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

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2024

OR

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

For the transition period from ___ to ___

Commission file number 001-42022

Centuri Holdings, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

19820 North 7th Avenue, Suite 120, Phoenix, Arizona

(Address of Principal Executive Offices)

93-1817741

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

85027

(Zip Code)

(623) 582-1235

Registrant's telephone number, including area code

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, \$0.01 par value	CTRI	New York Stock Exchange

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

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

Large accelerated filer	<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 is a shell company (as defined in Rule 12b-2 of the Act).

Yes No

As of April 30, 2024, the number of outstanding shares of Common Stock of the Registrant was 88,517,521.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements included in this Quarterly Report on Form 10-Q are “forward-looking statements” within the meaning of the U.S. federal securities laws. All statements other than historical factual information are forward-looking statements, including, without limitation, statements regarding our possible or assumed future results of operations, business strategies, financing plans, competitive position, industry environment, potential growth opportunities, the effects of regulation and the economy, generally. Terminology such as “believe,” “anticipate,” “will,” “should,” “could,” “intend,” “plan,” “expect,” “estimate,” “project,” “target,” “may,” “possible,” “potential,” “forecast,” “positioned” and similar references to future periods are intended to identify forward-looking statements, although not all forward-looking statements are accompanied by such words. Specific forward-looking statements in this Quarterly Report on Form 10-Q include statements regarding our belief that our cash and cash equivalents are managed by high credit quality financial institutions; our estimation of offering expenses, which impact the net proceeds from our IPO; our belief that our capital resources, including existing cash balances, together with our operating cash flows and borrowings under our credit facilities, are sufficient to meet our financial obligations for at least the next 12 months; our belief that these trends (specific trends listed in “Factors Affecting our Results of Operations”) represent a significant challenge for utilities, but also an opportunity for outsourced utility infrastructure services companies to build and maintain more efficient, sustainable infrastructure that can meet the energy needs of future generations; our belief that we have taken steps to secure delivery of a sufficient amount of equipment and do not anticipate any significant disruptions with respect to our fleet in the near-term; our belief that we are well positioned to serve the increased demand resulting from system integrity management programs to enhance safety pursuant to federal and state mandates; our belief that we are well positioned to support growing customer attention in achieving environmental objectives through infrastructure construction and maintenance; our belief that we are particularly well positioned to capture incremental demand in the offshore wind space given the rapid and continuing expansion of projects in our core geographies, as North America looks to renewable energy sources that can sustain all-time high grid demands; our belief that presentation of non-GAAP measures provides investors with greater transparency with respect to our results of operations and that these measures are useful for period-to-period comparisons of results; our belief that providing non-GAAP measures helps investors evaluate our operating performance, profitability and business trends in a way that is consistent with how management evaluates such matters; our expectation that the Separation-related costs will continue through at least fiscal year 2025; our expectation that we will continue to incur capital expenditures to meet anticipated needs for our services; our belief that the responsibility under a guarantee could exceed the amount recoverable from the subsidiary alone and could materially and adversely affect our consolidated financial condition, results of operations and cash flows; our belief that rising fuel, labor and material costs could continue to have, a negative effect on our results of operations; our belief that fluctuations in the price or availability of materials and equipment that we or our customers utilize could impact (positively or negatively, as applicable) costs to complete projects or result in the postponement of projects; our belief that rising interest rates on our variable-rate debt could have a negative effect on our business, financial condition and results of operation; our belief that projects included in backlog can be subject to delays or cancellation as a result of regulatory requirements, adverse weather conditions, customer requirements and other factors that could cause actual revenue to differ significantly from the estimates, or cause revenue to be realized in periods other than originally expected. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Actual results may differ materially as a result of a number of factors, including, among other things, customer project scheduling and duration, weather, and general economic conditions; results of bid work, differences between actual and originally expected outcomes of bid or other fixed-price construction agreements, outcomes from contract and change order negotiations, our ability to successfully procure new work and impacts from work awarded or failing to be awarded work from significant customers, the mix of work awarded, the amount of work awarded to us following work stoppages or reduction; the results of productivity inefficiencies from regulatory requirements, customer supply chain challenges, or otherwise, delays in commissioning individual projects, the ability of management to successfully finance, close on and assimilate any acquired businesses, changes in our mix of customers, projects, contracts and business; regional or national and/or general economic conditions and demand for our services; price, volatility, and expectations of future prices of natural gas and electricity; increases in the costs to perform services caused by changing conditions; the termination, or expiration of existing agreements or contracts; decisions of our customers as to whether to pursue capital projects due to economic impacts resulting from a pandemic or otherwise; the budgetary spending patterns of customers; inflation and other increases in construction costs that we may be unable to pass through to our customers; cost or schedule overruns on fixed-price contracts; availability of qualified labor for specific projects; the need and availability of letters of credit, payment and performance bonds, or other security; costs we incur to support growth, whether organic or through acquisitions; the timing and volume of work under contract; losses experienced in our operations; the results of the review of prior period accounting on certain projects and the impact of adjustments to accounting estimates; developments in governmental investigations and/or inquiries; intense competition in the industries in which we operate; failure to obtain favorable results in existing or future litigation or

regulatory proceedings, dispute resolution proceedings or claims, including claims for additional costs; failure of our partners, suppliers or subcontractors to perform their obligations; cyber-security breaches; failure to maintain safe worksites; risks or uncertainties associated with events outside of our control, including severe weather conditions, public health crises and pandemics (such as COVID-19), political crises or other catastrophic events, such as the ongoing war in Ukraine; the Israel-Hamas War; the Israel-Iran War; adverse developments affecting specific financial institutions or the broader financial services industry, including liquidity shortages or bank failures; client delays or defaults in making payments; the cost and availability of credit and restrictions imposed by our debt agreements; the impact of credit rating actions and conditions in the capital markets on financing costs; changes in construction expenditures and financing; levels of or changes in operations and maintenance expenses; our ability to continue to remain within the ratios and other limits in our debt covenants, failure to implement strategic and operational initiatives; risks or uncertainties associated with acquisitions, dispositions and investments; possible information technology interruptions or inability to protect intellectual property; our failure, or the failure of our agents or partners, to comply with laws; our ability to secure appropriate insurance, licenses or permits; new or changing legal requirements, including those relating to environmental, health, licensing and safety matters; the loss of one or more clients that account for a significant portion of our revenue; and asset impairments. Forward-looking statements are based on assumptions and assessments made by our management in light of their experience and perceptions of historical trends, current conditions, expected future developments and other factors they believe to be appropriate. These forward-looking statements are subject to a number of risks and uncertainties, including, but not limited to, the risks and uncertainties detailed from time to time in our reports filed with the Securities and Exchange Commission (the "SEC"), including our IPO Prospectus.

Part I - Financial Information**Item 1. Financial Statements**

Centuri Group, Inc.
Condensed Consolidated Balance Sheets
(In thousands, except share information)
(Unaudited)

	March 31, 2024	December 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 18,405	\$ 33,407
Accounts receivable, net	279,406	335,196
Accounts receivable, related party, net	8,409	12,258
Contract assets	254,369	266,600
Contract assets, related party	3,461	3,208
Prepaid expenses and other current assets	48,951	32,258
Total current assets	613,001	682,927
Property and equipment, net	537,682	545,442
Intangible assets, net	361,911	369,048
Goodwill, net	373,646	375,892
Right-of-use assets under finance leases	41,089	43,525
Right-of-use assets under operating leases	117,827	118,448
Other assets	74,150	54,626
Total assets	\$ 2,119,306	\$ 2,189,908
LIABILITIES, TEMPORARY EQUITY AND EQUITY		
Current liabilities:		
Current portion of long-term debt	\$ 42,770	\$ 42,552
Current portion of finance lease liabilities	11,092	11,370
Current portion of operating lease liabilities	19,940	19,363
Accounts payable	114,613	116,583
Accrued expenses and other current liabilities	238,134	187,050
Contract liabilities	13,648	43,694
Total current liabilities	440,197	420,612
Long-term debt, net of current portion	1,021,318	1,031,174
Line of credit	125,229	77,121
Finance lease liabilities, net of current portion	21,670	24,334
Operating lease liabilities, net of current portion	104,110	105,215
Deferred income taxes	134,939	135,123
Other long-term liabilities	69,564	71,076
Total liabilities	1,917,027	1,864,655
Commitments and contingencies (Note 14)		
Temporary equity:		
Redeemable noncontrolling interests	4,511	99,262
Equity:		
Common stock, \$0.01 par value, 1,000 shares authorized, and 103.52 shares issued and outstanding	—	—
Additional paid-in capital	373,351	374,124
Accumulated other comprehensive loss	(6,568)	(4,025)
Accumulated deficit	(169,015)	(144,108)
Total equity	197,768	225,991
Total liabilities, temporary equity and equity	\$ 2,119,306	\$ 2,189,908

The accompanying notes are an integral part of these condensed consolidated financial statements.

Centuri Group, Inc.
Condensed Consolidated Statements of Operations
(In thousands, except per-share information)
(Unaudited)

	Fiscal Three Months Ended	
	March 31, 2024	April 2, 2023
Revenue, net	\$ 504,745	\$ 624,489
Revenue, related party	23,278	28,804
Total revenue	<u>528,023</u>	<u>653,293</u>
Cost of revenue (including depreciation)	492,853	584,115
Cost of revenue, related party (including depreciation)	21,891	27,229
Total cost of revenue	<u>514,744</u>	<u>611,344</u>
Gross profit	13,279	41,949
Selling, general and administrative expenses	28,550	23,539
Amortization of intangible assets	6,668	6,667
Operating (loss) income	(21,939)	11,743
Interest expense, net	24,099	22,376
Other (income) expense, net	(32)	680
Loss before income tax benefit	<u>(46,006)</u>	<u>(11,313)</u>
Income tax benefit	(20,773)	(4,208)
Net loss	<u>(25,233)</u>	<u>(7,105)</u>
Net (loss) income attributable to noncontrolling interests	(175)	1,739
Net loss attributable to common stock	<u>\$ (25,058)</u>	<u>\$ (8,844)</u>
Loss per share attributable to common stock:		
Basic	<u>\$ (242,060)</u>	<u>\$ (85,433)</u>
Diluted	<u>\$ (242,060)</u>	<u>\$ (85,433)</u>
Shares used in computing earnings per share:		
Weighted average basic shares outstanding	<u>0.1</u>	<u>0.1</u>
Weighted average diluted shares outstanding	<u>0.1</u>	<u>0.1</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

Centuri Group, Inc.
Condensed Consolidated Statements of Comprehensive Income (Loss)
(In thousands)
(Unaudited)

	Fiscal Three Months Ended	
	March 31, 2024	April 2, 2023
Net loss	\$ (25,233)	\$ (7,105)
Other comprehensive (loss) income, net of tax:		
Foreign currency translation adjustment	(2,543)	87
Other comprehensive (loss) income, net of tax	(2,543)	87
Comprehensive loss	(27,776)	(7,018)
Comprehensive (loss) income attributable to noncontrolling interests	(175)	1,739
Total comprehensive loss attributable to common stock	\$ (27,601)	\$ (8,757)

The accompanying notes are an integral part of these condensed consolidated financial statements.

Centuri Group, Inc.
Condensed Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	Fiscal Three Months Ended	
	March 31, 2024	April 2, 2023
Cash flows from operating activities:		
Net loss	\$ (25,233)	\$ (7,105)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	27,651	31,203
Amortization of intangible assets	6,668	6,667
Amortization of debt issuance costs	1,318	1,260
Non-cash stock-based compensation expense	(588)	144
Gain on sale of equipment	(944)	(661)
Amortization of right-of-use assets	5,100	3,712
Deferred income taxes	(1,600)	(5,267)
Changes in assets and liabilities, net of non-cash transactions	(34,585)	21,925
Net cash (used in) provided by operating activities	<u>(22,213)</u>	<u>51,878</u>
Cash flows from investing activities:		
Capital expenditures	(30,499)	(23,237)
Proceeds from sale of property and equipment	1,624	2,666
Net cash used in investing activities	<u>(28,875)</u>	<u>(20,571)</u>
Cash flows from financing activities:		
Proceeds from line of credit borrowings	55,896	8,137
Payment of line of credit borrowings	(5,931)	(71,017)
Principal payments on long-term debt	(10,557)	(13,207)
Principal payments on finance lease liabilities	(2,914)	(3,056)
Redemption of redeemable noncontrolling interest	(37)	—
Other	(173)	(213)
Net cash provided by (used in) financing activities	<u>36,284</u>	<u>(79,356)</u>
Effects of foreign exchange translation	(198)	104
Net decrease in cash and cash equivalents	(15,002)	(47,945)
Cash and cash equivalents, beginning of period	33,407	63,966
Cash and cash equivalents, end of period	<u>\$ 18,405</u>	<u>\$ 16,021</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

Centuri Group, Inc.
Condensed Consolidated Statements of Changes in Equity
(In thousands, except per-share information)
(Unaudited)

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Earnings (Accumulated Deficit)	Total Equity
	Shares	Amount				
Balances as of January 1, 2023	103.52	\$ —	\$ 370,134	\$ (6,494)	\$ 23,113	\$ 386,753
Net loss	—	—	—	—	(8,844)	(8,844)
Stock-based compensation activity	—	—	(25)	—	(45)	(70)
Foreign currency translation adjustment	—	—	—	87	—	87
Capital contribution from related party	—	—	670	—	—	670
Noncontrolling interest revaluation	—	—	—	—	(5,832)	(5,832)
Balances as of April 2, 2023	103.52	\$ —	\$ 370,779	\$ (6,407)	\$ 8,392	\$ 372,764
Balances as of December 31, 2023	103.52	\$ —	\$ 374,124	\$ (4,025)	\$ (144,108)	\$ 225,991
Net loss	—	—	—	—	(25,058)	(25,058)
Stock-based compensation activity	—	—	(912)	—	151	(761)
Foreign currency translation adjustment	—	—	—	(2,543)	—	(2,543)
Purchase of noncontrolling interest	—	—	4,187	—	—	4,187
Distribution to related party	—	—	(1,599)	—	—	(1,599)
Noncontrolling interest revaluation	—	—	(2,449)	—	—	(2,449)
Balances as of March 31, 2024	103.52	\$ —	\$ 373,351	\$ (6,568)	\$ (169,015)	\$ 197,768

The accompanying notes are an integral part of these condensed consolidated financial statements.

1. Description of Business

Centuri Group, Inc. (together with its consolidated subsidiaries, the “Company” or “Centuri”) is a pure-play North American utility infrastructure services company that partners with regulated utilities to maintain, upgrade and expand the energy network that powers millions of homes and businesses. The Company’s service offerings primarily consist of the modernization of utility infrastructure through the maintenance, retrofitting and installation of electric and natural gas distribution networks, building capacity to meet current and future demands and preparing systems for energy transition. The Company operates through a family of integrated companies working together across different geographies leading us to establish solid relationships and a strong reputation for a wide range of capabilities.

Centuri was formed as a wholly owned subsidiary of Southwest Gas Holdings, Inc. (“Southwest Gas Holdings”), which is a publicly traded entity on the New York Stock Exchange.

Centuri Holdings, Inc. (“Holdings”) was incorporated in Delaware in June 2023 as a wholly owned subsidiary of Southwest Gas Holdings. Holdings was formed for the purpose of completing an initial public offering, facilitating the separation of Centuri from Southwest Gas Holdings and other related transactions (as described in “Note 15 – Subsequent Events”) in order to carry on the business of Centuri, the predecessor of Holdings for financial reporting purposes. As of March 31, 2024, and December 31, 2023, Southwest Gas Holdings owned 1,000 shares of Holdings common stock, representing 100% of the issued and outstanding shares of common stock of Holdings. On April 13, 2024, Holdings issued 71,664,592 shares of common stock to Southwest Gas Holdings as consideration for the transfer of assets and assumption of liabilities of Centuri (the “Separation”). Following the completion of the Separation, Centuri became a wholly owned subsidiary of Holdings, and all of Holdings’ operations are conducted through Centuri. On April 17, 2024, the registration statement related to the initial public offering of Holdings’ common stock was declared effective, and Holdings’ common stock began trading on the New York Stock Exchange under the ticker “CTRI” (the “Centuri IPO”) on April 18, 2024.

On April 22, 2024, the Centuri IPO was completed through the sale of 14,260,000 shares of Holdings common stock, par value \$0.01 per share, including the underwriters’ full exercise of their option to purchase 1,860,000 shares to cover over-allotments, at an initial public offering price of \$21.00 per share. On the same day, Icahn Partners and Icahn Partners Master Fund LP, investment entities affiliated with Carl C. Icahn, purchased 2,591,929 shares of Holdings’ common stock in a concurrent private placement at a price per share equal to the IPO price, for gross proceeds of approximately \$54.4 million. The total net proceeds to Holdings from the Centuri IPO and the concurrent private placement, after deducting underwriting discounts and commissions of \$18.0 million and estimated offering expenses payable by Holdings, were \$329.3 million. As of the closing of the Centuri IPO, Southwest Gas Holdings owned 71,665,592 shares of Holdings common stock, or approximately 81.0% of the total outstanding shares of Holdings.

2. Basis of Presentation and Summary of Significant Accounting Policies

Interim Condensed Consolidated Financial Information

The unaudited condensed consolidated financial statements presented herein are the financial statements of Centuri, the predecessor of Holdings for financial reporting purposes. Holdings had no substantive operations as of March 31, 2024 or December 31, 2023. The unaudited condensed consolidated financial statements and footnotes were prepared in accordance with generally accepted accounting principles in the United States (“GAAP”) for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X of the U.S. Securities and Exchange Commission (“SEC”). Accordingly, they do not include all of the information and footnotes required by GAAP for complete annual financial statements. Certain information and footnote disclosures, normally included in annual financial statements prepared in accordance with GAAP, have been condensed or omitted pursuant to those rules and regulations. These unaudited condensed consolidated financial statements should be read in conjunction with the Company’s audited consolidated financial statements and the notes thereto for the fiscal year ended December 31, 2023, as included in Holdings’ final IPO prospectus (the “IPO Prospectus”) filed on April 18, 2024 with the SEC pursuant to rule 424(b)(4) under the Securities Act of 1933, as amended relating to Holdings’ Registration Statement on Form S-1. In the opinion of management, all adjustments, consisting only of normal recurring adjustments, necessary to fairly state the financial position, results of operations, comprehensive income and cash flows with respect to the interim condensed consolidated financial statements have been included. The results of operations and comprehensive income for the interim periods are not necessarily indicative of the results for the entire fiscal year. The results of the Company have historically been subject to significant seasonal fluctuations.

As of and prior to December 31, 2023, the Company reported its results under two reportable segments. In January 2024, the Company appointed a new Chief Executive Officer who acts as the Company's chief operating decision maker ("CODM"). Following the appointment of the Company's new Chief Executive Officer, the Company underwent an internal personnel reorganization, causing the Company to re-evaluate its reportable segments based on the information reviewed by the new CODM. See "Note 4 — Segment Information" for additional details.

The Company uses a 52/53-week fiscal year that ends on the Sunday closest to the end of the calendar year. Unless otherwise stated, references to months in the Company's condensed consolidated financial statements relate to fiscal months rather than calendar months. The fiscal three month periods ended March 31, 2024 and April 2, 2023 each had 13 weeks.

Recent Accounting Pronouncements

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures." The update improves reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. This update is effective beginning with the Company's 2024 fiscal year annual reporting period, with early adoption permitted. The Company is currently evaluating the impact that the adoption of this update will have on its disclosures.

In December 2023, the FASB issued ASU 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures." The update enhances income tax disclosure requirements. This update is effective beginning with the Company's 2025 fiscal year annual reporting period, with early adoption permitted. The Company is currently evaluating the impact that the adoption of this update will have on its disclosures.

In March 2024, the SEC issued the final rules under SEC Release No. 33-11275, "The Enhancement and Standardization of Climate-Related Disclosures for Investors." In April 2024, the SEC voluntarily stayed the new rules as a result of pending legal challenges. Absent the stay and the result of pending legal challenges, these rules will require registrants to disclose certain climate-related information, including Scope 1 and Scope 2 greenhouse gas emissions and other climate-related topics, in registration statements and annual reports, when material. Disclosure requirements, absent the results of pending legal challenges, will begin phasing in with the annual reporting for the fiscal year ending 2027 based on Holdings' current status as a non-accelerated filer. The Company is currently evaluating the impact the rules will have on its disclosures.

3. Revenue and Related Balance Sheet Accounts

The following table presents the Company's revenue from contracts with customers disaggregated by contract type (in thousands):

Contract Type:	Fiscal Three Months Ended	
	March 31, 2024	April 2, 2023
Master services agreements	\$ 443,242	\$ 547,606
Bid contracts	84,781	105,687
Total revenue	<u>\$ 528,023</u>	<u>\$ 653,293</u>
Unit-price contracts	\$ 307,849	\$ 328,527
Time and materials contracts	109,892	157,851
Fixed-price contracts	110,282	166,915
Total revenue	<u>\$ 528,023</u>	<u>\$ 653,293</u>

Contract assets and liabilities consisted of the following (in thousands):

	March 31, 2024	December 31, 2023
Current contract assets	\$ 257,830	\$ 269,808
Non-current contract assets	16,484	214
Contract assets, total	274,314	270,022
Contract liabilities	(13,648)	(43,694)
Net contract assets	\$ 260,666	\$ 226,328

Contract assets primarily consist of revenue earned on contracts in progress in excess of billings, which relates to the Company's rights to consideration for work completed but not billed and/or approved at the reporting date as well as contract retention balances. Contract assets that are expected to be recognized more than one year from the financial statement date are included in other assets on the condensed consolidated balance sheets. Revenue earned on contracts in progress in excess of billings are transferred to accounts receivable when the rights become unconditional.

Total contract assets increased \$4.3 million during the fiscal three months ended March 31, 2024 due primarily to timing of billings. Contract assets are recoverable from the Company's customers based upon various measures of performance, including achievement of certain milestones, completion of specified units or completion of a contract. In addition, many of the Company's time and materials ("T&M") contract arrangements are billed in arrears pursuant to contract terms that are standard within the industry, resulting in revenue earned on contracts in progress in excess of billings and/or unbilled receivables being recorded as revenue is recognized in advance of billings. The lag in billing due to the aforementioned contractual provisions may create circumstances in which material changes to a customer's business, cash flows or financial condition, which may be impacted by negative economic or market conditions, could affect the Company's ability to bill and subsequently collect amounts due. These changes may result in the need to record an estimate of the amount of loss from uncollectible receivables.

Contract liabilities primarily consist of amounts billed in excess of revenue earned related to the advance consideration received from customers for which work has not yet been completed. The change in the contract liability balance of \$30.0 million from December 31, 2023 to March 31, 2024 was due primarily to revenue recognized that was included in the balance as of December 31, 2023, after which time it became earned and the balance was ultimately realized.

The Company considers retention and unbilled amounts to customers to be conditional contract assets, as payment is contingent on the occurrence of a future event. Accounts receivable, net, includes only amounts that are unconditional in nature, which means only the passage of time remains and the Company has invoiced the customer. Similarly, contract liabilities include amounts billed in excess of revenue earned on contracts in progress related to fixed-price, unit-price and T&M contracts. In the event contract assets or contract liabilities are expected to be recognized more than one year from the financial statement date, the Company classifies those amounts as long-term contract assets or contract liabilities, included in other assets or other long-term liabilities, respectively, on the condensed consolidated balance sheets.

For contracts with an original duration of one year or less, the Company uses the practical expedient applicable to such contracts and does not consider the time value of money. Further, because of the short duration of these contracts, the Company has not disclosed the transaction price for the remaining performance obligations as of the end of each reporting period or the related timing of revenue recognition.

As of March 31, 2024, the Company had 53 fixed-price contracts with an original duration of more than one year. The aggregate amount of the transaction price allocated to the unsatisfied performance obligations of these contracts as of March 31, 2024 was \$276.8 million. The Company expects to recognize the remaining performance obligations of these contracts over approximately the next two years; however, the timing of that recognition is largely within the control of the customer, including when the necessary equipment and materials required to complete the work will be provided by the customer.

Accounts receivable, net consisted of the following (in thousands):

	March 31, 2024	December 31, 2023
Billed on completed contracts and contracts in progress	\$ 285,896	\$ 348,021
Other receivables	1,989	1,945
Accounts receivable, gross	287,885	349,966
Allowance for doubtful accounts	(70)	(2,512)
Accounts receivable, net	<u>\$ 287,815</u>	<u>\$ 347,454</u>

4. Segment Information

As of and prior to December 31, 2023, the Company reported its results under the following two reportable segments: Gas Utility Services and Electric Utility Services. In January 2024, the Company appointed a new Chief Executive Officer who acts as the Company's CODM. Following the appointment of the Company's new Chief Executive Officer, the Company underwent an internal personnel reorganization, causing the Company to re-evaluate its reportable segments based on the information reviewed by the new CODM. The Company determined that it was appropriate to realign its reporting structure from the following two reportable segments: (i) Gas Utility Services; and (ii) Electric Utility Services, to the following four reportable segments: (i) U.S. Gas Utility Services ("U.S. Gas"); (ii) Canadian Gas Utility Services ("Canadian Gas"); (iii) Union Electric Utility Services ("Union Electric"); and (iv) Non-Union Electric Utility Services ("Non-Union Electric"). The U.S. Gas and Canadian Gas businesses have historically been part of the Gas Utility Services segment, and the Union Electric and Non-Union Electric businesses have historically been part of the Electric Utility Services segment. All prior year segment financial information has been recast to reflect the new segment structure.

U.S. Gas

U.S. Gas provides comprehensive services, including maintenance, repair and installation for local natural gas distribution utilities ("LDCs") throughout the United States focused on the modernization of customers' infrastructure. The work performed within this segment includes solutions for all stages of utility work and is performed primarily within the distribution, urban transmission and end-user infrastructure rather than large-scale, project-based, cross-country transmission. The Company is able to cater to the needs of its gas utility services customers by serving union and non-union markets.

Canadian Gas

Canadian Gas provides comprehensive services, including maintenance, repair and installation for LDCs focused on the modernization of customers' infrastructure. The work performed within this segment includes solutions for all stages of utility work and is performed primarily within the distribution, urban transmission and end-user infrastructure rather than large-scale, project-based, cross-country transmission. Canadian Gas serves union markets.

Union Electric

Union Electric provides a comprehensive set of electric utility services encompassing maintenance, repair, upgrade and expansion services for urban transmission and local distribution infrastructure within union markets. The work is focused primarily on recurring local distribution and urban transmission services under master service agreements ("MSAs") as opposed to large-scale, project-based, cross-country transmission, and services are primarily focused on infrastructure between the substation and end-user meter.

Non-Union Electric

Non-Union Electric provides a comprehensive set of electric utility services encompassing maintenance, repair, upgrade and expansion services for urban transmission and local distribution infrastructure within non-union markets. The work is focused almost exclusively on recurring local distribution and urban transmission services under MSAs as opposed to large-scale, project-based, cross-country transmission, and services are primarily focused on infrastructure between the substation and end-user meter.

Other

Other primarily consists of corporate and non-allocated costs, including corporate facility costs, non-allocated corporate salaries, benefits and incentive compensation. Other also includes certain industrial service activities that do not meet the criteria of a reportable segment.

Revenue and gross profit by segment was as follows (in thousands):

	Fiscal Three Months Ended	
	March 31, 2024	April 2, 2023
Revenue:		
U.S. Gas	\$ 226,578	\$ 259,337
Canadian Gas	34,648	39,303
Union Electric	163,851	205,669
Non-Union Electric	96,615	136,606
Other	6,331	12,378
Consolidated revenue, net	<u>\$ 528,023</u>	<u>\$ 653,293</u>
Gross profit:		
U.S. Gas	\$ (3,976)	\$ 3,366
Canadian Gas	5,545	4,476
Union Electric	11,369	15,209
Non-Union Electric	2,800	18,487
Other	(2,459)	411
Consolidated gross profit	<u>\$ 13,279</u>	<u>\$ 41,949</u>

Depreciation expense, included in cost of revenue, by segment was as follows (in thousands):

	Fiscal Three Months Ended	
	March 31, 2024	April 2, 2023
U.S. Gas	\$ 11,586	\$ 11,678
Canadian Gas	1,506	1,409
Union Electric	6,715	9,449
Non-Union Electric	6,604	7,425
Other	87	75
Consolidated depreciation expense ⁽¹⁾	<u>\$ 26,498</u>	<u>\$ 30,036</u>

(1) Depreciation expense within selling, general and administrative expense for each of the fiscal quarters ended March 31, 2024 and April 2, 2023 was \$1.2 million and was excluded from the table above as it is not produced or utilized by management to evaluate segment performance.

Separate measures of the Company's assets and cash flows, with the exception of capital expenditures, are not produced or utilized by management to evaluate segment performance.

Capital expenditures by segment were as follows (in thousands):

	Fiscal Three Months Ended	
	March 31, 2024	April 2, 2023
U.S. Gas	\$ 14,278	\$ 14,906
Canadian Gas	2,990	1,835
Union Electric	4,193	4,538
Non-Union Electric	4,697	530
Other	4,341	1,428
Consolidated capital expenditures	<u>\$ 30,499</u>	<u>\$ 23,237</u>

Foreign Operations

During the fiscal three months ended March 31, 2024 and April 2, 2023, the Company recorded revenue of \$41.0 million and \$51.7 million, respectively, in Canada, which comprised 8% of total revenue in each of the two periods.

5. Noncontrolling Interests

In connection with the acquisition of Linetec Services, LLC (“Linetec”) in November 2018, the previous owner initially retained a 20% equity interest in that entity, the reduction of which was subject to certain rights based on the passage of time or upon the occurrence of certain triggering events. Effective January 2022, the Company had the right, but not the obligation, to purchase at fair value (subject to a floor) a portion of the interest held by the previous owner and in incremental amounts each year thereafter. In March 2022, the parties agreed to a partial redemption based on these provisions, reducing the noncontrolling interest to 15%, and in March 2023, agreed to a partial 5% redemption (of the then 15% remaining), reducing the noncontrolling interest to 10%. In March 2024, the parties entered into an agreement to redeem the remaining 10% equity interest for \$92.0 million, which resulted in the Company owning all of the equity interest in Linetec as of March 31, 2024. The Company paid the \$92.0 million in April, in accordance with the agreement. The impact of this transaction has been excluded from the Company’s condensed consolidated statement of cash flows for the first quarter of 2024 due to its non-cash nature during the period.

Furthermore, certain members of Riggs Distler & Company, Inc. (“Riggs Distler”) management have a noncontrolling interest in the parent company of Riggs Distler, Drum Parent LLC (formerly Drum Parent, Inc.) (“Drum”) which was 1.41% as of December 31, 2023. This noncontrolling interest is redeemable, subject to certain rights based on the passage of time or upon the occurrence of certain triggering events. A portion of the redeemable noncontrolling interest was funded through promissory notes made to noncontrolling interest holders bearing interest at the prime rate plus 2%.

During the first quarter of 2024, the Company forgave all outstanding promissory notes and unpaid interest owed from the Riggs Distler noncontrolling interest holders and in exchange obtained the 0.47% portion of equity interest in Drum that had been funded through these notes. Additionally, during the first quarter of 2024, the Company reached agreement to purchase a 0.13% noncontrolling interest in Drum for \$0.8 million, the majority of which was accrued in March 2024 and ultimately paid in April 2024. The impact of these accrued purchases has been excluded from the Company’s condensed consolidated statement of cash flows for the first quarter of 2024 due to their non-cash nature during the period. The remaining noncontrolling interest in Drum outstanding as of March 31, 2024 was 0.81%.

Significant changes in the value of the redeemable noncontrolling interests, above a floor determined at the establishment date, are recognized as they occur, and the carrying value is adjusted as necessary at each reporting date. The fair value is estimated using a market approach that utilizes certain financial metrics from guideline public companies of similar industry and operating characteristics. Based on the fair value model employed, the estimated redemption value of the Linetec redeemable noncontrolling interest increased by \$0.2 million during the first fiscal quarter of 2024 to the value at which it was redeemed. The estimated redemption value of the Riggs Distler redeemable noncontrolling interest increased by \$2.3 million during the first fiscal quarter of 2024.

Adjustments to the redemption values have historically impacted retained earnings, as reflected on the condensed consolidated statements of changes in equity. As the Company was in an accumulated deficit position prior to any redemption value adjustment for the first fiscal quarter of 2024, the redemption value adjustments in the quarter decreased the Company’s additional paid in capital.

The following table depicts changes to the balance of the redeemable noncontrolling interests (in thousands):

	Linetec Services, LLC	Drum Parent LLC	Redeemable Noncontrolling Interests
Balance as of December 31, 2023	\$ 91,979	\$ 7,283	\$ 99,262
Net (loss) income attributable to redeemable noncontrolling interests	(193)	18	(175)
Redemption value adjustment	193	2,256	2,449
Redeemable noncontrolling interests redeemed	(91,979)	(5,046)	(97,025)
Balance as of March 31, 2024	\$ -	\$ 4,511	\$ 4,511

6. Goodwill and Intangible Assets

During fiscal 2024, the Company changed its reporting units to align with changes in its organization structure, and as a result, the Company’s reporting units are the same as its reportable segments. Prior to and after the reporting unit

restructure, the Company qualitatively assessed its reporting units for potential goodwill impairment, and with the exception of Riggs Distler (which was impaired in the fourth fiscal quarter of 2023), the results of the qualitative assessments did not indicate that it was more likely than not that the fair value of each reporting unit analyzed was less than the carrying value including goodwill, and no goodwill impairment was recognized.

Changes in the carrying amount of goodwill of each of the Company's reportable segments were as follows (in thousands):

	U.S. Gas	Canadian Gas	Union Electric ⁽¹⁾	Non-Union Electric	Total
Balances as of December 31, 2023	\$ 58,160	\$ 93,911	\$ 56,499	\$ 167,322	\$ 375,892
Effect of exchange rate changes	-	(2,246)	-	-	(2,246)
Balances as of March 31, 2024	\$ 58,160	\$ 91,665	\$ 56,499	\$ 167,322	\$ 373,646

⁽¹⁾ Net of accumulated impairment of \$391.1 million as of March 31, 2024 and December 31, 2023.

Goodwill and related accumulated impairment associated with reporting units that do not meet the quantitative thresholds for separate reporting were \$10.8 million, resulting in a net carrying value of \$0 as of March 31, 2024 and December 31, 2023.

Amortization expense for definite-lived intangible assets was \$6.7 million for each of the fiscal three month periods ended March 31, 2024 and April 2, 2023.

7. Property and Equipment

Property and equipment consisted of the following (in thousands):

	March 31, 2024	December 31, 2023
Property and equipment, gross	\$ 1,120,661	\$ 1,118,202
Accumulated depreciation	(582,979)	(572,760)
Property and equipment, net	\$ 537,682	\$ 545,442

Depreciation expense was \$27.7 million and \$31.2 million for the fiscal three months ended March 31, 2024 and April 2, 2023, respectively.

The Company recognized gains on the disposition of property and equipment of \$0.9 million and \$0.7 million for the fiscal three months ended March 31, 2024 and April 2, 2023, respectively.

8. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following (in thousands):

	March 31, 2024	December 31, 2023
Accrued redemption of noncontrolling interests	\$ 92,801	\$ —
Accrued compensation	58,927	92,205
Accrued expenses	50,181	55,186
Accrued insurance	23,777	21,794
Book overdrafts	8,141	13,300
Accrued taxes	3,345	3,590
Accrued interest	962	975
Accrued expenses and other current liabilities	\$ 238,134	\$ 187,050

9. Long-Term Debt

Long-term debt, including outstanding amounts on the Company's line of credit, consisted of the following (in thousands):

	March 31, 2024		December 31, 2023	
	Carrying Amount	Fair Value ⁽¹⁾	Carrying Amount	Fair Value ⁽¹⁾
Borrowings under revolving line of credit	\$ 125,229	\$ 125,324	\$ 77,121	\$ 77,205
Term loans under loan facility	991,375	991,375	994,238	996,723
Total loan facility	1,116,604	1,116,699	1,071,359	1,073,928
Equipment loans:				
2.30%, due May 2025	4,763	4,655	5,768	5,618
1.75%, due March 2027	6,654	6,256	7,193	6,740
1.75%, due March 2027	15,526	14,597	16,783	15,727
2.96%, due March 2027	15,441	14,760	16,667	15,903
3.27%, due March 2027	18,587	17,855	20,055	19,237
3.40%, due March 2027	9,304	8,948	10,037	9,641
3.51%, due March 2027	18,630	17,952	20,096	19,342
Total long-term debt	1,205,509	\$ 1,201,722	1,167,958	\$ 1,166,136
Current portion of long-term debt	(42,770)		(42,552)	
Unamortized discount and debt issuance costs	(16,192)		(17,111)	
Long-term debt, net of current portion	\$ 1,146,547		\$ 1,108,295	

⁽¹⁾ Fair values as of March 31, 2024 and December 31, 2023 were determined using the Company's credit rating.

On August 27, 2021, the Company entered into an amended and restated credit agreement. The agreement provided for a \$1.145 billion secured term loan facility, at a discount of 1.00%, and a \$400 million secured revolving credit facility, which in addition to funding the Riggs Distler acquisition, refinanced the Company's previous \$590 million loan facility. This multi-currency facility allows the Company to request loan advances in either Canadian dollars or U.S. dollars. Amounts borrowed and repaid under the revolving line of credit portion of the facility are available to be re-borrowed. The obligations under the credit agreement are secured by present and future ownership interests in substantially all direct and indirect subsidiaries of the Company, substantially all of the tangible and intangible personal property of each borrower, certain of their direct and indirect subsidiaries, and all products, profits, and proceeds of the foregoing. The Company's assets securing the facility as of March 31, 2024 totaled \$2.0 billion. The credit agreement also contains a restriction on dividend payments with a calculated available amount generally defined as 50% of the Company's rolling twelve-month consolidated net income adjusted for certain items, such as parent capital contributions, redeemable noncontrolling interest payments, dividend payments, among other adjustments, as applicable. The term loan facility matures on August 27, 2028, and the revolving credit facility matures on August 27, 2026.

On May 31, 2023, the Company entered into an amendment to the amended and restated credit agreement to transition the interest rate benchmark for the term loan facility from London Interbank Offered Rate ("LIBOR") to Secured Overnight Financing Rate ("SOFR") benchmarks. The applicable margins for the term loan facility remained 1.50% for base rate loans and are 2.50% for SOFR loans. Furthermore, the Company's Canadian entities may borrow under the revolving credit facility with interest rates based on either a "base rate" or the Canadian Dealer Offered Rate ("CDOR") plus the applicable margin, at the borrower's option. The weighted average interest rate on the term loan facility was 7.94% and 7.97% as of March 31, 2024 and December 31, 2023, respectively.

On November 4, 2022, November 13, 2023, and March 22, 2024, the Company amended the financial covenants of the revolving credit facility. Under the amended terms of the revolving credit facility, the Company is required to maintain a net leverage ratio of less than a maximum of 5.75 to 1.00 from January 1, 2024 through March 31, 2024, 6.00 to 1.00 from April 1, 2024 through June 30, 2024, 5.75 to 1.00 from July 1, 2024 through September 29, 2024, 5.00 to 1.00 from September 30, 2024 through December 29, 2024, and 4.00 to 1.00 thereafter. The amended terms of the revolving credit facility also provide that, in the event that a "Qualified IPO" (as defined therein) is consummated prior to March 31, 2025, the maximum net leverage ratio financial covenant will be reduced based on the amount of net proceeds received from such Qualified IPO. Under the amended terms of the revolving credit facility, the Company is required to maintain an interest coverage ratio of greater than a minimum of 2.00 to 1.00 from January 1, 2024 through December 29, 2024, and 2.50 to 1.00 thereafter. As of March 31, 2024, the Company was in compliance with all of the financial covenants under the revolving credit facility. The November 4, 2022 amendment to the amended and restated credit agreement increased a letter of credit sub-facility from \$100 million to \$125 million, and also transitioned the interest rate benchmark for the revolving

credit facility from LIBOR to SOFR benchmarks. The applicable margin for the revolving credit facility now ranges from 1.0% to 2.5% for SOFR loans and from 0.0% to 1.5% for CDOR and “base rate” loans, depending on the Company’s net leverage ratio. The Company is also required to pay a commitment fee on the unused portion of the commitments which ranges from 0.15% to 0.35% per annum, depending on the Company’s net leverage ratio. The weighted average interest rate on the revolving credit facility was 8.01% and 7.66% as of March 31, 2024 and December 31, 2023, respectively.

As of March 31, 2024 and December 31, 2023, the Company had borrowings outstanding of \$1.1 billion under its amended and restated credit agreement. The amount available under the revolving line of credit is further reduced by the amount of any outstanding letters of credit issued by the Company. Accordingly, there was \$201.5 million, net of outstanding letters of credit, available to the Company on the revolving line of credit as of March 31, 2024. The Company had \$51.7 million and \$48.6 million of unused letters of credit available as of March 31, 2024 and December 31, 2023, respectively. Debt issuance costs associated with the Company’s line of credit are amortized over the term of the related line of credit. As of March 31, 2024 and December 31, 2023, there was \$4.3 million and \$4.2 million, respectively, recorded in other assets on the condensed consolidated balance sheets.

Debt issuance costs associated with the Company’s term loan are amortized over the term of the related debt, which approximates the effective interest method. As of March 31, 2024 and December 31, 2023, debt issuance costs of \$16.2 million and \$17.1 million, respectively, were recorded as a reduction to long-term debt on the condensed consolidated balance sheets.

Amortization expense related to debt issuance costs is recorded as a component of interest expense in the condensed consolidated statements of operations. During each of the first fiscal three month periods of 2024 and 2023, amortization of debt issuance costs was \$1.3 million.

The Company currently has seven equipment term loans with initial amounts totaling approximately \$170 million, with certain owned equipment used as collateral. The loans are serviced in U.S. dollars. These term loans have prepayment penalties for the first three years of the agreements. The Company did not incur any prepayment penalties on any these equipment loans during the first fiscal three months of 2024 or 2023.

The fair value of the Company’s debt as of March 31, 2024 and December 31, 2023 was \$1.2 billion. The fair value of the Company’s revolving credit facility is categorized as Level 1 based on the fair value hierarchy, due to the Company’s ability to access similar debt arrangements at measurement dates with comparable terms, including variable/market rates. The fair values of the Company’s term loan facility and equipment loans were determined utilizing a market-based valuation approach, where fair values are determined based on evaluated pricing data, and as such are categorized as Level 2 in the hierarchy.

10. Leases

The Company has operating and finance leases for corporate and field offices, construction equipment and transportation vehicles. The Company is currently not a lessor in any significant lease arrangements. The Company’s leases have remaining lease terms of up to 15 years. Some of these leases include options to extend the leases, generally for optional terms of up to five years, and some include options to terminate the leases within one year. The equipment leases may include variable payment terms in addition to the fixed lease payments if machinery is used in excess of the standard work periods. These variable payments are not probable of occurring under the Company’s current operating environment and have not been included in consideration of lease payments. Leases with an initial term of 12 months or less are classified as short-term leases and are not recognized on the condensed consolidated balance sheets unless the lease contains a purchase option that is reasonably certain to be exercised, or unless it is reasonably certain that the equipment will be leased for greater than 12 months. Due to the seasonality of the Company’s operations, expense for short-term leases will fluctuate throughout the year with higher expense typically incurred during the periods when revenue is the greatest. As of March 31, 2024, the Company did not have any significant executed lease agreements that had not yet commenced.

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The components of lease expense were as follows (in thousands):

Lease cost	Classification	Fiscal Three Months Ended	
		March 31, 2024	April 2, 2023
Operating lease cost	Cost of revenue and selling, general and administrative expenses	\$ 6,631	\$ 4,772
Finance lease cost:			
Amortization of ROU assets	Depreciation ⁽¹⁾	2,112	1,592
Interest on lease liabilities	Interest expense, net	365	448
Total finance lease cost		2,477	2,040
Short-term lease cost ⁽²⁾	Cost of revenue and selling, general and administrative expenses	21,260	28,437
Total lease cost		\$ 30,368	\$ 35,249

⁽¹⁾ Depreciation is included within cost of revenue in the accompanying condensed consolidated statements of operations.

⁽²⁾ Short-term lease cost includes both leases and rentals with initial terms of 12 months or less.

Supplemental cash flow information related to leases was as follows (in thousands):

	Fiscal Three Months Ended	
	March 31, 2024	April 2, 2023
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 6,569	\$ 4,509
Operating cash flows from finance leases	365	448
Financing cash flows from finance leases	2,914	3,056
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	\$ 4,904	\$ 17,929
Finance leases	—	1,001

Supplemental information related to leases was as follows:

	March 31, 2024	December 31, 2023
Weighted average remaining lease term (in years):		
Operating leases	7.19	7.45
Finance leases	3.47	3.64
Weighted average discount rate:		
Operating leases	4.96 %	4.88 %
Finance leases	4.07 %	4.02 %

The following is a schedule of maturities of lease liabilities as of March 31, 2024 (in thousands):

	Operating Leases	Finance Leases
Fiscal year ended:		
Remainder of 2024	\$ 19,461	\$ 9,386
2025	22,905	10,233
2026	20,497	7,646
2027	19,061	5,756
2028	16,645	1,727
Thereafter	49,076	748
Total lease payments	147,645	35,496
Less: Amount of lease payments representing interest	(23,595)	(2,734)
Total	\$ 124,050	\$ 32,762

Certain leases require the Company to pay variable property taxes, insurance and maintenance costs that have been excluded from the minimum lease payments in the above tables as they are variable in nature.

11. Income Taxes

The Company's quarterly provision for income taxes was prepared using the effective annual tax rate adjusted to remove discrete items, as those items will impact the quarter in which those items were reflected. The Company's effective tax rate for the fiscal three months ended March 31, 2024 and April 2, 2023 was 45.2% and 37.2%, respectively. The change in effective rates during each of the respective periods was primarily due to pre-tax income/loss differences by jurisdiction and for changes in permanent differences.

The Company regularly evaluates valuation allowances established for deferred tax assets for which future realization is uncertain, including in connection with changes in tax laws. The Company maintains a valuation allowance on certain state net operating loss carryforwards. Such valuation allowances are released as the related tax benefits are realized or when sufficient evidence exists to conclude that it is more likely than not the deferred tax assets will be realized.

