compensation expense associated with the collective performance stock unit awards during 2025, 2024, and 2023, respectively. Performance stock unit awards provide for accelerated vesting in certain limited termination events, with vesting in the ultimate award, if any, generally prorated based on the number of months of employment during the three-year forward vesting period.

Conversely, with regard to management, grants under the omnibus plan are of time-lapse restricted stock units with graded vesting (and issuance in the form of common stock) occurring (following grant) at the rate of 40% at the end of year one and 30% at the end of years two and three. Accelerated vesting occurs based on retirement eligibility.

Restricted stock/units under the restricted stock/unit plan were previously granted to attract, motivate, retain, and reward key employees of the Company with an incentive to attain high levels of individual performance and improved financial performance. The legacy plan was also established to attract, motivate, and retain experienced and knowledgeable directors. All remaining shares under the legacy restricted stock/unit plan (in regard to employees) were issued during 2021; remaining unissued legacy program shares relate solely to directors, and such shares were immediately vested at the time of grant, with distribution to occur when service on the Board ends.

No new grants are made under the legacy plan as all future stock-based incentive compensation, including with regard to restricted stock, is granted under programs of the omnibus incentive plan, which for directors, with advance election, issuance may occur upon leaving Board service.

The following table summarizes the activity of the omnibus incentive plan and restricted stock/units programs as of December 31, 2025:

(Thousands of shares)	Performance Stock Units	Weighted-average grant date fair value	Restricted Stock Units/Director Deferred Stock Units	Weighted-average grant date fair value
Nonvested/unissued at December 31, 2024	326	\$ 64.95	232	\$ 55.39
Granted	100	76.87	84	75.42
Dividends	1	—	7	—
Forfeited or expired	(32)	68.85	—	—
Vested and issued ⁽¹⁾	(146)	68.34	(115)	56.90
Nonvested/unissued at December 31, 2025	<u>249</u>	<u>\$ 66.96</u>	<u>208</u>	<u>\$ 60.68</u>

⁽¹⁾ Includes shares for retiree payouts and those converted for taxes.

The weighted average grant date fair value of performance stock units and time-lapse restricted stock units granted in 2024 was \$68.54 and \$62.55, respectively, and in 2023 was \$62.78 for performance stock units and \$62.83 for time-lapse restricted stock units.

As of December 31, 2025, total compensation cost related to all unvested shares not yet recognized is \$7.3 million, which is expected to be recognized over a weighted average period of 1.6 years.

Note 13 - Dispositions

In December 2022, the Company announced that the Board unanimously determined to take strategic actions to simplify the Company's portfolio of businesses. These actions included entering into a definitive agreement to sell 100% of MountainWest in an all-cash transaction to Williams for \$1.5 billion in total enterprise value, subject to certain adjustments, which closed in the first quarter of 2023. Additionally, the Company determined it would pursue a separation of Centuri, including forming a new independent publicly traded utility infrastructure services company.

Centuri

In April 2024, the Company and Centuri announced the completion of the Centuri IPO, prior to which Centuri was a wholly owned subsidiary of the Company. Immediately upon the completion of the Centuri IPO, the Company continued to own approximately 81% of the outstanding shares of common stock of Centuri.

In May 2025, the Company completed a secondary public offering of 10,350,000 shares of Centuri's common stock owned by the Company (inclusive of 1,350,000 shares related to the exercise of the overallotment option) at a price of \$17.50 per share. In addition, the Company sold 2,857,142 shares at a price equal to the public offering price to the Icahn investment entities in a concurrent private placement. The net proceeds to the Company from this public offering and concurrent private placement, after deducting underwriting discounts and commissions of \$6.6 million and other fees, were approximately \$224.6 million.

In June 2025, the Company completed an additional secondary public offering of 11,212,500 shares of Centuri's common stock owned by the Company (inclusive of 1,462,500 shares related to the exercise of the overallotment option) at a price of \$20.75 per share. The net proceeds to the Company from the public offering, after deducting underwriting discounts and commissions of \$8.6 million and other fees, were approximately \$224.1 million. In addition, in July 2025 the Company closed the concurrent private placement sale of an additional 1,060,240 shares, at a price equal to the June 2025 Centuri public offering price, with Icahn investment entities. The net proceeds to the Company from this concurrent private placement were approximately \$22.0 million. After completion of the June 2025 public offering and July 2025 private placement, the Company owned approximately 52.1% of the then-outstanding Centuri common stock.

On August 11, 2025, the Company completed an additional secondary public offering and concurrent private placement sale with Icahn investment entities for a combined total of 18,823,500 shares of Centuri common stock owned by the Company at a price of \$19.50 per share. The net proceeds to the Company, after deducting underwriting discounts and commissions of \$11.8 million and other fees, were approximately \$355.2 million. The Company used the proceeds for the repayment of outstanding indebtedness, the third quarter dividends to stockholders, and will use the remainder for general corporate purposes (see **Note 9 - Debt**). After completion of the offering and concurrent private placement, the Company owned approximately 30.9% of the then-outstanding Centuri common stock, and therefore, no longer had a controlling financial interest in Centuri. As a result, the Company met the requirements for the deconsolidation of Centuri. In addition, the sale of Centuri, which comprised the Company's Utility Infrastructure Services segment, represents a strategic shift that has a significant impact on the Company's operations and financial results. Therefore, the sale meets the criteria to be reported as discontinued operations in accordance with U.S. GAAP. Accordingly, the historical financial results of Centuri, for all periods presented, are reflected in the Consolidated Financial Statements as discontinued operations. On August 11, 2025, following the deconsolidation of Centuri, the Company remeasured its retained 30.9% ownership interest at fair value. This remeasurement resulted in a gain of \$222.9 million, which was included in the total gain recognized upon deconsolidation further described below. Subsequent to this date, the Company elected to continue measuring its retained interest, accounted for under the equity method, at fair value through the date of final disposition on September 5, 2025. Upon final disposition, the Company recognized a loss of \$9.7 million. After considering the initial fair value adjustment, the Company recorded a net gain of \$213.2 million related to the disposition on its retained interest in Centuri.

On September 5, 2025, the Company completed a final additional secondary public offering of 27,362,210 shares of Centuri common stock owned by the Company at a price of \$19.18 per share. After completion of the offering, the Company no longer owns any shares of Centuri common stock and no longer has governance rights afforded to it under the Separation Agreement, including the right to nominate any of Centuri's directors and any remaining consent rights over certain of Centuri's corporate actions. The net proceeds to the Company from the public offering, after deducting other fees of approximately \$900,000, were approximately \$524.0 million.

Centuri did not receive any of the proceeds from the series of public offerings or private placements subsequent to the Centuri IPO. The Company used a portion of the proceeds to pay debts at Southwest Gas Holdings and expects to use the remaining proceeds for general corporate purposes, including support for future capital investments at Southwest Gas, as well as the 2028 expansion of Great Basin, and future dividend payments to stockholders that would otherwise have been funded by Southwest Gas.

The following table presents the net proceeds received by the Company for the sale of Centuri common stock subsequent to the Centuri IPO:

Secondary Offering Information	Net Proceeds (in million) ⁽¹⁾
May 22, 2025 public offering and private placement	\$ 224.6
June 18, 2025 public offering	224.1
July 8, 2025 private placement	22.0
August 11, 2025 public offering and private placement	355.2
September 5, 2025 public offering	524.0
Total	<u>\$ 1,349.9</u>

⁽¹⁾ Net proceeds, net of transaction costs

Discontinued Operations

The gain on deconsolidation as of August 11, 2025, adjusted during fourth quarter of 2025, is calculated as follows (in thousands):

Fair value of the retained investment in Centuri ⁽¹⁾	\$	533,636
Net proceeds received from the August 11, 2025 public offering and private placement		355,220
Carrying value of noncontrolling interest attributable to Centuri prior to deconsolidation		460,897
Centuri deferred tax asset adjustment ⁽²⁾		(24,257)
Less: Carrying value of Centuri net assets prior to deconsolidation, including AOCI		(982,396)
Gain on deconsolidation of Centuri before income tax ⁽³⁾		343,100
Income tax expense		82,650
Gain on deconsolidation of Centuri, net of tax	\$	<u>260,450</u>

⁽¹⁾ Centuri's quoted stock price is used for fair value measurement, which is classified as level 1 in the fair value hierarchy as of August 11, 2025.

⁽²⁾ Represents adjustment of deemed capital contribution for the Company's fourth quarter of 2025 results of operations and the filing of 2024 federal and state income tax returns according to the terms of the Tax Assets Agreement.

⁽³⁾ Includes \$120.2 million gain on interest sold and \$222.9 million gain on the investment retained.

The following table summarizes the components of assets and liabilities of discontinued operations on the Company's Condensed Consolidated Balance Sheets at December 31, 2024:

(Thousands of dollars)	December 31, 2024
Cash	\$ 49,019
Accounts receivable, net of allowances	519,610
Other current assets	32,755
Total current assets classified as discontinued operations	601,384
Other property and investments, net	1,025,700
Goodwill	770,046
Deferred income taxes	52,376
Deferred charges and other assets	79,004
Total noncurrent assets classified as discontinued operations	<u>1,927,126</u>
Current maturities of long-term debt	30,018
Accounts payable	140,889
Other current liabilities	211,985
Total current liabilities classified as discontinued operations	382,892
Long-term debt, less current maturities	843,863
Other deferred credits	172,863
Total noncurrent liabilities classified as discontinued operations	<u>\$ 1,016,726</u>

Summarized results from discontinued operations were as follows:

(Thousands of dollars)	2025	2024	2023
Utility infrastructure services revenues	\$ 1,613,113	\$ 2,637,229	\$ 2,899,276
Utility infrastructure services expenses	(1,507,393)	(2,424,585)	(2,628,476)
Depreciation and amortization	(83,393)	(135,345)	(145,445)
Net interest deductions	(51,530)	(90,515)	(97,476)
Gain on deconsolidation	343,100	—	—
Loss on final disposition of retained interest	(9,688)	—	—
Other income (deductions), net	(135)	376	66
Income (loss) from discontinued operations before income taxes	304,074	(12,840)	27,945
Income tax expense	(103,730)	(3,303)	(12,422)
Net income (loss) from discontinued operations	200,344	(16,143)	15,523
Net income (loss) attributable to noncontrolling interest	(4,646)	6,021	4,628
Net income (loss) from discontinued operations attributable to Southwest Gas Holdings, Inc.	\$ 204,990	\$ (22,164)	\$ 10,895

Following the May 2025 sale of Centuri common stock, the Company was no longer eligible to include Centuri in its consolidated federal and certain state income tax returns (tax deconsolidation) and the Company's tax-free spin protection plan expired. As such, the Company could no longer assert the ability to complete a tax-free disposition of its investment in Centuri. This event required the Company to recognize a previously unrecorded deferred tax liability related to the outside basis of its investment in Centuri. As a result, the Company recognized tax expense of \$52.8 million related to the recognition of outside basis differences. Following the sale of the Company's shares of Centuri common stock in August 2025, the Company was no longer eligible to include Centuri in its remaining state income tax returns.

In addition, the Company recorded a tax benefit of \$24.1 million related to deferred tax assets. These benefits reflect state net operating losses that are now expected to be utilized in connection with the disposition of Centuri shares.

As a result of the Centuri deconsolidation in August 2025, the Company recorded an income tax expense of \$82.7 million. Furthermore, the Company recorded an income tax benefit of \$5.6 million primarily related to the final disposition of Centuri, valuation allowance release, and for other separation costs. The Company also reflected a \$2.0 million income tax benefit from the results of Centuri's operations through the deconsolidation date resulting in a total income tax expense of \$103.7 million.

On February 24, 2025, the Company entered into a Tax Assets Agreement with Centuri. The Tax Assets Agreement addresses the Company's arrangements with Centuri with respect to certain Tax Assets that each company will retain following any deconsolidation for U.S. federal and relevant state income tax laws. Under the terms of the Tax Assets Agreement, the Company contributed \$80.7 million, inclusive of the \$24.3 million recording in the fourth quarter of 2025, of Tax Assets to Centuri, which were treated as a deemed capital contribution. This amount is subject to change and will be finalized upon the filing of the 2025 final consolidated or combined federal and state income tax returns. Any future changes to the Tax Assets contributed to Centuri will be recorded in discontinued operations.

The Company had \$7.7 million of redeemable noncontrolling interests at December 31, 2024 that was disposed of in connection with the Centuri separation.

Note 14 - Previously Issued Condensed Consolidated Financial Statements (Unaudited)

Southwest Gas Holdings, Inc. – Restatement of Previously Issued Condensed Consolidated Financial Statements

In connection with the preparation of this Form 10-K for the year ended December 31, 2025, management identified errors in the calculation of estimated deferred income tax liabilities associated with state income taxes. The errors arose following the Company's sale of shares of Centuri's common stock in the second and third quarters of 2025, which resulted in the tax deconsolidation of Centuri. The errors occurred because the Company did not update estimated future state apportionment rates following the Company's sale of 13,207,142 shares of Centuri common stock on May 22, 2025, which resulted in income tax deconsolidation for Arizona, and subsequently following the Company's sale of 18,823,500 shares of Centuri common stock on August 11, 2025, which resulted in income tax deconsolidation for the remaining states, primarily California. As a result, income tax expense and net deferred income tax liabilities were understated by approximately \$27.3 million as of and for the three and six months ended June 30, 2025, \$7.8 million for the three months ended September 30, 2025 and \$35.1 million as of and for the nine months ended September 30, 2025. Additionally, we corrected the September 30, 2025, Consolidated Balance Sheet for an error of \$75.0 million related to the classification of current maturities of long-term debt which were included in long-term debt rather than short-term.

The Company intends to correct these financial statements through restatements when these periods are presented in a future periodic filing. The impact of the restatements are presented in the tables below for the three and six months ended June 30, 2025 and the three and nine months ended September 30, 2025. There is no impact to annual results as the errors originated and are being corrected within the same annual period.

The following tables summarize the impact of the correction of the errors to our restated unaudited Condensed Consolidated Balance Sheets, Condensed Consolidated Statements of Income, Consolidated Statements of Comprehensive Income, Consolidated Statements of Cash Flows and Consolidated Statements of Equity for each interim period for the three and six months ended June 30, 2025 and the three and nine months ended September 30, 2025. The amounts labeled "As Reported" were derived from our Quarterly Reports on Form 10-Q filed on August 6, 2025, and November 5, 2025, respectively.

The effects of the Company's prior-period errors on our Condensed Consolidated Financial Statements are as follows:

SOUTHWEST GAS HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)
(Unaudited)

	June 30, 2025		
	As Reported	Adjustments	As Restated ⁽¹⁾
CAPITALIZATION AND LIABILITIES			
Capitalization:			
Retained earnings	\$ 769,723	\$ (27,271)	\$ 742,452
Total equity attributable to Southwest Gas Holdings, Inc. stockholders	3,674,657	(27,271)	3,647,386
Total equity	4,115,805	(27,271)	4,088,534
Total capitalization	8,520,371	(27,271)	8,493,100
Deferred income taxes and other credits:			
Deferred income taxes and investment tax credits, net	927,486	27,271	954,757
Total deferred income taxes and other credits	2,279,069	27,271	2,306,340
Total capitalization and liabilities	\$ 12,213,945	\$ —	\$ 12,213,945

⁽¹⁾ Will be recast for discontinued operations for the sale of Centuri when this is presented in a future filing.

	September 30, 2025		
	As Reported	Adjustments	As Restated
CAPITALIZATION AND LIABILITIES			
Capitalization:			
Retained earnings	\$ 999,399	\$ (35,113)	\$ 964,286
Total equity attributable to Southwest Gas Holdings, Inc. stockholders	3,928,679	(35,113)	3,893,566
Total equity	3,928,679	(35,113)	3,893,566
Long-term debt, less current maturities	3,507,120	(75,000)	3,432,120
Total capitalization	7,435,799	(110,113)	7,325,686
Current liabilities:			
Current maturities of long-term debt	—	75,000	75,000
Total current liabilities	804,703	75,000	879,703
Deferred income taxes and other credits:			
Deferred income taxes and investment tax credits, net	905,604	35,113	940,717
Total deferred income taxes and other credits	2,088,077	35,113	2,123,190
Total capitalization and liabilities	\$ 10,328,579	\$ —	\$ 10,328,579

SOUTHWEST GAS HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended June 30, 2025			Six Months Ended June 30, 2025		
	As Reported	Adjustments	As Restated ⁽¹⁾	As Reported	Adjustments	As Restated ⁽¹⁾
Income tax expense (benefit)	\$ 52,594	\$ 27,271	\$ 79,865	\$ 80,263	\$ 27,271	\$ 107,534
Net income (loss)	(10,329)	(27,271)	(37,600)	98,858	(27,271)	71,587
Net income (loss) attributable to Southwest Gas Holdings, Inc.	\$ (12,883)	\$ (27,271)	\$ (40,154)	\$ 100,987	\$ (27,271)	\$ 73,716
Earnings (loss) per share attributable to Southwest Gas Holdings, Inc.:						
Basic	\$ (0.18)	\$ (0.38)	\$ (0.56)	\$ 1.40	\$ (0.38)	\$ 1.02
Diluted	\$ (0.18)	\$ (0.38)	\$ (0.56)	\$ 1.40	\$ (0.38)	\$ 1.02
Weighted average shares:						
Basic	72,088		72,088	72,050		72,050
Diluted	72,088		72,088	72,195		72,195

⁽¹⁾ Will be recast for discontinued operations for the sale of Centuri when this is presented in a future filing.

	Three Months Ended September 30, 2025			Nine Months Ended September 30, 2025		
	As Reported	Adjustments	As Restated	As Reported	Adjustments	As Restated
Income tax expense (benefit)	\$ (803)	\$ 7,842	\$ 7,039	\$ 36,059	\$ 35,113	\$ 71,172
Income (loss) from continuing operations	4,175	(7,842)	(3,667)	165,003	(35,113)	129,890
Net income (loss)	267,959	(7,842)	260,117	366,817	(35,113)	331,704
Net income (loss) attributable to Southwest Gas Holdings, Inc.	\$ 270,476	\$ (7,842)	\$ 262,634	\$ 371,463	\$ (35,113)	\$ 336,350
Basic earnings (loss) per share:						
Continuing operations	\$ 0.06	\$ (0.11)	\$ (0.05)	\$ 2.29	\$ (0.49)	\$ 1.80
Net earnings (loss) per share - basic	\$ 3.75	\$ (0.11)	\$ 3.64	\$ 5.15	\$ (0.49)	\$ 4.66
Diluted earnings (loss) per share:						
Continuing operations	\$ 0.06	\$ (0.11)	\$ (0.05)	\$ 2.28	\$ (0.49)	\$ 1.79
Net earnings (loss) per share - diluted	\$ 3.74	\$ (0.11)	\$ 3.63	\$ 5.14	\$ (0.49)	\$ 4.65
Weighted average shares:						
Basic	72,209		72,209	72,104		72,104
Diluted	72,405		72,405	72,265		72,265

SOUTHWEST GAS HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)
(Unaudited)

	Three Months Ended June 30, 2025			Six Months Ended June 30, 2025		
	As Reported	Adjustments	As Restated	As Reported	Adjustments	As Restated
Net income (loss)	\$ (10,329)	\$ (27,271)	\$ (37,600)	\$ 98,858	\$ (27,271)	\$ 71,587
Comprehensive income (loss)	(3,351)	(27,271)	(30,622)	106,208	(27,271)	78,937
Comprehensive income (loss) attributable to Southwest Gas Holdings, Inc.	\$ (6,970)	\$ (27,271)	\$ (34,241)	\$ 107,252	\$ (27,271)	\$ 79,981

	Three Month Ended September 30, 2025			Nine Month Ended September 30, 2025		
	As Reported	Adjustments	As Restated	As Reported	Adjustments	As Restated
Net income (loss)	\$ 267,959	\$ (7,842)	\$ 260,117	\$ 366,817	\$ (35,113)	\$ 331,704
Comprehensive income (loss)	266,566	(7,842)	258,724	372,774	(35,113)	337,661
Comprehensive income (loss) attributable to Southwest Gas Holdings, Inc.	\$ 269,879	\$ (7,842)	\$ 262,037	\$ 377,131	\$ (35,113)	\$ 342,018

SOUTHWEST GAS HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Six Months Ended June 30, 2025		
	As Reported	Adjustments	As Restated
CASH FLOW FROM OPERATING ACTIVITIES:			
Net income (loss)	\$ 98,858	\$ (27,271)	\$ 71,587
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Deferred income taxes	94,033	27,271	121,304
Net cash provided by operating activities	\$ 417,611	\$ —	\$ 417,611
	Nine Months Ended September 30, 2025		
	As Reported	Adjustments	As Restated
CASH FLOW FROM OPERATING ACTIVITIES:			
Net income (loss)	\$ 366,817	\$ (35,113)	\$ 331,704
Income (loss) from continuing operations, net of income tax	165,003	(35,113)	129,890
Adjustments to reconcile net income to net cash provided by operating activities:			
Deferred income taxes	48,141	35,113	83,254
Net cash provided by operating activities of continuing operations	509,136	—	509,136
Net cash provided by operating activities	\$ 474,508	\$ —	\$ 474,508

SOUTHWEST GAS HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EQUITY
(In thousands)
(Unaudited)

	As Reported	Adjustments	As Restated
Net income (loss) attributable to Southwest Gas Holdings, Inc., for the three months ended June 30, 2025	\$ (12,883)	\$ (27,271)	\$ (40,154)
Retained earnings, June 30, 2025	769,723	(27,271)	742,452
Total equity attributable to Southwest Gas Holdings, Inc., June 30, 2025	3,674,657	(27,271)	3,647,386
Total equity, June 30, 2025	4,115,805	(27,271)	4,088,534
Net income (loss) attributable to Southwest Gas Holdings, Inc., for the three months ended September 30, 2025	270,476	(7,842)	262,634
Retained earnings, September 30, 2025	999,399	(35,113)	964,286
Total equity attributable to Southwest Gas Holdings, Inc., September 30, 2025	3,928,679	(35,113)	3,893,566
Total equity, September 30, 2025	\$ 3,928,679	\$ (35,113)	\$ 3,893,566

Southwest Gas Corporation – Revision of Previously Issued Financial Statements

As discussed in **Note 3 - Revision of Previously Issued Financial Statements**, in connection with the preparation of the Company's 2025 Form 10-K, management identified errors in the calculation of the estimated deferred income tax liabilities associated with state income taxes. The issues result from not timely updating estimated apportionment rates to reflect certain events. For Southwest Gas, the errors date back to the formation of Southwest Gas Holdings in 2017, when Southwest Gas and Centuri became wholly-owned subsidiaries of Southwest Gas Holdings. These errors were determined to be not material to any previously issued Southwest Gas financial statements. As a result of the cumulative magnitude of the error, Southwest Gas revised the historical financial statements. Southwest Gas also revised the historical financial statements to correct other previously identified immaterial errors.

The Company intends to correct these financial statements through revisions when these periods are presented in a future periodic filing. The impacts of the revisions are presented in the tables below:

SOUTHWEST GAS CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands)
(Unaudited)

	March 31, 2025		
	As Reported	Adjustments	As Revised
CAPITALIZATION AND LIABILITIES			
Retained earnings	\$ 1,238,775	\$ (36,723)	\$ 1,202,052
Total equity	3,416,872	(36,723)	3,380,149
Total capitalization	6,922,224	(36,723)	6,885,501
Deferred income taxes and investment tax credits, net	857,986	36,723	894,709
Total deferred income taxes and other credits	2,025,235	36,723	2,061,958
Total capitalization and liabilities	\$ 9,679,467	\$ —	\$ 9,679,467

	June 30, 2025		
	As Reported	Adjustments	As Revised
CAPITALIZATION AND LIABILITIES			
Retained earnings	\$ 1,227,760	\$ (24,754)	\$ 1,203,006
Total equity	3,408,373	(24,754)	3,383,619
Total capitalization	6,914,610	(24,754)	6,889,856
Deferred income taxes and investment tax credits, net	871,647	24,754	896,401
Total deferred income taxes and other credits	2,047,726	24,754	2,072,480
Total capitalization and liabilities	\$ 9,688,433	\$ —	\$ 9,688,433

	September 30, 2025		
	As Reported	Adjustments	As Revised
CAPITALIZATION AND LIABILITIES			
Retained earnings	\$ 1,233,196	\$ (23,931)	\$ 1,209,265
Total equity	3,416,463	(23,931)	3,392,532
Long-term debt, less current maturities	3,507,120	(75,000)	3,432,120
Total capitalization	6,923,583	(98,931)	6,824,652
Current maturities of long-term debt	—	75,000	75,000
Total current liabilities	751,278	75,000	826,278
Deferred income taxes and investment tax credits, net	872,344	23,931	896,275
Total deferred income taxes and other credits	2,050,616	23,931	2,074,547
Total capitalization and liabilities	\$ 9,725,477	\$ —	\$ 9,725,477

SOUTHWEST GAS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(In thousands)
(Unaudited)

	Three Months Ended March 31, 2025		
	As Reported	Adjustments	As Revised
Regulated operations revenues	\$ 746,416	\$ 2,100	\$ 748,516
Operating income	214,979	2,100	217,079
Income before income taxes	179,650	2,100	181,750
Income tax expense	36,708	2,447	39,155
Net income (loss)	\$ 142,942	\$ (347)	\$ 142,595

	Three Months Ended June 30, 2025			Six Months Ended June 30, 2025		
	As Reported	Adjustments	As Revised	As Reported	Adjustments	As Revised
Regulated operations revenues	\$ 396,318	\$ —	\$ 396,318	\$ 1,142,734	\$ 2,100	\$ 1,144,834
Operating income	65,342	—	65,342	280,321	2,100	282,421
Income before income taxes	38,411	—	38,411	218,061	2,100	220,161
Income tax expense (benefit)	4,734	(11,969)	(7,235)	41,442	(9,522)	31,920
Net income	\$ 33,677	\$ 11,969	\$ 45,646	\$ 176,619	\$ 11,622	\$ 188,241

	Three Month Ended September 30, 2025			Nine Month Ended September 30, 2025		
	As Reported	Adjustments	As Revised	As Reported	Adjustments	As Revised
Regulated operations revenues	\$ 316,911	\$ —	\$ 316,911	\$ 1,459,645	\$ 2,100	\$ 1,461,745
Operating income	37,977	—	37,977	318,298	2,100	320,398
Income before income taxes	5,098	—	5,098	223,159	2,100	225,259
Income tax expense (benefit)	(422)	(823)	(1,245)	41,020	(10,345)	30,675
Net income	\$ 5,520	\$ 823	\$ 6,343	\$ 182,139	\$ 12,445	\$ 194,584

SOUTHWEST GAS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)
(Unaudited)

	Three Months Ended March 31, 2025		
	As Reported	Adjustments	As Revised
Net income (loss)	\$ 142,942	\$ (347)	\$ 142,595
Comprehensive income (loss)	\$ 143,210	\$ (347)	\$ 142,863

	Three Months Ended June 30, 2025			Six Months Ended June 30, 2025		
	As Reported	Adjustments	As Revised	As Reported	Adjustments	As Revised
Net income	\$ 33,677	\$ 11,969	\$ 45,646	\$ 176,619	\$ 11,622	\$ 188,241
Comprehensive income	\$ 33,944	\$ 11,969	\$ 45,913	\$ 177,154	\$ 11,622	\$ 188,776

	Three Month Ended September 30, 2025			Nine Month Ended September 30, 2025		
	As Reported	Adjustments	As Revised	As Reported	Adjustments	As Revised
Net income	\$ 5,520	\$ 823	\$ 6,343	\$ 182,139	\$ 12,445	\$ 194,584
Comprehensive income	\$ 5,789	\$ 823	\$ 6,612	\$ 182,943	\$ 12,445	\$ 195,388

SOUTHWEST GAS CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Three Month Ended March 31, 2025		
	As Reported	Adjustments	As Revised
CASH FLOW FROM OPERATING ACTIVITIES:			
Net income (loss)	\$ 142,942	\$ (347)	\$ 142,595
Adjustments to reconcile net income to net cash provided by operating activities:			
Deferred income taxes	37,928	2,447	40,375
Changes in current assets and liabilities:			
Accounts receivable, net of allowance	(11,117)	(2,100)	(13,217)
Deferred purchased gas costs	53,865	1,997	55,862
Accounts payable	(44,691)	(1,997)	(46,688)
Net cash provided by operating activities	\$ 285,832	\$ —	\$ 285,832

	Six Month Ended June 30, 2025		
	As Reported	Adjustments	As Revised
CASH FLOW FROM OPERATING ACTIVITIES:			
Net income	\$ 176,619	\$ 11,622	\$ 188,241
Adjustments to reconcile net income to net cash provided by operating activities:			
Deferred income taxes	51,504	(9,522)	41,982
Changes in current assets and liabilities:			
Accounts receivable, net of allowance	68,311	(2,100)	66,211
Deferred purchased gas costs	120,709	1,997	122,706
Accounts payable	(69,232)	(1,997)	(71,229)
Net cash provided by operating activities	\$ 459,287	\$ —	\$ 459,287

	Nine Month Ended September 30, 2025		
	As Reported	Adjustments	As Revised
CASH FLOW FROM OPERATING ACTIVITIES:			
Net income	\$ 182,139	\$ 12,445	\$ 194,584
Adjustments to reconcile net income to net cash provided by operating activities:			
Deferred income taxes	52,890	(10,345)	42,545
Changes in current assets and liabilities:			
Accounts receivable, net of allowance	92,372	(2,100)	90,272
Deferred purchased gas costs	114,768	1,997	116,765
Accounts payable	(66,237)	(1,997)	(68,234)
Net cash provided by operating activities	\$ 526,359	\$ —	\$ 526,359

SOUTHWEST GAS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EQUITY
(In thousands)
(Unaudited)

	As Reported	Adjustments	As Revised
Net income (loss), for the three months ended March 31, 2025	\$ 142,942	\$ (347)	\$ 142,595
Retained earnings, March 31, 2025	1,238,775	(36,723)	1,202,052
Total Equity, March 31, 2025	3,416,872	(36,723)	3,380,149
Net income for the three months ended June 30, 2025	33,677	11,969	45,646
Retained earnings, June 30, 2025	1,227,760	(24,754)	1,203,006
Total Equity, June 30, 2025	3,408,373	(24,754)	3,383,619
Net income (loss) for the three months ended September 30, 2025	5,520	823	6,343
Retained earnings, September 30, 2025	1,233,196	(23,931)	1,209,265
Total Equity, September 30, 2025	\$ 3,416,463	\$ (23,931)	\$ 3,392,532

Note 15 - Commitments and Contingencies

The Company and Southwest Gas are defendants in miscellaneous legal proceedings. They are also parties to various regulatory proceedings. The ultimate dispositions of these proceedings are not presently determinable; however, it is the opinion of management that no litigation or regulatory proceedings to which the Company and Southwest Gas are currently subject will have a material adverse impact on their financial position, results of operations, or cash flows.

The Company maintains excess liability insurance that covers Southwest Gas for various risks associated with the operation of the natural gas pipelines and facilities. In connection with these liability insurance policies, Southwest Gas is responsible for an initial deductible or self-insured retention amount per incident after which the insurance carriers would be responsible for amounts up to the policy limits. For the policy period of August 2025 to July 2026, these liability insurance policies require Southwest Gas, as applicable, to be responsible for the first \$1.0 million (self-insured retention) of each incident plus a supplemental retention aggregate of \$4.0 million in the policy year. When amounts are expected to be incurred above these amounts, subject to insurance carrier indemnity, a liability is recognized for the additional amount, in addition to a receivable, associated with amounts expected to be indemnified by the insurance carrier amounts, without impact to earnings.

Through an assessment process of commitments and contingencies of any kind, the Company and Southwest Gas may determine that certain costs are likely to be incurred in the future related to specific legal matters. In these circumstances and in accordance with accounting policies, the Company and Southwest Gas will make an accrual, as necessary.

Note 16 - Segment Information

The Company's businesses were managed within the Natural Gas Distribution segment (Southwest Gas), the Utility Infrastructure Services segment (Centuri), and the Pipeline and Storage segment (MountainWest) through February 2023. The Company disposed of its Pipeline and Storage segment (MountainWest) in February 2023 and disposed of its Utility Infrastructure Services segment (Centuri) in August 2025 see **Note 13 - Dispositions**. The Company and Southwest Gas consist of a single reportable segment (Natural Gas Distribution) for all periods presented in these financial statements.

The Utility Infrastructure Services segment is presented as discontinued operations in the Consolidated Statements of Income and, as such, have been excluded from continuing operations and segment results. Previously reported results for the Natural Gas Distribution segment was not impacted by the Centuri deconsolidation or the revisions discussed in **Note 3 - Revision of Previously Issued Financial Statements**.

The Pipeline and Storage segment (MountainWest) was primarily engaged in the business of providing interstate transportation and underground storage services. The MountainWest sale did not meet the criteria for reporting discontinued operations as the sale did not represent a strategic shift that would have a major effect on the Company's operations or financial results. Previously reported results for the Pipeline and Storage segment was not impacted by the Centuri deconsolidation or the revisions discussed in **Note 3 - Revision of Previously Issued Financial Statements**.

The Company's CEO and Southwest Gas' CEO and President have been identified as the CODM. The CODM reviews the Company's income (loss) from continuing operations and Southwest Gas' net income as reported on their respective consolidated statements of income in assessing performance and allocating resources. The CODM considers budget-to-actual variances against these metrics when making decisions about allocating capital and personnel. The CODM also uses income (loss) from continuing operations and net income to assess the return on assets, margin earned, and in assessing the compensation of certain employees.

Because both the Company and Southwest Gas operate as a single reportable segment, the related disclosure information is presented in the applicable sections. The other significant amounts required for disclosure are included within income (loss) from continuing operations and net income. Revenues from external customers are reported as "Revenues from contracts with customers" in **Note 6 - Revenue** for the years ended December 31, 2025, and December 31, 2024, and capital expenditures are reported as "Capital expenditures and property additions" in the consolidated statements of cash flows for the years ended December 31, 2025 and December 31, 2024. The measures of assets for the Company and Southwest Gas are reported as "Total assets" on their respective consolidated balance sheets. Refer to these statements for the results of the Natural Gas Distribution segment for the years ended December 31, 2025, December 31, 2024 and December 31, 2023.

As discussed above, the Utility Infrastructure Services segment was reclassified into discontinued operations and the Company only had multiple segments in calendar year 2023. The financial information pertaining to the Natural Gas Distribution and Pipeline and Storage segments as of and for the year ended December 31, 2023 is presented in the tables below. The accounting policies of the segments are the same as those described in **Note 2 - Summary of Significant Accounting Policies**. In order to reconcile to net income as disclosed in the Consolidated Statements of Income, an Other column is included below associated with certain expenses that represent the corporate and administrative activities associated with Southwest Gas Holdings, such as Operations and maintenance expenses and net interest deduction.

(Thousands of dollars)	Year Ended December 31, 2023			
	Natural Gas Distribution	Pipeline and Storage ⁽¹⁾	Other	Total
Revenues from external customers	\$ 2,536,079	\$ 35,132	\$ —	\$ 2,571,211
Alternative revenue program and other revenues	(36,515)	—	—	(36,515)
Total segment revenues	2,499,564	35,132	—	2,534,696
Less:				
Net cost of gas sold	1,246,901	6,368	—	1,253,269
Operations and maintenance expense	511,646	11,378	9,985	533,009
Other segment items ⁽²⁾	461,892	24,419	92,703	579,014
Income (loss) before income taxes	279,125	(7,033)	(102,688)	169,404
Income tax expense (benefit)	36,899	9,255	(16,744)	29,410
Income (loss) from continuing operations	242,226	(16,288)	(85,944)	139,994
Income from discontinued operations, net of taxes				15,523
Net income				155,517
Net income attributable to noncontrolling interests				4,628
Net income attributable to Southwest Gas Holdings, Inc.				\$ 150,889

⁽¹⁾ The information for the year ended December 31, 2023 presented for MountainWest reflects activity from January 1, 2023 through February 13, 2023 (the last full day of its ownership by the Company).

⁽²⁾ Other segment items for each reportable segment includes:

- Natural Gas Distribution: Depreciation and amortization, Taxes other than income taxes, Net interest deductions, and Other income (deductions).
- Pipeline and Storage: Depreciation and amortization, Taxes other than income taxes, Goodwill impairment and loss on sale, Net interest deductions, and Other income (deductions).

Other segment disclosures

(Thousands of dollars)	Year Ended December 31, 2023			
	Natural Gas Distribution	Pipeline and Storage ⁽¹⁾	Other	Total
Interest income	\$ 50,757	\$ —	\$ —	\$ 50,757
Interest expense	\$ 149,830	\$ 2,200	\$ 42,780	\$ 194,810
Depreciation and amortization	\$ 295,462	\$ —	\$ —	\$ 295,462
Goodwill impairment and loss on sale	\$ —	\$ 21,215	\$ 50,015	\$ 71,230
Segment assets	\$ 9,268,571	\$ —	\$ 8,735	\$ 9,277,306
Capital expenditures	\$ 762,081	\$ 3,790	\$ —	\$ 765,871

⁽¹⁾ The information for the year ended December 31, 2023 presented for MountainWest reflects activity from January 1, 2023 through February 13, 2023 (the last full day of its ownership by the Company).

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

Item 9A. CONTROLS AND PROCEDURES

We are restating our unaudited quarterly financial information for the second and third quarters of the year ended December 31, 2025 to correct (a) errors related to income tax expense and net deferred income tax liabilities and (b) an other immaterial error for the quarter ended September 30, 2025. The errors were identified by management in connection with the preparation of this Form 10-K- through our annual review control processes. These errors occurred following the Southwest Gas Holdings, Inc.'s sale of 13,207,142 shares of Centuri common stock on May 22, 2025, which resulted in income tax deconsolidation for Arizona, and subsequently following Southwest Gas Holdings, Inc.'s sale of 18,823,500 shares of Centuri common stock on August 11, 2025, which resulted in income tax deconsolidation for the remaining states, primarily California.

Evaluation of Disclosure Controls and Procedures

Management of Southwest Gas Holdings, Inc. and Southwest Gas has established 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")), that are designed to provide reasonable assurance that information required to be disclosed in their respective reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and to provide reasonable assurance that such information is accumulated and communicated to management of each company, including each respective Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures.

Southwest Gas Holdings, Inc.

Management, including our Chief Executive Officer and Chief Financial Officer, have conducted an evaluation of the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report and, based on their evaluation, our Chief Executive Officer and Chief Financial Officer have concluded our disclosure controls and procedures were not effective at Southwest Gas Holdings, Inc. as of December 31, 2025 at attaining a reasonable assurance level, due to a material weakness in our internal control over financial reporting, as further described below.

In connection with our Quarterly Reports on Form 10-Q for the quarters ended June 30, 2025 and September 30, 2025, filed on August 6, 2025, and November 5, 2025, respectively, management evaluated the effectiveness of Southwest Gas Holdings, Inc.'s disclosure controls and procedures as of June 30, 2025 and September 30, 2025. Based upon those evaluations, our Chief Executive Officer and Chief Financial Officer concluded that Southwest Gas Holdings, Inc.'s disclosure controls and procedures were effective as of those dates. Subsequent to those evaluations our Chief Executive Officer and Chief Financial Officer re-evaluated the effectiveness of the Company's disclosure controls and procedures and concluded that our disclosure controls and procedures were not effective as of June 30, 2025 and September 30, 2025, because of the material weakness described below.

Management nonetheless determined that the consolidated financial statements and related financial information of Southwest Gas Holdings included in this Form 10-K fairly present in all material respects our financial condition, results of operations and cash flows as of the dates presented, and for the periods ended on such dates, in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”). Management’s determination is based on a number of factors, including, but not limited to, management’s performance of extensive analysis and other post-closing procedures as of and for the year ended December 31, 2025.

Southwest Gas

Based on the most recent evaluation, as of December 31, 2025, the Chief Executive Officer and Chief Financial Officer, concluded Southwest Gas’ disclosure controls and procedures are effective at attaining the level of reasonable assurance noted above.

Management’s Reports on Internal Control Over Financial Reporting

Southwest Gas

Management of Southwest Gas is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. Under the supervision and with the participation of Southwest Gas management, including our Chief Executive Officer and Chief Financial Officer, an evaluation was conducted of the effectiveness of internal control over financial reporting based on the “Internal Control – Integrated Framework” (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based upon management’s evaluation under such framework, management concluded that Southwest Gas’ internal control over financial reporting was effective as of December 31, 2025. This annual report does not include a report of Southwest Gas’ registered public accounting firm regarding internal control over financial reporting pursuant to rules of the Securities and Exchange Commission that permit Southwest Gas to provide only this management’s report in this Form 10-K.

Southwest Gas Holdings, Inc.

Management, including our Chief Executive Officer and Chief Financial Officer, of Southwest Gas Holdings, Inc. is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined by Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. Under the supervision and with the participation of Southwest Gas Holdings, Inc. management, including the Chief Executive Officer and Chief Financial Officer, an evaluation was conducted of the effectiveness of internal control over financial reporting based on the “Internal Control – Integrated Framework” (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based upon management’s evaluation under such framework, management concluded based upon the existence of the material weakness described below that internal control over financial reporting was not effective as of December 31, 2025.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

The Company did not design and maintain an effective control to assess the impact on estimated future state apportionment rates upon a significant change in the business and structure in interim periods. This material weakness resulted in the misstatement of our income tax expense and net deferred income tax liabilities, and in the restatement of the Company’s unaudited quarterly financial information as of and for the three and six months ended June 30, 2025, and the three and nine months ended September 30, 2025. The material weakness could result in additional errors of the aforementioned account balances or disclosures in the interim consolidated financial statements that would not be prevented or detected.

The effectiveness of the Company’s internal control over financial reporting as of December 31, 2025, has been audited by PricewaterhouseCoopers, LLP, an independent registered public accounting firm, as stated in their report which is included herein.

Remediation Plan

Management is committed to implementing changes to our internal control over financial reporting to ensure that the material weakness is remediated. We have evaluated the impact of the material weakness and will implement the following changes:

- We will expand our internal control framework over income tax accounting by modifying the control activities related to state tax apportionment rates. This expansion includes implementing a formal interim review control designed to identify, evaluate, and document the impact of any significant changes in the Company’s organizational or operational structure on apportionment methodologies and rates.

While we believe that this action will remediate the material weakness, we have not completed all of the corrective processes, procedures and related evaluation or remediation that we believe are necessary. As we continue to evaluate and work to remediate the material weakness, we may take additional measures to address the material weakness.

Until the remediation step set forth above, including the efforts to implement the necessary control activities we identify, are fully implemented and concluded to be operating effectively for a sufficient period of time, the material weakness described above will not be considered remediated.

Changes in Internal Control Over Financial Reporting

There have been no changes in Southwest Gas Holdings' internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) during the fourth quarter of 2025 that have materially affected, or are likely to materially affect, the Company's internal control over financial reporting.

There have been no changes in Southwest Gas Corporation's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) during the fourth quarter of 2025 that have materially affected, or are likely to materially affect Southwest Gas' internal control over financial reporting.

Future changes in Internal Control Over Financial Reporting

During 2025, we initiated a project to implement a new financial statement consolidation software system. The implementation is expected to require modifications to certain business processes and internal controls over financial reporting and is anticipated to occur in mid-2026. Management is currently evaluating the design and operating effectiveness of internal controls related to the system implementation. The Audit Committee receives periodic updates on the status of the project and provides oversight consistent with its responsibilities for internal control over financial reporting. Any necessary changes to internal controls will be implemented prior to the applicable system reliance dates associated with the implementation.

Item 9B. OTHER INFORMATION

During the fiscal quarter ended December 31, 2025, none of our directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted, modified, or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as those terms are defined under Item 408 of Regulation S-K.

Item 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this item will be included under the headings "Board of Directors," "Executive Officers," "Audit Committee Report," "Audit Committee," "Insider Trading Policy," and "Selection of Directors" in the Company's definitive proxy statement for the 2026 Annual Meeting of Stockholders, and such required information is incorporated herein by reference. There have been no material changes to the procedures by which security holders may recommend nominees to the Company's Board.

Southwest Gas Holdings, Inc. has adopted a code of ethics that applies to its principal executive officer, principal financial officer, and principal accounting officer and other persons performing similar functions. That code is part of the Company's Code of Business Conduct and Ethics which is available free of charge through the Company's investor relations website (<https://www.swgasholdings.com/corporate-governance/governance-documents>). The Company intends to include on its website any amendment to, or waiver from, a provision of its code of ethics that applies to the Company's principal executive officer, principal financial officer, principal accounting officer or persons performing similar functions that relates to any element of the code of ethics definition enumerated in Item 406(b) of Regulation S-K.

Item 11. EXECUTIVE COMPENSATION

Information with respect to Item 11 will be included under the headings "Compensation Discussion and Analysis," "Executive Compensation Tables (except for the Pay versus Performance section)," "Director Compensation," and "Policies and Practices Regarding Equity Grants" set forth in the definitive 2026 Proxy Statement, which will be filed with the SEC within 120 days after December 31, 2025 and by this reference is incorporated herein.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

(a) *Security Ownership of Certain Beneficial Owners.* Information with respect to security ownership of certain beneficial owners is set forth under the heading “Securities Ownership by Directors, Director Nominees, Named Executive Officers, and Certain Beneficial Owners” in the definitive 2026 Proxy Statement, which will be filed with the SEC within 120 days after December 31, 2025, and by this reference is incorporated herein.

(b) *Security Ownership of Management.* Information with respect to security ownership of management is set forth under the heading “Securities Ownership by Directors, Director Nominees, Named Executive Officers, and Certain Beneficial Owners” in the definitive 2026 Proxy Statement, which will be filed with the SEC within 120 days after December 31, 2025, and by this reference is incorporated herein.

(c) *Changes in Control.* None.

(d) *Securities Authorized for Issuance Under Equity Compensation Plans.*

The following table sets forth the number of securities authorized for issuance under the Company’s equity compensation plans at December 31, 2025.

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights (2)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column a)
(Thousands of shares)	(a)	(b)	(c)
Equity compensation plans approved by security holders (1)	456	—	2,215
Equity compensation plans not approved by security holders	—	—	—
Total	456	—	2,215

(1) The number of securities to be issued upon vesting of awards includes 249,000 performance stock units, which was derived by assuming that target performance will be achieved during the relevant performance period. The number of securities remaining available for future issuance includes shares relating to the Omnibus Incentive Plan. Actual securities issued will be net of tax.

(2) The weighted-average exercise price relates to outstanding stock options only. The Company’s restricted stock unit awards, director deferred stock unit awards, and performance stock unit awards have no exercise price. There were no stock options outstanding as of December 31, 2025.

Additional information regarding the equity compensation plans is included in **Note 12 - Share-Based Compensation** of this Annual Report on Form 10-K.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information with respect to Item 13 will be set forth in the definitive 2026 Proxy Statement under the headings "Related Person Transactions" and "Selection of Directors", which will be filed with the SEC within 120 days after December 31, 2025, and by this reference is incorporated herein.

Item 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Information with respect to Item 14 will be set forth in the definitive 2026 Proxy Statement under the heading "Independent Auditor Fees", which will be filed with the SEC within 120 days after December 31, 2025, and by this reference is incorporated herein.

PART IV

Item 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) Documents filed as part of this report

- (1) The Consolidated Financial Statements of the Company and Southwest Gas required under this item are included in Item 8 of Part II in this Annual Report on Form 10-K.
- (2) All schedules have been omitted because the required information is either inapplicable or included in the notes to the consolidated financial statements.
- (3) Exhibits

<u>Exhibit Number</u>	<u>Description of Document</u>
3.01	<u>Certificate of Incorporation of Southwest Gas Holdings, Inc., a Delaware corporation. Incorporated herein by reference to Exhibit 3.1 to Form 8-K12B dated September 20, 2019, File No. 001-37976.</u>
3.02	<u>Amended and Restated Bylaws of Southwest Gas Holdings, Inc., effective October 18, 2021. Incorporated herein by reference to Exhibit 3.1 to Form 8-K dated October 18, 2021, File No. 001-37976.</u>
3.03	<u>Amendment to Amended and Restated Bylaws of Southwest Gas Holdings, Inc., effective October 20, 2023. Incorporated herein by reference to Exhibit 3.1 to Form 8-K dated October 25, 2023, File No. 001-37976.</u>
3.04	<u>Certificate of Designations of the Series A Junior Participating Preferred Stock. Incorporated herein by reference to Exhibit 3.1 to Form 8-K dated October 12, 2021, File No. 001-37976</u>
3.05	<u>Certificate of Elimination of the Series A Junior Participating Preferred Stock. Incorporated herein by reference to Exhibit 3.1 to Form 8-K dated January 13, 2023, File No. 001-37976.</u>
3.06	<u>Certificate of Designations of the Series A Junior Participating Preferred Stock. Incorporated herein by reference to Exhibit 3.1 to Form 8-K dated November 6, 2023, File No. 001-37976.</u>
4.01	<u>Indenture between City of Big Bear Lake, California, and Harris Trust and Savings Bank as Trustee, dated December 1, 1993, with respect to the issuance of \$50,000,000 Industrial Development Revenue Bonds (Southwest Gas Corporation Project), 1993 Series A, due 2028. Incorporated herein by reference to Exhibit 4.11 to Form 10-K for the year ended December 31, 1993, File No. 001-07850.</u>
4.02	<u>Indenture between Southwest Gas Corporation and Harris Trust and Savings Bank dated July 15, 1996, with respect to Debt Securities. Incorporated herein by reference to Exhibit 4.04 to Form 8-K dated July 26, 1996, File No. 001-07850.</u>
4.03	<u>First Supplemental Indenture of Southwest Gas Corporation to Harris Trust and Savings Bank dated August 1, 1996, supplementing and amending the Indenture dated as of July 15, 1996, with respect to 7 1/2% and 8% Debentures, due 2006 and 2026, respectively. Incorporated herein by reference to Exhibit 4.11 to Form 8-K dated July 31, 1996, File No. 001-07850.</u>
4.04	<u>Second Supplemental Indenture of Southwest Gas Corporation to Harris Trust and Savings Bank dated December 30, 1996, supplementing and amending the Indenture dated as of July 15, 1996, with respect to Medium-Term Notes. Incorporated herein by reference to Exhibit 4.04 to Form 8-K dated December 30, 1996, File No. 001-07850.</u>
4.05	<u>Indenture of Trust between Clark County, Nevada, and the BNY Midwest Trust Company, as Trustee, dated as of March 1, 2003, relating to Clark County, Nevada Industrial Development Revenue Bonds Series 2003. Incorporated herein by reference to Exhibit 10.01 to Form 10-Q for the quarter ended September 30, 2008, File No. 001-07850.</u>
4.06	<u>Indenture of Trust between Clark County, Nevada and The Bank of New York Mellon Trust Company, N.A., as Trustee, dated as of September 1, 2008, relating to Clark County, Nevada Industrial Development Revenue Bonds Series 2008A. Incorporated herein by reference to Exhibit 10.02 to Form 10-Q for the quarter ended September 30, 2008, File No. 001-07850.</u>
4.07	<u>Indenture of Trust between Clark County, Nevada and The Bank of New York Mellon Trust Company, N.A., as Trustee, dated December 1, 2009, relating to Clark County, Nevada Industrial Development Revenue Bonds Series 2009A. Incorporated herein by reference to Exhibit 4.27 to Form 10-K for the year ended December 31, 2009, File No. 001-07850.</u>

- 4.08 [Note Purchase Agreement, dated November 18, 2010, by and between Southwest Gas Corporation and Metropolitan Life Insurance Company, John Hancock Life Insurance Company \(U.S.A.\), certain of their respective affiliates, and Union Fidelity Life Insurance Company. Incorporated herein by reference to Exhibit 4.1 to Form 8-K dated November 18, 2010, File No. 001-07850.](#)
- 4.09 [Amendment No. 1 to Note Purchase Agreement, dated March 28, 2014, by and among Southwest Gas Corporation and the holders of the Notes. Incorporated herein by reference to Exhibit 4.1 to Form 8-K dated March 31, 2014, File No. 001-07850.](#)
- 4.10 [Amendment No. 2 to Note Purchase Agreement, dated September 30, 2016, by and among Southwest Gas Corporation and the holders of the Notes. Incorporated herein by reference to Exhibit 4.02 to Form 10-Q for the quarter ended September 30, 2016, File No. 001-07850.](#)
- 4.11 [Form of 6.1% Senior Note due 2041 \(included as Exhibit A in Exhibit 4.08\). Incorporated herein by reference to Exhibit 4.2 to Form 8-K dated November 18, 2010, File No. 001-07850.](#)
- 4.12 [Indenture, dated as of October 4, 2013, by and between Southwest Gas Corporation and the Bank of New York Mellon Trust Company, N.A., as Trustee, 4.875% Notes due 2043. Incorporated herein by reference to Exhibit 4.1 to Form 8-K dated October 1, 2013, File No. 001-07850.](#)
- 4.13 [Southwest Gas Holdings, Inc. Dividend Reinvestment and Direct Stock Purchase Plan. Incorporated by reference to prospectus 424\(b\)\(5\) dated November 28, 2023, File No. 333-275774.](#)
- 4.14 [Indenture, dated September 29, 2016, by and between Southwest Gas Corporation and The Bank of New York Mellon Trust Company, N.A., as Trustee, 3.80% Senior Notes due 2046. Incorporated herein by reference to Exhibit 4.01 to Form 8-K dated September 26, 2016, File No. 001-07850.](#)
- 4.15 [Indenture, dated March 15, 2018, by and between Southwest Gas Corporation and The Bank of New York Mellon Trust Company, N.A., as Trustee. Incorporated herein by reference to Exhibit 4.1 to Form 8-K dated March 15, 2018, File Nos. 001-37976 and 001-07850.](#)
- 4.16 [First Supplemental Indenture, dated March 15, 2018, by and between Southwest Gas Corporation and The Bank of New York Mellon Trust Company, N.A., as Trustee. Incorporated herein by reference to Exhibit 4.2 to Form 8-K dated March 15, 2018, File Nos. 001-37976 and 001-07850.](#)
- 4.17 [Form of 3.70% Senior Note due 2028 \(included in Exhibit A in Exhibit 4.16\). Incorporated herein by reference to Exhibit 4.3 to Form 8-K dated March 15, 2018, File Nos. 001-37976 and 001-07850.](#)
- 4.18 [Indenture, dated as of May 31, 2019, by and between Southwest Gas Corporation and The Bank of New York Mellon Trust Company, N.A., as Trustee. Incorporated herein by reference to Exhibit 4.1 to Form 8-K dated May 28, 2019, File No. 001-07850.](#)
- 4.19 [First Supplemental Indenture, dated May 31, 2019, by and between Southwest Gas Corporation and The Bank of New York Mellon Trust Company, N.A., as Trustee. Incorporated herein by reference to Exhibit 4.2 to Form 8-K dated May 28, 2019, File No. 001-07850.](#)
- 4.20 [Form of 4.150% Senior Note due 2049 \(included as Exhibit A in Exhibit 4.19\). Incorporated by reference to Exhibit 4.3 to Form 8-K dated May 28, 2019, File No. 001-07850.](#)
- 4.21 [Indenture, dated June 4, 2020, by and between Southwest Gas Corporation and The Bank of New York Mellon Trust Company, N.A., as Trustee. Incorporated herein by reference to Exhibit 4.1 to Form 8-K dated June 1, 2020, File Nos. 001-07850 and 001-37976.](#)
- 4.22 [First Supplemental Indenture, dated June 4, 2020, by and between Southwest Gas Corporation and The Bank of New York Mellon Trust Company, N.A., as Trustee. Incorporated herein by reference to Exhibit 4.2 to Form 8-K dated June 1, 2020, File Nos. 001-07850 and 001-37976.](#)
- 4.23 [Form of 2.200% Senior Note due 2030 \(included as Exhibit A in Exhibit 4.22\). Incorporated by reference to Exhibit 4.3 to Form 8-K dated June 1, 2020, File Nos. 001-07850 and 001-37976.](#)
- 4.24** [Description of Securities of Southwest Gas Holdings, Inc.](#)
- 4.25 [Second Supplemental Indenture, dated August 20, 2021, by and between Southwest Gas Corporation and The Bank of New York Mellon Trust Company, N.A., as Trustee. Incorporated herein by reference to Exhibit 4.1 to Form 8-K dated August 18, 2021, File Nos. 001-37976 and 001-07850.](#)
- 4.26 [Form of 3.18% Senior Note due 2051 \(included as Exhibit A in Exhibit 4.25\). Incorporated herein by reference to Exhibit 4.2 to Form 8-K dated August 18, 2021, File Nos. 001-37976 and 001-07850.](#)

- 4.27 [Third Supplemental Indenture, dated March 22, 2022, by and between Southwest Gas Corporation and The Bank of New York Mellon Trust Company, N.A., as Trustee. Incorporated herein by reference to Exhibit 4.1 to Form 8-K dated March 17, 2022, File Nos. 001-37976 and 001-07850.](#)
- 4.28 [Form of 4.05% Senior Note due 2032 \(included as Exhibit A in Exhibit 4.27\). Incorporated herein by reference to Exhibit 4.2 to Form 8-K dated March 17, 2022, File Nos. 001-37976 and 001-07850.](#)
- 4.29 [Fourth Supplemental Indenture, dated December 1, 2022, by and between Southwest Gas Corporation and The Bank of New York Mellon Trust Company, N.A., as Trustee. Incorporated herein by reference to Exhibit 4.1 to Form 8-K dated November 29, 2022, File Nos. 001-07850 and 001-37976.](#)
- 4.30 [Form of 5.800% Senior Note due 2027 \(included as Exhibit A in Exhibit 4.29\). Incorporated herein by reference to Exhibit 4.2 to Form 8-K dated November 29, 2022, File Nos. 001-07850 and 001-37976.](#)
- 4.31 [Fifth Supplemental Indenture, dated March 23, 2023, by and between Southwest Gas Corporation and The Bank of New York Mellon Trust Company, N.A., as Trustee. Incorporated herein by reference to Exhibit 4.1 to Form 8-K dated March 21, 2023, File Nos. 001-37976 and 001-07850.](#)
- 4.32 [Form of 5.450% Senior Note due 2028 \(included as Exhibit A in Exhibit 4.31\). Incorporated herein by reference to Exhibit 4.2 to Form 8-K dated March 21, 2023, File Nos. 001-37976 and 001-07850.](#)
- 4.33 The Company and Southwest hereby agree to furnish to the SEC, upon request, a copy of any instruments defining the rights of holders of long-term debt issued by Southwest Gas Holdings or its subsidiaries; the total amount of securities authorized thereunder does not exceed 10% of the consolidated total assets of Southwest Gas Holdings and its subsidiaries.
- 10.01 [Project Agreement between Southwest Gas Corporation and City of Big Bear Lake, California, dated as of December 1, 1993. Incorporated herein by reference to Exhibit 10.05 to Form 10-K for the year ended December 31, 1993, File No. 001-07850.](#)
- 10.02* [Southwest Gas Corporation Supplemental Executive Retirement Plan, amended and restated August 3, 2020. Incorporated herein by reference to Exhibit 10.03 to Form 10-Q for the quarter ended September 30, 2020, File Nos. 001-37976 and 001-07850.](#)
- 10.03** [Southwest Gas Holdings, Inc. Management Incentive Plan, amended and restated May 5, 2022.](#)
- 10.04* [Southwest Gas Corporation Directors Deferral Plan, amended and restated December 28, 2016. Incorporated herein by reference to Exhibit 10.05 to Form 10-K for the year ended December 31, 2018, File Nos. 001-37976 and 001-07850.](#)
- 10.05* [Southwest Gas Corporation 1986 Executive Deferral Plan, amended and restated August 3, 2020. Incorporated herein by reference to Exhibit 10.01 to Form 10-Q for the quarter ended September 30, 2020, File Nos. 001-37976 and 001-07850.](#)
- 10.06* [Southwest Gas Corporation 2005 Executive Deferral Plan, amended and restated August 3, 2020. Incorporated herein by reference to Exhibit 10.02 to Form 10-Q for the quarter ended September 30, 2020, File Nos. 001-37976 and 001-07850.](#)
- 10.07 [Financing agreement dated as of March 1, 2003 by and between Clark County, Nevada, and Southwest Gas Corporation relating to Clark County, Nevada Industrial Development Revenue Bonds Series 2003A, Series 2003B, Series 2003C, Series 2003D and Series 2003E. Incorporated herein by reference to Exhibit 10 to Form 10-Q for the quarter ended September 30, 2003, File No. 001-07850.](#)
- 10.08 [First Amendment to Financing Agreement by and between Clark County, Nevada, and Southwest Gas Corporation dated as of July 1, 2005, amending the Financing Agreement dated as of March 1, 2003, with respect to Clark County, Nevada Industrial Development Revenue Bonds Series 2003A, Series 2003B, Series 2003C, Series 2003D, and Series 2003E. Incorporated herein by reference to Exhibit 10.2 to Form 10-Q for the quarter ended June 30, 2005, File No. 001-07850.](#)
- 10.09 [Financing Agreement between Clark County, Nevada, and Southwest Gas Corporation, dated as of September 1, 2008, relating to Clark County, Nevada Industrial Development Revenue Bonds Series 2008A. Incorporated herein by reference to Exhibit 10.03 to Form 10-Q for the quarter ended September 30, 2008, File No. 001-07850.](#)

- 10.10 [Financing Agreement between Clark County, Nevada and Southwest Gas Corporation, dated December 1, 2009, relating to Clark County, Nevada Industrial Development Revenue Bonds Series 2009A. Incorporated herein by reference to Exhibit 10.21 to Form 10-K for the year ended December 31, 2009, File No. 001-07850.](#)
- 10.11* [Southwest Gas Holdings, Inc. 2006 Restricted Stock/Unit Plan, amended and restated as of December 28, 2016. Incorporated herein by reference to Exhibit 10.14 to Form 10-K for the year ended December 31, 2018, File Nos. 001-37976 and 001-07850.](#)
- 10.12* [Southwest Gas Holdings, Inc. Omnibus Incentive Plan. Incorporated herein by reference to Appendix B to the Proxy Statement dated March 27, 2017, File No. 001-37976.](#)
- 10.13* [Form of Change in Control Agreement with Officers. Incorporated herein by reference to Exhibit 10.24 to Form 10-K for the year ended December 31, 2017, File Nos. 001-37976 and 001-07850.](#)
- 10.14* [Southwest Gas Corporation Board of Directors Retirement Plan, amended and restated effective December 28, 2016. Incorporated herein by reference to Exhibit 10.28 to Form 10-K for the year ended December 31, 2018, File Nos. 001-37976 and 001-07850.](#)
- 10.15* [Southwest Gas Corporation Directors Deferral Plan, amended and restated November 14, 2018. Incorporated herein by reference to Exhibit 10.29 to Form 10-K for the year ended December 31, 2018, File Nos. 001-37976 and 001-07850.](#)
- 10.16** [Southwest Gas Corporation Employees' Investment Plan, amended and restated January 1, 2022](#)
- 10.17* [Executive Employment Agreement by and between Southwest Gas Holdings, Inc., Southwest Gas Corporation and Robert J. Stefani. Incorporated herein by reference to Exhibit 10.1 to Form 8-K dated November 7, 2022, File Nos. 001-37976 and 001-07850.](#)
- 10.18* [Change in Control Agreement by and between Southwest Gas Holdings, Inc., Southwest Gas Corporation and Robert J. Stefani. Incorporated herein by reference to Exhibit 10.2 to Form 8-K dated November 7, 2022, File Nos. 001-37976 and 001-07850.](#)
- 10.19* [Amended and Restated Change in Control Agreement by and between Southwest Gas Holdings, Inc., Southwest Gas Corporation and Karen Haller. Incorporated herein by reference to Exhibit 10.46 to Form 10-K for the year ended December 31, 2022, File Nos. 001-37976 and 001-07850.](#)
- 10.20* [Form of Grant Agreement for Time-Lapse Restricted Stock Units under the Southwest Gas Holdings, Inc. Omnibus Incentive Plan. Incorporated herein by reference to Exhibit 10.1 to Form 8-K dated March 29, 2023, File Nos. 001-37976 and 001-07850.](#)
- 10.21* [Form of Performance Share Unit Grant Agreement under the Southwest Gas Holdings, Inc. Omnibus Incentive Plan \(UNI/ROE Shares\). Incorporated herein by reference to Exhibit 10.2 to Form 8-K dated March 29, 2023, File Nos. 001-37976 and 001-07850.](#)
- 10.22* [Form of Performance Share Unit Grant Agreement under the Southwest Gas Holdings, Inc. Omnibus Incentive Plan \(EPS/ROE Shares\). Incorporated herein by reference to Exhibit 10.3 to Form 8-K dated March 29, 2023, File Nos. 001-37976 and 001-07850.](#)
- 10.23* [Form of Indemnification Agreement for Southwest Gas Holdings, Inc. Directors and Officers. Incorporated herein by reference to Exhibit 10.01 to Form 10-Q for the quarter ended September 30, 2023, File Nos. 001-37976 and 001-07850.](#)
- 10.24* [Form of Indemnification Agreement for Southwest Gas Corporation Directors and Officers. Incorporated herein by reference to Exhibit 10.02 to Form 10-Q for the quarter ended September 30, 2023, File Nos. 001-37976 and 001-07850.](#)
- 10.25* [Form of Restricted Stock Unit Award Agreement under the Southwest Gas Holdings, Inc. 2024 Omnibus Incentive Plan. Incorporated herein by reference to Exhibit 10.1 to Form 8-K dated May 2, 2024, File No. 001-37976.](#)
- 10.26* [Form of Performance Stock Unit Award Agreement \(EPS and ROE\) under the Southwest Gas Holdings, Inc. 2024 Omnibus Incentive Plan. Incorporated herein by reference to Exhibit 10.2 to Form 8-K dated May 2, 2024, File No. 001-37976.](#)
- 10.27* [Form of Performance Stock Unit Award Agreement \(UNI and ROE\) under the Southwest Gas Holdings, Inc. 2024 Omnibus Incentive Plan. Incorporated herein by reference to Exhibit 10.3 to Form 8-K dated May 2, 2024, File No. 001-37976.](#)
- 10.28* [Performance Stock Unit Award Agreement with Karen S. Haller. Incorporated herein by reference to Exhibit 10.4 to Form 8-K dated May 2, 2024, File No. 001-37976.](#)
- 10.29* [Performance Stock Unit Award Agreement with Robert J. Stefani. Incorporated herein by reference to Exhibit 10.5 to Form 8-K dated May 2, 2024, File No. 001-37976.](#)

- 10.30* [Performance Stock Unit Award Agreement with Justin L. Brown. Incorporated herein by reference to Exhibit 10.6 to Form 8-K dated May 2, 2024. File No. 001-37976.](#)
- 10.31* [Southwest Gas Holdings, Inc. 2024 Omnibus Incentive Plan. Incorporated by reference to Exhibit 10.1 to Registration Statement on Form S-8 dated May 10, 2024. File No. 333-279320.](#)
- 10.32 [Revolving Credit Agreement, dated as of August 1, 2024, by and among Southwest Gas Corporation, the lenders party thereto, Bank of America, N.A., as Administrative Agent, JPMorgan Chase Bank, N.A. and Wells Fargo Bank, National Association as Co-Syndication Agents, U.S. Bank National Association, MUFG Bank, Ltd., TD Bank, N.A., Keybank National Association and Mizuho Bank, Ltd. as Co-Documentation Agents, and BofA Securities, Inc., JPMorgan Chase Bank, N.A. and Wells Fargo Securities, LLC as Joint Lead Arrangers and Joint Bookrunners. Incorporated herein by reference to Exhibit 10.2 to Form 8-K dated August 1, 2024. File Nos. 001-37976 and 001-07850.](#)
- 10.33 [Unutilized Tax Assets Settlement Agreement dated February 24, 2025 by and between Southwest Gas Holdings, Inc. and Centuri Holdings, Inc. Incorporated herein by reference to Exhibit 10.56 to Form 10-K for the year ended December 31, 2024. File No. 001-37976.](#)
- 10.34* [Form of Performance Stock Unit Agreement under the Southwest Gas Holdings, Inc. 2024 Omnibus Incentive Plan \(EPS/ROE Shares\). Incorporated herein by reference to Exhibit 10.57 to Form 10-K for the year ended December 31, 2024. File No. 001-37976.](#)
- 10.35* [Form of Performance Stock Unit Agreement under the Southwest Gas Holdings, Inc. 2024 Omnibus Incentive Plan \(UNI and ROE\). Incorporated herein by reference to Exhibit 10.58 to Form 10-K for the year ended December 31, 2024. File No. 001-37976.](#)
- 10.36* [Form of Award Agreement for Time-Lapse Restricted Stock Units under the Southwest Gas Holdings, Inc. 2024 Omnibus Incentive Plan. Incorporated herein by reference to Exhibit 10.59 to Form 10-K for the year ended December 31, 2024. File No. 001-37976.](#)
- 10.37* [Performance Stock Unit Award Agreement with Karen S. Haller. Incorporated herein by reference to Exhibit 10.1 to Form 8-K dated February 25, 2025. File No. 001-37976.](#)
- 10.38 [Second Amended and Restated Term Loan Credit Agreement, dated as of June 27, 2025, by and among Southwest Gas Holdings, Inc., the lenders party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, JPMorgan Chase Bank, N.A., BofA Securities, Inc., Wells Fargo Securities, LLC and U.S. Bank National Association as Joint Lead Arrangers and Joint Bookrunners, Bank of America, N.A. as Syndication Agent, and Wells Fargo Bank, N.A. and U.S. Bank National Association as Co-Documentation Agents. Incorporated by reference to Exhibit 10.1 to Form 8-K dated July 2, 2025. File No. 001-37976.](#)
- 10.39 [Revolving Credit Agreement, dated as of June 27, 2025, by and among Southwest Gas Holdings, Inc., the lenders party thereto, JPMorgan Chase Bank, N.A. as Administrative Agent and Swingline Lender, Bank of America, N.A. and Wells Fargo Bank, National Association as Co-Syndication Agents, U.S. Bank National Association, MUFG Bank, Ltd., The Toronto-Dominion Bank, New York Branch, Keybank National Association and Mizuho Bank, Ltd. as Co-Documentation Agents, and JPMorgan Chase Bank, N.A., BofA Securities, Inc. and Wells Fargo Securities, LLC as Joint Lead Arrangers and Joint Bookrunners. Incorporated by reference to Exhibit 10.2 to Form 8-K dated July 2, 2025. File No. 001-37976.](#)
- 10.40 [First Amendment to Credit Agreement, dated as of June 27, 2025, to the Revolving Credit Agreement, dated as of August 1, 2024, by and among Southwest Gas Corporation, the lenders party thereto, and Bank of America, N.A., as Administrative Agent and Swingline Lender. Incorporated by reference to Exhibit 10.1 to Form 8-K dated July 2, 2025. File No. 001-37976 and 001-07850.](#)
- 10.41 [Amended and Restated Cooperation Agreement, dated as of October 14, 2025, by and among the Icahn Group and Southwest Gas Holdings, Inc. Incorporated by reference to Exhibit 10.1 to Form 8-K dated October 14, 2025. File No. 001-37976.](#)
- 10.42** [Transition, Separation and General Release Agreement, dated as of October 31, 2025, by and among Southwest Gas Holdings, Inc., Southwest Gas Corporation and Robert J. Stefani.](#)
- 19.01 [Insider Trading Policy. Incorporated herein by reference to Exhibit 19.1 to Form 10-K for the year ended December 31, 2024. File No. 001-37976.](#)
- 21.01** [List of subsidiaries - Southwest Gas Holdings, Inc.](#)
- 23.01** [Consent of PricewaterhouseCoopers LLP, an independent registered public accounting firm - Southwest Gas Holdings, Inc.](#)

- 23.02** [Consent of PricewaterhouseCoopers LLP, an independent registered public accounting firm - Southwest Gas Corporation.](#)
- 31.01** [Section 302 Certifications–Southwest Gas Holdings, Inc.](#)
- 31.02** [Section 302 Certifications–Southwest Gas Corporation.](#)
- 32.01** [Section 906 Certifications–Southwest Gas Holdings, Inc.](#)
- 32.02** [Section 906 Certifications–Southwest Gas Corporation.](#)
- 97.1 [Southwest Gas Holdings, Inc. Clawback Policy. Incorporated herein by reference to Exhibit 97.1 to Form 10-K dated March 28, 2024.](#)
- 101** The following materials from the Annual Report on Form 10-K of Southwest Gas Holdings, Inc. and Southwest Gas Corporation for the year ended December 31, 2025, were formatted in Inline XBRL (Extensible Business Reporting Language): (1) Southwest Gas Holdings, Inc. Consolidated Balance Sheets, (ii) Southwest Gas Holdings, Inc. Consolidated Statements of Income, (iii) Southwest Gas Holdings, Inc. Consolidated Statements of Comprehensive Income, (iv) Southwest Gas Holdings, Inc. Consolidated Statements of Cash Flows, (v) Southwest Gas Holdings, Inc. Consolidated Statements of Equity, (vi) Southwest Gas Corporation Consolidated Balance Sheets, (vii) Southwest Gas Corporation Consolidated Statements of Income, (viii) Southwest Gas Corporation Consolidated Statements of Comprehensive Income, (ix) Southwest Gas Corporation Consolidated Statements of Cash Flows, (x) Southwest Gas Corporation Consolidated Statements of Equity. The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
- 104** Cover Page Interactive Data File (embedded within the Inline XBRL document).

* Management Contracts or Compensation Plans

** Filed herewith

Item 16. FORM 10–K SUMMARY.

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: February 25, 2026

SOUTHWEST GAS HOLDINGS, INC.
(registrant)

By: /s/ KAREN S. HALLER
Karen S. Haller
President and Chief Executive Officer

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ E. RENAE CONLEY</u> (E. Renae Conley)	Chair of the Board of Directors	February 25, 2026
<u>/s/ ANDREW W. EVANS</u> (Andrew W. Evans)	Director	February 25, 2026
<u>/s/ JUSTIN S. FORSBERG</u> (Justin S. Forsberg)	Senior Vice President/ Chief Financial Officer and Treasurer	February 25, 2026
<u>/s/ KAREN S. HALLER</u> (Karen S. Haller)	Director, President and Chief Executive Officer	February 25, 2026
<u>/s/ JANE LEWIS-RAYMOND</u> (Jane Lewis-Raymond)	Director	February 25, 2026
<u>/s/ HENRY P. LINGINFELTER</u> (Henry P. Linginfelter)	Director	February 25, 2026
<u>/s/ ANNE L. MARIUCCI</u> (Anne L. Mariucci)	Director	February 25, 2026
<u>/s/ FABIO A. PINEDA</u> (Fabio A. Pineda)	Vice President/Controller/ Chief Accounting Officer	February 25, 2026
<u>/s/ CARLOS A. RUISANCHEZ</u> (Carlos A. Ruisanchez)	Director	February 25, 2026
<u>/s/ RUBY SHARMA</u> (Ruby Sharma)	Director	February 25, 2026
<u>/s/ BRIAN E. SANDOVAL</u> (Brian E. Sandoval)	Director	February 25, 2026
<u>/s/ LESLIE T. THORNTON</u> (Leslie T. Thornton)	Director	February 25, 2026

Southwest Gas Corporation

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: February 25, 2026

SOUTHWEST GAS CORPORATION

(registrant)

By: /s/ KAREN S. HALLER

Karen S. Haller
Chief Executive Officer

Southwest Gas Corporation

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ KAREN S. HALLER</u> (Karen S. Haller)	Director and Chief Executive Officer	February 25, 2026
<u>/s/ E. RENAE CONLEY</u> (E. Renae Conley)	Director	February 25, 2026
<u>/s/ JUSTIN S. FORSBERG</u> Justin S. Forsberg	Senior Vice President/ Chief Financial Officer and Treasurer	February 25, 2026
<u>/s/ FABIO A. PINEDA</u> Fabio A. Pineda	Vice President/Controller/ Chief Accounting Officer	February 25, 2026

DESCRIPTION OF CAPITAL STOCK

General

The authorized capital stock of Southwest Gas Holdings, Inc. consists of (1) 120,000,000 shares of Southwest Gas Holdings, Inc. common stock, with a \$1.00 par value, (2) 5,000,000 shares of preferred stock, without par value, and (3) 2,000,000 shares of preference stock, with a \$20.00 par value. As of February 18, 2026, there were issued and outstanding 72,269,125 shares of Southwest Gas Holdings, Inc. common stock and no shares of Southwest Gas Holdings, Inc. preferred stock or preference stock. No other classes of capital stock are authorized under our certificate of incorporation.

Common Stock

We have one class of common stock. All holders of our common stock are entitled to the same rights and privileges, as described below.

Voting Rights. Except as otherwise provided by law, each holder of common stock is entitled to one vote per share on each matter submitted to a vote at a meeting of stockholders, including the election of directors.

Dividends. The holders of Southwest Gas Holdings, Inc. common stock are entitled to receive such dividends as the board of directors of Southwest Gas Holdings, Inc. (the "Board") may from time to time declare, subject to any rights of holders of outstanding shares of Southwest Gas Holdings, Inc. preferred stock.

Liquidation. In the event of any liquidation, dissolution or winding up of Southwest Gas Holdings, Inc., whether voluntary or involuntary, the holders of shares of Southwest Gas Holdings, Inc. common stock, subject to any rights of the holders of outstanding shares of Southwest Gas Holdings, Inc. preferred stock, are entitled to receive any remaining assets of Southwest Gas Holdings, Inc. after the discharge of its liabilities.

Rights and Preferences. Holders of Southwest Gas Holdings, Inc. common stock are not entitled to preemptive rights to subscribe for, or purchase any part of, any new or additional issue of stock or securities convertible into stock. Southwest Gas Holdings, Inc. common stock does not contain any redemption provisions or conversion rights and is not liable to assessment or further call.

Preferred Stock

Our certificate of incorporation authorizes the Board, without further action by the stockholders, to issue up to 5,000,000 shares of preferred stock, without par value, in one or more series and to fix the rights, preferences, privileges and restrictions granted to, or imposed upon, any such wholly unissued series.

Certain Anti-Takeover Matters

Our certificate of incorporation and bylaws contain provisions that may have the effect of discouraging persons from acquiring large blocks of Southwest Gas Holdings, Inc. stock or delaying or preventing a change in control of Southwest Gas Holdings, Inc. The material provisions which may have such an effect are:

- provisions requiring a super-majority vote by holders of common stock in order to approve certain types of business combinations;
- a provision permitting the Board to make, amend or repeal the bylaws;
- authorization for the Board to issue preferred stock in series and to fix rights and preferences of the series (including, among other things, whether, and to what extent, the shares of any series will have voting rights and the extent of the preferences of the shares of any series with respect to dividends and other matters);
- advance notice procedures with respect to proposals other than those adopted or recommended by the Board;

- provisions permitting amendment of certain of these provisions only by an affirmative vote of the holders of at least 65 percent of the outstanding shares of Southwest Gas Holdings, Inc. common stock entitled to vote; and
- provisions requiring director nominees nominated by a stockholder (each such person, a “Stockholder Nominee”) for election to the Board to provide us with certain information with respect to information and agreements between the Stockholder Nominee and any Stockholder Associated Person (as defined in our amended and restated bylaws).

Transfer Agent and Registrar

Equiniti Trust Company, LLC is the registrar and transfer agent for our common stock.

Listing

Our common stock is listed on the New York Stock Exchange under the symbol “SWX”.

SOUTHWEST GAS HOLDINGS, INC. MANAGEMENT INCENTIVE PLAN

Effective May 12, 1993
Amended and Restated May 10, 1994
Amended and Restated January 1, 1995
Amended and Restated January 1, 2002
Amended and Restated January 1, 2004 Amended and Restated Effective
January 1, 2009 Amended and Restated Effective January 20, 2009
Amended and Restated Effective May 6, 2009 Amended and Restated Effective
February 26, 2014 Amended and Restated Effective February 23, 2017 Amended
and Restated Effective August 3, 2020 First Amendment Effective January 1, 2022
Amended and Restated Effective May 5, 2022

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SOUTHWEST GAS HOLDINGS, INC.

Management Incentive Plan

1. Purpose of the Plan.

This Management Incentive Plan, revised and restated effective May 5, 2022, is intended to replace the existing Southwest Gas Holdings, Inc. Management Incentive Plan and encourage a selected group of highly compensated or management employees of the Company to remain in its employment and to put forth maximum efforts to achieve the Company's short- and long-term performance goals. Beginning with performance periods beginning on and after January 1, 2018, the Plan shall be a subplan of the Omnibus Plan.