As of March 31, 2024 and December 31, 2023, the total amount of unrecognized tax benefits relating to uncertain tax positions was \$0.5 million.

As of March 31, 2024, with certain exceptions, the Company is no longer subject to U.S. federal, state, local, or Canadian examinations for years before fiscal 2018. The Company is a party to a tax sharing agreement with Southwest Gas Holdings. The agreement outlines the method in which the Company calculates its income tax liability and the manner in which it either reimburses Southwest Gas Holdings for taxes owed or is reimbursed for credits and net operating losses used. See "Note 13 — Related Parties" for more information. Note that this tax sharing agreement was superseded by the tax matters agreement signed by Holdings and Southwest Gas Holdings on April 11, 2024. Refer to "Note 15 — Subsequent Events" for more information.

12. Supplemental Cash Flow Disclosures

The following table represents the Company's supplemental cash flow disclosures and non-cash investing activity, excluding lease activity (which is disclosed in "Note 10 — Leases") (in thousands):

	March 31, 2024	April 2, 2023
Non-cash investing activities:		
Accrued capital expenditures	\$ 3,945	\$ 4,011
Proceeds from sale of property and equipment in accounts receivable	599	441

As of March 31, 2024, the Company had accrued \$92.8 million in connection with redemptions of noncontrolling interests at Linetec and Riggs Distler, the impact of which has been excluded from the Company's condensed consolidated statement of cash flows for the first quarter of 2024 due to the non-cash nature of these transactions during the period. Refer to "Note 5 — Noncontrolling Interests" for additional details.

13. Related Parties

The Company performs various construction services for Southwest Gas Corporation, a wholly owned subsidiary of Southwest Gas Holdings. Approximately \$23.3 million (4%) and \$28.8 million (4%) of the Company's revenue for the fiscal three months ended March 31, 2024 and April 2, 2023, respectively, was related to contracts with Southwest Gas Corporation. The Company recognized gross profit related to the Southwest Gas Corporation revenue of \$1.4 million (11%) and \$1.6 million (4%) for the fiscal three months ended March 31, 2024 and April 2, 2023, respectively. As of March 31, 2024 and December 31, 2023, approximately \$8.4 million (3%) and \$12.3 million (4%), respectively, of the Company's accounts receivable, and \$3.5 million and \$3.2 million, respectively, of contract assets were related to contracts with Southwest Gas Corporation. There were no significant related party contract liabilities as of March 31, 2024 or December 31, 2023 with Southwest Gas Corporation.

Additionally, certain costs incurred by Southwest Gas Holdings have been allocated to Centuri, which are settled in cash during the normal course of operations. For the fiscal three months ended March 31, 2024 and April 2, 2023, the Company recorded \$0.4 million and \$0.3 million of allocated costs, respectively. These costs are recorded within selling, general and administrative expenses on the Company's condensed consolidated statements of operations.

The Company is party to a tax sharing agreement with Southwest Gas Holdings. The agreement outlines the method in which the Company calculates its income tax liability and the manner in which it either reimburses Southwest Gas Holdings for taxes owed or is reimbursed for credits and net operating losses used. As of March 31, 2024 and December 31, 2023, there were no amounts due to or from Southwest Gas Holdings.

As discussed in “Note 15 — Subsequent Events,” the Company became party to a number of agreements with Southwest Gas Holdings on April 11, 2024 governing the relationship of the Company and Southwest Gas Holdings subsequent to the Separation and Centuri IPO.

In November 2021, certain members of Riggs Distler management acquired a 1.42% interest in Drum. See “Note 5 — Noncontrolling Interests” for more information. A portion of the redeemable noncontrolling interest acquired was funded through promissory notes made to noncontrolling interest holders bearing interest at the prime rate plus 2%. The promissory notes are payable by the noncontrolling interest holders upon certain triggering events, including, but not limited to, termination of employment or the redemption of any interest under the agreement. The promissory notes and related interest income are recorded in additional paid-in capital, a component of total equity, on the condensed consolidated balance sheets. During the first quarter of 2024, the Company forgave all outstanding promissory notes and unpaid interest owed from the Riggs Distler noncontrolling interest holders and in exchange obtained the 0.47% portion of equity interest in Drum that had been funded through these notes. Additionally, during the first quarter of 2024, the Company reached agreement to purchase a 0.13% noncontrolling interest in Drum for \$0.8 million, the majority which was accrued in March 2024 and ultimately paid in April 2024. The impact of these accrued purchases has been excluded from the Company’s condensed consolidated statement of cash flows for the first quarter of 2024 due to their non-cash nature during the period. The remaining noncontrolling interest in Drum outstanding as of March 31, 2024 was 0.81%.

14. Commitments and Contingencies

Legal Proceedings

The Company is a named party in various legal proceedings arising from the normal course of business. Although the ultimate outcomes of active matters are currently unknown, the Company does not believe any liabilities resulting from these known matters will have a material effect on its financial position, results of operations or cash flows.

The Company maintains liability insurance for various risks associated with its operations. In connection with the liability insurance policies, the Company is responsible for an initial deductible or self-insured retention amount per occurrence, after which the insurance carriers would be responsible for amounts up to the policy limits.

Employment Agreements

The Company has employment agreements with certain executives and other employees, which provide for compensation and certain other benefits and for severance payments under certain circumstances. Certain employment agreements also contain clauses that become effective upon a change in control of the Company. Upon the occurrence of any of the defined events in the various employment agreements, the Company would be obligated to pay certain amounts to the related employees, which vary with the level of the employees’ respective responsibility.

Concentration of Credit Risk

The Company provides full-service utility services to various customers, primarily utility companies that are located throughout the U.S. and Canada. The Company is subject to concentrations of credit risk related primarily to its revenue and accounts receivable and contract asset positions with customers, which is defined as greater than 10%. No customers accounted for more than 10% of revenue for the first fiscal three months of 2024 or 2023. One Union Electric customer had a combined accounts receivable and contract asset balance of \$70.4 million and \$84.3 million as of March 31, 2024 and December 31, 2023, respectively, which was approximately 13% and 14% of total accounts receivable and contract assets as of March 31, 2024 and December 31, 2023, respectively.

The Company primarily uses three financial banking institutions. The Company’s cash on deposit with these financial institutions exceeded the federal insurability limits as of March 31, 2024. The Company believes its cash and cash equivalents are managed by high credit quality financial institutions.

Bonds and Parent Guarantees

Many customers, particularly in connection with new construction, require the Company to post performance and payment bonds. These bonds provide a guarantee that the Company will perform under the terms of a contract and pay its subcontractors and vendors. In certain circumstances, the customer may demand that the surety make payments or provide services under the bond, and the Company must reimburse the surety for any expenses or outlays it incurs. The Company may also be required to post letters of credit as collateral in favor of the sureties, which would reduce the borrowing availability under its revolving credit facility. As of March 31, 2024, the Company was not aware of any outstanding material obligations for payments related to these bond obligations.

Performance bonds expire at various times ranging from mechanical completion of a project to a period extending beyond contract completion in certain circumstances, and therefore a determination of maximum potential amounts outstanding requires certain estimates and assumptions. Such amounts can also fluctuate from period to period based upon the mix and level of the Company's bonded operating activity. As of March 31, 2024, the estimated total amount of outstanding performance and payment bonds was approximately \$561.3 million. The Company's estimated maximum exposure related to the value of the performance bonds outstanding is lowered on each bonded project as the cost to complete is reduced, and each commitment under a performance bond generally extinguishes concurrently with the expiration of its related contractual obligation. The estimated cost to complete these bonded projects was approximately \$203.7 million as of March 31, 2024.

Additionally, from time to time, the Company guarantees certain obligations and liabilities of its subsidiaries that may arise in connection with, among other things, contracts with customers, and equipment and real estate lease obligations. These guarantees may cover all of the subsidiary's unperformed, undischarged and unreleased obligations and liabilities under or in connection with the relevant agreement. The Company is not aware of any claims under any guarantees that are material. The responsibility under a guarantee could exceed the amount recoverable from the subsidiary alone and could materially and adversely affect the Company's consolidated financial condition, results of operations and cash flows.

15. Subsequent Events

Centuri IPO

On April 13, 2024, Holdings completed the Separation by issuing 71,664,592 shares of common stock to Southwest Gas Holdings as consideration for the transfer of assets and assumption of liabilities of Centuri. On April 17, 2024, the registration statement related to the Centuri IPO was declared effective, and Holdings' common stock began trading on the New York Stock Exchange under the ticker "CTRI" on April 18, 2024. For more information about the Separation and Centuri IPO, see "Note 1 — Description of Business."

Holdings primarily used the net proceeds from the Centuri IPO to pay down \$156.0 million of Centuri's debt under its revolving credit facility and \$160.0 million of Centuri's debt under its term loan facility, and plans to use the remaining proceeds for general corporate and working capital purposes. Centuri's maximum net leverage ratio covenant under its revolving credit facility was reduced based on the net proceeds received from the Centuri IPO. Centuri continued to be in compliance with all of its covenants through the date of this filing.

Upon completion of the Centuri IPO, the Centuri Omnibus Incentive Plan became effective. Pursuant to this plan, a total of 190,476 restricted stock units with a fair value of approximately \$4.0 million were granted to the Chief Executive Officer, and 41,424 restricted stock units with a fair value of approximately \$1.0 million were granted to Holdings' non-employee directors subsequent to the Centuri IPO but prior to the date of this filing. The grant to the Chief Executive Officer vests over three years, and the grants to the non-employee directors vest over a year. The cost of these restricted stock units will be recognized based on the grant-date fair value and number of shares that vest over the service period.

Agreements with Southwest Gas Holdings

In connection with the Separation and the Centuri IPO, Holdings entered into several agreements with Southwest Gas Holdings on April 11, 2024 governing the relationship of the two parties after the Separation and Centuri IPO. These agreements are summarized below and also discussed in more detail within the IPO Prospectus in the section entitled "The Separation Transactions."

- *Separation Agreement*: Sets forth the agreements with Southwest Gas Holdings regarding the principal actions to be taken in connection with the Separation and govern, among other matters, (1) the allocation of assets and

liabilities to Holdings and Southwest Gas Holdings (including Holdings' indemnification obligations, for potentially uncapped amounts, for certain liabilities relating to Holdings' business activities), (2) certain matters with respect to the Centuri IPO and subsequent disposition transactions by Southwest Gas Holdings, and (3) certain covenants, as described in the IPO Prospectus, regarding Southwest Gas Holdings' right to designate members to Holdings' Board, approve certain company actions, and receive information and access rights.

- *Tax Matters Agreement*: Sets forth responsibilities and obligations with respect to all tax matters, including tax liabilities (including responsibility and potential indemnification obligations for taxes attributable to Holdings' business and taxes arising, under certain circumstances, in connection with the Separation and a distribution to Southwest Gas Holdings stockholders that is currently intended to be tax-free to Southwest Gas Holdings and its stockholders, if effected), tax attributes, tax contests and tax returns (including Holdings' continued inclusion in the U.S. federal consolidated group tax return, and certain other combined or similar group tax returns, with Southwest Gas Holdings for applicable tax periods following the Separation, and Holdings' continuing joint and several liability with Southwest Gas Holdings for such tax returns).
- *Registration Rights Agreement*: Grants to Southwest Gas Holdings certain registration rights with respect to the shares of Holdings' common stock owned by Southwest Gas Holdings following the Centuri IPO.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the condensed consolidated financial statements and corresponding notes of Centuri Group, Inc. ("Centuri"), and our final IPO prospectus (the "IPO Prospectus") filed on April 18, 2024 with the U.S. Securities and Exchange Commission pursuant to rule 424(b)(4) under the Securities act of 1933, as amended relating to our Registration Statement on Form S-1. Unless the context otherwise requires, references to "we," "is," "our," and "our company" refer to Centuri Holdings, Inc. and its consolidated subsidiaries. References to the condensed consolidated financial statements refer to the condensed consolidated financial statements of our subsidiary, Centuri, our predecessor for financial reporting purposes. This discussion contains forward-looking statements that are based upon current expectations and are subject to uncertainty and changes in circumstances. Our actual results could differ materially from the results contemplated by these forward-looking statements due to a number of factors, including those discussed within the IPO Prospectus, particularly in the section titled "Risk Factors." Actual results may differ materially from these expectations. See "Cautionary Note Regarding Forward-Looking Statements."

We use a 52/53-week fiscal year that ends on the Sunday closest to the end of the calendar year. Unless otherwise stated, references to months and years throughout relate to fiscal months and years rather than calendar months and years. The first fiscal three months of 2024 and 2023 ended on March 31, 2024 and April 2, 2023, respectively, and each period had 13 weeks.

Overview

Company Overview

We are a leading, pure-play North American utility infrastructure services company that partners with regulated utilities to maintain, upgrade and expand the energy network that powers millions of homes and businesses. We serve as long-term strategic partners to, and an extension of, North America's electric, gas and combination utility providers, delivering a wide range of infrastructure solutions. Our service offerings primarily consist of the modernization of utility infrastructure through the maintenance, retrofitting and installation of electric and natural gas distribution networks, building capacity to meet current and future demands and preparing systems for energy transition. We also serve complementary, attractive and growing end markets such as renewable energy and 5G datacom. Our essential services enable our customers to enhance the safety, reliability and environmental sustainability of the electric and natural gas networks that consumers rely upon to meet their essential and evolving energy needs. Guided by our values and our unwavering commitment to serve as long-term partners to customers and communities, our employees enable our customers to safely and reliably deliver electricity and natural gas and achieve their goals for environmental sustainability.

Separation from Southwest Gas Holdings

We were incorporated in Delaware in June 2023 as a wholly owned subsidiary of Southwest Gas Holdings, Inc. ("Southwest Gas Holdings"). We were formed for the purpose of completing an initial public offering, facilitating the separation of Centuri from Southwest Gas Holdings and other related transactions (as described in "Note 15 – Subsequent Events" to the condensed consolidated financial statements) in order to carry on the business of Centuri, our predecessor for financial reporting purposes. As of March 31, 2024, and December 31, 2023, Southwest Gas Holdings owned 1,000 shares of our common stock, representing 100% of the issued and outstanding shares of our common stock. On April 13, 2024, we issued 71,664,592 shares of common stock to Southwest Gas Holdings as consideration for the transfer of assets and assumption of liabilities of Centuri (the "Separation"). Following the completion of the Separation, Centuri became our wholly owned subsidiary, and all of our operations are conducted through Centuri. On April 17, 2024, the registration statement related to the initial public offering of our common stock was declared effective, and our common stock began trading on the New York Stock Exchange under the ticker "CTRI" (the "Centuri IPO") on April 18, 2024.

On April 22, 2024, the Centuri IPO was completed through the sale of 14,260,000 shares of our common stock, par value \$0.01 per share, including the underwriters' full exercise of their option to purchase 1,860,000 shares to cover over-allotments, at an initial public offering price of \$21.00 per share. On the same day, Icahn Partners and Icahn Partners Master Fund LP, investment entities affiliated with Carl C. Icahn, purchased 2,591,929 shares of our common stock in a concurrent private placement at a price per share equal to the IPO price, for gross proceeds of approximately \$54.4 million. The total net proceeds to us from the Centuri IPO and the concurrent private placement, after deducting underwriting discounts and commissions of \$18.0 million and estimated offering expenses payable by us, were \$329.3 million. As of the

closing of the Centuri IPO, Southwest Gas Holdings owned 71,665,592 shares of our common stock, or approximately 81.0% of the total outstanding shares of our common stock.

We are incurring certain costs in connection with our establishment as a standalone public company (the “Separation-related costs”). We expect the Separation-related costs to continue through at least fiscal year 2025. For additional information about the Separation, see “The Separation Transactions—The Separation” and “Certain Relationships and Related Person Transactions—Agreements between Southwest Gas Holdings and Our Company” within the IPO Prospectus. Additionally, see “Note 15 — Subsequent Events” to the Centuri condensed consolidated financial statements for a summary of agreements we entered into with Southwest Gas Holdings on April 11, 2024 governing our future relationship with Southwest Gas Holdings.

Segment Information

As of and prior to December 31, 2023, Centuri reported its results under the following two reportable segments: Gas Utility Services and Electric Utility Services. In January 2024, we appointed a new Chief Executive Officer who acts as our chief operating decision maker (“CODM”). Following the appointment of our new Chief Executive Officer, we underwent an internal personnel reorganization, causing us to re-evaluate our reportable segments based on the information reviewed by the new CODM. We determined that it was appropriate to re-align our reporting structure from the following two reportable segments: (i) Gas Utility Services; and (ii) Electric Utility Services, to the following four reportable segments: (i) U.S. Gas Utility Services (“U.S. Gas”); (ii) Canadian Gas Utility Services (“Canadian Gas”); (iii) Union Electric Utility Services (“Union Electric”); and (iv) Non-Union Electric Utility Services (“Non-Union Electric”). The U.S. Gas and Canadian Gas businesses have historically been part of our Gas Utility Services segment, and the Union Electric and Non-Union Electric businesses have historically been part of our Electric Utility Services segment. All prior year segment financial information has been recast to reflect the new segment structure.

Factors Affecting Our Results of Operations

Our financial results may be impacted by economic conditions that impact businesses generally, such as inflationary impacts on goods and services consumed in the business, regulatory or environmental influences, inflationary pressures, rising interest rates, labor markets and costs (including in regard to contracted or professional services), and the availability of those resources. Accordingly, our operating results in any particular period may not be indicative of the results that can be expected for any other period.

Market Developments

North America relies on electric and natural gas delivery infrastructure to maintain its dynamic economy, but existing infrastructure is subject to degradation and is often decades old. Governments have increased regulatory stringency and enacted legislation to support the necessary infrastructure investments in the sector, aimed at preventing disruption, enhancing safety and readying to meet current and future demands. Additionally, labor market constraints and a changing utility workforce have led utilities to become increasingly reliant on external outsourced utility service providers, creating an overall growing market well positioned for consolidation. We believe these trends represent a significant challenge for utilities, but also an opportunity for outsourced utility infrastructure services companies to build and maintain more efficient, sustainable infrastructure that can meet the energy needs of future generations.

Rising fuel, labor and material costs have had, and could continue to have, a negative effect on our results of operations, to the extent we cannot pass these costs through to our customers. While we actively monitor economic, industry and market factors that could adversely impact our business, we cannot predict the effect that changes in such factors could have on our future results of operations, financial position and cash flows.

Generally, our contracts provide that the customer is responsible for supplying the materials for their projects. Fluctuations in the price or availability of materials and equipment that we or our customers utilize could impact (positively or negatively, as applicable) costs to complete projects or result in the postponement of projects. Although certain of our customers have experienced recent disruptions in their supply chain for certain project materials, most of our customers have generally been able to procure the necessary materials in a timely manner.

Our operations also depend on the availability of certain equipment to perform services. We believe we have taken steps to secure delivery of a sufficient amount of equipment and do not anticipate any significant disruptions with respect to our fleet in the near-term.

Demand for Services

The seasonal nature of the industry we serve affects demand for our services. In addition to weather conditions, capital expenditure and maintenance budgets of our customers, as well as the related timing of approvals and seasonal spending patterns, influence our contract revenue and results of operations. Factors affecting our customers and their capital expenditure budgets include, but are not limited to, overall economic conditions, the introduction of new technologies, and our customers' capital resources, their financial performance, and their strategic plans. Other factors that may impact our customers and their capital expenditure budgets include new regulations or regulatory actions, merger or acquisition activity involving our customers and the physical maintenance needs of our customers' infrastructure.

Fluctuations in market prices for oil, gas and other energy sources can impact demand for our services. Such fluctuations can affect the level of activity in energy generation projects as well as pipeline construction projects. The availability of transportation and transmission capacity can also impact demand for our services, including energy generation, electric grid and pipeline construction projects. These fluctuations, as well as the highly competitive nature of our industry, can result in changes in the levels of activity, project mix and moreover the profitability of the services we provide.

Utilities continue to implement or modify system integrity management programs to enhance safety pursuant to federal and state mandates. These programs have resulted in multi-year utility system replacement programs throughout the U.S., and we believe that we are well positioned to serve the increased demand resulting from these programs.

Our services support customers' environmental goals, such as reducing methane emissions from pipeline leaks through pipe repair and replacement, hardening electric infrastructure to prevent damage from storms or otherwise, and assisting gas and electric customers with their renewable and sustainable energy infrastructure initiatives. We believe that we are well positioned to support growing customer attention in achieving environmental objectives through infrastructure construction and maintenance. Additionally, our acquisition of Riggs Distler in 2021 positions us to benefit from the necessary development of onshore infrastructure to support offshore wind and power development. We believe we are particularly well positioned to capture incremental demand in the offshore wind space given the rapid and continuing expansion of projects in our core geographies, as North America looks to renewable energy sources that can sustain all-time high grid demands.

Project Variability

Margins for our projects may vary from period to period due to changes in the volume or type of work performed and the pricing structure of our projects. Additionally, factors such as site conditions, project location, labor shortages, weather events, environmental restrictions, regulatory delays, protests, political activity, legal challenges, or the performance of third parties may adversely impact our project performance.

In certain circumstances, such as with large bid contracts (especially those of a longer duration), or unit-price contracts with revenue caps, results may be impacted by differences between costs incurred and those anticipated when the work was originally bid. Work awarded, or failing to be awarded, by individual large customers can impact our results of operations.

Seasonality and Severe Weather Events

Generally, our revenue is lowest during the first quarter of the year due to less favorable winter weather and related working conditions. Revenue typically improves as more favorable weather conditions occur during the summer and fall months. In cases of severe weather, such as following a regional storm, we may be engaged to perform restoration activities related to above-ground utility infrastructure, which typically results in higher margins due to higher equipment utilization and the absorption of fixed costs. Alternatively, these severe weather events can also delay projects, negatively impacting our results of operations. Severe weather events and the related impacts to our performance and results are not solely within the control of management and cannot always be predicted or mitigated.

Inflation

Our operations are affected by increases in prices, whether caused by inflation, rising interest rates or other economic factors. We attempt to recover anticipated increases in the cost of labor, equipment, fuel and materials through price escalation provisions that allow us to adjust billing rates for certain major contracts annually; by considering the estimated effect of such increases when bidding or pricing new work; or by entering into back-to-back contracts with suppliers and subcontractors. However, the annual adjustment provided by certain contracts is typically subject to a cap and there can be an extended period of time between the impact of inflation on our costs and when billing rates are adjusted. In some cases, our actual cost increases have exceeded the contractual caps, and therefore negatively impacted our operations. We have been able to renegotiate some of our major contracts to address the increased costs on future work and will continue to address this with our customers going forward. Rising interest rates on our variable-rate debt could have a negative effect on our business, financial condition and results of operations.

Backlog

Backlog represents estimates of revenue to be realized under long-term master service agreements (“MSAs”) and bid agreements. Generally, customers are not contractually committed to specific volumes of work under MSAs, and MSAs may be terminated by either party upon notice. Revenue estimates for MSAs are based on historical customer trends. Projects included in backlog can be subject to delays or cancellation as a result of regulatory requirements, adverse weather conditions, customer requirements and other factors that could cause actual revenue to differ significantly from the estimates, or cause revenue to be realized in periods other than originally expected. Backlog as of March 31, 2024 and December 31, 2023 was approximately \$4.8 billion and \$5.1 billion, respectively.

Results of Operations

Our results of operations, on a consolidated basis and by segment, for the first fiscal three months of 2024 and 2023 are set forth below.

Consolidated Results

The following table summarizes our consolidated results of operations for the fiscal quarters ending March 31, 2024, and April 2, 2023 including as a percentage of revenue, as well as the dollar and percentage change between fiscal quarters.

(dollars in thousands)	Fiscal Three Months Ended				Change	
	March 31, 2024		April 2, 2023		\$	%
Revenue	\$ 528,023	100.0 %	\$ 653,293	100.0 %	\$ (125,270)	(19.2 %)
Cost of revenue (including depreciation)	514,744	97.5 %	611,344	93.6 %	(96,600)	(15.8 %)
Gross profit	13,279	2.5 %	41,949	6.4 %	(28,670)	(68.3 %)
Selling, general and administrative expenses	28,550	5.4 %	23,539	3.6 %	5,011	21.3 %
Amortization of intangible assets	6,668	1.3 %	6,667	1.0 %	1	— %
Operating loss (income)	(21,939)	(4.2 %)	11,743	1.8 %	(33,682)	(286.8 %)
Interest expense, net	24,099	4.6 %	22,376	3.4 %	1,723	7.7 %
Other (income) expense, net	(32)	(0.1 %)	680	0.1 %	(712)	(104.7 %)
Loss before income tax benefit	(46,006)	(8.7 %)	(11,313)	(1.7 %)	(34,693)	306.7 %
Income tax benefit	(20,773)	(3.9 %)	(4,208)	(0.6 %)	(16,565)	393.7 %
Net loss	(25,233)	(4.8 %)	(7,105)	(1.1 %)	(18,128)	255.1 %
Net (loss) income attributable to noncontrolling interests	(175)	(0.1 %)	1,739	0.3 %	(1,914)	(110.1 %)
Net loss attributable to common stock	\$ (25,058)	(4.7 %)	\$ (8,844)	(1.4 %)	\$ (16,214)	183.3 %

Revenue

The following table summarizes our revenue for the fiscal quarter by segment as well as the dollar and percentage change from the prior year fiscal quarter:

(dollars in thousands)	Fiscal Three Months Ended				Change	
	March 31, 2024		April 2, 2023		\$	%
U.S. Gas	\$ 226,578	42.9 %	\$ 259,337	39.7 %	\$ (32,759)	(12.6 %)
Canadian Gas	34,648	6.6 %	39,303	6.0 %	(4,655)	(11.8 %)
Union Electric	163,851	31.0 %	205,669	31.5 %	(41,818)	(20.3 %)
Non-Union Electric	96,615	18.3 %	136,606	20.9 %	(39,991)	(29.3 %)
Other	6,331	1.2 %	12,378	1.9 %	(6,047)	(48.9 %)
Consolidated revenue, net	\$ 528,023	100.0 %	\$ 653,293	100.0 %	\$ (125,270)	(19.2 %)

Revenue from our U.S. Gas segment decreased by \$32.8 million, or 12.6%, in the first fiscal three months of 2024 compared to the same period in the prior year. This decrease was primarily due to unfavorable winter weather which drove a reduction in net volumes under existing customer MSAs and the timing of bid projects, as the prior year benefited from the commencement of a large project that has since been completed. Revenue from contracts with Southwest Gas Corporation totaled \$23.3 million in the first fiscal three months of 2024 and \$28.8 million in the same period in 2023.

Revenue from our Canadian Gas segment decreased by \$4.7 million, or 11.8%, in the first fiscal three months of 2024 compared to the same period in the prior year. This decrease was primarily due to a reduction in net volumes under existing MSAs.

Revenue from our Union Electric segment decreased by \$41.8 million, or 20.3%, in the first fiscal three months of 2024 compared to the same period in the prior year. This decrease was driven by a decline in offshore wind revenue of \$12.6 million due to timing of project completion, as well as unfavorable winter weather conditions that led to a net reduction in volumes under other existing MSAs. Storm restoration services revenue for the Union Electric segment was \$7.5 million for the first fiscal three months of 2024 compared to \$8.3 million for the same period in 2023.

Revenue from our Non-Union Electric segment decreased by \$40.0 million, or 29.3%, in the first fiscal three months of 2024 compared to the same period in the prior year. This decrease was primarily driven by a \$20.4 million reduction in revenue from storm restoration services (\$1.8 million for the first quarter of 2024 compared to \$22.2 million for the same period in 2023), as well as a decrease in volumes under existing MSAs.

Other revenue decreased by \$6.0 million, or 48.9%, in the first fiscal three months of 2024 compared to the same period in the prior year. This decrease was primarily due to the prior year including work on a large industrial construction project which was completed in 2023. Our industrial construction projects vary from period to period due to levels of project activity and mix of work.

Gross Profit

The following table summarizes our gross profit (loss) and gross margin for the fiscal quarter as well as the dollar and percentage change from the prior year fiscal quarter:

(dollars in thousands)	Fiscal Three Months Ended				Change	
	March 31, 2024		April 2, 2023		\$	%
U.S. Gas	\$ (3,976)	(1.8 %)	\$ 3,366	1.3 %	\$ (7,342)	(218.1 %)
Canadian Gas	5,545	16.0 %	4,476	11.4 %	1,069	23.9 %
Union Electric	11,369	6.9 %	15,209	7.4 %	(3,840)	(25.2 %)
Non-Union Electric	2,800	2.9 %	18,487	13.5 %	(15,687)	(84.9 %)
Other	(2,459)	(38.8 %)	411	3.3 %	(2,870)	NM
Consolidated gross profit	\$ 13,279	2.5 %	\$ 41,949	6.4 %	\$ (28,670)	(68.3 %)

NM — Percentage is not meaningful

Gross profit from our U.S. Gas segment decreased by \$7.3 million in the first fiscal three months of 2024 compared to the same period in the prior year. As a percentage of revenue, gross profit (loss) decreased to (1.8%) in the current period from 1.3% in the prior period. Profitability was negatively affected by lower MSA volumes, unfavorable winter weather and the timing of bid projects.

Gross profit from our Canadian Gas segment increased by \$1.1 million in the first fiscal three months of 2024 compared to the same period in the prior year. As a percentage of revenue, gross profit increased to 16.0% in the current period as compared to 11.4% in the prior period primarily due to favorable changes in mix of work.

Gross profit from our Union Electric segment decreased by \$3.8 million in the first fiscal three months of 2024 compared to the same period in the prior year. As a percentage of revenue, gross profit decreased to 6.9% in the current period as compared to 7.4% in the prior period primarily due to changes in the mix of work, including less storm restoration services.

Gross profit from our Non-Union Electric segment decreased by \$15.7 million in the first fiscal three months of 2024 compared to the same period in the prior year. As a percentage of revenue, gross profit decreased to 2.9% in the current period, compared to 13.5% in the prior period. Profitability was negatively affected by unfavorable changes in mix of work, including a reduction in storm restoration services revenue which typically generates a higher profit margin than core infrastructure services, and lower MSA volumes.

Selling, General and Administrative Expenses

Selling, general and administrative costs increased by \$5.0 million, or 21.3%, in the first fiscal three months of 2024 compared to the same period in the prior year primarily due to an increase in strategic review costs and severance costs. The first fiscal three months of 2024 included \$8.3 million in strategic review costs and severance costs, while the same period in the prior year included only \$0.2 million in such costs.

Amortization of Intangible Assets

Amortization expense remained consistent in the first fiscal three months of 2024 compared to the same period in the prior year as there were no changes to our amortizable base of intangible assets.

Interest Expense, Net

The increase in interest expense, net in the first fiscal three months of 2024 compared to the same period in the prior year was primarily due to higher interest rates on outstanding variable-rate borrowings and higher borrowings on the Company's revolving line of credit in the first quarter of 2024 compared to the first quarter of the prior year.

Other (Income) Expense, Net

Other (income) expense, net decreased by \$0.7 million in the first fiscal three months of 2024 compared to the same period in the prior year.

Income Tax

The increase in income tax benefit in the first fiscal three months of 2024 compared to the same period in the prior year was primarily due to lower pre-tax income.

Non-GAAP Financial Measures

We prepare and present our financial statements in accordance with GAAP. However, management believes that EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin and Adjusted Net Loss, all of which are measures not presented in accordance with GAAP, provide investors with additional useful information in evaluating our performance. We use these non-GAAP measures internally to evaluate performance and to make financial, investment and operational decisions. We believe that presentation of these non-GAAP measures provides investors with greater transparency with respect to our results of operations and that these measures are useful for period-to-period comparisons of results. Management also believes that providing these non-GAAP measures helps investors evaluate the Company's operating performance, profitability and business trends in a way that is consistent with how management evaluates such matters.

EBITDA is defined as earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA is defined as EBITDA adjusted for (i) non-cash stock-based compensation expense, (ii) strategic review costs, and (iii) severance costs. Adjusted EBITDA Margin is defined as the percentage derived from dividing Adjusted EBITDA by revenue.

Adjusted Net Loss is defined as net loss adjusted for (i) strategic review costs, (ii) severance costs, (iii) amortization of intangible assets, (iv) non-cash stock-based compensation expense, and (v) the income tax impact of adjustments that are subject to tax, which is determined using the incremental statutory tax rates of the jurisdictions to which each adjustment relates for the respective periods.

Using EBITDA as a performance measure has material limitations as compared to net loss, or other financial measures as defined under GAAP, as it excludes certain recurring items, which may be meaningful to investors. EBITDA excludes interest expense net of interest income; however, as we have borrowed money to finance transactions and operations, or invested available cash to generate interest income, interest expense and interest income are elements of our cost structure and can affect our ability to generate revenue and returns for our stockholders. Further, EBITDA excludes depreciation and amortization; however, as we use capital and intangible assets to generate revenue, depreciation and amortization are necessary elements of our costs and ability to generate revenue. Finally, EBITDA excludes income taxes; however, as we are organized as a corporation, the payment of taxes is a necessary element of our operations. As a result of these exclusions from EBITDA, any measure that excludes interest expense net of interest income, depreciation and amortization and income taxes has material limitations as compared to net income. When using EBITDA as a performance measure, management compensates for these limitations by comparing EBITDA to net income/loss in each period, to allow for the comparison of the performance of the underlying core operations with the overall performance of the company on a full-cost, after-tax basis.

As to certain of the items related to Adjusted EBITDA, Adjusted EBITDA Margin and Adjusted Net Loss: (i) non-cash stock-based compensation expense varies from period to period due to changes in the estimated fair value of performance-based awards, forfeitures and amounts granted; (ii) strategic review and related costs incurred in connection with the separation and stand up of Centuri as its own public company are non-recurring; and (iii) severance costs relate to non-recurring restructuring activities. Because EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin and Adjusted Net Loss, as defined, exclude some, but not all, items that affect net loss, such measures may not be comparable to similarly titled measures of other companies. The most comparable GAAP financial measure, net loss, and information reconciling the GAAP and non-GAAP financial measures, are set forth below.

EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin

The following table presents reconciliations of net loss to EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin for the specified periods:

(dollars in thousands)	Fiscal Three Months Ended	
	March 31, 2024	April 2, 2023
Net loss	\$ (25,233)	\$ (7,105)
Interest expense, net	24,099	22,376
Income tax benefit	(20,773)	(4,208)
Depreciation expense	27,651	31,203
Amortization of intangible assets	6,668	6,667
EBITDA	12,412	48,933
Non-cash stock-based compensation	(588)	144
Strategic review costs	3,877	91
Severance costs	4,471	69
Adjusted EBITDA	\$ 20,172	\$ 49,237
Adjusted EBITDA Margin (% of revenue)	3.8 %	7.5 %

Adjusted Net Loss

The following table presents reconciliations of net loss to adjusted net loss for the specified periods:

	Fiscal Three Months Ended	
	March 31, 2024	April 2, 2023
(dollars in thousands)		
Net loss	\$ (25,233)	\$ (7,105)
Strategic review costs	3,877	91
Severance costs	4,471	69
Amortization of intangible assets	6,668	6,667
Non-cash stock-based compensation	(588)	144
Income tax impact of adjustments ⁽¹⁾	(3,607)	(1,743)
Adjusted net loss	\$ (14,412)	\$ (1,877)

(1) Calculated based on a blended statutory tax rate of 25%.

Liquidity and Capital Resources

Sources and Uses of Liquidity

Our primary liquidity needs have historically related to supporting working capital requirements, funding capital expenditures and servicing our debt.

As of March 31, 2024 and April 2, 2023, cash and cash equivalents were \$18.4 million and \$33.4 million, respectively. Historically, our primary sources of liquidity have been cash flows from operations and debt financing. As discussed in “Note 1 — Description of Business” and “Note 15 — Subsequent Events” to the condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q, and “The Offering” within the IPO Prospectus, the Centuri IPO and concurrent private placement will lead to changes in our capital structure and sources of liquidity. As part of the Centuri IPO and concurrent private placement which closed on April 22, 2024, we received total net proceeds of \$329.3 million in exchange for 16,851,929 shares of our common stock, with \$316.0 million of the proceeds being used to pay down our existing debt. We believe our capital resources, including existing cash balances, together with our operating cash flows and borrowings under our credit facilities, are sufficient to meet our financial obligations for at least the next 12 months.

We evaluate our working capital requirements on a regular basis and regularly monitor financial markets and assess general economic conditions for possible impacts to our financial position. Our capital requirements may change to the extent we identify acquisition opportunities, if we experience difficulties collecting amounts due from customers, increase our working capital in connection with new or existing customer programs or repay certain credit facilities.

Cash Flows

The following table presents a summary of our cash flows:

	Fiscal Three Months Ended	
	March 31, 2024	April 2, 2023
(dollars in thousands)		
Net cash (used in) provided by operating activities	\$ (22,213)	\$ 51,878
Net cash used in investing activities	(28,875)	(20,571)
Net cash provided by (used in) financing activities	36,284	(79,356)

Operating Activities

Cash flows provided by operating activities are impacted by changes in the timing of demand for our services and related operating margins but can also be affected by working capital needs. Working capital is primarily affected by changes in accounts receivable, contract assets, prepaid expenses and other current assets, accounts payable, accrued expenses, contract liabilities, and income tax accounts, which are primarily related to changes in revenue and related costs of revenue. These working capital balances are affected by changes in revenue resulting from the timing and volume of work performed, variability in the timing of customer billings and collections of receivables, as well as settlement of payables and other liabilities.

Net cash used in operating activities for the fiscal three months ended March 31, 2024 was \$22.2 million, compared to \$51.9 million net cash provided by operating activities for the fiscal three months ended April 2, 2023, representing a

decrease in operating cash flow of \$74.1 million, or 142.8%, due to decreased net income and the impact of working capital changes.

Investing Activities

Net cash used in investing activities was \$28.9 million in the period ended March 31, 2024 compared to \$20.6 million for April 2, 2023, an increase of \$8.3 million due to timing of capital expenditures.

The construction industry is capital intensive, and we expect to continue to incur capital expenditures to meet anticipated needs for our services. For the fiscal three months ended March 31, 2024 and April 2, 2023, we had capital expenditures of \$30.5 million and \$23.2 million, respectively.

These items were partially offset by proceeds from the sale of property and equipment of \$1.6 million and \$2.7 million for the fiscal three months ended March 31, 2024 and April 2, 2023, respectively.

Financing Activities

Net cash provided by financing activities increased by \$115.6 million during the fiscal three months ended March 31, 2024 compared to the fiscal three months ended April 2, 2023 to fund the operating cash flow deficit and capital expenditures.

Foreign Operations

While we primarily operate in the United States, we also have operations in Canada. Therefore, changes in the value of Canadian dollars affect our financial statements when translated into U.S. dollars. For each of the fiscal three months ended March 31, 2024 and April 2, 2023, revenue from our Canadian operations was approximately 8% of total revenue. At times, we also enter into transactions in foreign currencies, primarily in Canadian dollars, that subject us to currency risks. We regularly monitor our foreign currency exposure to determine the most effective foreign currency risk mitigation strategies. Currently, we are not party to any foreign currency exchange contracts.

Credit Facilities

Term Loan and Revolving Credit Facility

We have a senior secured revolving credit and term loan multi-currency facility. The line of credit portion comprises \$400 million, and associated amounts borrowed and repaid are available to be re-borrowed. The term loan facility portion provided approximately \$1.145 billion in financing as of August 27, 2021. The term loan facility expires on August 27, 2028, and the revolving credit facility expires on August 27, 2026. This multi-currency facility allows us to request loan advances in either Canadian dollars or U.S. dollars. The obligations under the credit agreement are secured by present and future ownership interests in substantially all of our direct and indirect subsidiaries, substantially all of our tangible and intangible personal property, certain of our direct and indirect subsidiaries, and all products, profits and proceeds of the foregoing. Assets securing the facility as of March 31, 2024 and December 31, 2023 totaled \$2.0 billion and \$2.1 billion, respectively. During the fiscal three months ended March 31, 2024, the maximum amount outstanding on the combined facility was \$1.117 billion, at which point \$991.4 million was outstanding on the term loan portion of the facility. As of March 31, 2024 and December 31, 2023, \$125.2 million and \$77.1 million, respectively, was outstanding on the revolving credit facility, in addition to \$991.4 million and \$994.2 million, respectively, that was outstanding on the term loan portion of the facility. Also as of March 31, 2024 and December 31, 2023, there was approximately \$201.5 million and \$246.5 million, respectively, net of outstanding letters of credit, available for borrowing under the line of credit. We had \$51.7 million and \$48.6 million of unused letters of credit available as of March 31, 2024 and December 31, 2023, respectively.

On March 22, 2024, we amended the financial covenants of the revolving credit facility (the "2024 Credit Facility Amendment") to increase the maximum net leverage ratio. Under the terms of the amended revolving credit facility, we are required to maintain a net leverage ratio of less than a maximum of 5.75 to 1.00 from January 1, 2024 through March 31, 2024, 6.00 to 1.00 from April 1, 2024 through June 30, 2024, 5.75 to 1.00 from July 1, 2024 through September 29, 2024, 5.00 to 1.00 from September 30, 2024 through December 29, 2024, and 4.00 to 1.00 thereafter. In addition, the 2024 Credit Facility Amendment increased the adjusted maximum net leverage ratio financial covenants, which go into effect upon the closing of a Qualified IPO. The 2024 Credit Facility Amendment did not modify any terms of the term loan facility.

With the proceeds obtained from the Centuri IPO, we paid down \$156.0 million of debt under our revolving credit facility and \$160.0 million of debt under our term loan facility. Pursuant to the terms of our 2024 Credit Facility Amendment, completion of the Qualified IPO resulted in a change to the maximum net leverage ratio based on the amount of proceeds received. We are now required to maintain a net leverage ratio of less than a maximum of 5.00 to 1.00 from April 18, 2024 through June 30, 2024, 4.75 to 1.00 from July 1, 2024 through September 29, 2024, and 4.00 to 1.00 on September 30, 2024 and thereafter.

Equipment Term Loans

We currently have seven equipment term loans with initial amounts totaling approximately \$170 million, with certain owned equipment used as collateral. The loans are serviced in U.S. dollars. These term loans have prepayment penalties for the first three years of the agreements. We did not incur any prepayment penalties on any of our equipment loans during the first fiscal three months of 2024 or 2023.

Recently Issued Accounting Pronouncements

Refer to “Note 2—Basis of Presentation and Summary of Significant Accounting Policies” to our condensed consolidated financial statements for a discussion of recent accounting standards and pronouncements.

Critical Accounting Policies and Estimates

This discussion and analysis of our financial condition and results of operations is based upon our condensed consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these condensed consolidated financial statements requires the use of estimates and assumptions. A summary of our critical accounting estimates is included in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” contained in the IPO Prospectus. We are required to make estimates and judgments in the preparation of our condensed consolidated financial statements that affect the reported amounts of assets and liabilities, revenue and expenses and related disclosures. We continually review these estimates and their underlying assumptions to ensure they are appropriate for the circumstances. Changes in the estimates and assumptions we use could have a material impact on our financial results. During the fiscal three month period ended March 31, 2024, there were no material changes in our critical accounting estimates or policies.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There were no material changes to our quantitative and qualitative disclosures about market risk during the three months ended March 31, 2024. Refer to “Quantitative and Qualitative Disclosures about Market Risk” within the IPO Prospectus for information on financial market risk related to changes in interest rates and currency exchange rates. Our primary exposure to market risk relates to unfavorable changes in interest rates and currency exchange rates.

For a discussion of our concentration of credit risk, refer to “Note 14 — Commitments and Contingencies” to our condensed consolidated financial statements.

Item 4. Controls and Procedures

Disclosure controls and procedures

At the end of the period covered by this Quarterly Report on Form 10-Q, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures. Our disclosure controls and procedures are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure. William Fehrman, Chief Executive Officer, and Gregory Izenstark, Chief Financial Officer, reviewed and participated in this

evaluation. Based on this evaluation, Messrs. Fehrman and Izenstark concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were effective.

Changes in Internal Control

There have been no changes in the Company's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) during the first quarter of 2024 that have materially affected, or are likely to materially affect the Company's internal control over financial reporting.

Part II - Other Information

Item 1. Legal Proceedings

For discussion regarding legal proceedings, please refer to “Note 14 — Commitments and Contingencies” in the accompanying notes to our condensed consolidated financial statements.

Item 1A. Risk Factors

Our business is subject to a variety of risks and uncertainties that are difficult to predict and many of which are outside of our control. For a detailed discussion of the risks that affect our business, refer to the section entitled “Risk Factors” included in the IPO Prospectus. As of the date of this filing, there have been no material changes to the risk factors previously described in the IPO Prospectus. The matters specifically identified are not the only risks and uncertainties facing our company, and risks and uncertainties not known to us or not specifically identified also may impair our business operations. If any of these risks and uncertainties occur, our business, financial condition, results of operations and cash flows could be negatively affected, which could negatively impact the value of an investment in our company.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

On April 22, 2024, the Centuri IPO was completed through the sale of 14,260,000 shares of our common stock, par value \$0.01 per share, including the underwriters’ full exercise of their option to purchase 1,860,000 shares to cover over-allotments, at an initial public offering price of \$21.00 per share. On the same day, Icahn Partners and Icahn Partners Master Fund LP, investment entities affiliated with Carl C. Icahn, purchased 2,591,929 shares of our common stock in a concurrent private placement at a price per share equal to the IPO price, for gross proceeds of approximately \$54.4 million. The total net proceeds to us from the Centuri IPO and the concurrent private placement, after deducting underwriting discounts and commissions of \$18.0 million and estimated offering expenses payable by us, were \$329.3 million. UBS Investment Bank, BofA Securities and J.P. Morgan acted as joint lead book-running managers and as representatives of the underwriters for the Centuri IPO. The offering commenced on April 17, 2024 and did not terminate before all of the securities registered under the registration statement were sold.