2. Definitions.

(a) "Actual Award" means the dollar amount earned by a Participant on the basis of the performance of the Company during the annual Performance Period.

(b) "Annual Base Salary" means the calendar year-end rate of compensation paid to a Key Employee, including salary deferrals, but excluding bonuses, incentives, commissions, overtime, monetary and nonmonetary awards for employment service to the Company or payments or Company contributions to or from this Plan or any other Company retirement or deferred compensation, or similar plans.

(c) "Annual Performance Measures" shall mean the performance criteria used by the Committee in determining the performance of the Company for the purpose of calculating Actual Awards for Participants earned under the Plan during a Performance Period.

(d) "Beneficiary" means the person or persons designated pursuant to Section 7(c) as eligible to receive a Participant's unpaid Plan benefits in the event of the Participant's death.

(e) "Benefits Committee" means the committee serving as the plan administrator of the Southwest Gas Corporation Employees' Investment Plan, or any successor thereto.

(f) "Board" or "Board of Directors" means the Board of Directors of Southwest Gas Holdings, Inc.

(g) "Code" means the Internal Revenue Code of 1986, as amended.

(h) "Committee" means the Compensation Committee of the Board of Directors, or any successor thereto.

(i) "Common Stock" means the common stock of Southwest Gas Holdings, Inc.

(j) "Company" means Southwest Gas Holdings, Inc. and its present and future subsidiaries and any successors thereto (including, as applicable, Southwest Gas Corporation).

(k) "Determination Date" means as to any Performance Period: (i) the first day of the Performance Period.

(l) "Disability" or "Disabled". A Participant shall be considered to be "Disabled" or to have incurred a "Disability" if he or she qualifies for a disability benefit from the entity employing the Participant or the entity to which the Participant provides services group long-term disability plan and incurs a Separation From Service. The Committee, in its sole and absolute discretion, may determine that a Participant is Disabled for purposes of this Plan.

(m) "Employee" means any person who is a regular full-time employee of the Company, including those who are officers or Board Members.

(n) "Fiscal Year" means the Fiscal Year of the Company beginning each January 1 and ending the following December 31.

(o) "Incentive Award Opportunity" means the range of an Actual Award available to each Participant in this Plan for a given Performance Period.

(p) "Involuntary Termination Without Cause" means a Participant's Separation From Service (i) due to reorganization, downsizing, restructuring or layoff, and (ii) not due to what the Committee determines was, in its sole and absolute discretion, either the Participant's inability to adequately perform his or her job, a violation of Company work rules or policies, or misconduct that the Committee determines is detrimental to the Company's best interests.

(q) "Key Employee" means a management or highly compensated Employee of the Company who the Committee determines to (i) have a direct and significant impact on the performance of the Company, and (ii) has a position or compensation that allows him or her to affect or influence, through negotiation or otherwise, the design or operation of this Plan so as to eliminate the Employee's need for the substantive rights and protections of Title I of the Employee Retirement Income Security Act of 1974.

(r) "Omnibus Plan" means the Southwest Gas Holdings, Inc. Omnibus Incentive Plan.

(s) "Participant" means a Key Employee who, in the Committee's sole and absolute discretion, is determined to be eligible to receive an Incentive Award Opportunity under this Plan.

(t) "Payment Period" means the first two and one-half months following the end of a Performance Period.

(u) "Peer Group" means the companies comprising the group against which the Committee assesses the performance of the company for the purposes of determining Actual Awards earned, or for modifying the number of shares of Common Stock that are payable to Participants following the end of a Restriction Period.

(v) "Performance Period" means a period of twelve (12) months corresponding to the Company's Fiscal Year and for which the Company's performance is assessed by the Committee for the purpose of determining Actual Awards earned.

(w) "Plan" means the Southwest Gas Holdings, Inc. Management Incentive Plan as set forth herein and as amended from time to time.

(x) "Retire" or "Retirement" means a Participant's Separation From Service on or after the Participant has attained his or her early retirement date, normal retirement date, or deferred retirement date as defined in the Retirement Plan for Employees of Southwest Gas Corporation (or such other Retirement Plan applicable to a Participant if the Participant is providing services to a subsidiary other than Southwest Gas Corporation and the Participant does not participate in the Retirement Plan for Employees of Southwest Gas Corporation), as amended and in effect from time to time. Notwithstanding the foregoing, and pursuant to the 7th amendment of the Retirement Plan for Employees of Southwest Gas Corporation (the "**Retirement Plan**"), participation in the Retirement Plan is frozen for all individuals whose most recent date of hire by the Company is after December 31, 2021. Accordingly, with respect to any individual whose most recent date of hire by the Company occurs after December 31, 2021, and who is therefore prohibited from participating in Retirement Plan, the term "Retirement" shall be applied to such individual as if he/she had been eligible to participate in the Retirement Plan.

(y) "Section 409A" or "Code Section 409A" means Section 409A of the Internal Revenue Code and the rules and regulations with respect thereto.

(z) "Separation From Service" means the termination of a Participant's employment by the Company if the Participant dies, retires, or otherwise has a termination of employment with the Company; provided, that Participant's employment relationship is treated as continuing intact while on military leave, sick leave, or other bona fide leave of absence if the period of such leave does not exceed six months or longer, and if Participant's right to reemployment is provided either by statute or by contract. A leave of absence constitutes a bona fide leave of absence only if there is a reasonable expectation that the Participant will return to perform services for the Company. If the period of leave exceeds six months and the Participant does not retain a right to reemployment under an applicable statute or by contract, the employment relationship is deemed to terminate on the first date

immediately following such six-month period. Notwithstanding the foregoing, where a leave of absence is due to any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than six months, where such impairment causes the Participant to be unable to perform the duties of his or her position of employment, or any substantially similar position of employment, a 29-month period of absence may be substituted for such six-month period. For purposes of this paragraph, the term "Company" includes all other organizations that together with the Company are part of the Code Section 414(b-c) control group of organizations. Whether a Participant has incurred a Separation From Service shall be determined based in accordance with the Code Section 409A. Additionally, if a Participant ceases to work as an Employee, but is retained to provide services as an independent contractor of the Company, the determination of whether the Participant has incurred a Separation From Service shall be determined based in accordance with Code Section 409A.

(aa) "Target Award" means the Incentive Award Opportunity available to each Participant if all Performance Measures for a Performance Period are fully met but not exceeded.

3. Administration.

(a) The Plan shall be administered by non-Employee members of the Committee, which shall be composed of not less than three members of the Board of Directors. The non-Employee members of the Committee chosen to administer the Plan shall not have received an award under this Plan or any plan preceding this Plan within the last calendar year. The Board of Directors may designate alternate members of the Committee from non-Employee Board members who satisfy the above criteria to act in the place and stead of any absent member of the Committee.

(b) The Committee shall have full and final authority to operate, manage, and administer the Plan on behalf of the Company. This authority includes but is not limited to the following:

- (i) Determination of eligibility for participation in the Plan;
- (ii) Determination of Actual Awards earned and the Award Conversion of the Actual Awards;
- (iii) Payment of Actual Awards that have become nonforfeitable;
- (iv) Directing the Company to make the accruals and payments provided for by the Plan;

(v) Interpretation of the Plan and the resolution of any inconsistent or conflicting Plan language as well as factual or nonfactual questions regarding a Participant's eligibility for, and the amount of, benefits payable under the Plan;

- (vi) Power to prescribe, amend, or rescind rules and regulations relating to the Plan;
- (vii) Power to determine the vesting schedules, if any, for all awards;
- (viii) Powers prescribed to the Committee elsewhere in the Plan; and

(ix) Power to construe and interpret the Plan to the maximum extent possible to comply with applicable law, including Code Section 409A.

(c) With respect to Incentive Award Opportunities and Actual Awards earned, the Committee shall have full and final authority in its sole and absolute discretion to determine the Incentive Award Opportunities for individual Participants; determine the time or times at which Actual Awards may be calculated; determine the length of all applicable Performance Periods and/or Restriction Periods; determine the award schedule and the Annual Performance Measures (and the Company's satisfaction or failure to satisfy such measures) that will be used in calculating Actual Awards.

(d) Notwithstanding the foregoing, the Benefits Committee, and not the Committee, shall be responsible for (1) determining whether a Participant is Disabled, and (2) resolving issues and matters not specifically allocated to the Committee in Section 3(b-c) above; in performing such actions, the Benefits Committee shall have the power and authority specified in Section 3(b)(v),(vi), and (ix).

(e) As to the Committee or the Benefits Committee, a majority of such committee shall constitute a quorum, and the acts of a majority of the members present at any meeting at which a quorum is present, or acts approved in writing by all the members in the absence of a meeting, shall be the acts of such committee. All interpretations, determinations, and actions of either committee will be final, conclusive, and binding on all parties.

(f) No member of the Board, the Committee, or the Benefits Committee will be liable for any action taken or determination made in good faith by the Board, the Committee, or the Benefits Committee with respect to the Plan or any Actual Award calculated and paid hereunder.

4. Eligibility.

(a) In determining the Key Employees that will be Participants and the Incentive Award Opportunity for each Participant, the Committee shall take into account the duties of the respective Participant, their present and potential contributions to the success of the Company, and such other factors as the Committee shall deem relevant in connection with accomplishing the purpose of the Plan.

(b) No Incentive Award Opportunity will be available to any person who, at the beginning of the applicable Performance Period, is a member of the Committee responsible for the administration of the Plan.

5. Incentive Award Opportunities.

(a) By the Determination Date, the Committee will, in its discretion, establish, in writing, the Incentive Award Opportunity for the Performance Period for each Participant or class of Participants designated by the Committee. The Incentive Award Opportunity will be expressed as percentages of the Participant's Annual Base Salary.

(b) An Incentive Award Opportunity may be based on a dollar amount or a percentage of the Participant's Annual Base Salary related to a range of the foregoing. The maximum dollar amount of any Actual Award will not exceed for any one Participant Three Million Dollars (\$3,000,000) for any Fiscal Year.

(c) By the Determination Date, the Committee will assign to a Participant an Incentive Award Opportunity which will be assigned a specific Target Award that will fall within the range of the Participant's Incentive Award Opportunity. The Target Award will be awarded to the Participant if, in the discretion and judgment of the Committee, applicable Annual Performance Measures for the applicable Performance Period are met.

(d) Actual Awards for each Participant in the Plan shall be determined by the Committee following the end of the applicable Performance Period, taking into account how the Company performed on the basis of the Annual Performance Measures developed and utilized by the Committee for the Performance Period.

6. Procedures for Calculating and Paying Actual Awards.

(a) The Committee shall establish the Annual Performance Measures that will be utilized for one or more Performance Periods in assessing the performance of the Company for the purpose of determining the Actual Awards earned under this Plan. As determined by the Committee, the Annual Performance Measures applicable to each Participant shall provide for a targeted level or levels of achievement using one or more of the measures pursuant to Section 7 of the Omnibus Plan. The Annual Performance Measures may be applicable to the Company and/or any of its individual business units or affiliates and may differ from Participant to Participant. In addition and to the extent applicable, the Annual Performance Measures will be calculated in accordance with generally accepted accounting principles, but excluding the effect (whether positive or negative) of any change in accounting standards and any extraordinary, unusual or nonrecurring item, as determined by the Committee, occurring after the establishment of the Annual Performance Measures applicable to the Actual Award intended to be performance-based compensation. Each such adjustment, if any, shall be made solely for the purpose of providing a consistent basis from period to period for the

calculation of Annual Performance Measures in order to prevent the dilution or enlargement of the Participant's rights with respect to an Actual Award intended to be performance-based compensation; provided, however, that certain categories or types of such adjustments can be specifically included (rather than excluded) at the time the Annual Performance Measures are established if so determined by the Committee. These measures and the standards of performance associated with them may change from year to year and may receive different emphasis or weight according to the changing priorities of the Company.

(b) During the Payment Period, the Committee will compare the Company's actual performance during such period with the Annual Performance Measures it established for the period, and the Actual Award for such period, if any, for a Participant will be calculated. For each Performance Period, the Committee will utilize an award schedule for calculating the Actual Awards earned on the basis of the Company's performance. The award schedule may be modified by the Committee from year to year as Annual Performance Measures or the standards of performance associated with such measures change.

(c) The Committee retains the discretion to reduce a Participant's Actual Award (including a reduction to zero).

(d) Actual Awards for each Participant for the Performance Period will be paid during the Payment Period to the Participant in a lump sum cash payment.

(e) The Committee shall have the sole and absolute responsibility for determining Actual Awards of Participants. The Actual Awards generated by application of the award schedule established by the Committee for one or more Performance Periods will be the actual awards that will be payable to each Participant; provided, however, that the Committee may, prior to the Award Conversion Date, unilaterally reduce the Actual Awards generated by the awards schedule if, in the opinion of the Committee, there have been exceptional circumstances that have either created inappropriate windfalls in the Company's performance, which, in turn, have resulted in inappropriately large awards.

(f) Notwithstanding any other provision of this Section 6, a Participant shall receive no Actual Award for a Performance Period unless at least 80% of target performance is achieved under the primary financial Performance Measure applicable to such Performance Period.

(g) If, during a Performance Period, the Committee determines that the established Annual Performance Measures are no longer suitable due to a change in control of the Company, as defined in Code Section 409A, the Committee may accelerate payment of the Actual Award.

(h) Subject to the terms and conditions of the Company's Clawback Policy, if the Company is required to prepare an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement

under the securities laws, then any Participant who has been paid an Actual Award under this Plan based upon or affected by the restated financial report shall be required, at the discretion of the Board and/or Committee, to reimburse the Company for all or any portion of such Actual Award.

7. Participant Terminations and Transfers.

(a) Should a Participant incur a Separation From Service for any reason other than death, Disability, Retirement, or Involuntary Termination Without Cause during a Performance Period, the Participant's right to receive an Actual Award for such period will be forfeited by the Participant.

(b) Should a Participant incur a Separation From Service during the Performance Period due to death, becoming Disabled, Retirement, or having his or her employment Involuntarily Terminated Without Cause, the Participant (or the Participant's Beneficiary if the Participant dies before receiving payment) will be entitled to receive the Participant's Actual Award for the Performance Period determined on a pro rata basis according to the number of months of the Performance Period actually worked while being a Participant in the Plan. Payment of the Actual Award shall be made in a lump sum cash payment and shall occur during the Payment Period following the end of the applicable Performance Period.

(c) A Participant shall have the right to designate any person as his or her Beneficiary to whom benefits determined under this Section 7 ("Death Benefits") shall be paid in the event of the Participant's death prior to the total distribution of his/her Death Benefits. If greater than fifty percent (50%) of the Death Benefits are designated to a beneficiary other than the Participant's lawful spouse, such beneficiary designation must be consented to by the Participant's lawful spouse. Each beneficiary designation must be in written form prescribed by the Committee and will be effective only when filed with the Committee, or its designee, during the Participant's lifetime.

A Participant may change a beneficiary designation, subject to spousal consent under the preceding paragraph, by filing a new beneficiary designation form with the Committee or its designee. The filing of a new beneficiary designation form will cancel all beneficiary designations previously filed. The Committee shall be entitled to rely on the beneficiary designation form last filed by the Participant prior to his/her death. Any payment made in accordance with such designation shall fully discharge the Company from all further obligations with respect to the amount of such payments.

If a beneficiary entitled to receive benefits under the Plan is a minor or a person declared incompetent, the Committee may direct payment of such benefits to the guardian or legal representative of such minor or incompetent person. The Committee may require proof of incompetency, minority or guardianship as it may deem appropriate prior to distribution of any Death Benefits. Such distribution shall

completely discharge the Committee and the Company from all liability with respect to such payments.

If no beneficiary designation is in effect at the time of the Participant's death, or if the named beneficiary predeceased the Participant, then the beneficiary shall be: (1) the surviving lawful spouse; (2) if there is no surviving lawful spouse, then Participant's issue per stirpes; or (3) if no surviving lawful spouse or issue, then Participant's estate.

(d) If a Participant changes jobs with the Company during the course of a Performance Period and his or her new job has a different Incentive Award Opportunity under the Plan, the Participant's Incentive Award Opportunity for the Performance Period shall be the sum of the products obtained by multiplying (i) the percentage of the full Performance Period spent in each job by (ii) the Incentive Award Opportunity for each such job. In special circumstances, which the Committee may identify from time to time, the Participant may be assigned for the full Performance Period the Incentive Award Opportunity that corresponds to any one of the jobs held by the Participant during the Performance Period rather than combining partial Incentive Award Opportunities for the jobs.

(e) Should a Key Employee become eligible to participate in the Plan after the beginning of a Performance Period, the Participant will be entitled to an Incentive Award Opportunity on the basis of the number of months of the full Performance Period the Key Employee is a Participant in the Plan.

(f) Notwithstanding any other provision of the Plan, to the extent that (i) one or more of the payments in connection with the Participant's Separation From Service would constitute deferred compensation subject to the requirements of Code Section 409A, and (ii) the Participant is a "specified employee" within the meaning of Code Section 409A, then such payment or benefit (or portion thereof) will be delayed until the earliest date following the Participant's Separation From Service on which the Company can provide such payment or benefit to the Participant without the Participant's incurrence of any additional tax or interest pursuant to Code Section 409A, with all remaining payments or benefits due thereafter occurring in accordance with the original schedule. In addition, this Plan and the payments and benefits to be provided hereunder are intended to comply in all respects with the applicable provision of Code Section 409A.

8. Changes in Capital Structure and Other Events.

(a) Notwithstanding anything in the Plan to the contrary, the Board may terminate the Plan and liquidate "deferred compensation" payable under the Plan as permitted pursuant to Code Section 409A.

(b) All determinations, decisions, and adjustments made by the Committee as a result of the Board's action pursuant to Plan Section 8(a) will be final, binding,

and conclusive. No fractional interest will be issued under the Plan on account of such adjustments.

(c) For purposes of the Plan, "Transaction" means any of the following events: (i) a report on Schedule 13D is filed with the Securities and Exchange Commission pursuant to Section 13(d) of the Securities Exchange Act of 1934 (referred to as the "Act") disclosing that any "person" (as defined in Section 13(d) of the Act) other than the Company or one of its subsidiaries or an employee benefit plan sponsored by the Company or one of its subsidiaries is the beneficial owner, directly or indirectly, of fifty percent (50%) or more of the combined voting power of the then outstanding securities of the Company; (ii) any "person" (as defined in Section 13(d) of the Act) other than the Company or one of its subsidiaries, or an employee benefit plan sponsored by the Company or one of its subsidiaries, shall purchase securities pursuant to a tender offer or exchange offer to acquire any Common Stock of the Company (or securities convertible in Common Stock) for cash, securities, or any other consideration, provided that after the consummation of the offer, the person in question is the "beneficial owner" (as such term is defined in Rule 13d-3 under the Act), directly or indirectly, of fifty percent (50%) or more of the combined voting power of the then outstanding securities of the Company (as determined under paragraph (d) of Rule 13d-3 under the Act, in the case of rights to acquire Common Stock); (iii) the consummation of (a) any consolidation or merger of the Company (1) in which the Company is not the continuing or surviving corporation, (2) pursuant to which shares of Common Stock of the Company would be converted into cash, securities, or other property, and (3) with a corporation that prior to such consolidation or merger owned fifty percent (50%) or more of the cumulative voting power of the then outstanding securities of the corporation; or any sale, lease, exchange, or other transfer (in one transaction or a series of transactions) of all or substantially all of the assets of the Company; (iv) a change in the majority of the Board of the Company within a 12-month period, unless the election or nomination for election by the Company's stockholders of each director during the 12-month period was approved by the vote of two-thirds (2/3) of the directors then in office who were directors at the beginning of such 12-month period; or (v) any transaction (a) involving a subsidiary of the Company, (b) to which the holder of an outstanding Incentive Award Opportunity or Performance Share is then providing services, and (c) immediately after which the shareholders of the Company who own, directly or indirectly, more than fifty percent (50%) of the outstanding voting securities of such subsidiary, determined immediately prior to such transaction, do not own, directly or indirectly, more than fifty percent (50%) of the outstanding voting securities of such subsidiary (or the surviving or resulting entity immediately after such transaction), provided that such transaction shall constitute a Transaction only with respect to such Incentive Award Opportunity. Notwithstanding the foregoing, any transaction immediately after which more than fifty percent (50%) of the outstanding voting securities of the Company (or the surviving or resulting entity immediately after such transaction) is, or will be, owned, directly or indirectly, by shareholders of the Company or an affiliate of the Company who own, directly or indirectly, more than fifty percent (50%) of the outstanding voting securities of the Company, determined immediately before such transaction, shall not constitute a

Transaction. In the event of a Transaction, the Committee may in its sole and absolute discretion, without obtaining stockholder approval, at the time of any one or more of the foregoing actions with respect to all Participants:

- (i) Make adjustments or amendments to the Plan and outstanding Incentive Award Opportunities and Performance Shares that are consistent with applicable law and the terms of the transaction; or
- (ii) Consistent with applicable law substitute new Incentive Award Opportunities.

9. Effective Date; Stockholder Approval.

The Plan became effective upon adoption by the Board of Directors of Southwest Gas Corporation in 1993 and was approved by its shareholders at the 1994, 2002, 2004, 2009 and 2014 Annual Meetings.

10. Amendment and Termination of the Plan.

The Board at any time and from time to time may, without prior notice to Participants, suspend, terminate, modify, or amend the Plan. Except as otherwise provided for in Plan Sections 5, 6, 7 and 8, no suspension, termination, modification, or amendment of the plan may adversely affect any award previously granted, unless the written consent of the Participant is obtained. No amendment to the provisions of this Plan shall become effective without shareholder approval to the extent required by applicable law.

11. Benefit Claims Procedure.

(a) Any claim for money under the Plan shall be made in writing to the Committee. If such claim is wholly or partially denied, the Committee shall, within a reasonable period of time not to exceed ninety (90) days after receipt of the claim, notify the Participant, Beneficiary or other party making the claim (the "Claimant") of the denial of the claim. Such notice of denial shall (i) be in writing, (ii) be written in a manner calculated to be understood by the Claimant, and (iii) contain the specific reason or reasons for denial of the claim, a specific reference to the pertinent Plan provisions upon which the denial is based, a description of any additional material or information necessary to perfect the claim, along with an explanation of why such material or information is necessary, and an explanation of the claim review procedure. The ninety (90) day period may, under special circumstances, be extended up to an additional ninety (90) days upon written notice of such extension to the Claimant which notice shall specify the special circumstances and the extended date of the decision, the time limits applicable to such procedures and a statement of the Claimant's right to bring a civil action under ERISA Section 502(a) following an adverse benefit determination upon review. Notice of extension must be given prior to expiration of the initial ninety (90) day period. The extension notice shall indicate the special circumstances that require an extension of time and the date

by which the Committee expects to render a decision on the claim. If the claim is denied, the Claimant may file a request for review as provided in the next paragraph.

(b) Within sixty (60) days after the receipt of the decision denying a claim by the Claimant, the Claimant may file a written request with the Committee that it conduct a full and fair review of the denial of the claim. The Claimant or his or her duly authorized representative may review pertinent documents and submit issues and comments in writing to the Committee in connection with the review.

(c) The Committee shall deliver to the Claimant a written decision on the review of the denial within sixty (60) days after receipt of the aforesaid request for review, except that if there are special circumstances (such as the need to hold a hearing, if necessary) which require an extension of time for processing, the aforesaid sixty (60) day period shall, upon written notice to the Claimant be extended an additional sixty (60) days. Upon review the Claimant shall be given the opportunity to (i) submit written comments, documents, records, and other information relating to its claim and (ii) request and receive, free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the Claimant's claim for benefits. Whether a document, record, or other information is relevant to a claim for benefits shall be determined by reference to applicable ERISA regulations, if any. The review of a denied claim shall take into account all comments, documents, records, and other information submitted by the Claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination. The decision on review shall be written in a manner calculated to be understood by the Claimant and, if adverse, shall (i) include the specific reason or reasons for the decision, (ii) contain a specific reference to the pertinent Plan provisions upon which the decision is based, contain a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the Claimant's claim for benefits (whether a document, record, or other information is relevant to a claim for benefits shall be determined by reference to applicable ERISA Regulations), and (iv) contain a statement describing the Claimant's right, if any, to bring an action under ERISA Section 502(a).

(d) Claims Relating to Whether a Participant is Disabled. This Section 11(d), and not Section 11(a) to (c), shall apply to claims made on or after April 1, 2018, the adjudication of which revolves around whether a Participant is Disabled. In the event a claim involves the issue of whether a Participant is Disabled, the Benefits Committee shall ensure that all claims and appeals relating to such issue are adjudicated in a manner designed to ensure the independence and impartiality of the persons involved in making the decision.

(i) Disability. If a claim relates to a determination of whether a Participant is Disabled, and the claim requires an independent determination by the Benefits Committee, the Benefits Committee shall notify the Claimant of the Plan's adverse benefit determination within a reasonable period of time, but no later than forty-five (45) days after receipt of the claim. If, due to matters beyond the control of

the Plan, the Benefits Committee needs additional time to process a claim, the Claimant will be notified, within forty-five (45) days after the Benefits Committee receives the claim, of those circumstances and of when the Benefits Committee expects to make its decision, but not beyond seventy-five (75) days. If, prior to the end of the extension period, due to matters beyond the control of the Plan, a decision cannot be rendered within that extension period, the period for making the determination may be extended for up to one hundred five (105) days, provided that the Benefits Committee notifies the Claimant of the circumstances requiring the extension and the date as of which the Plan expects to render a decision. The extension notice shall specifically explain the standards on which entitlement to a disability benefit is based, the unresolved issues that prevent a decision on the claim and the additional information needed from the Claimant to resolve those issues, and the Claimant shall be afforded at least forty-five (45) days within which to provide the specified information.

(ii) Notice of Decision. In the case of an adverse benefit determination by the Benefits Committee with respect to whether a Participant is Disabled, the Benefits Committee will provide a notification in a culturally and linguistically appropriate manner (as described in Department of Labor Regulation Section 2560.503-1(o)) that shall set forth:

(1) The specific reasons for the denial;

(2) A reference to the specific provisions of the Plan or insurance contract on which the denial is based;

(3) Notice that the Claimant has a right to request a review of the claim denial and an explanation of the Plan's review procedures and the time limits applicable to such procedures;

(4) A statement of the Claimant's right to bring a civil action under ERISA Section 502(a) following an adverse benefit determination on review, and a description of any time limit that applies under the Plan for bringing such an action;

(5) A discussion of the decision, including an explanation of the basis for disagreeing with or not following:

a. The views presented by the Claimant of health care professionals treating the Claimant and vocational professionals who evaluated the Claimant;

b. The views of medical or vocational experts whose advice was obtained on behalf of the Plan in connection with a Claimant's adverse benefit determination, without regard to whether the advice was relied upon in making the benefit determination; and

c. A disability determination regarding the Claimant presented by the Claimant made by the Social Security Administration

(6) If the adverse benefit determination is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to the Claimant's medical circumstances, or a statement that such explanation will be provided free of charge upon request;

(7) Either the specific internal rules, guidelines, protocols, standards or other similar criteria of the Plan relied upon in making the adverse determination or, alternatively, a statement that such rules, guidelines, protocols, standards or other similar criteria of the Plan do not exist; and

(8) A statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the Claimant's claim for benefits. Whether a document, record, or other information is relevant to a claim for benefits shall be determined by Department of Labor Regulation Section 2560.503-1(m)(8).

(iii) Review Procedure. If the initial claim relates to whether a Participant is Disabled, the claim requires an independent determination by the Benefits Committee, and the Benefits Committee denies the claim, in whole or in part, the Claimant shall have the opportunity for a full and fair review by the Benefits Committee of the denial, as follows:

(1) Prior to such review of the denied claim, the Claimant shall be given, free of charge, any new or additional evidence considered, relied upon, or generated by the Plan, insurer, or other person making the benefit determination in connection with the claim, or any new or additional rationale, as soon as possible and sufficiently in advance of the date on which the notice of adverse benefit determination on review is required to be provided, to give the Claimant a reasonable opportunity to respond prior to that date.

(2) The Benefits Committee shall respond in writing to such Claimant within forty-five (45) days after receiving the request for review. If the Benefits Committee determines that special circumstances require additional time for processing the claim, the Benefits Committee can extend the response period by an additional forty-five (45) days by notifying the Claimant in writing, prior to the end of the initial 45-day period that an additional period is required. The notice of extension must set forth the special circumstances and the date by which the Benefits Committee expects to render its decision.

(3) The Claimant shall be given the opportunity to submit issues and written comments to the Benefits Committee, as well as to review and receive, without charge, all relevant (as defined in applicable ERISA regulations) documents, records and other information relating to the claim. The reviewer shall take into account all comments, documents, records and other information submitted by the Claimant relating to the claim regardless of whether the information was submitted or considered in the initial benefit determination.

(4) In considering the review, the Benefits Committee shall take into account all comments, documents, records and other information submitted by the Claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination. Additional considerations shall be required in the case of a claim for disability benefits. For example, the claim will be reviewed by an individual or committee who did not make the initial determination that is subject of the appeal, nor by a subordinate of the individual who made the determination, and the review shall be made without deference to the initial adverse benefit determination. If the initial adverse benefit determination was based in whole or in part on a medical judgment, the Benefits Committee will consult with a health care professional with appropriate training and experience in the field of medicine involving the medical judgment. The health care professional who is consulted on appeal will not be the same individual who was consulted during the initial determination or the subordinate of such individual. If the Benefits Committee obtained the advice of medical or vocational experts in making the initial adverse benefits determination (regardless of whether the advice was relied upon), the Benefits Committee will identify such experts.

(5) Notice of Decision after Review. In the case of an adverse benefit determination with respect to whether a Participant is Disabled, the Benefits Committee will provide a notification in a culturally and linguistically appropriate manner (as described in Department of Labor Regulation Section 2560.503-1(o)) that shall set forth:

- a. The Benefits Committee's decision;
- b. The specific reasons for the denial;
- c. A reference to the specific provisions of the Plan or insurance contract on which the decision is based;
- d. A statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant (as defined in applicable ERISA regulations) to the Claimant's claim for benefits;
- e. A statement describing any voluntary appeal procedures offered by the Plan and the Claimant's right to obtain the information about such procedures;
- f. A statement of the Claimant's right to bring a civil action under ERISA Section 502(a) which shall describe any applicable contractual limitations period that applies to the Claimant's right to bring such an action, including the calendar date on which the contractual limitations period expires for the claim;
- g. A discussion of the decision, including an explanation of the basis for disagreeing with or not following:

- i. The views presented by the Claimant of health care professionals treating the Claimant and vocational professionals who evaluated the Claimant;
 - ii. The views of medical or vocational experts whose advice was obtained on behalf of the Plan in connection with a Claimant's adverse benefit determination, without regard to whether the advice was relied upon in making the benefit determination; and
 - iii. A disability determination regarding the Claimant presented by the Claimant made by the Social Security Administration.
- h. If the adverse benefit determination is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to the Claimant's medical circumstances, or a statement that such explanation will be provided free of charge upon request; and
- i. Either the specific internal rules, guidelines, protocols, standards or other similar criteria of the Plan relied upon in making the adverse determination or, alternatively, a statement that such rules, guidelines, protocols, standards or other similar criteria of the Plan do not exist.

(e) Exhaustion of Remedies. A Claimant must follow the claims review procedures under this Plan and exhaust his or her administrative remedies before taking any further action with respect to a claim for benefits.

(f) Failure of Plan to Follow Procedures. In the case of a claim with respect to whether a Participant is Disabled, if the Plan fails to strictly adhere to all the requirements of this claims procedure with respect to whether a Participant is Disabled, the Claimant is deemed to have exhausted the administrative remedies available under the Plan, and shall be entitled to pursue any available remedies under ERISA Section 502(a) on the basis that the Plan has failed to provide a reasonable claims procedure that would yield a decision on the merits of the claim, except where the violation was: (1) de minimis; (2) non-prejudicial; (3) attributable to good cause or matters beyond the Plan's control; (4) in the context of an ongoing good-faith exchange of information; and (5) not reflective of a pattern or practice of non-compliance. The Claimant may request a written explanation of the violation from the Plan, and the Plan must provide such explanation within ten (10) days, including a specific description of its basis, if any, for asserting that the violation should not cause the administrative remedies to be deemed exhausted. If a court rejects the Claimant's request for immediate review on the basis that the Plan met the standards for the exception, the claim shall be considered as re-filed on appeal upon the Plan's receipt of the decision of the court. Within a reasonable time after the receipt of the decision, the Plan shall provide the claimant with notice of the resubmission.

12. General Provisions.

(a) Nothing in this Plan or in any award granted pursuant hereto shall confer on an individual any right to continue in the employ of the company or any of its subsidiaries or interfere in any way with the right of the Company or any such subsidiary to terminate any employment.

(b) Upon its adoption by the Board, this Plan shall replace the existing Southwest Gas Holdings, Inc. Management Incentive Plan with respect to periods commencing effective May 5, 2022.

(c) Awards granted under the Plan shall not be transferable otherwise than as provided for by will or by the laws of descent and distribution, and awards may be realized during the lifetime of the Participant only by the Participant or by his guardian or legal representative.

(d) The section and subsection heading are contained herein for convenience only and shall not affect the construction hereof.

(e) A Participant's rights to Plan benefits represent rights to merely an unfunded and unsecured promise of a future payment of money or property. A participant shall look only to the Company for the payment of Plan benefits and such benefits shall, until paid, be subject to the claims of Company creditors. A Participant's rights under the Plan shall be only that of an unsecured general creditor of the Company.

IN WITNESS WHEREOF Southwest Gas Holdings, Inc. has executed this Plan to be effective May 5, 2022.

SOUTHWEST GAS HOLDINGS, INC.

By: /s/ Karen S. Haller

Karen S. Haller
President and
Chief Executive Officer

pa-1629296

SIGNATURE PAGE TO MANAGEMENT INCENTIVE PLAN

SOUTHWEST GAS CORPORATION EMPLOYEES'

INVESTMENT PLAN

Amended and Restated – Effective January 1, 1989 Amended and Restated –
Effective December 1, 1994 Amended and Restated – Effective July 1, 1996
Amended and Restated – Effective October 1, 2001 Amended and Restated –
Effective January 1, 2010 Amended and Restated – Effective January 1, 2015
Amended and Restated – Effective January 1, 2022

SWG Employees' Investment Plan
Effective January 1, 2022

INTRODUCTION

The Southwest Gas Corporation Employees' Investment Plan, as amended and restated herein, constitutes a continuation of the Plan originally effective April 1, 1965. The Plan is a profit sharing plan and ESOP with a cash or deferred arrangement.

The Plan contains an ESOP which is designed to invest primarily in qualifying employer securities. It is the intention of the Company that (i) the non-ESOP portion of the Plan (the "Profit-Sharing Plan") shall be a profit-sharing plan that is qualified under Code Sections 401(a) and 401(k), (ii) the ESOP portion of the Plan shall be both a stock bonus plan and an employee stock ownership plan that is qualified under Code Sections 401(a) and 4975(e)(7) and described in ERISA Section 407(d)(6), (iii) that the Profit-Sharing Plan and the ESOP together shall constitute a single plan under Treasury Regulation Section 1.414(1)-1(b)(1); (iv) that the Plan shall satisfy the requirements of ERISA; and (v) that the Trust Fund maintained under the Plan shall be tax-exempt under Code Section 501(a).

The provisions in the other sections of the Plan shall apply to the ESOP in the same fashion as they apply to the Profit-Sharing Plan, except to the extent such provisions are by their terms inapplicable to the ESOP. The amendment of the Plan to include the ESOP shall not affect any beneficiary designation or other applicable agreements, elections, or consents that Participants, spouses or beneficiaries validly executed under the terms of the Plan before the January 1, 2002 effective date of the ESOP, and such designations, elections, and consents shall be applied under the ESOP in the same manner as they applied under the Plan before the addition of the ESOP.

The Plan was most recently restated effective January 1, 2015 (the "2015 Restated Plan").

Effective April 1, 2018, and signed March 3, 2019, the Company adopted the First Amendment to the 2015 Restated Plan in order to modify the Plan's claim procedures to comply with revisions to the Department of Labor's claims procedures for handling disability claims.

Effective January 1, 2019, and signed April 26, 2019, the Company adopted the Second Amendment to the 2015 Restated Plan in order to change (1) the Plan's hardship withdrawal provisions, and (2) change the definition of beneficiary so as to incorporate by reference the terms of any Committee approved Plan beneficiary designation form.

Effective November 1, 2017, and signed June 15, 2020, the Company adopted the Third Amendment to the 2015 Restated Plan in order to retroactively amend the Plan to (1) allow for qualified non elective contributions to be made to the Plan, and (2) allow for certain normally ineligible Plan loan funding sources to be permissible sources for solely Plan loans made during the November 17, 2017, through November 30, 2017, time period.

Effective for different components on January 1, 2019, and/or January 1, 2021, and signed December 3, 2020, the Company adopted the Fourth Amendment to the 2015 Restated Plan in order to amend the Plan's hardship and amendment provisions.

Effective July 3, 2017, and signed March 25, 2021, the Company adopted the Fifth Amendment to the 2015 Restated Plan in order to retroactively amend the Plan to permit Roth deferrals and in-plan Roth rollovers as part of a Voluntary Compliance Program submission.

Effective and signed December 31, 2021, the Company adopted the Sixth Amendment to the 2015 Restated Plan in order to amend the Plan, with respect solely to employees hired, or rehired, after December 31, 2021, to increase matching contributions to 100% of the first 7% of compensation deferred, and to add a non-elective contribution equal to 3% of compensation.

Effective January 18, 2022, and signed on January 22, 2022, the Company adopted the Seventh Amendment to the 2015 Restated Plan in order to amend the Plan to provide that the Plan will, under certain circumstances, count service with Graham County Utilities in determining vesting service.

This restatement of the Plan shall be effective on January 1, 2022; provided, however, that if a provision of this restatement of the Plan has a specific effective date other than January 1, 2022, the date so specified shall be the effective date of such provision.

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ARTICLE 1 DEFINITIONS

When used in this document the following words and phrases have the meaning specified below. Additional words and phrases may be defined in the text of the Plan.

Accounts means a Participant's Company Matching Contributions Account, Pre-tax Deferral Account, Frozen After-Tax Account, Rollover Account, Roth Deferral Account, In-Plan Roth Rollover Account-Employee Pre-tax Deferrals, In-Plan Roth Rollover Account-Employee After-tax Contributions and Rollovers, In-Plan Roth Rollover Account-Company Contributions, and Qualified Non-Elective Contribution Account, and Company Non-Elective Contributions Account.

Affiliated Company means the Company, any corporation that is included in a controlled group of corporations within the meaning of Code Section 414(b) of which group the Company is also a member, any trade or business that is under common control with the Company within the meaning of Code Section 414(c), any member of an affiliated service group within which the Company is also included within the meaning of Code Section 414(m), and any other entity required to be aggregated with the Company pursuant to regulations under Code Section 414(o).

Alternate Payee means any Spouse, former Spouse, child or other dependent of a Participant having rights to receive all, or a portion of, a Participant's benefits payable under this Plan pursuant to a Qualified Domestic Relations Order.

Beneficiary means the person, persons, or entity designated by the Participant to receive any death benefit that may become payable under the Plan. A Participant may designate primary and contingent Beneficiaries by submitting a beneficiary designation form approved by the Committee; the terms of such form are incorporated by reference into the Plan. The Beneficiary of a married Participant will be his Spouse unless the Participant designates a Beneficiary other than his Spouse and the Spouse executes a Qualified Consent. The Spouse may revoke such consent at any time prior to the payment of any benefits to the designated Beneficiary. The Committee may dispense with the Spouse's consent if the Spouse cannot be located, or for such other reasons as provided in Treasury Regulations. If more than one Beneficiary is named, the Participant may specify the sequence and/or proportion in which payments will be made to each Beneficiary. In the absence of a specification of sequence or proportions, payments will be made in equal shares to all named Beneficiaries. If no Beneficiary has been designated or if the Committee is unable to locate a designated Beneficiary or if no designated Beneficiary is living at the time of the Participant's death, payment of such death benefit, if any, to the extent permitted by law, will be made to the Participant's surviving Spouse or, if none, the Participant's estate. Any minor's share may be paid to such adult or adults as have, in the opinion of the Committee, assumed custody and support of such minor. However, the Committee reserves the right to delay the payment of any minor's share until the receipt of a court order designating the adult or adults to whom such payment shall be made. The Committee may require proof of death before payment of any death benefit under the Plan. Any death benefit that becomes payable to executors or administrators may be paid in one lump sum. The Committee shall have the rights set forth in Article 13.05 with respect to an incompetent Beneficiary(ies).

Board means the Board of Directors of Southwest Gas Corporation.

Business Day means a workday in which the New York Stock Exchange is open, ending at 4:00 p.m. Eastern Standard Time. All transactions occurring after 4:00 p.m. Eastern Standard Time on a Business Day will be processed on the following Business Day.

Code means the Internal Revenue Code of 1986, as periodically amended.

Committee means the Benefits Committee as described in Article 8.

Company means Southwest Gas Corporation and any other Affiliated Company, unit or division of the Company which adopts the Plan by resolution of its board of directors, provided such resolution is accepted by the Board or the Committee. Except as otherwise provided in the terms and conditions prescribed by Southwest Gas Corporation, all provisions of the Plan will apply to such Affiliated Company and its Employees.

Company Matching Contributions means contributions made by the Company pursuant to Article 3.02.

Company Matching Contributions Account means the account maintained for a Participant which is: (a) credited with Company Matching Contributions and forfeitures; (b) adjusted for investment results; and (c) charged with distributions and withdrawals.

Company Non-Elective Contributions Account means the account maintained for a Participant which is (a) credited with a Company Non-Elective Contributions and forfeitures; (b) adjusted for investment results; and (c) charged with distributions and withdrawals.

Company Stock means Company common stock.

Compensation means:

- (a) For purposes of determining an Eligible Employee's benefits under the Plan, the actual wages paid to an Eligible Employee during the applicable period, including sales incentive payments (except for (i) any payments made pursuant to the terms of the Southwest Gas Corporation Energy Advisor Incentive Plan, dated effective January 1, 2013 (the "EAIP") and (ii) any payments made pursuant to the terms of a key account management incentive plan to any Employee who first becomes employed in the key account management department on or after January 1, 2014), and elective contributions that are not includible in gross income under Code Sections 125, 402 and 403(b), but excluding flexible benefit dollars, bonuses, or other special payments (including any payments under the EAIP or the key account management incentive plan), and the Company's contributions toward insurance, retirement, and other fringe benefits or employee welfare plans or programs other than severance pay arrangements.
- (b) For purposes of Section 3.04, Section 3.05, Section 3.06, and Article 11 only, an Eligible Employee's earned income, wages, salaries, fees for professional services, and other amounts received for personal services actually rendered in the course of employment with the Company (including, but not limited to, overtime, other special payments, bonuses, incentive compensation, commissions on insurance premiums, or tips), whether actually paid in cash or in kind during the Plan Year by the Company, excluding:

- (i) Company contributions to a plan of deferred compensation;
- (ii) Any group insurance or other health and welfare plan maintained by the Company;
- (iii) Distributions from a plan of deferred compensation;
- (iv) Any amounts realized from the exercise of a nonqualified stock option;
- (v) The sale, exchange, or other disposition of stock acquired under a qualified stock option;
- (vi) Other amounts that receive special tax benefits; or
- (vii) Any contributions made toward the purchase of an annuity described in Code Section 403(b) whether or not such amounts are actually excludible from the gross income of the Eligible Employee.

In no event shall a Participant's Compensation include amounts paid to the Participant after the Participant's severance from employment, unless such amounts are paid to the Participant before the later of (i) the end of the Limitation Year in which the Participant's severance from employment occurs or (ii) within two and one-half (2 ½) months of the date the Participant's severance from employment occurs and such amounts (i) would otherwise have been paid to the Participant in the course of the Participant's employment and are regular compensation for services during the Participant's regular working hours, compensation for services outside the Participant's regular working hours (such as overtime or shift differential pay), commissions, bonuses, or other similar compensation, (ii) are payments for accrued bona fide sick, vacation or other leave, but only if the Participant would have been able to use such leave if the Participant's employment had continued, or (iii) are payments received by the Participant pursuant to a non-qualified, unfunded deferred compensation plan, to the extent such payments are includible in income and the Participant would have received such payments at the same time if the Participant had continued in employment. For purposes of this paragraph, a Participant will not be considered to have severed employment if the Participant's new employer continues to maintain the Plan with respect to such Participant.

Compensation will mean only Compensation actually paid or includible in gross income in the Plan Year. In no case will amounts deferred pursuant to Code Section 125 be included as Compensation under this subsection (b).

Notwithstanding any language in this subsection (b) to the contrary, effective for Plan Years beginning after December 31, 1996, "Compensation" for the purpose described in this subsection shall include an Eligible Employee's elective deferrals under Code Section 402(g)(3), and amounts that pursuant to Code Sections 125 or 457 are contributed or deferred (at the Eligible Employee's election) and are not includible in the Eligible Employee's gross income in the tax year contributed or deferred. Notwithstanding any language in this subsection (b) to the contrary, effective for Plan Years beginning after December 31, 1996, "Compensation" for the purpose described in this subsection shall include an Eligible Employee's elective deferrals under Code Section 402(g)(3), and amounts that pursuant to Code

Sections 125 or 457 are contributed or deferred (at the Eligible Employee's election) and are not includible in the Eligible Employee's gross income in the tax year contributed or deferred. Notwithstanding any provision of this Plan to the contrary, the following sentence that includes the model language of Internal Revenue Service Notice 2001-37 shall apply on and after January 1, 2001. For Plan Years beginning on and after January 1, 2001, for purposes of applying the Code Section 415 limitations described in Section 3.06, the top-heavy plan rules of Article 11, the Section 3.05(a) definition of "Compensation Percentage" and the Section 3.04(a) definition of "Actual Deferral Percentage," Compensation paid or made available during such Plan Years shall include elective amounts that are not includible in the gross income of the employee by reason of Code Section 132(f)(4).

- (c) The annual Compensation taken into account under the Plan for any Plan Year beginning on or after January 1, 1989, shall not exceed the maximum dollar amount that is permitted as of the beginning of the year under Code Section 401(a)(17) (determined after giving effect to any statutory changes affecting Code Section 401(a)(17) and any indexing or other adjustments pursuant to Code Section 401(a)(17) that are applicable for the year of the determination). In the case of a short Plan Year or other period of less than 12 months requiring a reduction of the Code Section 401(a)(17) annual limit, the otherwise applicable limit shall be prorated by multiplying it by a fraction, the numerator of which is the number of months in the short period and the denominator of which is 12.

Deferral Account means the account maintained for a Participant that is: (a) credited with Company contributions into the Plan attributable to the Participant's Deferrals under Section 3.01, (b) adjusted for investment results, and (c) adjusted for distributions and withdrawals.

Deferral(s) mean an amount contributed to this Plan by the Company as a Roth Deferral or Pre-tax Deferral in lieu of being paid to a Participant as salary or wages. Deferrals will be made under salary reduction arrangements between each Eligible Employee and the Company. Section 3.01 contains the provisions under which Deferrals may be made. Deferrals consist of Matched Deferrals as described in Section 3.01(a) and Unmatched Deferrals, if any, as described in Section 3.01(b). Effective Date means the Plan's original effective date of April 1, 1965. Notwithstanding the foregoing, the effective date of this restatement of the Plan shall be January 1, 2022, provided, however, that if a provision of this restatement of the Plan has a specific effective date other than January 1, 2022, the date so specified shall be the effective date of such provision.

Eligible Employee means any Employee who is employed by the Company and who (a) is not included in a unit of Employees covered by a collective bargaining agreement (as so determined by the Secretary of Labor) between Employee representatives and the Company if retirement benefits were the subject of good faith bargaining between such employee representatives and the Company unless such collective bargaining agreement expressly provides for the inclusion of such persons as Participants in the Plan, and (b) is not a non-resident alien individual described in Code Section 414(b)(3)(C) (a nonresident alien individual without income from performing services in the United States). Additionally, an individual who is not an Employee shall not be eligible to participate in the Plan even if such person is subsequently determined by a court of law or regulatory body to have been a common law Employee of the Company.

Employee means any person who is employed by the Company and receives regular payments of Compensation from the Company. The term "Employee" shall not include any person who is not recorded as being an employee on the payroll records of the Company including any such person

who is subsequently reclassified by a court of law or regulatory body as a common law employee of the Company. Consistent with the foregoing, and for purposes of clarification only, the term "Employee" does not include (a) a Code Section 414(n) leased employee, (b) a leased employee other than a Code Section 414(n) leased employee, or (c) any individual who performs services for the Employer as an independent contractor, or under any other non-employee classification, or through a temporary help firm, employee leasing firm, or professional employer organization.

Employee Stock Ownership Plan or ESOP means the portion of Participants' Accounts invested in the Southwest Gas Stock Fund that is designated as, and is intended to constitute, an employee stock ownership plan within the meaning of Code Section 4975(e)(7) and ERISA Section 407(d)(6). Employer Securities means shares of Company Stock that meet the requirements of Code Section

409(l). For purposes of the Plan, as the context requires, this term also refers to and includes Company Stock.

Entry Date means the first day of the first full pay period after becoming eligible to participate in the Plan.

ERISA means the Employee Retirement Income Security Act of 1974, as amended.

Five Percent Owner means any person who owns (or is considered as owning within the meaning of Code Section 318) more than five percent (5%) of the outstanding stock of the Company or stock possessing more than five percent (5%) of the total combined voting power of all stock of the Company.

Frozen After Tax Account means the account maintained for a Participant which is: (a) credited with contributions attributable to the Participant's after-tax contributions under the terms of the Plan as it was constituted on December 31, 1984; (b) adjusted for distributions and withdrawals; and (c) adjusted for investment results. Effective January 1, 1985, Participant after-tax contributions shall not be allowed.

Hour of Service means an hour for which an Employee is directly or indirectly paid, or entitled to payment, by the Company for the performance of duties. These hours shall be credited to the Employee for the Plan Year in which the duties are performed. The computation of nonwork hours included in this definition will be computed in accordance with the provisions of Department of Labor Regulation Section 2530.200b-2.

Investment Fund means an investment fund described in Section 4.02.

In-Plan Roth Rollover means a contribution made to the Plan as a rollover from another account in the Plan pursuant to Section 3.08.

In-Plan Roth Rollover Account-Employee Pre-tax Deferrals means the account of a Participant that is (a) credited with In-Plan Roth Rollover contributions rolled over from a Participant's Pre-tax Deferrals allocated to the Participant's Deferral Account, (b) adjusted for investment results, and (c) adjusted for distributions and withdrawals.

In-Plan Roth Rollover Account-Employee After-tax Contributions and Rollovers means the account of a Participant that is (a) credited with In-Plan Roth Rollover contributions rolled over from a Participant's Frozen After Tax Account or Rollover Account, (b) adjusted for investment results, and (c) adjusted for distributions and withdrawals.

In-Plan Roth Rollover Account-Company Contributions means the account of a Participant that is (a) credited with In-Plan Roth Rollover contributions rolled over from a Participant's Company Matching Contributions Account, (b) adjusted for investment results, and (c) adjusted for distributions and withdrawals.

Leased Employee means an individual that (a) is not an Employee, (b) provides services to the Company pursuant to an agreement between a leasing organization and the Company, (c) has performed services for the Company on a substantially full-time basis for a period of at least a year,

(a) effective for Plan Years beginning after December 31, 1996, provides services under the primary direction or control of the Company, and (e) effective for Plan Years beginning before January 1, 1997, provides services to the Company of a type historically performed by Employees in the Company's primary business field. Additionally, an individual who satisfies the requirements to be a "Leased Employee" shall not be considered to be an employee for Code nondiscrimination testing purposes if (a) he is covered by a money purchase plan of the leasing organization that provides (i) a nonintegrated employer contribution rate of at least 10 percent of compensation, as defined in Code Section 415(c)(3), but including amounts contributed pursuant to a salary reduction agreement which are excludable from his/her gross income under Code Sections 125, 402(g)(3), 402(h), or 403(b), (ii) immediate participation, and (iii) full and immediate vesting; and (b) Lease Employees do not constitute more than twenty percent (20%) of the Company's non-highly compensated workforce.

Non-Elective Contributions means contributions made by the Company pursuant to Article 3.12. Normal Retirement Age means age sixty-five (65).

Normal Retirement Date means the first day of the month following attainment of Normal Retirement Age.

Participant means any former or current Eligible Employee whose Accounts have not been subsequently distributed and forfeited in full.

Period of Severance:

- (a) "Period of Severance" means, for any Employee, the period beginning on the Employee's severance from Service date and ending on the date the Employee next completes an Hour of Service. An Employee's severance from Service date will occur on the earlier of:
 - (i) The date on which the Employee quits, retires, is discharged, or dies, or
 - (ii) The first anniversary of the first date of a period in which an Employee remains absent from Service (with or without pay) with the Company for any reason other than resignation, retirement, discharge, or death, such as vacation, holiday, sickness, disability, leave of absence, or layoff.

A one (1) year Period of Severance is a twelve (12) consecutive-month period beginning on the Employee's severance from Service date in which the Employee does not perform an Hour of Service. A Period of Severance shall be calculated in a manner that complies with the Family and Medical Leave Act of 1994.

- (b) Subject to verification by the Committee, an Employee will be deemed not to have

incurred a Period of Severance during the twenty-four (24) consecutive-month period that the Employee is first absent from employment by reason of:

- (i) The Employee's pregnancy;
- (ii) Birth of a child of the Employee;
- (iii) Placement of a child with the Employee in connection with the adoption of the child by the Employee; or
- (iv) Caring for such child for a period beginning immediately following the birth or placement for adoption.

Permanently and Totally Disabled means a disability due to sickness or injury that the Committee determines causes a Participant to be incapable of performing any Service for the Company for which he is qualified by education, training, or experience. Evidence of disability satisfactory to the Committee will be required.

Plan means the Southwest Gas Corporation Employees' Investment Plan as described in this document and as it may be periodically amended.

Plan Year means the period beginning on January 1 and ending on December 31. The Plan Year will be the limitation year for purposes of the Code Section 415 limits set forth in Section 3.06 of the Plan.

Pre-tax Deferral means a pre-tax Deferral contributed to this Plan by the Company in lieu of being paid to a Participant as salary or wages.

Pre-tax Deferral Account means the account maintained for a Participant that is: (a) credited with Company contributions into the Plan attributable to the Participant's Pre-tax Deferrals into the Plan under Section 3.01, (b) adjusted for investment results, and (c) adjusted for distributions and withdrawals.

Qualified Consent means a written consent executed by a Participant's Spouse in the presence of an authorized Plan representative or notary public which by its terms acknowledges the effect of the consent. Such consent must designate any non-Spouse Beneficiary(ies), any class of non-Spouse Beneficiaries, or any contingent Beneficiaries which may not be changed without a second Qualified Consent unless the first Qualified Consent permits the Participant to: (a) designate a different Beneficiary without the Spouse's consent; and (b) acknowledges that the Spouse has the right to limit consent to a specific Beneficiary. A Qualified Consent shall be valid only with respect to the Spouse who signs it.

Qualified Domestic Relations Order (QDRO) means any judgment, decree or order (including approval of a property settlement agreement), which relates to the provision of child support, alimony or marital property rights made pursuant to State domestic relations law (including community property law), which recognizes an Alternate Payee's right to, or assigns to an Alternate Payee the right to, all or a portion of the benefits otherwise receivable under this Plan and which specifies: (a) the name and last known address of the Participant and each Alternate Payee covered by the QDRO; (b) the amount or percentage of the Participant's benefits to be paid to each Alternate Payee, or the manner in which the amount or percentage is to be determined; and (c) the number of payments or period to which the QDRO applies. The QDRO may not require this Plan to

provide increased benefits or any type or form of benefit or option not provided for in Article 7 or require payment of benefits required to be paid to another Alternate Payee by a previous QDRO.

Qualified Non-Elective Contribution Account means the account maintained for a Participant that is:

(a) credited with Company qualified non-elective contributions into the Plan, (b) adjusted for investment results, and (c) adjusted for distributions and withdrawals.

Rollover Account means the account maintained for a Participant which is: (a) credited with any Article 3.08 rollover tendered to and accepted by the Trust; (b) adjusted for investment results; and (c) charged with distributions and (if allowed) withdrawals.

Roth Deferral means a post-tax Deferral contributed to this Plan by the Company in lieu of being paid to a Participant as salary or wages.

Roth Deferral Account means the account maintained for a Participant that is: (a) credited with Company contributions into the Plan attributable to the Participant's post-tax Roth Deferrals under Section 3.01, (b) adjusted for investment results, and (c) adjusted for distributions and withdrawals.

Service means, with respect to any Employee, his period or periods of employment with an Affiliated Company that are counted as "Service" in accordance with the following rules:

- (a) Each Employee shall be credited with Service under the Plan for the period or periods during which such Employee maintains an employment relationship with the Affiliated Company. An Employee's employment relationship will commence on the date the Employee first renders one Hour of Service and ends on his severance from Service date. Service will also include the following periods:
 - (i) Periods of leave of absence with or without pay granted to the Employee by the Affiliated Company in a like and nondiscriminatory manner for any purpose including, but not limited to, sickness, accident, or military leave. Such Employee shall not be considered to have terminated employment during such leave of absence unless he fails to return to the employ of the Company at or prior to the expiration date of such leave, in which case he shall be deemed to have terminated as of the date of commencement of such leave.
 - (ii) Periods during which a person is Permanently and Totally Disabled. Such person shall not be considered to have terminated employment during such period of disability unless he fails to return to the employ of the Company at the expiration of such period, in which case he shall be deemed to have terminated as of his date of recovery.
 - (iii) The period of time between an Employee's severance from Service date by reason of a resignation, discharge, or retirement and his reemployment date, if the Employee returns to Service on or before such first anniversary date.
- (b) Rule of parity repealed effective January 1, 2016.
- (c) Subject to (b) above, all periods of an Employee's Service, whether or not consecutive, will be aggregated. Service will be measured in elapsed years and fractions of years whereby each twelve (12) complete calendar months will constitute

one year, each completed calendar month will constitute one-twelfth (1/12) of a year, and partial calendar months which when aggregated equal thirty (30) days will constitute one-twelfth (1/12) of a year.

Southwest Gas Stock Fund means the Investment Fund that invests in Company stock.

Spouse means on and after June 26, 2013, an individual who is legally married to a Participant as determined under the laws of the state or sovereign country where the marriage occurred and who, on the earlier of the Participant's date of death or benefits commencement date, is treated as a spouse for federal income tax purposes pursuant to IRS Revenue Ruling 2013-17 and IRS Notice 2014-19. Notwithstanding the foregoing, a former spouse will be treated as the Spouse or surviving Spouse to the extent provided in a Qualified Domestic Relations Order..

Total Vested Account Balance means the value of the Participant's Pre-Tax Deferral Account, Frozen After-Tax Account, Rollover Account, Roth Deferral Account, In-Plan Roth Rollover Account-Employee Pre-tax Deferrals, In-Plan Roth Rollover Account-Employee After-tax Contributions and Rollovers, In-Plan Roth Rollover Account-Company Contributions, Qualified Non-Elective Contribution Account, as well as the Vested portion of the Participant's Company Matching Contributions Account and Company Non-Elective Contributions Account.

Trust means one or more Trusts established pursuant to the Trust Agreement for purposes of funding the benefits of this Plan.

Trust Agreement means one or more Trust Agreements executed by the Company and provided for the administration of the Trust.

Trust Fund or Funds means the total amount of contributions made by the Participants and the Company together with the net earnings on them, which will be used to provide the benefits to Participants and their Beneficiaries under the Plan.

Trustee means the Trustee of the Trust and any successor Trustee as appointed in the Trust Agreement.

USERRA means the Uniform Services Employment and Reemployment Rights Act of 1994.

Valuation Date means the close of business of each Business Day.

Valuation Period means daily.

Vested means nonforfeitable. The Vested portion of a Participant's Account is determined in accordance with the provisions of Article 6.

Voice Response System means a website or a system of telephonic or other verbal or electronic communication with the Plan Trustee or record-keeper that has been approved by the Committee for the purpose of making certain elections under the Plan.

ARTICLE 2 PARTICIPATION

2.01 Eligibility to Become a Participant

(a) All Participants

Effective April 1, 1992, any Eligible Employee shall be eligible to participate in the Plan.

(b) Affiliated Company Employees

If a company other than Southwest Gas Corporation becomes an Affiliated Company after December 31, 1988, any employee of such company may elect to become an Eligible Employee as of the later of the employee's date of hire by such company or the date such company adopts the Plan in a manner acceptable to the Committee or the Board.

2.02 Participation in the Plan

- (a) An Eligible Employee shall become a Participant following initial hire on the Entry Date coincident with or first following successful completion of enrollment in the Plan, in the manner designated by the Committee from time to time.
- (b) An Eligible Employee who was hired after January 2, 2009, and has not enrolled in the Plan as provided for in subparagraph (a) above, will automatically become a Participant on the first day of the first pay period coincident with or first following thirty (30) days from the date the Plan's record-keeper receives the Eligible Employee's employment information from the Company, unless the Eligible Employee elects before such date, in the manner designated by the Committee from time to time, not to participate in the Plan.
- (c) An Eligible Employee who was hired before January 2, 2009, and has never enrolled in the Plan, will automatically become Participant on February 1, 2009, unless the Eligible Employee elects before such date, in a manner designated by the Committee from time to time, not to participate in the Plan.
- (d) By becoming a Participant, the Eligible Employee authorizes the Company to withhold such reductions from his Compensation and pay said amounts to the Trustee. Becoming a Participant also allows the Plan, unless otherwise directed by the Participant in the manner designated by the Committee, from time to time, to designate (i) how said Deferrals will be allocated between the Investment Funds and (ii) who will be the Participant's Beneficiaries.

2.03 Reemployment

An Eligible Employee who met the eligibility requirements of Section 2.01, and whose employment has terminated, and who is subsequently rehired as an Eligible Employee, may elect to participate pursuant to Section 2.02 and shall, if administratively practicable, enter the Plan on the following Entry Date. A rehired Employee who has not met the eligibility requirements of Section 2.01 before his employment terminated will be eligible to enter the Plan on the first Entry Date after he satisfies the requirements of Section 2.01. If an Eligible Employee terminates employment and is rehired in the same Plan Year, he may elect to participate pursuant to Section 2.02 on the date he is rehired and shall, if administratively practicable, enter the Plan on the following Entry Date.

2.04 Employment After Normal Retirement Age

A Participant who continues in the employ of the Company after Normal Retirement Age will continue to be eligible to be a Participant.

ARTICLE 3 CONTRIBUTIONS

3.01 Contribution of Participant's Deferrals

(a) Matched Deferrals

Upon enrollment or reenrollment in the Plan under Section 2.02(a), each Participant may elect to reduce his Compensation, as a Pre-tax Deferral or Roth Deferral, in a fixed whole percentage of not less than two percent (2%) and not more than seven percent (7%). Upon automatic enrollment in the Plan under Section 2.02(b) or (c), the Participant shall be deemed to have elected and authorized the Company to initially reduce his Compensation by a three percent (3%) Pre-tax Deferral. In each subsequent Plan Year, the reduction will be automatically increased by one percentage point until the reduction reaches a maximum of seven percent (7%) (ten percent (10%) effective January 1, 2023; provided, however, that Company matching contributions will only be made on deferrals of up to seven percent (7%) of Compensation, unless and until the Participant makes an affirmative election either to not have such reduction made, to select a different allowable level, or to make all or part of the Participant's Deferrals as Roth Deferrals. The Plan's automatic enrollment and automatic escalation provisions will be administered according to procedures adopted by the Committee or its designee. The Company will make payments to the Plan within the time frame required by applicable laws and regulations of the amount of the reduction, to be credited to the Participant's Pre-tax Deferral Account (and/or, if elected, his/her Roth Deferral Account). Amounts deferred under this subsection will be contributed as Matched Deferrals. Notwithstanding any other language to this Plan to the contrary, Participant Deferrals shall not be allowed on Compensation that is not compensation within the meaning of Code Section 415(c)(3) and the regulations thereunder.

(b) Unmatched Deferrals.

A Participant making Matched Deferrals at the maximum percentage rate may elect to further reduce his Compensation, as a Pre-tax Deferral or Roth Deferral, in a fixed whole percentage of not less than one percent (1%) and not more than sixty-eight percent (68%) of Compensation. The Company will make payments to the Plan within the time frame required by applicable laws and regulations of the amount of the reduction to be credited to the Participant's Pre-tax Deferral Account (and/or, if applicable, his Roth Deferral Account). Amounts deferred under this subsection will be contributed as Unmatched Deferrals. Notwithstanding any other language to this Plan to the contrary, Participant deferrals shall not be allowed on Compensation that is not compensation within the meaning of Code Section 415(c)(3) and the regulations thereunder.

(c) Change in Percentage or Suspension of Deferrals

A Participant's Deferral percentage will remain in effect until the Participant elects, or is deemed to have elected under Section 2.2(b), to change the percentage. A Participant may elect to change or suspend his Deferral percentage or resume all suspended Deferrals through the Voice Response System or in such other manner as is approved by the Committee from time to time. Changes to a

Participant's Deferral election may normally be made on a daily basis and will be effective as soon as practicable thereafter, but in no event will such change become effective prior to the beginning of the Participant's next full pay period.

(d) Status of Deferrals

Participant Deferrals under this section will be made by payroll deductions authorized by the Participant and will be paid to the Plan by the Company. Participant Deferrals constitute Company contributions under the Plan and are intended to qualify as elective contributions under Code Section 401(k). Elective contributions invested by Participants in the Southwest Gas Stock Fund are also intended to qualify as contributions under the ESOP provisions of the Plan.

3.02 Company Matching Contributions

- (a) The Company will, on behalf of eligible Participants, contribute an amount which equals the sum of the amounts to be allocated to the Company Matching Contributions Account of each eligible Participant. The amount allocated to the Company Matching Contributions Account for each eligible Participant will equal fifty percent (50%) of the eligible Participant's Matched Deferrals, excluding the deferral of pay for overtime hours, and forfeitures allocated under Section 3.07. The maximum Company Matching Contribution under this Plan equals three and one-half percent (3 ½%) of a Participant's Compensation. For purposes of this Section 3.02(a), the term "eligible Participant" means any Participant other than a Participant who is an officer of the Company or who has been selected to participate in the Company's executive deferral plan.

Notwithstanding the foregoing, and solely for Participants with a most recent date of hire or rehire by the Company that is after 2021, the Company will contribute to the Company Matching Contributions Account of each eligible Participant (i.e., solely an Employee hired or rehired after December 31, 2021) an amount equal to one hundred percent (100%) of the eligible Participant's Matched Deferrals (up to a maximum of seven percent (7%) of the Participant's Compensation), excluding the deferral of pay for overtime hours, and forfeitures allocated under Section 3.07.

- (b) Payment of Company Matching Contributions for a Plan Year ending in or with the Company's taxable year will be made at any time during such taxable year or after its close, but not later than the date, including extensions, on which the Company's federal income tax return is due with respect to such taxable year. If Company Matching Contributions are based on Plan Year Compensation, the Company will make true-up matching contributions to the Plan shortly after the end of such Plan Year.
- (c) Each Company Matching Contribution will be a complete discharge of the financial obligations of the Company under the Plan with respect to the period for which it is made.
- (d) Company Matching Contributions made prior to January 29, 2015, will be made in Company Stock and invested in the Southwest Gas Stock Fund and are intended to qualify as contributions under the ESOP provisions of the Plan. On and after January 29, 2015, Company Matching Contributions will be made in cash and will be invested in Investment Fund(s) according to each Participant's actual or deemed investment elections.

3.03 Maximum Amount of Participant Deferrals

(a) Amount.

No Eligible Employee who is a Participant will be permitted to make Deferrals under this Plan or any other qualified plan maintained by the Company during any taxable year in excess of the dollar limitation contained in Code Section 402(g) in effect for such taxable years, except to the extent permitted under Section 3.03(b) of the Plan and Code Section 414(v), if applicable.

(b) Catch-Up Contributions

Participants who have attained age 50 before the close of the Plan Year shall (at such times and in such manner as is determined by the Committee with respect to all Participants eligible to make catch-up contributions) be eligible to make catch-up contributions in accordance with, and subject to the limitations of Code Section 414(v). Such catch-up contributions shall not be taken into account for purposes of the provisions of the Plan implementing the required limitations of Code Sections 402(g) and 415.

(c) Definitions. "Excess Deferrals" mean the amount by which:

- (i) The sum of: (A) a Participant's Deferrals under the Plan for a given calendar year; and (B) the Participant's Deferrals under any other Code Section 401(k) qualified plan, a simplified employee pension plan, a Code Section 501(c)(18) plan or a Code Section 403(b) annuity for such calendar year exceeds
- (ii) The sum of: (A) seven thousand dollars (\$7,000); and (B) the accumulated increments, if any, as of the last day of such calendar year, which have been added to the seven thousand dollars (\$7,000) for cost-of-living increases under Code Section 402(g).

(d) Treatment of Excess Deferrals.

If a Participant has made Excess Deferrals, the following provisions shall apply:

- (i) In the event that a Participant (or the Company under the circumstances described in Treas. Reg. § 1.402(g)-1(e)(2)) notifies the Committee in writing on or prior to March 1 of a given calendar year that: (A) the Participant has Excess Deferrals included with the Participant's Deferrals under this Plan for the immediately preceding calendar year; and (B) the amount of such Excess Deferrals which are to be allocated to this Plan for such immediately preceding calendar year, the Committee shall direct the Trustee to make a single payment from the Trust Fund, adjusted for any applicable Trust Fund investment income or loss thereon, to the Participant by April 15 (or any later date that is allowed by applicable law and that will avoid the imposition of excise taxes on the distribution of Excess Deferrals) immediately following the calendar year in which the Excess Deferrals occurred.

- (ii) Excess Deferrals to be distributed under this Section 3.03 shall be adjusted to include any applicable Trust Fund investment income or loss thereon for the immediately preceding calendar year. The investment income or loss attributable to the Excess Deferrals for the immediately preceding calendar year shall either be determined by using a reasonable method, utilized by the record keeper designee of the Committee, that is consistently used for all Participants, or shall be the sum of the income or loss allocable to the Participant's Pre-tax Deferral Account and his/her Roth Deferral Account for the immediately preceding calendar year multiplied by a fraction: (A) the numerator of which is the Participant's Excess Deferrals; and (B) the denominator of which is the balance in the Participant's Pre-tax Deferral Account and his/her Roth Deferral Account on the last day of the immediately preceding calendar year reduced by the income and increased by the loss allocable to said Deferral Accounts for the calendar year. The distribution shall reduce the Participant's Pre-tax Deferral Account and, if applicable, his/her Roth Deferral Account, as of the date it is distributed. The portion of a Participant's Excess Deferrals to be distributed in accordance with this Section 3.03 shall be reduced by any Excess Contributions previously distributed to the Participant with respect to the same Plan Year under Section 3.04. The lump-sum distribution amount shall be debited from the Participant's Pre-tax Deferral Account and, if applicable, the Participant's Roth Deferral Account as of the date it is distributed. The Committee shall establish such rules and give such timely directions to the Trustee as the Committee, in its sole discretion, deems appropriate to carry out the provisions of this paragraph. Effective January 1, 2008, gap period income or loss shall no longer be computed and taken into account in determining the Trust Fund investment income or loss attributable to Excess Deferrals.
- (iii) Any Excess Deferrals which are distributed to the Participant as provided above shall not be included in the Participant's taxable income for purposes of federal income taxes for the calendar year in which the deferrals are distributed but shall be included in his taxable income for the calendar year in which the Excess Deferrals were made. Earnings and losses attributable to the distributed Excess Deferrals shall be included in the Participant's taxable income in the calendar year in which the deferrals are distributed.

3.04 Limitation on Deferrals

(a) Definitions.

For purposes of this Section 3.04, the following terms shall have the following meanings:

- (i) "Actual Deferral Percentage" means, with respect to Higher Compensated Employees and Lower Compensated Employees for a Plan Year, the average of the ratios (expressed as percentages), calculated separately for each Employee in the group applying to him or her and hereafter referred to as the "Actual Deferral Ratio," of the Employees' Deferrals for the Plan Year to the Employees' Compensation for the Plan Year. Notwithstanding the foregoing, if a Higher Compensated Employee is eligible to participate in two (2) or more plans of the Employer which are subject to Code Section 401(k),

the actual Deferral Ratio for the Higher Compensated Employee will be determined by treating all such plans as a single plan. If a Higher Compensated Employee or a Lower Compensated Employee makes no pre-tax deposits during a Plan Year, the Employee's Actual Deferral Ratio will be zero for such Plan Year.

Deferrals will be taken into account in determining a Participant's Actual Deferral Ratio for a Plan Year only if such contributions are: (a) allocated to the contributing Participant's applicable Plan account, as of a date within such year, (b) are not contingent on the Participant's Plan participation or performance of future services subsequent to such date; (c) are actually paid to the Trust by the end of the twelfth (12th) month following the close of the Plan Year; and (d) relate to Compensation that either would have been received by the Participant in the Plan Year (but for being contributed as a Deferral to the Plan) or is attributable to services performed by the Participant in the Plan Year and would have been received by the Participant within two and one-half months after the close of the Plan Year (but for being contributed to the Plan as a Deferral).

- (ii) "Determination Year" means the Plan Year for which the determination of who are Higher Compensated Employees is being made.
- (iii) "Company" means, for purposes of this Section 3.04, the Company and other employers aggregated under Code Section 414(b), (c), (m) or (o).
- (iv) "Excess Contributions" mean the amount of Deferrals of Higher Compensated Employees made during the Plan Year that cause the Actual Deferral Percentage for the group to exceed the level of Deferrals allowed by Section 3.04(b).
- (v) "Excess Deferrals" mean the Deferrals defined in Section 3.03.
- (vi) "Higher Compensated Employees" shall for a given Determination Year mean solely Eligible Employees able to participate in the Plan during such Plan Year whether or not participating, and who:
 - (A) are a Five Percent Owner during the Determination Year or Look Back Year; or
 - (B) for the Look-Back Year, had compensation exceeding eighty thousand dollars (\$80,000) (this dollar amount shall be adjusted at the same time and in the same manner as under Code Section 415(d)) and (if the Company elects for the Look-Back Year immediately preceding the Determination Year in a manner consistent with guidance prescribed by the Internal Revenue Service; provided such guidance is issued) is in the Top Paid Group of Eligible Employees in the Look-Back Year. The Employer did not make a Top Paid Group election in Plan Years occurring during the period in 1997-2001. The Company has made a Top Paid Group election for Plan Years occurring after December 31, 2001.

- (vii) "Look-Back Year" means the twelve-month period immediately preceding the Determination Year.
- (viii) "Lower Compensated Employees" mean Employees who in the Determination Year are eligible to participate in the Plan (including individuals who are eligible to participate in this Plan and who would be Lower Compensated Employees but elect not to participate) and who are not Higher Compensated Employees.
- (ix) "Top Paid Group" means the top twenty percent (20%) of the Employees ranked on the basis of Compensation during the year; provided, however, that Employees described in Code Section 414(q)(8) and Q&A 9(b) of Temporary Treasury Regulation Section 1.414 (q)-1T are excluded in the manner provided therein.

(b) 401(k) Nondiscrimination Test.

Each Plan Year the annual allocation derived from a Participant's Deferrals shall satisfy one of the following tests or any other test which might be prescribed under Code Section 401(k):

- (i) The Actual Deferral Percentage for Higher Compensated Employees shall not exceed the Actual Deferral Percentage for Lower Compensated Employees multiplied by 1.25; or
- (ii) The Actual Deferral Percentage for Higher Compensated Employees shall not exceed 2 multiplied by the Actual Deferral Percentage for Lower Compensated Employees; and the excess for the Actual Deferral Percentage for Higher Compensated Employees over the Actual Deferral Percentage for Lower Compensated Employees shall not exceed 2 percentage points.

Notwithstanding the foregoing provisions of this subsection, effective for Plan Years beginning after December 31, 1996, the Actual Deferral Percentage for Lower Compensated Employees that shall, except as provided in the following sentence, be used in applying the tests set forth in this subsection for a Determination Year shall be the Actual Deferral Percentage for Lower Compensated Employees in the Determination Year. The Company may elect (in a manner consistent with guidance prescribed by the Internal Revenue Service; provided such guidance is issued) to use, when applying the tests set forth in this subsection, the Actual Deferral Percentage of Lower Compensated Employees in the Look-Back Year instead of the Determination Year. In the Plan Years beginning January 1, 1997, 1998, 1999, 2000, 2001, and thereafter, the Company has elected to utilize the Actual Deferral Percentage of Lower Compensated Employees for the Determination Year.

For purposes of determining whether the Plan satisfies the actual deferral percentage test of Code Section 401(k), all elective contributions that are made under two or more plans that are aggregated for purposes of Code Section 401(a)(4) or 410(b) (other than Code Section 410(b)(2)(A)(ii)) are to be treated as made under a single plan and that if two or more plans are permissively aggregated for purposes of Code Section 401(k), the aggregated plans must also satisfy Code Sections 401(a)(4) and 410(b) as though they were as single plan.

(c) Treatment of Excess Contributions.

If the limits in Section 3.04(b) are exceeded in any Plan Year, the following provisions shall apply:

- (i) Notwithstanding any provisions of this Plan to the contrary, if the Committee determines that a Higher Compensated Employee's Deferrals for any Plan Year will cause this Plan to fail to meet the nondiscrimination test of Section 3.04(b), the Committee, in its sole discretion, may reduce (or suspend, if necessary) the rate of future Deferrals of the Higher Compensated Employee.

The Committee shall make the reduction on a uniform basis. It shall first apply to Higher Compensated Employees then contributing the highest rate of Section 3.01 unmatched Deferrals and then to Higher Compensated Employees then contributing the next highest rate of Section 3.01 unmatched Deferrals and so on, in descending order, from the highest rate. If the reduction of Section 3.01 unmatched Deferrals is not sufficient, then the reduction shall apply to Higher Compensated Employees then contributing the highest rate of Section 3.01 matched Deferrals and then to Higher Compensated Employees then contributing the next highest rate of Section 3.01 matched Deferrals and so on, in descending order from the highest rate. The Committee shall establish such rules as the Committee, in its sole discretion, deems appropriate to carry out the provisions of this paragraph.

For the purposes of this subsection, the phrases "rate of Section 3.01 Unmatched Deferrals" and "rate of Section 3.01 Matched Deferrals" shall refer to the dollar amount of such Deferrals.

- (ii) In the event that the Deferrals allocated to Higher Compensated Employees for any Plan Year result in Excess Contributions, the Committee shall direct the Trustee to distribute the Excess Contributions, adjusted for any applicable Trust Fund investment income or loss thereon, to the affected Higher Compensated Employees by March 15 (or any later date that is allowed by applicable law and that will avoid the imposition of excise taxes on the distribution of Excess Contributions) following the Plan Year in which the Excess Contributions occurred but in no event later than the close of the Plan Year following the Plan Year in which the Excess Contributions occurred. To determine the portion of the Excess Contributions to be distributed to each Higher Compensated Employee, the Committee shall direct the Trustee to distribute the Deferrals allocated to Higher Compensated Employees for the Plan Year in which the Excess Contributions occurred to the extent necessary to prevent the Actual Deferral Percentage for the group of Higher Compensated Employees from exceeding the permissible Actual Deferral Percentage for the group.

The Committee shall direct the Trustee to make the distribution on a uniform basis. It shall first be made with respect to Higher Compensated Employees with the highest Actual Deferral Ratio for the Plan Year and then with respect to Higher Compensated Employees with the next highest Actual Deferral

Ratio for the Plan Year and so on, in descending order from the highest rate until the test in Section 3.04(b) is satisfied. For the purposes of this subsection, the phrase "Actual Deferral Ratio" shall, for Plan Years beginning after December 31, 1996, refer to the dollar amount of such Deferrals and for Plan Years beginning before January 1, 1997, shall mean the Actual Deferral Ratio of a Higher Compensated Employee.

The portion of the Excess Contributions applicable to each Higher Compensated Employee shall be distributed to the Higher Compensated Employee in a single payment. The portion of each Higher Compensated Employee's Excess Contributions that is to be distributed in accordance with this Section 3.04 shall be reduced by any Excess Deferrals previously distributed to the Higher Compensated Employee with respect to the same Plan Year under Section 3.03.