We primarily used the net proceeds from the Centuri IPO to pay down \$156.0 million of debt under our revolving credit facility and \$160.0 million of debt under our term loan facility, and plans to use the remaining proceeds for general corporate and working capital purposes.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On May 6, 2024, we adopted Amendment No. 10 Restating the Centuri Group, Inc. Executive Deferred Compensation Plan (the “Amended and Restated Plan”), which amends and restates Amendment No. 09 Restating the Centuri Group, Inc. Executive Deferred Compensation Plan (the “Prior Plan”). The Amended and Restated Plan is offered to a select group of management and highly compensated employees, including our named executive officers. Under the Amended and Restated Plan, participating employees are permitted to voluntarily defer receipt of up to 80% of base salary and up to 80% of other cash compensation. Employer matching contributions in the Amended and Restated Plan are equal to the first 5% of the salary compensation deferred by the employee. The plan also allows us, at our election, to credit participant accounts with discretionary contributions. Participants are 100% vested in salary deferrals, contributions, and all earnings. Participant accounts include a return based on the performance of the underlying investment options selected. Payments

from the plan are designated at each annual enrollment period based on specified triggering events and are payable by lump sum or on an annual installment basis.

The Amended and Restated Plan amends the Prior Plan to, among other things, (i) remove the Centuri Group, Inc. Executive Long Term Incentive Plan Fund as an investment option and to terminate all investment allocations to such fund; and (ii) update certain governance provisions on account of the recent initial public offering of Holdings, including establishing the Executive Deferred Compensation Plan Committee to carry out various ministerial duties associated with administering and maintaining the Amended and Restated Plan.

The foregoing is a summary only and does not purport to be a complete description of all of the terms, provisions, covenants, and agreements contained in the Amended and Restated Plan, and is subject to and qualified in its entirety by reference to the full text of the Amended and Restated Plan, which is attached hereto as Exhibit 10.10 and incorporated by reference herein.

Rule 10b5-1 Trading Arrangements

During the fiscal quarter ended March 31, 2024, none of our directors or officers adopted or terminated a “Rule 10b5-1 trading arrangement” or a “non-Rule 10b5-1 trading arrangement” (in each case, as defined in Item 408 of Regulation S-K).

Item 6. Exhibits

Exhibit Number	Exhibit Description
3.1*	Amended and Restated Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form S-8 filed with the SEC on April 19, 2024 (File no. 333-278834)).
3.2*	Amended and Restated Bylaws of the Registrant (incorporated by reference to Exhibit 4.2 to the Registrant's Registration Statement on Form S-8 filed with the SEC on April 19, 2024 (File no. 333-278834)).
10.1†*	Form of Centuri Holdings, Inc. Omnibus Incentive Plan (incorporated by reference to Exhibit 10.1 to the Registrant's Registration Statement on Form S-8 filed with the SEC on April 19, 2024 (File no. 333-278834)).
10.2†*	Form of Performance Stock Unit Award Agreement under the Centuri Holdings, Inc. Omnibus Incentive Plan (incorporated by reference to Exhibit 10.19 to the Registrant's Registration Statement on Form S-8 filed with the SEC on April 19, 2024 (File no. 333-278834)).
10.3†*	Form of Restricted Stock Unit Award Agreement for Non-Employee Directors under the Centuri Holdings, Inc. Omnibus Incentive Plan (incorporated by reference to Exhibit 10.20 to the Registrant's Registration Statement on Form S-1/A filed with the SEC on April 8, 2024 (File No. 333-278178)).
10.4†*	Form of Restricted Stock Unit Grant Agreement under the Centuri Holdings, Inc. Omnibus Incentive Plan (incorporated by reference to Exhibit 10.22 to the Registrant's Registration Statement on Form S-1/A filed with the SEC on April 8, 2024 (File No. 333-278178)).
10.5†*	Restricted Stock Unit Award Agreement with William J. Fehrman, dated as of April 19, 2024 (incorporated by reference to Exhibit 10.5 to the Registrant's Registration Statement on Form S-8 filed with the SEC on April 19, 2024 (File no. 333-278834)).
10.6*	Amendment No. 4 to Second Amended and Restated Credit Agreement, dated as of March 22, 2024, among Centuri Group, Inc., Centuri Canada Division Inc., the lenders party thereto, Wells Fargo Bank, National Association, as administrative agent, and the other parties named therein (incorporated by reference to Exhibit 10.9 to the Registrant's Registration Statement on Form S-1 filed March 22, 2024 (File no. 333-278178)).
10.7†*	Employment Agreement with Gregory A. Izenstark, dated January 2, 2019 (as amended on September 27, 2021 and February 22, 2024) (incorporated by reference to Exhibit 10.12 to the Registrant's Registration Statement on Form S-1 filed March 22, 2024 (File no. 333-278178)).
10.8†*	Form of Centuri Group Inc. 2024 Long-Term Incentive Cash Award Agreement (incorporated by reference to Exhibit 10.16 to the Registrant's Registration Statement on Form S-1 filed March 22, 2024 (File no. 333-278178)).
10.9^	Separation Agreement, dated as of April 11, 2024, by and between Southwest Gas Holdings, Inc. and Centuri Holdings, Inc.
10.10†	Amendment No. 10 Restating the Centuri Group, Inc. Executive Deferred Compensation Plan, amended and restated effective May 6, 2024
10.11	Tax Matters Agreement, dated as of April 11, 2024, by and between Southwest Gas Holdings, Inc. and Centuri Holdings, Inc.
10.12	Registration Rights Agreement, dated as of April 11, 2024, by and between Southwest Gas Holdings, Inc. and Centuri Holdings, Inc.
10.13†	Form of Indemnification Agreement by and between Centuri Holdings, Inc. and each of its directors and officers listed on Schedule A thereto.
10.14*	Common Stock Purchase Agreement, dated as of April 5, 2024, by and among Centuri Holdings, Inc., Icahn Partners L.P. and Icahn Partners Master Fund LP (incorporated by reference to Exhibit 10.18 to the Registrant's Registration Statement on Form S-1/A filed with the SEC on April 8, 2024 (File No. 333-278178)).
31.1	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer
31.2	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer

32.1 [Section 1350 Certification of Chief Executive Officer and Chief Financial Officer](#)

- 101.INS Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.
- 101.SCH Inline XBRL Taxonomy Extension Schema Document
- 101.CAL Inline XBRL Taxonomy Extension Calculation Linkbase Document
- 101.DEF Inline XBRL Taxonomy Extension Definition Linkbase Document
- 101.LAB Inline XBRL Taxonomy Extension Label Linkbase Document
- 101.PRE Inline XBRL Taxonomy Extension Presentation Linkbase Document
- 104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Incorporated by reference as indicated

^ Certain schedules to this agreement have been omitted pursuant to Item 601(b)(2)(ii) and Item 601(b)(10)(iv) of Regulation S-K, as applicable. The Company agrees to furnish a copy of any omitted schedule to the Commission upon its request.

† Indicates management contract or compensatory plan.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CENTURI HOLDINGS, INC.

Date: May 8, 2024

By:

/s/ Gregory A. Izenstark

Gregory A. Izenstark

Chief Financial Officer (Principal Financial and
Accounting Officer)

Execution Version

SEPARATION AGREEMENT
BY AND BETWEEN
SOUTHWEST GAS HOLDINGS, INC.
AND
CENTURI HOLDINGS, INC.
DATED AS OF APRIL 11, 2024

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EXHIBITS

Exhibit A	Form of Amended and Restated Certificate of Incorporation of Centuri
Exhibit B	Form of Amended and Restated Bylaws of Centuri

SEPARATION AGREEMENT

This SEPARATION AGREEMENT, dated as of April 11, 2024 (this “Agreement”), is by and between Southwest Gas Holdings, Inc., a Delaware corporation (“Southwest”), and Centuri Holdings, Inc., a Delaware corporation (“Centuri”). Capitalized terms used herein and not otherwise defined shall have the respective meanings assigned to them in Article I.

RECITALS

WHEREAS, the board of directors of Southwest (the “Southwest Board”) has determined that it is in the best interests of Southwest and its stockholders to create a new publicly traded company that shall operate the Centuri Business;

WHEREAS, in furtherance of the foregoing, the Southwest Board and the board of directors of Centuri (the “Centuri Board”) have determined that it is appropriate and desirable to separate the Centuri Business from the Southwest Business as more fully described in this Agreement and the Ancillary Agreements (the “Separation”);

WHEREAS, pursuant to the Separation, (i) the Southwest Board will cause Carson Water Company, a Nevada corporation (“Carson Water”) and the owner of one hundred percent (100%) of the stock of Centuri Group, Inc. (“CGI”) and the CGI stock, the “CGI Capital Stock”), to adopt a plan of liquidation and distribute all of the CGI Capital Stock to Southwest and (ii) Southwest will contribute all of the CGI Capital Stock received from Carson Water and any other Centuri Assets to Centuri in exchange for the assumption of the Centuri Liabilities and the actual or deemed issuance of additional shares of Centuri Common Stock;

WHEREAS, the Parties intend the Separation to qualify for non-recognition treatment for U.S. federal income tax purposes;

WHEREAS, the Southwest Board has further determined that it is appropriate and desirable, on the terms and conditions contemplated hereby, for Centuri to make an offer and sale to the public of a limited number of shares of Centuri Common Stock, pursuant to a registration statement on Form S-1, as more fully described in this Agreement and the Ancillary Agreements (the “IPO”), immediately following which offering and sale and any concurrent private placement(s), Southwest will own 80.1% or more of the outstanding shares of Centuri Common Stock (the “Retained Shares”);

WHEREAS, after the IPO, if effected, Southwest may (i) transfer the Retained Shares by distribution by Southwest to holders of Southwest Common Stock (the “Distribution”); (ii) effect a disposition of Retained Shares pursuant to one or more public offering(s) or private transaction(s) (“Other Disposition”); or (iii) continue to hold its interest of the Retained Shares;

WHEREAS, Southwest intends the Distribution, if effected, to qualify as tax-free for U.S. federal income tax purposes under Section 355 of the Code;

WHEREAS, Centuri has been incorporated solely for these purposes and has not engaged in activities except in connection with the transactions contemplated by this Agreement and the Ancillary Agreements;

WHEREAS, each of Southwest and Centuri has determined that it is appropriate and desirable to set forth the principal corporate transactions required to effect the Separation and the IPO, Distribution or Other Disposition, in each case, if effected (collectively, the “Transactions”), and certain other agreements that will govern certain matters relating to the Transactions and the relationship of Southwest, Centuri and the members of their respective Groups following the Transactions; and

WHEREAS, the Parties acknowledge that this Agreement and the Ancillary Agreements represent the integrated agreement of Southwest and Centuri relating to the Transactions, are being entered into together, and would not have been entered into independently.

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE I DEFINITIONS

For the purpose of this Agreement, the following terms shall have the following meanings:

“Action” shall mean any charges, demand, action, audit, claim, dispute, hearing, dispute, suit, countersuit, arbitration, inquiry, subpoena, proceeding or investigation of any nature (whether criminal, civil, legislative, administrative, regulatory, prosecutorial or otherwise) by or before any federal, state, local, foreign or international Governmental Authority or any arbitration or mediation tribunal.

“Affiliate” shall mean, when used with respect to a specified Person, a Person that, directly or indirectly, through one (1) or more intermediaries, controls, is controlled by or is under common control with such specified Person. For the purpose of this definition, “control” (including, with correlative meanings, “controlled by” and “under common control with”), when used with respect to any specified Person shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or other interests, by contract, agreement, obligation, indenture, instrument, lease, promise, arrangement, release, warranty, commitment, undertaking or otherwise. It is expressly agreed that, prior to, at and after the Separation Time, solely for purposes of this Agreement and the Ancillary Agreements, (a) no member of the Centuri Group shall be deemed to be an Affiliate of any member of the Southwest Group and (b) no member of the Southwest Group shall be deemed to be an Affiliate of any member of the Centuri Group.

“Agreement” shall have the meaning set forth in the Preamble.

“Ancillary Agreements” shall mean all agreements (other than this Agreement) entered into by the Parties or the members of their respective Groups (but only agreements as to which no

Third Party is a party) in connection with the Transactions, including the Tax Matters Agreement, the Registration Rights Agreement, the Transfer Documents and any other agreement that by its express terms provides that it shall be an Ancillary Agreement for purposes of this Agreement.

“Annual Financial Statements” shall have the meaning set forth in Section 8.1(e).

“Anti-Dilution Option” shall have the meaning set forth in Section 8.5(c)(i).

“Approvals or Notifications” shall mean any consents, waivers, approvals, permits or authorizations to be obtained from, notices, registrations or reports to be submitted to, or other filings to be made with, any Third Party, including any Governmental Authority.

“Arbitral Tribunal” shall have the meaning set forth in Section 7.3(a).

“Arbitration Request” shall have the meaning set forth in Section 7.3.

“Assets” shall mean, with respect to any Person, the assets, properties, claims and rights (including goodwill) of such Person, wherever located (including in the possession of vendors or other Third Parties or elsewhere), of every kind, character and description, whether real, personal or mixed, tangible, intangible or contingent, in each case whether or not recorded or reflected or required to be recorded or reflected on the books and records or financial statements of such Person, including rights and benefits pursuant to any contract, license, permit, indenture, note, bond, mortgage, agreement, concession, franchise, instrument, undertaking, commitment, understanding or other arrangement.

“Beneficially Own” shall have the meaning set forth in Section 13(d) of the Exchange Act and the rules and regulations thereunder.

“Business” shall mean either the Southwest Business or the Centuri Business, as the context requires.

“Business Day” shall mean any day other than Saturday or Sunday or any other day on which commercial banking institutions located in New York, New York are required, or authorized by Law, to remain closed.

“Carson Water” shall have the meaning set forth in the Recitals.

“Centuri” shall have the meaning set forth in the Preamble.

“Centuri Accounts” shall have the meaning set forth in Section 2.8(a).

“Centuri Assets” shall have the meaning set forth in Section 2.2(a).

“Centuri Auditors” shall have the meaning set forth in Section 8.2(a).

“Centuri Balance Sheet” shall mean the pro forma combined balance sheet of the Centuri Business, including any notes and subledgers thereto, as of October 1, 2023, as presented in the IPO Registration Statement.

“Centuri Board” shall have the meaning set forth in the Recitals.

“Centuri Books and Records” shall mean all books and records to the extent used in or necessary for, as of immediately prior to the Separation Time, the operation of the Centuri Business, including financial, employee and general business operating documents, instruments, papers, books, books of account, records and files and data related thereto (including regulatory dossiers, correspondence and related documentation); provided, that Centuri Books and Records shall not include material that Southwest is not permitted by applicable Law or agreement to disclose or transfer to Centuri; provided, further, that Centuri Books and Records shall not include any Intellectual Property Rights or Technology or any books and records relating to Tax matters, which shall be governed by the Tax Matters Agreement.

“Centuri Business” shall mean the business, operations and activities of Centuri Group, Inc. and any members of the Centuri Group as described in the IPO Registration Statement and conducted as of immediately prior to the Separation Time by either Party or any of its Subsidiaries.

“Centuri Bylaws” shall mean the Amended and Restated Bylaws of Centuri, substantially in the form of Exhibit B attached hereto, as reasonably amended in a manner consistent with then-market terms at the advice of the Underwriters to enhance marketability and, subsequent to the IPO Effective Date, shall mean such document as it may be amended from time to time.

“Centuri Capital Stock” shall mean the Centuri Common Stock and any other class of common or preferred stock of Centuri.

“Centuri Certificate of Incorporation” shall mean the Amended and Restated Certificate of Incorporation of Centuri, substantially in the form of Exhibit A attached hereto, as reasonably amended in a manner consistent with then-market terms at the advice of the Underwriters to enhance marketability and, subsequent to the IPO Effective Date, shall mean such document as it may be amended from time to time.

“Centuri Common Stock” shall mean the common stock of Centuri, par value \$0.01 per share.

“Centuri Contracts” shall have the meaning set forth in Section 2.2(a)(v).

“Centuri Designees” shall mean any and all entities (including corporations, general or limited partnerships, trusts, joint ventures, unincorporated organizations, limited liability entities or other entities) designated by Southwest that will be members of the Centuri Group as of immediately prior to the Separation Time.

“Centuri Group” shall mean Centuri and each Person that is a direct or indirect Subsidiary of Centuri as of the Separation Time, and each Person that becomes a direct or indirect Subsidiary of Centuri after the Separation Time, including the entities set forth on Schedule 1.1.

“Centuri Group Employees” shall mean each individual who is, or is intended to be, an employee of the Centuri Group as of immediately after the Separation Time (including any such individual who is not actively working as of the Separation Time as a result of an illness, injury or

leave of absence approved by the Southwest Human Resources department or otherwise taken in accordance with applicable Law).

“Centuri Indemnitees” shall have the meaning set forth in Section 4.3.

“Centuri Intellectual Property Rights” shall mean all Intellectual Property Rights exclusively related to the Centuri Business that are owned by either Party or any of the members of its Group as of immediately prior to the Separation Time, including any Intellectual Property Rights set forth on Schedule 1.2.

“Centuri IT Assets” shall mean (a) all Information Technology owned by either Party or any member of its Group as of immediately prior to the Separation Time that is exclusively used or held for use in the Centuri Business, including all Information Technology set forth on Schedule 1.3; and (b) all copies of Third-Party Software loaded onto such Information Technology to the extent the applicable contract for such Software has transferred to the Centuri Group pursuant to the terms of this Agreement or the Centuri Group otherwise independently has a license to such Software that allows for the transfer of such Software to the Centuri Group.

“Centuri Liabilities” shall have the meaning set forth in Section 2.3(a).

“Centuri Permits” shall mean all Permits owned or licensed by either Party or any member of its Group exclusively used or held for use in the Centuri Business as of immediately prior to the Separation Time.

“Centuri Public Documents” shall have the meaning set forth in Section 8.1(h).

“Centuri Securities” shall mean any Centuri Capital Stock (or other equity interests) and any rights, warrants or options to acquire Centuri Capital Stock (or other equity interests) (including securities convertible into or exchangeable for Centuri Capital Stock or into which such Centuri Capital Stock (or other equity interests) is converted or exchanged).

“Centuri Technology” shall mean any Technology with respect to which the Intellectual Property Rights therein are owned by either Party or any member of its Group to the extent that such Technology is (a) exclusively used or held for use in the operation of the Centuri Business as of immediately prior to the Separation Time and capable of being copied (for example, Software), including all Technology set forth on Schedule 1.4, and (b) the know-how of the Centuri Group Employees to the extent exclusively related to the Centuri Business, but in each case, including any Information Technology and any Centuri Books and Records. For clarity, Centuri Technology does not include any Intellectual Property Rights.

“Centuri Voting Stock” shall mean all classes and series of Centuri Capital Stock entitled to vote generally with respect to the election of directors.

“CEO Negotiation Request” shall have the meaning set forth in Section 7.2.

“CGI” shall have the meaning set forth in the Recitals.

“CGI Capital Stock” shall have the meaning set forth in the Recitals.

“Chosen Courts” shall have the meaning set forth in Section 7.3(d).

“Claim Notice” shall have the meaning set forth in Section 5.1(b).

“Code” shall mean the Internal Revenue Code of 1986, as amended.

“Common Interest Agreement” shall mean an agreement, in a form to be mutually agreed reasonably and in good faith by and among the parties thereto, providing for the common interest privilege to attach, to the maximum extent permitted by applicable Law, to any information transferred pursuant to Article V or Article VI (it being understood that such Common Interest Agreement shall not diminish, terminate or otherwise affect any attorney-client privilege, protection pursuant to the work product doctrine or other privilege or protection under this Agreement or otherwise of any Party with respect to any such information).

“Contract” shall mean any agreement, contract, subcontract, obligation, binding understanding, note, indenture, instrument, option, lease, promise, arrangement, release, warranty, license, sublicense, insurance policy, benefit plan, purchase order or legally binding commitment or undertaking of any nature (whether written or oral and whether express or implied).

“Covered Claims” shall have the meaning set forth in Section 5.1(a).

“COVID-19” shall mean SARS-CoV-2 or COVID-19, and any evolutions, variants, mutations or worsening thereof or related or associated epidemics, pandemics or disease outbreaks (including any subsequent waves).

“Decision on Interim Relief” shall have the meaning set forth in Section 7.3(d).

“Disposition Date” shall mean the date upon which the Southwest Group ceases to Beneficially Own, in the aggregate, fifty percent (50%) or more of the total voting power of the then outstanding shares of Centuri Voting Stock.

“Dispute” shall have the meaning set forth in Section 7.1.

“Distribution” shall have the meaning set forth in the Recitals.

“e-mail” shall have the meaning set forth in Section 11.5.

“Emergency Arbitrator” shall have the meaning set forth in Section 7.3(d).

“Environmental Law” shall mean any Law relating to pollution, protection or restoration of or prevention of harm to the environment or natural resources, including the use, handling, transportation, treatment, storage, disposal, Release or discharge of Hazardous Materials or the protection of or prevention of harm to human health and safety.

“Environmental Liabilities” shall mean all Liabilities relating to, arising out of or resulting from any Hazardous Materials, Environmental Law or contract or agreement relating to environmental, health or safety matters (including all removal, remediation or cleanup costs, investigatory costs, response costs, natural resources damages, property damages, personal injury

damages, costs of compliance with any product take back requirements or with any settlement, judgment or other determination of Liability and indemnity, contribution or similar obligations) and all costs and expenses, interest, fines, penalties or other monetary sanctions in connection therewith.

“Exchange Act” shall mean the U.S. Securities Exchange Act of 1934, as amended, together with the rules and regulations promulgated thereunder.

“Financial Delivery Practices” shall have the meaning set forth in Section 8.1(c)(i).

“Financial Statements” shall mean the Annual Financial Statements and Quarterly Financial Statements, collectively.

“Force Majeure” shall mean, with respect to a Party, an event beyond the reasonable control of such Party (or any Person acting on its behalf), which event (a) does not arise or result from the fault or negligence of such Party (or any Person acting on its behalf) and (b) by its nature would not reasonably have been foreseen by such Party (or such Person), or, if it would reasonably have been foreseen, was unavoidable, and includes acts of God, acts of civil or military authority, acts of terrorism, cyberattacks, embargoes, epidemics, pandemics (including COVID-19 and Pandemic Measures), war, riots, insurrections, fires, explosions, earthquakes, floods, unusually severe weather conditions, labor problems or unavailability of parts, or, in the case of computer systems, any significant and prolonged failure in electrical or air conditioning equipment. Notwithstanding the foregoing, the receipt by a Party of an unsolicited takeover offer or other acquisition proposal, even if unforeseen or unavoidable, and such Party’s response thereto shall not be deemed an event of Force Majeure.

“GAAP” shall mean accounting principles generally accepted in the United States of America, applied on a basis consistent within the Financial Statements.

“Governmental Approvals” shall mean any Approvals or Notifications to be made to, or obtained from, any Governmental Authority.

“Governmental Authority” shall mean any nation or government, any state, municipality or other political subdivision thereof, and any entity, body, agency, commission, department, board, bureau, court, tribunal or other instrumentality, whether federal, state, local, domestic, foreign or multinational, exercising executive, legislative, judicial, regulatory, administrative or other similar functions of, or pertaining to, a government and any executive official thereof.

“Group” shall mean either the Centuri Group or the Southwest Group, as the context requires.

“Hazardous Materials” shall mean any chemical, material, substance, waste, pollutant, emission, discharge, release or contaminant that could result in Liability under, or that is prohibited, limited or regulated by or pursuant to, any Environmental Law, and any natural or artificial substance (whether solid, liquid or gas, noise, ion, vapor or electromagnetic) that could cause harm to human health or the environment, including petroleum, petroleum products and byproducts, asbestos and asbestos-containing materials, urea formaldehyde foam insulation,

electronic, medical or infectious wastes, polychlorinated biphenyls, radon gas, radioactive substances, chlorofluorocarbons and all other ozone-depleting substances.

“Indebtedness” shall mean, with respect to any Person, (a) the principal amount, prepayment and redemption premiums and penalties (if any), unpaid fees and other monetary obligations in respect of any indebtedness for borrowed money, whether short term or long term, and all obligations evidenced by bonds, debentures, notes, other debt securities or similar instruments; (b) any indebtedness arising under any capital leases (excluding, for the avoidance of doubt, any real estate leases), whether short term or long term; (c) all liabilities secured by any Security Interest on any assets of such Person; (d) all liabilities under any interest rate, currency, commodity or other swap, collar, cap or other hedging or similar agreements or arrangements; (e) all liabilities under any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement or other similar agreement designed to protect such Person against fluctuations in interest rates; (f) all interest bearing indebtedness for the deferred purchase price of property or services; (g) all interest, fees and other expenses owed with respect to indebtedness described in the foregoing clauses (a) through (f); and (h) without duplication, all guarantees of indebtedness referred to in the foregoing clauses (a) through (g).

“Indemnifying Party” shall have the meaning set forth in Section 4.4(a).

“Indemnitee” shall have the meaning set forth in Section 4.4(a).

“Indemnity Payment” shall have the meaning set forth in Section 4.4(a).

“Information Technology” shall mean all computer systems (including hardware, computers, servers, workstations, routers, hubs, switches, and data communication lines), network and telecommunications equipment, Internet-related information technology infrastructure, other information technology equipment and all associated documentation.

“Insurance Proceeds” shall mean those monies (a) received by an insured from an insurance carrier or (b) paid by an insurance carrier on behalf of the insured, in each case, net of any applicable premium adjustments (including reserves and retrospectively rated premium adjustments) and any costs or expenses incurred in the collection thereof.

“Intellectual Property Rights” shall mean any and all common law, statutory or other rights, whether registered or unregistered, anywhere in the world arising under or associated with the following: (a) patents, patent applications, utility models, statutory invention registrations, certificates of invention, registered designs, utility models and similar or equivalent rights in inventions and designs, and all rights therein provided by international treaties or conventions (“Patents”), (b) trademarks, service marks, trade names, service names, trade dress, logos and other designations of origin, including any applications for registration of, goodwill associated with, and renewals and extensions of any of the foregoing (“Trademarks”), (c) rights associated with Internet domain names, uniform resource locators, Internet Protocol addresses, social media accounts or “handles” with Facebook, LinkedIn, Twitter and similar social media platforms, handles, and other names, identifiers, and locators associated with Internet addresses, sites, and services (“Internet Properties”), (d) copyrights and any other equivalent rights in works of authorship (including rights in software or databases as a work of authorship) and any other related rights of authors, and all

registrations and applications for registration of any of the foregoing, (“Copyrights”), (e) trade secrets and industrial secret rights and rights in know-how, inventions, data, and any other confidential or proprietary business or technical information, that derive independent economic value, whether actual or potential, from not being known to other persons (“Trade Secrets”), and (f) all other similar or equivalent intellectual property or proprietary rights anywhere in the world.

“Interim Relief” shall have the meaning set forth in Section 7.3(d).

“Internal Corporate Claim” shall mean any claim (i) to apply, enforce or determine the validity of the provisions of this Agreement or the Tax Matters Agreement to the extent such application, enforcement or determination of validity is relevant to the application, enforcement or determination of any provision of the Centuri Certificate of Incorporation or Centuri Bylaws or (ii) governed by the internal affairs doctrine.

“IPO” shall have the meaning set forth in the Recitals.

“IPO Effective Date” shall mean the date of the closing of the IPO.

“IPO Registration Statement” shall mean the effective registration statement on Form S-1 to be filed under the Securities Act, pursuant to which the Centuri Common Stock to be issued in the IPO will be registered under the Securities Act, together with all amendments thereto.

“JAMS” shall mean JAMS, formerly known as Judicial Arbitration and Mediation Services, Inc., and its successors.

“Law” shall mean any national, supranational, federal, state, provincial, local or similar law (including common law), statute, code, order, ordinance, rule, regulation, treaty (including any income tax treaty), license, Permit, decree, injunction, binding judicial or administrative interpretation or other requirement, in each case, enacted, promulgated, issued or entered by a Governmental Authority.

“Liabilities” shall mean all debts, guarantees, assurances, commitments, liabilities, responsibilities, Losses, remediation, deficiencies, fines, settlements, sanctions, costs, interest and obligations of any nature or kind, whether accrued or fixed, absolute or contingent, matured or unmatured, accrued or not accrued, asserted or unasserted, liquidated or unliquidated, foreseen or unforeseen, known or unknown, reserved or unreserved, or determined or determinable, including those arising under any Law, Action (including any Third-Party Claim) or order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority or arbitration tribunal, and those arising under any contract, agreement, obligation, indenture, instrument, lease, promise, arrangement, release, warranty, commitment or undertaking, or any fines, damages or equitable relief that is imposed, in each case, including all costs and expenses relating thereto.

“Losses” shall mean actual losses (including any diminution in value), costs, damages, penalties and expenses (including legal and accounting fees and expenses and costs of investigation and litigation), whether or not involving a Third-Party Claim.

“Morrison & Foerster” shall have the meaning set forth in Section 6.7(b).

“Negotiation Period” shall have the meaning set forth in Section 7.3.

“NYSE” shall mean the New York Stock Exchange.

“Officer Negotiation Request” shall have the meaning set forth in Section 7.1.

“Organizational Documents” shall have the meaning set forth in Section 8.8.

“Other Disposition” shall have the meaning set forth in the Recitals.

“Pandemic Measures” shall mean any quarantine, “shelter in place,” “stay at home,” workforce reduction, social distancing, shut down, closure, sequester, immunization requirement, safety or similar Law, directive, guidelines or recommendations promulgated by any Governmental Authority, including the Centers for Disease Control and Prevention and the World Health Organization, in each case, in connection with or in response to a pandemic, including COVID-19.

“Parties” shall mean the parties to this Agreement.

“Permits” shall mean permits, approvals, authorizations, consents, licenses or certificates issued by any Governmental Authority.

“Person” shall mean an individual, a general or limited partnership, a corporation, a trust, a joint venture, an unincorporated organization, a limited liability entity, any other entity and any Governmental Authority.

“Policies” shall mean insurance policies and insurance contracts of any kind (other than life and benefits policies or contracts), including primary, excess and umbrella policies, commercial general liability policies, fiduciary liability, directors and officers liability, automobile, property and casualty, workers’ compensation and employee dishonesty insurance policies and bonds, together with the rights, benefits and privileges thereunder.

“Prime Rate” shall mean the rate last quoted as of the time of determination by *The Wall Street Journal* as the “Prime Rate” in the United States or, if the Wall Street Journal ceases to quote such rate, the highest per annum interest rate published by the Federal Reserve Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the “bank prime loan” rate as of such time, or, if such rate is no longer quoted therein, any similar rate quoted therein (as determined by Southwest) or any similar release by the Federal Reserve Board (as determined by Southwest). Each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective.

“Privilege” shall have the meaning set forth in Section 6.7(a).

“Privileged Information” shall mean any information, in written, oral, electronic or other tangible or intangible forms, including any communications by or to attorneys (including attorney-client privileged communications), memoranda and other materials prepared by attorneys or under their direction (including attorney work product), as to which a Party or any member of its Group

would be entitled to assert or have asserted a privilege or other protection, including the attorney-client and attorney work product privileges.

“Proposed Issuance” shall have the meaning set forth in Section 8.5(c)(i).

“Prospectus” shall mean each preliminary, final or supplemental prospectus forming a part of the IPO Registration Statement.

“Quarterly Financial Statements” shall have the meaning set forth in Section 8.1(d).

“Registration Rights Agreement” shall mean the Registration Rights Agreement to be entered into by and among Centuri and each of the Holders (as such term is defined therein) party thereto in connection with the Transactions.

“Release” shall mean any release, spill, emission, discharge, leaking, pumping, pouring, dumping, injection, deposit, disposal, dispersal, leaching or migration of Hazardous Materials into the environment (including ambient air, surface water, groundwater and surface or subsurface strata).

“Released Insurance Matters” shall have the meaning set forth in Section 5.1(e).

“Representatives” shall mean, with respect to any Person, any of such Person’s directors, officers, employees, agents, consultants, advisors, accountants, attorneys or other representatives.

“Residuals” shall mean ideas, concepts, know-how, and techniques that are retained in the memories of individual employees or contractors without the aid of any document containing confidential information.

“Retained Shares” shall have the meaning in the Recitals.

“Rules” shall have the meaning set forth in Section 7.3.

“SEC” shall mean the U.S. Securities and Exchange Commission.

“Section 16 Reports” shall have the meaning set forth in Section 8.1(h).

“Securities Act” shall mean the Securities Act of 1933, as amended, together with the rules and regulations promulgated thereunder.

“Security Interest” shall mean any mortgage, security interest, pledge, lien, charge, claim, option, right to acquire, voting or other restriction, right-of-way, covenant, condition, easement, encroachment, restriction on transfer or other encumbrance of any nature whatsoever.

“Separation” shall have the meaning set forth in the Recitals.

“Separation Date” shall have the meaning set forth in Section 2.4.

“Separation Step Plan” shall have the meaning set forth in Section 2.1(a).

“Separation Time” shall mean 12:01 a.m., New York City time, on the Separation Date.

“Shared Claim” shall have the meaning set forth in Section 5.1(c).

“Shared Policies” shall mean the Policies set forth on Schedule 1.5.

“Significant Centuri Transaction” shall have the meaning set forth in Section 8.7.

“Software” shall mean any and all (a) computer programs, including any and all software implementation of algorithms, models and methodologies, whether in source code, object code, human readable form or other form, (b) databases and compilations, including any and all data and collections of data, whether machine readable or otherwise, (c) descriptions, flow charts and other work products used to design, plan, organize and develop any of the foregoing, (d) screens, user interfaces, report formats, firmware, development tools, templates, menus, buttons and icons and (e) documentation, including user manuals and other training documentation, relating to any of the foregoing.

“Southwest” shall have the meaning set forth in the Preamble.

“Southwest Accounts” shall have the meaning set forth in Section 2.8(a).

“Southwest Assets” shall have the meaning set forth in Section 2.2(b).

“Southwest Auditors” shall have the meaning set forth in Section 8.2(d).

“Southwest Board” shall have the meaning set forth in the Recitals.

“Southwest Books and Records” shall have the meaning set forth in Section 2.2(a).

“Southwest Business” shall mean all businesses, operations and activities (whether or not such businesses, operations or activities are or have been terminated, divested or discontinued) conducted at any time prior to the Separation Time by either Party or any member of its Group, other than the Centuri Business.

“Southwest Common Stock” shall mean the common stock of Southwest, par value \$1.00 per share.

“Southwest Designee” shall have the meaning set forth in Section 8.3(a)(i).

“Southwest Group” shall mean Southwest, its Representatives and each Person that is a Subsidiary of Southwest (other than Centuri and any other member of the Centuri Group) or that becomes a Subsidiary of Southwest after the Separation Time.

“Southwest Indemnitees” shall have the meaning set forth in Section 4.2.

“Southwest Liabilities” shall have the meaning set forth in Section 2.3(b).

“Southwest Public Documents” shall have the meaning set forth in Section 8.1(l).

“Specified Ancillary Agreement” shall have the meaning set forth in Section 11.17(b).

“Subsidiary” shall mean, with respect to any Person, any corporation, limited liability company, joint venture or partnership of which such Person (a) beneficially owns, either directly or indirectly, more than fifty percent (50%) of (i) the total combined voting power of all classes of voting securities, (ii) the total combined equity interests or (iii) the capital or profit interests, in the case of a partnership, or (b) otherwise has the power to vote, either directly or indirectly, sufficient securities to elect a majority of the board of directors or similar governing body.

“Tangible Information” shall mean information that is contained in written, electronic or other tangible forms.

“Tax” or “Taxes” shall have the meaning set forth in the Tax Matters Agreement.

“Tax Matters Agreement” shall mean the Tax Matters Agreement to be entered into by and between Southwest and Centuri in connection with the Transactions and, prior to a Trigger Event, in the form attached to the Centuri Certificate of Incorporation as Exhibit B.

“Tax Return” shall have the meaning set forth in the Tax Matters Agreement.

“Technology” shall mean embodiments of Intellectual Property Rights, including blueprints, designs, design protocols, documentation, specifications for materials, specifications for parts and devices, and design tools, materials, manuals, data, databases, Software and know-how or knowledge of employees; provided, that “Technology” shall not include personal property, Information Technology, books and records or any Intellectual Property Rights.

“Third Party” shall mean any Person other than the Parties or any members of their respective Groups.

“Third-Party Claim” shall have the meaning set forth in Section 4.5(a).

“Transactions” shall have the meaning set forth in the Recitals.

“Transfer Documents” shall have the meaning set forth in Section 2.1(b).

“Underwriters” shall mean the managing underwriters for the IPO.

“Underwriting Agreement” shall mean the underwriting agreement to be entered into by and among Southwest, Centuri and the Underwriters as representatives of the several underwriters named therein with respect to the IPO.

“Unreleased Centuri Liability” shall have the meaning set forth in Section 2.6(b)(ii).

“Unreleased Southwest Liability” shall have the meaning set forth in Section 2.6(b)(ii).

ARTICLE II THE SEPARATION

2.1 Transfer of Assets and Assumption of Liabilities.

(a) Subject to Section 2.5, on or prior to the Separation Time, in accordance with the plan and structure set forth on Schedule 2.1(a), which may be amended at any time prior to the Separation Time by Southwest in its sole and absolute discretion (the “Separation Step Plan”):

(i) *Transfer and Assignment of Centuri Assets.* Southwest shall, and shall cause the applicable members of its Group to, contribute, assign, transfer, convey and deliver to Centuri, or the applicable Centuri Designees, and Centuri or such Centuri Designees shall be deemed to have accepted, and shall accept, from Southwest and the applicable members of the Southwest Group, all of Southwest’s and such Southwest Group member’s respective direct or indirect right, title and interest, if any, in and to all of the Centuri Assets;

(ii) *Acceptance and Assumption of Centuri Liabilities.* Centuri and the applicable Centuri Designees shall be deemed to have accepted, and shall accept, assume and agree faithfully to perform, discharge and fulfill all of the Centuri Liabilities, if any, in accordance with their respective terms. Centuri and such Centuri Designees shall be responsible for all Centuri Liabilities, if any, regardless of when or where such Centuri Liabilities arose or arise, or whether the facts on which they are based occurred prior to or subsequent to the Separation Time, regardless of where or against whom such Centuri Liabilities are asserted or determined (including any Centuri Liabilities arising out of claims made by Southwest’s or Centuri’s respective directors, officers, employees, agents, Subsidiaries or Affiliates against any member of the Southwest Group or the Centuri Group) or whether asserted or determined prior to the date hereof, and regardless of whether arising from or alleged to arise from negligence, recklessness, violation of Law, fraud or misrepresentation by any member of the Southwest Group or the Centuri Group, or any of their respective directors, officers, employees, agents, Subsidiaries or Affiliates;

(iii) *Transfer and Assignment of Southwest Assets.* Southwest and Centuri shall cause Centuri and the Centuri Designees to contribute, assign, transfer, convey and deliver to Southwest or certain members of the Southwest Group designated by Southwest, and Southwest or such other members of the Southwest Group shall accept from Centuri and the Centuri Designees, all of Centuri’s and such Centuri Designees’ respective direct or indirect right, title and interest in and to all Southwest Assets, if any, held by Centuri or a Centuri Designee; and

(iv) *Acceptance and Assumption of Southwest Liabilities.* Southwest and certain members of the Southwest Group designated by Southwest shall be deemed to have accepted, and shall accept, assume and agree faithfully to perform, discharge and fulfill all of the Southwest Liabilities held by Centuri or any Centuri Designee, if any, and Southwest and the applicable members of the Southwest Group shall be responsible for all Southwest Liabilities in accordance with their respective terms, regardless of when or where such Southwest Liabilities arose or arise, or whether the facts on which they are based occurred prior to or subsequent to the Separation Time, where or against whom such Southwest Liabilities are asserted or determined (including any such Southwest Liabilities arising out of claims made by Southwest’s or Centuri’s

respective directors, officers, employees, agents, Subsidiaries or Affiliates against any member of the Southwest Group or the Centuri Group) or whether asserted or determined prior to the date hereof, and regardless of whether arising from or alleged to arise from negligence, recklessness, violation of Law, fraud or misrepresentation by any member of the Southwest Group or the Centuri Group, or any of their respective directors, officers, employees, agents, Subsidiaries or Affiliates.

(b) *Transfer Documents.* In furtherance of the contribution, assignment, transfer, conveyance and delivery of the Assets and the assumption of the Liabilities in accordance with Section 2.1(a), and without prejudice to any actions taken to implement, or documents entered into between or among any of the Parties or members of their respective Groups to implement, or in furtherance of, the Separation Step Plan prior to the date hereof, (i) each Party shall execute and deliver, and shall cause the applicable members of its Group to execute and deliver, to the other Party, such bills of sale, quitclaim deeds, stock powers, certificates of title, assignments of contracts and other instruments of transfer, conveyance and assignment as and to the extent necessary to evidence the transfer, conveyance and assignment of all of such Party's and the applicable members of its Group's right, title and interest in and to such Assets to the other Party and the applicable members of its Group in accordance with Section 2.1(a), and (ii) each Party shall execute and deliver, and shall cause the applicable members of its Group to execute and deliver, to the other Party, such assumptions of contracts and other instruments of assumption as and to the extent necessary to evidence the valid and effective assumption of the Liabilities by such Party and the applicable members of its Group in accordance with Section 2.1(a). All of the foregoing documents contemplated by this Section 2.1(b) (including any documents entered into between or among any of the Parties or members of their respective Groups to implement or in furtherance of the Separation Step Plan prior to the date hereof) shall be referred to collectively herein as the "Transfer Documents." The Transfer Documents shall effect certain of the transactions contemplated by this Agreement and, notwithstanding anything in this Agreement to the contrary, shall not expand or limit any of the obligations, covenants or agreements in this Agreement. It is expressly agreed that in the event of any conflict between the terms of the Transfer Documents and the terms of this Agreement or the Tax Matters Agreement, the terms of this Agreement or the Tax Matters Agreement, as applicable, shall control.

(c) *Misallocations.* In the event that at any time or from time to time (whether prior to, at or after the Separation Time), one Party (or any member of such Party's Group) shall receive or otherwise possess any Asset that is allocated to the other Party (or any member of such Party's Group) pursuant to this Agreement or any Ancillary Agreement, such Party shall promptly transfer, or cause to be transferred, such Asset to the Party so entitled thereto (or to any member of such Party's Group), and such Party (or member of such Party's Group) so entitled thereto shall accept such Asset. Prior to any such transfer, the Person receiving or possessing such Asset shall hold such Asset in trust for such other Person. In the event that at any time or from time to time (whether prior to, at or after the Separation Time), one Party hereto (or any member of such Party's Group) shall receive or otherwise assume any Liability that is allocated to the other Party (or any member of such Party's Group) pursuant to this Agreement or any Ancillary Agreement, such Party shall promptly transfer, or cause to be transferred, such Liability to the Party responsible therefor (or to any member of such Party's Group), and such Party (or member of such Party's Group) responsible therefor shall accept, assume and agree to faithfully perform such Liability.

(d) *Waiver of Bulk-Sale and Bulk-Transfer Laws.* To the extent permissible under applicable Law, Centuri hereby waives compliance by each and every member of the Southwest Group with the requirements and provisions of any “bulk-sale” or “bulk-transfer” Laws of any jurisdiction that may otherwise be applicable with respect to the transfer or sale of any or all of the Centuri Assets to any member of the Centuri Group. To the extent permissible under applicable Law, Southwest hereby waives compliance by each and every member of the Centuri Group with the requirements and provisions of any “bulk-sale” or “bulk-transfer” Laws of any jurisdiction that may otherwise be applicable with respect to the transfer or sale of any or all of the Southwest Assets to any member of the Southwest Group.

2.2 Centuri Assets; Southwest Assets.

(a) *Centuri Assets.* For purposes of this Agreement, “Centuri Assets” shall mean the following Assets, if any and without duplication, of either Party or any of the members of its Group:

(i) all issued and outstanding capital stock or other equity interests of the members of the Centuri Group (other than Centuri), as of immediately prior to the Separation Time;

(ii) any and all Assets of either Party or any members of its Group included or reflected as assets of the Centuri Group on the Centuri Balance Sheet (including any inventory), if any, subject to any dispositions of such Assets subsequent to the date of the Centuri Balance Sheet; provided, that the amounts set forth on the Centuri Balance Sheet with respect to any Assets, if any, shall not be treated as minimum or limitations on the amount of such Assets that are included in the definition of Centuri Assets pursuant to this clause (ii);

(iii) any and all Assets of either Party or any of the members of its Group as of immediately prior to the Separation Time that are of a nature or type that would have resulted in such Assets being included as Assets of Centuri or members of the Centuri Group on a pro forma combined balance sheet of the Centuri Group or any notes or subledgers thereto as of immediately prior to the Separation Time, if any, including any inventory (were such balance sheet, notes and subledgers to be prepared on a basis consistent with the determination of the Assets included on the Centuri Balance Sheet), it being understood that (x) the Centuri Balance Sheet shall be used to determine the types of, and methodologies used to determine, those Assets that are included in the definition of Centuri Assets pursuant to this clause (iii); and (y) the amounts set forth on the Centuri Balance Sheet with respect to any Assets shall not be treated as minimum amounts or limitations on the amount of such Assets that are included in the definition of Centuri Assets pursuant to this clause (iii);

(iv) any and all Assets of either Party or any of the members of its Group as of immediately prior to the Separation Time that are expressly provided by this Agreement or any Ancillary Agreement (or the Schedules hereto or thereto) as Assets to be transferred to Centuri or any other member of the Centuri Group, if any;

(v) all Contracts exclusively related to the Centuri Business and any rights, interests or claims arising thereunder of either Party or any of the members of its Group, including any Contracts set forth on Schedule 2.2(a)(v) (the “Centuri Contracts”);

(vi) all Centuri Intellectual Property Rights as of immediately prior to the Separation Time, including any goodwill appurtenant to any Trademarks included in the Centuri Intellectual Property Rights and the right to seek, recover and retain damages for infringement of any Centuri Intellectual Property Rights;

(vii) all Centuri Technology as of immediately prior to the Separation Time;

(viii) all Centuri IT Assets as of immediately prior to the Separation Time;

(ix) any and all Centuri Permits as of immediately prior to the Separation Time and all rights, interests or claims of either Party or any of the members of its Group thereunder as of immediately prior to the Separation Time;

(x) copies of any and all Centuri Books and Records in the possession of either Party as of immediately prior to the Separation Time; provided, that Southwest shall be permitted to retain copies of, and continue to use, subject to Section 6.7, (A) any Centuri Books and Records that as of the Separation Date are used in or necessary for the operation or conduct of the Southwest Business, (B) any Centuri Books and Records that Southwest is required by Law to retain (and if copies are not provided to Centuri, then, to the extent permitted by Law, such copies will be made available to Centuri upon Centuri’s reasonable request), (C) one (1) copy of any Centuri Books and Records to the extent required to demonstrate compliance with applicable Law or pursuant to internal compliance procedures or related to any Southwest Assets or Southwest’s or its Affiliates’ obligations under this Agreement or any of the Ancillary Agreements and (D) “back-up” electronic tapes of such Centuri Books and Records maintained by Southwest in the ordinary course of business (such material in clauses (A) through (D), the “Southwest Books and Records”); and

(xi) any and all Assets of either Party or any of the members of its Group as of immediately prior to the Separation Time that are exclusively related to the Centuri Business and that are of a type that are not addressed in subsections (i)-(x) of this Section 2.2(a), if any.