- (iii) Excess Contributions to be distributed under this Section 3.04 with respect to a Higher Compensated Employee shall be adjusted to include any applicable Trust Fund investment income or loss on such contributions. The Trust Fund investment income or loss attributable to such Excess Contribution shall be the income or loss allocable to Higher Compensated Employee's Excess Contributions for the preceding calendar year (which shall either be determined by using a reasonable method utilized by the record keeper designee of the Committee, that is consistently used for all Participants, or shall be determined by multiplying the income or loss attributable to the Higher Compensated Employee's Deferrals in such year by a fraction its numerator of which is the Participant's Excess Contributions in such year and its denominator of which is the sum of the balance in the Higher Compensated Employee's Pre-tax Deferral Account and Roth Deferral Account on the first day of such year plus the Higher Compensated Employee's Deferrals for the year. Effective January 1, 2008, gap period income or loss shall no longer be computed and taken into account in determining the Trust Fund investment income or loss attributable to Excess Contributions that is to be distributed pursuant to this Section 3.04(c)(iii).

3.05 Limitation on Company Matching Contributions

(a) Definitions.

For purposes of this Section 3.05, the following terms shall have the following meanings:

- (i) "Contribution Percentage" means, with respect to Higher Compensated Employees and Lower Compensated Employees for a Plan Year, the average of the ratios (expressed as percentages), calculated separately for each Employee in the group applying to him and hereinafter referred to as "Contribution Percentage Ratio," of the Company Section 3.02 matching contributions on behalf of the Employee (and Deferrals, if the Company makes a Section 3.05(c) election) for the Plan Year to the Employee's Compensation for the Plan Year. Notwithstanding the foregoing, if a Higher Compensated Employee is eligible to participate in two (2) or more plans of the Company which are subject to Code Section 401(m), the Contribution

Percentage Ratio for the Higher Compensated Employee will be determined by treating all such plans as a single plan.

The Company's Section 3.02 matching contribution will be taken into account in determining a Participant's Contribution Percentage Ratio for a Plan Year only if such contribution is made on account of the Participant's Deferrals for the Plan Year, is (under the terms of the Plan) allocated to the Participant's applicable account as of a date within that year, and is actually paid to the Trust by no later than the twelfth (12th) month following the close of that year. Qualified matching contributions which are used to meet the requirements of Code Section 401(k)(3)(A) are not to be taken into account for purposes of Section 3.05(a).

- (ii) "Determination Year" means the Determination Year defined in Section 3.04.
- (iii) "Company" means, for purposes of this Section 3.05, the Company defined in Section 3.04.
- (iv) "Excess Aggregate Contributions" mean the amount of the Company Section 3.02 matching contributions on behalf of Higher Compensated Employees (and Deferrals of Higher Compensated Employees, if the Company makes a Section 3.05(d) election) for a Plan Year that causes the Contribution Percentage for the group to exceed the limits allowed by Sections 3.05(b) and (if applicable) 3.05(c).
- (v) "Excess Contributions" mean the contributions defined in Section 3.04.
- (vi) "Excess Deferrals" mean the Deferrals defined in Section 3.03.
- (vii) "Higher Compensated Employees" mean the Higher Compensated Employees defined in Section 3.04.
- (viii) "Look-Back Year" means the Look-Back Year defined in Section 3.04.
- (ix) "Lower Compensated Employees" mean the Lower Compensated Employees defined in Section 3.04.

(b) 401(m) Nondiscrimination Test.

Each Plan Year the Company Section 3.02 matching contributions on behalf of Participants (and Deferrals, if the Company makes a Section 3.05(c) election) shall satisfy one of the following tests or any other test which might be prescribed under Code Section 401(m):

- (i) The Contribution Percentage for Higher Compensated Employees shall not exceed the Contribution Percentage for Lower Compensated Employees multiplied by 1.25; or
- (ii) The Contribution Percentage for Higher Compensated Employees shall not exceed 2 multiplied by the Contribution Percentage for Lower Compensated Employees; and the excess of the Contribution Percentage for Higher

Compensated Employees over the Contribution Percentage for Lower Compensated Employees shall not exceed 2 percentage points.

Notwithstanding the foregoing provisions of this subsection, the Contribution Percentage for Lower Compensated Employees that shall, except as provided in the following sentence, be used in applying the tests set forth in this subsection for a Determination Year shall be the Compensation Percentage for Lower Compensated Employees in the Determination Year. The Company may elect (in a manner consistent with guidance prescribed by the Internal Revenue Service; provided such guidance is issued) to use, when applying the tests set forth in this subsection, the Compensation Percentage of Lower Compensated Employees in the Look-Back Year rather than that of the Determination Year. Pursuant to the two foregoing sentences, in the Plan Years beginning January 1, 1997, 1998, 1999, 2000, 2001, and thereafter, the Company has elected to utilize the ACP of Lower Compensated Employees in the Determination Year.

For purposes of determining whether the Plan satisfies the actual contribution percentage test of Code Section 401(m), all employee and matching contributions that are made under two or more plans that are aggregated for purposes of Code Sections 401(a) and 410(b) (other than Code Section 410(b)(2)(A)(ii)) are to be treated as made under a single plan, and that if two or more plans are permissively aggregated for purposes of Code Section 401(m), the aggregated plans must also satisfy Code Sections 401(a) and 410(b) as though they were a single plan.

(c) Company Election

In computing the Contribution Percentage, the Company, in accordance with Treasury Regulation Section 1.401(m)-2(a)(6), may, to the extent allowed by such regulation, elect to use Deferrals in determining the Contribution Percentage. The Committee shall establish such rules and give such directions to the Trustee as shall be appropriate to carry out such election.

(d) Treatment of Excess Aggregate Contributions.

If the limits in Sections 3.05(b) are exceeded in any Plan Year, the following provisions shall apply:

- (i) In the event that the Company Section 3.02 matching contributions (and Deferrals, if the Company makes a section 3.05(c) election) allocated to Higher Compensated Employees for any Plan Year result in Excess Aggregate Contributions, the Committee shall direct the Trustee to distribute the Excess Aggregate Contributions, adjusted for any applicable Trust Fund investment income or loss thereon, to the Higher Compensated Employees with the highest Contribution Percentage, if they are Vested in the amounts, by March 15 (or any later date that is allowed by applicable law and that will avoid the imposition of excise taxes on the distribution of Excess Aggregate Contributions) following the Plan Year in which the Excess Aggregate Contributions occurred but in no event later than the close of the Plan Year following the Plan Year in which the Excess Aggregate Contributions occurred. If the affected Higher Compensated Employees are not Vested in such amounts, the Committee shall direct the Trustee to treat the nonvested

portion of the Excess Aggregate Contributions as a forfeiture (allocable to the Plan Year in which the Excess Aggregate Contributions occurred) and allocate them according to the rules in Section 6.05; provided, however, that no amount of the forfeited Excess Aggregate Contributions shall be allocated to a Higher Compensated Employee whose share of Company Section 3.02 matching contributions (and Deferrals, if the Company makes a Section 3.05(c) election) is adjusted under this Section 3.05.

To determine the amount of Excess Aggregate Contributions, the Committee, or its designee, will perform the following computation (which shall be used solely to determine the aggregate amount to be forfeited or distributed and not the amount to be forfeited by, or distributed to, any individual): first, the Contribution Percentage Ratio of the Higher Compensated Employee with the highest Contribution Percentage Ratio shall be reduced to the extent necessary to (A) enable the Plan to satisfy the Code Section 401(m) limits or (B) cause such Employee's Compensation Percentage Ratio to equal the Compensation Percentage Ratio of the Higher Compensated Employee with the next highest Compensation Percentage Ratio, and then this process will be repeated until the Plan satisfies the Code Section 401(m) limits. In no event will Excess Aggregate Contributions remain unallocated or be allocated to a suspense account for allocation in a future Plan Year. The aggregate amount of reductions determined under the preceding sentence shall be distributed, first, to the Higher Compensated Employees with the highest dollar amounts of Company Section 3.02 matching contributions (and any Deferrals taken into account in computing a Participant's Compensation Ratio Percentage), pro rata, in an amount equal to the lesser of (A) the total amount of Excess Aggregate Contributions for the Plan Year determined under the preceding sentence or (B) the amount necessary to cause the amount of such Company Section 3.02 matching contributions (and any Deferrals taken into account in computing the Participant's Compensation Ratio Percentage) to equal the amount of the Company's Section 3.02 matching contributions (and any Deferrals taken into account in computing the Compensation Percentage Ratio) of the Higher Compensated Employees with the next highest dollar amount of matching contributions (and any Deferrals taken into account in computing such employees' Compensation Percentage Ratios); this process is repeated until the aggregate amount distributed equals the amount of Excess Aggregate Contributions determined under the preceding sentence.

The portion of the Vested Excess Aggregate Contributions applicable to each Higher Compensated Employee shall be distributed to the Higher Compensated Employee in a single payment. If the Company has elected under Section 3.05(c) to count Deferrals in the determination of Excess Aggregate Contributions, the portion of the Excess Aggregate Contributions applicable to each Higher Compensated Employee that is to be distributed or forfeited in accordance with this Section 3.05 shall be reduced by any Excess Deferrals and Excess Contributions previously distributed to the Higher Compensated Employee with respect to the same Plan Year under Sections 3.03 and 3.04.

(ii) Excess Aggregate Contributions for a Plan Year that are to be distributed or forfeited under this Section 3.05 with respect to a Higher Compensated Employee shall be adjusted to include any appropriate Trust Fund investment income or loss thereon for such Plan Year. The Trust Fund investment income or loss allocable to such Participant's Excess Aggregate Contributions for a Plan Year shall either be determined using a reasonable method applied by the record keeper designee of the Committee, that is consistently used for all Participants, or shall be the sum of the income or loss allocable to the Higher Compensated Employee's Company Matching Contributions Account (and Pre-tax Deferral Account and his/her Roth Deferral Account, if the Company makes a Section 3.05(c) election and is allowed by regulations to Code Section 401(m) to count contributions to Higher Compensated Employee's Pre-tax Deferral Account and Roth Deferral Account) in the determination of Excess Aggregate Contributions) to the extent there is a distribution or forfeiture attributable to said Accounts, multiplied by a fraction: (1) the numerator of which equals the Higher Compensated Employee's Excess Aggregate Contributions for the Plan Year, and (2) the denominator of which equals the sum of the balance of such accounts at the beginning of the such year plus the Company Section 3.02 Matching Contributions (and the Participant's Deferrals if the Company makes a Section 3.05 (c) election, for such Plan Year, and is allowed by regulations under Code Section 401(m), to count such contributions in the determination of Excess Aggregate Contributions). Effective January 1, 2008, gap period income or loss shall no longer be computed and taken into account in determining the Trust Fund investment income or loss attributable to Excess Aggregate Contributions that is to be distributed pursuant to this Section 3.05(d)(ii).

(f) Notwithstanding any other provision of this Plan to the contrary, the determination, calculation, and/or distribution of Excess Deferrals and/or Excess Contributions shall be made in a manner consistent with Treasury Regulations Sections 1.401(k)-1 and 1.401(k)-2, the terms of which are hereby incorporated by reference. Additionally, notwithstanding any other provision of this Plan to the contrary, the determination, calculation, distribution and/or forfeiture of Excess Aggregate Contributions shall be made in a manner consistent with Treasury Regulations Sections 1.401(m)-1 and 1.401(m)-2, the terms of which are hereby incorporated by reference.

3.06 Limitation on Annual Additions

(a) Basic Limitation

For Plan Years beginning after December 31, 2001, and notwithstanding any provisions of this Plan to the contrary (except to the extent permitted under Section 3.03(b) of the Plan and Code Section 414(v)), the Annual Additions that may be contributed or allocated to any Participant's Accounts for a Plan Year will not exceed the lesser of (i) \$40,000, as adjusted for increases in the cost-of-living under Code Section 415(d), or (ii) one-hundred percent (100%) of the Participant's Compensation, within the meaning of Code Section 415(c) (3) within such years.

The one-hundred percent (100%) Compensation limit referred to herein shall not apply to any contribution for medical benefits after separation from service (within the

meaning of Code Sections 401(h) or 419A(f)(2)) which is otherwise treated as an annual addition.

For purposes of this Section, "Annual Additions" means the total amount of Company Matching Contributions, Participant Deferrals (including Roth Deferrals), Participant after-tax contributions, Company Non-Elective Contributions, if any, and forfeitures, if any, allocated to the Participant's Accounts during the Plan Year, without regard to any rollover contribution as delineated in Code Section 415(c)(2).

(b) Participation in Other Defined Contribution Plans

The limitation of this Section 3.06 with respect to any Participant who at any time has participated in any other qualified defined contribution plan (as defined in ERISA Section 3(34) and Code Section 414(l)) maintained by an Affiliated Company will apply as if the total contributions allocated under all such defined contribution plans in which the Participant has participated were allocated under one Plan.

(c) Treatment of Excess Annual Additions

In the event that it is determined that the Annual Additions to a Participant's Accounts, for any Plan Year, or any other defined contribution plan of Employer, would be in excess of the limitations contained herein, then the limit shall be satisfied using any appropriate correction method provided under the Employee Plans Compliance Resolution System, or any successor program.

- (d) The determination of the limitation on Annual Additions described in this Section 3.06 will be made considering the Employees of all Affiliated Companies as employed by a single employer. Such determination will be made assuming the phrase, "more than fifty percent" is substituted for the phrase "at least eighty percent" each place it appears in Code Section 1563(a)(1).

3.07 Allocation of Forfeitures

Amounts forfeited from Company Matching Contributions Accounts pursuant to Section 6.05 may, except as otherwise provided in the Plan, be allocated quarterly, to Participants who are active or suspended as of the last day of the calendar quarter for which the forfeitures are being allocated. Such forfeitures may be allocated to the Company Matching Contributions Account of such Participants by the fifteenth (15th) of the month following each quarter end. The amount to be allocated, if administratively practicable, will bear the same ratio to the total forfeitures for such calendar quarter as the Participant's Company Matching Contributions for the calendar quarter bear to the Company Matching Contributions of all Participants for the calendar quarter. Amounts forfeited from Company Non-Elective Contributions Accounts pursuant to Section 6.05 may, except as otherwise provided in the Plan, be allocated quarterly, to Participants who are active or suspended as of the last day of the calendar quarter for which the forfeitures are being allocated. Such forfeitures may be allocated to the Company Non-Elective Contributions Accounts of such Participants by the fifteenth (15th) of the month following each quarter end. The amount to be allocated, if administratively practicable, will bear the same ratio to the total forfeitures for such calendar quarter as the Participant's Company Non-Elective Contributions for the calendar quarter bear to the Company Non-Elective Contributions of all Participants for the calendar quarter.

3.08 Rollover Contributions

The Committee shall decide whether to accept a transfer of assets from a Code Section 401(a)(31) eligible retirement plan with respect to a person who is or is about to become a Participant in this Plan, provided the transfer of such assets to this Plan qualifies as a direct or sixty (60) day rollover of a Code Section 401(a)(31)(C) eligible rollover distribution.

The Committee shall decide whether to accept rollover distributions from Code Sections 401(a) and 403(a) qualified plans, Code Section 403(b) annuity contracts, and Code Section 457(b) eligible plans maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or a political subdivision of a state with respect to a person who is or is about to become a Participant in this Plan, provided the transfer of such assets to this Plan qualifies as a direct or sixty (60) day rollover under the provisions of Code Section 401(a)(31).

In-Plan Roth Rollovers. To the extent permitted by Code Section 402A(c), Notice 2010-84, and Notice 2013-74, and any superseding guidance, amounts allocated to certain accounts in the Plan, other than from a Roth Deferral Account, may (by a Participant, a surviving Spouse Beneficiary, or an Alternate Payee who is a former Spouse) be rolled over to the appropriate account maintained under this Plan for the benefit of the individual to whom the rollover is made. The Plan will maintain such records as are necessary for the proper reporting of In-Plan Roth Rollovers. In-Plan Roth Rollovers are permitted at the following times from and to the following Plan accounts:

- (a) Amounts credited to a Participant's Frozen After-Tax Account and Rollover Account may be rolled over in to an In-Plan Roth Rollover Account-Employee After-tax Contributions and Rollovers at any time.
- (b) Amounts credited to a Participant's Company Matching Contribution Account may be rolled over in to an In-Plan Roth Rollover Account-Company Contributions once the Participant has become fully vested in such account under the terms of the Plan.
- (c) Amounts credited to a Participant's Pre-tax Deferral Account (other than amounts attributable to catch up contributions or the 2001 class action) may be rolled over in to an In-Plan Roth Rollover Account-Employee Pre-tax Deferrals at any time.

Notwithstanding any other Plan provision to the contrary, amounts rolled into one of the above-listed In-Plan Roth Rollover Accounts shall remain subject to the same distribution requirements as the account such amounts were rolled in from.

The Committee may require a Participant to provide reasonable evidence that any such amount meets the above requirements. Furthermore, the Plan shall not be required to accept any transfer from another qualified plan.

The Committee may establish other uniform rules and procedures, consistent with the requirements of the Code and this Section 3.08, concerning the acceptance of rollover contributions, including rules that limit or prohibit wire transfers and other payments that are made directly to this Plan from another Plan in lieu of having the Participant receive a check payable to this Plan's Trustee for delivery to a Plan representative who is authorized to receive rollover contributions.

3.09 Employer Error

If the Company makes an incorrect Section 3.02 matching contribution on behalf of a Participant as a result of an error by the Company, then, notwithstanding Section 3.02, the Company shall increase or decrease Section 3.02 matching contributions to the Participant's Company Matching Contributions Account within a reasonable time after discovery of the error to the extent necessary, and allowed by law, to correct the error as long as the Section 3.02 matching contributions when averaged over the Plan Year equal the amount of contributions required under Section 3.02. The Section 3.02 matching contributions shall be adjusted for earnings or losses which would have accrued to the Participant's Company Matching Contributions Account if the correct Section 3.02 matching contribution had been made. Alternatively, the Company may recover from the Trust Fund a Section 3.02 matching contribution made as a result of a mistake of fact if the requirements of the Trust are satisfied.

If the Company makes incorrect Section 3.12 Company Non-Elective Contributions on behalf of a Participant as a result of an error by the Company, then, notwithstanding Section 3.12, the Company shall increase or decrease the Section 3.12 Company Non-Elective Contributions to the Participant's Company Non-Elective Contributions Account within a reasonable time after discovery of the error to the extent necessary, and allowed by law, to correct the error as long as the Section 3.12 Company Non-Elective Contributions when averaged over the Plan Year equal the amount of Company Non-Elective Contributions required under Section 3.12. The Section 3.12 Company Non-Elective Contributions shall be adjusted for earnings or losses which would have accrued to the Participant's Company Non-Elective Contributions Account if the correct Section 3.12 Company Non-Elective Contributions had been made. Alternatively, the Company may recover from the Trust Fund a Section 3.12 Company Non-Elective Contributions made as a result of a mistake of fact if the requirements of the Trust are satisfied.

If the Company makes an incorrect Deferral on behalf of Participant as a result of an error by the Company, then, notwithstanding the percentage limitations set forth in Section 3.01, the Participant may elect to increase or decrease his or her Deferrals to the extent necessary to correct the error as long as his or her Deferrals when averaged over the Plan Year do not exceed the percentage limitations set forth in Sections 3.01. The Deferrals made pursuant to this Section 3.09 shall not be adjusted for earnings or losses which would have accrued to the Participant's Accounts if the correct deposit had been made.

If the Company makes an incorrect Section 3.07 forfeiture allocation on behalf of a Participant as a result of an error by the Company, then, notwithstanding Section 3.07, the Company shall increase or decrease Section 3.07 forfeiture allocation to the Participant's Company Matching Contributions Account within a reasonable time after discovery of the error to the extent necessary, and allowed by law, to correct the error. The Section 3.07 forfeiture allocation shall be adjusted for earnings or losses which would have accrued to the Participant's Company Matching Contributions Account if the correct Section 3.07 forfeiture allocation had been made. Alternatively, the company may recover from the Trust Fund a Section 3.07 forfeiture allocation made as a result of a mistake of fact if the requirements of the Trust are satisfied.

Notwithstanding the foregoing, any Deferrals and Company Section 3.02 matching contributions made pursuant to this Section 3.09 shall be subject to the limitations set forth in Sections 3.03, 3.04, 3.05, and 3.06. Furthermore, any Company Section 3.07 forfeiture

allocation made pursuant to this Section 3.09 shall be subject to the limitations set forth in Section 3.06.

3.10 Inclusion of Ineligible Employee

If, in any Plan Year, a non Eligible Employee is erroneously included as a Participant in the Plan and discovery of such erroneous inclusion is not made until after a Deferral for the Plan Year has been made, the Company may, if allowed by law, recover the Deferral, and any earnings thereon, from the Trust Fund and refund it to such Employee, when a distributable event under Code Section 401(k) occurs. The Company may recover a Section 3.02 matching contribution or a Section 3.07 forfeiture allocation from the Trust Fund if and only if the requirements of the Trust are satisfied.

3.11 EPCRS and Qualified Non-Elective Contributions

Notwithstanding Section 3.09 and 3.10, or any other provision of the Plan to the contrary, the Company may correct an operational error in the administration of the Plan as provided in Section 8.13. Additionally, the Company may, if necessary, correct an operational error in the administration of the Plan through a qualified non-elective contribution to a Participant's Qualified Non-Elective Contribution Account.

3.12 Company Non-Elective Contributions

Beginning after December 31, 2021, the Plan Sponsor shall make Company Non-Elective Contributions to the Company Non-Elective Contributions Account of each Participant/Employee whose most recent date of hire or rehire by the Company is after 2021. The amount allocated to the Company Non-Elective Contributions Account for each such eligible Participant will equal three percent (3%) of the eligible Participant's Compensation, excluding (a) the deferral of pay for overtime hours, and (b) forfeitures allocated under Section 3.07.

ARTICLE 4

INVESTMENT OF CONTRIBUTIONS AND VALUATION OF ACCOUNTS

4.01 Participants' Accounts

The Committee will, to the extent necessary, establish and maintain in the name of each Participant a Company Matching Contributions Account, Company Non-Elective Contributions Account, a Pre-tax Deferral Account, a Qualified Non-Elective Contributions Account, a Roth Deferral Account, a Frozen After Tax Account, a Rollover Account, an In-Plan Roth Rollover Account-Employee Pre-tax Deferrals, an In-Plan Roth Rollover Account-Employee After-tax Contributions and Rollovers, and an In-Plan Roth Rollover Account-Company Contributions. A Participant's Accounts will be credited with contributions and forfeitures, charged with withdrawals and distributions, and adjusted for investment results as determined under the Plan and as otherwise set forth in the Plan.

4.02 Investment Funds

- (a) Upon enrollment or reenrollment, each Participant will have his Accounts invested in the Trust Fund. The Trust Fund will consist of those Investment Funds made available by the Committee from time to time. Each Participant will have the right upon enrollment, reenrollment, and during participation, to elect the Investment Fund(s) under which future contributions to the Participant's Accounts will be invested, by making such election in the manner designated by the Committee from time to time. The election will include the percentage, subject to the restrictions in Schedule A, of future contributions to be invested in each Investment Fund, with the total of the percentages equal to one hundred percent (100%). Such election for future contributions will be effective as soon as administratively practicable on or after the Business Day such election is received by the Committee and/or its designee..
- (b) A Participant automatically enrolled in the Plan under Sections 2.02(b) or (c) shall be deemed to have elected to invest the Participant's Pre-tax Deferral Account (and/or, if elected, his/her Roth Deferral Account) in an age-appropriate Fidelity Freedom Fund, or other equivalent Investment Fund as designated by the Committee from time to time, commensurate with the age of the Participant at the time of automatic enrollment, unless and until the Participant makes an affirmative election to cease participation or change the Investment Fund into which future contributions are to be invested.
- (c) In addition, each Participant will also have the right to have all or any part of his/her Accounts transferred among and between the Investment Fund(s), subject to the restrictions set forth in Schedule A. Transfers in a Participant's Accounts will take place as soon as administratively practicable on or after the Business Day such election is received by the Committee and/or its designee. The Committee may create alternative rules allowing for such transfers.
- (d) Except for Participant Deferrals) invested in Employer Securities and as provided in Section 4.03 below, the Committee will exercise voting, tender, and other rights with respect to the Investment Funds.

4.03 Investment of Company Matching Contributions and Voting of Company Stock

All Company Matching Contributions that are made with respect to a Participant shall be made in cash and shall be invested in the Investment Fund(s) actually or deemed selected by the Participant. A Participant may elect to have amounts credited to his Company Matching Contributions Account invested in any of the Investments Funds as set forth above in Section 4.02.

This Plan may acquire and hold qualifying securities of the Company. If all or part of a Participant's Company Matching Contribution Account or other accounts is invested in Employer Securities, such Participant shall be entitled to the voting rights based on the value of such stock in his Account. The Trustee will vote the Company Stock that is not voted by Participants in the same ratio that the stock is voted by the Participants who exercised their voting rights. The Committee, in a nondiscriminatory manner, will make any other necessary decisions arising out of the acquisition or holding of Employer Securities.

4.04 Allocation of Investment Income on a Valuation Date

All determinations of a Participant's Account balances shall be based on the value as of the last available or coincident Valuation Date. Accounts are debited and credited on the actual date of a transaction. Dividends and interest are posted on the date declared. Realized gains and losses are debited or credited at the time of the transaction (i.e., exchanges, withdrawals).

4.05 Limitation on Participant Investment Instructions

Notwithstanding anything else in this Plan to the contrary, the Committee will, unless in its discretion it determines otherwise, decline to carry out a Participant's investment instructions if such instructions:

- * Would result in a prohibited transaction described in ERISA Section 406 or Code Section 4975;
- * Would generate income that would be taxable to the Plan;
- * Would not be in accordance with the Plan;
- * Would cause a fiduciary to maintain the indicia of ownership of any Plan assets outside the jurisdiction of the district courts of the United States other than as permitted by ERISA Section 404(b) and 29 CFR 2550.404b-1;
- * Would jeopardize the Plan's tax qualified status under the Code; or
- * Could result in a loss in excess of a Participant's or Beneficiary's account balance.

Furthermore, notwithstanding any language in this Plan to the contrary, the Committee may establish any and all rules and regulations it deems necessary to provide and allow for a change in Plan record keeper, and/or Trustee, or a change in Investment Funds, as determined by the Committee, that are available to Plan Participants. Such rules and regulations may include, but not be limited to, limits or prohibitions, during specified time periods, on the availability of Participant enrollments, withdrawals, distributions, loans, rollover contributions, Investment Fund transfers, and/or changes in Deferral elections. Participants shall also be subject to trading restrictions, penalties and rules established by either (a) the Plan's record keeper, or (b) the company that maintains an Investment Fund option in which the Participant has directed, or does direct, an investment of all or part of the Participant's Accounts.

4.06 Limitation on Participant Investment Instructions

All Company Non-Elective Contributions that are made with respect to a Participant shall be made in cash and shall be invested in the Investment Fund(s) actually or deemed selected by the Participant. A Participant may elect to have amounts credited to his Company Non-Elective Contributions Account invested in any of the Investments Funds as set forth above in Section 4.02.

This Plan may acquire and hold qualifying securities of the Company. If all or part of a Participant's Company Non-Elective Contributions Account or other accounts is invested in Employer Securities, such Participant shall be entitled to the voting rights based on the value of such stock in his Account. The Trustee will vote the Company Stock that is not voted by Participants in the same ratio that the stock is voted by the Participants who exercised their voting rights. The Committee, in a nondiscriminatory manner, will make any other necessary decisions arising out of the acquisition or holding of Employer Securities.

ARTICLE 5

WITHDRAWALS, LOANS AND QUALIFIED DOMESTIC RELATIONS ORDERS

5.01 Withdrawal of Frozen After Tax Contributions

Through the Voice Response System, a Participant may withdraw, in cash, from his Frozen After Tax Account a minimum of five hundred dollars (\$500) or one hundred percent (100%) of the value of his Frozen After Tax Account, if less, as of the date of the request. Only Participants who are ERISA Section 3(14) parties in interest can request and receive such withdrawal. Withdrawals from a Participant's Frozen After Tax Account will be first withdrawn from pre-1987 voluntary contributions and the remainder thereafter from pre-1987 earnings and post-1986 earnings.

Withdrawals will be processed as soon as administratively practicable on or after the Business Day the request for withdrawal is received by the Voice Response System. A Participant will be permitted to make such a withdrawal once in any twelve (12) month period.

5.02 Withdrawal of Company Matching Contributions and Company Non-Elective Contributions

Through the Voice Response System, a Participant may withdraw, in a cash lump sum distribution, or Section 7.03 eligible rollover distribution, from his Company Matching Contributions Account and/or Company Non-Elective Contributions Account, a minimum of five hundred dollars (\$500) or, if less at the date of the request, one hundred percent (100%) of the value of his Company Matching Contributions Account and Company Non-Elective Contributions Account. Only Participants who are ERISA Section 3(14) parties in interest can request and receive such withdrawal. A Participant will be permitted to make such a withdrawal only if he has previously withdrawn all amounts available to him in accordance with section 5.01 and only if his Company Matching Contributions Account and Company Non-Elective Contributions Account are both one hundred percent (100%) vested. A Participant will be permitted to make such a withdrawal once in any twelve (12) month period..

5.03 Loans to Participants

- (a) A Participant may request, and if eligible, receive a loan through the Voice Response System. Only Participants who are ERISA Section 3(14) parties in interest can request and receive a Plan loan.

- (b) The loan request will be reviewed to comply with the provisions of the Plan and ERISA and according to a uniform nondiscriminatory policy for approval of loan applications (which policy may be changed from time to time as the Committee may deem appropriate and will supersede the terms of this Section 5.03, if inconsistent therewith). A Participant will only be able to borrow from his Pre-tax Deferral Account, Roth Deferral Account, Rollover Account, In-Plan Roth Rollover Account-Employee Pre-tax Deferrals, and In-Plan Roth Rollover Account-Employee After-tax Contributions and Rollovers (and exclusively for loans made during the time period starting November 17, 2017, and ending on November 30, 2017, any other of the Participant's Accounts). The loan request must be for an amount at least equal to one thousand dollars (\$1,000) and shall not, when added to the outstanding balance of all other loans from the Plan to the Participant, exceed the lesser of:
- (i) \$50,000, reduced by the excess (if any) of (1) the highest outstanding balance of loans from the Plan (and any qualified plan of the Company or an Affiliated Company) during the 12 months ending on the day before the date on which the loan was made over (2) the outstanding balance of loans from the Plan (and any qualified plan of the Company or an Affiliated Company) on the date on which the loan was made, or
 - (ii) one-half the value of the Vested portion of the Participant's Accounts.
- (c) The Participant shall pledge no more than one-half (1/2) of the value of the then Vested portion of his Plan Accounts as security for the repayment of the loan.
- (d) The Participant's endorsement on the loan check shall evidence his obligation to repay his loan from the Plan.
- (e) With respect to any loan, the Participant shall execute a consent to the repayment of his loan by withholding payroll and the Company shall pay to Trustee the withheld amount.
- (f) Installment payments on a Plan loan shall be made not less frequently than as payroll is paid to the borrowing Participant, and in all circumstances not less frequently than quarterly, in installments of principal and interest.
- (g) No Plan loan shall extend over a period greater than five (5) years.
- (h) Interest shall be charged on any Plan loan at a rate equaling two percent (2%) plus the prime rate of interest. The prime rate of interest shall be the prime rate published in the Wall Street Journal, updated on the last Business Day of the last quarter prior to the making of the loan.
- (i) In the event the Participant fails to repay all or any portion of Plan loan or loans when the same become due and payable, the loan shall be in default and the Trustee may (in addition to any other legal remedies the Trustee may have) when a distribution event occurs, deduct the unpaid amount of such loan, plus accrued interest thereon, from the Vested portion of the Participant's Plan Accounts.
- (j) A Participant shall receive a Plan loan only if he satisfies all applicable requirements of this Section 5.03.

- (k) If a Participant requests and is granted a loan, a loan check will be generated directly from the Participant's Accounts. Except for Participants that are subject to the provisions of Section 16 of the Securities Exchange Act of 1934, as amended, Participants will not be permitted to specify the Investment Funds from which the loan is disbursed.
- (l) Principal and interest payments on a Participant's loan will be deposited directly to the Participant's Accounts and invested in the Investment Funds selected pursuant to Section 4.02 above.
- (m) A Participant may only have one loan of the type described in subparagraph (b) above outstanding at any one time.
- (n) A Participant may prepay the entire outstanding loan balance in respect to any loan at any time without penalty.
- (o) If the Trustee determines that a financing statement, or any other document, should be filed under the Uniform Commercial Code the Trustee shall make such filing.

5.04 Hardship Withdrawals

(a) Hardship Withdrawal Administrative Rules.

Subject to the approval of the Committee, a Participant may be permitted to withdraw from the Participant's Pre-tax Deferral Account, Roth Deferral Account, and/or In-Plan Roth Rollover Account-Employee Pre-tax Deferrals, to meet the financial hardship. Only Participants who are ERISA Section 3(14) parties in interest can request and receive such withdrawal. The withdrawal will be divided among the Investment Funds in the same proportion as the Participant's Pre-tax Deferral Account, Roth Deferral Account, and/or In-Plan Roth Rollover Account-Employee Pre-tax Deferrals, is/are invested in the Investment Funds. The Committee shall establish rules for determining the value of the Participant's Pre-tax Deferral Account, Roth Deferral Account, and/or In-Plan Roth Rollover Account-Employee Pre-tax Deferrals when a hardship withdrawal is requested. Notwithstanding the foregoing, between July 3, 2017, and December 31, 2018, investment earnings on a Participant's Pre-tax Deferral Account, Roth Deferral Account, and/or In-Plan Roth Rollover Account-Employee Pre-tax Deferrals, may not be withdrawn in a hardship withdrawal.

(b) Hardship Withdrawal Conditions to be Met.

The Committee, or its designee, will determine, in a nondiscriminatory manner, and in accordance with applicable Treasury Regulations, whether a Participant has a financial hardship. A distribution may be made on account of financial hardship if the distribution is necessary in light of immediate and heavy financial need of the Participant and if such distribution is necessary to satisfy the need.

- (i) Before the distribution the Participant, and if applicable the Participant's Spouse, shall execute all consents to the distribution that would be required if the withdrawal were a distribution upon the Participant's termination of

employment, and the Participant submits documentation to the Committee, or its designee, indicating that his or her requested distribution is necessary to satisfy a financial need arising from:

- (A) Code Section 213(d) medical expenses previously incurred by the Participant, the Participant's Spouse, or the Participant's Code Section 152 dependents, or necessary for these persons to obtain Code Section 213(d) medical care;
- (B) Costs directly related to the purchase (excluding mortgage payments), but not the construction, repair, remodel, refinance, or lease of the Participant's principal residence;
- (C) Payment of tuition related educational fees, and room and board expenses for up to the next twelve (12) months of post-secondary education for the Participant, the Participant's Spouse, or the Participant's children or the Participant's Code Section 152 dependents determined without regard to Code Section 152(b)(1), (b)(2) and (d)(1)(B);
- (D) Payments necessary to prevent the eviction of the Participant from his or her principal residence or the foreclosure of the mortgage on the Participant's principal residence;
- (E) Payments for burial or funeral expenses for the Participant's deceased parent, the Participant's deceased Spouse, the Participant's deceased children, or the Participant's deceased Code Section 152 dependents determined without regard to Code Section 152(b)(1), (b)(2) and (d)(1)(B);
- (F) Payment for expenses for the repair and damage to the Participant's principal residence that would qualify for the casualty deduction under Code Section 165 (determined without regard to whether the loss exceeds 10% of adjusted gross income); or
- (G) Expenses and losses (including loss of income) incurred by the employee on account of a disaster declared by the Federal Emergency Management Agency (FEMA) under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, Public Law 100-707, provided that the employee's principal residence or principal place of employment at the time of the disaster was located in an area designated by FEMA for individual assistance with respect to the disaster.
- (H) Such other events as the Committee agrees to and as to which the Commissioner of the Internal Revenue Service specifies, through the publication of revenue rulings, notices, and other documents of general availability, as giving rise to a deemed immediate and heavy financial need.

(ii) The Participant's hardship distribution:

- (A) Must be in an amount not exceeding the amount of the need arising under subparagraph (i)(A-H) above. The amount of an immediate and heavy financial need may include any amounts necessary to pay federal, state, or local income taxes or penalties reasonably anticipated to result from the distribution;
- (B) Cannot be made until the Participant has obtained all other currently available distributions (including the election to receive dividends under Article 14), other than hardship distributions that are currently available under all qualified and nonqualified plans of the Company; and
- (C) Shall not result in the Participant being prohibited from making Deferrals to this and all other qualified and nonqualified plans of deferred compensation maintained by the Company. Any Participant who (due to receiving a hardship distribution from the Plan) is suspended from taking a hardship distribution will no longer be suspended on and after January 1, 2019.

(iii) Time of Distribution.

Participant hardship withdrawal requests will be processed by the Committee, or its designee, according to policy or procedures as adopted by the Committee from time to time. Hardship Withdrawal distributions will be in a single cash payment; provided, however, if all or part of the distribution is a Section 7.03 Eligible Rollover Distribution, the distribution shall be made in one of the three following forms that the Participant must elect among:

- (A) A single cash payment;
- (B) If allowed by Section 7.03, a direct rollover of the Eligible Rollover Distribution; or
- (C) If allowed by Section 7.03, a partial cash payment and a direct rollover of the remainder of the eligible rollover distribution.

Effective January 1, 1994, if a distribution is one to which Code Sections 401(a)(11) and 417 do not apply, such distribution may commence less than thirty (30) days after the notice required under Treasury Regulation Section 1.411(a)-11(c) is given, provided that:

- (A) The Committee clearly informs the Participant that the Participant has a right to a period of at least thirty (30) days after receiving the notice to consider the decision of whether or not to elect a distribution (and, if applicable, a particular distribution option); and
- (B) The Participant, after receiving the notice, affirmatively elects a distribution.

(iv) Administrative Burden.

A withdrawal by a Participant shall not impose undue administrative burden upon the Company, the Trustee or the Committee, or in any way adverse the rights or interests of other Participants. Undue administrative burden will be subject to review and determination by the Committee. A Participant shall not be permitted to make up any amounts withdrawn.

5.05 Qualified Domestic Relations Order

(a) Period of Determination.

Pending its determination of whether a domestic relations order (DRO) is a Qualified Domestic Relations Order, the Committee, or its designee, shall in its discretion direct the Trustee to ban any loans or withdrawals from the Participant's Plan Accounts, and to separately account for the amounts which would have been payable to the Alternate Payee during the determination period (described below) if the DRO had been determined to be a Qualified Domestic Relations Order. Once the DRO is deemed to be a Qualified Domestic Relations Order, the Committee, or its designee, shall direct the Trustee to segregate the amount payable to the Alternate Payee into a separate account. The law provides an 18-month period from the date on which the DRO requires the first payment to the Alternate Payee for the Committee, or its designee, to determine if the DRO is a Qualified Domestic Relations Order. If the Committee, or its designee, determines that the DRO is not a Qualified Domestic Relations Order or if the issue is not resolved within the 18-month period, the Committee, or its designee, shall direct the Trustee to pay the separate account, adjusted for earnings and losses thereon, to the person who would have been entitled to the amounts if there were no DRO. Any determination that a DRO is a Qualified Domestic Relations Order made after the close of the 18-month period shall be applied prospectively only.

- (b) Payment. An Alternate Payee's interest in the Vested amount in a Participant's Accounts, to the extent possible, shall be segregated into a separate subaccount and distributed in a lump sum or, if all or part of the distribution is a Section 7.03 Eligible Rollover Distribution and a direct rollover is allowed by Section 7.03, a direct rollover at the time specified in the Qualified Domestic Relations Order even when the order requires payment to be made to the Alternate Payee before the Participant's earliest retirement age as defined in Code Section 414(p)(4). Other matters, including the allocation of future Deferrals, Company Matching Contributions, forfeitures and Trust Fund earnings or losses to the segregated subaccount, shall be governed by the procedures adopted by the Committee hereunder and by the terms of the Qualified Domestic Relations Order; provided, however, that the Participant's Accounts, including any segregated subaccount, shall not receive a greater or lesser aggregate allocation than if the segregated subaccount had not been established. If the Committee, or its designee, makes a decision under this Section 5.05 which affects a Participant's or Alternate Payee's Accounts, the Committee Shall notify the Trustee, the affected Participant and the Alternate Payee.