Notwithstanding the foregoing, (1) the Centuri Assets shall not in any event include any Asset referred to in clauses (i) through (ix) of Section 2.2(b) and (2) Centuri Assets shall not include any Assets related to Taxes, which shall be governed exclusively by the Tax Matters Agreement.

(b) *Southwest Assets*. For the purposes of this Agreement, “Southwest Assets” shall mean all Assets of either Party or the members of its Group as of immediately prior to the Separation Time, other than the Centuri Assets, it being understood that, notwithstanding anything herein to the contrary, the Southwest Assets shall include:

(i) any and all Assets of either Party or any of the members of its Group as of immediately prior to the Separation Time that are contemplated by this Agreement or any

Ancillary Agreement (or the Schedules hereto or thereto) as Assets to be retained by Southwest or any other member of the Southwest Group, if any;

(ii) any and all Contracts of either Party or any of the members of its Group as of immediately prior to the Separation Time, other than the Centuri Contracts;

(iii) all Intellectual Property Rights owned by either Party or any of the members of its Group as of immediately prior to the Separation Time, other than the Centuri Intellectual Property Rights, if any;

(iv) all Technology of either Party or any of the members of its Group as of immediately prior to the Separation Time, other than Technology or the copies of such Technology that are Centuri Technology, if any;

(v) all Information Technology of either Party or any of the members of its Group as of immediately prior to the Separation Time, other than Centuri IT Assets, if any;

(vi) any and all Permits of either Party or any of the members of its Group as of immediately prior to the Separation Time, other than the Centuri Permits, if any, and all rights, interests or claims of either Party or any of the members of its Group thereunder as of immediately prior to the Separation Time;

(vii) all Southwest Books and Records;

(viii) any and all Assets that are acquired or otherwise becomes an Asset of the Southwest Group after the Separation Time; and

(ix) any and all Assets that are not identified as Centuri Assets.

Notwithstanding the foregoing, Southwest Assets shall not in any event include any Assets related to Taxes, which shall be governed exclusively by the Tax Matters Agreement.

2.3 Centuri Liabilities; Southwest Liabilities.

(a) *Centuri Liabilities.* For the purposes of this Agreement, “Centuri Liabilities” shall mean the following Liabilities, if any, of either Party or any of the members of its Group:

(i) any and all Liabilities included or reflected as liabilities or obligations of Centuri or the members of the Centuri Group on the Centuri Balance Sheet, subject to any discharge of such Liabilities subsequent to the date of the Centuri Balance Sheet; provided, that the amounts set forth on the Centuri Balance Sheet with respect to any Liabilities shall not be treated as minimum amounts or limitations on the amount of such Liabilities that are included in the definition of Centuri Liabilities pursuant to this clause (i);

(ii) any and all Liabilities as of immediately prior to the Separation Time that are of a nature or type that would have resulted in such Liabilities being included or reflected as liabilities or obligations of Centuri or the members of the Centuri Group on a pro forma

combined balance sheet of the Centuri Group or any notes or subledgers thereto as of the Separation Time (were such balance sheet, notes and subledgers to be prepared on a basis consistent with the determination of the Liabilities included on the Centuri Balance Sheet), it being understood that (x) the Centuri Balance Sheet shall be used to determine the types of, and methodologies used to determine, those Liabilities that are included in the definition of Centuri Liabilities pursuant to this clause (ii); and (y) the amounts set forth on the Centuri Balance Sheet with respect to any Liabilities shall not be treated as minimum amounts or limitations on the amount of such Liabilities that are included in the definition of Centuri Liabilities pursuant to this clause (ii);

(iii) any and all Liabilities, including any Environmental Liabilities, to the extent relating to, arising out of or resulting from (and only such portion relating to, arising out of or resulting from) any Centuri Asset or the Centuri Business, if any;

(iv) any and all Liabilities of either Party or any of the members of its Group as of immediately prior to the Separation Time that are expressly provided by this Agreement or any Ancillary Agreement (or the Schedules hereto or thereto) as Liabilities to be assumed by Centuri or any other member of the Centuri Group, and all agreements, obligations and Liabilities of any member of the Centuri Group under this Agreement or any of the Ancillary Agreements, if any;

(v) all Liabilities to the extent relating to, arising out of or resulting from (and only such portion relating to, arising out of or resulting from) the Centuri Contracts, the Centuri Intellectual Property Rights, the Centuri IT Assets, the Centuri Technology or the Centuri Permits, if any;

(vi) all Liabilities related to any Representative of the Centuri Business, if any, whether arising before or after the Separation Time;

(vii) any expenses, including those expenses of Southwest, whether or not paid and whether or not accrued, to be borne by Centuri in accordance with Section 11.9; and

(viii) all Liabilities arising out of claims made by any Third Party (including Southwest's or Centuri's respective directors, officers, stockholders, employees and agents) against any member of the Southwest Group or the Centuri Group, if any, to the extent relating to, arising out of or resulting from (and only such portion relating to, arising out of or resulting from) (x) any Centuri Asset (y) the business, operations, and activities of the Centuri Business and any member of the Centuri Group or (z) the other business, operations, activities or Liabilities of Centuri referred to in clauses (i) through (vii) of this Section 2.3(a);

provided that, notwithstanding the foregoing, the Parties agree that (1) any Liabilities of any member of the Southwest Group pursuant to the Ancillary Agreements shall not be Centuri Liabilities but instead shall be Southwest Liabilities, other than as contemplated by this Agreement and Section 11.9 and (2) Centuri Liabilities shall not include any Liabilities related to Taxes, which shall be governed exclusively by the Tax Matters Agreement.



(b) *Southwest Liabilities.* For the purposes of this Agreement, “Southwest Liabilities” shall mean the following Liabilities, if any, of either Party or any of the members of its Group:

(i) any and all Liabilities that are expressly contemplated by this Agreement or any Ancillary Agreement as Liabilities to be retained or assumed by any member of the Southwest Group, and all agreements, obligations and other Liabilities of Southwest or any member of the Southwest Group under this Agreement or any of the Ancillary Agreements;

(ii) any and all Liabilities of either Party or the members of its Group as of the Separation Time, in each case that are not Centuri Liabilities; and

(iii) any and all Liabilities arising out of claims made by any Third Party (including Southwest’s or Centuri’s respective directors, officers, stockholders, employees and agents) against any member of the Southwest Group or the Centuri Group, if any, to the extent relating to, arising out of or resulting from (and only such portion relating to, arising out of or resulting from) the Southwest Business or the Southwest Assets, in each case, to the extent that such Liabilities are not Centuri Liabilities.

Notwithstanding the foregoing, Southwest Liabilities shall not include any Liabilities related to Taxes, which shall be governed exclusively by the Tax Matters Agreement.

2.4 Separation Date. Subject to the terms and conditions of this Agreement, the Separation shall be consummated at a closing to be held at the offices of Morrison & Foerster, LLP, 425 Market Street, San Francisco, California 94105 immediately prior to the IPO Effective Date or at such other place or on such other date as Southwest and Centuri may mutually agree upon in writing; provided that such date shall be no later than immediately prior to the IPO Effective Date (the day on which such closing takes place, the “Separation Date”).

2.5 Approvals and Notifications.

(a) *Approvals and Notifications for Centuri Assets and Liabilities.* To the extent that the transfer or assignment of any Centuri Asset, the assumption of any Centuri Liability or any of the other Transactions requires any Approvals or Notifications, the Parties shall use their commercially reasonable efforts to obtain or make such Approvals or Notifications as soon as reasonably practicable; provided, however, that, except to the extent expressly provided in this Agreement or any of the Ancillary Agreements or as otherwise agreed between Southwest and Centuri, neither Southwest nor Centuri shall be obligated to contribute capital or pay any consideration in any form (including providing any letter of credit, guaranty or other financial accommodation) to any Person in order to obtain or make such Approvals or Notifications.

(b) *Approvals and Notifications for Southwest Assets and Liabilities.* To the extent that the transfer or assignment of any Southwest Asset, the assumption of any Southwest Liability or any of the Transactions requires any Approvals or Notifications, the Parties shall use their commercially reasonable efforts to obtain or make such Approvals or Notifications as soon as reasonably practicable; provided, however, that, except to the extent expressly provided in this Agreement or any of the Ancillary Agreements or as otherwise agreed between Southwest and Centuri, neither Southwest nor Centuri shall be obligated to contribute capital or pay any

consideration in any form (including providing any letter of credit, guaranty or other financial accommodation) to any Person in order to obtain or make such Approvals or Notifications.

2.6 Assignment and Novation of Liabilities.

(a) *Assignment and Novation of Centuri Liabilities.*

(i) Prior to the Separation Time, each of Southwest and Centuri, at the request of the other, shall use its commercially reasonable efforts to obtain, or to cause to be obtained, as soon as reasonably practicable, any consent, substitution, approval or amendment required to novate or assign all Centuri Liabilities and obtain in writing the unconditional release of each member of the Southwest Group that is a party to any such arrangements, to the extent permitted by applicable Law and effective as of the Separation Time, so that, in any such case, the members of the Centuri Group shall be solely responsible for such Centuri Liabilities; provided, however, that, except as otherwise expressly provided in this Agreement or any of the Ancillary Agreements, neither Southwest nor Centuri shall be obligated to contribute any capital or pay any consideration in any form (including providing any letter of credit, guaranty or other financial accommodation) to any Third Party from whom any such consent, substitution, approval, amendment or release is requested. To the extent such novation or assignment contemplated by the first sentence of this Section 2.6(a)(i) has been effected, the members of the Southwest Group shall, from and after the Separation Time, cease to have any obligation whatsoever arising from or in connection with such Centuri Liabilities.

(ii) If Southwest or Centuri is unable to obtain, or to cause to be obtained, any such required consent, substitution, approval, amendment or release and the applicable member of the Southwest Group continues to be bound by such agreement, lease, license or other obligation or Liability (each, an “Unreleased Centuri Liability”), Centuri shall, to the extent not prohibited by Law, (x) use its commercially reasonable efforts to effect such consent, substitution, approval, amendment or release as soon as practicable following the Separation Time, but, in any event within six (6) months thereof, and (y) as indemnitor, guarantor, agent or subcontractor for such member of the Southwest Group, as the case may be, (1) pay, perform and discharge fully all the obligations or other Liabilities of such member of the Southwest Group that constitute Unreleased Centuri Liabilities from and after the Separation Time and (2) use its commercially reasonable efforts to effect such payment, performance or discharge prior to any demand for such payment, performance or discharge is permitted to be made by the obligee thereunder on any member of the Southwest Group. If and when any such consent, substitution, approval, amendment or release shall be obtained or the Unreleased Centuri Liabilities shall otherwise become assignable or able to be novated, Southwest shall promptly assign, or cause to be assigned, and Centuri or the applicable Centuri Group member shall assume, such Unreleased Centuri Liabilities without exchange of further consideration.

(iii) If Centuri is unable to obtain, or to cause to be obtained, any such required consent, substitution, approval, amendment or release as set forth in clause (ii) of this Section 2.6(a), Centuri and any relevant member of its Group that has assumed the applicable Unreleased Centuri Liability shall indemnify, defend and hold harmless Southwest against or from such Unreleased Centuri Liability in accordance with the provisions of Article IV and shall, as

agent or subcontractor for Southwest, pay, perform and discharge fully all the obligations or other Liabilities of Southwest thereunder.

(b) *Assignment and Novation of Southwest Liabilities.*

(i) Prior to the Separation Time, each of Southwest and Centuri, at the request of the other, shall use its commercially reasonable efforts to obtain, or to cause to be obtained, as soon as reasonably practicable, any consent, substitution, approval or amendment required to novate or assign all Southwest Liabilities and obtain in writing the unconditional release of each member of the Centuri Group that is a party to any such arrangements, so that, in any such case, the members of the Southwest Group shall be solely responsible for such Southwest Liabilities; provided, however, that, except as otherwise expressly provided in this Agreement or any of the Ancillary Agreements, neither Southwest nor Centuri shall be obligated to contribute any capital or pay any consideration in any form (including providing any letter of credit, guaranty or other financial accommodation) to any Third Party from whom any such consent, substitution, approval, amendment or release is requested. To the extent such novation or assignment contemplated by the first sentence of this Section 2.6(b)(i) has been effected, the members of the Centuri Group shall, from and after the Separation Time, cease to have any obligation whatsoever arising from or in connection with such Southwest Liabilities.

(ii) If Southwest or Centuri is unable to obtain, or to cause to be obtained, any such required consent, substitution, approval, amendment or release and the applicable member of the Centuri Group continues to be bound by such agreement, lease, license or other obligation or Liability (each, an “Unreleased Southwest Liability”), Southwest shall, to the extent not prohibited by Law, (x) use its commercially reasonable efforts to effect such consent, substitution, approval, amendment or release as soon as practicable following the Separation Time, but, in any event within six (6) months thereof, and (y) as indemnitor, guarantor, agent or subcontractor for such member of the Centuri Group, as the case may be, (1) pay, perform and discharge fully all the obligations or other Liabilities of such member of the Centuri Group that constitute Unreleased Southwest Liabilities from and after the Separation Time and (2) use its commercially reasonable efforts to effect such payment, performance or discharge prior to any demand for such payment, performance or discharge is permitted to be made by the obligee thereunder on any member of the Centuri Group. If and when any such consent, substitution, approval, amendment or release shall be obtained or the Unreleased Southwest Liabilities shall otherwise become assignable or able to be novated, Centuri shall promptly assign, or cause to be assigned, and Southwest or the applicable Southwest Group member shall assume, such Unreleased Southwest Liabilities without exchange of further consideration.

(iii) If Southwest is unable to obtain, or to cause to be obtained, any such required consent, substitution, approval, amendment or release as set forth in clause (ii) of this Section 2.6(b), Southwest and any relevant member of its Group (except for members of the Centuri Group) that has assumed the applicable Unreleased Southwest Liability shall indemnify, defend and hold harmless Centuri against or from such Unreleased Southwest Liability in accordance with the provisions of Article IV and shall, as agent or subcontractor for Centuri, pay, perform and discharge fully all the obligations or other Liabilities of Centuri thereunder.

2.7 Termination of Agreements.

(a) Except as set forth in Section 2.7(b), in furtherance of the releases and other provisions of Section 4.1, Centuri and each member of the Centuri Group, on the one hand, and Southwest and each member of the Southwest Group, on the other hand, hereby terminate any and all agreements, arrangements, commitments or understandings, whether or not in writing, between or among Centuri or any member of the Centuri Group, on the one hand, and Southwest or any member of the Southwest Group, on the other hand, effective as of the Separation Time. No such terminated agreement, arrangement, commitment or understanding (including any provision thereof which purports to survive termination) shall be of any further force or effect after the Separation Time. Each Party shall, at the reasonable request of the other Party, take, or cause to be taken, such other actions as may be necessary to effect the foregoing.

(b) The provisions of Section 2.7(a) shall not apply to any of the following agreements, arrangements, commitments or understandings (or to any of the provisions thereof): (i) this Agreement and the Ancillary Agreements (and each other agreement or instrument expressly contemplated by this Agreement or any Ancillary Agreement to be entered into by any of the Parties or any of the members of their respective Groups or to be continued from and after the Separation Time); (ii) any agreements, arrangements, commitments or understandings to which any Third Party is a party; (iii) any intercompany customer, sales, distribution, purchase, rebate, reimbursement, payor, retail, development, research, collaboration, promotion, quality, regulatory, services, purchase order, statement of work, supply or vendor contracts or agreements; (iv) any intercompany accounts payable, intercompany loans or accounts receivable accrued as of the Separation Time that are reflected in the books and records of the Parties or otherwise documented in writing in accordance with past practices, which shall be settled in the manner contemplated by Section 2.7(c); and (v) any agreements, arrangements, commitments or understandings to which any non-wholly owned Subsidiary of Southwest or Centuri, as the case may be, is a party (it being understood that directors' qualifying shares or similar interests will be disregarded for purposes of determining whether a Subsidiary is wholly owned).

(c) All of the intercompany accounts receivable, intercompany loans and accounts payable between any member of the Southwest Group, on the one hand, and any member of the Centuri Group, on the other hand, outstanding as of the Separation Time and arising out of the contracts or agreements described in Section 2.7(b) or out of the provision, prior to the Separation Time, of the services to be provided following the Separation Time pursuant to the Ancillary Agreements shall be repaid or settled following the Separation Time in the ordinary course of business or, if otherwise mutually agreed prior to the Separation Time by duly authorized representatives of Southwest and Centuri, cancelled. All other intercompany accounts receivable, intercompany loans and accounts payable between any member of the Southwest Group, on the one hand, and any member of the Centuri Group, on the other hand, outstanding as of the Separation Time shall, as promptly as practicable after the Separation Time, be repaid, settled or otherwise eliminated by means of cash payments, a dividend, capital contribution, a combination of the foregoing, or otherwise as determined by Southwest in its sole and absolute discretion.

2.8 Bank Accounts; Cash Balances.

(a) Each Party agrees to take, or cause the members of its Group to take, at the Separation Time (or such earlier time as the Parties may agree), all actions necessary to amend all contracts or agreements governing each bank and brokerage account owned, or controlled, by Centuri or any other member of the Centuri Group (collectively, the “Centuri Accounts”) and all contracts or agreements governing each bank or brokerage account owned by Southwest or any other member of the Southwest Group (collectively, the “Southwest Accounts”) so that each such Centuri Account and Southwest Account, if currently linked (whether by automatic withdrawal, automatic deposit or any other authorization to transfer funds from or to) to any Southwest Account or Centuri Account, respectively, is de-linked from such Southwest Account or Centuri Account, respectively.

(b) It is intended that, following consummation of the actions contemplated by Section 2.8(a), there will be in place a cash management process pursuant to which the Centuri Accounts will be managed, and funds collected will be transferred into one (1) or more accounts maintained by Centuri or a member of the Centuri Group.

(c) It is intended that, following consummation of the actions contemplated by Section 2.8(a), there will continue to be in place a cash management process pursuant to which the Southwest Accounts will be managed, and funds collected will be transferred into one (1) or more accounts maintained by Southwest or a member of the Southwest Group.

(d) With respect to any outstanding checks issued or payments initiated by Southwest, Centuri or any of the members of their respective Groups prior to the Separation Time, such outstanding checks and payments shall be honored following the Separation Time by the Person or Group owning, or controlling, the account on which the check is drawn or from which the payment was initiated, respectively.

(e) Subject to the Tax Matters Agreement to the extent related to Tax items, as between Southwest and Centuri (and the members of their respective Groups), all payments made and reimbursements, credits, returns, or rebates received after the Separation Time by either Party (or member of its Group) that relate to a business, Asset or Liability of the other Party (or member of its Group), shall be held by such Party in trust for the use and benefit of the Party entitled thereto and, promptly following receipt by such Party of any such payment or reimbursement, credit, return or rebate such Party shall pay over, or shall cause the applicable member of its Group to pay over to the other Party the amount of such payment or reimbursement without right of set-off.

2.9 Ancillary Agreements. Concurrent with this Agreement, each of Southwest and Centuri will, or will cause the applicable members of their Groups to, execute and deliver all Ancillary Agreements to which it is a party.

2.10 Disclaimer of Representations and Warranties. EACH OF SOUTHWEST (ON BEHALF OF ITSELF AND EACH MEMBER OF THE SOUTHWEST GROUP) AND CENTURI (ON BEHALF OF ITSELF AND EACH MEMBER OF THE CENTURI GROUP) UNDERSTANDS AND AGREES THAT, EXCEPT AS EXPRESSLY SET FORTH HEREIN OR IN ANY ANCILLARY AGREEMENT, NO PARTY TO THIS AGREEMENT, ANY

ANCILLARY AGREEMENT OR ANY OTHER AGREEMENT OR DOCUMENT CONTEMPLATED BY THIS AGREEMENT, ANY ANCILLARY AGREEMENT OR OTHERWISE, IS REPRESENTING OR WARRANTING IN ANY WAY AS TO: (A) THE ASSETS, BUSINESSES OR LIABILITIES TRANSFERRED OR ASSUMED AS CONTEMPLATED HEREBY OR THEREBY, (B) ANY CONSENTS OR APPROVALS REQUIRED IN CONNECTION THEREWITH, (C) THE VALUE OR FREEDOM FROM ANY SECURITY INTERESTS OF, OR ANY OTHER MATTER CONCERNING, ANY ASSETS OF SUCH PARTY, (D) THE ABSENCE OF ANY DEFENSES OR RIGHT OF SETOFF OR FREEDOM FROM COUNTERCLAIM WITH RESPECT TO ANY CLAIM OR OTHER ASSET, INCLUDING ANY ACCOUNTS RECEIVABLE, OF ANY PARTY, OR (E) THE LEGAL SUFFICIENCY OF ANY ASSIGNMENT, DOCUMENT OR INSTRUMENT DELIVERED HEREUNDER TO CONVEY TITLE TO ANY ASSET OR THING OF VALUE UPON THE EXECUTION, DELIVERY AND FILING HEREOF OR THEREOF. EXCEPT AS MAY EXPRESSLY BE SET FORTH HEREIN OR IN ANY ANCILLARY AGREEMENT, ALL SUCH ASSETS ARE BEING TRANSFERRED ON AN "AS IS," "WHERE IS" BASIS (AND, IN THE CASE OF ANY REAL PROPERTY, BY MEANS OF A QUITCLAIM OR SIMILAR FORM OF DEED OR CONVEYANCE) AND THE RESPECTIVE TRANSFEREES SHALL BEAR THE ECONOMIC AND LEGAL RISKS THAT (I) ANY CONVEYANCE WILL PROVE TO BE INSUFFICIENT TO VEST IN THE TRANSFEREE GOOD AND MARKETABLE TITLE, FREE AND CLEAR OF ANY SECURITY INTEREST, AND (II) ANY NECESSARY APPROVALS OR NOTIFICATIONS ARE NOT OBTAINED OR MADE OR THAT ANY REQUIREMENTS OF LAWS OR JUDGMENTS ARE NOT COMPLIED WITH.

ARTICLE III THE IPO; OTHER TRANSACTIONS

3.1 Sole and Absolute Discretion; Cooperation. Following the date hereof and subject to the terms of the Underwriting Agreement, Southwest may, in its sole and absolute discretion, determine (a) whether and when to proceed with the IPO, if at all and (b) the terms of the IPO, including the form, structure and terms of any transaction(s) or offering(s) to effect the IPO and the timing and conditions to the consummation of the IPO. In addition, subject to the terms of the Underwriting Agreement, Southwest may, at any time and from time to time until the consummation of the IPO, modify or change the terms of the IPO, including by accelerating or delaying the timing of the consummation of all or part of the IPO or terminating the IPO. Centuri shall cooperate with Southwest to accomplish the IPO and any concurrent private placement(s) and shall, at Southwest's direction, promptly take any and all actions necessary or desirable to effect the IPO and any concurrent private placement(s), including, without limitation, the registration under the Securities Act of the Centuri Common Stock on appropriate registration form(s) to be designated by Southwest. For the avoidance of doubt, Southwest may determine, at any point prior to the IPO Effective Date, to not proceed with and terminating the IPO.

3.2 Actions Prior to the IPO.

(a) If Southwest determines in accordance with Section 3.1 to proceed with the IPO, Southwest and Centuri shall use their reasonable best efforts to consummate the IPO. Such actions shall include, but not necessarily be limited to, those specified in this Section 3.2.

(b) *Registration Statements.* Centuri shall prepare and file the IPO Registration Statement, and such amendments or supplements thereto, and use its reasonable best efforts to cause the same to become and remain effective as required by Law or by the Underwriting Agreement, including, but not limited to, filing such amendments to the IPO Registration Statement as may be required by the Underwriting Agreement, the SEC or federal, state or foreign securities Laws. Southwest and Centuri shall also cooperate in preparing, filing with the SEC and causing to become effective a registration statement registering the Centuri Common Stock under the Exchange Act, and any registration statements or amendments thereof which are required to reflect the establishment of, or amendments to, any employee benefit and other plans necessary or appropriate in connection with the IPO or the other transactions contemplated by this Agreement and the Ancillary Agreements.

(c) *Underwriting Activities.* Southwest and Centuri shall enter into the Underwriting Agreement, in form and substance reasonably satisfactory to Southwest and shall comply with its obligations thereunder.

(d) *IPO Consultation.* Southwest and Centuri shall consult with each other and the Underwriters regarding the timing, pricing and other material matters with respect to the IPO.

(e) *Securities Law Matters.* To the extent required under applicable Law, Southwest and Centuri will prepare, and Centuri will file with the SEC, any such documentation and any requisite no-action letters which Southwest determines are necessary or desirable to effectuate the IPO, and Southwest and Centuri shall each use its reasonable best efforts to obtain all necessary approvals from the SEC with respect thereto as soon as practicable. Each of Southwest and Centuri shall use its reasonable best efforts to take all such action as may be necessary or appropriate under state securities and blue sky laws of the United States (and any comparable Laws under any foreign jurisdictions) in connection with the IPO.

(f) *NYSE Listing.* Centuri shall prepare, file and use reasonable best efforts to seek to make effective, an application for listing of the Centuri Common Stock to be issued in the IPO on the NYSE, subject to official notice of issuance.

(g) *Preparation of Materials.* Centuri shall participate in the preparation of materials and presentations as Southwest or the Underwriters shall deem necessary or desirable.

(h) *IPO Costs.* Other than the SEC registration fee and the FINRA fee, Centuri shall pay all third-party costs, fees and expenses relating to the IPO, all of the reimbursable expenses of the Underwriters pursuant to the Underwriting Agreement, all of the costs of producing, printing, mailing and otherwise distributing the Prospectus, as well as the Underwriters' discount as provided in the Underwriting Agreement.

(i) *Centuri Directors and Officers.* Prior to the IPO Effective Date, Southwest and Centuri shall take all necessary actions so that, as of the IPO Effective Date, (i) the directors and executive officers of Centuri shall be those set forth in the IPO Registration Statement, unless otherwise agreed by the Parties; (ii) each individual referred to in clause (i) shall have resigned, if requested by Southwest at Southwest's sole discretion, from his or her position, if any, as a member of the Southwest Board or as an executive officer of Southwest; and (iii) Centuri shall have such

other officers as Centuri shall appoint. Until the Disposition Date, the chair of the Centuri Board shall not be an officer of Centuri.

(j) *Centuri Certificate of Incorporation and Centuri Bylaws.* Prior to the IPO Effective Date, Southwest and Centuri shall each take all actions that may be required to provide for the adoption by Centuri of the Centuri Certificate of Incorporation and Centuri Bylaws, in each case, to be effective as of the IPO Effective Date.

3.3 The Distribution or Other Disposition; Cooperation.

(a) Southwest shall, in its sole and absolute discretion, determine (i) whether and when to proceed with all or part of the Distribution or Other Disposition and (ii) all terms of the Distribution or Other Disposition, as applicable, including the form, structure and terms of any transaction(s) or offering(s) to effect the Distribution or Other Disposition and the timing of and conditions to the consummation of the Distribution or Other Disposition. In addition, in the event that Southwest determines to proceed with the Distribution or Other Disposition, Southwest may at any time and from time to time until the completion of the Distribution or Other Disposition abandon, modify or change any or all of the terms of the Distribution or Other Disposition, including by accelerating or delaying the timing of the consummation of all or part of the Distribution or Other Disposition.

(b) Upon Southwest's request, in addition to any applicable obligations of Centuri under the Registration Rights Agreement, Centuri shall cooperate with Southwest in all respects to accomplish the Distribution or Other Disposition and shall, at Southwest's direction, promptly take any and all actions necessary or desirable to effect the Distribution or Other Disposition, including, without limitation:

(i) registering under the Securities Act the offering of Centuri Common Stock on appropriate registration form(s) to be designated by Southwest and filing any necessary documents pursuant to the Exchange Act; provided, that Southwest shall select any investment bank(s), manager(s), underwriter(s), dealer-manager(s), financial printer, solicitation or exchange agent and financial, legal, accounting, Tax and other advisors and service providers in connection with the Distribution or Other Disposition;

(ii) providing to Southwest and its Representatives information regarding Centuri and its Subsidiaries, as Southwest shall reasonably request in connection with the Distribution or Other Disposition, including all pertinent financial and other records, pertinent corporate documents and other properties of Centuri; provided, that any information requested pursuant to this Section 3.3(b)(i) which Centuri determines in good faith to be confidential, and of which determination Southwest is so notified, shall not be disclosed by Southwest or any potential transferee of Retained Shares reasonably identified by Southwest (a "Disposition Transferee") to any other Persons until Centuri makes a "cleansing disclosure" with respect to such information; provided, further, that Centuri shall make a "cleansing disclosure" with respect to such information no later than ninety (90) days following receipt by Southwest or any Disposition Transferee of such information unless Centuri determines in good faith that such "cleansing disclosure" would have a material and adverse effect on the Centuri Business;

(iii) cooperating with any reasonable due diligence investigation and review of Centuri and its Subsidiaries to be undertaken in connection with the Distribution or Other Disposition by any Disposition Transferee that executes a confidentiality agreement, including causing senior management of Centuri to be reasonably available to any such Disposition Transferee and its Representatives;

(iv) cooperating with Southwest to take such corporate or other organizational actions as Southwest may reasonably request to permit the consummation of the Distribution or Other Disposition;

(v) delivering or causing to be delivered customary comfort letters and legal opinions as are required in connection with the Distribution or Other Disposition, in each case, subject to receipt by Centuri of any representations or documentation reasonably necessary to permit the delivery of such comfort letters or legal opinions;

(vi) cooperating with Southwest, any Disposition Transferee and their respective Representatives in connection with any filings required to be made with any Governmental Authority in connection with the Distribution or Other Disposition;

(vii) sending appropriate Centuri officers to attend any “road shows” scheduled in connection with the Distribution or Other Disposition, with all out-of-pocket costs and expenses incurred by Centuri or such officers in connection with such attendance to be paid in accordance with Section 11.9;

(viii) providing to any transfer agent, exchange agent or registrar such share certificates (to the extent certificated), book-entry authorizations (to the extent not certificated), forms, legal opinions (from Centuri’s outside or in-house counsel), agreements, documents or any other information required to consummate the Distribution or Other Disposition that Southwest, any Disposition Transferee, any underwriter or any such transfer agent, exchange agent or registrar may so request;

(ix) executing such agreements and taking such other actions as Southwest shall reasonably request in order to expedite or facilitate the disposition of the Retained Shares, including customary indemnification and contribution to the effect and to the extent provided in the Registration Rights Agreement; and

(x) otherwise cooperating with Southwest to facilitate the satisfaction on a timely basis of all conditions precedent to consummating the Distribution or Other Disposition that are within Centuri’s control.

ARTICLE IV MUTUAL RELEASES; INDEMNIFICATION

4.1 Release of Pre-Separation Claims.

(a) *Centuri Release of Southwest.* Except as provided in Section 4.1(c) and Section 4.1(d), effective as of the Separation Time, Centuri does hereby, for itself and each other member of the Centuri Group, and their respective successors and assigns, and, to the extent

permitted by Law, all Persons who at any time prior to the Separation Time have been stockholders, directors, officers, agents or employees of any member of the Centuri Group (in each case, in their respective capacities as such), remise, release and forever discharge (i) Southwest and the members of the Southwest Group, and their respective successors and assigns, (ii) all Persons who at any time prior to the Separation Time have been stockholders, directors, officers, agents or employees of any member of the Southwest Group (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, and (iii) all Persons who at any time prior to the Separation Time are or have been stockholders, directors, officers, agents or employees of a Transferred Entity and who are not, as of immediately following the Separation Time, directors, officers or employees of Centuri or a member of the Centuri Group, in each case from: (A) all Centuri Liabilities, (B) all Liabilities arising from or in connection with the Transactions and all other activities to implement the Transactions (for the avoidance of doubt this clause (B) shall not limit or affect indemnification obligations of the Parties set forth in this Agreement or any Ancillary Agreement) and (C) all Liabilities arising from or in connection with actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to the Separation Time (whether or not such Liabilities cease being contingent, mature, become known, are asserted or foreseen, or accrue, in each case before, at or after the Separation Time), in each case to the extent relating to, arising out of or resulting from the Centuri Business, the Centuri Assets or the Centuri Liabilities.

(b) *Southwest Release of Centuri.* Except as provided in Section 4.1(c) and Section 4.1(d), effective as of the Separation Time, Southwest does hereby, for itself and each other member of the Southwest Group, and their respective successors and assigns, and, to the extent permitted by Law, all Persons who at any time prior to the Separation Time have been stockholders, directors, officers, agents or employees of any member of the Southwest Group (in each case, in their respective capacities as such), remise, release and forever discharge (i) Centuri and the members of the Centuri Group and their respective successors and assigns, and (ii) all Persons who at any time prior to the Separation Time have been directors, officers, agents or employees of any member of the Centuri Group (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, from (A) all Southwest Liabilities, (B) all Liabilities arising from or in connection with the Transactions and all other activities to implement the Transactions (for the avoidance of doubt this clause (B) shall not limit or affect indemnification obligations of the Parties set forth in this Agreement or any Ancillary Agreement) and (C) all Liabilities arising from or in connection with actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to the Separation Time (whether or not such Liabilities cease being contingent, mature, become known, are asserted or foreseen, or accrue, in each case before, at or after the Separation Time), in each case to the extent relating to, arising out of or resulting from the Southwest Business, the Southwest Assets or the Southwest Liabilities.

(c) *Obligations Not Affected.* Nothing contained in this Agreement, including Section 4.1(a) or 4.1(b), shall impair or otherwise affect any right of any Person to enforce this Agreement, any Ancillary Agreement or any agreements, arrangements, commitments or understandings that are specified in Section 2.7(b) as not to terminate as of the Separation Time, in each case in accordance with its terms. Nothing contained in Section 4.1(a) or 4.1(b) shall release any Person from:

(i) any Liability provided in or resulting from any agreement among any members of the Southwest Group or any members of the Centuri Group that is specified in Section 2.7(b) as not to terminate as of the Separation Time, or any other Liability specified in Section 2.7(b) as not to terminate as of the Separation Time;

(ii) any Liability, contingent or otherwise, assumed, transferred, assigned or allocated to the Group of which such Person is a member in accordance with, or any other Liability of any member of any Group, including with respect to indemnification or contribution, under, this Agreement or any Ancillary Agreement;

(iii) any Liability for the sale, lease, construction or receipt of goods, property or services purchased, obtained or used in the ordinary course of business by a member of one Group from a member of the other Group prior to the Separation Time;

(iv) any Liability provided in or resulting from any agreement or understanding that is entered into after the Separation Time between any Party (or a member of such Party's Group), on the one hand, and any other Party (or a member of the other Party's Group), on the other hand;

(v) any Liability that the Parties may have with respect to indemnification or contribution or other obligation pursuant to this Agreement, any Ancillary Agreement or otherwise for claims brought against the Parties by Third Parties, which Liability shall be governed by the provisions of this Article IV and Article V and, if applicable, the appropriate provisions of the Ancillary Agreements; or

(vi) any Liability the release of which would result in the release of any Person other than a Person released pursuant to this Section 4.1.

In addition, nothing contained in Section 4.1(a) shall release any member of the Southwest Group from honoring its existing obligations to indemnify any director, officer or employee of Centuri who was a director, officer or employee of any member of the Southwest Group on or prior to the Separation Time, to the extent such director, officer or employee becomes a named defendant in any Action with respect to which such director, officer or employee was entitled to such indemnification pursuant to such existing obligations; it being understood that, if the underlying obligation giving rise to such Action is a Centuri Liability, Centuri shall indemnify Southwest for such Liability (including Southwest's costs to indemnify the director, officer or employee) in accordance with the provisions set forth in this Article IV.

(d) *No Claims.* Centuri shall not make, and shall not permit any other member of the Centuri Group to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification, against Southwest or any other member of the Southwest Group, or any other Person released pursuant to Section 4.1(a), with respect to any Liabilities released pursuant to Section 4.1(a). Southwest shall not make, and shall not permit any other member of the Southwest Group to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification, against Centuri or any other member of the Centuri Group, or any other Person

released pursuant to Section 4.1(b), with respect to any Liabilities released pursuant to Section 4.1(b).

(e) *Execution of Further Releases.* At any time at or after the Separation Time, at the request of either Party, the other Party shall cause each member of its respective Group to execute and deliver releases reflecting the provisions of this Section 4.1.

4.2 Indemnification by Centuri. Except as otherwise specifically set forth in this Agreement or in any Ancillary Agreement, to the fullest extent permitted by Law, Centuri shall, and shall cause the other members of the Centuri Group to, indemnify, defend and hold harmless Southwest, each member of the Southwest Group and each of their respective past, present and future directors, officers, employees and agents, in each case in their respective capacities as such, and each of the heirs, executors, successors and assigns of any of the foregoing (collectively, the “Southwest Indemnitees”), from and against any and all Liabilities of the Southwest Indemnitees relating to, arising out of or resulting from, directly or indirectly, any of the following items (without duplication):

- (a) any Centuri Liability or Centuri Asset;
- (b) any failure of Centuri, any other member of the Centuri Group or any other Person to pay, perform or otherwise promptly discharge any Centuri Liabilities in accordance with their terms, whether prior to, on or after the Separation Time;
- (c) any breach by Centuri or any other member of the Centuri Group of this Agreement or any of the Ancillary Agreements;
- (d) except to the extent it relates to a Southwest Liability, any guarantee, indemnification or contribution obligation, surety bond or other credit support agreement, arrangement, commitment or understanding for the benefit of any member of the Centuri Group by any member of the Southwest Group that survives following the Separation; and
- (e) any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, with respect to all information (i) contained in the IPO Registration Statement or any Prospectus (including in any amendments or supplements thereto) (other than information provided by Southwest to Centuri specifically for inclusion in the IPO Registration Statement or any Prospectus), (ii) contained in any public filings made by Centuri with the SEC following the date of the IPO, or (iii) provided by Centuri to Southwest specifically for inclusion in Southwest’s annual or quarterly or current reports following the date of the IPO to the extent (A) such information pertains to (x) a member of the Centuri Group or (y) the Centuri Business or (B) Southwest has provided written notice to Centuri that such information will be included in one or more annual or quarterly or current reports, specifying how such information will be presented, and the information is included in such annual or quarterly or current reports; provided, that this subclause (B) shall not apply to the extent that any such Liability arises out of or results from, or in connection with, any action or inaction of any member of the Southwest Group, including as a result of any misstatement or omission of any information by any member of the Southwest Group to Centuri.

4.3 Indemnification by Southwest. Except as otherwise specifically set forth in this Agreement or in any Ancillary Agreement, to the fullest extent permitted by Law, Southwest shall, and shall cause the other members of the Southwest Group to, indemnify, defend and hold harmless Centuri, each member of the Centuri Group and each of their respective past, present and future directors, officers, employees or agents, in each case in their respective capacities as such, and each of the heirs, executors, successors and assigns of any of the foregoing (collectively, the “Centuri Indemnitees”), from and against any and all Liabilities of the Centuri Indemnitees relating to, arising out of or resulting from, directly or indirectly, any of the following items (without duplication):

- (a) any Southwest Liability or Southwest Asset;
- (b) any failure of Southwest, any other member of the Southwest Group or any other Person to pay, perform or otherwise promptly discharge any Southwest Liabilities in accordance with their terms, whether prior to, on or after the Separation Time;
- (c) any breach by Southwest or any other member of the Southwest Group of this Agreement or any of the Ancillary Agreements;
- (d) except to the extent it relates to a Centuri Liability, any guarantee, indemnification or contribution obligation, surety bond or other credit support agreement, arrangement, commitment or understanding for the benefit of any member of the Southwest Group by any member of the Centuri Group that survives following the Separation; and
- (e) any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, with respect to all information (i) contained in the IPO Registration Statement or any Prospectus (including in any amendments or supplements thereto) provided by Southwest specifically for inclusion therein to the extent such information pertains to (x) any member of the Southwest Group or (y) the Southwest Business or (ii) provided by Southwest to Centuri specifically for inclusion in Centuri’s annual or quarterly or current reports following the date of the IPO to the extent (A) such information pertains to (x) a member of the Southwest Group or (y) the Southwest Business or (B) Centuri has provided written notice to Southwest that such information will be included in one or more annual or quarterly or current reports, specifying how such information will be presented, and the information is included in such annual or quarterly or current reports; provided, that this subclause (B) shall not apply to the extent that any such Liability arises out of or results from, or in connection with, any action or inaction of any member of the Centuri Group, including as a result of any misstatement or omission of any information by any member of the Centuri Group to Southwest.

4.4 Indemnification Obligations Net of Insurance Proceeds and Other Amounts.

(a) The Parties intend that any Liability subject to indemnification, contribution or reimbursement pursuant to this Article IV or Article V will be net of Insurance Proceeds or other amounts actually recovered (net of any out-of-pocket costs or expenses incurred in the collection thereof) from any Person by or on behalf of the Indemnitee in respect of any indemnifiable Liability. Accordingly, the amount which either Party (an “Indemnifying Party”) is

required to pay to any Person entitled to indemnification or contribution hereunder (an “Indemnitee”) will be reduced by any Insurance Proceeds or other amounts actually recovered (net of any out-of-pocket costs or expenses incurred in the collection thereof) from any Person by or on behalf of the Indemnitee in respect of the related Liability. If an Indemnitee receives a payment (an “Indemnity Payment”) required by this Agreement from an Indemnifying Party in respect of any Liability and subsequently receives Insurance Proceeds or any other amounts in respect of such Liability, then within ten (10) calendar days of receipt of such Insurance Proceeds, the Indemnitee will pay to the Indemnifying Party an amount equal to the excess of the Indemnity Payment received over the amount of the Indemnity Payment that would have been due if the Insurance Proceeds or such other amounts (net of any out-of-pocket costs or expenses incurred in the collection thereof) had been received, realized or recovered before the Indemnity Payment was made.

(b) The Parties agree that an insurer that would otherwise be obligated to pay any claim shall not be relieved of the responsibility with respect thereto or, solely by virtue of any provision contained in this Agreement or any Ancillary Agreement, have any subrogation rights with respect thereto, it being understood that no insurer or any other Third Party shall be entitled to a “windfall” (*i.e.*, a benefit they would not be entitled to receive in the absence of the indemnification provisions) by virtue of the indemnification and contribution provisions hereof. Each Party shall, and shall cause the members of its Group to, use commercially reasonable efforts (taking into account the probability of success on the merits and the cost of expending such efforts, including attorneys’ fees and expenses) to collect or recover any Insurance Proceeds that may be collectible or recoverable respecting the Liabilities for which indemnification or contribution may be available under this Article IV. Notwithstanding the foregoing, an Indemnifying Party may not delay making any indemnification payment required under the terms of this Agreement, or otherwise satisfying any indemnification obligation, pending the outcome of any Action to collect or recover Insurance Proceeds, and an Indemnitee need not attempt to collect any Insurance Proceeds prior to making a claim for indemnification or contribution or receiving any Indemnity Payment otherwise owed to it under this Agreement or any Ancillary Agreement.

(c) Notwithstanding the foregoing, the Tax Matters Agreement shall govern for purposes of determining the Tax treatment of any indemnification payments and the adjustments (if any) to any indemnification payment to account for any Tax liability or benefit relating to such payment.

4.5 Procedures for Indemnification.

(a) *Third-Party Claims.* If, at or following the Separation Time, an Indemnitee shall receive notice or otherwise learn of the assertion by a Person (including any Governmental Authority) who is not a member of the Southwest Group or the Centuri Group of any claim or of the commencement by any such Person of any Action (collectively, a “Third-Party Claim”) with respect to which an Indemnifying Party may be obligated to provide indemnification to such Indemnitee pursuant to Section 4.2 or 4.3, or any other Section of this Agreement or any Ancillary Agreement, such Indemnitee shall give such Indemnifying Party written notice thereof as soon as practicable, but in any event within fourteen (14) days (or sooner if the nature of the Third-Party Claim so requires) after becoming aware of such Third-Party Claim. Any such notice shall describe the Third-Party Claim in reasonable detail, including the facts and circumstances giving rise to

such claim for indemnification, and include copies of all notices and documents (including court papers) received by the Indemnitee relating to the Third-Party Claim. Notwithstanding the foregoing, the failure of an Indemnitee to provide notice in accordance with this Section 4.5(a) shall not relieve an Indemnifying Party of its indemnification obligations under this Agreement, except to the extent to which the Indemnifying Party is actually prejudiced by the Indemnitee's failure to provide notice in accordance with this Section 4.5(a).

(b) *Control of Defense.* Southwest may elect to defend (and seek to settle or compromise), at its own expense and with its own counsel, any Third-Party Claim. Within thirty (30) days after the receipt of a notice from an Indemnitee in accordance with Section 4.5(a) (or sooner, if the nature of the Third-Party Claim so requires), Southwest shall provide written notice to the Indemnitee indicating whether Southwest shall assume responsibility for defending the Third-Party Claim. If Southwest elects not to assume responsibility for defending any Third-Party Claim as provided in this Section 4.5(b) or fails to notify an Indemnitee of its election within thirty (30) days after receipt of the notice from an Indemnitee as provided in Section 4.5(a), then the Indemnitee that is the subject of such Third-Party Claim shall be entitled to continue to conduct and control the defense of such Third-Party Claim.