5.06 Withdrawal of Automatic Enrollment Contributions

A Participant who is automatically enrolled in the Plan under Sections 2.02(b) or (c) and 3.01(a) will be permitted to withdraw all contributions to his Pre-tax Deferral Account and/or Roth Deferral Account, provided such request is made in the manner designated by the Committee from time to time, no later than ninety (90) days following the first contribution to the Participant's Pre-tax Deferral Account and/or Roth Deferral Account. Upon such permitted withdrawal, the Participant's Company Matching Contributions Account, including allocated forfeitures, shall be forfeited, unless otherwise Vested.

5.07 Withdrawals of Rollover Account

Effective August 1, 2011, through the Voice Response System, a Participant may withdraw, in a cash lump sum distribution or Section 7.03 eligible rollover distribution, from his Rollover Account a minimum of one thousand dollars (\$1,000) or one hundred percent (100%) of the value of his Rollover Account, if less, as of the date of the request. A Participant will be permitted to make such a withdrawal once in any twelve (12) month period.

ARTICLE 6

VESTING OF RETIREMENT, DISABILITY, DEATH, AND TERMINATION OF
EMPLOYMENT BENEFITS

6.01 Vesting Due to Attainment of Normal Retirement Age and Normal Retirement Benefits

The Company Matching Contributions Account and/or Company Non-Elective Contributions Account of a Participant will become, if it has not already done so, one hundred percent (100%) Vested on the date the Participant attains the Participant's Normal Retirement Age. A Participant is always fully Vested in the Participant's other Participant Accounts. A Participant's retirement benefit shall be the amount credited to his Accounts as of the Valuation Date preceding distribution of such benefit plus Section 3 contributions to such Accounts on behalf of the Participant after such Valuation Date.

6.02 Vesting Due to Disability and Disability Benefits

The Company Matching Contributions Account and/or Company Non-Elective Contributions Account of a Participant, whose employment with the Company is terminated because he is Permanently and Totally Disabled, will become, if it has not already done so, one hundred percent (100%) Vested on the date the Participant's employment terminates due to the Participant becoming Permanently and Totally Disabled. A Participant's disability benefit shall be the amount credited to his Accounts as of the Valuation Date preceding distribution of such benefit plus Section 3 contributions to such Accounts on behalf of the Participant after such Valuation Date..

6.03 Vesting Due to Death and Death Benefits

The Company Matching Contributions Account and/or Company Non-Elective Contributions Account of a Participant, whose employment with the Company is terminated due to death, will become, if it has not already done so, one hundred percent (100%) Vested on the Participant's date of death. A Participant's death benefit shall be the amount credited to his Accounts as of the Valuation Date preceding distribution of such benefit plus Section 3 contributions to such Accounts on behalf of the Participant after such Valuation Date.

6.04 Vesting upon Termination of Employment and Termination of Employment Benefits

- (a) The benefit payable under the Plan in the case of a Participant, whose employment with the Company is terminated for any reason other than described in Sections 6.01, 6.02, or 6.03, will be equal to the sum of (i) the Vested value of his Accounts on the Valuation Date immediately preceding payment of such benefits, and (ii) Article 3 contributions to such Accounts on behalf of the Participant after such Valuation Date. The Vested value of a Participant's Accounts will be equal to:
- (i) The Participant's Pre-tax Deferral Account and Roth Deferral Account) value; plus
 - (ii) The Participant's Qualified Non-Elective Contribution Account; plus
 - (iii) The Participant's Frozen After Tax Account value; plus
 - (iv) The Participant's Rollover Account value and the values credited to the Participant's In-Plan Roth Rollover Account-Employee Pre-tax Deferrals, In-Plan Roth Rollover Account-Employee After-tax Contributions and Rollovers, and In-Plan Roth Rollover Account-Company Contributions; plus
 - (v) The Vested portion of a Participant's Company Matching Contributions Account and Company Non-Elective Contributions Account as determined as follows:

<u>Years of Service</u>	<u>Vested Percentage</u>
Less than 1	0%
1	20%
2	40%
3	60%
4	80%
5 and over	100%

For purposes of this Section 6.04, the term "Year of Service" is a whole year of Service. Pursuant to Section 1, the definition of "Service," a Year of Service is twelve (12) complete calendar months of Service. Thirty (30) days is deemed to be a month in the case of the aggregation of fractional amounts.

Service with Graham County Utilities shall count as Service with the Company in determining the vesting Years of Service of any individual who becomes a Company Employee on August 30, 2021, due to the Company's acquisition of Graham County Utilities.

6.05 Forfeitures

The non-Vested portion of a Participant's Company Matching Contributions Account and/or Company Non-Elective Contributions Account, if any, will be forfeited upon the earlier to occur of (a) the date the Participant incurs his fifth consecutive one (1) year Period of Severance or (b) the date that the Vested portion of the Participant's Company Matching Contributions Account and/or Company Non-Elective Contributions Account is paid out according to the following paragraph. If the Participant is zero percent vested in such

accounts, he shall be deemed to have received a distribution of such vested account balance on the date he terminated employment with the Company.

Notwithstanding any other provision of this Plan to the contrary, any such forfeitures will be applied first to reinstate the forfeited portions of Company Matching Contributions Accounts and/or Company Non-Elective Contributions Accounts of rehired Participants and lost and missing Participants and Beneficiaries as described in subsections 6.07(a) and 13.06. If the amount of forfeitures available is insufficient to reinstate the Accounts required to be reinstated for certain rehired Participants, the Company will make an additional contribution in an amount required to reinstate such Accounts fully.

6.06 Distributions

- (a) If, upon a Participant's termination of employment, the Vested amount in his Accounts does not exceed \$1,000 (or any other amount as may be established, by regulations of the Secretary of the Treasury) and the Participant does not elect to have such balance paid directly to an eligible retirement plan specified in a direct rollover within the time permitted by the Committee, the Committee will direct the Trustee to distribute such balance to the Participant.
- (b) If, upon a Participant's termination of employment, the Vested amount in his Accounts is greater than \$1,000 and does not exceed \$5,000 (or any other amount as may be established, by regulations of the Secretary of the Treasury) without regard to the portion of the Account Balance that is attributable to rollover contributions (and earning allocable thereto) within the meaning of Code Sections 402(c), 403(b)(8), 408(d)(3)(A)(ii), and 457(e)(16) and the Participant does not elect to have such balance paid directly to an eligible retirement plan specified in a direct rollover or to receive the balance directly within the time permitted by the Committee, the Committee will direct the Trustee to pay the balance in a direct rollover to an individual retirement account designated by the Committee for the benefit of the Participant.
- (c) If, upon a Participant's termination of employment, the Vested amount in a Participant's Accounts exceeds \$5,000, without regard to such rollover contributions, the Participant may request, through the Voice Response System, a distribution of the entire Vested amount of such Accounts.
- (d) Distributions under this Section 6.06 shall occur as soon as administratively practicable following the Plan Year in which the Participant's termination of employment occurred. Investment income will continue to be allocated pursuant to Section 4.04.

6.07 Reinstatement of Forfeited Accounts

- (a) With respect to the Participant who receives a distribution pursuant to Article 6.05 and whose Termination Date occurs before he is one hundred percent (100%) Vested in his Company Matching Contributions Account and/or his Company Non-Elective Contributions Account, the Participant may repay to the Plan the full amount distributed to him from such Account; provided, however, that the repayment must occur before the earlier of: (a) the date five (5) years after the date he is subsequently re-employed by the Company, or (b) the day the Participant incurs his

fifth (5th) consecutive one (1) year Period of Severance commencing after the date of the distribution. After such repayment, the balance in the Participant's Company Matching Contributions Account and/or Company Non-Elective Contributions Account shall be adjusted to the value of the balance in his Company Matching Contributions Account and/or Company Non-Elective Contributions Account on the date the repaid distribution was originally made to the Participant. The difference between the amount repaid by the Participant and the balance in his Company Matching Contributions Account and/or Company Non-Elective Contributions Account on the date the repaid distribution was originally made shall be funded by all unallocated forfeitures incurred in the Plan Year of repayment to the extent necessary to reinstate the Participant's Company Matching Contributions Account and/or Company Non-Elective Contributions Account in full, and to the extent such forfeitures are inadequate, by additional Company contributions.

- (b) With respect to a Participant who terminates employment without being one hundred percent (100%) Vested in his Company Matching Contributions Account and/or Company Non-Elective Contributions Account and who is reemployed after incurring five (5) consecutive one (1) year Periods of Severance, Years of Service subsequent to his reemployment will not increase the Vested percentage of the amount in his Company Matching Contributions Account and/or Company Non-Elective Contributions Account as of such prior termination of employment.

ARTICLE 7 DISTRIBUTION OF BENEFITS

7.01 Form of Distribution

Amounts distributable pursuant to Article 6 will be distributed as follows:

- (a) If any Investment Fund is invested in whole or in part in common stock of the Company, distributions from such Investment Fund will be made in full shares of common stock of the Company plus cash in lieu of any fractional share. Upon written application to the Committee, a Participant or, if applicable and allowed, his Beneficiary may request a single sum payment entirely in cash or an optional form of cash payment described in Section 7.02(c)(iv) or 7.03.
- (b) Distribution from other Investment Funds will be made in a single sum payment in cash or an optional form of cash payment described in Section 7.02(c)(iv) or 7.03.

7.02 Timing of Distributions

(a) General Rules

- (i) The provisions of this Section 7.02 will apply for purposes of determining required minimum distributions for calendar years beginning with the 2003 calendar year.
- (ii) If the total amount of 2002 required minimum distributions made to a Participant or Designated Beneficiary under the Plan prior to January 1, 2003

equals or exceeds the required minimum distributions required by this Section 7.02, then no additional distributions will be required to be made for 2002 on or after such date. If the total amount of 2002 required minimum distributions made to a Participant or Designated Beneficiary under the Plan is less than such amount, then the required minimum distributions for 2002 on and after such date will be determined so that the total amount of required minimum distributions for 2002 made to a Participant or Designated Beneficiary will equal the amount required by this Section 7.02.

- (iii) The requirements of this Section 7.02 will take precedence over any inconsistent provisions of the Plan.
- (iv) All distributions required under this Section 7.02 will be determined and made in accordance with the regulations under Code section 401(a)(9)Code.
- (v) Notwithstanding the other provisions of this Section 7.02, distributions may be made under a designation made before January 1, 1984, in accordance with section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act (TEFRA) and the provisions of the Plan that relate to section 242(b)(2) of TEFRA.

(b) Definitions

For purposes of this Section 7.02, the following terms mean:

- (i) "Designated Beneficiary" means the individual who is designated as the Beneficiary under the provisions of the Plan and is the Designated Beneficiary under Code Section 401(a)(9) and Treasury Regulations Section 1.401(a)(9)-1, Q&A-4.
- (ii) "Distribution Calendar Year" means the calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first Distribution Calendar Year is the calendar year immediately preceding the calendar year which contains the Participant's Required Beginning Date. For distributions beginning after the Participant's death, the first Distribution Calendar Year is the calendar year in which distributions are required to begin under this Section 7.02. The required minimum distribution for the Participant's first Distribution Calendar Year will be made on or before the Participant's Required Beginning Date. The required minimum distribution for other Distribution Calendar Years, including the required minimum distribution for the Distribution Calendar Year in which the Participant's Required Beginning Date occurs, will be made on or before December 31 of that Distribution Calendar Year.
- (iii) "Life Expectancy" means the Life Expectancy as computed by use of the Single Life Table in Treasury Regulations Section 1.401(a)(9)-9.
- (iv) "Participant's Account Balance" means the Total Vested Account Balance as of the last Valuation Date in the calendar year immediately preceding the Distribution Calendar Year (valuation calendar year) increased by the amount of any contributions made and allocated or forfeitures allocated to the Total

Vested Account Balance as of dates in the valuation calendar year after the Valuation Date and decreased by distributions made in the valuation calendar year after the Valuation Date. The Total Vested Account Balance for the valuation calendar year includes any amounts rolled over or transferred to the Plan either in the valuation calendar year or in the Distribution Calendar Year if distributed or transferred in the valuation calendar year.

- (v) "Required Beginning Date" means April 1 of the calendar year following the later of the calendar year in which the Participant (other than a 5-percent owner) attains age 70 ½ or the calendar year in which the Participant retires from employment with the Company. For a Participant who is a 5-percent owner, the Required Beginning Date means April 1 of the calendar year following the calendar year in which the Employee attains age 70 ½.

(c) Time and Manner of Distribution

- (i) The Participant's entire interest will be distributed in a single sum to the Participant no later than the Participant's Required Beginning Date.
- (ii) If the Participant dies before distribution, the Participant's entire interest will be distributed to his or her Designated Beneficiary in a single sum no later than the earlier of (x) the end of the month of the fifth anniversary of the Participant's death or (y) December 31 of the calendar year in which the Participant would have attained age 70 ½.
- (iii) If the Designated Beneficiary dies before distribution, the entire interest received from the Participant will be distributed in a single sum to the beneficiary of the Designated Beneficiary immediately after notice of the death of the Designated Beneficiary.
- (iv) Effective February 1, 2011, a Participant, or a Designated Beneficiary who is the Participant's surviving Spouse, will be permitted to make partial withdrawals of his/her entire interest, provided such request is made in the manner designated by the Committee from time to time, either in a single cash payment of not less than one thousand dollars and no cents (\$1,000.00) or periodic payments in any amount. The amount and frequency of periodic payments may be changed or discontinued at any time, by the Participant or Designated Beneficiary, provided such request is made in the manner designated by the Committee from time to time. The withdrawing Participant or Designated Beneficiary shall be responsible for any and all applicable fees charged for such partial withdrawals. Partial withdrawals shall comply with the minimum distribution rules set forth in this Section 7.
- (v) If distributions under an annuity purchased from an insurance company irrevocably commence to the Participant before the Participant's Required Beginning Date (or to the Participant's surviving Spouse before the date distributions are required to begin to the surviving Spouse under Section 7.02(c)(ii)), the date distributions are considered to begin is the date distributions actually commence.
- (vi) Unless the Participant's interest is distributed in a single sum or in the form of

an annuity purchased from an insurance company on or before the Required Beginning Date, as of the first Distribution Calendar Year, distributions will be made in accordance with Sections 7.02(d) and (e). If the Participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of section 401(a)(9) of the Code and the applicable Treasury Regulations.

(d) Required Minimum Distributions During Participant's Lifetime'

- (i) During the Participant's lifetime, the minimum amount that will be distributed for each Distribution Calendar Year is the lesser of:
 - (A) the quotient obtained by dividing the Participant's Account Balance by the distribution period in the Uniform Lifetime Table set forth in Treasury Regulations Section 1.401(a)(9)-9, using the Participant's age as of the Participant's birthday in the Distribution Calendar Year; or
 - (B) if the Participant's sole Designated Beneficiary for the Distribution Calendar Year is the Participant's Spouse, the quotient obtained by dividing the Participant's Account Balance by the number in the Joint and Last Survivor Table set forth in Treasury Regulation Section 1.401(a)(9)-9, using the Participant's and Spouse's attained ages as of the Participant's and Spouse's birthdays in the Distribution Calendar Year.
- (ii) Required minimum distributions will be determined under this Section 7.02(d) beginning with the first Distribution Calendar Year and up to and including the Distribution Calendar Year that includes the Participant's date of death.

(e) Required Minimum Distributions After Participant's Death

- (i) Death On or After Date Distributions Begin
 - (A) If the Participant dies on or after the date distributions begin and there is a Designated Beneficiary, the minimum amount that will be distributed for each Distribution Calendar Year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account Balance by the longer of the remaining Life Expectancy of the Participant or the remaining Life Expectancy of the Participant's Designated Beneficiary, determined as follows:
 - (1) The Participant's remaining Life Expectancy is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.
 - (2) If the Participant's surviving Spouse is the Participant's sole Designated Beneficiary, the remaining Life Expectancy of the surviving Spouse is calculated for each Distribution Calendar Year after the year of the Participant's death using the

surviving Spouse's age as of the Spouse's birthday in that year. For Distribution Calendar Years after the year of the surviving Spouse's death, the remaining Life Expectancy of the surviving Spouse is calculated using the age of the surviving Spouse as of the Spouse's birthday in the calendar year of the Spouse's death, reduced by one for each subsequent calendar year.

(3) If the Participant's surviving Spouse is not the Participant's sole Designated Beneficiary, the Designated Beneficiary's remaining Life Expectancy is calculated using the age of the Beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.

(B) If the Participant dies on or after the date distributions begin and there is no Designated Beneficiary as of September 30 of the year after the year of the Participant's death, the minimum amount that will be distributed for each Distribution Calendar Year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account Balance by the Participant's remaining Life Expectancy calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

(ii) Death Before Date Distributions Begin

(A) If the Participant dies before the date distributions begin and there is a Designated Beneficiary, the minimum amount that will be distributed for each Distribution Calendar Year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account Balance by the remaining Life Expectancy of the Participant's Designated Beneficiary, determined as provided in Section 7.02(e)(i).

(B) If the Participant dies before the date distributions begin and there is no Designated Beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(C) If the Participant dies before the date distributions begin, the Participant's surviving Spouse is the Participant's sole Designated Beneficiary, and the surviving Spouse dies before distributions are required to begin to the surviving Spouse under Section 7.02(c)(ii)(a), this Section 7.02(e)(ii) will apply as if the surviving Spouse were the Participant.

(f) Treatment of Required Minimum Distributions for 2009.

Notwithstanding any provision in Section 7.02 to the contrary, a Participant or Beneficiary who would have been required to receive required minimum distributions for 2009 but for the enactment of section 401(a)(9)(H) of the Code ("2009 RMDs"),

and who would have satisfied that requirement by receiving distributions that are (a) equal to the 2009 RMDs or (b) one or more payments in a series of substantially equal distributions (that include the 2009 RMDs) made at least annually and expected to last for the life (or life expectancy) of the Participant, the joint lives (or joint life expectancy) of the Participant and the Participant's designated Beneficiary, or for a period of at least 10 years ("Extended 2009 RMDs"), will not receive those distributions for 2009 unless the Participant or Beneficiary chooses to receive such distributions. Participants and Beneficiaries described in the preceding sentence will be given the opportunity to elect to receive the distributions described in the preceding sentence.

7.03 Eligible Rollover Distributions

Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this Article 7, effective for distributions made on or after January 1, 1993, a distributee may elect, at the time and in the manner prescribed by the Committee, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover. For purposes of this Section, the following definitions shall apply.

An "eligible rollover distribution", effective January 1, 2000, shall mean a distribution described in Code Section 402(c) (4). After December 31, 2001, the term "eligible rollover distribution" shall include after-tax employee contributions which are not includible in gross income (provided, that such contributions may be transferred only to an individual retirement account or annuity described in Code Sections 408(a) or (b), or a qualified defined contribution plan described in Code Sections 401(a) or 403(a) that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible); and exclude any amount that is distributed on account of hardship, as provided for in Section 5.04 of the Plan. An amount distributed on account of hardship shall not be an eligible rollover distribution and the distributee may not elect to have any portion of such a distribution paid directly to an eligible retirement plan.

An "eligible retirement plan" is an individual retirement account described in Code Section 408(a) (including, effective January 1, 2008, a Roth IRA described in Code Section 408A), an individual retirement annuity described in Code Section 408(b), an annuity plan described in Code Section 403(a), a qualified Trust describe in Code Section 401(a), an annuity contract described in Code Section 403(b) or an eligible plan under Code Section 457(b) that is maintained by an eligible governmental employer described in Code Section 457(e)(1)(A). However, in the case of an eligible rollover distribution to the non-spousal Beneficiary, an "eligible retirement plan" is an individual retirement plan that is treated as an inherited individual retirement account or individual retirement annuity.

A "distributee" includes a Participant or former Participant, the Participant's or former Participant's surviving Spouse or former Spouse who is the Alternate Payee under a Qualified Domestic Relations Order. Effective September 1, 2008, a non-Spouse Beneficiary may elect, at the time and in the manner prescribed by the Committee, to have any portion of a distribution from the Plan paid directly to an eligible retirement plan specified by the non-Spouse Beneficiary in a direct trustee-to-trustee transfer. For this purpose, the term "eligible retirement plan" shall mean an individual retirement annuity described in Code Section 408(a) or an individual retirement annuity described in Code Section 408(b) (other than an

endowment contract) which is established for the purpose of receiving the distribution on behalf of an individual who is designated as a Beneficiary and who is not the surviving Spouse of the Participant. This transfer shall be treated as an eligible rollover distribution for purposes of the Code.

A "direct rollover" is a payment by the Plan to the eligible retirement plan specified by the distributee.

In prescribing the manner of making elections with respect to eligible rollover distributions, as described above, the Committee may provide for the uniform, nondiscriminatory application of any restrictions permitted under applicable Sections of the Code and related rules and regulations, including a requirement that a distributee may not elect a partial direct rollover in an amount less than \$500 and a requirement that a distributee may not elect to make a direct rollover from a single eligible rollover distribution to more than one eligible retirement plan. Moreover, if a distribution is one to which Sections 401(a)(11) and 417 of the Code do not apply, such distribution may commence less than 30 days after the notice required under Section 1.411(a)-11(c) of the Income Tax Regulations is given, provided that:

- (a) The Trustee clearly informs the Participant that the Participant has a right to a period of at least thirty (30) days after receiving the notice to consider the decision of whether or not to elect a distribution (and, if applicable, a particular distribution option), and
- (b) The Participant, after receiving the notice, affirmatively elects a distribution.

ARTICLE 8

PLAN ADMINISTRATION

8.01 Appointment of Committee

The Plan shall be administered by a Committee appointed by the Company's Chief Executive Officer, subject to the approval of the Board. The Committee shall be composed of no more than five and no fewer than three members who shall hold office at the pleasure of the Board. Such members may, but need not, be Employees. Any person appointed a member of the Committee shall, at the request of the Company's Chief Executive Officer, signify acceptance by filing a written acceptance with the Secretary of the Committee. Any member of the Committee may resign by delivering a written resignation to the Chief Executive Officer of the Company and the Secretary of the Committee. Such resignation shall be effective no earlier than the date of the written notice. If a member of the Committee is an Employee of the Company, he shall be deemed to have resigned upon his termination of employment with the Company. The Board or the Company's Chief Executive Officer, may remove one or more members of the Committee at any time.

8.02 Powers and Duties

The Committee will have full power to administer the Plan and shall determine questions of interpretation or policy. The Committee's construction or determination shall be final and binding on all parties. The Committee may correct any defect, supply any omission, or reconcile any inconsistency in the manner and to the extent deemed necessary or advisable

to carry out the purpose of this Plan. The Committee shall have all powers necessary or appropriate to accomplish the Committee's duties under this Plan. The Committee is the named fiduciary within the meaning of Section 402(a) of ERISA for purposes of Plan administration. The Committee's powers and duties, unless properly delegated, will include, but will not be limited to:

- (a) Allocating fiduciary responsibilities, other than Trustee responsibilities as defined in ERISA Section 405(c), among the named fiduciaries and to designate one or more other persons to carry out fiduciary responsibilities.
- (b) Designating agents to carry out responsibilities relating to the Plan, other than fiduciary responsibilities.
- (c) Deciding factual and nonfactual questions relating to eligibility, Service, and amounts of benefits.
- (d) Deciding disputes that may arise with regard to the rights of Employees, Participants and their legal representatives, or Beneficiaries under the terms of the Plan. Decisions by the Committee will be deemed final in each case.
- (e) Obtaining information from the Company with respect to its Employees as necessary to determine the rights and benefits of Participants under the Plan. The Committee may rely conclusively on such information furnished by the Company.
- (f) Compiling and maintaining all records necessary for the Plan.
- (g) Authorizing the Trustee to make payment of all benefits as they become payable under the Plan.
- (h) Engaging such legal, administrative, consulting, actuarial, investment, accounting, and other professional services as the Committee deems proper.
- (i) Adopting rules and regulations for the administration of the Plan that are not inconsistent with the Plan. The Committee may, in a nondiscriminatory manner, waive the timing requirements of any notice or other requirements described in the Plan. Any such waiver will not obligate the Committee to waive any subsequent timing or other requirements for other Participants.
- (j) Performing other actions provided for in other parts of this Plan.
- (k) Determining whether a domestic relations order is a Qualified Domestic Relations Order. The Committee may delegate activities related to the processing of domestic relations orders to a third party.
- (l) Selecting Investment Funds as provided in Section 4.02.

8.03 Actions by the Committee

A majority of the members composing the Committee at any time will constitute a quorum. The Committee may act at a meeting, or in writing without a meeting, by the vote or assent of a majority of its members. The Committee will elect one of its members as Chairperson and may elect a Secretary who may, but need not, be a member of the Committee. The

Secretary will record all action taken by the Committee. The Committee will have authority to designate in writing one of its members or any other person as the person authorized to execute papers and perform other ministerial duties on behalf of the Committee.

8.04 Interested Committee Members

No member of the Committee will participate in an action of the Committee on a matter which applies solely to that member. Such matters will be determined by a majority of the remainder of the Committee.

8.05 Investment Manager

The Committee, by action reflected in its minutes, may appoint one or more investment managers, as defined in Section 3(38) of ERISA, to manage all or a portion of the assets of the Plan or to select Investment Funds. An investment manager will discharge its duties in accordance with applicable law and in particular in accordance with Section 404(a)(1) of ERISA. An investment manager, when appointed, will have full power to either manage the assets of the Plan for which it has responsibility or to select Investment Funds, and neither the Company nor the Committee will thereafter have responsibility for the management of such assets or, if applicable, selecting Investment Funds.

8.06 Indemnification

The Company, by this adoption, indemnifies and holds the members of the Committee, jointly and severally, harmless from the effects and consequences of their acts, omissions, and conduct in their official capacities, except to the extent that the effects and consequences result from their own willful misconduct, breach of good faith, or gross negligence in the performance of their duties. The foregoing right of indemnification will not be exclusive of other rights to which each such member may be entitled by any contract or other instrument or as a matter of law.

8.07 Conclusiveness of Action

Any action on matters within the discretion of the Committee will be conclusive, final, and binding upon all Participants in the Plan and upon all persons claiming any rights, including Beneficiaries.

8.08 Payment of Expenses

The members of the Committee will serve without compensation for their services. The compensation or fees of accountants and other specialists and any other costs of administering the Plan or Trust Fund will be paid by the Trust Fund or (if such costs are incurred for the benefit of individual Participants and the Committee determines that the allocation to individual Participants is reasonable) the Participant, unless paid by the Company in its discretion.

8.09 Claims for Benefits

Any Participant, former Participant, Beneficiary, Alternate Payee or Eligible Spouse or authorized representative thereof (hereinafter referred to as the "Claimant"), may file a written claim for benefits under the Plan by submitting to the Committee, on a form provided

by the Committee, a written statement describing the nature of the claim and requesting a determination of its validity under the terms of the Plan. If such claim for benefits is wholly or partially denied, the Committee shall, within a reasonable period of time not to exceed ninety (90) days after receipt of the claim, notify the Claimant of the denial of the claim. Such notice of denial (a) shall be in writing, (b) shall be written in a manner calculated to be understood by the Claimant, and (c) shall contain (1) the specific reason or reasons for denial of the claim, (2) a specific reference to the pertinent Plan provisions upon which the denial is based, (3) a description of any additional material or information necessary to perfect the claim, along with an explanation of why such material or information is necessary, and (4) an explanation of the claim review procedures. The ninety day period may, under special circumstances, be extended up to an additional ninety days upon written notice of such extension to the Claimant which notice shall specify the extraordinary circumstances and the extended date of the decision, the time limits applicable to such procedures and a statement of the Claimant's right to bring a civil action under ERISA Section 502(a) following an adverse benefit determination upon review. Notice of extension must be given prior to expiration of the initial ninety (90) day period. The extension notice shall indicate the special circumstances that require an extension of time and the date by which the Committee expects to render a decision on the claim. If the claim is denied, the Claimant may file a request for review as provided in Section 8.10.

8.10 Request for Review of Denial

Within sixty (60) days after the receipt of the decision denying a claim by the Claimant, the Claimant may file a written request with the Committee that it conduct a full and fair review of the denial of the claim for benefits. The Claimant or his/her duly authorized representative may review pertinent documents and submit issues and comments in writing to the Committee in connection with the review.

8.11 Decision on Review of Denial

The Committee shall deliver to the Claimant a written decision on the review of the denial within a reasonable period of time not to exceed sixty (60) days after the receipt of the aforesaid request for review, except that if there are special circumstances (such as the need to hold a hearing, if necessary) which require an extension of time for processing, the aforesaid sixty (60) day period shall, upon written notice to the Claimant be extended an additional sixty (60) days. Notice of an extension shall be given within the initial sixty (60) day review period. The extension notice shall indicate the special circumstances that require an extension of time and the date by which the Committee expects to render a decision upon review. Upon review the Claimant shall be given the opportunity to (1) submit written comments, documents, records, and other information relating to its claim and (2) request and receive, free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the Claimant's claim for benefits. Whether a document, record, or other information is relevant to a claim for benefits shall be determined by reference to applicable ERISA regulations. The review of a denied claim shall take into account all comments, documents, records, and other information submitted by the Claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination. The decision on review shall be written in a manner calculated to be understood by the Claimant and, if adverse, shall (1) include the specific reason or reasons for the decision, (2) contain a specific reference to the pertinent Plan provisions upon which the decision is based, (3) contain a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of,

all documents, records, and other information relevant to the Claimant's claim for benefits (whether a document, record, or other information is relevant to a claim for benefits shall be determined by reference to applicable ERISA Regulations), and (4) contain a statement describing the Claimant's right to bring an action under ERISA Section 502(a).

The decision of the Committee on any appeal shall be final and conclusive upon all persons. A Claimant or legal representative shall not be permitted to bring suit at law or equity on a claim for benefits without first exhausting the remedies available hereunder.

8.12 Claims Relating to Whether a Participant is Permanently and Totally Disabled.

This Section 8.12 shall apply to claims made on or after April 1, 2018, the adjudication of which revolves around whether a Participant is Permanently and Totally Disabled. In the event a claim involves the issue of whether a Participant is Permanently and Totally Disabled, the Committee shall ensure that all claims and appeals relating to such issue are adjudicated in a manner designed to ensure the independence and impartiality of the persons involved in making the decision.

- (a) Permanently and Totally Disabled. If a claim relates to a determination of whether a Participant is Permanently and Totally Disabled, and the claim requires an independent determination by the Committee, the Committee shall notify the Claimant of the Plan's adverse benefit determination within a reasonable period of time, but no later than forty-five (45) days after receipt of the claim. If, due to matters beyond the control of the Plan, the Committee needs additional time to process a claim, the Claimant will be notified, within forty-five (45) days after the Committee receives the claim, of those circumstances and of when the Committee expects to make its decision, but not beyond seventy-five (75) days. If, prior to the end of the extension period, due to matters beyond the control of the Plan, a decision cannot be rendered within that extension period, the period for making the determination may be extended for up to one hundred five (105) days, provided that the Committee notifies the Claimant of the circumstances requiring the extension and the date as of which the Plan expects to render a decision. The extension notice shall specifically explain the standards on which entitlement to a disability benefit is based, the unresolved issues that prevent a decision on the claim and the additional information needed from the Claimant to resolve those issues, and the Claimant shall be afforded at least forty-five (45) days within which to provide the specified information.
- (b) Notice of Decision. In the case of an adverse benefit determination by the Committee with respect to whether a Participant is Permanently and Totally Disabled, the Committee will provide a notification in a culturally and linguistically appropriate manner (as described in Department of Labor Regulation Section 2560.503-1(o)) that shall set forth:
 - (1) The specific reasons for the denial;
 - (2) A reference to the specific provisions of the Plan or insurance contract on which the denial is based;
 - (3) Notice that the Claimant has a right to request a review of the claim denial and an explanation of the Plan's review procedures and the time limits applicable to such procedures;

- (4) A statement of the Claimant's right to bring a civil action under ERISA Section 502(a) following an adverse benefit determination on review, and a description of any time limit that applies under the Plan for bringing such an action;
 - (5) A discussion of the decision, including an explanation of the basis for disagreeing with or not following:
 - (i) The views presented by the Claimant of health care professionals treating the Claimant and vocational professionals who evaluated the Claimant;
 - (ii) The views of medical or vocational experts whose advice was obtained on behalf of the Plan in connection with a Claimant's adverse benefit determination, without regard to whether the advice was relied upon in making the benefit determination; and
 - (iii) A disability determination regarding the Claimant presented by the Claimant made by the Social Security Administration.
 - (6) If the adverse benefit determination is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to the Claimant's medical circumstances, or a statement that such explanation will be provided free of charge upon request;
 - (7) Either the specific internal rules, guidelines, protocols, standards or other similar criteria of the Plan relied upon in making the adverse determination or, alternatively, a statement that such rules, guidelines, protocols, standards or other similar criteria of the Plan do not exist; and
 - (8) A statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the Claimant's claim for benefits. Whether a document, record, or other information is relevant to a claim for benefits shall be determined by Department of Labor Regulation Section 2560.503-1(m)(8).
- (c) Review Procedure. If the initial claim relates to whether a Participant is Permanently and Totally Disabled, and the claim requires an independent determination by the Committee, and the Committee denies the claim, in whole or in part, the Claimant shall have the opportunity for a full and fair review by the Committee of the denial, as follows:
- (1) The Claimant shall have sixty (60) days from the receipt of the claim denial to, in writing addressed to the Plan Administrator, request a review of the denied claim. Prior to such review of the denied claim, the Claimant shall be given, free of charge, any new or additional evidence considered, relied upon, or generated by the Plan, insurer, or other person making the benefit determination in connection with the claim, or any new or additional rationale, as soon as possible and sufficiently in advance of the date on which the notice of adverse benefit determination on review is required to be provided, to give the Claimant a reasonable opportunity to respond prior to that date.

- (2) The Committee shall respond in writing to such Claimant within forty-five (45) days after receiving the request for review. If the Committee determines that special circumstances require additional time for processing the claim, the Committee can extend the response period by an additional forty-five (45) days by notifying the Claimant in writing, prior to the end of the initial 45-day period that an additional period is required. The notice of extension must set forth the special circumstances and the date by which the Committee expects to render its decision.
 - (3) The Claimant shall be given the opportunity to submit issues and written comments to the Committee, as well as to review and receive, without charge, all relevant (as defined in applicable ERISA regulations) documents, records and other information relating to the claim. The reviewer shall take into account all comments, documents, records and other information submitted by the Claimant relating to the claim regardless of whether the information was submitted or considered in the initial benefit determination.
 - (4) In considering the review, the Committee shall take into account all comments, documents, records and other information submitted by the Claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination. Additional considerations shall be required in the case of a claim for disability benefits. For example, the claim will be reviewed by an individual or committee who did not make the initial determination that is subject of the appeal, nor by a subordinate of the individual who made the determination, and the review shall be made without deference to the initial adverse benefit determination. If the initial adverse benefit determination was based in whole or in part on a medical judgment, the Committee will consult with a health care professional with appropriate training and experience in the field of medicine involving the medical judgment. The health care professional who is consulted on appeal will not be the same individual who was consulted during the initial determination or the subordinate of such individual. If the Committee obtained the advice of medical or vocational experts in making the initial adverse benefits determination (regardless of whether the advice was relied upon), the Committee will identify such experts.
- (d) Notice of Decision after Review. In the case of an adverse benefit determination with respect to whether a Participant is Permanently and Totally Disabled, on the basis of the Committee's independent determination of whether a Participant is Permanently and Totally Disabled, the Committee will provide a notification in a culturally and linguistically appropriate manner (as described in Department of Labor Regulation Section 2560.503-1(o)) that shall set forth:
- (1) The Committee's decision;
 - (2) The specific reasons for the denial;
 - (3) A reference to the specific provisions of the Plan or insurance contract on which the decision is based;
 - (4) A statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records

and other information relevant (as defined in applicable ERISA regulations) to the Claimant's claim for benefits;

- (5) A statement describing any voluntary appeal procedures offered by the Plan and the Claimant's right to obtain the information about such procedures;
 - (6) A statement of the Claimant's right to bring a civil action under ERISA Section 502(a) which shall describe any applicable contractual limitations period (such as the period described in Section 8.13) that applies to the Claimant's right to bring such an action, including the calendar date on which the contractual limitations period expires for the claim;
 - (7) A discussion of the decision, including an explanation of the basis for disagreeing with or not following:
 - (i) The views presented by the Claimant of health care professionals treating the Claimant and vocational professionals who evaluated the Claimant;
 - (ii) The views of medical or vocational experts whose advice was obtained on behalf of the Plan in connection with a Claimant's adverse benefit determination, without regard to whether the advice was relied upon in making the benefit determination; and
 - (iii) A disability determination regarding the Claimant presented by the Claimant made by the Social Security Administration.
 - (8) If the adverse benefit determination is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to the Claimant's medical circumstances, or a statement that such explanation will be provided free of charge upon request; and
 - (9) Either the specific internal rules, guidelines, protocols, standards or other similar criteria of the Plan relied upon in making the adverse determination or, alternatively, a statement that such rules, guidelines, protocols, standards or other similar criteria of the Plan do not exist.
- (e) Exhaustion of Remedies. A Claimant must follow the claims review procedures under this Plan and exhaust his or her administrative remedies before taking any further action with respect to a claim for benefits.

Failure of Plan to Follow Procedures. In the case of a claim with respect to whether a Participant is Permanently and Totally Disabled, if the Plan fails to strictly adhere to all the requirements of this claims procedure with respect to whether a Participant is Permanently and Totally Disabled, the Claimant is deemed to have exhausted the administrative remedies available under the Plan, and shall be entitled to pursue any available remedies under ERISA Section 502(a) on the basis that the Plan has failed to provide a reasonable claims procedure that would yield a decision on the merits of the claim, except where the violation was: (i) de minimis; (ii) non-prejudicial; (iii) attributable to good cause or matters beyond the Plan's

control; (iv) in the context of an ongoing good-faith exchange of information; and (v) not reflective of a pattern or practice of non-compliance. The Claimant may request a written explanation of the violation from the Plan, and the Plan must provide such explanation within ten (10) days, including a specific description of its basis, if any, for asserting that the violation should not cause the administrative remedies to be deemed exhausted. If a court rejects the Claimant's request for immediate review on the basis that the Plan met the standards for the exception, the claim shall be considered as re-filed on appeal upon the Plan's receipt of the decision of the court. Within a reasonable time after the receipt of the decision, the Plan shall provide the claimant with notice of the resubmission.

8.13 Notice of Time Limits and Statute of Limitations

When a Participant or a Beneficiary files a claim, the Committee shall notify him or her of the claim and review procedure including the time periods involved.

No action at law or in equity to recover under this Plan shall be commenced later than one year from the date of the decision on review (or if no decision is furnished within 120 days of receipt of the request for review, one year after the 120th day after the receipt of the request for review). Failure to file suit within this time period shall extinguish any right to benefits under the Plan.

8.14 Corrections Pursuant to Remedial Programs

In the event there has been an operational defect in the administration of the Plan, the Board, or if appropriate the Committee, may take such actions as are necessary to correct such defects provided that such actions are pursuant to an Internal Revenue Service Administrative Policy Regarding Sanctions, Voluntary Compliance Resolution Program, Closing Agreement Program, Self-Correction Program or Voluntary Correction Program, collectively referred to as "Programs," or any other program that the Internal Revenue Service creates as a successor or modification to such Programs or any remedial program instituted by the U.S. Department of Labor.

ARTICLE 9

AMENDMENT, TERMINATION, AND MERGER OF THE PLAN

9.01 Right to Amend the Plan

The Board will have the right at any time, and from time to time, to adopt a written amendment, amending in whole or in part, any provision of the Plan. The Committee shall also have the power to adopt written amendments to the Plan that (i) are necessary or appropriate to satisfy the Code, ERISA, or regulations or guidance issued thereunder, and (ii) do not increase the rate of Company matching contribution or materially increase the costs of the Plan to the Company. The Committee's designee, who shall be the highest-ranking employee in the Company's Human Resources Department, shall also have the power to adopt written amendments to the Plan that (i) are necessary or appropriate to satisfy the Code, ERISA, or regulations or guidance issued thereunder, and (ii) do not modify the rate of Company matching contributions or materially increase the costs of the Plan to the Company. No such amendment shall increase the duties or responsibilities of the

Trustee without the Trustee's written consent. No amendment will be made to the Plan that attempts to transfer any part of the corpus or income of the Trust Fund to purposes other than the exclusive benefit of Participants and their Beneficiaries, nor may any amendment disturb the Vested rights of any Participant.

9.02 Right to Terminate the Plan

The Board will have the right to adopt a written amendment to terminate the Plan in whole or in part at any time. To the extent required under the Code, upon termination, partial termination, or complete discontinuance of contributions to the Plan, all Accounts of affected Participants will become one hundred percent (100%) Vested. Notwithstanding the foregoing, a distribution may not be made upon the termination of this Plan if the Employer establishes or maintains an alternative defined contribution plan at any time during the period beginning on the date of the Plan's termination and ending twelve months after distribution of all Plan assets. A defined contribution plan is not an alternative defined contribution plan if it is a Code Section 4975(e)(7) or 409(a) employee stock ownership plan, a Code Section 408(k) simplified employee pension, a Code Section 408(p) simple IRA, a plan or contract that satisfies the requirements of Code Section 403(b), or a plan described in Code Section 457(b) or (f).

9.03 Plan Merger and Consolidation

If the Plan is merged or consolidated with any other Plan, or if the assets or liabilities of the Plan are transferred to any other Plan, each Participant will be entitled to a benefit immediately after the merger, consolidation, or transfer, determined as if the Plan had then terminated, at least equal to the benefit to which the Participant would have been entitled had the Plan terminated immediately before such merger, consolidation, or transfer. Notwithstanding the foregoing, a transfer (but not a rollover) of Plan assets to another Plan, or a merger with another plan, shall not occur unless the recipient plan provides that transferred qualified non-elective contributions and qualified matching contributions will not be distributable to a Participant until after the Participant's separation from service with the Company.

ARTICLE 10

TRUST FUND AND THE TRUSTEE

10.01 Selection of Trustee

The Board or its authorized delegate will select a Trustee to hold the Trust Fund in accordance with the terms of an agreement. Except to the extent otherwise provided in this Plan, responsibility for the management, investment, and disposition of Plan assets will belong to the Trustee except to the extent the Committee reserves such responsibility for itself or appoints an Investment Manager pursuant to Section 8.05. To the extent the Committee or Investment Manager is given this responsibility, the Trustee will not be liable by reason of its taking or refraining from taking any action at the direction of the Committee or Investment Manager. If the Trustee manages and invests the Trust Fund, the agreement with the Trustee may include a provision authorizing the Trust Fund or a portion thereof to be invested in a joint or associated Trust Fund or Common Trust Fund.

The Board may, from time to time, adopt a resolution causing a change in Trustees or the termination of the Trust and invest Plan assets in any other method acceptable under ERISA.

ARTICLE 11

TOP-HEAVY PLAN REQUIREMENTS

11.01 General Rule

For any Plan Year for which this Plan is a Top-Heavy Plan, as defined in Section 11.07, and despite any other provisions of this Plan to the contrary, this Plan will be subject to the provisions of this Article 11.

11.02 Vesting Provisions

Each Eligible Employee who has completed an Hour of Service during the Plan Year in which the Plan is Top-Heavy will have the Vested portion of his Company Matching Contributions Account and/ Company Non-Elective Contributions Account determined according to Section 6.04.

11.03 Minimum Contribution Provision

Each Eligible Employee who is a Non-Key Employee, as defined in Section 11.09 and is employed on the last day of the Plan Year even if such Eligible Employee has failed to complete one thousand (1,000) Hours of Service during such Plan Year or was excluded from the Plan for failing to make Deferrals to the Plan, will be entitled to have the aggregate of Contributions and forfeitures allocated to his Company Non-Elective Contributions Account, Company Matching Contributions Account, Pre-tax Deferral Account, and Roth Deferral Account equal not less than three and one-half percent (3½%) (the "Minimum Contribution Percentage") of his Compensation. This Minimum Contribution Percentage will be reduced for any Plan Year to the percentage at which such contributions (including forfeitures) are made or are required to be made under the Plan for the Plan Year for the Key Employee for whom such percentage is the highest for such Plan Year. For this purpose, the percentage with respect to a Key Employee, as defined in Section 11.08, will be determined by dividing such contributions (including forfeitures) made for such Key Employee by the amount of his total Compensation for the Plan Year. Effective for Plan Years beginning on and after January 1, 2002, Employer matching contributions shall be taken into account for purposes of satisfying the minimum contribution requirements of section 416(c)(2) of the Code and the Plan. The preceding sentence shall apply with respect to matching contributions under the Plan or, if the Plan provides that the minimum contribution requirement shall be met in another plan, such other plan. Employer matching contributions that are used to satisfy the minimum contribution requirements shall be treated as matching contributions for purposes of the actual contribution percentage test and other requirements of section 401(m) of the Code.

Contributions considered under the first paragraph of this Section 11.03 will include the contributions described above under this Plan and contributions under all other defined contribution plans required to be included in an Aggregation Group (as defined in Section 11.07), but will not include any plan required in such aggregation group if the Plan enables a

defined contribution plan required to be included in such group to meet the requirements of the Code prohibiting discrimination as to contributions or benefits in favor of Employees who are officers, shareholders, or the highly compensated or prescribing the minimum participation standards.

Contributions considered under this Section will not include any contributions under the Social Security Act or any other federal or state law.

This Section 11.03 will not apply if Section 11.06 applies in a Plan Year.

11.04 Limitation on Compensation

A Participant's annual Compensation taken into account under this Article 11, for purposes of computing benefits under this Plan will be as indicated in Article 1.

11.05 Limitation on Contributions

These provisions are deleted because they no longer apply after 1999.

11.06 Coordination with Other Plans

In the event this Plan is top heavy in a Plan Year, the provisions of Section 11.03 shall not apply to a Non-Key Employee who is a Participant in a top heavy defined benefit plan that

(a) is maintained by the Company, and (b) provides that the Participant will receive the top heavy minimum benefit from such defined benefit plan.

Non-Key Employees covered only by this Plan will receive the defined contribution minimum described in Section 11.03.

11.07 Determination of Top-Heavy Status

The Plan will be a Top-Heavy Plan for any Plan Year if, as of the Determination Date (as defined in subsection (b) below), the aggregate value of Accounts (as defined in subsection (d) below) under the Plan for all Key Employees (as defined in Section 11.08 below) exceeds 60 percent (60%) of the value of the aggregate of the Accounts for all Employees, or if this Plan is required to be in an Aggregation Group (as defined in subsection (a) below) which for such Plan Year is a Top-Heavy Group (as defined in subsection (c) below).

For purposes of this Article, the capitalized words have the following meanings:

(a) "Aggregation Group" means the group of plans, if any, that includes both the group of plans required to be aggregated and the group of plans permitted to be aggregated.

(i) The group of plans required to be aggregated (the "required aggregation group") includes:

(A) Each plan of the Affiliated Company in which a Key Employee is a Participant, (in the Plan year containing the determination date or any

of the four preceding years) including Collectively Bargained Plans, and

- (B) Each other plan, including collectively bargained plans, of the Affiliated Company that enables a plan in which a Key Employee is a Participant to meet the requirements of the Code prohibiting discrimination as to contributions or benefits in favor of Employees who are officers, shareholders, or highly compensated or prescribing the minimum participation standards.
- (ii) The group of plans that are permitted to be aggregated (the "permissive aggregation group") includes the required aggregation group plus one or more plans of the Affiliated Company that is not part of the required aggregation group and that the Committee certifies as a plan within the permissive aggregation group. Such plan or plans may be added to the permissive aggregation group only if, after the addition, the aggregation group as a whole continues not to discriminate as to contributions or benefits in favor of officers, shareholders, or the highly compensated and to meet the minimum participation standards under the Code.

For Plan Years beginning after December 31, 2001, for purposes of determining the present values of accrued benefits, and the amounts of account balances of Employees as of the Determination Date, the following rules shall apply:

- (A) Distributions during year ending on the Determination Date. The present values of accrued benefits and the amounts of account balances of an Employee as of the Determination Date shall be increased by the distributions made with respect to the Employee under the Plan and any plan aggregated with the Plan under section 416(g)(2) of the Code during the 1-year period ending on the Determination Date. The preceding sentence shall also apply to distributions under a terminated plan which, had it not been terminated, would have been aggregated with the Plan under section 416(g)(2)(A)(i) of the Code. In the case of a distribution made for a reason other than severance from employment, death, or disability, this provision shall be applied by substituting "5-year period" for "1-year period."
- (B) Employees not performing services during year ending on the Determination Date. The accrued benefits and accounts of any individual who has not performed services for the Employer during the 1-year period ending on the Determination Date shall not be taken into account.

- (b) "Determination Date" means for any Plan Year the last day of the immediately preceding Plan Year. However, for the first Plan Year of this Plan, Determination Date means the last day of that Plan Year.

- (c) “Top-Heavy Group” means the Aggregation Group, if as of the applicable Determination Date, the sum of the present value of the cumulative accrued benefits for Key Employees under all Defined Benefit Plans included in the Aggregation Group plus the aggregate of the Accounts of Key Employees under all Defined Contribution Plans included in the Aggregation Group exceeds sixty percent of the sum of the present value of the cumulative accrued benefits for all Employees, excluding former Key Employees, under all such Defined Benefit Plans plus the aggregate Accounts for all Employees, excluding former Key Employees, under all such Defined Contribution Plans. If the Aggregation Group that is a Top-Heavy Group is a required aggregation group, each plan in the group will be a Top-Heavy Plan. If the Aggregation Group that is a Top-Heavy Group is a permissive aggregation group, only those plans that are part of the required aggregation group will be treated as Top-Heavy Plans. If the Aggregation Group is not a Top-Heavy Group, no plan within such group will be a Top-Heavy Plan.
- (d) “Value of Accounts” means the sum of (i) the value, as of the most recent Valuation Date occurring within the twelve months ending on the Determination Date, of the Participant’s Accounts and (ii) contributions due to such Accounts as of the Determination Date, minus (iii) withdrawals from such Accounts since such Valuation Date.
- (e) In determining whether this Plan constitutes a Top-Heavy Plan, the Committee will make the following adjustments:
- (i) When more than one plan is aggregated, the Committee will determine separately for each plan as of each plan’s Determination Date the present value of the accrued benefits or account balance. The results will then be aggregated by adding the results of each plan as of the Determination Dates for such plans that fall within the same calendar year.
 - (ii) In determining the present value of the cumulative accrued benefit or the amount of the account of any Employee, such present value or account will include the amount in dollar value of the aggregate distributions made to each Employee under the applicable plan during the 5-year period ending on the Determination Date unless reflected in the value of the accrued benefit or account balance as of the most recent Valuation Date. The amounts will include distributions to Employees representing the entire amount credited to their Accounts under the applicable plan.
 - (iii) Further, in making such determination, such present value or such account will not include any rollover contribution (or similar transfer) initiated by the Employee.
- (f) In any case where an individual is a Non-Key Employee with respect to an applicable Plan but was a Key Employee with respect to such plan for any previous Plan Year, any accrued benefit and any account of such Employee will be altogether disregarded. For this purpose, to the extent that a Key Employee is deemed to be a Key Employee if he or she met the definition of Key Employee within any of the four

preceding Plan Years, this provision will apply following the end of such period of time.

- (g) Further, in making such determination, if an Participant has not performed any Service for the Company at any time during the five-year period ending on the Determination Date, any accrued benefit or the account for such Participant will not be included.

11.08 Definition of Key Employee

“Key Employee” means, for purposes of determining whether the Plan is a top-heavy plan under Code Section 416(g), any Employee or former Employee (including any deceased Employee) who at any time during the Plan Year that includes the Determination Date was an officer of the Employer having annual compensation greater than \$130,000 (as adjusted under Code Section 416(i)(1) for Plan Years beginning after December 31, 2002), a 5-percent owner of the Employer, or a 1-percent owner of the Employer having annual compensation of more than \$150,000. For this purpose, annual compensation means compensation within the meaning of Code Section 415(c)(3). The determination of who is a Key Employee will be made in accordance with Code Section 416(i)(1) and the applicable regulations and other guidance of general applicability issued thereunder.

11.09 Definition of Non-Key Employee

The term “Non-Key Employee” means any Employee (and any Beneficiary of an Employee) who is not a Key Employee.

ARTICLE 12 USERRA

12.01 Qualified Military Service

- (a) For purposes of this Article 12, the term “Qualified Military Service” shall mean any service in the uniformed service (as defined by Code Section 414(u)) by an individual who is entitled under USERRA to reemployment rights with respect to the Company.
- (b) This Article 12 shall be administered in a manner consistent with guidance issued by the Internal Revenue Service; provided such guidance is issued.

12.02 Eligibility and Vesting

Notwithstanding any provision of the Plan to the contrary, effective December 12, 1994: (1) a Participant reemployed under USERRA shall be treated under the Plan as not having incurred a Break in Service with the Company for vesting or eligibility purposes because of the individual's period of Qualified Military Service; and (2) each period of Qualified Military Service served by a Participant, upon reemployment under USERRA, shall be considered under the Plan to be service with the Company for the purpose of (l) determining the

nonforfeitability of the Participant's accrued benefits under the Plan and (ii) determining the accrual of benefits under the Plan.

12.03 Make-up Deferrals and Company Matching Contributions

- (a) Notwithstanding any provision of the Plan to the contrary, effective December 12, 1994; with respect to a Participant, who under USERRA is entitled to make up a Deferral, such Participant may:
- (1) make additional Deferrals during the period which (i) begins on the date of the Participant's reemployment with the Company, and (ii) has the same length as the lesser of:
 - (a) the product of: (i) three (3), and (ii) the period of Qualified Military Service which resulted in the USERRA rights; and
 - (b) five (5) years; and
 - (2) If such Deferrals are made by the Participant, the Company shall make a Company Matching Contribution based on the additional Deferrals in paragraph (1) above, if any, that would have been required had the Deferrals actually been made during the period of the Qualified Military Service. Such contributions shall be made within the time-frame provided for in paragraph (1) above.
- (b) The amount of the additional Deferrals that the Company must permit a reemployed Participant to elect is an amount less than but not exceeding the maximum amount of the Deferrals that the Participant would have been permitted to make: (1) under the Plan under the limitations in Code Section 414(u)(1)(A); (2) during the period of Qualified Military Service; (3) if the Participant had continued to be employed by the Company during this period, and received "Compensation" (as determined below); and (4) as adjusted for any Deferrals actually made during the period of Qualified Military Service. No make-up Deferrals may exceed the amount the Participant would have been permitted or required to contribute had the Participant remained continuously employed by the Company throughout the period of Qualified Military Service.
- (c) Investment income or loss shall not be credited on any make-up Deferrals, or Company Matching Contributions made as a result thereof, until such contributions are made. A Participant covered under USERRA shall not share in forfeitures, if any, allocated during the period of the Participant's Qualified Military Service.
- (d) For purposes of determining allowable make-up Deferrals, a Participant covered by USERRA shall be treated as having received Compensation from the Employer during the period of the Employee's Qualified Military Service equal to: (1) the Compensation the Participant would have received during the period of Qualified Military Service (determined based on the rate of pay the Participant would have received from the Company but for absence during the period of Qualified Military Service); or (2) if the Compensation the Participant would have received during the period of Qualified Military Service was not reasonably certain, the Participant's average Compensation from the Company during (i) the twelve-month period

immediately before the Qualified Military Service or (ii) if shorter, the period of employment with the Company immediately before the Qualified Military Service.

12.04 Loan Repayment Suspension

Notwithstanding any language in this Plan to the contrary effective December 12, 1994, the Committee may, in its discretion, decide that the loan repayment obligation of a Participant on Qualified Military Service will be suspended during all or part of such service.

12.05 Heroes Earnings Assistance and Relief Tax Act of 2008

- (a) In the case of a death occurring on or after January 1, 2007, if a Participant dies while performing Qualified Military Service, the survivors of the Participant are entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the Plan as if the Participant had resumed and then terminated employment on account of death.
- (b) For benefit accrual purposes the Plan will not treat an individual, who dies or becomes Permanently and Totally Disabled on or after January 1, 2007, while performing qualified military service with respect to the Employer, as having (i) resumed employment in accordance with the individual's reemployment rights under USERRA, on the day preceding death or disability (as the case may be) and (ii) terminated employment on the actual date of death or disability.
- (c) For years beginning after December 31, 2008, (i) an individual receiving a differential wage payment, as defined by Code Section 3401(h)(2), is treated as an Employee of the Employer making the payment, (ii) the differential wage payment is treated as Compensation, and (iii) the Plan is not treated as failing to meet the requirements of any provision described in Code Section 414(u)(1)(C) by reason of any contribution or benefit which is based on the differential wage payment.
- (d) Notwithstanding Section 12.05(c)(i), for purposes of Code Section 401(k)(2)(B)(i)(I), an individual is treated as having been severed from employment during any period the individual is performing service in the uniformed services described in Code Section 3401(h)(2)(A). If an individual elects to receive a distribution by reason of severance from employment, death or disability, the individual may not make an elective deferral or employee contribution during the 6-month period beginning on the date of the distribution.

Section 12.05(c)(iii) applies only if all employees of the Employer performing service in the uniformed services described in Code Section 3401(h)(2)(A) are entitled to receive differential wage payments (as defined in Code Section 3401(h)(2)) on reasonably equivalent terms and, if eligible to participate in a retirement plan maintained by the Employer, to make contributions based on the payments on reasonably equivalent terms (taking into account Code Sections 410(b)(3), (4), and (5)).

ARTICLE 13

MISCELLANEOUS

13.01 Limitation on Distributions

Notwithstanding any provision of this Plan regarding payment to Beneficiaries, Participants, or any other person, the Committee may withhold payment to any person if the Committee determines that such payment may expose the Plan to conflicting claims for payment. As a condition for any payments, the Committee may require such consent, representations, releases, waivers, or other information as it deems appropriate. The Committee may, in its discretion, comply with the terms of any judgment or other judicial decree, order, settlement, or agreement including, but not limited to, a Qualified Domestic Relations Order as defined in Code Section 414(p).

13.02 Limitation on Reversion of Contributions

Except as provided in subsections (a) through (c) below, Company Matching Contributions and/or Company Non-Elective Contributions made under the Plan will be held for the exclusive benefit of Participants and their Beneficiaries and may not revert to the Company.

- (a) In the case of contributions conditioned on the Plan's initial qualification under Code Section 401(a) and 401(k), if the Plan does not qualify, such contributions may be returned to the Company within one year after the date the Plan's qualification is denied, but only if the application for the determination is made by the time prescribed by law for filing the Company's return for the taxable year in which the Plan was adopted, or such later date as the Secretary of the Treasury may prescribe. The maximum Company Matching Contribution and/or Company Non-Elective Contributions that may be returned to the Company will not exceed the amount actually contributed to the Plan, or the value of such contribution on the date it is returned to the Company, if less.
- (b) Unless the Board, in a resolution authorizing a Plan contribution, states that the contribution is made unconditionally and without regard to its deductibility under the appropriate section of the Code, any contribution by the Company to the Trust (except a top heavy contribution) is conditioned upon the deductibility of the contribution by the Company under the applicable section of the Code. To the extent any such deduction is disallowed, the Company may demand repayment of such disallowed contribution and Trustee shall return such contribution within one (1) year after the disallowance of the deduction. Earnings of the Plan attributable to an excess contribution may not be returned to the Company, but any losses attributable thereto must reduce the amount so returned.
- (c) In case such contribution is made by the Company to the Plan (other than a multiemployer plan) by a mistake of fact, the Company may demand repayment of such contribution within one (1) year after the payment of the contribution. Earnings of the Plan attributable to a mistaken contribution may not be returned to the Company, but any losses attributable thereto must reduce the amount so returned.

13.03 Voluntary Plan

The Plan is purely voluntary on the part of the Company and neither the establishment of the Plan nor any Plan amendment nor the creation of any fund or account, nor the payment of any benefits will be construed as giving any Employee or any person legal or equitable right against the Company, the Trustee, or the Committee unless specifically provided for in this

Plan or conferred by affirmative action of the Committee or the Company according to the terms and provisions of this Plan. Such actions will not be construed as giving any Employee or Participant the right to be retained in the service of the Company. All Employees and/or Participants will remain subject to discharge to the same extent as though this Plan had not been established.

13.04 Nonalienation of Benefits

Participants and their Beneficiaries are entitled to all the benefits specifically set out under the terms of the Plan, but said benefits or any of the property rights in the Plan will not be assignable or distributable to any creditor or other claimant of such Participant. Except for a Qualified Domestic Relations Order, and/or an offset or assignment described in Code Section 401(a)(13)(A) or (C), a Participant will not have the right to anticipate, assign, pledge, accelerate, or in any way dispose of or encumber any of the monies or benefits or other property that may be payable or become payable to such Participant or his Beneficiary.

13.05 Inability to Receive Benefits

If the Committee receives evidence that a person entitled to receive any payment under the Plan is physically or mentally incompetent to receive payment and to give a valid release, and another person or an institution is maintaining or has custody of such person, and no Guardian, committee, or other representative of the estate of such person has been duly appointed by a court of competent jurisdiction, then any distribution made under the Plan may be made to such other person or institution. The release of such other person or institution will be a valid and complete discharge for the payment of such distribution.

13.06 Unclaimed Benefits

If the Committee is unable, after reasonable and diligent effort, to locate a Participant or Beneficiary who is entitled to a distribution under the Plan, the distribution due such person will be forfeited after two years. If, however, the Participant or Beneficiary later files a claim for such benefit, it will be reinstated without any interest earned thereon. Notification by certified or registered mail to the last known address of the Participant or Beneficiary will be deemed a reasonable and diligent effort to locate such person. The reinstatement of benefits shall be funded by forfeitures incurred in the Plan Year of reinstatement to the extent necessary to reinstate the benefits in full, and to the extent such forfeitures are inadequate, by additional Company contributions.

Notwithstanding anything in this Plan to the contrary, if after the adoption of a resolution to terminate the Plan a Participant's or Beneficiary's benefit under the Plan remains payable due to the inability of the Committee or Trustee to locate such Participant or Beneficiary, the Committee or Trustee shall take steps they determine to be reasonable to locate the Participant or Beneficiary.

If the Participant or Beneficiary cannot be located after the Committee or the Trustee has taken notification steps, the Trustee may deposit all Plan benefits payable to the lost or missing Participant or Beneficiary in an individual retirement account, or interest bearing savings account at a federally insured bank; the lost or missing Participant or Beneficiary shall be listed as the sole owner of such account and have the unconditional right to withdraw all funds therein.

If a missing Participant procedure is established by the Pension Benefit Guarantee Corporation, or other federal agency, and applies to defined contribution plans, the Committee may utilize such program.

13.07 Limitation of Rights

Nothing expressed or implied in the Plan is intended or will be construed to confer upon or give to any person, firm, or association other than the Company, the Participants, the Beneficiaries, and their successors in interest any right, remedy, or claim under or by reason of this Plan.

13.08 Invalid Provisions

In case any provision of this Plan is held illegal or invalid for any reason, the illegality or invalidity will not affect the remaining parts of the Plan. The Plan will be construed and enforced as if the illegal and invalid provisions had never been included.

13.09 One Plan

This Plan may be executed in any number of counterparts, each of which will be deemed an original and the counterparts will constitute one and the same instrument and may be sufficiently evidenced by any one counterpart.

13.10 Use and Form of Words

Whenever any words are used herein in the masculine gender, they will be construed as though they were also used in the feminine gender in all cases where they would apply, and vice versa. Whenever any words are used herein in the singular form, they will be construed as though they were also used in the plural form in all cases where they would apply, and vice versa.

13.11 Headings

Headings of Articles and Sections are inserted solely for convenience and reference, and constitute no part of the Plan.

13.12 Governing Law

The Plan will be governed by and construed according to the federal laws governing Employee benefit plans qualified under the Code and according to the laws of the State of Nevada where such laws are not in conflict with the aforementioned federal laws.

ARTICLE 14

EMPLOYEE STOCK OWNERSHIP PLAN

14.01 Purpose

The Southwest Gas Stock Fund shall be considered and designated as an Employee Stock Ownership Plan ("ESOP"). The purpose of the ESOP is to allocate to Participants and their

Beneficiaries an ownership interest in the Company through the distribution of Company Stock (or the fair market value of such Company Stock) following a Participant's termination of service. Neither the Company, its officers, directors, Employees or shareholders, nor any fiduciary of the Plan shall have any responsibility for the value of any stock or other securities of the Company allocated to the Account of, or distributed to, any Participant or Beneficiary hereunder, it being understood that such stock or securities may decline in value or become wholly worthless due to risks and circumstances which cannot be foreseen and which may not be within the control of any such person or entities.

14.02 Investment in Company Stock

A principal purpose of the ESOP is to provide the opportunity for Employees to acquire Employer Securities. Prior to January 29, 2015, Company Matching Contributions will be invested primarily in Employer Securities. Such contributions will be made in original issue Company Stock or cash to be used to purchase Employer Securities either directly from the Company, in the open-market, or in privately negotiated transactions. Other cash received for investment in the Southwest Gas Stock Fund will be used primarily to purchase Employer Securities. If Employer Securities are not available for purchase, or if the Trustee determines that the purchase of additional Employer Securities is not prudent or would not further the purpose of the Plan, the Trustee shall, to the extent not inconsistent with the Plan's continued tax qualification as an employee stock ownership plan under Section 4975(e)(7) of the Code, invest the assets of the ESOP in other securities or investments. All purchases of Employer Securities shall be made at prices which, in the judgment of the Trustee, do not exceed the fair market value of such Employer Securities at the time of purchase. On and after January 29, 2015, Company Matching Contributions will be made in cash and will be invested in Investment Fund(s) according to each Participant's actual or deemed investment elections.

14.03 Company Matching Contributions; Vesting

(a) Company Matching Contributions

Payment of Company Matching Contributions will be made as set forth above in Section 3.02(d).

(b) Vesting

Effective January 1, 2002 and notwithstanding the provisions set forth above in Section 6.04, dividends paid on Company Stock will be fully Vested with the Participant, without regard to whether the Participant is Vested in the Company Stock with respect to which the dividend is paid.

14.04 Diversification

Once Company Matching Contributions are deposited in a Participant's Company Matching Contribution Account, a Participant may transfer such contributions between and among Investment Funds, as provided for in Section 4.03. Upon reaching age fifty (50), a Participant may continue to elect to invest future Company Matching Contributions in any Investment Fund.

14.05 Voting of Employer Securities

All Employer Securities held within the ESOP portion of the Plan shall be voted by the Participant or the Trustee as set forth above in Section 4.03 and in the Trust Agreement. Any shares of Employer Securities not credited to Participant Accounts shall be voted by the Trustee in the same ratio that the securities are voted by the Participants who exercised their voting rights.

14.06 Valuation and Form of Distributions

- (a) To the extent Employer Securities are not readily tradable on an established securities market with respect to activities carried on by the Plan, all valuations of such securities will be made by an independent appraiser, who meets requirements similar to the requirements of the regulations prescribed under Code Section 170(a)(1).
- (b) Participant Accounts held within the ESOP shall be distributed as set forth above in Section 7.01(a), except to the extent Employer Securities are not readily tradable on an established securities market. If such securities are not readily tradable on such markets, the Company will either (x) repurchase the securities at the time of distribution or (y) provide a put option, for a period of at least 60 days following the date of distribution of such securities, and if the option is not exercised within such 60-day period, an additional option period of at least 60 days will be provided in the next Plan Year and repurchase the securities as follows:
 - (i) For total distributions (distributions within one taxable year of the balance in a Participant's account), the amount to be paid for such securities will be paid in substantially equal periodic payments (not less frequently than annually) over a period beginning not later than 30 days after the exercise of the put option and not exceeding 5 years, provided that the Company has put up adequate security and will pay reasonable interest on the unpaid balance during the payment period; and
 - (ii) For installment distributions (other than total distributions), the amount to be paid for such securities will be paid not later than 30 days after the exercise of the put option.

14.07 Dividends

Dividends paid by the Company with respect to shares of Employer Securities held in the ESOP shall, in the discretion of the Committee, and to the extent allowed by the Code, be: (i) retained and reinvested in the Plan; (ii) distributed to Participants or their Beneficiaries within 90 days after the end of the Plan Year in which they were received; (iii) paid in cash directly to the Participant or their Beneficiaries or (iv) paid to the Plan, where the Participants can subsequently elect to reinvest the dividends into their ESOP accounts or take a cash distribution within 90 days after the end of the Plan Year in which such dividends were received.

IN WITNESS WHEREOF, Southwest Gas Corporation has adopted this Plan (including Schedules A and B hereto) this 30th day of November, 2022.

SOUTHWEST GAS CORPORATION

By: /s/ Sharon Braddy McKoy
Title: Chief Human Resources Officer

SOUTHWEST GAS CORPORATION EMPLOYEE'S INVESTMENT PLAN

Schedule A – Participant Investment

Effective January 1, 2022

Designation of Investment Funds

A Participant's Deferrals, Excess Contributions/Deferrals, and Rollover Contributions may be invested entirely at his discretion, in increments of one percent (1%), among the Investment Funds. In the complete absence of any designation, the Participant's Deferrals, Excess Contributions/Deferrals and/or Rollover Contributions will be invested in the Fidelity Freedom Fund that most closely corresponds to the Participant's age 65 targeted retirement date.

Company Matching Contributions made prior to January 29, 2015, will be made in Company Stock and invested in the Southwest Gas Stock Fund and are intended to qualify as contributions under the ESOP provisions of the Plan. On and after January 29, 2015, Company Matching Contributions will be made in cash and will be invested in Investment Fund(s) according to each Participant's actual or deemed investment elections.

Transfer Between and Among Investment Funds

- (a) A Participant may transfer amounts representing his Deferrals and Excess Contributions/Deferrals, and Rollover Contribution from one Investment Fund to another, daily. Transfer of amounts from the Southwest Gas Stock Fund to another Investment Fund will be subject to the requirement that fifty percent (50%) of all funds invested in the ESOP remain invested in Employer Securities and the rules in

(b) below.

Further, transfer of amounts to or from the Southwest Gas Stock Fund by Participants who are subjected to Section 16 of the Securities Exchange Act of 1934, as amended, may only make such transfers six (6) months following the date of the most recent "opposite way" transfer.

- (b) Once Company Matching Contributions are deposited in a Participant's Company Matching Contribution Account, a Participant may immediately transfer such contributions to other Investment Fund(s). Each Participant may elect to invest Company Matching Contributions in any of the Investment Fund(s), in accordance with Section 4.03 and (a) above.

Once Company Non-Elective Contributions are deposited in a Participant's Company Non-Elective Contributions Account, a Participant may immediately transfer such contributions to other Investment Fund(s). Each Participant may elect to invest Company Non-Elective Contributions in any of the Investment Fund(s), in accordance with Section 4.03 and (a) above.

The investment of a Participant's entire Account Balance is subject to the rules of

Section 7.02 once the Participant becomes entitled to a distribution pursuant to Section 7.02.

SOUTHWEST GAS CORPORATION EMPLOYEE'S INVESTMENT PLAN

Schedule B – SECURE/CARES/CAA PROVISIONS

Each provision of this Schedule B shall be effective as of January 1, 2020, unless a different effective date is set forth therein

This Amendment is intended as a good faith effort to comply with the requirements of the Further Consolidated Appropriations Act, 2020, including the SECURE Act provisions, the Coronavirus, Aid, Relief and Economic Security (CARES) Act, and the Consolidated Appropriations Act, 2021 (CAA), and corresponding guidance (the "Applicable Law"). This Amendment is to be construed in accordance with the Applicable Law and both the Amendment and the Applicable Law will supersede any inconsistent Plan provisions.

OPTIONAL PROVISIONS:

For each item below, if the check boxes are empty, the *italicized* provision will apply.

1. Qualified Birth or Adoption Distributions (see Section A. below)

The Plan does not permit qualified birth or adoption distributions as a separate distribution event.

Effective __ (no earlier than 01/01/2020), the Plan permits qualified birth or adoption distributions as a separate distribution event.

The following limitations and conditions apply: __.

2. Treatment of 2020 RMDs (see Section B. below)

*Effective 01/01/2020, unless the Participant or beneficiary chooses otherwise, a Participant or beneficiary who would have been required to receive a 2020 RMD will **not** receive this distribution.*

Effective __ (no earlier than 01/01/2020):

Unless the Participant or beneficiary chooses otherwise, a Participant or beneficiary who would have been required to receive a 2020 RMD will **not** receive this distribution.

Unless the Participant or beneficiary chooses otherwise, a Participant or beneficiary who would have been required to receive a 2020 RMD will receive this distribution.

3. 2020 RMDs as Direct Rollovers (see Section B. below)
A direct rollover is not offered for 2020 RMDs or Extended 2020 RMDs.

For purposes of the direct rollover provisions of the Plan, the following will be treated as eligible rollover distributions in 2020:

2020 RMDs.

2020 RMDs and Extended 2020 RMDs.

2020 RMDs, but only if paid with an additional amount that is an eligible rollover distribution without regard to Code section 401(a)(9)(l).

4. Portability of Lifetime Income Options (see Section F. below)
The Plan does not permit "qualified distributions" or "qualified plan distribution annuity contracts" of lifetime income investment options.

The Plan permits "qualified distributions" or "qualified plan distribution annuity contracts" of lifetime income investment options when such investment options are no longer authorized to be held as an investment option under the Plan effective: ___(no earlier than the plan year beginning after 12/31/2019).

The following limitations and conditions apply: ___.

5. Transfer Account
The existing Plan provisions, if any, remain in effect for distributions to a Participant who has not separated from employment from a Transfer Account holding assets transferred from a plan subject to the survivor annuity rules of Code section 401(a)(11) and 417 (e.g., age cannot be less than 62).

Effective (no earlier than 01/01/2020), the Plan permits distributions to a Participant who has not separated from employment from a Transfer Account holding assets transferred from a plan subject to the survivor annuity rules of Code section 401(a)(11) and 417 if the Participant attains: (age cannot be less than 59-1/2).

STANDARD PROVISIONS:

A. Qualified Birth or Adoption Distributions

To the extent provided above, a Participant may receive a distribution up to \$5,000 during the 1-year period beginning on the date on which the Participant's child is born or on which the legal adoption by the Participant of an eligible adoptee is finalized. An eligible adoptee is any individual (other than a child of the Participant's spouse) who has not attained age 18 or is

physically or mentally incapable of self-support. The \$5,000 maximum is an aggregate amount of such distributions from all plans maintained by the Employer.

B. Required Minimum Distributions and Change to Required Beginning Date

In defining Required Beginning Date or determining required minimum distributions, any references to age 70-1/2 are replaced with: age 70-1/2 (for Participants born before 07/01/1949) or age 72 (for Participants born after 06/30/1949).

Notwithstanding other provisions of the Plan to the contrary and if selected above, a Participant or beneficiary who would have been required to receive required minimum distributions in 2020 (or paid in 2021 for the 2020 calendar year for a Participant with a required beginning date of 04/01/2021) but for the enactment of section 401(a)(9)(I) of the Code ("2020 RMDs"), and who would have satisfied that requirement by receiving distributions that are either: (1) equal to the 2020 RMDs, or (2) one or more payments (that include the 2020 RMDs) in a series of substantially equal periodic payments made at least annually and expected to last for the life (or life expectancy) of the Participant, the joint lives (or joint life expectancies) of the Participant and the Participant's designated beneficiary, or for a period of at least 10 years ("Extended 2020 RMDs"), may receive those distributions.

C. Distribution on Account of Death for Certain Eligible Retirement Plans

Whether before or after distribution has begun, a Participant's entire interest will be distributed to the designated beneficiary by 12/31 of the calendar year containing the tenth anniversary of the Participant's death unless the designated beneficiary meets the requirements of an "eligible designated beneficiary". An "eligible designated beneficiary" may receive distributions over the life of such designated beneficiary. If there is no designated beneficiary as of 09/30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by 12/31 of the calendar year containing the fifth anniversary of the Participant's death.

An "eligible designated beneficiary" is defined as any designated beneficiary who is: (i) the surviving spouse of the Participant; (ii) a minor child of the Participant; (iii) disabled; (iv) a chronically ill individual; or (v) an individual who is not more than 10 years younger than the Participant. The determination of whether a designated beneficiary is an "eligible designated beneficiary" is made as of the date of death of the Participant. If an "eligible designated beneficiary" dies before the portion of the Participant's interest is entirely distributed, the remainder of such portion must be distributed within 10 years after the death of such "eligible designated beneficiary".

D. Qualified Automatic Contribution Arrangement (QACA)

If a Qualified Automatic Contribution Arrangement (QACA) feature is elected, the Plan Administrator has the discretion to increase automatic elections subsequent to the initial period up to a maximum limitation of 15% of Plan Compensation.

E. Safe Harbor Notice

If the non-elective contribution method is elected for safe harbor plan exemption (including under a Qualified Automatic Contribution Arrangement), effective for Plan years beginning on or after 01/01/2020, the safe harbor notice is not required for satisfying the conditions of Code sections 401(k)(12) or 401(k)(13).

F. Portability of Lifetime Income Investments

To the extent provided above, any amounts invested in a "lifetime income investment" may be distributed through either "qualified distributions" or "qualified plan distribution annuity contracts" no earlier than 90 days prior to the date that such "lifetime income investment" may no longer be held as an investment option under the Plan.

The following terms are used in this section:

"Qualified distribution" means a direct trustee-to-trustee transfer described in Code section 401(a)(31)(A) to an eligible retirement plan (as defined in Code section 402(c)(8)(B)).

"Qualified plan distribution annuity contract" means an annuity contract purchased for a Participant and distributed to the Participant by a plan or contract described in subparagraph (B) of Code section 402(c)(8) (without regard to clauses (i) and (ii) thereof).

"Lifetime income investment" means an investment option which is designed to provide an employee with election rights which: (a) are not uniformly available with respect to other investment options under the plan, and (b) are to a "lifetime income feature" available through a contract or other arrangement offered under the plan (or under another eligible retirement plan (as so defined), if paid by means of a direct trustee-to-trustee transfer described in Code section 401(a)(31)(A) to such other eligible retirement plan).

"Lifetime income feature" means: (a) a feature which guarantees a minimum level of income annually (or more frequently) for at least the remainder of the life of the employee or the joint lives of the employee and the employee's designated beneficiary, or (b) an annuity payable on behalf of the employee under which payments are made in substantially equal periodic payments (not less frequently than annually) over the life of the employee or the joint lives of the employee and the employee's designated beneficiary.

G. Disaster or Coronavirus-Related Relief

Notwithstanding any provision of the Plan to the contrary, the Plan will grant temporary disaster or coronavirus-related relief in compliance with Code sections 1400M and 1400Q, section 15345 of the Food, Conservation, and Energy Act of 2008, section 702 of the Heartland Disaster Tax Relief Act of 2008, section 502 of the Disaster Tax Relief and Airport and Airway Extension Act of 2017, section 11028 of the Tax Cuts and Jobs Act of 2017, section 20102 of the Bipartisan Budget Act of 2018, subtitle II of Division Q of the Further Consolidated Appropriations Act,

2020, section 2202 of the Coronavirus, Aid, Relief and Economic Security Act, and Title III of Division EE of the Consolidated Appropriations Act, 2021 ("Applicable Law"). This Section only applies to the extent set forth below provided that such relief shall be provided in compliance with Applicable Law.

A. Qualified Distributions

- I. "Qualified Distribution" means a distribution to a qualified individual within the applicable time periods as defined in the relevant sections of Applicable Law which may not exceed \$100,000 in aggregate from all plans maintained by the Employer.
- II. If the Plan permits rollover contributions, at any time during the 3-year period beginning on the day after the Qualified Distribution was received, an individual may contribute as a rollover to the Plan an aggregate amount that does not exceed the amount of the Qualified Distribution.
- III. If the Plan permits rollover contributions, an individual who received a withdrawal for the purchase of a home, but could not use the withdrawal amount due to the disaster, may contribute as a rollover to the Plan an aggregate amount that does not exceed the amount of the withdrawal amount within the applicable time periods as defined in the relevant sections of Applicable Law.

B. Expanded Loan Provisions

- I. The maximum loan limit under Code section 72(p)(2)(A) may be applied by substituting "\$100,000" for "\$50,000" and substituting "the present value" for "one-half the present value" under the Loan Procedures for a qualified individual within the applicable time periods as defined in the relevant sections of Applicable Law.
- II. The loan repayment may be delayed for 1 year for a qualified individual within the applicable time periods as defined in the relevant sections of Applicable Law.
- III. Subsequent repayments will be adjusted to reflect the 1-year delay and any interest accrued during such delay.
- IV. The 1-year delay will be disregarded in determining the 5-year maximum term of loans under Code section 72(p)(2)(B) and (C).