(c) *Allocation of Defense Costs.* If Southwest has elected to assume the defense of a Third-Party Claim, then Southwest shall be solely liable for all fees and expenses incurred by it in connection with the defense of such Third-Party Claim and shall not be entitled to seek any indemnification or reimbursement from the Indemnitee for any such fees or expenses incurred by Southwest during the course of the defense of such Third-Party Claim by Southwest, regardless of any subsequent decision by Southwest to reject or otherwise abandon its assumption of such defense. If Southwest elects not to assume responsibility for defending any Third-Party Claim or fails to notify an Indemnitee of its election within thirty (30) days after receipt of a notice from an Indemnitee as provided in Section 4.5(a), and the Indemnitee conducts and controls the defense of such Third-Party Claim and Southwest has an indemnification obligation with respect to such Third-Party Claim, then Southwest shall be liable for all reasonable and documented fees and expenses incurred by the Indemnitee in connection with the investigation, coordination and defense of such Third-Party Claim; provided, however, if each of Southwest and Centuri has an indemnification obligation with respect to such Third-Party Claim, then the liability for such fees and expenses shall be allocated between Southwest and Centuri in a manner proportional to their relative indemnification obligations.

(d) *Right to Monitor and Participate.* Notwithstanding Southwest's election to defend any Third-Party Claim, each Party shall have the right to employ separate counsel (including local counsel as necessary) of its own choosing to monitor and participate in (but not control) the defense of any Third-Party Claim for which it is a potential Indemnitee or Indemnifying Party, but the fees and expenses of such counsel shall be at the expense of Southwest or such Indemnitee, as the case may be, and the provisions of Section 4.5(c) shall not apply to such fees and expenses. Notwithstanding the foregoing, but subject to Section 6.8 and Section 6.9, such Party shall cooperate with the Party entitled to conduct and control the defense of such Third-Party Claim in such defense and make available to the controlling Party, at the non-controlling Party's expense, all witnesses, information and materials in such Party's possession or under such Party's control relating thereto as are reasonably required by the controlling Party. In addition to the foregoing, if any outside legal counsel to the Indemnitee reasonably determines in good faith that

such Indemnitee and Southwest have actual or potential differing defenses or conflicts of interest between them that make joint representation inappropriate, then the Indemnitee shall have the right to employ one firm of separate counsel (including local counsel as necessary) and to participate in (but not control) the defense, compromise, or settlement thereof, and in such case Southwest shall bear the reasonable and documented fees and expenses of such counsel for all Indemnitees.

(e) *No Settlement.* Neither Party may settle or compromise any Third-Party Claim for which either Party is seeking to be indemnified hereunder without the prior written consent of the other Party, which consent may not be unreasonably withheld, unless such settlement or compromise is solely for monetary damages that are fully payable by the settling or compromising Party, does not involve any admission, finding or determination of wrongdoing or violation of Law by the other Party and provides for a full, unconditional and irrevocable release of the other Party and the other members of its Group and the Indemnitee(s) from all Liability in connection with the Third-Party Claim.

4.6 Additional Matters.

(a) *Timing of Payments.* Indemnification or contribution payments in respect of any Liabilities for which an Indemnitee is entitled to indemnification or contribution under this Article IV shall be paid reasonably promptly (but in any event within thirty (30) days of the final determination of the amount that the Indemnitee is entitled to indemnification or contribution under this Article IV) by the Indemnifying Party to the Indemnitee as such Liabilities are incurred upon demand by the Indemnitee, including reasonably satisfactory documentation setting forth the basis for the amount of such indemnification or contribution payment, including documentation with respect to calculations made and consideration of any Insurance Proceeds that actually reduce the amount of such Liabilities. The indemnity and contribution provisions contained in this Article IV shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of any Indemnitee and (ii) the knowledge by the Indemnitee of Liabilities for which it might be entitled to indemnification hereunder.

(b) *Notice of Direct Claims.* Any claim for indemnification or contribution under this Agreement or any Ancillary Agreement that does not result from a Third-Party Claim shall be asserted by written notice given by the Indemnitee to the applicable Indemnifying Party; provided, that the failure by an Indemnitee to so assert any such claim shall not prejudice the ability of the Indemnitee to do so at a later time except to the extent (if any) that the Indemnifying Party is prejudiced thereby. Such Indemnifying Party shall have a period of thirty (30) days after the receipt of such notice within which to respond thereto. If such Indemnifying Party does not respond within such thirty (30)-day period, such specified claim shall be conclusively deemed a Liability of the Indemnifying Party under this Section 4.6(b) or, in the case of any written notice in which the amount of the claim (or any portion thereof) is estimated, on such later date when the amount of the claim (or such portion thereof) becomes finally determined. If such Indemnifying Party does not respond within such thirty (30)-day period or rejects such claim in whole or in part, such Indemnitee shall, subject to the provisions of Article VII, be free to pursue such remedies as may be available to such party as contemplated by this Agreement and the Ancillary Agreements, as applicable, without prejudice to its continuing rights to pursue indemnification or contribution hereunder.

(c) *Pursuit of Claims Against Third Parties.* If (i) a Party incurs any Liability arising out of this Agreement or any Ancillary Agreement; (ii) an adequate legal or equitable remedy is not available for any reason against the other Party to satisfy the Liability incurred by the incurring Party; and (iii) a legal or equitable remedy may be available to the other Party against a Third Party for such Liability, then the other Party shall use its commercially reasonable efforts to cooperate with the incurring Party, at the incurring Party's expense, to permit the incurring Party to obtain the benefits of such legal or equitable remedy against the Third Party.

(d) *Subrogation.* In the event of payment by or on behalf of any Indemnifying Party to any Indemnitee in connection with any Third-Party Claim, such Indemnifying Party shall be subrogated to and shall stand in the place of such Indemnitee as to any events or circumstances in respect of which such Indemnitee may have any right, defense or claim relating to such Third-Party Claim against any claimant or plaintiff asserting such Third-Party Claim or against any other Person. Such Indemnitee shall cooperate with such Indemnifying Party in a reasonable manner, and at the cost and expense of such Indemnifying Party, in prosecuting any subrogated right, defense or claim.

(e) *Substitution.* In the event of an Action in which the Indemnifying Party is not a named defendant, if either the Indemnitee or Indemnifying Party shall so request, the Parties shall endeavor to substitute the Indemnifying Party for the named defendant. If such substitution or addition cannot be achieved for any reason or is not requested, the named defendant shall allow the Indemnifying Party to manage the Action as set forth in Section 4.5 and this Section 4.6, and the Indemnifying Party shall fully indemnify the named defendant against all reasonable costs of defending the Action (including court costs, sanctions imposed by a court, attorneys' fees, experts fees and all other external expenses), the costs of any judgment or settlement and the cost of any interest or penalties relating to any judgment or settlement.

4.7 Right of Contribution.

(a) *Contribution.* If any right of indemnification contained in Section 4.2 or Section 4.3 is held unenforceable or is unavailable for any reason, or is insufficient to hold harmless an Indemnitee in respect of any Liability for which such Indemnitee is entitled to indemnification hereunder, then the Indemnifying Party shall contribute to the amounts paid or payable by the Indemnitees as a result of such Liability (or actions in respect thereof) in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party and the members of its Group, on the one hand, and the Indemnitees entitled to contribution, on the other hand, as well as any other relevant equitable considerations.

(b) *Allocation of Relative Fault.* Solely for purposes of determining relative fault pursuant to this Section 4.7: (i) any fault associated with the ownership, operation or activities of the Centuri Business prior to the Separation Time shall be deemed to be the fault of Centuri and the other members of the Centuri Group, and no such fault shall be deemed to be the fault of Southwest or any other member of the Southwest Group; and (ii) any fault associated with the ownership, operation or activities of the Southwest Business prior to the Separation Time shall be deemed to be the fault of Southwest and the other members of the Southwest Group, and no such fault shall be deemed to be the fault of Centuri or any other member of the Centuri Group.

4.8 Covenant Not to Sue. Each Party hereby covenants and agrees that none of it, the members of such Party's Group or any Person claiming through it shall bring suit or otherwise assert any claim against any Indemnitee, or assert a defense against any claim asserted by any Indemnitee, before any court, arbitrator, mediator or administrative agency anywhere in the world, alleging that: (a) the assumption of any Centuri Liabilities by Centuri or a member of the Centuri Group on the terms and conditions set forth in this Agreement and the Ancillary Agreements is void or unenforceable for any reason; (b) the retention of any Southwest Liabilities by Southwest or a member of the Southwest Group on the terms and conditions set forth in this Agreement and the Ancillary Agreements is void or unenforceable for any reason or (c) the provisions of this Article IV are void or unenforceable for any reason.

4.9 Remedies Cumulative. The remedies provided in this Article IV shall be cumulative and, subject to the provisions of Article IX, shall not preclude assertion by any Indemnitee of any other rights or the seeking of any and all other remedies against any Indemnifying Party.

4.10 Survival of Indemnities. The rights and obligations of each of Southwest and Centuri and their respective Indemnitees under this Article IV shall survive (a) the sale or other transfer by either Party or any member of its Group of any assets or businesses or the assignment by it of any Liabilities; or (b) any merger, consolidation, business combination, sale of all or substantially all of its Assets, restructuring, recapitalization, reorganization or similar transaction involving either Party or any of the members of its Group.

ARTICLE V CERTAIN OTHER MATTERS

5.1 Insurance Matters.

(a) From the Separation Time until the Disposition Date, the members of the Centuri Group shall continue to be insured on the terms and subject to the limits in place on the Separation Time under the Shared Policies and shall be entitled to receive coverage thereunder to the same extent as the Southwest Group, in each case to the extent permitted under such applicable Policy. As of the Disposition Date, the coverage under all Shared Policies shall continue in force only for the benefit of the Southwest Group and not for the benefit of the Centuri Group. Effective from and after the Disposition Date, the Centuri Group shall arrange for its own insurance policies with respect to the Centuri Business covering all periods (whether prior to or following the Separation Time) and agrees not to seek, through any means, to benefit from any of the Southwest Group's Policies or the Shared Policies that may provide coverage for claims relating in any way to the Centuri Business prior to the Disposition Date.

(b) Where Shared Policies with an unaffiliated third party insurer (and excluding, for the avoidance of doubt, any self-insurance, captive insurance or similar program) cover Centuri Liabilities reported to such unaffiliated third party insurer after the Separation Time and before the Disposition Date, with respect to an occurrence prior to the Disposition Date, under an occurrence-based or claims-made policy (collectively, "Covered Claims"), then the members of the Centuri Group may claim coverage for such Covered Claims under such Shared Policies and receive any insurance recoverables with respect thereto, without any prejudice or limitation to Southwest seeking insurance under the Shared Policies for its own claims; provided that Southwest

may, in its sole discretion, participate in or control the prosecution or defense of any such Covered Claim. After the Separation Time, Southwest shall procure and administer the Shared Policies; provided, that such administration shall in no way limit, inhibit or preclude the right of the members of the Centuri Group to insurance coverage thereunder in accordance with this Section 5.1(b), in each case, with respect to Covered Claims. Centuri shall promptly notify Southwest of any Covered Claims (a "Claim Notice"), and Southwest agrees to reasonably cooperate with the Centuri Group concerning the pursuit of coverage with respect to any such Covered Claim, in each case at the expense of the Centuri Group (to the extent such expenses are not covered by the applicable Shared Policies).

(c) Centuri shall be responsible for complying with the terms of the Shared Policies to obtain coverage for such Covered Claims, including if the Shared Policy requires any payments to be made in connection therewith (including self-insured retentions or deductibles), and Centuri shall make any such required payments and maintain any required or appropriate accruals or reserves for such Covered Claims. Any proceeds received by Southwest from any insurance carrier that relate to Covered Claims shall be paid promptly to Centuri. In the event that Covered Claims relate to the same occurrence for which Southwest is seeking coverage under such Shared Policies and for which the Parties have a shared defense (a "Shared Claim"), Southwest may elect to defend, at its own expense (to the extent such expenses are not covered by the applicable Shared Policies), any such claim. Within thirty (30) days after the receipt of a Claim Notice from Centuri in accordance with Section 5.1(b), Southwest shall provide written notice to Centuri indicating whether Southwest shall assume responsibility for defending the Shared Claim. If Southwest elects not to assume responsibility for defending any Shared Claim as provided in this Section 5.1(c) or fails to notify Centuri of its election within thirty (30) days after receipt of the Claim Notice from Centuri as provided in Section 5.1(b), then Southwest and Centuri shall jointly defend any such claim and waive any conflict of interest necessary to conduct a joint defense, and shall bear any expenses in connection therewith equally (to the extent such expenses are not covered by the applicable Shared Policies), including self-insured retentions or deductibles. In the event that policy limits under an applicable Shared Policy are not sufficient to fund all claims of the Southwest Group and the Centuri Group, amounts due under such Shared Policy shall be paid on a first come, first served basis, and any amounts simultaneously due shall be paid to the respective entities in proportion to the assessed value of each respective entity's claim or claims; provided that, in the event the claims paid to the Centuri Group under such Shared Policy exceed five percent (5%) of the policy limit thereunder, and any member of the Southwest Group subsequently makes any claim under such policy, then, Centuri shall pay (or shall cause payment to be made) to Southwest an amount equal to the lesser of (i) the value of the applicable Southwest Group claim in excess of the applicable policy limit and (ii) the amount by which payments made to the Centuri Group under such policy exceeded five (5%) of the applicable policy limit.

(d) Upon a receipt of a written request from Centuri, Southwest shall use its commercially reasonable efforts to reduce or cancel the Centuri Group's coverage under any Policies, effective no earlier than sixty (60) days after Southwest's receipt of such request; provided, however that (i) any costs associated or incurred in connection with such reduction or cancellation shall be borne exclusively by the Centuri Group, (ii) the Centuri Group understands that there may be no premium refund or credit provided by the relevant insurers as a result of such reduction or cancellation, and (iii) if and to the extent that Southwest actually receives a premium refund or credit from the relevant insurers for the term of the coverage so reduced or cancelled as

a direct result of such reduction or cancellation, Southwest shall only be obligated to credit or pay over to the Centuri Group the lesser of (A) the amount of any such credit or refund or (B) the amount, if any, last charged to the Centuri Group by Southwest for such coverage during such term.

(e) Notwithstanding anything contained in this Section 5.1, to the extent Southwest has entered into or agrees to enter into, whether on its own or with respect to the any arrangement provided for under this Section 5.1, any settlement agreement or other arrangement with any insurance provider regarding coverage under any Shared Policy that provides for any limitation of coverage or release of such insurance provider with regard to any coverage thereunder, whether in whole or in part (collectively, the “Released Insurance Matters”), Centuri agrees that it shall (i) abide by the terms of and, to the extent required, consent to, any such settlement or arrangement relating to the Released Insurance Matters as a condition to receiving any coverage under any Shared Policy related thereto; (ii) have no rights to any such coverage under the Shared Policies with respect to any Released Insurance Matters; and (iii) make no claims under any Shared Policies with respect to any Released Insurance Matters.

5.2 Late Payments. Except as expressly provided to the contrary in this Agreement or in any Ancillary Agreement, any amount not paid when due pursuant to this Agreement or any Ancillary Agreement (and any amounts billed or otherwise invoiced or demanded and properly payable that are not paid within ten (10) days of a notice of non-payment) shall accrue interest at a rate per annum equal to the Prime Rate plus two and a half percent (2.5%), calculated for the actual number of days elapsed, accrued from the date on which such payment was due up to the date of the actual receipt of payment.

5.3 Treatment of Payments for Tax Purposes. For all applicable Tax purposes, the Parties agree to treat any payment required by this Agreement as set forth in Section 5.4 of the Tax Matters Agreement.

5.4 Inducement. Centuri acknowledges and agrees that Southwest’s willingness to cause, effect and consummate the Transactions has been conditioned upon and induced by Centuri’s covenants and agreements in this Agreement and the Ancillary Agreements, including Centuri’s assumption of the Centuri Liabilities pursuant to the Separation and the provisions of this Agreement and Centuri’s covenants and agreements contained in Article IV.

5.5 Post-Separation Time Conduct. The Parties acknowledge that, after the Separation Time, each Party shall be independent of the other Party, with responsibility for its own actions and inactions and its own Liabilities relating to, arising out of or resulting from the conduct of its business, operations and activities following the Separation Time, except as may otherwise be provided in any Ancillary Agreement, and each Party shall (except as otherwise provided in Article IV) use commercially reasonable efforts to prevent such Liabilities from being inappropriately borne by the other Party.

5.6 Centuri Annual Meeting. Centuri agrees that it will schedule its first annual meeting of stockholders following the Separation no earlier than the nine (9)-month anniversary of the Separation and no later than the twelve (12)-month anniversary of the Separation; provided, that if such twelve (12)-month anniversary occurs within the ninety (90)-day period immediately

following a fiscal year end, then this deadline will be extended until 135 days after that fiscal year end.

5.7 Corporate Opportunities.

(a) From and after the Separation Time and for so long as the Southwest Group Beneficially Owns shares representing, in the aggregate, at least ten percent (10%) of the total voting power of the then outstanding shares of Centuri Voting Stock or has any directors, officers or employees who serve on the Centuri Board, the Centuri Board will renounce any interest or expectancy of Centuri in, or in being offered an opportunity to participate in, any corporate opportunities of any member of the Centuri Group that are presented to any member of the Southwest Group or any of its directors, officers or employees in accordance with Section 122(17) of the General Corporation Law of the State of Delaware.

(b) For the purposes of this Section 5.7, “corporate opportunities” of a Group shall include, but not be limited to, business opportunities that the Centuri Group is financially able to undertake, which are, from their nature, in the line of the Centuri Group’s business, are of practical advantage to it and are ones in which the Centuri Group would have an interest or a reasonable expectancy, and in which, by embracing the opportunities or allowing such opportunities to be embraced by the Southwest Group or its directors, officers or employees, the self-interest of the Southwest Group or any of its directors, officers or employees will or could be brought into conflict with that of the Centuri Group.

**ARTICLE VI
EXCHANGE OF INFORMATION; CONFIDENTIALITY**

6.1 Agreement for Exchange of Information. Subject to Section 6.8 and any other applicable confidentiality obligations, each of Southwest and Centuri, on behalf of itself and each member of its Group, agrees to use commercially reasonable efforts to provide or make available, or cause to be provided or made available, to the other Party and the members of such other Party’s Group, at any time before, on or after the Separation Time, but no later than the second (2nd) anniversary of the Disposition Date, as soon as reasonably practicable after written request therefor, any information (or a copy thereof) in the possession or under the control of such Party or its Group which the requesting Party or its Group requests to the extent that (i) such information relates to the Centuri Business, or any Centuri Asset or Centuri Liability, if Centuri is the requesting Party, or to the Southwest Business, or any Southwest Asset or Southwest Liability, if Southwest is the requesting Party; (ii) such information is required by the requesting Party to comply with its obligations under this Agreement or any Ancillary Agreement or in connection with (A) an issuance of debt or equity securities or (B) a merger, divisive merger, reorganization or consolidation transaction in which such Party is a constituent party but not the surviving entity or the sale by such Party of all or substantially all of its Assets; or (iii) such information is required by the requesting Party to comply with any obligation imposed by any Governmental Authority; provided, however, that, in the event that the Party to whom the request has been made determines that any such provision of information could be detrimental to the Party providing the information, violate any Law or agreement, or waive any privilege available under applicable Law, including any attorney-client privilege, then the Parties shall use commercially reasonable efforts to permit compliance with such obligations to the extent and in a manner that avoids any such harm or

consequence. The Party providing information pursuant to this Section 6.1 shall only be obligated to provide such information in the form, condition and format in which it then exists, and in no event shall such Party be required to perform any improvement, modification, conversion, updating or reformatting of any such information, and nothing in this Section 6.1 shall expand the obligations of either Party under Section 6.4.

6.2 Ownership of Information. The provision of any information pursuant to Section 6.1 or Section 6.7 shall not affect the ownership of such information (which shall be determined solely in accordance with the terms of this Agreement and the Ancillary Agreements) or constitute a grant of rights in or to any such information.

6.3 Compensation for Providing Information. The Party requesting information agrees to reimburse the other Party for the reasonable costs, if any, of creating, gathering, copying, transporting and otherwise complying with the request with respect to such information (including any reasonable costs and expenses incurred in any review of information for purposes of protecting the Privileged Information of the providing Party or in connection with the restoration of backup media for purposes of providing the requested information). Except as may be otherwise specifically provided elsewhere in this Agreement, any Ancillary Agreement or any other agreement between the Parties, such costs shall be computed in accordance with the providing Party's standard methodology and procedures.

6.4 Record Retention. To facilitate the possible exchange of information pursuant to this Article VI and other provisions of this Agreement after the Separation Time, the Parties agree to use their commercially reasonable efforts, which shall be no less rigorous than those used for retention of such Party's own information, to retain all information in their respective possession or control at the Separation Time in substantial accordance with the policies of Southwest as in effect at the Separation Time or such other policies as may be adopted by Southwest after the Separation Time (provided that Southwest notifies Centuri in writing of any such change). Notwithstanding the foregoing, the Tax Matters Agreement will exclusively govern the retention of Tax-related records and the exchange of Tax-related information.

6.5 Other Agreements Providing for Exchange of Information.

(a) The rights and obligations granted under this Article VI are subject to any specific limitations, qualifications or additional provisions on the sharing, exchange, retention or confidential treatment of information set forth in any Ancillary Agreement.

(b) Any party that receives, pursuant to a request for information in accordance with this Article VI, Tangible Information that is not relevant to its request shall, at the request of the providing Party, (i) return it to the providing Party or, at the providing Party's request, destroy such Tangible Information; and (ii) deliver to the providing Party written confirmation that such Tangible Information was returned or destroyed, as the case may be, which confirmation shall be signed by an authorized representative of the requesting Party.

6.6 Production of Witnesses; Records; Cooperation.

(a) After the Separation Time, except in the case of a Dispute between Southwest and Centuri, or any members of their respective Groups, each Party shall use its

commercially reasonable efforts to make available to the other Party, upon written request, the former, current and future directors, officers, employees, other personnel and agents of the members of its respective Group as witnesses and any books, records or other documents within its control or which it otherwise has the ability to make available without undue burden, to the extent that any such person (giving consideration to business demands of such directors, officers, employees, other personnel and agents) or books, records or other documents may reasonably be required in connection with any Action in which the requesting Party (or member of its Group) may from time to time be involved, regardless of whether such Action is a matter with respect to which indemnification may be sought hereunder. The requesting Party shall bear all costs and expenses in connection therewith.

(b) If an Indemnifying Party chooses to defend or to seek to compromise or settle any Third-Party Claim, the other Party shall make available to such Indemnifying Party, upon written request, the former, current and future directors, officers, employees, other personnel and agents of the members of its respective Group as witnesses and any books, records or other documents within its control or which it otherwise has the ability to make available without undue burden, to the extent that any such person (giving consideration to business demands of such directors, officers, employees, other personnel and agents) or books, records or other documents may reasonably be required in connection with such defense, settlement or compromise, or such prosecution, evaluation or pursuit, as the case may be, and shall otherwise cooperate in such defense, settlement or compromise, or such prosecution, evaluation or pursuit, as the case may be.

(c) Without limiting the foregoing, the Parties shall cooperate and consult to the extent reasonably necessary with respect to any Actions.

(d) Without limiting any provision of this Section 6.6, each of the Parties agrees to cooperate, and to cause each member of its respective Group to cooperate, with each other in the defense of any infringement or similar claim with respect to any Intellectual Property Rights.

(e) The obligation of the Parties to provide witnesses pursuant to this Section 6.6 is intended to be interpreted in a manner so as to facilitate cooperation and shall include the obligation to provide as witnesses directors, officers, employees, other personnel and agents without regard to whether such person or the employer of such person could assert a possible business conflict (subject to the exception set forth in the first sentence of Section 6.6(a)).

6.7 Privileged Matters.

(a) *Pre-Separation Services.* The Parties recognize that legal and other professional services that have been and will be provided prior to the Separation Time have been and will be rendered for the collective benefit of each of the members of the Southwest Group and the Centuri Group, and that each of the members of the Southwest Group and the Centuri Group should be deemed to be the client with respect to such pre-Separation services for the purposes of asserting all privileges, immunities, or other protections from disclosure which may be asserted under applicable Law, including attorney client privilege, business strategy privilege, joint defense privilege, common interest privilege, and protection under the work-product doctrine (“Privilege”). The Parties shall have a shared Privilege with respect to all Privileged Information which relates to such pre-Separation services. For the avoidance of doubt, Privileged Information

within the scope of this Section 6.7 includes services rendered by legal counsel retained or employed by any Party (or any member of such Party's respective Group), including outside counsel and in-house counsel.

(b) *Post-Separation Services.* The Parties recognize that legal and other professional services will be provided following the Separation Time to each of the Southwest Group and the Centuri Group. The Parties further recognize that certain of such post-Separation services will be rendered solely for the benefit of the Southwest Group or the Centuri Group, as the case may be, while other such post-Separation services may be rendered with respect to claims, proceedings, litigation, disputes, or other matters which involve both the Southwest Group and the Centuri Group. In furtherance of the foregoing, each Party shall authorize the delivery to or retention by the other Party of materials existing as of the Separation Time that are necessary for such other Party to perform such services. The Parties acknowledge and agree that Morrison & Foerster LLP ("Morrison & Foerster") has acted as counsel to the Southwest Group and Centuri Group in connection with the negotiation, preparation, execution and delivery of this Agreement, the Ancillary Agreements and the consummation of the transactions contemplated hereby and thereby. The Parties agree that, following consummation of the Separation, such representation and any prior representation of Southwest Group and Centuri Group by Morrison & Foerster shall not preclude Morrison & Foerster from serving as counsel to the Southwest Group, Centuri Group or any of their respective Affiliates, in connection with any litigation, claim or obligations arising out of or relating to this Agreement, the Ancillary Agreements or the transactions contemplated thereby and hereby. The Parties shall not seek or have Morrison & Foerster disqualified from any such representation based on the prior representation of the Southwest Group or Centuri Group. Each of the Parties hereby consents thereto and waives any conflict of interest arising from such prior representation, and each of the Parties shall cause any of its Affiliates to consent to waive any conflict of interest arising from such representation. With respect to such post-Separation services and related Privileged Information, the Parties agree as follows:

(i) all Privileged Information relating to any claims, proceedings, litigation, disputes or other matters which involve both the Southwest Group and the Centuri Group shall be subject to a shared Privilege among the Parties involved in the claims, proceedings, litigation, disputes or other matters at issue; and

(ii) except as otherwise provided in Section 6.7(b)(i), Privileged Information relating to post-Separation services provided solely to: (i) any member of the Southwest Group or (ii) any member of the Centuri Group shall not be deemed shared between the Parties; provided, that the foregoing shall not be construed or interpreted to restrict the right or authority of the Parties (x) to enter into any further agreement, not otherwise inconsistent with the terms of this Agreement, concerning the sharing of Privileged Information, or (y) otherwise to share Privileged Information without waiving any Privilege which could be asserted under applicable Law.

(c) The Parties agree as follows regarding all Privileged Information with respect to which the Parties shall have a shared Privilege under Section 6.7(a) or Section 6.7(b):

(i) subject to Section 6.7(c)(iii) and Section 6.7(c)(iv), no Party may waive, allege or purport to waive, any Privilege which could be asserted under any applicable Law,

and in which any other Party has a shared Privilege, without the consent of the other Party (such consent not to be unreasonably withheld or conditioned). Consent shall be in writing or shall be deemed to be granted unless written objection is made within thirty (30) days after written notice is given to such other Party;

(ii) if a dispute arises between or among the Parties or their respective Subsidiaries regarding whether a Privilege should be waived to protect or advance the interest of any Party, each Party agrees that it shall negotiate in good faith and shall endeavor to minimize any prejudice to the rights of the other Party. Southwest shall not unreasonably withhold or condition consent to any request for waiver by Centuri and specifically agrees that it shall not withhold consent to waive for any purpose except to protect its own legitimate interests;

(iii) if, within thirty (30) days of receipt by Centuri of written objection, the Parties have not succeeded in negotiating a resolution to any dispute regarding whether a Privilege should be waived, and Centuri determines that a Privilege should nonetheless be waived to protect or advance its interest, Centuri shall provide Southwest thirty (30) days written notice prior to effecting such waiver. Each Party specifically agrees that failure within thirty (30) days of receipt of such notice to commence proceedings to enjoin such disclosure under applicable Law shall be deemed full and effective consent to such disclosure, and any such Privilege shall not be waived by Centuri under the final determination of such dispute; and

(iv) in the event of any litigation or dispute between the Parties, or any members of their respective Groups, either such Party may waive a Privilege in which the other Party or member of such Group has a shared Privilege, without obtaining the consent of the other Party.

(d) The transfer of all information pursuant to this Agreement is made in reliance on the agreement of Southwest and Centuri as set forth in this Section 6.7 and Section 6.8, to maintain the confidentiality of Privileged Information and to assert and maintain any applicable Privilege. The access to information, witnesses and individuals being granted pursuant to Article VI, the furnishing of notices and documents and other cooperative efforts contemplated by Article IV, and the transfer of Privileged Information between the Parties and their respective Subsidiaries pursuant to this Agreement shall not be deemed a waiver of any Privilege that has been or may be asserted under this Agreement or otherwise; provided, further that Southwest in its sole discretion may require that a Common Interest Agreement be entered into as a condition to delivering such information or providing witness services to any other Person pursuant to this Agreement.

6.8 Confidentiality.

(a) *Confidentiality.* Subject to Section 6.9, and without prejudice to any longer period that may be provided for in any of the Ancillary Agreements, from and after the Separation Time until the three (3)-year anniversary of the Separation Time, each of Southwest and Centuri, on behalf of itself and each member of its respective Group, agrees to hold, and to cause its respective Representatives to hold, in strict confidence, with at least the same degree of care that applies to Southwest's confidential and proprietary information pursuant to policies in effect as of the Separation Time, all confidential and proprietary information concerning the other Party or any member of the other Party's Group or their respective businesses (giving effect to the

Separation) that is either in its possession (including confidential and proprietary information in its possession prior to the date hereof) or furnished by any such other Party or any member of such Party's Group or their respective Representatives at any time pursuant to this Agreement, any Ancillary Agreement or otherwise, and shall not use any such confidential and proprietary information other than for such purposes as shall be expressly permitted hereunder or thereunder, except, in each case, to the extent that such confidential and proprietary information has been (i) in the public domain or generally available to the public, other than as a result of a disclosure by such Party or any member of such Party's Group or any of their respective Representatives in violation of this Agreement, (ii) later lawfully acquired from other sources by such Party (or any member of such Party's Group) which sources are not themselves known by such Party (or any member of such Party's Group) to be bound by a confidentiality obligation or other contractual, legal or fiduciary obligation of confidentiality with respect to such confidential and proprietary information, or (iii) independently developed or generated without reference to or use of any proprietary or confidential information of the other Party or any member of such Party's Group. Notwithstanding the foregoing three (3)-year period, Southwest's and Centuri's obligations with respect to confidential and proprietary information that constitutes Trade Secrets shall survive and continue for so long as such confidential and proprietary information retains its status as a Trade Secret. If any confidential and proprietary information of one Party or any member of its Group is disclosed to the other Party or any member of such other Party's Group in connection with providing services to such first Party or any member of such first Party's Group under this Agreement or any Ancillary Agreement, then such disclosed confidential and proprietary information shall be used only as required to perform such services.

(b) *No Release; Return or Destruction.* Each Party agrees not to release or disclose, or permit to be released or disclosed, any information addressed in Section 6.8(a) to any other Person, except its Representatives who need to know such information in their capacities as such (who shall be advised of their obligations hereunder with respect to such information), and except in compliance with this Section 6.8. Without limiting the foregoing, when any such information is no longer needed for the purposes contemplated by this Agreement or any Ancillary Agreement, and is no longer subject to any legal hold or other document preservation obligation, each Party will promptly after request of the other Party either return to the other Party all such information in a tangible form (including all copies thereof and all notes, extracts or summaries based thereon) or notify the other Party in writing that it has destroyed such information (and such copies thereof and such notes, extracts or summaries based thereon); provided, that the Parties may retain electronic back-up versions of such information maintained on routine computer system backup tapes, disks or other backup storage devices; provided further, that any such information so retained shall remain subject to the confidentiality provisions of this Agreement or any Ancillary Agreement.

(c) *Residuals.* Nothing in this Agreement shall prohibit Southwest Group from using for any purpose Residuals retained by its employees and contractors having access to the Centuri Assets or other confidential information related to Centuri Group. Centuri Group also covenants and agrees that no member of the Centuri Group shall bring suit or otherwise assert any claim against any member of the Southwest Group in connection with any Residuals or for inadvertent use of any retained Centuri Assets.

(d) *Third-Party Information; Privacy or Data Protection Laws.* Each Party acknowledges that it and members of its Group may presently have and, following the Separation Time, may gain access to or possession of confidential or proprietary information of, or legally-protected personal information (including personal health information) relating to, Third Parties (i) that was received under privacy policies or notices or confidentiality or non-disclosure agreements entered into between such Third Parties, on the one hand, and the other Party or members of such other Party's Group, on the other hand, prior to the Separation Time; or (ii) that, as between the two Parties, was originally collected by the other Party or members of such other Party's Group and that may be subject to and protected by privacy policies or notices, as well as applicable data privacy Laws or other applicable Laws. Each Party agrees that it shall hold, protect and use, and shall cause the members of its Group and its and their respective Representatives to hold, protect and use, in strict confidence the confidential and proprietary information of, or legally-protected personal information (including personal health information) relating to, Third Parties in accordance with the obligations outlined in the applicable privacy policies or notices and applicable data privacy Laws or other applicable Laws and the terms of any agreements that were either entered into before the Separation Time or affirmative commitments or representations that were made before the Separation Time by, between or among the other Party or members of the other Party's Group, on the one hand, and such Third Parties, on the other hand.

6.9 Protective Arrangements. In the event that a Party or any member of its Group either determines on the advice of its counsel that it is required to disclose any information pursuant to applicable Law or receives any request or demand under lawful process or from any Governmental Authority to disclose or provide information of the other Party (or any member of the other Party's Group) that is subject to the confidentiality provisions hereof, such Party shall notify the other Party (to the extent legally permitted) as promptly as practicable under the circumstances prior to disclosing or providing such information and shall cooperate, at the expense of the other Party, in seeking any appropriate protective order requested by the other Party. In the event that such other Party fails to receive such appropriate protective order in a timely manner and the Party receiving the request or demand reasonably determines that its failure to disclose or provide such information shall actually prejudice the Party receiving the request or demand, then the Party that received such request or demand may thereafter disclose or provide information to the extent required by such Law (as so advised by its counsel) or by lawful process or such Governmental Authority, and the disclosing Party shall promptly provide the other Party with a copy of the information so disclosed, in the same form and format so disclosed, together with a list of all Persons to whom such information was disclosed, in each case to the extent legally permitted.

ARTICLE VII DISPUTE RESOLUTION

7.1 Good Faith Officer Negotiation. Subject to Section 7.4, either Party seeking resolution of any dispute, controversy, demand, request for relief or claim of any kind arising out of, in connection with or in relation to the interpretation, performance, nonperformance, validity or breach of this Agreement or any Ancillary Agreement (unless such Ancillary Agreement expressly provides that disputes thereunder will not be subject to the resolution procedures set forth in this Article VII), including regarding whether any Assets are Centuri Assets or Southwest Assets, any Liabilities are Centuri Liabilities or Southwest Liabilities or the validity, interpretation,

breach or termination of this Agreement or any such Ancillary Agreement (a “Dispute”), shall provide written notice thereof to the other Party (the “Officer Negotiation Request”). Within fifteen (15) days of the delivery of the Officer Negotiation Request, the Parties shall attempt to resolve the Dispute through good faith negotiations. All such negotiations shall be conducted by the Chief Financial Officers or general counsels of the Parties (or such other individuals designated by the respective general counsels). All such negotiations shall be confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence. If the Parties are unable for any reason to resolve a Dispute within twenty-one (21) days of receipt of the Officer Negotiation Request, and such twenty-one (21)-day period is not extended by mutual written consent of the Parties, the Chief Executive Officers of the Parties shall enter into good-faith negotiations in accordance with Section 7.2.

7.2 Good Faith CEO Negotiation. If any Dispute is not resolved pursuant to Section 7.1, the Party that delivered the Officer Negotiation Request shall provide written notice of such Dispute to the Chief Executive Officer of each Party (a “CEO Negotiation Request”). As soon as reasonably practicable following receipt of a CEO Negotiation Request, the Chief Executive Officers of the Parties shall begin conducting good-faith negotiations with respect to such Dispute. All such negotiations shall be confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence. If the Chief Executive Officers of the Parties are unable for any reason to resolve a Dispute within twenty-one (21) days of receipt of a CEO Negotiation Request, and such twenty-one (21)-day period is not extended by mutual written consent of the Parties, the Dispute shall be submitted to arbitration in accordance with Section 7.3.

7.3 Arbitration. If a Dispute has not been resolved within twenty-one (21) days of the receipt of a CEO Negotiation Request in accordance with Section 7.2, or within such longer period as the Parties may agree to in writing (in either case, the “Negotiation Period”), then such Dispute may be submitted by either Party (an “Arbitration Request”) to final and binding arbitration administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures then in effect (the “Rules”), except as provided in Section 11.13 or as otherwise modified herein. In the event of any arbitration in accordance with this Section 7.3, (a) the Parties shall not assert the defenses of statute of limitations, laches or any other defense, in each such case based on the passage of time during the Negotiation Period, and (b) any contractual time period or deadline under this Agreement or any Ancillary Agreement relating to such Dispute occurring after the CEO Negotiation Request is received shall not be deemed to have passed until such arbitration has been resolved.

(a) The arbitration shall be conducted using a panel of three (3) arbitrators (the “Arbitral Tribunal”) selected as follows: (i) within thirty (30) days from the date of the receipt of the Arbitration Request, each Party will name an arbitrator; and (ii) the two (2) Party-appointed arbitrators will thereafter, within thirty (30) days from the date on which the second of the two (2) arbitrators was named, name a third independent arbitrator who will act as chairperson of the Arbitral Tribunal. In the event that either Party fails to name an arbitrator within thirty (30) days from the date of receipt of the Arbitration Request, then upon written application by either Party, that arbitrator shall be appointed pursuant to the Rules. In the event that the two (2) Party-appointed arbitrators fail to appoint the third, then the third independent arbitrator will be appointed pursuant to the Rules. If the arbitration will be before a sole independent arbitrator, then the sole independent arbitrator will be appointed by agreement of the Parties within thirty (30) days of the date of receipt

of the Arbitration Request. If the Parties cannot agree to a sole independent arbitrator during such thirty (30)-day period, then upon written application by either Party, the sole independent arbitrator will be appointed pursuant to the Rules. Each arbitrator nominated hereunder must have relevant experience and skill in resolving disputes of a kind similar to the Dispute in question.

(b) The arbitration shall be held, and the award shall be rendered, in Las Vegas, NV, in the English language.

(c) For the avoidance of doubt, by submitting their Dispute to arbitration under the Rules, the Parties expressly agree that all issues of arbitrability, including all issues concerning the propriety and timeliness of the commencement of the arbitration, the jurisdiction of the Arbitral Tribunal (including the scope of this agreement to arbitrate and the extent to which a Dispute is within that scope), and the procedural conditions for arbitration, shall be finally and solely determined by the Arbitral Tribunal.

(d) Without derogating from Section 7.3(e), the Arbitral Tribunal shall have the full authority to grant any pre-arbitral injunction, pre-arbitral attachment, interim or conservatory measure or other order in aid of arbitration proceedings (“Interim Relief”). The Parties shall exclusively submit any application for Interim Relief to only: (A) the Arbitral Tribunal; or (B) prior to the constitution of the Arbitral Tribunal, an emergency arbitrator appointed in the manner provided for in the Rules (the “Emergency Arbitrator”). Any Interim Relief so issued shall, to the extent permitted by applicable Law, be deemed a final arbitration award for purposes of enforceability, and, moreover, shall also be deemed a term and condition of this Agreement subject to specific performance in Section 11.13. The foregoing procedures shall constitute the exclusive means of seeking Interim Relief; provided, however, that (i) the Arbitral Tribunal shall have the power to continue, review, vacate or modify any Interim Relief granted by an Emergency Arbitrator; and (ii) in the event an Emergency Arbitrator or the Arbitral Tribunal issues an order granting, denying or otherwise addressing Interim Relief (a “Decision on Interim Relief”), any Party may apply to enforce or require specific performance of such Decision on Interim Relief in any federal court within the Borough of Manhattan in the City of New York or any court of the State of New York, in each case located in the Borough of Manhattan in the City of New York (each a “Chosen Court” and collectively, the “Chosen Courts”) (which courts the Parties hereby agree have jurisdiction over them to enforce any such award) and any other court of competent jurisdiction.

(e) The Arbitral Tribunal shall have the power to grant any remedy or relief that is in accordance with the terms of this Agreement or the applicable Ancillary Agreement, including specific performance and temporary or final injunctive relief, provided, however, that the Arbitral Tribunal shall have no authority or power to limit, expand, alter, amend, modify, revoke or suspend any condition or provision of this Agreement or any Ancillary Agreement.

(f) The Arbitral Tribunal shall have the power to allocate the costs and fees of the arbitration, including reasonable attorneys’ fees and expenses and costs as well as those costs and fees addressed in the Rules, between the Parties in the manner it deems fit.

(g) Subject to Section 11.17(c), arbitration under this Article VII shall be the sole and exclusive remedy for any Dispute, and any award rendered thereby shall be final and

binding upon the Parties as from the date rendered. Judgment on the award rendered by the Arbitral Tribunal may be entered in any Chosen Court (which courts the Parties hereby agree have jurisdiction over them to enforce any such award) and any other court having jurisdiction over the relevant Party or its Assets.

7.4 Treatment of Arbitration. The Parties agree that any arbitration hereunder shall be kept confidential, and that the existence of the proceeding and all of its elements (including any pleadings, briefs or other documents or evidence submitted or exchanged, any testimony or other oral submissions, and any awards) shall be deemed confidential, and shall not be disclosed beyond the Arbitral Tribunal, the Parties, their counsel, and any Person necessary to the conduct of the proceeding, except as and to the extent required by applicable Law or stock exchange rule or to defend or pursue any legal right or to the extent required for financial reporting or the audit of applicable financial statements. In the event any Party makes application to any court in connection with this Section 7.4 (including any proceedings to enforce a final award or any Interim Relief), that Party shall take all steps reasonably within its power to cause such application, and any exhibits (including copies of any award or decisions of the Arbitral Tribunal or Emergency Arbitrator) to be filed under seal (other than with respect to materials already publicly available), shall oppose any challenge by any third party to such sealing, and shall give the other Party prompt (and, in any event, within one (1) Business Day) notice of such challenge.

7.5 Litigation and Unilateral Commencement of Arbitration. Notwithstanding the foregoing provisions of this Article VII, (a) a Party may seek preliminary provisional or injunctive judicial relief with respect to a Dispute without first complying with the procedures set forth in Section 7.1, Section 7.2 and Section 7.3 if such action is reasonably necessary to avoid irreparable damage and (b) either Party may initiate arbitration before the expiration of the periods specified in Section 7.1, Section 7.2 or Section 7.3 if such Party has submitted an Officer Negotiation Request, a CEO Negotiation Request or an Arbitration Request and the other Party has failed to comply with Section 7.1, Section 7.2 or Section 7.3 in good faith with respect to such negotiation or the commencement and engagement in arbitration. In such event, the other Party may commence and prosecute such arbitration unilaterally in accordance with the Rules. In addition, and notwithstanding anything to the contrary in this Article VII, to the extent any provision of this Article VII would conflict with Section 11.17(c), the provisions of Section 11.17(c) shall control.

7.6 Conduct During Dispute Resolution Process. Unless otherwise agreed in writing, the Parties shall, and shall cause the respective members of their Groups to, continue to honor all commitments under this Agreement and each Ancillary Agreement to the extent required by such agreements during the course of dispute resolution pursuant to the provisions of this Article VII, unless such commitments are the specific subject of the Dispute at issue.

ARTICLE VIII FINANCIAL AND OTHER COVENANTS

8.1 Disclosure and Financial Controls. The Parties agree that, for so long as Southwest is required to consolidate the results of operations and financial position of Centuri and any other members of the Centuri Group or to account for its investment in Centuri or any other member of the Centuri Group under the equity method of accounting (determined in accordance with GAAP

consistently applied and consistent with SEC reporting requirements) or to complete a financial statement audit for any such period:

(a) *Disclosure and Financial Controls.* Centuri will, and will cause each other member of the Centuri Group to, maintain, as of and after the IPO Effective Date, (i) disclosure controls and procedures and internal control over financial reporting as defined in Exchange Act Rule 13a-15 and (ii) internal systems and procedures that provide reasonable assurance that (A) the Financial Statements are reliable and timely prepared in accordance with GAAP as historically applied by Southwest and applicable Law, (B) all transactions of members of the Centuri Group are recorded as necessary to permit the preparation of the financial statements of Southwest and Centuri, (C) the receipts and expenditures of members of the Centuri Group are authorized at the appropriate level within the Centuri Group and (D) unauthorized use or disposition of the assets of any member of the Centuri Group that could have a material effect on the Financial Statements is prevented or detected and communicated in a timely manner.

(b) *Fiscal Year.* Centuri will maintain a fiscal year for purposes of GAAP reporting that ends on the Sunday closest to the end of the calendar year and begins on the Monday following such Sunday.