H. Difficulty of Care Payments Included in Statutory Compensation

In determining the contribution limitation, Statutory Compensation will be increased by qualified foster care payments. Qualified foster care payments are difficulty of care payments excluded

from gross income under Code section 131. Any contribution by the Participant which is allowable due to such increase is treated as an after-tax contribution.

I. Long-Term, Part-Time Employees

Notwithstanding any provision of the Plan to the contrary, effective for Plan years beginning after 12/31/2020, any Employee working at least 500 hours of service during each of three consecutive 12-month periods ("LTPT Employee") becomes a Participant eligible to make Elective Deferrals on the date specified in the Plan provided that he or she is an Eligible Employee and has attained the applicable age requirement, if any, on such date. No 12-month period beginning before 01/01/2021 is taken into account. Each 12-month period for which an LTPT Employee has at least 500 hours of service is treated as a year of service for vesting purposes.

TRANSITION, SEPARATION AND GENERAL RELEASE AGREEMENT

This Transition, Separation and General Release Agreement (“Agreement”) is entered into by and between Southwest Gas Corporation, Southwest Gas Holdings, Inc. and their respective parents, subsidiaries, affiliates, predecessors, and successors (collectively, the “Company”), and Robert J. Stefani, his heirs, executors, administrators, successors, and assigns (collectively referred to throughout this Agreement as “Employee”), and is made effective as of the eighth (8th) day after the date Employee signs this Agreement, provided Employee does not revoke it before such day in accordance with Section 5 of this Agreement (the “Effective Date”).

1. At-Will Employment, Transition Period, and Termination Date.

a. **Separation.** Employee’s employment with the Company shall end on December 1, 2025 or such earlier date that the Company terminates Employee’s employment in accordance with Section 1(b) of this Agreement (the “Separation Date”). Following the Separation Date, the Company will provide Employee with Employee’s final paycheck, which will include Employee’s final wages and any accrued but unused vacation pay, through the Separation Date, less applicable taxes and withholdings, in accordance with applicable law. After the Separation Date, Employee will be deemed to have resigned from all positions at the Company and will not represent himself as being an executive, officer, agent, employee or representative of the Company, its affiliates, subsidiaries and parent companies for any purpose, or do anything to bind or attempt to bind the Company, its affiliates, subsidiaries and parent companies.

b. **Transition Period.** For the period commencing on the Effective Date and ending on the Separation Date (the “Transition Period”), Employee shall continue being employed by the Company in the title of Senior Vice President/Chief Financial Officer. In exchange for Consideration (as defined below), Employee agrees to work with diligence in an effective transition of his duties to his successor or any other executives as the Company may designate, as well as continue to perform on a basis consistent with past practices such other duties as the Company may in its discretion assign. Employee understands and agrees that during the Transition Period, Employee shall be employed “at will.” The Company will have the option, in its sole discretion, to inform Employee that his services are no longer needed and to terminate Employee prior to December 1, 2025; however, the Company shall remain obligated to provide Employee the Consideration unless the Company terminates Employee’s employment for Cause (as defined in the Change in Control Agreement (as defined herein)). For the avoidance of doubt, in the event that the Company terminates Employee’s employment for Cause, the Company will not be required to provide the Consideration.

2. Consideration.

a. In consideration for Employee: (i) signing and delivering a fully effective Agreement pursuant to Section 5 below; and (ii) complying with the Agreement at all times, the Company agrees to provide the following transition consideration (the “Transition Consideration”):

- i. To continue paying Employee his pro-rata current base salary (\$622,000.00), less applicable deductions, in accordance with the

regular payroll practices of the Company through December 1, 2025 unless terminated for Cause as described in 1(b);

- ii. To permit Employee, during the Transition Period, to continue participating in the employee benefit plans and executive compensation plans in which he is participating as of the Effective Date, subject to, and in accordance with, their terms through December 1, 2025 unless terminated for Cause as described in Section 1(b); and
- iii. To permit Employee's equity awards granted under the Southwest Gas Holdings, Inc. Omnibus Incentive Plan (the "Omnibus Plan") and the Southwest Holdings, Inc. 2024 Omnibus Incentive Plan (together with the Omnibus Plan, the "Plans") to continue to vest in accordance with the terms of the Plans and the applicable award agreement, including, for the avoidance of doubt, the restricted stock units (the "RSUs") granted to Employee pursuant to the Omnibus Plan and the Award Agreement of Time-Lapse Restricted Stock Units between Employee and Southwest Gas Holdings, Inc. ("Holdings"), dated November 21, 2022, of which 10,225 RSUs are unvested as of the date hereof (plus the accrued dividend equivalents) and are scheduled to vest on November 21, 2025, subject to Employee's continued service with the Company in good standing through such date. In the event that the Company terminates Employee prior to November 21, 2025 pursuant to Section 1(b), any potential vesting of the RSUs shall be in accordance with, and pursuant to, the terms and conditions set forth in Section 2(b).

b. In consideration for Employee: (i) signing the Certification of Reaffirmation of the Transition, Separation and General Release Agreement (the "Certificate") attached hereto as Exhibit A no later than December 5, 2025, (ii) effectuating and not revoking the Certificate within seven (7) days of executing such Certificate, (iii) complying with this Agreement and the Certificate at all times, and (iv) continuing Employee's service with the Company in good standing through the Separation Date, the Company agrees to provide the following termination consideration (the "Termination Consideration," and together with the Transition Consideration, the "Consideration"):

- i. Severance pay in the aggregate amount of \$1,568,400, less applicable withholdings and deductions, which shall consist of (a) \$933,000, which equal to one and one-half (1.5) times Employee's Base Salary, to be paid in a single lump sum within thirty (30) days of the Certificate Effective Date (as defined in the Certificate); (b) \$435,400, which is equal to 100% of the Annual Incentive Plan target value of Employee's Target Incentive for the 2025 calendar year, to be paid no later than March 15, 2026; and (c) \$200,000, which shall represent an additional payment to Employee, to be paid

in a single lump sum within thirty (30) days of the Certificate Effective Date;

- ii. An additional payment equal to the actual Annual Incentive Plan amount for the 2025 plan year that Employee would have received had Employee remained employed through December 31, 2025, less applicable withholdings and deductions, to be paid on the normal schedule of the Annual Incentive but not later than March 15, 2026;
- iii. All performance stock units (“PSUs”) granted to Employee under the Plans and the applicable Performance Stock Unit Award Agreement between Holdings and Employee shall remain outstanding after the Separation Date and Employee shall be eligible to receive a prorated portion of each PSU award. The prorated number of PSUs earned shall not be determined until the end of each performance period. The number of PSUs earned shall be determined by multiplying the ratio of actual months of service to 36 months of the original performance period by the percentage of PSUs earned, based on actual performance achieved over the original performance period with the resulting product being increased, if appropriate, for dividend equivalents; provided, that for purposes of determining the proration ratio, Employee shall be deemed to have provided service with the Company through December 1, 2025, if he continues service in good standing with the Company through the earlier of December 1, 2025 or a termination by the Company without Cause. Such earned PSUs shall be distributed following the completion of each performance period on the normal schedule of distributions to other participants; and
- iv. All RSUs (including the applicable dividend equivalents) granted to Employee under the Plans and the applicable Award Agreements of Time-Lapse Restricted Stock Units that remain unvested as of the Separation Date shall become fully vested as of the Separation Date and shall be settled as soon as administratively possible after the Separation Date

3. **No Consideration Absent Execution of this Agreement and the Certificate.** Employee understands and agrees that Employee would not receive the Consideration specified in Section 2 above, unless (i) Employee timely executes and does not revoke this Agreement and (ii) Employee timely executes and does not revoke the Certificate, and the promises contained in this Agreement are fulfilled.

4. **General Release, Claims Not Released, and Related Provisions.**

a. **Release.** In return for Consideration as provided in Section 2 of this Agreement, Employee, with the intention of binding himself and his heirs, beneficiaries, trustees, administrators, executors, assigns and legal representatives, knowingly and voluntarily releases

and forever discharges the Company, its current and former parents, affiliates, subsidiaries, divisions, successors, and assigns, and their current and former employees, attorneys, insurers, reinsurers, officers, directors and agents thereof, both individually and in their business capacities, and their employee benefit plans and programs and their administrators and fiduciaries (collectively referred to as "Releasees"), of and from any and all claims, known and unknown, asserted or unasserted, which Employee has or may have against Releasees ***as of the date of execution of this Agreement***, including, but not limited to, any alleged violation of: Title VII of the Civil Rights Act of 1964, as amended; Sections 1981 through 1988 of Title 42 of the United States Code, as amended; The Age Discrimination in Employment Act and Older Workers Benefits Protection Act; The Employee Retirement Income Security Act of 1974, as modified below; The Immigration Reform Control Act, as amended; The Americans with Disabilities Act of 1990, as amended; The Worker Adjustment and Retraining Notification Act; The Fair Credit Reporting Act; The Family and Medical Leave Act of 1993; The Equal Pay Act; The Genetic Information Nondiscrimination Act of 2008; the Pregnant Workers Fairness Act; Nevada administrative statutory or codified law or regulation dealing with fair employment practices and/or wage and hour laws; The Nevada Fair Employment Practices Act; Nevada's overtime, meal and rest period, and related wage and hour penalty statutes; NRS 608.250 relating to the payment of minimum wage for each hour worked; NRS 613.010, related to inducing a person to change their work location under false pretenses; NRS 613.210, relating to the "blacklisting" of employees; the failure to pay wages, commissions, bonuses, benefits, vacation pay, severance or other compensation of any sort under state wage and hour laws; any other federal, state or local law, rule, regulation or ordinance; any claim that may be brought pursuant to the Nevada Constitution; all contract and quasi-contract claims, including (without limitation) claims related the Employment Agreement, claims for promissory estoppel or detrimental reliance, all claims for fraud, slander, libel, defamation, disparagement, negligent or intentional infliction of emotional distress, personal injury, prima facie tort; negligence, compensatory or punitive damages, or any other claim for damages or injury of any kind whatsoever; any other federal, state or local law, regulation or ordinance; any public policy, contract, tort, or common law; or any basis for recovering costs, fees, or other expenses including attorneys' fees incurred in these matters.

b. Claims Not Released. Employee is not waiving any rights he may have to:

(i) his own vested accrued employee benefits under the Company's health, welfare, and/or retirement benefit plans (if applicable); (ii) benefits and/or the right to seek benefits under applicable workers' compensation and/or unemployment compensation statutes; (iii) pursue claims that by law cannot be waived by signing this Agreement; and/or (iv) enforce this Agreement.

c. Governmental Agencies. Nothing in this Agreement prohibits, prevents, or otherwise limits Employee from filing a charge or complaint with or participating, testifying, or assisting in any investigation, hearing, or other proceeding before any federal, state, or local government agency (e.g., EEOC, NLRB, SEC) or in any legislative or judicial proceeding nor does anything in this Agreement preclude, prohibit or otherwise limit, in any way, Employee's rights and abilities to contact, communicate with or report unlawful conduct, or provide documents, to federal, state, or local officials for investigation or participate in any whistleblower program administered by any such agencies. In addition, nothing in this Agreement, including but not limited to the release of claims nor the confidentiality, limits on disclosure (Section 7), affirmations, prohibits Employee from: (1) reporting possible violations of federal or other law or

regulations, including any possible securities laws violations, to any governmental agency or entity, including but not limited to the U.S. Department of Justice, the U.S. Securities and Exchange Commission, the Commodity Futures Trading Commission, the U.S. Congress, the Equal Employment Opportunity Commission or any agency Inspector General; (2) making any other disclosures that are protected under the whistleblower provisions of federal or other law or regulations; or (3) filing a charge or complaint or otherwise fully participating in any governmental whistleblower programs, including but not limited to any such programs managed or administered by the U.S. Securities and Exchange Commission, the Commodity Futures Trading Commission, the Equal Employment Opportunity Commission and/or the Occupational Safety and Health Administration, provided, however, that Employee hereby waives the right to recover any monetary damages or other relief against any Releasees excepting any benefit or remedy to which Employee is or becomes entitled to pursuant to Section 922 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.. Employee is not required to notify or obtain permission from the Company when filing a governmental whistleblower charge or complaint or engaging or participating in protected whistleblower activity.

d. Collective/Class Action and Jury Trial Waiver. If any claim is not subject to release, to the extent permitted by law, Employee waives any right or ability to be a class or collective action representative or to otherwise participate in any putative or certified class, collective or multi-party action or proceeding based on such a claim in which Company or any other Releasee identified in this Agreement is a party. Similarly, as to any such claim against any Releasee that is not otherwise released, Employee waives Employee's right to a jury trial subject to applicable law.

5. Waiver of ADEA Claims. Employee agrees that by signing this Agreement, Employee waives any claims he may have under the Age Discrimination in Employment Act of 1967 (the "ADEA"). Employee agrees this waiver is knowing and voluntary. Employee and the Company agree this waiver does not apply to ADEA claims or rights that might arise after Employee signs this Agreement. Employee also agrees Employee has no right to the Consideration in Section 2 unless Employee signs and does not revoke this Agreement and complies with its terms and Employee has no right to the Consideration in Section 2 unless Employee signs (and does not revoke) this Agreement and complies with its terms. Employee also agrees that this Agreement advises Employee in writing that:

- Employee should consult with an attorney before signing this Agreement;
- Employee has up to twenty-one (21) calendar days to consider whether to sign this Agreement, starting from the date Employee receives this Agreement;
- Employee agrees that any modifications, material or otherwise, made to this Agreement, do not restart or affect in any manner the original up to twenty-one (21) calendar day consideration period;
- Employee has seven (7) calendar days after signing this Agreement to revoke it;
- **If Employee revokes this Agreement Employee will not receive the Consideration in Section 2 above; and,**
- This Agreement does not prevent Employee from later challenging the validity of the Agreement or from filing a charge with any government agency.

Revocation Period: Employee may revoke this Agreement for a period of seven (7) calendar days following the day Employee signs this Agreement. Any revocation within this period must be submitted in writing to the Company's Vice President/Human Resources and state, "I HEREBY REVOKE MY ACCEPTANCE OF OUR AGREEMENT." The revocation must be personally delivered or mailed and postmarked within seven (7) calendar days after Employee signs this Agreement.

6. **Acknowledgments and Affirmations.**

a. Other than any claims filed with any government agencies related to any protected whistleblower activities, Employee affirms that Employee has not filed, caused to be filed, or presently is a party to any claim against the Company. Nothing in this Agreement or these Affirmations is intended to impair Employee's rights under whistleblower laws or cause Employee to disclose Employee's participation in any governmental whistleblower program or any whistleblowing statute(s) or regulation(s) allowing for anonymity.

b. Employee also affirms that Employee has reported all hours worked as of the date Employee signs this Agreement and been paid and/or has received all compensation, wages, bonuses, commissions, paid leave, and/or benefits which are due and payable as of the date Employee signs this Agreement, except those discussed in Section 2 of this Agreement. Employee affirms that Employee has been granted any leave to which Employee was entitled under the Family and Medical Leave Act and state and local leave and disability accommodation laws. Employee further affirms that Employee has no known workplace injuries or occupational diseases that have not already been reported to the Company or adjudicated.

c. Employee affirms he is not eligible to receive an increase in the rate of his annual base salary or other compensation terms during the Transition Period.

d. Employee also affirms that to the extent he is entitled to any compensation or benefits pursuant to any employee benefit plans or executive compensation arrangements sponsored by the Company or an affiliate, the amount of such compensation and benefits shall be determined by the Company or the applicable plan administrator in accordance with the terms and conditions of such plans or arrangements.

e. Employee also affirms that Employee has not divulged any proprietary or confidential information of the Company and will continue to maintain the confidentiality of such information consistent with the Company's policies and Employee's agreement(s) with the Company, including the Employment Agreement, and/or common law.

f. Employee further affirms that Employee has not reported internally to the Company any allegations of wrongdoing by the Company or its officers, including any allegations of corporate fraud, and Employee has not been retaliated against for reporting any such allegations internally to the Company.

g. Employee affirms that all the Company's decisions regarding Employee's pay and benefits through the date of Employee's execution of this Agreement were not discriminatory based on age, disability, race, color, sex, religion, national origin or any other classification protected by law.

h. Employee and the Company acknowledge Employee's rights to make truthful statements or disclosures required by law, regulation, or legal process and to request or receive confidential legal advice, and nothing in this Agreement shall be deemed to impair those rights.

7. **Mutual Non-Disparagement**.

a. Employee agrees to refrain from making false or misleading statements that are maliciously disparaging or defamatory about one another, the Releasees, or Releasees' Board of Directors, employees, customers, suppliers, or vendors. This provision does not prohibit Employee from making truthful statements about the terms or conditions of Employee's employment, or from exercising Employee's rights under the National Labor Relations Act, government whistleblower programs, or whistleblowing statutes or regulations. Employee and Company agree that nothing in this Agreement (including Sections 7 and 8) is intended to or shall prevent Employee from discussing or disclosing information relating to (i) conduct that would constitute a sexual offense under NRS 179D.097 and would be punishable as a felony if criminal liability were imposed, regardless of whether there was a criminal investigation, prosecution, or conviction of the conduct, (ii) conduct that Employee reasonably believes to be illegal discrimination, illegal harassment, illegal retaliation, a wage and hour violation, or sexual assault, or is recognized as against a clear mandate of public policy, and which occurs at the workplace, at work-related events coordinated by or through the Company, between employees, or between the Company and an employee, whether on or off the employment premises, (iii) discrimination based on sex by an employer (or a landlord); or (iv) retaliation by an employer (or a landlord) for reporting discrimination based on sex.

b. The Company agrees to instruct its (i) current Board members, (ii) current Section 16 officers, and (iii) current Company officers to refrain from making false or misleading statements that are maliciously disparaging or defamatory about Employee. This provision does not prohibit the Company or its current Board members, current Section 16 officers, or current Company officers from making truthful statements about the terms or conditions of Employee's employment.

8. **Non-Disclosure and Non-Use of Confidential Information and Trade Secrets**. Employee agrees that the Company is a publicly traded and highly regulated natural gas local distribution company in the utility industry (referenced throughout this Agreement as the "Business" of the Company). The Business of the Company primarily involves the delivery of natural gas service to residential, commercial and industrial customers, including the installation, maintenance, and service of natural gas delivery pipelines. The Company's involvement in this Business has required and continues to require the expenditure of substantial amounts of money and the use of skills developed over a long period of time. As a result of these investments of money, skill and time, the Company has developed certain valuable Trade Secrets (as defined below) and Confidential Information (as defined below) that are peculiar to the Company's business and the disclosure of which would cause the Company great and irreparable harm.

a. Definitions.

i. The term “Trade Secrets” shall be defined in a manner consistent with the broadest interpretation of Nevada law and shall include, but shall not be limited to, any scientific or technical information, design, process, procedure, formula or improvement, source codes and architecture (digital, electronic, web-based, or otherwise), patterns, compilations, customer lists, contracts, business plans and practices, marketing plans and practices, financial plans and practices, programs, devices, methods, know-hows, techniques or processes, that derives economic value, present or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who may or could obtain any economic value from its disclosure or use. To the fullest extent consistent with the foregoing, and otherwise lawful, Trade Secrets shall include, without limitation, information and documentation pertaining to the design, specifications, capacity, testing, installation, implementation and customizing techniques and procedures concerning the Company’s present and future products and services.

ii. The term “Confidential Information” means all information other than Trade Secrets (whether or not specifically identified as confidential) in any form or medium, that is disclosed to, or developed or learned by, the Company and any of its affiliated entities or by Employee in the performance of his duties for the Company or any affiliated entities, that relates to the Business of the Company, its product, services or research, including, but not limited to: (a) internal business information of the Company and its affiliated entities including, without limitation, information relating to strategic plans and practices, business, accounting, financial or marketing plans, practices or programs, training practices and programs, salaries, bonuses, incentive plans and other compensation and benefits information and accounting and business methods; (b) identities of, individual requirements of, specific contractor arrangements with, and information about, the Company and its affiliated entities, their respective customers and their respective confidential information; (c) any confidential or proprietary information of any third party that the Company or any of its affiliated entities has a duty to maintain confidentiality of, or use only for certain limited purposes; (d) compilations of data and analyses, processes, methods, and performance records, data and databases relating thereto; (e) supply and service information, including but not limited to information concerning the goods and services utilized or purchased by the Company and its affiliated entities, the names and addresses of suppliers, terms of supplier service contracts, or of particular transactions, or related information about potential suppliers, to the extent that such information is not generally known to the public, and to the extent that the combination of suppliers or use of particular suppliers, though generally known or available, yields advantages to the Company or its affiliated entities, the details of which are not generally known; (f) confidential personnel information pertaining to other employees, including but not limited to employees’ medical information, compensation structure, salary or rate of pay, or other terms of employment learned from the employer’s payroll or personnel records rather than disclosure by the specific employee, proposed promotions, hiring, resignations, disciplinary actions, terminations or reasons therefore, training methods, performance, unique skills or abilities, specialty practices, licenses, certifications, or other proprietary employee information; (g) customer information (other than Trade Secrets), including but not limited to any compilations of past, existing or prospective customers, customer proposals or agreements between customers and the Company or its affiliated entities, status of customer accounts or credit, or related information about actual or prospective customers; and (h) strategies, techniques, marketing plans, merchandising schemes, themes, layouts, mechanicals, copyrights, trademarks, patents, ideas, specifications, and other material or work product that comprises the Company’s or its affiliated entities proprietary and intellectual property; provided that “Confidential Information” shall not

include any information that Employee can demonstrate is in the public domain other than as a result of disclosure by Employee in violation of this Agreement or disclosure in violation of this Agreement by any person to whom Employee has disclosed as permitted by this Agreement. Notwithstanding anything to the contrary, "Confidential Information" shall not include any information regarding Employee's personal or professional contacts (collectively, the "Contacts"), provided, however, that, when communicating or interacting with any such Contacts, Employee shall (i) be prohibited from using or disclosing Confidential Information, and (ii) remain bound by the obligations set forth in this Section 8.

b. Non-Disclosure and Non-Use of Trade Secrets and Confidential Information.

i. Employee agrees that Employee will not for any purpose for so long as the pertinent information or documentation remain Trade Secrets, directly or indirectly use, appropriate, disclose or disseminate to any other person, organization or entity or otherwise employ any Trade Secrets.

ii. Employee further agrees that Employee will not for any purpose, at any time, directly or indirectly use, appropriate, or otherwise employ in any way, disclose or disseminate to any other person, organization or entity any Confidential Information.

iii. Following the Separation Date, Employee agrees to protect the value of the Confidential Information and Trade Secrets of the Company and to prevent their misappropriation or disclosure.

iv. The obligations set forth herein shall not apply to any Trade Secrets or Confidential Information which shall have become generally known to competitors of the Company through no act or omission of the Employee. Further, the rights and obligations created by this sub-section are independent of, and in addition to, the rights, obligations and liabilities created by the Uniform Trade Secrets Act.

v. Notwithstanding the non-disclosure requirements of the Company's Trade Secrets, under the federal Defend Trade Secrets Act of 2016, Employee shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (a) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made to Employee's attorney in relation to a lawsuit for retaliation against Employee for reporting a suspected violation of law; or (c) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

vi. Nothing in this Agreement shall be construed to limit Employee's rights under the National Labor Relations Act including, but not limited to, the right to engage in protected concerted activity, including discussing terms and conditions of employment with coworkers, and attempting to improve terms and conditions of employment through channels outside the immediate employee-employer relationship, such as through the National Labor Relations Board. Nothing in this Agreement has the purpose or effect of preventing Employee

from making truthful disclosures about alleged unlawful conduct. Employee acknowledges that confidentiality is a material term of this Agreement. Notwithstanding the foregoing, the Agreement may be introduced as evidence in any proceeding only for the purposes of enforcing its terms and/or to evidence the parties' intent in executing it. The Agreement shall not be admissible as evidence in any proceeding for any other purpose. The Parties further expressly understand and agree that the provisions of this Section 9 shall not apply when disclosure is required by law or by any court, arbitrator, mediator or administrative or legislative body with actual or apparent jurisdiction to order Employee to disclose or make accessible any information, with respect to any litigation, arbitration or mediation involving this Agreement including, but not limited to, the enforcement of this Agreement, as to information that becomes generally known to the public or within the relevant trade or industry other than due to Employee's wrongdoing or as to information that becomes available to Employee on a non-confidential basis from a source which is entitled to disclose it to Employee.

vii. Employee represents, warrants, and agrees with Company that part of the Consideration described in Section 2 to be paid to Employee is in consideration for Employee's agreement and representation that: (a) the covenants contained in this Section 9 are reasonable, appropriate and suitable in their scope, duration, and content; (b) Employee shall not, directly or indirectly, raise any issue of the reasonableness, appropriateness and suitability of the scope, duration, or content of such covenants and agreements in any proceeding to enforce such covenants and agreements; (c) such covenants and agreements shall survive the termination of this Agreement, in accordance with their terms; (d) the free and full assignability of such covenants and agreement upon a sale or other transaction of any kind relating to the ownership and/or control of the Company; (e) the covenants and agreements stated in this Section 9 above are essential for the Company's reasonable protection, and the Company has reasonably relied on these covenants and agreements by Employee; and, (f) if Employee breaches or threatens to breach any covenants and agreements set forth in Section 9, the Company may seek to enforce such covenants and agreements through any equitable remedy, including specific performance or injunction, without waiving any claim for damages; in any such event, Employee waives any claim that the Company has an adequate remedy at law or for the posting of a bond.

9. **Cooperation.** The parties agree that certain matters in which Employee has been involved during Employee's employment may need Employee's cooperation with the Company in the future. In consideration for the payments and benefits in this Agreement, Employee agrees to reasonably cooperate with the Company in any pending or future matters arising out of or related to Employee's service to the Company, including, but not limited to, any business transactions, business relationships, litigation, investigation or other dispute, in which you have knowledge or information; provided that the Company shall make reasonable efforts to minimize disruption of Employee's other activities or subvert Employee's obligations to future employers.

10. **Prospective Employment References and Return of Property.** Employee agrees that Employee will ask future prospective employers to direct any questions about Employee's employment with the Company to the Company's Human Resources Department who will respond with only the title of Employee's last position and dates of employment.

By the Separation Date, Employee will return all Company property and equipment, including any Company-issued phones, computers, laptops, tablets, printers, scanners, and other

electronic devices, identification cards, access cards, keys, credit cards provided to Employee by the Company, passwords and account information to the Company's systems (as needed), as well as any external systems used by the Employee during the course and scope of his work for the Company, and all Company property, documents, and/or any confidential information in Employee's possession or control, including but not limited to, files, papers, data, lists, charts, photographs, computer records, electronic storage devices or drives, or any other Company property.

11. **Governing Law and Interpretation.** This Agreement shall be governed by the laws of the State of Nevada, without regard to conflict of law principles. In the event of a breach of any provision of this Agreement, either party may file suit specifically to enforce any term or terms of this Agreement or to seek any damages for breach.

12. **Nonadmission of Wrongdoing.** The parties agree that neither this Agreement nor the furnishing of the consideration for this Agreement shall be deemed or construed at any time for any purpose as an admission by Releasees of wrongdoing or evidence of any liability or unlawful conduct of any kind.

13. **Amendment.** This Agreement may not be modified, altered or changed except in writing and signed by both Employee and an authorized representative of the Company, wherein specific reference is made to this Agreement.

14. **Severability and Blue Penciling.**

(a) **Severability.** If any provision of this Agreement is held to be illegal, invalid or unenforceable under, or would require the commission of any act contrary to, existing or future laws, such provisions shall be fully severable, the Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Agreement, and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement.

(b) **Blue Penciling.** To the fullest extent permitted by law, in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as part of this Agreement a legal and enforceable provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible.

15. **Section 409A of the Code.** Although the Company does not guarantee the tax treatment of any payments under the Agreement, the intent of the parties is that the payments and benefits under this Agreement be exempt from, or comply with, Section 409A of the Internal Revenue Code of 1986, as amended, and all Treasury Regulations and guidance promulgated thereunder ("Code Section 409A") and to the maximum extent permitted the Agreement shall be limited, construed and interpreted in accordance with such intent. In no event whatsoever shall the Company or its affiliates or their respective officers, directors, employees or agents be liable for any additional tax, interest or penalties that may be imposed on Employee by Code Section 409A or damages for failing to comply with Code Section 409A. Notwithstanding any other provision of this Agreement to the contrary, to the extent that any reimbursement of expenses

constitutes “deferred compensation” under Code Section 409A, such reimbursement shall be provided no later than December 31 of the year following the year in which the expense was incurred. The amount of expenses reimbursed in one year shall not affect the amount eligible for reimbursement in any subsequent year. The amount of any in-kind benefits provided in one year shall not affect the amount of in-kind benefits provided in any other year. Notwithstanding any other provision of this Agreement to the contrary, if at the time of Employee’s separation from service (as defined in Code Section 409A), Employee is a “Specified Employee,” then the Company will defer the payment or commencement of any nonqualified deferred compensation subject to Code Section 409A payable upon separation from service (without any reduction in such payments or benefits ultimately paid or provided to Employee) until the date that is six (6) months following separation from service or, if earlier, the earliest other date as is permitted under Code Section 409A (and any amounts that otherwise would have been paid during this deferral period will be paid in a lump sum on the day after the expiration of the six (6) month period or such shorter period, if applicable).

16. **Entire Agreement.** This Agreement sets forth the entire agreement between the Parties and fully supersedes any prior agreements or understandings between the Parties, including, but not limited to, the Employment Agreement and that certain Change in Control Agreement by and between the Company and Employee, effective as of October 31, 2022 (the “Change in Control Agreement”). Employee acknowledges that Employee has not relied on any representations, promises, or agreements of any kind made to Employee in connection with Employee’s decision to accept this Agreement, except for those set forth in this Agreement.

17. **Counterparts and Signatures.** This Agreement may be signed in counterparts, each of which shall be deemed an original, but all of which, taken together shall constitute the same instrument. A signature made on a faxed or electronically mailed copy of the Agreement or a signature transmitted by facsimile or electronic mail will have the same effect as the original signature.

18. **Third Party Beneficiaries.** All Releasees are third party beneficiaries of this Agreement for purposes of the protections offered by this Agreement, and they shall be entitled to enforce the provisions of this Agreement applicable to any such Releasee as against Employee or any party acting on Employee’s behalf.

19. **Form 8-K and 10-K.** The Company and Employee have mutually agreed on the language to be issued with the Company’s Current Report on Form 8-K announcing Employee’s departure from the Company in 2025. The agreed-upon language in such Form 8-K is a material term of this Agreement. The Company will file this Agreement in connection with the Company’s Annual Report on Form 10-K for the year ending December 31, 2025.

20. **Director’s and Officer’s Insurance.** Beginning on the Separation Date, Employee shall receive coverage under the Company’s director’s and officer’s insurance in accordance with the terms, conditions, and limitations of such insurance policy in effect at the Company from time to time. Upon request, the Company will provide to Employee copies of its directors’ and officers’ liability policy, declarations, and endorsements.

[Signature Page to Follow]

EMPLOYEE AFFIRMS THAT HE HAS HAD A TWENTY-ONE (21) CALENDAR DAY PERIOD TO CONSIDER THIS TRANSITION, SEPARATION AGREEMENT AND GENERAL RELEASE AND AN OPPORTUNITY TO CONSULT WITH AN ATTORNEY BEFORE SIGNING THIS AGREEMENT, AS PROVIDED IN SECTION 5 ABOVE. EMPLOYEE VOLUNTARILY, FREELY AND KNOWINGLY, AND AFTER DUE CONSIDERATION, ENTERS INTO THIS AGREEMENT INTENDING TO WAIVE, SETTLE AND RELEASE ALL CLAIMS, INCLUDING WAIVER OF ADEA CLAIMS, EMPLOYEE HAS OR MIGHT HAVE AGAINST RELEASEES.

The Parties knowingly and voluntarily sign this Agreement as of the date(s) set forth below:

ROBERT J. STEFANI

By: /s/ Robert J. Stefani

Date: 10/31/2025

SOUTHWEST GAS CORPORATION

By: /s/ Catherine M. Mazzeo

Catherine M. Mazzeo

Chief Legal, Safety & Compliance Officer and Corporate Secretary

Date: 10/31/2025

SOUTHWEST GAS HOLDINGS, INC.

By: /s/ Catherine M. Mazzeo

Catherine M. Mazzeo

Chief Legal, Safety & Compliance Officer and Corporate Secretary

Date: 10/31/2025

Exhibit A

**CERTIFICATE OF REAFFIRMATION OF THE TRANSITION,
SEPARATION AND
GENERAL RELEASE AGREEMENT**

***TO BE SIGNED AND RETURNED TO THE COMPANY'S VICE PRESIDENT/HUMAN RESOURCES ON OR
AFTER THE LAST DAY OF THE TRANSITION PERIOD. NOT VALID IF SIGNED EARLIER.***

As required by and as material consideration for the Transition, Separation and General Release Agreement (“Agreement”), entered into by and between Southwest Gas Corporation and its parent, subsidiaries, affiliates, predecessors, and successors (collectively, the “Company”), and Robert J. Stefani, his heirs, executors, administrators, successors, and assigns (collectively, the “Employee”), Employee freely and voluntarily agrees to enter into and be bound by this Certificate of Reaffirmation of the Transition, Separation and General Release Agreement (the “Certificate”).

Employee hereby reaffirms all of Employee’s obligations and representations in the Agreement, including but not limited to the covenants and agreements set forth in Sections 7, 8, 9, and 10 and Employee’s release of claims in Section 4 of the Agreement up through the date Employee signs this Certificate below. Employee understands that Employee will not be eligible for the Termination Consideration set forth in Section 2 of the Agreement unless Employee signs and does not revoke this Certificate. Employee understands that Employee had until December 5, 2025 to consider this Certificate and has seven (7) days following Employee’s execution of the Certificate to revoke the Certificate; and that this Certificate shall not be effective until the revocation period has expired; provided that, if Employee revokes Employee’s signature to this Certificate, Employee understands that Employee will not be eligible for the Termination Consideration.

Employee understands that the Company, in providing Employee with the Termination Consideration set forth in Section 2 of the Agreement, is relying on this Certificate, and that Employee’s eligibility and receipt of any benefits under the Agreement is conditioned on Employee’s continued compliance with the Agreement. This Certificate shall become effective on eighth (8th) day after Employee signs this Certificate and does not revoke it (the “Certificate Effective Date”).

___, 2025

Robert J. Stefani Date of Execution

SOUTHWEST GAS HOLDINGS, INC.
LIST OF SUBSIDIARIES OF THE REGISTRANT
AT DECEMBER 31, 2025

SUBSIDIARY NAME	STATE OF INCORPORATION OR ORGANIZATION TYPE
Southwest Gas Holdings, Inc.	Delaware
Southwest Gas Utility Group, Inc.	California
Southwest Gas Corporation	California
Utility Financial Corp.	Nevada
The Southwest Companies	Nevada
Southwest Gas Transmission Company	Limited partnership between Southwest Gas Corporation and Utility Financial Corp.
Great Basin Gas Transmission Company	Nevada

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-275774) and Form S-8 (Nos. 333-215145-01, 333-155581-01, 333-215150-01, 333-185354-01, 333-222048, 333-279320) of Southwest Gas Holdings, Inc. of our report dated February 25, 2026 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
Las Vegas, Nevada
February 25, 2026

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-3 (No. 333-275774-01) of Southwest Gas Corporation of our report dated February 25, 2026 relating to the financial statements, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
Las Vegas, Nevada
February 25, 2026

Certification of Southwest Gas Holdings, Inc.

I, Karen S. Haller, certify that:

1. I have reviewed this annual report on Form 10-K of Southwest Gas Holdings, Inc.;
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 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 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: February 25, 2026

/s/ KAREN S. HALLER

Karen S. Haller
President and Chief Executive Officer
Southwest Gas Holdings, Inc.

Certification of Southwest Gas Holdings, Inc.

I, Justin S. Forsberg, certify that:

1. I have reviewed this annual report on Form 10-K of Southwest Gas Holdings, Inc.;
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 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 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: February 25, 2026

/s/ JUSTIN S. FORSBERG

Justin S. Forsberg
Senior Vice President/Chief Financial Officer
and Treasurer
Southwest Gas Holdings, Inc.

Certification of Southwest Gas Corporation

I, Karen S. Haller, certify that:

1. I have reviewed this annual report on Form 10-K of Southwest Gas Corporation;
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 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 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: February 25, 2026

/s/ KAREN S. HALLER

Karen S. Haller
Chief Executive Officer
Southwest Gas Corporation

Certification of Southwest Gas Corporation

I, Justin S. Forsberg, certify that:

1. I have reviewed this annual report on Form 10-K of Southwest Gas Corporation;
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 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 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: February 25, 2026

/s/ JUSTIN S. FORSBERG

Justin S. Forsberg
Senior Vice President/Chief Financial Officer
and Treasurer
Southwest Gas Corporation

SOUTHWEST GAS HOLDINGS, INC.

CERTIFICATION

In connection with the periodic report of Southwest Gas Holdings, Inc. (the "Company") on Form 10-K for the period ended December 31, 2025 as filed with the Securities and Exchange Commission (the "Report"), I, Karen S. Haller, the President and Chief Executive Officer of the Company, hereby certify as of the date hereof, solely for purposes of Title 18, Chapter 63, Section 1350 of the United States Code, that to the best of my knowledge:

- (1) the Report fully complies with the requirements of section 13(a) or 15(d), as applicable, 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 at the dates and for the periods indicated.

This Certification has not been, and shall not be deemed, "filed" with the Securities and Exchange Commission.

Dated: February 25, 2026

/s/ KAREN S. HALLER

Karen S. Haller
President and Chief Executive Officer
Southwest Gas Holdings, Inc.

SOUTHWEST GAS HOLDINGS, INC.

CERTIFICATION

In connection with the periodic report of Southwest Gas Holdings, Inc. (the "Company") on Form 10-K for the period ended December 31, 2025 as filed with the Securities and Exchange Commission (the "Report"), I, Justin S. Forsberg, Senior Vice President/Chief Financial Officer and Treasurer of the Company, hereby certify as of the date hereof, solely for purposes of Title 18, Chapter 63, Section 1350 of the United States Code, that to the best of my knowledge:

- (1) the Report fully complies with the requirements of section 13(a) or 15(d), as applicable, 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 at the dates and for the periods indicated.

This Certification has not been, and shall not be deemed, "filed" with the Securities and Exchange Commission.

Dated: February 25, 2026

/s/ JUSTIN S. FORSBERG

Justin S. Forsberg
Senior Vice President/Chief Financial Officer and
Treasurer
Southwest Gas Holdings, Inc.

SOUTHWEST GAS CORPORATION

CERTIFICATION

In connection with the periodic report of Southwest Gas Corporation on Form 10-K for the period ended December 31, 2025 as filed with the Securities and Exchange Commission (the "Report"), I, Karen S. Haller, the Chief Executive Officer of Southwest Gas Corporation, hereby certify as of the date hereof, solely for purposes of Title 18, Chapter 63, Section 1350 of the United States Code, that to the best of my knowledge:

- (1) the Report fully complies with the requirements of section 13(a) or 15(d), as applicable, 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 Southwest Gas Corporation at the dates and for the periods indicated.

This Certification has not been, and shall not be deemed, "filed" with the Securities and Exchange Commission.

Dated: February 25, 2026

/s/ KAREN S. HALLER

Karen S. Haller
Chief Executive Officer
Southwest Gas Corporation

SOUTHWEST GAS CORPORATION

CERTIFICATION

In connection with the periodic report of Southwest Gas Corporation on Form 10-K for the period ended December 31, 2025 as filed with the Securities and Exchange Commission (the "Report"), I, Justin S. Forsberg, Senior Vice President/Chief Financial Officer and Treasurer of Southwest Gas Corporation, hereby certify as of the date hereof, solely for purposes of Title 18, Chapter 63, Section 1350 of the United States Code, that to the best of my knowledge:

- (1) the Report fully complies with the requirements of section 13(a) or 15(d), as applicable, 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 Southwest Gas Corporation at the dates and for the periods indicated.

This Certification has not been, and shall not be deemed, "filed" with the Securities and Exchange Commission.

Dated: February 25, 2026

/s/ JUSTIN S. FORSBERG

Justin S. Forsberg
Senior Vice President/Chief Financial Officer and
Treasurer
Southwest Gas Corporation