(c) *Monthly and Quarterly Financial Information.* Centuri will, and will cause each member of the Centuri Group to, from and after the IPO Effective Date:

(i) no later than six (6) Business Days after the end of each month (including the last month of Southwest's fiscal year), deliver or make available to Southwest financial information (i.e., income statement or earnings schedule) for use by Southwest to record equity earnings in Centuri, and no later than nine (9) Business Days after the end of each fiscal quarter, deliver or make available a consolidated income statement and balance sheet, and no later than thirteen (13) Business Days after the end of each fiscal quarter, deliver or make available a consolidated cash flows statement, including supplemental data, all for such periods in the same format and manner, with the same detail and in the same timeframe, as the Centuri Business delivered or made available such information to Southwest prior to the Separation Time (such practices, the "Financial Delivery Practices");

(ii) deliver or make available to Southwest a consolidated income statement, balance sheet, cash flows statement and supplemental data related to cash flows, or the information required to prepare a consolidated income statement, balance sheet, cash flows statement and supplemental data related to cash flows, and other necessary disclosures (including financial statement footnotes, management's discussion and analysis and any other SEC reporting requirements) on a quarterly basis in accordance with the Financial Delivery Practices;

(iii) be responsible for reviewing its results and data and for informing Southwest immediately of any post-closing adjustments that come to its attention;

(iv) provide final sign-off of its results, using Southwest's materiality standards, no later than twenty-five (25) Business Days after the quarterly close period ends for the income statement, balance sheet, cash flows and supplemental data, in each case unless otherwise directed by Southwest; and

(v) no later than five (5) Business Days prior to Southwest's filing of its quarterly financial statements with the SEC, deliver to Southwest a certification executed by the Chief Executive Officer and Chief Financial Officer of Centuri, as the case may be, that the quarterly financials appropriately represent the financial results, position, and activities of Centuri, and that financial reporting controls of Centuri operated effectively to ensure material accuracy during and as of the reporting date, that no significant errors were detected that would have altered earlier periods, and whether there were any changes in controls that would represent a material change in internal control during the period.

(d) *Quarterly Financial Statements.* From and after the IPO Effective Date, as soon as practicable, in accordance with the Financial Delivery Practices, Centuri shall deliver to Southwest drafts of (i) the consolidated financial statements of the Centuri Group (and notes thereto) for each fiscal quarter and for the period from the beginning of the current fiscal year to the end of such quarter, setting forth in each case in comparative form for each such fiscal quarter of Centuri the consolidated figures (and notes thereto) for the corresponding quarter and periods of the previous fiscal year and all in reasonable detail and prepared in accordance with Article 10 of Regulation S-X and GAAP; and (ii) a discussion and analysis by management of the Centuri Group's financial condition and results of operations for such fiscal quarter, including an explanation of any material period-to-period changes and any off-balance sheet transactions, all in reasonable detail and prepared in accordance with Item 303(b) of Regulation S-K; provided, however, that Centuri shall deliver such information at a specified, earlier time upon Southwest's written request with at least twenty (20) days' advance notice. The information set forth in clauses (i) and (ii) above is referred to in this Agreement as the "Quarterly Financial Statements." Centuri shall be responsible for reviewing its results and data and for informing Southwest immediately of any post-closing adjustments that come to its attention. From and after the IPO Effective Date, no later than five (5) Business Days prior to the date Centuri publicly files the Quarterly Financial Statements with the SEC or otherwise makes such Quarterly Financial Statements publicly available, Centuri shall deliver to Southwest the final form of the Quarterly Financial Statements and certifications thereof by the principal executive and financial officers of Centuri in the forms required under SEC rules for periodic reports and in form and substance satisfactory to Southwest; provided, however, that Centuri may continue to revise such Quarterly Financial Statements prior to the filing thereof in order to make corrections and non-substantive changes which corrections and changes shall be delivered by Centuri to Southwest as soon as practicable, and in any event within twenty-four (24) hours of making any such corrections or changes; provided, further, that Southwest's and Centuri's legal and financial representatives shall actively consult with each other regarding any changes (whether or not substantive) which Centuri may consider making to its Quarterly Financial Statements and related disclosures during the five (5) Business Days immediately prior to any anticipated filing with the SEC, with particular focus on any changes which would have an effect upon Southwest's financial statements or related disclosures. Without limiting the foregoing, Centuri shall consult with Southwest regarding Southwest's comments on the Quarterly Financial Statements and related disclosures and shall accept all of Southwest's reasonable and appropriate comments on such Quarterly Financial Statements and related disclosures except to the extent such comments are inconsistent with applicable Law or GAAP. In addition to the foregoing, no Quarterly Financial Statement or any other document which refers to, or contains information not previously publicly disclosed with respect to the ownership of Centuri by Southwest or the Transactions, shall be filed with the SEC or otherwise made public by any Centuri Group member without the prior written consent of Southwest. Notwithstanding

anything to the contrary in this Section 8.1(d), Centuri shall, unless otherwise required by applicable Law, (x) consult with Southwest as to the timing the Quarterly Financial Statements will be filed with the SEC and (y) file with the SEC the Quarterly Financial Statements no later than the date on which Southwest files with the SEC its own quarterly financial statements for the same fiscal quarter; provided, that in the case of this clause (y), Southwest shall provide notice to Centuri of (1) the filing date for its own quarterly financial statements no later than thirty (30) Business Days prior to such filing date and (2) any change to the filing date for its own quarterly financial statements no later than three (3) Business Days prior to such new filing date.

(e) *Annual Financial Statements.* From and after the IPO Effective Date, on an annual basis, in accordance with the Financial Delivery Practices, Centuri shall deliver to Southwest a consolidated income statement, balance sheet, cash flows statement, including supplemental data, and other necessary disclosures (including financial statement footnotes, management's discussion and analysis and any other SEC reporting requirements) for such fiscal year in such format and detail as Southwest may request. Centuri shall be responsible for reviewing its results and data and for informing Southwest immediately of any post-closing adjustments that come to its attention. From and after the IPO Effective Date, Centuri must provide final sign-off of its results, using Southwest's materiality standards, no later than twenty-five (25) Business Days after the annual close period ends for the income statement, the balance sheet and the cash flows statement, including supplemental data, in each case unless otherwise directed by Southwest. A certification shall be provided by the Chief Executive Officer and Chief Financial Officer of Centuri pertaining to the internal controls no later than five (5) Business Days prior to Southwest's filing of its audited annual financial statements with the SEC. From and after the IPO Effective Date, as soon as practicable, and in any event no later than twenty (20) Business Days prior to the date on which Southwest has notified Centuri that Southwest intends to file its annual report on Form 10-K or other document containing annual financial statements with the SEC, Centuri shall deliver to Southwest any financial and other information and data with respect to the Centuri Group and its business, properties, financial position, results of operations and prospects as is reasonably requested by Southwest in connection with the preparation of Southwest's financial statements and annual report on Form 10-K. From and after the IPO Effective Date, as soon as practicable, and in any event no later than ten (10) Business Days prior to the date on which Centuri is required to file an annual report on Form 10-K or other document containing the Annual Financial Statements (as defined below) with the SEC, Centuri shall deliver to Southwest (i) drafts of the consolidated financial statements of the Centuri Group (and notes thereto) for such year, setting forth in each case in comparative form the consolidated figures (and notes thereto) for the previous fiscal years and all in reasonable detail and prepared in accordance with Regulation S-X and GAAP; and (ii) a discussion and analysis by management of the Centuri Group's financial condition and results of operations for such year, including an explanation of any material period-to-period change and any off-balance sheet transactions, all in reasonable detail and prepared in accordance with Items 303(a) and 305 of Regulation S-K. The information set forth in clauses (i) and (ii) above is referred to in this Agreement as the "Annual Financial Statements." Centuri shall deliver to Southwest all revisions to such drafts as soon as any such revisions are prepared or made. From and after the IPO Effective Date, no later than five (5) Business Days prior to the date Centuri publicly files the Annual Financial Statements with the SEC or otherwise makes such Annual Financial Statements publicly available, Centuri shall deliver to Southwest the final form of its annual report on Form 10-K and certifications thereof by the principal executive and financial officers of Centuri in the forms required under SEC rules for periodic reports and in form and

substance satisfactory to Southwest; provided, however, that Centuri may continue to revise such Annual Financial Statements prior to the filing thereof in order to make corrections and non-substantive changes which corrections and changes shall be delivered by Centuri to Southwest as soon as practicable, and in any event within twenty-four (24) hours of making any such corrections or changes; provided, further, that Southwest's and Centuri's legal and financial representatives shall actively consult with each other regarding any changes (whether or not substantive) which Centuri may consider making to its Annual Financial Statements and related disclosures during the five (5) Business Days immediately prior to any anticipated filing with the SEC. Without limiting the foregoing, Centuri shall consult with Southwest regarding Southwest's comments on the Annual Financial Statements and related disclosures and shall accept all of Southwest's reasonable and appropriate comments on such Annual Financial Statements and related disclosures except to the extent such comments are inconsistent with applicable Law or GAAP. In addition to the foregoing, no Annual Financial Statement or any other document which refers to, or contains information not previously publicly disclosed with respect to the ownership of Centuri by Southwest or the Transactions shall be filed with the SEC or otherwise made public by any Centuri Group member without the prior written consent of Southwest. Notwithstanding anything to the contrary in this Section 8.1(e), Centuri shall, unless otherwise required by applicable Law, (x) file with the SEC the Annual Financial Statements no later than the date on which Southwest files with the SEC its own annual financial statements for the same fiscal year and (y) consult with Southwest as to the timing the Annual Financial Statements will be filed with the SEC.

(f) *Affiliate Financial Statements.* From and after the IPO Effective Date, Centuri shall deliver to Southwest all quarterly and annual financial statements of each Affiliate of Centuri which is itself required to file financial statements with the SEC or otherwise make such financial statements publicly available, with such financial statements to be provided in the same manner and detail and on the same time schedule as the Quarterly Financial Statements and Annual Financial Statements required to be delivered to Southwest pursuant to this Section 8.1.

(g) *Conformance with Southwest Financial Presentation.* All information provided by any member of the Centuri Group to Southwest or filed with the SEC (in connection with any public filings made by Southwest with any Governmental Authority) pursuant to Section 8.1(c) through (f) inclusive shall be consistent in terms of format and detail and otherwise with Southwest's policies with respect to the application of GAAP and practices in effect on the Separation Date with respect to the provision of such financial information by such member of the Centuri Group to Southwest (and, where appropriate, as presently presented in financial reports to the Southwest Board), with such changes therein as may be requested by Southwest from time to time consistent with changes in such accounting principles and practices, including any changes in the interpretation or application of GAAP as historically applied by Southwest.

(h) *Centuri Reports Generally.* From and after the IPO Effective Date, Centuri shall, and shall cause each other member of the Centuri Group that files information with the SEC to, deliver to Southwest: (i) substantially final drafts, as soon as the same are prepared, of (A) all releases, reports, notices and proxy and information statements to be sent or made available by any such member of the Centuri Group to its security holders or the public, (B) all regular, periodic and other reports to be filed or furnished under Sections 13, 14, 15 and 16 of the Exchange Act (including reports on Forms 10-K, 10-Q and 8-K and annual reports to shareholders, and Forms 3, 4 and 5 and amendments thereto with respect to the Centuri Common Stock ("Section 16

Reports”) and (C) all registration statements and prospectuses to be filed by any such member of the Centuri Group with the SEC or any securities exchange pursuant to the listed company manual (or similar requirements) of such exchange (the documents identified in clauses (A), (B) and (C), the “Centuri Public Documents”) and (ii) as soon as practicable, but in no event later than five (5) Business Days (other than with respect to Form 8-Ks or Section 16 Reports) prior to the earliest of the dates the same are printed, sent or filed, current drafts of all such Centuri Public Documents and, with respect to Form 8-Ks and Section 16 Reports, as soon as practicable, but in no event later than three (3) Business Days prior to the earliest date the same are filed in the case of planned Form 8-Ks, and as soon as practicable, but in no event less than eight (8) hours prior to the filing, in the case of unplanned Form 8-Ks and Section 16 Reports; provided, however, that Centuri may continue to revise such Centuri Public Documents prior to the filing thereof in order to make corrections and non-substantive changes, which corrections and changes shall be delivered by Centuri to Southwest as soon as practicable, and in any event within twenty-four (24) hours of making any such corrections or changes; provided, further, that the legal and financial representatives of Southwest and Centuri shall actively consult with each other regarding any changes (whether or not substantive) which Centuri may consider making to any of its Centuri Public Documents and related disclosures prior to any anticipated filing with the SEC, with particular focus on any changes which would have an effect upon Southwest’s financial statements or related disclosures. Without limiting the foregoing, Centuri shall consult with Southwest regarding Southwest’s comments on the Centuri Public Documents and shall accept all of Southwest’s comments on such Centuri Public Documents except to the extent such comments are inconsistent with applicable Law or GAAP. In addition to the foregoing, no Centuri Public Document or any other document which refers to, or contains information not previously publicly disclosed with respect to the ownership of Centuri by Southwest or the Transactions shall be filed with the SEC or otherwise made public by any Centuri Group member without the prior written consent of Southwest. Notwithstanding anything to the contrary in this Section 8.1(h), Centuri and Southwest will consult with each other as to the timing the Centuri Public Documents will be filed with the SEC.

(i) *Budgets and Financial Projections.* From and after the IPO Effective Date, Centuri will, as promptly as practicable, deliver to Southwest copies of all annual budgets and financial projections (consistent in terms of format and detail with Southwest’s historical practices, except as mutually agreed upon by the Parties) relating to Centuri on a consolidated basis and shall provide Southwest an opportunity to meet with management to discuss such budgets and projections. At Southwest’s request, Centuri will, as promptly as practicable, deliver to Southwest copies of all updated annual budgets and financial projections and explanations with respect to any material variances between such updated annual budgets and financial projections and those previously delivered to Southwest pursuant to this Section 8.1(i). In addition, from and after the IPO Effective Date, Centuri will deliver to Southwest, on a quarterly basis, projected financial results (in the form of income statements, balance sheets and cash flow statements) for the five (5) years following the year of delivery.

(j) *Additional Information.* Centuri shall promptly deliver to Southwest any financial and other information and data with respect to the Centuri Group and its business, properties, financial position, results of operations and prospects as is reasonably requested by Southwest from time to time, including, without limitation, information and data:

(i) related to or required to support periodic and ad-hoc reporting by any member of the Southwest Group of current cash, liquidity and credit-to-debt facility balances;

(ii) related to or required to support forward-looking expectations by any member of the Southwest Group relative to cash, liquidity, credit-to-debt facilities and balances, credit metrics and debt covenants;

(iii) related to or required to perform a valuation of any Centuri Capital Stock held by any member of the Southwest Group as of any date reasonably requested by such member;

(iv) related to or required by SEC cybersecurity rulemaking, enhanced human capital disclosures and climate disclosure rule compliance applicable to any member of the Southwest Group, including, with respect to climate disclosure rule compliance, information and data related to Scope 1 and Scope 2 emissions (verified by a qualified attestation firm if required by applicable Law) and Scope 3 emissions (if required by applicable Law);

(v) related to or required by new SEC rules and regulations or FASB Accounting Standards Updates, or existing rules applied to new transaction, applicable to any member of the Southwest Group;

(vi) related to or required by diligence inquiries, comfort letters or filings with the SEC, in each case, in connection with any issuance of debt or equity securities contemplated by any member of the Southwest Group;

(vii) related to or required by diligence inquiries in connection with any ATM issuance or other capital raise process by any member of the Southwest Group;

(viii) related to compensation plan performance for any period including Southwest dividend attribution for active program grants or previous program grants remaining undistributed, which may result in distributions of Southwest capital stock to Centuri employees;

(ix) related to or required to prepare pro forma information, report discontinued operations or any derivative thereof;

(x) related to or required to complete quarterly reviews or annual audits, special procedures or government forms;

(xi) related to or required to address inquiries by any Governmental Authority received by any member of the Southwest Group or any of their Affiliates;

(xii) regarding Centuri management and executive compensation information to support undertakings by the compensation committee of Southwest;

(xiii) related to or required to prepare any Southwest sustainability reports;

(xiv) required by all matters relating to rating agency requests or credit metrics;

(xv) related to variances from expected results or line items or comparative period results or line items, including schedules of incremental, non-routine or non-recurring charges to expense or other impacts; and

(xvi) related to any changes in internal controls (including changes in personnel, processes or information systems) and any internal control deficiencies (including management's remediation plans).

Notwithstanding anything to the contrary in this Section 8.1, the obligations provided for in Sections 8.1(j)(x) and (xi) shall survive until Southwest ceases to Beneficially Own at least five percent (5%) of the then outstanding shares of Centuri Common Stock.

(k) *Earnings Releases and Financial Guidance.* From and after the IPO Effective Date, Centuri and Southwest will consult with each other as to the timing of their annual and quarterly earnings releases and any interim financial guidance for a current or future period and will give each other the opportunity to review the information therein relating to the Centuri Group and to comment thereon. From and after the IPO Effective Date, Southwest and Centuri shall coordinate the timing of (i) their respective earnings release conference calls and (ii) their respective public earnings release issuance and filings with the SEC, in each case, as directed by Southwest. No later than three (3) Business Days prior to the date that Centuri intends to publish its regular annual or quarterly earnings release or any financial guidance for a current or future period, Centuri will deliver to Southwest copies of substantially final drafts of all related press releases, investor presentations and other statements to be made available to Centuri's employees or to the public. In addition, from and after the IPO Effective Date, prior to the issuance of any such press release or public statement that meets the criteria set forth in the preceding sentence, the issuing Party shall consult with the other Party regarding any changes (other than typographical or other similar minor changes) to such substantially final drafts, and immediately following the issuance thereof, the issuing Party shall deliver to the other Party copies of final drafts of all press releases and other public statements. The Centuri Group shall obtain the written consent of Southwest prior to issuing any press releases or otherwise making public statements with respect to the Transactions or any of the other transactions contemplated hereby and prior to making any filings with any Governmental Authority with respect thereto, other than, in each case, with respect to disclosures made that are substantially consistent with disclosure contained in the IPO Registration Statement.

(l) *Cooperation on Southwest Filings.* From and after the IPO Effective Date, Centuri will cooperate fully, and cause the Centuri Auditors to cooperate fully, with Southwest to the extent reasonably requested by Southwest in the preparation of (i) all releases, reports, notices and proxy and information statements to be sent or made available by any member of the Southwest Group to its security holders or the public, (ii) all regular, periodic and other reports to be filed or furnished under Sections 13, 14 and 15 of the Exchange Act (including reports on Forms 10-K, 10-Q and 8-K and annual reports to shareholders) and (iii) all registration statements and prospectuses to be filed by any member of the Southwest Group with the SEC or any securities exchange (the documents identified in clauses (i), (ii) and (iii), the "Southwest Public

Documents”). Centuri is responsible for the preparation of its financial statements for inclusion in any public filings made by Southwest with any Governmental Authority in accordance with Southwest’s policies with respect to the application of GAAP and shall indemnify Southwest for any Liabilities it shall incur with respect to the inaccuracy of such statements. As long as Southwest is required to consolidate the results of operations and financial position of Centuri in its financial statements, Centuri will continue to prepare the quarterly and annual financial reporting analysis and provide support for financial statement footnotes and other information included in the Southwest Public Documents. Such information and the timing thereof will be consistent with the Southwest financial statement processes in place prior to the Separation Time. Centuri agrees to provide to Southwest all information that Southwest reasonably requests in connection with any Southwest Public Documents or that, in the judgment of Southwest’s counsel, is required to be disclosed or incorporated by reference therein under applicable Law. Centuri will provide such information in a timely manner on the dates reasonably requested by Southwest (which may be earlier than the dates on which Centuri otherwise would be required to have such information available) to enable Southwest to prepare, print and release all Southwest Public Documents on such dates as Southwest may determine, but in no event later than as required by applicable Law. Centuri will use its reasonable best efforts to cause the Centuri Auditors to consent to any reference to them as experts in any Southwest Public Documents required under applicable Law. If and to the extent requested by Southwest, Centuri will diligently and promptly review all drafts of such Southwest Public Documents and prepare in a diligent and timely fashion any portion of such Southwest Public Documents pertaining to Centuri. Centuri management’s responsibility for reviewing such disclosures shall include a determination that such disclosures are complete and accurate and consistent with other public filings or disclosures which have been made by Centuri. Prior to any printing or public release of any Southwest Public Document, an appropriate executive officer of Centuri will, if requested by Southwest, certify that the information relating to any member of the Centuri Group or the Centuri Business in such Southwest Public Document is accurate, true, complete and correct in all material respects. Unless otherwise required by applicable Law, Centuri will not publicly release any financial or other information that conflicts with the information with respect to any member of the Centuri Group or the Centuri Business that is included in any Southwest Public Document without Southwest’s prior written consent. Prior to the release or filing thereof, Southwest will provide Centuri with a draft of any portion of a Southwest Public Document containing Southwest relating to the Centuri Group and will give Centuri an opportunity to review such information and comment thereon; provided that Southwest will determine in its sole and absolute discretion the final form and content of all Southwest Public Documents.

(m) *Certifications.* In order to enable the principal executive officer(s) and principal financial officer(s) (as such terms are defined in the rules and regulations of the SEC) of Southwest to make any certifications required of them under Section 302 or 906 of the Sarbanes-Oxley Act of 2002, Centuri shall, within a reasonable period of time following a request from Southwest in anticipation of filing such reports, cause its principal executive officer(s) and principal financial officer(s) to provide Southwest with certifications of such officers, in a form reasonably acceptable to Southwest, in support of the certifications of Southwest’s principal executive officer(s) and principal financial officer(s) required under Section 302 or 906 of the Sarbanes-Oxley Act of 2002 with respect to each Quarterly Report on Form 10-Q and Annual Report on Form 10-K of Southwest for which Southwest is required by Law to consolidate the financial results or financial position of Centuri and any other members of the Centuri Group in

its financial statements (either on a consolidation or equity method accounting basis, determined in accordance with GAAP as historically applied by Southwest and consistent with SEC reporting requirements) or complete a financial statement audit for any period during which the financial results or financial position of the Centuri Group were consolidated with those of Southwest. Centuri shall cooperate with Southwest to ensure that Centuri's policies, procedures and practices with respect to Centuri's compliance under the Sarbanes-Oxley Act of 2002 are consistent with Southwest's policies, procedures and practices with respect thereto (including with respect to key controls, testing requirements, sample sizes and selection methodology), including the obligations set forth on Schedule 8.1(m). In connection with any request for certifications made pursuant to this Section 8.1(m), Southwest shall provide to Centuri, in writing, its documented policies, procedures and practices on key controls, testing requirements, sample sizes and selection methodology.

(n) For the avoidance of doubt, Centuri's requirements under this Section 8.1 will continue until the reporting for all financial statement periods during which Southwest was required to consolidate the results of operations and financial position of Centuri and any other members of the Centuri Group or to account for its investment in Centuri or any other member of Centuri Group under the equity method of accounting (determined in accordance with GAAP consistently applied and consistent with SEC reporting requirements applicable to Southwest) has been completed. For example, if Centuri ceases to be a consolidated subsidiary or equity method affiliate of Southwest on September 30, Centuri's obligations with regard to information required for Southwest's Form 10-K for the year ended December 31 will remain in effect until such Form 10-K has been filed.

(o) From and after the IPO Effective Date, Southwest shall provide to Centuri data of the type utilized by Southwest prior to the IPO Effective Date to calculate the fair value of debt held by Centuri.

8.2 Auditors and Audits; Annual Statements and Accounting. The Parties agree that, for so long as Southwest is required to consolidate the results of operations and financial position of Centuri and any other members of the Centuri Group or to account for its investment in Centuri or any other member of the Centuri Group under the equity method of accounting (determined in accordance with GAAP consistently applied and consistent with SEC reporting requirements applicable to Southwest) or to complete a financial statement audit for any such period:

(a) *Selection of Centuri Auditors*. Unless required by Law, Centuri will not select an accounting firm other than PricewaterhouseCoopers LLP (or its affiliate accounting firms) (unless so directed by Southwest in accordance with a change by Southwest in its accounting firm) to serve as its independent certified public accountants ("Centuri Auditors") without Southwest's prior written consent, not to be unreasonably withheld, conditioned or delayed.

(b) *Audit Timing*. Centuri shall use its reasonable best efforts to enable Southwest to meet its timetable for the printing, filing and public dissemination of Southwest's annual and quarterly financial statements, all in accordance with this Section 8.2 and as required by applicable Law.

(c) *Quarterly Review.* Beginning in the first fiscal year following the IPO Effective Date, Centuri shall use its best efforts to enable Centuri Auditors to complete their quarterly review procedures on the Quarterly Financial Statements on the same date that Southwest Auditors complete their quarterly review procedures on Southwest's quarterly financial statements.

(d) *Information Needed by Southwest and Auditors.* Centuri shall provide to Southwest on a timely basis all information that Southwest reasonably requires to meet its schedule for the preparation, printing, filing, and public dissemination of Southwest's annual and quarterly statements in accordance with this Section 8.2 and as required by applicable Law, including read-only access to Centuri's SAP system. Without limiting the generality of the foregoing, Centuri shall provide all required financial information with respect to the Centuri Group to the Centuri Auditors in a sufficient and reasonable time and in sufficient detail to permit the Centuri Auditors to take all steps and provide all reviews necessary to provide sufficient assistance to the independent auditors of Southwest (the "Southwest Auditors") with respect to information to be included or contained in Southwest's annual and quarterly financial statements.

(e) *Access to Centuri Auditors.* Centuri will authorize the Centuri Auditors to make available to the Southwest Auditors both the personnel who performed, or are performing, the annual audit and quarterly reviews of Centuri and work papers related to the annual audit and quarterly reviews of Centuri, in all cases within a reasonable time prior to the Centuri Auditors' opinion date, so that the Southwest Auditors are able to perform the procedures they consider necessary to take responsibility for the work of the Centuri Auditors as it relates to the Southwest Auditors' report on Southwest's financial statements, all within sufficient time to enable Southwest to meet its timetable for the printing, filing and public dissemination of Southwest's annual financial statements; provided, that in the event that the Centuri Auditors and the Southwest Auditors are different, the sharing of work papers prepared by the Centuri Auditors shall be subject to approval by the Centuri Auditors (such approval not to be unreasonably withheld, conditioned or delayed).

(f) *Access to Records.* If Southwest determines in good faith that there may be some inaccuracy in the financial statements of a member of the Centuri Group or a deficiency or inadequacy in the internal accounting controls or operations of a member of the Centuri Group that could materially impact Southwest's financial statements, at Southwest's request, Centuri will provide the Southwest Auditors and Southwest's other representatives with access to the Centuri Group's books and records so that Southwest may conduct reasonable audits relating to the financial statements provided by Centuri under this Agreement as well as to the internal accounting controls and operations of the Centuri Group.

(g) *Operating Review Process.* Centuri shall conduct its strategic and operational review process on a schedule that is consistent with that of Southwest's. As a supplement to the information furnished by any member of the Centuri Group to Southwest pursuant to Section 8.1, the Centuri Group shall allow Southwest to conduct its strategic and operational reviews of the Centuri Group through participation in meetings or other activities of the Centuri Board by the Southwest Designees or otherwise as requested by Southwest outside of such meetings or other activities of the Centuri Board. To facilitate Southwest's participation in the process in this manner, Centuri shall hold all of its regularly scheduled board meetings at which

its strategic and operational reviews are discussed within a time frame consistent with Southwest's strategic and operational review process. Centuri shall also, and shall cause each other member of the Centuri Group to, allow Southwest to conduct all other reviews of the Centuri Group's operations, affairs, finances or results (other than those required to comply with applicable financial reporting requirements or its customary financial reporting practices) through participation in meetings or other activities of the Centuri Board by the Southwest Designees or otherwise as requested by Southwest outside of such meetings or other activities of the Centuri Board. In connection with strategic, operational or other reviews, relevant Southwest personnel other than the Southwest Designees may participate at Southwest's invitation. Southwest shall notify Centuri in advance of any such additional attendees.

(h) *Notice of Changes.* Centuri will give Southwest as much prior notice as reasonably practicable of any proposed determination of, or any significant changes in, Centuri's accounting estimates or accounting principles from those in effect on the IPO Effective Date. Centuri will consult with Southwest and, if requested by Southwest, Centuri will consult with the Southwest Auditors with respect thereto. Unless otherwise required by applicable Law, Centuri will not make any such determination or changes without Southwest's prior written consent (which it may withhold in its sole discretion) if such a determination or a change would be sufficiently material to be required to be disclosed in Centuri's or Southwest's financial statements as filed with the SEC or otherwise publicly disclosed therein. Centuri will give Southwest as much prior notice as reasonably practicable of any business combination, the acquisition of any variable interest entities or any other transaction, in each case, which could reasonably be expected to result in the consolidation by Southwest of the results of operations and financial position of an entity that is not a member of the Centuri Group.

(i) *Accounting Changes Requested by Southwest.* Notwithstanding Section 8.2(h), from and after the IPO Effective Date, Centuri shall make any changes in its accounting practices or accounting principles, including any changes in the interpretation or application of GAAP, that are requested by Southwest in order for Centuri's accounting practices and principles to be consistent with those of Southwest.

(j) *Special Reports of Deficiencies or Violations.* Centuri will report in reasonable detail to Southwest the following events or circumstances promptly after any executive officer of Centuri or any member of the board of directors of Centuri becomes aware of such matter: (i) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect Centuri's ability to record, process, summarize and report financial information, (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in Centuri's internal controls over financial reporting, (iii) any illegal act within the meaning of Section 10A(b) and (f) of the Exchange Act, (iv) any report of a material violation of Law that an attorney representing any member of the Centuri Group has formally made to any officers or directors of Centuri pursuant to the SEC's attorney conduct rules and (v) the occurrence of any event following a reporting period that would reasonably be expected to be required by GAAP to be disclosed as a subsequent event in the consolidated financial statements of Southwest or Centuri.

8.3 Centuri Board Representation.

(a) From and after the IPO Effective Date, and:

(i) for so long as the Southwest Group Beneficially Owns shares of Centuri Voting Stock representing, in the aggregate, at least 70% or more of the combined voting power of the then outstanding Centuri Voting Stock, Southwest shall have the right, but not the obligation, to designate for nomination (each person so designated, a “Southwest Designee”) by the Centuri Board (or any nominating committee thereof) for election to the Centuri Board at least 85.7% of the total number of directors constituting the Centuri Board (rounded up); provided, however, that at least three (3) Southwest Designees shall qualify as independent pursuant to NYSE rules and regulations;

(ii) for so long as the Southwest Group Beneficially Owns shares of Centuri Voting Stock representing, in the aggregate, at least 60% or more, but less than 70% of the combined voting power of the then outstanding Centuri Voting Stock, Southwest shall have the right, but not the obligation, to designate for nomination by the Centuri Board (or any nominating committee thereof) for election to the Centuri Board at least 71.4% of the total number of directors constituting the Centuri Board (rounded up); provided, however, that at least two (2) Southwest Designees shall qualify as independent pursuant to NYSE rules and regulations;

(iii) for so long as the Southwest Group Beneficially Owns shares of Centuri Voting Stock representing, in the aggregate, at least 50% or more, but less than 60% of the combined voting power of the then outstanding Centuri Voting Stock, Southwest shall have the right, but not the obligation, to designate for nomination by the Centuri Board (or any nominating committee thereof) for election to the Centuri Board at least 57.1% of the total number of directors constituting the Centuri Board (rounded up); provided, however, that at least one (1) Southwest Designee shall qualify as independent pursuant to NYSE rules and regulations;

(iv) for so long as the Southwest Group Beneficially Owns shares of Centuri Voting Stock representing, in the aggregate, at least 30% or more, but less than 50% of the combined voting power of the then outstanding Centuri Voting Stock, Southwest shall have the right, but not the obligation, to designate for nomination by the Centuri Board (or any nominating committee thereof) for election to the Centuri Board at least 42.9% of the total number of directors constituting the Centuri Board (rounded up); provided, however, that at least two (2) Southwest Designees shall qualify as independent pursuant to NYSE rules and regulations;

(v) for so long as the Southwest Group Beneficially Owns shares of Centuri Voting Stock representing, in the aggregate, at least 20% or more, but less than 30% of the combined voting power of the then outstanding Centuri Voting Stock, Southwest shall have the right, but not the obligation, to designate for nomination by the Centuri Board (or any nominating committee thereof) for election to the Centuri Board at least 28.6% of the total number of directors constituting the Centuri Board (rounded up); provided, however, that at least one (1) Southwest Designee shall qualify as independent pursuant to NYSE rules and regulations; and

(vi) for so long as the Southwest Group Beneficially Owns shares of Centuri Voting Stock representing, in the aggregate, at least 5% or more, but less than 20% of the

combined voting power of the then outstanding Centuri Voting Stock, Southwest shall have the right, but not the obligation, to designate for nomination by the Centuri Board (or any nominating committee thereof) for election to the Centuri Board at least 14.3% of the total number of directors constituting the Centuri Board (rounded up);

in each case, to the extent such Southwest Designees are permitted to serve on the Centuri Board under the applicable rules of the SEC and the NYSE (giving effect to any “controlled company” exemption applicable thereto).

(b) Prior to the Disposition Date, Centuri shall take advantage of all available “controlled company” exemptions under the rules of the stock exchange on which Centuri’s shares are listed, including exemptions from compliance with certain corporate governance requirements relating to director independence. Commencing with the annual meeting of stockholders of Centuri to be held for the first fiscal year following the IPO Effective Date and prior to each annual meeting of stockholders of Centuri thereafter, Southwest shall be entitled to present to the Centuri Board or any nominating committee thereof for nomination thereby such number of Southwest Designees for election to the Centuri Board at such annual meeting as would result in Southwest having the appropriate number of Southwest Designees on the Centuri Board as determined pursuant to this Section 8.3.

(c) Centuri shall include those Southwest Designees designated in accordance with the terms of this Section 8.3 in Centuri’s proxy materials and form of proxy disseminated to stockholders of Centuri in connection with the election of directors (including at any special meeting of stockholders held for the election of directors) and unless the Centuri Board (or a nominating committee thereof) determines in good faith (after consultation with outside legal counsel) that such action would result in a breach of the fiduciary duties of the Centuri Board (or a nominating committee thereof), Centuri shall include such persons in the slate of nominees recommended by the Centuri Board. Southwest shall include in its written communication of designation to the Centuri Board (or a nominating committee thereof), which shall be delivered no later than fifteen (15) days prior to the Centuri Board or nominating committee meeting to consider a slate of director nominees (which meeting Centuri shall inform Southwest of at least fifteen (15) days prior thereto), (i) director biographies in customary form and (ii) reasonably detailed information regarding the independence of each such nominee intended to qualify as independent. Centuri shall use its best efforts to cause the election of each such Southwest Designee to the Centuri Board, including nominating such Southwest Designees to be elected as directors, and unless the Centuri Board determines in good faith (after consultation with outside legal counsel) that such action would result in a breach of the fiduciary duties of the Centuri Board, by soliciting proxies in favor of the election of such persons.

(d) In the event that at any time the number of directors entitled to be designated by Southwest pursuant to this Section 8.3 decreases, Southwest shall, within fifteen (15) days of such time, identify a number of Southwest Designees to depart from the Centuri Board (the “Relevant Designated Directors”; *provided*, if Southwest does not so identify such Relevant Designated Directors within such time, the Relevant Designated Directors shall be Southwest Designees, in alphabetical order by last name, up to the number of Southwest Designees required to be identified) such that the number of directors designated by Southwest after such departures(s) equals the number of directors Southwest is then-entitled to designate pursuant to this Section 8.3.

Such Relevant Designated Directors shall cease to be qualified, and their terms of office shall end, on the fifteenth (15th) day after their identification as such (a “Disqualification Date”) unless, prior to such date, Centuri’s nominating and corporate governance committees determine that any one or more of such Relevant Designated Directors shall remain on the Centuri Board, in which case, such one or more Relevant Designated Directors shall cease to be a Relevant Designated Director and shall also no longer be considered a Southwest Designee. In addition, if Southwest notifies Centuri that any Southwest Designee then serving on the Centuri Board shall no longer be identified as a Southwest Designee, then such Southwest Designee shall be deemed a Relevant Designated Director, and the Disqualification Date with respect to such Southwest Designee shall be the date on which such notice is given.

(e) Unless the Centuri Board (or a nominating committee thereof) determines in good faith (after consultation with outside legal counsel) that such action would result in a breach of the fiduciary duties of the Centuri Board (or a nominating committee thereof): (i) in the event that any Southwest Designee (other than a Relevant Designated Director who ceases to serve as a Southwest Designee pursuant to the first and second sentences of Section 8.3(d)) elected or appointed to the Centuri Board shall cease to serve as a director for any reason, the vacancy resulting therefrom shall be filled by the Centuri Board with a substitute Southwest Designee as designated by Southwest pursuant to this Section 8.3 and (ii) in the event that as a result of any increase in the size of the Centuri Board or the failure of a Southwest Designee to be elected to the Board, Southwest is entitled to designate one or more additional Southwest Designees to the Centuri Board pursuant to this Section 8.3, the Centuri Board shall appoint the appropriate number of such additional Southwest Designees (which, in the case of the failure of a Southwest Designee to be elected to the Board, may be such Southwest Designee).

(f) In the event that Southwest has designated less than the total number of Southwest Designees that Southwest shall be entitled to designate under this Section 8.3, Southwest shall have the right, at any time, to designate such additional Southwest Designees to which it is entitled, in which case, unless the Centuri Board (or a nominating committee thereof) determines in good faith (after consultation with outside legal counsel) that such action would result in a breach of the fiduciary duties of the Centuri Board (or a nominating committee thereof), Centuri and the Centuri Board shall take all necessary corporate action, (i) to enable Southwest to designate such additional individuals, whether by increasing the size of the Centuri Board, or otherwise and (ii) to effect the election or appointment of such additional individuals designated by Southwest to fill such newly-created directorships or to fill any other existing vacancies.

(g) Until the Disposition Date, the chair of the Centuri Board shall not be an officer of Centuri.

(h) From and after the IPO Effective Date and for so long as the Southwest Group Beneficially Owns shares of Centuri Voting Stock representing, in the aggregate, at least 30% or more of the combined voting power of the then outstanding Centuri Voting Stock, Southwest shall have the right, but not the obligation, to designate three (3) individuals from among members of the management or board of directors of Southwest, to attend all meetings of the Centuri Board and any committee of the Centuri Board, as observers.

(i) If the Centuri Board (or a nominating committee thereof) determines in good faith (after consultation with outside legal counsel) that taking any action required by this Section 8.3 with respect to any Southwest Designee would result in a breach of the fiduciary duties of the Centuri Board (or a nominating committee thereof), it shall promptly notify Southwest in a writing that explains with reasonable detail the basis for such determination and Southwest shall be entitled to designate a substitute person as a Southwest Designee who shall be nominated (in the case of a director election by stockholders) or appointed (in the case of a vacancy) as a director of Centuri by the Centuri Board in accordance with, and subject to, this Section 8.3; *provided*, for the avoidance of doubt, if such determination of the Centuri Board (or a nominating committee thereof) relates to the recommendation by the Centuri Board of a Southwest Designee, Southwest may at its election require that such Southwest Designee be included in Centuri's proxy materials and form of proxy disseminated to stockholders of Centuri in connection with the election of directors and, if such Southwest Designee is not elected to the Centuri Board, Southwest shall continue to have any rights (including pursuant to Section 8.3(e)) it otherwise has pursuant to this Agreement.

8.4 Committees. From and after the IPO Effective Date until the Disposition Date, any committee of the Centuri Board, and any subcommittee thereof, shall, unless Southwest consents otherwise, be composed of a number of Southwest Designees such that the number of Southwest Designees serving thereon as compared to the total directors serving thereon is equal in proportion to the number of Southwest Designees on the Centuri Board as compared to the total number of directors on the Centuri Board; provided that the Southwest Designees on any committee of the Centuri Board or subcommittee thereof shall comply with the applicable director independence requirements under applicable Law, after taking into account all available "controlled company" exemptions under the rules of the stock exchange on which the Centuri Capital Stock is listed.

8.5 Other Covenants.

(a) In addition to the other covenants contained in this Agreement and the Ancillary Agreements, Centuri hereby covenants and agrees that from and after the IPO Effective Date until the later of (i) the Disposition Date or (ii) the time at which Centuri ceases to be a consolidated subsidiary of Southwest for financial reporting and accounting purposes, except if and to the extent that such action requires the consent of stockholders of Centuri under the General Corporation Law of the State of Delaware, Centuri shall not and shall not permit any other member of the Centuri Group to, without the prior written consent of Southwest:

(i) amend, modify, adopt or repeal (whether directly or indirectly by amendment, merger, consolidation, domestication, transfer, continuance, recapitalization, reclassification, waiver, statutory conversion, or otherwise) any provision of the Centuri Certificate of Incorporation, the Centuri Bylaws or equivalent organizational documents of any member of the Centuri Group;

(ii) create, incur, assume, suffer to exist or permit any other member of the Centuri Group to create, incur, assume or suffer to exist, directly or indirectly, any Indebtedness in an amount greater than (A) \$10,000,000 individually, or (B) \$50,000,000 in the aggregate over any one (1)-year period; provided, that Centuri shall notify Southwest in writing as promptly as

practicable following the time it or any other member of the Centuri Group determines to create, incur, assume or suffer to exist any Indebtedness;

(iii) merge or consolidate with or into any other entity (other than a wholly owned Subsidiary of Centuri), or transfer (by lease, assignment, sale or otherwise) all or substantially all of Centuri Group's assets, taken as a whole, to another entity (other than a wholly owned Subsidiary of Centuri) or agree to undertake any transaction that would constitute a change of control;

(iv) enter into any acquisition or disposition of (A) any properties or assets of any Person outside of the ordinary course of business or any equity interests of any Person, or (B) any properties or assets of any Person in the ordinary course of business consistent with past practices in one transaction or a series of related transactions where, with respect to this clause (B), the aggregate amount of consideration for all such acquisitions or dispositions in any twelve (12)-month period is equal to or more than \$50,000,000 in the aggregate;

(v) (A) select an accounting firm other than the Centuri Auditors (or its affiliate accounting firms) to serve as its independent certified public accountants or (B) make any material changes in its accounting practices or accounting principles, including any changes in the interpretation or application of GAAP;

(vi) take, or cause to be taken, directly or indirectly, any action, including making or failing to make any election under the Law of any state, which would reasonably be expected to have the effect, directly or indirectly, of restricting or limiting the ability of Southwest to freely sell, transfer, assign, pledge or otherwise dispose of Centuri Capital Stock, or would restrict or limit the rights of any transferee of Southwest as a holder of Centuri Capital Stock, other than any such restrictions or limitations expressly set forth in the governing documents of Centuri in effect as of the Separation Date;

(vii) take or fail to take any actions that could reasonably result in Southwest being in breach or default of any agreement (including agreements executed after the date hereof) that (A) Southwest has provided to Centuri and (B) provides that certain actions or inactions of Southwest Affiliates (which for purposes of such agreement includes any member of the Centuri Group) may result in Southwest being in breach of or in default under such agreement; provided, however, that Centuri shall not be deemed in breach of this Section 8.5(a)(vii) to the extent that, prior to being notified by Southwest of an additional agreement or amendment to any existing agreement pursuant to this Section 8.5(a)(vii), a Centuri Group member has already taken or failed to take one or more actions that would constitute a breach of this Section 8.5(a)(vii) had such action(s) or inaction(s) occurred after such notification;

(viii) take any action, or take any action to recommend to its stockholders any action, which would among other things, limit the legal rights of, or deny any benefit to, Southwest as a Centuri stockholder either (A) solely as a result of the amount of Centuri Capital Stock owned by Southwest, or (B) in a manner not applicable to Centuri stockholders generally;

(ix) enter into any agreement that purports to bind or impose any obligations or Liabilities (including any non-competition, exclusivity, non-solicitation or similar

obligations) on any member of the Southwest Group (or any director, officer or employee of any member of the Southwest Group);

(x) make or commit to make gross capital expenditures (A) in 2024 (on an annualized basis), exceeding \$130 million in the aggregate, (B) in 2025, exceeding \$130 million in the aggregate, (C) in 2026, exceeding \$150 million in the aggregate, and (D) in 2027 and for each year thereafter, exceeding in the aggregate, an amount equal to (x) the gross capital expenditures for the immediately preceding year, multiplied by (y) a percentage obtained by adding (1) one hundred percent (100%), plus (2) the Consumer Price Index;

(xi) hire or terminate any executive officer of Centuri or designate any new executive officer of Centuri; or

(xii) effect any material change in the nature of the business of the Centuri Group, taken as a whole.

(b) In addition to the other covenants contained in this Agreement and the Ancillary Agreements, Centuri hereby covenants and agrees that from and after the IPO Effective Date until Southwest ceases to Beneficially Own at least twenty-five percent (25%) of the total voting power of the then outstanding shares of Centuri Voting Stock, Centuri shall not and shall not permit any other member of the Centuri Group to, without the prior written consent of Southwest:

(i) issue any Centuri Securities, except with respect to those Centuri Securities approved for issuance by the Centuri Board (or a committee thereof) and its stockholders pursuant to any benefit plans or arrangements approved by the Centuri Board; provided, that, Centuri shall notify Southwest at least five (5) Business Days prior to submitting any proposed issuance of Centuri Securities pursuant to any benefit plan or other similar arrangement to the Centuri Board for approval, and shall not issue any such Centuri Securities unless Southwest determines, in its sole discretion, such issuance will not cause Southwest to own, whether Beneficially Owning or in any other respect, directly or indirectly less than 80.1% of the total combined voting power of all Centuri Voting Stock and 80.1% of the total number of shares of all other Centuri Capital Stock;

(ii) take, or cause to be taken, directly or indirectly, any action, including making or failing to make any election under the Law of any state, which would reasonably be expected to have the effect, directly or indirectly, of restricting or limiting the ability of Southwest to freely sell, transfer, assign, pledge or otherwise dispose of Centuri Capital Stock, or would restrict or limit the rights of any transferee of Southwest as a holder of Centuri Capital Stock, other than any such restrictions or limitations expressly set forth in the governing documents of Centuri in effect as of the Separation Date;

(iii) adopt any equity incentive plan or expand any equity incentive plan existing as of the IPO Effective Date;

(iv) make any payment or declaration of any dividend or other distribution on any Centuri Securities or enter into any recapitalization transaction, the primary

purpose of which is to pay a dividend, other than as expressly authorized in the governing documents of Centuri in effect as of the Separation Date;

(v) take any action, or take any action to recommend to its stockholders any action, which would among other things, limit the legal rights of, or deny any benefit to, Southwest as a Centuri stockholder either (A) solely as a result of the amount of Centuri Capital Stock owned by Southwest, or (B) in a manner not applicable to Centuri stockholders generally; or

(vi) change the size of the Centuri Board.

(c) *Anti-Dilution Option.*

(i) In addition to the other covenants contained in this Agreement and the Ancillary Agreements, if Southwest consents to the issuance by Centuri of any Centuri Capital Stock (including upon the exercise, conversion or exchange or any Centuri Securities), Centuri hereby covenants and agrees that, from and after the IPO Effective Date until the earliest of (i) the Distribution, (ii) the time at which Southwest ceases to Beneficially Own at least (A) 80.1% of the total combined voting power of all Centuri Voting Stock or (B) 80.1% of the total number of shares of all other classes of Centuri Capital Stock, as a result of affirmative action taken by or on behalf of Southwest or (iii) if the Anti-Dilution Option has been transferred to a Southwest Subsidiary, then the time at which such transferee ceases to be a Subsidiary of Southwest, whenever Centuri proposes to issue shares of Centuri Capital Stock (a "Proposed Issuance"), Centuri shall, prior to such Proposed Issuance, permit Southwest to subscribe for the number of shares of Centuri Capital Stock that is necessary for Southwest to Beneficially Own at least 80.1% of the total combined voting power of all Centuri Voting Stock and 80.1% of the total number of shares of all other classes of Centuri Capital Stock, in each case, immediately following such Proposed Issuance (the "Anti-Dilution Option"); provided, however, that issuances by Centuri of Centuri Capital Stock in connection with the IPO shall not be deemed a Proposed Issuance.

(ii) If, subject to Southwest's consent rights pursuant to Section 8.5(b)(i), (A) Centuri proposes to issue shares of Centuri Capital Stock in exchange for cash consideration and (B) Southwest exercises its Anti-Dilution Option in connection with such Proposed Issuance pursuant to Section 8.5(c)(i), then as promptly as practicable following such exercise, Southwest shall make a payment in cash to Centuri in an amount equal to (1) the number of shares of Centuri Capital Stock to be issued to Southwest in connection with such exercise, multiplied by (2) the price per share to be received by Centuri in connection with the Proposed Issuance; provided, that the foregoing shall not apply to any issuances by Centuri of Centuri Capital Stock pursuant to any executive compensation plan.

(iii) If, subject to Southwest's consent rights pursuant to Section 8.5(b)(i), (A) Centuri proposes to issue shares of Centuri Capital Stock in exchange for non-cash consideration or pursuant to any executive compensation plan and (B) Southwest exercises its Anti-Dilution Option in connection with such Proposed Issuance pursuant to Section 8.5(c)(i), then as promptly as practicable following such exercise, Southwest shall make a payment in cash to Centuri in an amount equal to (1) the number of shares of Centuri Capital Stock to be issued to Southwest in connection with such exercise, multiplied by (2) the closing trading price of a share

of Centuri Common Stock on the trading day immediately prior to the date of exercise of the Anti-Dilution Option.

(d) *Stockholder Rights Plans.* In addition to the other covenants contained in this Agreement and the Ancillary Agreements, Centuri hereby covenants and agrees that from and after the IPO Effective Date, Centuri shall not and shall not permit any other member of the Centuri Group to, adopt or thereafter amend, supplement, restate, modify or alter any stockholder rights plan unless (i) for so long as Southwest Beneficially Owns at least fifty percent (50%) of the then outstanding shares of Centuri Capital Stock, Southwest is specifically exempted from such plan by its terms and (ii) for so long as Southwest Beneficially Owns less than fifty percent (50%) but at least five percent (5%) of the then outstanding shares of Centuri Capital Stock, such plan will “grandfather” Southwest (if Southwest’s Beneficial Ownership of the then outstanding shares of Centuri Capital Stock at the time of adoption of such plan is less than 1% lesser than, equal to, or greater than, the applicable trigger in such plan) at its then Beneficial Ownership amount, plus a buffer of at least one percent (1%).

(e) Notwithstanding anything in this Section 8.5 to the contrary, prior to the Sunset Date (as defined in the Tax Matters Agreement), Centuri shall not, and shall not permit any other member of the Centuri Group to, without the prior written consent of Southwest, take any action or refrain from taking any action that would violate Article IV of the Tax Matters Agreement.

8.6 Southwest Policies and Procedures. Prior to the Disposition Date and except as (a) otherwise agreed between the Parties from time to time, or (b) set forth in any Ancillary Agreement, Centuri consistently shall, or shall cause the Centuri Group to, implement and maintain Southwest’s business practices and standards in accordance with the Southwest policies and procedures in effect as of the Separation Time, as they may be amended or supplemented by Southwest from time to time (and, in any such event, Southwest shall provide notice to Centuri of any such amendment or supplement in accordance with Section 11.5). Notwithstanding the foregoing, Centuri may apply materiality thresholds that are lower than those contained in any such Southwest policy and procedure. Notwithstanding anything contained in this Section 8.6 to the contrary, in circumstances where a provision of the Centuri Certificate of Incorporation, Centuri Bylaws, any Ancillary Agreement, or the other governing documents of Centuri in effect as of the Separation Time, on the one hand, and a Southwest policy applicable to Subsidiaries of Southwest, on the other hand, would each apply, the provision in the Centuri Certificate of Incorporation, Centuri Bylaws, Ancillary Agreement or other governing document of Centuri shall control with respect to the Centuri Group. For the avoidance of doubt, it is understood and agreed that neither Southwest nor any member of the Southwest Group shall be subject to any policies or procedures implemented by Centuri, including any policies, procedures or limitations (other than any applicable Laws) with respect to trading in Centuri Securities.

8.7 Applicability of Rights in the Event of an Acquisition of Centuri. Subject to Section 8.5, in the event Centuri merges into, consolidates, sells substantially all of its assets to or otherwise becomes an Affiliate of a Person (other than Southwest), pursuant to a transaction or series of related transactions in which Southwest or any member of the Southwest Group receives equity securities of such Person (or of any Affiliate of such Person) in exchange for Centuri Securities held by Southwest or any member of the Southwest Group (a “Significant Centuri Transaction”),

all of the rights of Southwest set forth in this Article VIII shall continue in full force and effect and shall apply to (a) the Person the equity securities of which are received by Southwest pursuant to such transaction or series of related transactions and (b) any direct or indirect parent entity of such Person (it being understood that all other provisions of this Agreement will apply to Centuri, notwithstanding this Section 8.7). Centuri agrees that, without the consent of Southwest, it will not enter into any Significant Centuri Transaction, unless such Person (or the parent entity of such Person, as applicable) agrees to be bound by the foregoing provision.

8.8 Compliance with Organizational Documents. Centuri shall, and shall cause each of its Subsidiaries to, take any and all actions reasonably necessary to ensure continued compliance by Centuri and its Subsidiaries with the provisions of their respective certificate or articles of incorporation and bylaws (collectively, "Organizational Documents"). Centuri shall notify Southwest in writing promptly after becoming aware of any act or activity taken or proposed to be taken by Centuri or any of its Subsidiaries that resulted or would result in non-compliance with any such Organizational Documents, and so long as Southwest or any Affiliate of Southwest owns any shares of Centuri Capital Stock, Centuri shall take or refrain from taking all such actions as Southwest shall in its sole discretion determine necessary or desirable to prevent or remedy any such non-compliance.

ARTICLE IX FURTHER ASSURANCES

9.1 Further Assurances.

(a) In addition to the actions specifically provided for elsewhere in this Agreement, each of the Parties shall use its reasonable best efforts, prior to, on and after the Separation Time, to take, or cause to be taken, all actions, and to do, or cause to be done, all things, reasonably necessary, proper or advisable under applicable Laws, regulations and agreements to consummate and make effective the transactions contemplated by this Agreement and the Ancillary Agreements.

(b) Without limiting the foregoing, prior to, on and after the Separation Time, each Party hereto shall cooperate with the other Party, and without any further consideration, but at the expense of the requesting Party, to execute and deliver, or use its reasonable best efforts to cause to be executed and delivered, all instruments, including instruments of conveyance, assignment and transfer, and to make all filings with, and to obtain all Approvals or Notifications of, any Governmental Authority or any other Person under any permit, license, agreement, indenture or other instrument (including any consents or Governmental Approvals), and to take all such other actions as such Party may reasonably be requested to take by the other Party from time to time, consistent with the terms of this Agreement and the Ancillary Agreements, in order to effectuate the provisions and purposes of this Agreement and the Ancillary Agreements and the transfers of the Centuri Assets and the Southwest Assets and the assignment and assumption of the Centuri Liabilities and the Southwest Liabilities and the other transactions contemplated hereby and thereby. Without limiting the foregoing, each Party will, at the reasonable request, cost and expense of the requesting Party, take such other actions as may be reasonably necessary to vest in such other Party good and marketable title to the Assets allocated to such Party under this

Agreement or any of the Ancillary Agreements, free and clear of any Security Interest, if and to the extent it is practicable to do so.

(c) On or prior to the Separation Time, Southwest and Centuri in their respective capacities as direct and indirect stockholders of the members of their Groups, shall each ratify any actions which are reasonably necessary or desirable to be taken by Southwest, Centuri or any of the members of their respective Groups, as the case may be, to effectuate the transactions contemplated by this Agreement and the Ancillary Agreements.

(d) Without limiting the obligations set forth in this Section 9.1 and the second sentence of Section 11.6, if a final judicial decision or law of the kind referenced in Section 6.9 of the Centuri Certificate of Incorporation requires action of the Board of Directors or stockholders to have a Trigger Time Effect (as defined in the Centuri Certificate of Incorporation), then Centuri and the Centuri Board shall, and the Centuri Board shall cause Centuri to, provide or take all necessary action to obtain such approval unless the Centuri Board determines in good faith (after consultation with outside legal counsel) that doing so would result in a breach of the fiduciary duties of the Centuri Board.

Southwest and Centuri, and each of the members of their respective Groups, waive (and agree not to assert against any of the others) any claim or demand that any of them may have against any of the others for any Liabilities or other claims relating to or arising out of: (i) the failure of Centuri or any other member of the Centuri Group, on the one hand, or of Southwest or any other member of the Southwest Group, on the other hand, to provide any notification or disclosure required under any state Environmental Law in connection with the Separation or the other transactions contemplated by this Agreement, including the transfer by any member of any Group to any member of the other Group of ownership or operational control of any Assets not previously owned or operated by such transferee; or (ii) any inadequate, incorrect or incomplete notification or disclosure under any such state Environmental Law by the applicable transferor. To the extent any Liability to any Governmental Authority or any Third Party arises out of any action or inaction described in clause (i) or (ii) above, the transferee of the applicable Asset hereby assumes and agrees to pay any such Liability.

ARTICLE X TERMINATION

10.1 Termination. This Agreement and all Ancillary Agreements may be terminated by Southwest at any time, in its sole and absolute discretion, without the approval or consent of any other Person (including Centuri), prior to the IPO Effective Date. Following the IPO Effective Date, this Agreement and all Ancillary Agreements may only be terminated by the mutual consent of Southwest and Centuri.

10.2 Effect of Termination. In the event of any termination of this Agreement prior to the IPO Effective Date, no Party (nor any of its directors, officers or employees) shall have any Liability or further obligation to the other Party by reason of this Agreement.

**ARTICLE XI
MISCELLANEOUS**

11.1 Counterparts; Entire Agreement; Corporate Power.

(a) This Agreement and each Ancillary Agreement may be executed in one (1) or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one (1) or more counterparts have been signed by each of the Parties and delivered to the other Party.

(b) This Agreement, the Ancillary Agreements and the Exhibits, Schedules and appendices hereto and thereto contain the entire agreement between the Parties with respect to the subject matter hereof, supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter, and there are no agreements or understandings between the Parties other than those set forth or referred to herein or therein. This Agreement and the Ancillary Agreements together govern the arrangements in connection with the Separation, the IPO and the Distribution and would not have been entered into independently.

(c) Southwest represents on behalf of itself and each other member of the Southwest Group, and Centuri represents on behalf of itself and each other member of the Centuri Group, as follows:

(i) each such Person has the requisite corporate or other power and authority and has taken all corporate or other action necessary in order to execute, deliver and perform this Agreement and each Ancillary Agreement to which it is a party and to consummate the transactions contemplated hereby and thereby; and

(ii) this Agreement and each Ancillary Agreement to which it is a party has been duly executed and delivered by it and constitutes a valid and binding agreement of it enforceable in accordance with the terms thereof.

(d) Each Party acknowledges that it and each other Party is executing certain of the Ancillary Agreements by facsimile, stamp or mechanical signature, and that delivery of an executed counterpart of a signature page to this Agreement or any Ancillary Agreement (whether executed by manual, stamp or mechanical signature) by facsimile or by e-mail in portable document format (PDF) shall be effective as delivery of such executed counterpart of this Agreement or any Ancillary Agreement. Each Party expressly adopts and confirms each such facsimile, stamp or mechanical signature (regardless of whether delivered in person, by mail, by courier, by facsimile or by e-mail in portable document format (PDF)) made in its respective name as if it were a manual signature delivered in person, agrees that it will not assert that any such signature or delivery is not adequate to bind such Party to the same extent as if it were signed manually and delivered in person and agrees that, at the reasonable request of the other Party at any time, it will as promptly as reasonably practicable cause each such Ancillary Agreement to be manually executed (any such execution to be as of the date of the initial date thereof) and delivered in person, by mail or by courier.

11.2 Governing Law. Subject to Section 11.17(c), this Agreement and, unless expressly provided therein, each Ancillary Agreement (and any claims or disputes arising out of or related hereto or thereto or to the transactions contemplated hereby and thereby or to the inducement of any party to enter herein and therein, whether for breach of contract, tortious conduct or otherwise and whether predicated on common law, statute or otherwise) shall be governed by and construed and interpreted in accordance with the Laws of the State of New York irrespective of the choice of laws principles of the State of New York including all matters of validity, construction, effect, enforceability, performance and remedies.

11.3 Assignability. Except as set forth in any Ancillary Agreement, this Agreement and each Ancillary Agreement shall be binding upon and inure to the benefit of the Parties and the parties thereto, respectively, and their respective successors and permitted assigns; provided, however, that neither Party nor any such party thereto may assign its rights or delegate its obligations under this Agreement or any Ancillary Agreement without the express prior written consent of the other Party hereto or other parties thereto, as applicable; provided, further, that a Party may assign this Agreement or any or all of the rights, interests and obligations hereunder in connection with a merger, divisive merger, reorganization or consolidation transaction in which such Party is a constituent party but not the surviving entity or the sale by such Party of all or substantially all of its Assets, so long as the surviving entity of such merger, reorganization or consolidation transaction or the transferee of such Assets shall assume all the obligations of the relevant Party by operation of law or pursuant to an agreement in writing, reasonably satisfactory to the other Party, to be bound by the terms of this Agreement as if named as a “Party” hereto.

11.4 Third-Party Beneficiaries. Except for the indemnification rights under this Agreement and each Ancillary Agreement of any Southwest Indemnitee or Centuri Indemnitee in their respective capacities as such, (a) the provisions of this Agreement and each Ancillary Agreement are solely for the benefit of the Parties and are not intended to confer upon any Person except the Parties any rights or remedies hereunder, and (b) there are no third-party beneficiaries of this Agreement or any Ancillary Agreement and neither this Agreement nor any Ancillary Agreement shall provide any Third Party with any remedy, claim, Liability, reimbursement, claim of action or other right in excess of those existing without reference to this Agreement or any Ancillary Agreement.

11.5 Notices. All notices, requests, claims, demands or other communications under this Agreement and, to the extent applicable and unless otherwise provided therein, under each of the Ancillary Agreements, shall be in writing and shall be given or made (and except as provided herein, shall be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service, by certified mail, return receipt requested, by electronic mail (“e-mail”), so long as confirmation of receipt of such e-mail is requested and received, to the respective Parties at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 11.5):

If to Southwest, to:

Southwest Gas Holdings, Inc.
8360 S. Durango Dr.
Post Office Box 98510

Las Vegas, Nevada 89113
Attention: General Counsel
E-mail:

with a copy to:

Morrison & Foerster LLP
425 Market Street
San Francisco, California 94105
Attention: Brandon Parris; David Slotkin
E-mail: bparris@mofocom.com; dslotkin@mofocom.com

If to Centuri, to:

Centuri Holdings, Inc.
19820 North 7th Avenue, Suite 120
Phoenix, Arizona 85027
Attention: Chief Legal & Administrative Officer
E-mail:

A Party may, by notice to the other Party, change the address to which such notices are to be given or made.

11.6 Severability. If any provision of this Agreement or any Ancillary Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof or thereof, or the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby. Upon such determination, the Parties shall negotiate in good faith in an effort to agree upon such a suitable and equitable provision to effect the original intent of the Parties.

11.7 Force Majeure. No Party shall be deemed in default of this Agreement or, unless otherwise expressly provided therein, any Ancillary Agreement for any delay or failure to fulfill any obligation (other than a payment obligation) hereunder or thereunder so long as and to the extent to which any delay or failure in the fulfillment of such obligation is prevented, frustrated, hindered or delayed as a consequence of circumstances of Force Majeure. In the event of any such excused delay, the time for performance of such obligations (other than a payment obligation) shall be extended for a period equal to the time lost by reason of the delay. A Party claiming the benefit of this provision shall, as soon as reasonably practicable after the occurrence of any such event, (a) provide written notice to the other Party of the nature and extent of any such Force Majeure condition; and (b) use commercially reasonable efforts to remove any such causes and resume performance under this Agreement and the Ancillary Agreements, as applicable, as soon as reasonably practicable.

11.8 No Set-Off. Except as expressly set forth in any Ancillary Agreement or as otherwise mutually agreed to in writing by the Parties, neither Party nor any member of such

Party's group shall have any right of set-off or other similar rights with respect to (a) any amounts received pursuant to this Agreement or any Ancillary Agreement; or (b) any other amounts claimed to be owed to the other Party or any member of its Group arising out of this Agreement or any Ancillary Agreement.

11.9 Expenses. Except as otherwise expressly set forth in this Agreement, any Ancillary Agreement or Schedule 11.9, or as otherwise agreed to in writing by the Parties, (a) if the IPO is consummated, then all out-of-pocket fees, costs and expenses incurred after December 15, 2022 by any member of the Southwest Group (to the extent that such fees, costs and expenses may be capitalized pursuant to GAAP) or the Centuri Group that Southwest determines, in its sole discretion, have been incurred in connection with the Separation and the IPO, including, but not limited to, the items set forth on Schedule 11.9, shall be borne by the Centuri Group and paid from the proceeds from the IPO; (b) if a Distribution is consummated following the IPO Effective Date, then all out-of-pocket fees, costs and expenses incurred after December 15, 2022 by any member of the Southwest Group or the Centuri Group that Southwest determines, in its sole discretion, have been incurred in connection with the Distribution, shall be allocated amongst the Southwest Group and the Centuri Group in Southwest's sole discretion; and (c) if the IPO is not consummated, then all out-of-pocket fees, costs and expenses incurred after December 15, 2022 by any member of the Southwest Group or the Centuri Group that Southwest determines, in its sole discretion, have been incurred in connection with the Separation, Distribution or Other Disposition, in each case, if effected, shall be borne and paid by the Southwest Group. Notwithstanding the foregoing, the Parties agree that certain specified costs and expenses shall be allocated between the Parties and borne and be the responsibility of the applicable Party, as set forth on Schedule 11.9. If any Party (or a member of its Group) pays or has paid any out-of-pocket fees, costs and expenses incurred in connection with the Transactions (such Party, the "Actual Payor") that were required to have been borne and paid by the other Party pursuant to this Section 11.9 (such other Party, the "Required Payor"), the Actual Payor may invoice the Required Payor for the amount of such fees, costs and expenses on a quarterly basis (which such invoice shall include reasonable documentation of the amount of such fees, costs and expenses), and the Required Payor shall be required to pay such amount to the Actual Payor within forty-five (45) days after receipt of such invoice.

11.10 Headings. The article, section and paragraph headings contained in this Agreement and in the Ancillary Agreements are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement or any Ancillary Agreement.

11.11 Survival of Covenants. Except as expressly set forth in this Agreement or any Ancillary Agreement, the covenants, representations and warranties contained in this Agreement and each Ancillary Agreement, and Liability for the breach of any obligations contained herein, shall survive the Separation, the IPO and the Distribution and shall remain in full force and effect.

11.12 Waivers of Default. Waiver by a Party of any default by the other Party of any provision of this Agreement or any Ancillary Agreement shall not be deemed a waiver by the waiving Party of any subsequent or other default, nor shall it prejudice the rights of the other Party. No failure or delay by a Party in exercising any right, power or privilege under this Agreement or any Ancillary Agreement shall operate as a waiver thereof, nor shall a single or partial exercise

thereof prejudice any other or further exercise thereof or the exercise of any other right, power or privilege.

11.13 Specific Performance. Subject to Section 7.1, Section 7.2 and Section 7.3, except as provided below, in the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement or any applicable Ancillary Agreement, the affected Party shall have the right to specific performance, declaratory relief and injunctive or other equitable relief (on a permanent, emergency, temporary, preliminary or interim basis) of its rights under this Agreement or any applicable Ancillary Agreement, in addition to any and all other rights and remedies at Law or in equity, and all such rights and remedies shall be cumulative. The other Party shall not oppose the granting of such relief on the basis that money damages are an adequate remedy. The Parties agree that the remedies at Law for any breach or threatened breach hereof, including monetary damages, are inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at Law would be adequate is hereby waived. Any requirements for the securing or posting of any bond or similar security with such remedy are hereby waived. For the avoidance of doubt, the rights pursuant to this Section 11.13 shall be pursued in arbitration under Section 7.3.

11.14 Amendments. No provisions of this Agreement or any Ancillary Agreement shall be deemed waived, amended, supplemented or modified by a Party, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of the Party against whom it is sought to enforce such waiver, amendment, supplement or modification; *provided*, that, prior to a Trigger Event (as defined in the Centuri Certificate of Incorporation), any amendments hereto or to the Tax Matters Agreement may only be effected in conformity with Section 11.17(c) hereof.

11.15 Interpretation. In this Agreement and any Ancillary Agreement, (a) words in the singular shall be deemed to include the plural and vice versa and words of one gender shall be deemed to include the other genders as the context requires; (b) the terms “hereof,” “herein,” and “herewith” and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement (or the applicable Ancillary Agreement) as a whole (including all of the Schedules, Exhibits and Appendices hereto and thereto) and not to any particular provision of this Agreement (or such Ancillary Agreement); (c) Article, Section, Schedule, Exhibit and Appendix references are to the Articles, Sections, Schedules, Exhibits and Appendices to this Agreement (or the applicable Ancillary Agreement) unless otherwise specified; (d) unless otherwise stated, all references to any agreement (including this Agreement and each Ancillary Agreement) shall be deemed to include the exhibits, schedules and annexes (including all Schedules, Exhibits and Appendices) to such agreement; (e) the word “including” and words of similar import when used in this Agreement (or the applicable Ancillary Agreement) shall mean “including, without limitation,” unless otherwise specified; (f) the word “or” shall not be exclusive; (g) the word “extent” in the phrase “to the extent” shall mean the degree to which a subject or other thing extends, and such phrase shall not mean simply “if”; (h) unless otherwise specified in a particular case, the word “days” refers to calendar days; (i) references herein to this Agreement or any other agreement contemplated herein shall be deemed to refer to this Agreement or such other agreement as of the date on which it is executed and as it may be amended, modified or supplemented thereafter, unless otherwise specified; *provided, for the avoidance of doubt*, prior to a Trigger Event (as defined in the Centuri Certificate of Incorporation), any amendments hereto or to the

Tax Matters Agreement may only be effected if a conforming amendment is made to Exhibit A or Exhibit B, as applicable, of the Centuri Certificate of Incorporation; (j) unless expressly stated to the contrary in this Agreement or in any Ancillary Agreement, all references to “the date hereof,” “the date of this Agreement,” “hereby” and “hereupon” and words of similar import shall all be references to the date first listed in the Preamble to this Agreement and (k) any reference in this Agreement to “sole discretion” shall mean that the action, determination, or other item referenced may be taken, determined or otherwise made for any reason or no reason.

11.16 Performance. Southwest will cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth in this Agreement or in any Ancillary Agreement to be performed by any member of the Southwest Group. Centuri will cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth in this Agreement or in any Ancillary Agreement to be performed by any member of the Centuri Group. Each Party (including its permitted successors and assigns) further agrees that it will (a) give timely notice of the terms, conditions and continuing obligations contained in this Agreement and any applicable Ancillary Agreement to all of the other members of its Group and (b) cause all of the other members of its Group not to take any action or fail to take any such action inconsistent with such Party’s obligations under this Agreement, any Ancillary Agreement or the transactions contemplated hereby or thereby.

11.17 Mutual Drafting; Precedence.

(a) This Agreement and the Ancillary Agreements shall be deemed to be the joint work product of the Parties and any rule of construction that a document shall be interpreted or construed against a drafter of such document shall not be applicable.

(b) In the event of any conflict or inconsistency between, on the one hand, the terms of this Agreement and, on the other hand, the terms of the Ancillary Agreements (other than the Transfer Documents) (each, a “Specified Ancillary Agreement”), the terms of the applicable Specified Ancillary Agreement shall control with respect to the subject matter addressed by such Specified Ancillary Agreement to the extent of such conflict or inconsistency. In the event of any conflict or inconsistency between the terms of this Agreement and the terms of the Transfer Documents, the terms of this Agreement shall control to the extent of such conflict or inconsistency. Without limiting the generality of the foregoing, except as otherwise expressly provided herein, this Agreement shall not govern Tax matters (including any administrative, procedural and related matters thereto), which shall be exclusively governed by the Tax Matters Agreement. For the avoidance of doubt, to the extent of any inconsistency or conflict between this Agreement and the Tax Matters Agreement, the terms of the Tax Matters Agreement shall govern.

(c) Until the occurrence of a Trigger Event (as defined in the Centuri Certificate of Incorporation), notwithstanding anything herein to the contrary, (i) references herein to the Tax Matters Agreement shall be deemed references to the Tax Matters Agreement attached as Exhibit B to the Centuri Certificate of Incorporation and (ii) any amendments hereto or to the Tax Matters Agreement may only be effected if a conforming amendment is made to Exhibit A or Exhibit B, as applicable, of the Centuri Certificate of Incorporation. Notwithstanding anything herein to the contrary, with respect to any Internal Corporate Claim, this Agreement shall be deemed governed

by Delaware law and such Internal Corporate Claim shall be brought exclusively in the Court of Chancery of the State of Delaware.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Parties have caused this Separation Agreement to be executed by their duly authorized representatives as of the date first written above.

SOUTHWEST GAS HOLDINGS, INC.

By: /s/ Karen S. Haller
Name: Karen S. Haller
Title: Chief Executive Officer and President

CENTURI HOLDINGS, INC.

By: /s/ William J. Fehrman
Name: William J. Fehrman
Title: Chief Executive Officer

EXHIBIT A

Form of Amended and Restated Certificate of Incorporation
of Centuri Holdings, Inc.

EXHIBIT B

Form of Amended and Restated Bylaws
of Centuri Holdings, Inc.

AMENDMENT NO. 10 RESTATING THE
CENTURI GROUP, INC.

EXECUTIVE DEFERRED COMPENSATION PLAN

AMENDED AND RESTATED, EFFECTIVE
MAY 6, 2024

ARTICLE I

Establishment and Purpose

Centuri Group, Inc., a Nevada corporation (“Centuri” or the “Company”) maintains the Centuri Group, Inc. Executive Deferred Compensation Plan (the “Plan”). The Plan was assigned to Centuri effective as of July 1, 2015, as a result of a reorganization of the subsidiary structure of Southwest Gas Corporation (formerly the direct parent of NPL Construction Co.), whereupon NPL Construction Co. became an operating subsidiary of Centuri Construction Group, Inc. The name of Centuri Construction Group Inc. was changed to Centuri Group, Inc. by Amendment No. 5 to the Plan. The terms of the Centuri Group, Inc. Long Term Capital Investment Plan were merged into the Plan by Amendment No. 6 to the Plan.

The Plan was most recently amended and restated effective January 1, 2023 by Amendment No. 9. The Company now desires to amend and restate the Plan in this Amendment No. 10, effective May 6, 2024 (the “Effective Date”).

The purpose of the Plan is to attract and retain key employees by providing Participants with an opportunity to defer receipt of a portion of their Salary, Bonus and other specified compensation. The Plan is not intended to meet the qualification requirements of Code Section 401(a), but is intended to meet the requirements of Code Section 409A, and shall be operated and interpreted consistent with that intent.

The Plan constitutes an unsecured promise by each Participating Employer to pay Plan benefits in the future. Participants in the Plan shall have the status of general unsecured creditors of the Company or the Adopting Employer, as applicable. Each Participating Employer shall be solely responsible for the payment of the Plan benefits of its employees and their beneficiaries. The Plan is unfunded for federal tax purposes, and is intended to be an unfunded arrangement for eligible employees who are part of a select group of management or highly compensated employees of the Employer within the meaning of Sections 201(2), 301(a)(3), and 401(a)(1) of ERISA. Any amounts set aside to defray the liabilities assumed by the Company or an Adopting Employer will remain the general assets of the Company or the Adopting Employer, and shall remain subject to the claims of the Company’s or the Adopting Employer’s creditors, until such amounts are distributed to the Participants.

ARTICLE II

Definitions

- 2.1 Account. Account means a bookkeeping account maintained by the Committee to record the payment obligation of a Participating Employer to a Participant as determined under the terms of the Plan. The Committee may maintain an Account to record the total obligation to a Participant, and component Accounts to reflect amounts payable at different times and in different forms. Reference to an Account means any such Account established by the Committee, as the context requires. Accounts are intended to constitute unfunded obligations within the meaning of Sections 201(2), 301(a)(3) and 401(a)(1) of ERISA.
- 2.2 Account Balance. Account Balance means, with respect to any Account, the total payment obligation owed to a Participant from such Account as of the most recent Business Day.

- 2.3 Adjusted EBITDA. Adjusted EBITDA means EBITDA, excluding strategic review costs, one-time acquisition costs, the nonrecurring write off of deferred financing fees related to Centuri's amended and restated credit facility or any amendment or successor thereof, and non-cash stock-based compensation expense, as determined by the Committee in its discretion.
- 2.4 Adopting Employer. Adopting Employer means an Affiliate of the Company who, with the consent of the Company, has adopted the Plan for the benefit of its eligible employees. As of the Effective Date, the following Affiliates are Adopting Employers: Linetec Services, LLC; NPL Construction Co.; Centuri U.S. Division, Inc.; National Powerline LLC; Meritus Oil & Gas Division LLC; Canyon Pipeline Construction, Inc.; New England Utility Constructors, Inc.; Centuri Power Group LLC; Riggs Distler & Company; NPL East LLC; NPL Great Lakes LLC; NPL Mid-America LLC and NPL West LLC.
- 2.5 Affiliate. Affiliate of an Employer means any corporation, trade or business that, together with such Employer, is treated as a single employer under Code Section 414(b) or (c).
- 2.6 Annual Deferral Amount. Annual Deferral Amount means that portion of a Participant's Compensation that a Participant elects to have, and is deferred for any one Plan Year, including, in the event of a Participant's Separation from Service, amounts withheld pursuant to the election of the Participant at any time after such event. The Annual Deferral Amount for any Plan Year during or after which a Participant dies shall include the amounts that would have been so withheld had the Participant not died, except to the extent Code Section 409A requires otherwise. Unless the context of the Plan clearly indicates otherwise, a reference to Annual Deferral Amount includes Earnings attributable to such Deferrals.
- 2.7 Beneficiary. Beneficiary means a natural person, estate, or trust designated by a Participant to receive payments to which a Beneficiary is entitled upon the death of a Participant in accordance with the provisions of the Plan.
- 2.8 Board of Directors or Board. Board of Directors or Board means the board of directors of Holdings.
- 2.9 Bonus. Bonus means any cash compensation, in addition to Salary, for services performed by a Participant for a Service Recipient during the applicable Plan Year (or applicable Plan Years), whether or not paid in such Plan Year or included on such Participant's federal income tax form W-2 for such Plan Year (or Plan Years), payable to a Participant under solely the Employer's Short Term Incentive Plan and LTIP, and excludes any cash that may be payable pursuant to any other incentive compensation, including but not limited to spot bonuses, completion bonuses, or with respect to any other long-term incentive plans, stock options, stock appreciation rights, and/or restricted stock. The amount of the Bonus shall be calculated before reduction for compensation voluntarily deferred or contributed by the Participant pursuant to all qualified or nonqualified plans of any Employer.
- 2.10 Business Day. Business Day means each day on which the New York Stock Exchange is open for business.

- 2.11 Centuri EDCP Committee. As of the Effective Date, Centuri EDCP Committee means a committee comprised of the Centuri President & Chief Executive Officer, the Centuri EVP-Chief Financial Officer, and the EVP-Chief Legal & Administrative Officer, which is subject to change as determined by the Compensation Committee.
- 2.12 Change in Control. Change in Control means the occurrence of a “change in the ownership,” a “change in the effective control” or a “change in the ownership of a substantial portion of the assets” of a corporation, as determined in accordance with this Section and which, in the determination of the Compensation Committee, is not due to, caused by, or resulting from, the internal restructuring of the Company or one or more Affiliates. In order for an event described below to constitute a Change in Control with respect to a Participant, except as otherwise provided in part (b)(ii) of this Section, the applicable event must relate to the corporation for which the Participant is providing services, the corporation that is liable for payment of the Participant’s Account Balance (or all corporations liable for payment if more than one), as determined in accordance with Treas. Reg. §1.409A-3(i)(5)(ii)(A)(2), or such other corporation as is determined in accordance with Treas. Reg. §1.409A-3(i)(5)(ii)(A)(3).

In determining whether an event shall be considered a “change in the ownership,” a “change in the effective control” or a “change in the ownership of a substantial portion of the assets” of a corporation, the following provisions shall apply:

- (a) A “change in the ownership” of the applicable corporation shall occur on the date on which any one person, or more than one person acting as a group, acquires ownership of stock of such corporation that, together with stock held by such person or group, constitutes more than 50% of the total fair market value or total voting power of the stock of such corporation, as determined in accordance with Treas. Reg. §1.409A-3(i)(5)(v). If a person or group is considered either to own more than 50% of the total fair market value or total voting power of the stock of such corporation, or to have effective control of such corporation within the meaning of part (b) of this Section, and such person or group acquires additional stock of such corporation, the acquisition of additional stock by such person or group shall not be considered to cause a “change in the ownership” of such corporation.
- (b) A “change in the effective control” of the applicable corporation shall occur on either of the following dates:
- (i) The date on which any one person, or more than one person acting as a group, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of such corporation possessing 30% or more of the total voting power of the stock of such corporation, as determined in accordance with Treas. Reg. §1.409A-3(i)(5)(vi). If a person or group is considered to possess 30% or more of the total voting power of the stock of a corporation, and such person or group acquires additional stock of such corporation, the acquisition of additional stock by such person or group shall not be considered to cause a “change in the effective control” of such corporation; or
- (ii) The date on which a majority of the members of the applicable corporation’s board of directors is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of such

corporation's board of directors before the date of the appointment or election, as determined in accordance with Treas. Reg. §1.409A-3(i)(5)(vi). In determining whether the event described in the preceding sentence has occurred, the applicable corporation to which the event must relate shall only include a corporation identified in accordance with Treas. Reg. §1.409A-3(i)(5)(ii) for which no other corporation is a majority shareholder.

- (c) A “change in the ownership of a substantial portion of the assets” of the applicable corporation shall occur on the date on which any one person, or more than one person acting as a group, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) assets from the corporation that have a total gross fair market value equal to or more than 40% of the total gross fair market value of all of the assets of the corporation immediately before such acquisition or acquisitions, as determined in accordance with Treas. Reg. §1.409A-3(i)(5)(vii). A transfer of assets shall not be treated as a “change in the ownership of a substantial portion of the assets” when such transfer is made to an entity that is controlled by the shareholders of the transferor corporation, as determined in accordance with Treas. Reg. §1.409A-3(i)(5)(vii)(B).
 - (d) The determination of whether an event constitutes a Change in Control shall be made in compliance with Treas. Reg. §1.409A-3(i)(5). Additionally, for purposes of this Plan, an event shall not constitute a Change in Control if, in the determination of the Compensation Committee, such event is due to, caused by, or resulting from, the internal restructuring of the Company or one or more Affiliates.
- 2.12 Change in Control Benefit. Change in Control Benefit means the benefit payable to a Participant under the Plan in the event of a Change in Control, as provided herein.
 - 2.13 Claimant. Claimant means a Participant or Beneficiary filing a claim under Article XII of this Plan.
 - 2.14 Code. Code means the Internal Revenue Code of 1986, as amended from time to time.
 - 2.15 Code Section 409A. Code Section 409A means Section 409A of the Code, and regulations and other guidance issued by the Treasury Department and Internal Revenue Service thereunder.
 - 2.16 Committee. Committee means the Compensation Committee who will administer the Plan with respect to executive officers and the Centuri EDCP Committee who will administer the Plan with respect to all other Participants; provided that the Compensation Committee may delegate to the Centuri EDCP Committee ministerial duties under the Plan with respect to executive officers.
 - 2.17 Company. Company means Centuri Group, Inc., a Nevada corporation.
 - 2.18 Compensation. Compensation means a Participant's Salary, Bonus, and such other cash or equity-based compensation (if any) approved by the Committee as Compensation that may be deferred under this Plan. Compensation shall not include any compensation that has been previously deferred under this Plan or any other arrangement subject to Code Section 409A.

- 2.19 Compensation Committee. Compensation Committee means the Compensation Committee of the Board.
- 2.20 Compensation Committee Charter. Compensation Committee Charter means the Centuri Holdings, Inc. Compensation Committee Charter, as in effect from time to time.
- 2.21 Compensation Deferral Agreement. Compensation Deferral Agreement means one or more agreements between a Participant and a Participating Employer that specifies: (a) the amount of cash Compensation that the Participant has elected to defer to the Plan in accordance with the provisions of Article IV, and (b) the Payment Schedule applicable to one or more Accounts. The Committee may permit different deferral amounts for different components of cash Compensation and may establish a maximum deferral amount for each such component. Unless otherwise specified by the Committee in the Compensation Deferral Agreement, Participants may defer up to: (i) 80% of Salary for a Plan Year and/or (ii) 80% of Bonus for a Plan Year. A Compensation Deferral Agreement may also specify the investment allocation described in Section 8.4.
- 2.22 Death Benefit. Death Benefit means the benefit payable to a Participant's Beneficiary(ies) upon the Participant's death as provided herein.
- 2.23 Deferral. Deferral means a credit to a Participant's Account(s) that records that portion of the Participant's Compensation that the Participant has elected to defer to the Plan in accordance with the provisions of Article IV. Unless the context of the Plan clearly indicates otherwise, a reference to Deferrals includes Earnings attributable to such Deferrals. Deferrals shall be calculated with respect to the gross cash Compensation payable to the Participant prior to any deductions or withholdings.
- 2.24 Disability Benefit. Disability Benefit means the benefit payable to a Participant in the event such Participant is determined to be Disabled as provided herein.
- 2.25 Disabled. Disabled means that a Participant is, by reason of any medically-determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months: (a) unable to engage in any substantial gainful activity, or (b) receiving income replacement benefits for a period of not less than three months under an accident and health plan covering employees of the Participant's Employer. The Committee shall determine whether a Participant is Disabled in accordance with Code Section 409A, provided, however, that a Participant shall be deemed to be Disabled if determined to be totally disabled by the Social Security Administration. The determination of whether a Participant is Disabled shall be made on compliance with Treas. Reg. §1.409A-3(i)(4).
- 2.26 Discretionary Contribution. Discretionary Contribution means a credit by a Participating Employer to a Participant's Account(s) in accordance with the provisions of Article V of the Plan. Discretionary Contributions are credited at the sole discretion of the Participating Employer, and the fact that a Discretionary Contribution is credited in one year shall not obligate the Participating Employer to continue to make such Discretionary Contributions in subsequent years. Unless the context clearly indicates otherwise, a reference to a Discretionary Contribution shall include Earnings attributable to such a contribution.

- 2.27 Earnings. Earnings mean a positive or negative adjustment to the value of an Account, based upon the allocation of the Account by the Participant among deemed investment options in accordance with Article VIII
- 2.28 EBITDA. EBITDA means the Company's earnings before interest, taxes, depreciation, and amortization.
- 2.29 Eligible Employee. Eligible Employee means a member of a "select group of management or highly compensated employees" of a Participating Employer within the meaning of Sections 201(2), 301(a)(3) and 401(a)(1) of ERISA, as determined by the Committee from time to time in its sole discretion, who meets eligibility requirements set by the Committee for participation in the Plan.
- 2.30 Employee. Employee means a common-law employee of an Employer.
- 2.31 Employer. Employer means, with respect to Employees it employs, the Company or any Adopting Employer.
- 2.32 ERISA. ERISA means the Employee Retirement Income Security Act of 1974, as amended from time to time. Reference to a specific section of ERISA shall include such section, any valid regulation promulgated thereunder, and any comparable provision of any future legislation or regulation amending, supplementing, or superseding such section or regulation.
- 2.33 LTCIP. LTCIP means the Centuri Group, Inc. Long Term Capital Investment Plan effective January 1, 2013, as amended from time to time, and merged into this Plan effective January 01, 2020.
- 2.34 Holdings. Holdings means Centuri Holdings, Inc., a Delaware Corporation.
- 2.35 LTCIP Fund f.k.a. EDCP LTCIP Fund or Performance Fund f.k.a. the NPL Growth Rate Fund. Pursuant to its authority under Section 8.3, the Company previously established an investment option called the LTCIP Fund that was formerly known as the EDCP LTCIP Fund and before that as the Company Growth Rate Fund. Effective May 31, 2024, the LTCIP Fund will be removed as an investment option and all investment allocations to the LTCIP Fund will terminate.
- 2.36 LTIP. LTIP means the Centuri Group, Inc. Executive Long Term Incentive Plan.
- 2.37 Participant. Participant means an Eligible Employee who: (a) has received written notification of his or her eligibility to defer Compensation under the Plan, and (b) submits a Compensation Deferral Agreement pursuant to Article IV of the Plan. A Participant's continued participation in the Plan shall be governed by Section 3.2 of the Plan.
- 2.38 Participating Employer. Participating Employer means the Company and each Adopting Employer.
- 2.39 Payment Schedule. Payment Schedule means the date as of which payment of one or more Accounts under the Plan will commence and the form in which payment of such Account(s) will be made.

- 2.40 Performance-Based Compensation. Performance-Based Compensation means any Bonus or other compensation amount to the extent that it is: (a) contingent on the satisfaction of pre-established organizational or individual performance criteria, (b) not readily ascertainable at the time the deferral election is made, and (c) based on services performed over a period of at least 12 months. For this purpose, performance criteria are “pre-established” if they are established in writing no later than 90 days after the commencement of the service period to which the criteria relate, provided that the outcome is substantially uncertain at the time the criteria are established. Performance-Based Compensation shall not include any Bonus or other compensation that is paid due to the Participant’s death, or because the Participant becomes Disabled, without regard to the satisfaction of the performance criteria. The determination of whether compensation is Performance Based Compensation shall be made in compliance with Treas. Reg. §1.409A-1(e).
- 2.41 Plan. Generally, the term Plan means the “Centuri Group, Inc. Executive Deferred Compensation Plan” as documented herein, and as may be amended from time to time hereafter. However, to the extent permitted or required under Code Section 409A, the term Plan may in the appropriate context also mean a portion of the Plan that is treated as a single plan under Treas. Reg. §1.409A-1(c), or the Plan or portion of the Plan and any other nonqualified deferred compensation plan or portion thereof that is treated as a single plan under such section.
- 2.42 Plan Year. Plan Year means a period beginning on January 1 and ending on December 31 of the same calendar year.
- 2.43 Retirement. Retirement means a Separation from Service of a Participant on or after attaining age 59 ½.
- 2.44 Salary. Salary means the Participant’s annual cash compensation for services performed for a Service Recipient during the applicable Plan Year, whether or not paid in such Plan Year, or included on the federal income tax form W-2 for such year, excluding Bonuses, commissions, stock options, stock appreciation rights, restricted stock, relocation expenses, payments of unused vacation days, long term or other incentive payments, non-monetary awards, other non-monetary compensation, severance pay, and other allowances paid to the Participant. Salary shall be calculated before reduction for compensation voluntarily deferred or contributed by Participant pursuant to all qualified or nonqualified plans of any Employer.
- 2.45 Separation from Service. With respect to a Service Provider who is an Employee, Separation from Service means either (a) termination of the Employee’s employment with the Company and all Affiliates due to death, Retirement, Termination or other reasons, or (b) a permanent reduction in the level of bona fide services the Employee provides to the Company and all Affiliates to an amount that is 20% or less of the average level of bona fide services the Employee provided to the Company in the immediately preceding 36 months, with the level of bona fide service calculated in accordance with Treasury Regulations Section 1.409A-1(h)(1)(ii). For purposes of determining whether a Separation from Service has occurred, “Employer” is defined in accordance with Section 2.31 hereof, and the definition of “Affiliate” shall be modified by substituting 50% for 80% each place it appears in Code Section 1563(a)(1), (2) and (3), for purposes of Code Section 414(b), and each place it appears in Treasury Regulations Section 1.414(c)-2, for purposes of Code Section 414(c).

The Employee's employment relationship is treated as continuing while the Employee is on military leave, sick leave, or other bona fide leave of absence (if the period of such leave does not exceed six months, or if longer, so long as the Employee's right to reemployment with the Company or an Affiliate is provided either by statute or contract). If the Employee's period of leave exceeds six months and the Employee's right to reemployment is not provided either by statute or by contract, the employment relationship is deemed to terminate on the first day immediately following the expiration of such six-month period. Whether a termination of employment has occurred will be determined based on all of the facts and circumstances and in accordance with regulations issued by the United States Treasury Department pursuant to Code Section 409A.

The determination of whether a Service Provider has had a Separation from Service shall be made in compliance with Treas. Reg. §1.409A-1(h).

- 2.46 Separation from Service Account. Separation from Service Account means an Account established by the Committee with respect to a portion or all of an Annual Deferral Amount to record the amounts payable to a Participant upon Separation from Service in accordance with the Plan. On the Compensation Deferral Agreement, a Participant shall make alternative elections for Retirement and Termination for each Separation from Service Account. In the absence of an election, or in the absence of a complete election as to the time and form of payment applicable to an Annual Deferral Amount, a Participant shall be deemed to have allocated to a Separation from Service Account to that extent.
- 2.47 Separation from Service Benefit. Separation from Service Benefit means the benefit payable to a Participant under the Plan following the Participant's Separation from Service. To the extent a Participant experiences a Separation from Service prior to age 59 ½, the election(s) made on his/her Compensation Deferral Agreement(s) with respect to Termination shall govern the time and form of payment on his/her Separation from Service Benefit. To the extent a Participant experiences a Separation from Service on or after age 59 ½, the election(s) made on his/her Compensation Deferral Agreement(s) with respect to Retirement shall govern the time and form of payment on his/her Separation from Service Benefit.
- 2.48 Service Provider. Service Provider means a Participant or any other "service provider," as defined in Treasury Regulations Section 1.409A-1(f).
- 2.49 Service Recipient. Service Recipient means, with respect to a Participant, the Employer and all Participating Employers and Affiliates.
- 2.50 Specified Date Account. Specified Date Account means an Account established by the Committee with respect to an Annual Deferral Amount to record the amounts payable at a future date as specified in the Participant's Compensation Deferral Agreement. A Specified Date Account may be identified in enrollment materials as an "In-Service Account" or "Short-Term Account" or such other name as established by the Committee without affecting the meaning thereof.
- 2.51 Specified Date Benefit. Specified Date Benefit means the benefit payable to a Participant under the Plan in accordance with Section 6.1(b).

- 2.52 Specified Employee. Specified Employee means certain officers and highly compensated employees of the Company as defined in Treasury Regulations Section 1.409A-1(i). The identification date for determining whether any Employee is a Specified Employee during any Plan Year shall be January 1.
- 2.53 STIP or Executive STIP. STIP or Executive STIP means the Centuri Group, Inc. Short Term Incentive Plan for Exempt Executive Employees for a particular calendar year.
- 2.54 Substantial Risk of Forfeiture. Substantial Risk of Forfeiture means the description specified in Treasury Regulations Section 1.409A-1(d).
- 2.55 Termination. Termination means a Separation from Service of a Participant prior to age 59 ½.
- 2.56 Unforeseeable Emergency. Unforeseeable Emergency means a severe financial hardship to the Participant resulting from an illness or accident of the Participant, the Participant's spouse, the Participant's dependent (as defined in Code Section 152, without regard to Section 152(b)(1), (b)(2), and (d)(1)(B)), or the Participant's Beneficiary; loss of the Participant's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by insurance, for example, as a result of a natural disaster); or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. The types of events which may qualify as an Unforeseeable Emergency may be limited by the Committee.

The determination of whether a Participant has had an Unforeseeable Emergency shall be made in compliance with Treas. Reg. §1.409A-3(i)(3).

ARTICLE III

Eligibility and Participation

- 3.1 Eligibility and Participation. The Committee shall designate the eligibility requirements for participation in the Plan in accordance with Section 2.29. An Eligible Employee shall become a Participant upon the earlier to occur of: (a) the participation date for such Eligible Employee designated by the Committee or (b) a credit of Discretionary Contributions on behalf of such Eligible Employee. An Eligible Employee shall become eligible to accrue deferred compensation under the Plan on the date such Eligible Employee becomes a Participant.
- 3.2 Duration. A Participant shall continue to be eligible to make Deferrals of Compensation and receive allocations of Discretionary Contributions, subject to the terms of the Plan, for as long as such Participant remains an Eligible Employee or until the Committee in its discretion decides the Participant no longer is entitled to participate in the Plan. A Participant who ceases to be an Eligible Employee or who no longer is entitled to participate in the Plan but who has not Separated from Service or otherwise qualified for and received (or has had a Beneficiary receive) a complete distribution of his or her Account Balance from the Plan, shall not make further deferrals of Compensation effective as of the first day of the Plan Year following the Plan Year in which the Participant ceases to be an Eligible Employee. Such individual may otherwise exercise all of the rights of a Participant under the Plan with respect to his or her Account(s). On and after a Separation from Service, a Participant shall remain a Participant

as long as his or her Account Balance is greater than zero, and during such time may continue to make allocation elections as provided in Section 8.4. An individual shall cease being a Participant in the Plan when all benefits under the Plan to which he or she is entitled have been paid.

- 3.3 Reemployment. If a former Eligible Employee is rehired by an Employer and is again selected as eligible to participate in the Plan, he or she shall reenter the Plan on the first day of any Plan Year commencing after the date he or she is selected in accordance with the provisions of Section 3.1. If such individual meets the requirements of Treasury Regulations Section 1.409A-2(a)(7) as of such reentry date, he or she will be treated as initially eligible to participate in the Plan for purposes of Section 4.2(a). Such Eligible Employee's reentry into the Plan shall have no impact on any distributions that have been made or are being made in accordance with Article VI. Any amounts previously forfeited from the Participant's Accounts pursuant to this Plan shall not be restored or reinstated upon the Participant's subsequent reentry into the Plan.
- 3.4 Adoption by Affiliates. An employee of an Affiliate may not become a Participant in the Plan unless the Affiliate has previously adopted the Plan and thereby becomes a Participating Employer. An Affiliate of the Company may become a Participating Employer only with the approval of the Board of Directors or its designee. By adopting this Plan, a Participating Employer shall be deemed to have agreed to assume the obligations and liabilities imposed upon it by this Plan, agreed to comply with all of the other terms and provisions of this Plan, delegated to the Committee the power and responsibility to administer this Plan with respect to the Participating Employer's Employees, and delegated to the Company the full power to amend or terminate this Plan with respect to the Participating Employer's Employees.

ARTICLE IV

Deferrals

- 4.1 Deferral Elections, Generally.
- (a) A Participant may elect to make Deferrals of Compensation by submitting a Compensation Deferral Agreement during the enrollment periods established by the Committee and in the manner specified by the Committee, but in any event, in accordance with Section 4.2. A Compensation Deferral Agreement that is not timely filed with respect to a service period or component of Compensation shall be considered void, and shall have no effect with respect to such service period or Compensation. The Committee may accept or reject any Compensation Deferral Agreement and may modify it as necessary to comply with Section 2.21 prior to the date the election becomes irrevocable under the rules of Section 4.2.
- (b) For each Plan Year, the Participant shall specify on his or her Compensation Deferral Agreement the time and form of payment for the Annual Deferral Amount. A Participant shall make an election to receive a portion or all of each Annual Deferral Amount as a Specified Date Account(s) or as a Separation from Service Account (to be paid pursuant to the Participant's alternative Retirement and Termination election(s), as applicable), or both. If no allocation is indicated, or if an invalid allocation is made with respect to a portion or all of an Annual Deferral Amount, the



Participant shall be deemed to have elected a lump sum distribution upon Separation from Service for the absent allocation, or to the extent of the invalid allocation.

4.2 Timing Requirements for Compensation Deferral Agreements.

- (a) *First Year of Eligibility.* In the case of the first year in which an Eligible Employee becomes eligible to participate in the Plan, he or she shall have up to 30 days following the date on which he or she becomes eligible to participate in the Plan to submit a Compensation Deferral Agreement with respect to Compensation to be earned during such Plan Year. A completed Compensation Deferral Agreement described in this paragraph shall become irrevocable upon the end of such 30-day period, except as otherwise provided in this Section 4.2. The determination of whether an Eligible Employee may file a Compensation Deferral Agreement under this paragraph shall be determined in accordance with the rules of Code Section 409A, including the provisions of Treas. Reg. §1.409A-2(a)(7).

A Compensation Deferral Agreement filed under this paragraph applies to Compensation earned for services performed after the date the Compensation Deferral Agreement becomes irrevocable. Any Compensation Deferral Agreement under this subsection (a) shall satisfy the requirements of Treas. Reg. §1.409A-2(a)(7).

- (b) *Prior Year Election.* Except as otherwise provided in this Section 4.2, Participants may defer Compensation by filing a Compensation Deferral Agreement no later than December 31st of the calendar year prior to the calendar year in which the Compensation to be deferred is earned, or by such earlier deadline as announced by the Committee in its sole discretion. A Compensation Deferral Agreement described in this paragraph shall become irrevocable with respect to such Compensation no later than December 31st of the calendar year prior to the calendar year in which such Compensation is earned, or by such earlier deadline announced by the Committee in its sole discretion.

- (c) *Performance-Based Compensation.* Participants may file a Compensation Deferral Agreement with respect to LTIP cash bonuses that constitute Performance-Based Compensation no later than the date that is six months before the end of the applicable performance period, provided that:

- (i) the Participant performs services continuously from the later of the beginning of the performance period or the date the criteria are established through the date the Compensation Deferral Agreement is submitted; and
- (ii) the Compensation is not readily ascertainable as of the date the Compensation Deferral Agreement is filed.

A Compensation Deferral Agreement becomes irrevocable with respect to Performance-Based Compensation as of the date on which the deadline for filing such election occurs. The Committee shall determine the deadline for filing such an election in compliance with Code Section 409A. Any Compensation Deferral Agreement under this subsection (c) shall satisfy the requirements of Treas. Reg. §1.409A-2(a)(8).

- (d) *Short-Term Deferrals.* Compensation that meets the definition of a “short-term deferral” described in Treas. Reg. §1.409A-1(b)(4) may be deferred in accordance with the rules of Article VII, applied as if the date the Substantial Risk of Forfeiture lapses is the date payments were originally scheduled to commence. Any Compensation Deferral Agreement under this subsection (d) shall satisfy the requirements of Treas. Reg. §1.409A-2(a)(4).
 - (e) *Evergreen Deferral Elections.* Deferral elections under the Plan are effective for a single Plan Year; new elections must be made in order to defer Compensation during the following Plan Year. However, the Committee, in its discretion, may change this protocol by providing in the Compensation Deferral Agreement that such Compensation Deferral Agreement will continue in effect for each subsequent Plan Year or performance period, as applicable. In such event, such “evergreen” Compensation Deferral Agreements will become effective with respect to an item of Compensation on the date such election becomes irrevocable under this Section 4.2. An evergreen Compensation Deferral Agreement may be terminated or modified prospectively with respect to Compensation for which such election remains revocable under this Section 4.2. A Participant whose Compensation Deferral Agreement is cancelled in accordance with Section 4.6 will be required to file a new Compensation Deferral Agreement under this Article IV in order to recommence Deferrals under the Plan.
 - (f) *Company Deferrals.* The Company, in its sole and absolute discretion, may require that a Participant defer one or more elements of Compensation by notifying the Participant in writing of such required deferral and the amount of such required deferral no later than the applicable time for making deferral elections under the rules set forth in Sections 4.2(a) through (e), above. In addition, the Company may make a unilateral election to defer any compensation for which a Participant does not have the opportunity to make a deferral election under the rules set forth in Sections 4.2(a) through (e) above, provided the election of the amount, time and form of payment is made no later than the time the Participant first has a legally binding right to such compensation. The Company may mandate a distribution election for amounts deferred pursuant to this Section 4.2(f) by allocating the amount deferred to an existing Account, or by establishing a new Account and by making a distribution election for such Account consistent with the Payment Schedules available under the Plan with respect to such Account.
- 4.3 Allocation of Deferrals. A Compensation Deferral Agreement may allocate each Annual Deferral Amount to a Specified Date Account or to a Separation from Service Account (for which the Participant shall make alternative elections with respect to Retirement and Termination); provided, however, the Committee, in its discretion, may allow a Participant to allocate an Annual Deferral Amount to multiple Specified Date Accounts and/or to a Separation from Service Account. The Committee may, in its discretion, establish a minimum deferral period for the establishment of a Specified Date Account.
- 4.4 Deductions from Pay. The Committee has the authority to determine the payroll practices under which any component of Compensation subject to a Compensation Deferral Agreement will be deducted from a Participant’s Compensation.

- 4.5 Vesting. Participant Deferrals shall be 100% vested at all times.
- 4.6 Cancellation of Deferrals. The Committee may cancel a Participant's Deferral election: (a) for the balance of the Plan Year in which an Unforeseeable Emergency (as defined in Section 2.56) occurs in accordance with Treas. Reg. §1.409A-3(j)(4)(viii), (b) if the Participant receives a hardship distribution under the Employer's qualified 401(k) plan under Treas. Reg. §1.401(k)-1(d)(3) (relating to in-service distributions of 401(k) plan elective contributions as a result of an immediate and heavy financial need), in accordance with Treas. Reg. §1.409A-3(j)(4)(viii), or (c) during periods in which the Participant is unable to perform the duties of his or her position or any substantially similar position due to a mental or physical impairment that can be expected to result in death or last for a continuous period of at least six months, provided cancellation occurs by the later of the end of the taxable year of the Participant or the 15th day of the third month following the date the Participant incurs the disability (as defined in this paragraph) in accordance with Treas. Reg. §1.409A-3(j)(4)(xii).
- 4.7 Benefits Not Contingent. Deferrals and credits for any Participants under this Plan are not conditioned (directly or indirectly) upon the Participant's election to make (or not to make) deferrals under the 401(k) plan sponsored by the Company.

ARTICLE V

Employer Contributions

- 5.1 Discretionary Contributions. A Participating Employer may credit one or more Discretionary Contributions to a Participant in such amounts and at such times as are determined by the Committee from time to time in its sole discretion. Any such amounts are credited at the sole discretion of the Committee, and the fact that a Discretionary Contribution is credited to one Participant in one year shall not obligate the Participating Employer or the Committee to continue to make such Discretionary Contributions to all Participants in all subsequent years. Any such Discretionary Contributions shall be subject to the approval of the Board or the Compensation Committee to the extent required by applicable law or the Compensation Committee Charter. Neither the Participating Employer nor the Committee shall have any obligation to make any such Discretionary Contributions or to make them on a consistent basis among similarly-situated Eligible Employees. Any Discretionary Contributions credited to a Participant's Account pursuant to this Section 5.1 shall be credited on a date or dates to be determined by the Committee in its sole and absolute discretion, and the crediting date or dates may be different for different Participants. Unless the context clearly indicates otherwise, a reference to Discretionary Contributions shall include Earnings attributable to such contributions. Discretionary Contributions will be credited to a Participant's Separation from Service Account and shall be distributed according to the Participant's "Retirement" elections associated with the Bonus deferral for the associated Plan Year, unless the Committee, in its sole discretion, elects in writing on or before the date on which the Participant obtains a legally binding right to such Discretionary Contribution (which election shall be irrevocable on such date) to credit the Discretionary Contribution to a different Account.
- 5.2 Vesting. Except as expressly provided in this Section 5.2, a Participant shall be 100% vested in his/her Plan Accounts. A Participant shall be vested in his or her Discretionary Contributions described in Section 5.1 above in accordance with the vesting schedules



established by the Committee, at the time such amount is first credited to the Participant's Account under this Plan. The Committee may, at any time, in its sole and absolute discretion (subject to any approval by the Board or the Compensation Committee required by applicable law or the Compensation Committee Charter), increase a Participant's vested interest in a Discretionary Contribution. Notwithstanding the foregoing, all Discretionary Contributions shall become 100% vested upon the occurrence of the earliest of: (i) the death of the Participant while actively employed by a Participating Employer, (ii) the date the Participant becomes Disabled, or (iii) a Change in Control. The portion of a Participant's Accounts that remains unvested upon his or her Separation from Service after the application of the terms of this Section 5.2 shall be forfeited.

ARTICLE VI

Benefits

6.1 Benefits, Generally. A Participant shall be entitled to the following benefits under the Plan:

- (a) *Separation from Service Benefit.* Upon the Participant's Separation from Service, he or she shall be entitled to a Separation from Service Benefit. The Separation from Service Benefit shall be equal to the vested portion of all of the Participant's Separation from Service Accounts and any Specified Date Accounts with respect to which payments have not yet commenced. The Separation from Service Benefit shall be based on the value of that/those Account(s) as of the last day of the month in which the Participant's Separation from Service occurs, or, in the case of a Specified Employee, as of the first day of the seventh month following the month in which the Separation from Service occurs, or such later date as the Committee, in its sole discretion, shall determine. Payment of the Separation from Service Benefit will be made (or begin in the case of installments) on (i) the first day of the month following the month in which the Separation from Service occurs; or (ii) in the case of a Participant who is a Specified Employee, on the first day of the seventh month following the month in which the Separation from Service occurs. If the Separation from Service Benefit is to be paid in the form of installments, any subsequent installment payments will be paid on or around the anniversary of the date such payments commence and shall be valued on/around the date of distribution. Notwithstanding the foregoing, the form of the Separation from Service Benefit shall be distributed pursuant to the election made by the Participant with respect to Termination or Retirement, as applicable, depending on the age of the Participant at Separation from Service.
- (b) *Specified Date Benefit.* To the extent a Participant allocates his/her Annual Deferral Amount to a Specified Date Account, and to the extent the Participant has not experienced a Separation from Service prior to the date designated for distribution for such Specified Date Account(s), he or she shall be entitled to receive a Specified Date Benefit with respect to each such Specified Date Account. The Specified Date Benefit shall be equal to the vested portion of the Specified Date Account, based on the value of that Account as of the end of the calendar month of distribution designated by the Participant at the time the Account was established. Payment of the Specified Date Benefit will be made in the calendar month next following the designated calendar month of distribution.

- (c) *Disability Benefit.* To the extent a Participant becomes Disabled, he/she shall be entitled to a Disability Benefit. The payment date for the Disability Benefit shall be on or around the first Business Day of the calendar month next following the calendar month in which the Participant became Disabled. The Disability Benefit shall be based on the value of all Accounts as of the last day of the calendar month in which the Disability occurs, and will be paid in the next following calendar month. The Disability Benefit shall be paid according to the Participant's applicable Disability Benefit election.
- (d) *Death Benefit.* In the event of the Participant's death, his or her designated Beneficiary(ies) shall be entitled to a Death Benefit. The payment date for the Death Benefit shall be on or around the first Business Day of the calendar month next following the calendar month in which the Committee is provided with proof that is satisfactory to the Committee of the Participant's death. The Death Benefit shall be based on the value of all Accounts as of the last day of the calendar month in which the Committee is provided with such satisfactory proof of death. The Death Benefit shall be paid according to the Participant's applicable Death Benefit election.

Each Participant may, pursuant to such procedures as the Committee may specify, designate one or more Beneficiaries in connection with the Plan. The Beneficiary(ies) designated under this Plan may be the same as or different from the Beneficiary designation under any other plan in which the Participant participates. If a Participant names someone other than his or her spouse as a primary Beneficiary with respect to any portion of his or her Accounts, spousal consent shall be required to be provided in a form designated by the Committee, executed by such Participant's spouse and returned to the Committee. A Participant may change or revoke a Beneficiary designation by delivering to the Committee a new designation (or revocation). Any designation or revocation shall be effective only if it is received by the Committee. However, when so received, the designation or revocation shall be effective as of the date the notice is executed (whether or not the Participant still is living), but without prejudice to any Employer on account of any payment made before the change is recorded. The last effective designation received by the Committee shall supersede all prior designations. If a Participant dies without having effectively designated a Beneficiary, or if no Beneficiary survives the Participant, the Participant's Account shall be payable (i) to his or her surviving spouse, or (ii) if the Participant is not survived by his or her spouse, to his or her estate. A former spouse shall have no interest under the Plan, as Beneficiary or otherwise, unless the Participant designates such person as a Beneficiary after dissolution of the marriage, except to the extent provided under the terms of a domestic relations order as described in Code Section 414(p)(1)(B).

- (e) *Change in Control Benefit.* Notwithstanding anything in this Plan to the contrary, in the event of a Change in Control, the Participant shall be entitled to a Change in Control Benefit. The payment date for the Change in Control Benefit shall be on or around the first Business Day of the calendar month next following the calendar month in which the Change in Control occurs. The Change in Control Benefit shall be based on the value of all Accounts as of the last day of the calendar month in which the Change in Control occurs. The Change in Control Benefit shall be paid according to the Participant's applicable Change in Control Benefit election.

- (f) *Unforeseeable Emergency Payments.* A Participant who experiences an Unforeseeable Emergency may submit a written request to the Committee to receive payment of all or any portion of his or her vested Accounts. Whether a Participant or Beneficiary is faced with an Unforeseeable Emergency permitting an emergency payment shall be determined by the Committee based on the relevant facts and circumstances of each case, but, in any case, a distribution on account of an Unforeseeable Emergency may not be made to the extent that such emergency is or may be reimbursed through insurance or otherwise, by liquidation of the Participant's assets, to the extent the liquidation of such assets would not cause severe financial hardship, or by cessation of Deferrals under this Plan. If an emergency payment is approved by the Committee, the amount of the payment shall not exceed the amount reasonably necessary to satisfy the need, taking into account the additional compensation that is available to the Participant as the result of cancellation of deferrals to the Plan, including amounts necessary to pay any taxes or penalties that the Participant reasonably anticipates will result from the payment. The amount of the emergency payment shall be subtracted first from the vested portion of the Participant's Separation from Service Account until depleted and then from the vested Specified Date Accounts, beginning with the Specified Date Account with the latest payment commencement date. Emergency payments shall be paid in a single lump sum within the 90-day period following the date the payment is approved by the Committee. No Participant may receive more than one distribution on account of an Unforeseeable Emergency in any Plan Year. A Participant who receives a distribution on account of an Unforeseeable Emergency, and who is still employed by an Employer, shall be prohibited from making Deferrals for the remainder of the Plan Year in which the distribution is made.
- (g) *Code Section 409A.* Notwithstanding anything to the contrary contained in this Plan, (i) a Participant shall have no legally-enforceable right to, and a Participating Employer shall have no obligation to make, any payment to a Participant if having such a right or obligation would result in the imposition of additional taxes under Code Section 409A, and (ii) any provision that would cause the Plan to fail to satisfy Code Section 409A will have no force and effect until amended to comply therewith (which amendment may be retroactive to the extent permitted by Code Section 409A). If any payment is not made under the terms of this subsection (g), it is the Participating Employers' present intention to make a similar payment to the Participant in a manner that will not result in the imposition of additional taxes under Code Section 409A, to the extent feasible.

6.2 Form of Payment.

- (a) *Separation from Service Benefit.*
- (i) For each Annual Deferral Amount, a Participant may make a distribution election with respect to a Separation from Service Benefit upon Termination or Retirement (as applicable), and shall receive payment of such amount in a

single lump sum, unless the Participant elects an alternate form of payment upon Termination or Retirement.

- (ii) Permissible alternate forms of payment for the Separation from Service Benefit upon Termination or Retirement (as applicable) are annual installments over a period of two to ten years, as elected by the Participant.
- (b) *Specified Date Benefit.* A Participant who elects to receive an Annual Deferral Amount in the form of a Specified Date Benefit shall receive payment of such amount in a single lump sum.

Notwithstanding any Specified Date election of a Participant, if a Participant dies, experiences a Disability, or Separates from Service before distributions with respect to a Specified Date Account have commenced, such amounts shall be paid in accordance with the time and form of payment applicable to the Participant's Separation from Service Benefit, Disability Benefit or Death Benefit (as applicable).

- (c) *Disability Benefit.* For each Annual Deferral Amount, a Participant may make a distribution election with respect to the applicable Disability Benefit. Permissible forms of payment are a single lump sum, or annual installments over a period of two to ten years. In the absence of a Disability Benefit election for an Annual Deferral Amount, or in the event of an invalid election, the Participant shall be deemed to have elected to receive payment of such amount in a single lump sum.
- (d) *Death Benefit.* For each Annual Deferral Amount, a Participant may make a distribution election with respect to the applicable Death Benefit. Permissible forms of payment are a single lump sum, or annual installments over a period of two to ten years. In the absence of a Death Benefit election for an Annual Deferral Amount, or in the event of an invalid election, the Participant shall be deemed to have elected to receive payment of such amount in a single lump sum.
- (e) *Change in Control Benefit.* For each Annual Deferral Amount, a Participant may make a distribution election with respect to the applicable Change in Control Benefit. Permissible forms of payment are a single lump sum, or annual installments over a period of two to ten years. In the absence of a Change in Control Benefit election for an Annual Deferral Amount, or in the event of an invalid election, the Participant shall be deemed to have elected to receive payment of such amount in a single lump sum. Notwithstanding anything in this Plan to the contrary, in the event of a Change in Control with respect to the Company, the Participant shall be paid his Change in Control Benefit in the form elected, or deemed elected by the Participant.
- (f) *Small Account Balances.* The Employer shall pay the value of the Participant's Accounts upon a Separation from Service in a single lump sum if the balance of such Accounts (together with any amounts deferred under any other nonqualified deferred compensation plan that must be aggregated with the Plan Accounts pursuant to Treasury Regulations Section 1.409A-1(c)) is not greater than the applicable dollar amount under Code Section 402(g)(1)(B), provided the payment represents the

complete liquidation of the Participant's interest in the Plan together with any plan with which the Plan Accounts must be aggregated as described above.

- (g) *Rules Applicable to Installment Payments.* If a Payment Schedule specifies installment payments, annual payments will be made beginning as of the payment commencement date for such installments, and shall continue on each anniversary thereof until the number of installment payments specified in the Payment Schedule has been paid. If a lump sum equal to less than 100% of the Separation from Service Account is paid, the payment commencement date for the installment form of payment will be the first anniversary of the payment of the lump sum. The amount of each installment payment shall be determined by dividing (i) by (ii), where (i) equals the Account Balance as of the Valuation Date and (ii) equals the remaining number of installment payments. For purposes of this subsection (g), the term "Valuation Date" means a date that is on the payment commencement date and each subsequent anniversary thereof, as applicable, or such other date as the Committee, in its sole discretion, shall determine in a manner consistent with Code Section 409A.

For purposes of Article VI, installment payments will be treated as a single form of payment; provided, however, that in the event a Participant elects a lump sum payment equal to less than 100% of his or her Separation from Service Benefit (Retirement or Termination, as applicable) or Specified Date Account, the partial lump sum payment shall at all times with respect to the amounts deferred be treated as a separate payment, and the installment payments for the balance of the Account shall, at all times with respect to the amounts deferred, be treated as a single payment.

- 6.3 Acceleration of or Delay in Payments. The Committee, in its sole and absolute discretion, may elect to accelerate the time or form of payment of a benefit owed to the Participant hereunder, provided such acceleration is permitted under Treasury Regulations Section 1.409A-3(j)(4). The Committee may also, in its sole and absolute discretion, delay the time for payment of a benefit owed to the Participant hereunder, to the extent permitted under Treasury Regulations Section 1.409A-2(b)(7). If the Plan receives a domestic relations order (within the meaning of Code Section 414(p)(1)(B)) directing that all or a portion of a Participant's Accounts be paid to an "alternate payee," any amounts to be paid to the alternate payee(s) shall be paid in a single lump sum, and such amounts will be subtracted from the Participant's Accounts as specified in the Plan.
- 6.4 Distributions Treated as Made Upon a Designated Event. If the Company fails to make any distribution on account of any of the events listed in Section 6.1, either intentionally or unintentionally, within the time period specified in Section 6.2, but the payment is made within the same calendar year, such distribution will be treated as made within the time period specified in Section 6.2 pursuant to Treasury Regulations Section 1.409A-3(d). In addition, if a distribution is not made due to a dispute with respect to such distribution, the distribution may be delayed in accordance with Treasury Regulations Section 1.409A-3(g).
- 6.5 Deductibility. All amounts distributed from the Plan are intended to be deductible by the Company or a Participating Employer.

ARTICLE VII

Modifications to Payment Schedules

- 7.1 Participant's Right to Modify. A Participant may modify any or all of the Payment Schedules with respect to one or more Separation from Service Benefit (e.g., to be paid at Retirement or Termination), Specified Date Benefit, Death Benefit, Change in Control Benefit or Disability Benefit, consistent with the permissible Payment Schedules available under the Plan, provided such modification complies with the requirements of this Article VII and Code Section 409A and Treas. Reg. §1.409A-2(b), and are authorized by the Committee. Modifications of Payment Schedules with respect to Accounts not explicitly identified in the immediately preceding sentence are not permissible under the Plan.
- 7.2 Time of Election. In the case of any modification to any Payment Schedule authorized by Section 7.1, the date on which a modification election is submitted to the Committee must be at least 12 months prior to the date on which payment of such Account is scheduled to commence under the Payment Schedule in effect prior to the modification in accordance with Treas. Reg. §1.409A-2(b)(1)(iii).
- 7.3 Date of Payment under Modified Payment Schedule. Except in the case of the Disability Benefit, the Death Benefit and Unforeseeable Emergency Payments, the date payments are to commence under the modified Payment Schedule must be no earlier than five years after the date payment would have commenced under the previous Payment Schedule (or, in the case of installment payments treated as a single payment, five years after the first amount was scheduled to be paid) in accordance with Treas. Reg. §1.409A-2(b)(1)(ii). Under no circumstances may a modification election result in an acceleration of payments in violation of Code Section 409A.
- 7.4 Effective Date. A modification election submitted in accordance with this Article VII is irrevocable upon receipt by the Committee and shall not become effective until 12 months after such date in accordance with Treas. Reg. §1.409A-2(b)(1)(i).
- 7.5 Effect on Accounts. An election to modify a Payment Schedule is specific to the Account or payment event to which it applies, and shall not be construed to affect the Payment Schedules of any other Accounts.

ARTICLE VIII

Valuation of Account Balances; Investments

- 8.1 Valuation. Deferrals shall be credited to appropriate Accounts on or about the date such Compensation would have been paid to the Participant absent the Compensation Deferral Agreement. Discretionary Contributions shall be credited at the time or times determined by the Committee in its sole discretion. Valuation of Accounts shall be performed under procedures approved by the Committee.
- 8.2 Adjustment for Earnings. Each Account will be adjusted to reflect Earnings on each Business Day. Adjustments shall reflect the net earnings, gains, losses, expenses, appreciation and depreciation associated with an investment option for each portion of the Account allocated to such option ("investment allocation").

- 8.3 Investment Options. Investment options will be determined by the Committee. The Committee, in its sole discretion, shall be permitted to add, remove or substitute investment options from the Plan from time to time; provided however, any decision to add, remove or substitute an investment option shall be made in good faith, and there shall at all times be a minimum of eight investment options of materially different risk and return characteristics. Any additions, removals or substitutions of investment options shall not be effective with respect to any period prior to the effective date of such change.
- 8.4 Investment Allocations. Notwithstanding anything else in this Plan to the contrary, a Participant's investment allocation constitutes a deemed, not actual, investment among the investment options comprising the investment menu. At no time shall a Participant have any real or beneficial ownership in any investment option included in the investment menu, nor shall the Participating Employer or any trustee acting on its behalf have any obligation to purchase actual securities as a result of a Participant's investment allocation. A Participant's investment allocation shall be used solely for purposes of adjusting the value of a Participant's Account Balances.

A Participant shall specify an investment allocation for each of his or her Accounts in accordance with procedures established by the Committee. Allocation among the investment options must be designated in increments of 1%. The Participant's investment allocation will become effective on the same Business Day or, in the case of investment allocations received after a time specified by the Committee, the next Business Day.

A Participant may change an investment allocation on any Business Day, both with respect to future credits to the Plan and with respect to existing Account Balances, in accordance with procedures adopted by the Committee. Changes shall become effective on the same Business Day or, in the case of investment allocations received after a time specified by the Committee, the next Business Day, and shall be applied prospectively.

- 8.5 Unallocated Deferrals and Accounts. If the Participant fails to make an investment allocation with respect to an Account, such Account shall be invested in an investment option, the primary objective of which is the preservation of capital, as determined by the Committee in its reasonable discretion.
- 8.6 LTCIP Fund f.k.a. the NPL Growth Rate Fund and Limits on Amount Credited to LTCIP Fund. Effective May 31, 2024, the LTCIP Fund will be removed as an investment option and all investment allocations to the LTCIP Fund will terminate. Until May 31, 2024, the returns of the LTCIP Fund shall be based on the Company Growth Rate, which shall be credited to the applicable Accounts on or around each December 31st. The Company Growth Rate shall be determined by the Company in good faith, and consistent with the following:
- (a) For the Plan Year ending on December 31, 2013, the Company Growth Rate shall be the December 2012 average Moody's Corporate Bond Index rate.
 - (b) For the Plan Year ending on December 31, 2014, the Company Growth Rate will be the two-year average of NPL Construction Co.'s EBITDA growth rate, determined as of September 30, 2014.

- (c) For the Plan Year ending on December 31, 2015, and each subsequent Plan Year ending before January 1, 2019, the Company Growth Rate for such year will be the three-year average of the Company's period to period EBITDA growth rate for each of the three preceding twelve-month periods ending as of the previous September 30.
- (d) For the Plan Year ending on December 31, 2019, and each subsequent Plan Year ending before January 1, 2022, the Company Growth Rate for such year will be determined using the following Company enterprise value formula:

$(\text{EBITDA} \times \text{multiplier}) - \text{Net Debt} = \text{Rate of Return}$ (subject to a floor minimum return of a negative five percent (-5%) and a maximum return ceiling of a positive fifteen percent (15%)).

The Board of Directors shall in its discretion determine the EBITDA, multiplier, and Net Debt numbers to be utilized in determining the Company Growth Rate for a Plan Year.

- (e) For the Plan Years ending on December 31, 2022 and December 31, 2023, and the partial Plan Year ending May 31, 2024, the Company Growth Rate for such Plan Year or partial Plan Year, as applicable, will be determined using the following Company enterprise value formula:

$(\text{Adjusted EBITDA} \times \text{multiplier}) - \text{Net Debt} = \text{Rate of Return}$ (subject to a floor minimum return of a negative five percent (-5%) and a maximum return ceiling of a positive twenty percent (20%)).

The Board of Directors shall in its discretion determine the Adjusted EBITDA, multiplier, and Net Debt numbers to be utilized in determining the Company Growth Rate for a Plan Year.

Allocations from the LTCIP Fund. If the Participant's allocation to the LTCIP Fund as of January 1 of a Plan Year (after Company Growth Rate credits/debits are applied on or around December 31 for the immediately preceding Plan Year) exceeds a multiple of the Participant's salary as determined by the Company in its sole and absolute discretion and as communicated to the Participant, the excess amount will be initially transferred from the LTCIP Fund to the default investment fund under Section 8.5, after which the Participant can allocate to one or more of the investment options then available under Section 8.3. Allocations from the LTCIP Fund will be made from the most recent bonus class year allocated to the LTCIP Fund, followed by the most recent salary class year allocated to the LTCIP Fund, and then from the next most recent bonus class year, followed by the next most recent salary class year.

Notwithstanding the foregoing, effective January 01, 2019, there shall be a limit on the amount of a Participant's Plan Account that can be credited to the LTCIP Fund. To the extent that at the beginning of a Plan Year the portion of the Participant's Account that is credited to the LTCIP Fund investment option exceeds the Maximum Amount, the excess shall be debited from such option and credited to a default EDCP investment option selected by the Committee; the amount credited to the default fund shall remain credited to such fund until the Participant, in accordance with Section 8.4, makes a new investment election with respect

to such excess. In the Plan Years beginning before January 1, 2019, the term “Maximum Amount” shall mean an amount equal to the Participant's Section 4.1(c) Target Amount. In the Plan Year beginning January 1, 2019, the term “Maximum Amount” shall mean one hundred fifty percent (150%) of the Participant's Section 4.1(c) Target Amount. In the Plan Year beginning on or after January 01, 2020, the term “Maximum Amount” shall mean one-half (1/2) of one hundred fifty percent (150%) of the Participant's Target Amount; provided, however, that the January 01, 2020, change to the Maximum Amount will not apply to a Participant with a LTCIP Fund balance on December 31, 2019, that exceeds the otherwise applicable Maximum Amount for the Participant on January 01, 2020. In Plan Years beginning on or after January 01, 2022, there shall no longer be a limit on the amount of a Participant's Plan Account that the Participant can allocate to the LTCIP Fund. Effective May 31, 2024, all Accounts and portions thereof allocated to the LTCIP Fund will be initially transferred from the LTCIP Fund to the default investment fund under Section 8.5, after which the Participant can allocate to one or more of the investment options then available under Section 8.3, pursuant to the procedures described in Section 8.4.

Allocations from the LTCIP Fund Upon Separation from Service and Change in Control.

Notwithstanding any other provision in this Plan to the contrary, and except as provided in the next sentence, in the calendar year in which a Participant incurs a Separation from Service (the “Termination Year”), the portion of the Participant's Account that is credited to the LTCIP Fund shall, within 30 days of the Participant's date of termination, be debited from such option and credited to another Plan investment option selected by the Committee and shall remain credited to such option until the Participant, in accordance with Plan Section 8.4, makes an election to have such amount credited to another Plan investment option. If a Participant's Separation from Service is due to Retirement, and is not a Company initiated involuntary termination of employment, such Participant may continue to allocate a portion of the Participant's Account to the LTCIP Fund for up to twelve (12) months following the Participant's Separation from Service provided that no amount allocated to the LTCIP Fund can continue to be allocated to the LTCIP Fund on and after such amount must, pursuant to the terms of the Plan, be paid to the Participant during such twelve month period.

Except as provided in the next sentence, for the segment of the Termination Year that all or part of the terminating Participant's Account is credited to the LTCIP Fund (and assuming a Change in Control has not occurred in the Termination Year prior to Participant's Separation From Service), the amount so credited will be deemed to have solely earned a rate of return equal to the average Moody's Corporate Bond Index rate of return as of the immediately preceding December.

In the event that a Change in Control occurs during a Plan Year, then for the segment of the Plan Year that all or part of the terminating Participant's Account is credited to the LTCIP Fund, the amount so credited will be deemed to have earned a rate of return equal to investment return from the LTCIP Fund beginning on the first day of the Plan Year and ending on the last business day before the date of the Change in Control.

ARTICLE IX

Administration

- 9.1 Plan Administration. The Plan shall be administered by the Committee. The Committee shall have the authority to control and manage the operation and administration of the Plan, including the authority and ability to delegate administrative functions to a third party. Claims for benefits shall be filed with the Committee and resolved in accordance with the claims procedures in Article XII.
- 9.2 Actions by Committee. Each decision of a majority of the members of the Committee then in office shall constitute the final and binding act of the Committee. The Committee may act with or without a meeting being called or held and shall keep minutes of all meetings held and a record of all actions taken by written consent.
- 9.3 Powers of Committee. The Committee shall have all powers and discretionary authority necessary or appropriate to supervise the administration of the Plan and to control its operation in accordance with its terms, including, but not by way of limitation, the following powers and discretionary authority:
- (a) To interpret and determine the meaning and validity of the provisions of the Plan, and to determine any question arising under, or in connection with, the administration, operation or validity of the Plan, or any amendment thereto;
 - (b) To determine any and all considerations affecting the eligibility of any employee to become a Participant or remain a Participant in the Plan;
 - (c) To maintain one or more separate Accounts for each Participant;
 - (d) To credit Compensation Deferrals and deemed interest to Participants' Accounts;
 - (e) To establish and revise an accounting method or formula for the Plan;
 - (f) To determine the status and rights of Participants and their spouses, Beneficiaries or estates;
 - (g) To employ such counsel, agents, and advisers, and to obtain such legal, clerical and other services, as it may deem necessary or appropriate in carrying out the provisions of the Plan;
 - (h) To establish, from time to time, rules for the performance of its powers and duties and for the administration of the Plan;
 - (i) To arrange for periodic distribution to each Participant of a statement of benefits accrued under the Plan;
 - (j) To publish a claims and appeal procedure satisfying the minimum standards of Section 503 of ERISA pursuant to which individuals or estates may claim Plan benefits and appeal denials of such claims;

- (k) To delegate to any one or more of its members or to any other person, severally or jointly, the authority to perform for and on behalf of the Committee one or more of the functions of the Committee under the Plan, consistent with the Compensation Committee Charter; and
- (l) To decide all issues and questions regarding Account balances, and the time, form, manner, and amount of distributions to Participants.

9.4 Administration Upon Change in Control. Upon a Change in Control, the Committee, as constituted immediately prior to such Change in Control, shall continue to act as the Committee. The individual who was the Chief Executive Officer of the Company immediately prior to the Change in Control (the “Ex-CEO”) shall have the authority (but shall not be obligated) to appoint an independent third party to act as the Committee.

After a Change in Control, no member of the Committee may be removed (and/or replaced) by the Company without the consent of either (a) 2/3 of the members of the Board of Directors of the Company and a majority of Participants and Beneficiaries with Account Balances or (b) the Ex-CEO or, in the event the Ex-CEO is no longer a Plan Participant, his or her appointee who is a Plan Participant.

The Participating Employers shall, with respect to the Committee identified under this Section: (i) pay all reasonable expenses and fees of the Committee, (ii) indemnify the Committee (including individuals serving as Committee members) in accordance with Section 9.6, and (iii) supply full and timely information to the Committee on all matters related to the Plan, Participants, Beneficiaries and Accounts as the Committee may reasonably require.

9.5 Withholding. The Participating Employer shall have the right to withhold from any payment due under the Plan (or with respect to any amounts credited to the Plan) any taxes required by law to be withheld in respect of such payment (or credit). Withholdings with respect to amounts credited to the Plan may be deducted from Compensation that has not been deferred to the Plan.

9.6 Indemnification. The Participating Employer shall indemnify and hold harmless each employee, officer, director, agent or organization, to whom or to which are delegated duties, responsibilities, and authority under the Plan or otherwise with respect to administration of the Plan, including, without limitation, the Committee and its agents, against all claims, liabilities, fines and penalties, and all expenses reasonably incurred by or imposed upon him or her or it (including but not limited to reasonable attorneys’ fees) which arise as a result of his or her or its actions or failure to act in connection with the operation and administration of the Plan to the extent lawfully allowable and to the extent that such claim, liability, fine, penalty, or expense is not paid for by liability insurance purchased or paid for by the Participating Employer. Notwithstanding the foregoing, the Participating Employer shall not indemnify any person or organization if his or her or its actions or failure to act are due to gross negligence or willful misconduct or for any such amount incurred through any settlement or compromise of any action unless the Participating Employer consents in writing to such settlement or compromise.

- 9.7 Delegation of Authority. In the administration of this Plan, the Committee may, from time to time, employ agents and delegate to them such administrative duties as it sees fit, and may from time to time consult with legal counsel who may be legal counsel to the Company.
- 9.8 Binding Decisions or Actions. The decision or action of the Committee in respect of any question arising out of or in connection with the administration, interpretation and application of the Plan and the rules and regulations thereunder shall be final and conclusive and binding upon all persons having any interest in the Plan.

ARTICLE X

Amendment and Termination

- 10.1 Termination. The Company and each other Participating Employer intend to continue the Plan indefinitely, and to maintain each Participant's Account until it is scheduled to be paid to him or her in accordance with the provisions of the Plan. However, the Plan is voluntary on the part of the Company and the other Participating Employers, and the Participating Employers do not guarantee to continue the Plan. Accordingly, the Company reserves the right to discontinue its sponsorship of the Plan (or the sponsorship of another Participating Employer) and/or to terminate the Plan at any time with respect to any or all of its participating Eligible Employees (or all of another Participating Employer's Eligible Employees), by action of the Board of Directors. Upon the termination of the Plan with respect to any Participating Employer, the participation of the affected Participants who are employed by that Participating Employer shall terminate. However, after the Plan termination, the Account Balances of such Participants shall continue to be credited with Deferrals attributable to a deferral election that was in effect prior to the Plan termination to the extent deemed necessary to comply with Code Section 409A and related Treasury Regulations, and additional amounts shall continue to be credited or debited to such Participants' Account Balances pursuant to Article VIII. The investment options available to Participants following the termination of the Plan shall, subject to the rules in Article VIII, be comparable in number and type to those investment options available to Participants in the Plan Year preceding the Plan Year in which the Plan termination is effective. In addition, following a Plan termination, Participant Account Balances shall remain in the Plan and shall not be distributed until such amounts become eligible for distribution in accordance with the other applicable provisions of the Plan. Notwithstanding the preceding sentence, to the extent permitted by Treasury Regulations Section 1.409A-3(j)(4)(ix), the Company may provide that, upon termination of the Plan, all Account Balances of the Participants shall be distributed, subject to and in accordance with any rules established by the Company deemed necessary to comply with the applicable requirements and limitations of Treasury Regulations Section 1.409A-3(j)(4)(ix).
- 10.2 Amendments.
- (a) The Company, by action taken by the Board of Directors, may amend the Plan at any time and for any reason, provided that any such amendment shall not reduce the vested Account Balances of any Participant accrued as of the date of any such amendment or restatement (as if the Participant had incurred a Separation from Service on such date). The Compensation Committee shall have the authority to amend the Plan for the purpose of: (i) conforming the Plan to the requirements of law (which amendments, notwithstanding any provisions in this Section 10.2 to the contrary, may also be made

without the consent of any Participant), (ii) facilitating the administration of the Plan, (iii) clarifying provisions based on the Compensation Committee's interpretation of the document, and (iv) making such other amendments as the Board of Directors may authorize.

- (b) Notwithstanding anything to the contrary in the Plan, if and to the extent the Compensation Committee shall determine that the terms of the Plan may result in the failure of the Plan, or amounts deferred by or for any Participant under the Plan, to comply with the requirements of Code Section 409A, or any applicable regulations or guidance promulgated by the Secretary of the Treasury in connection therewith, the Compensation Committee shall have authority to take such action to amend, modify, cancel or terminate the Plan (effective with respect to all Employers) or distribute any or all of the amounts deferred by or for a Participant, as it deems necessary or advisable, including without limitation:
 - (i) Any amendment or modification of the Plan to conform the Plan to the requirements of Code Section 409A or any regulations or other guidance thereunder (including, without limitation, any amendment or modification of the terms of any applicable to any Participant's Accounts regarding the timing or form of payment).
 - (ii) Any cancellation or termination of any unvested interest in a Participant's Accounts without any payment to the Participant.
 - (iii) Any cancellation or termination of any vested interest in any Participant's Accounts, with immediate payment to the Participant of the amount otherwise payable to such Participant.
 - (iv) Any such amendment, modification, cancellation, or termination of the Plan that may adversely affect the rights of a Participant without the Participant's consent.
- (c) Notwithstanding any other provision in this Plan to the contrary, the time for payment of a Change in Control Benefit, as set forth in Section 6.1(e), cannot be delayed by a Plan amendment.

ARTICLE XI

Informal Funding

- 11.1 General Assets. Obligations established under the terms of the Plan may be satisfied from the general funds of the Participating Employers, or a trust described in this Article XI. No Participant, spouse or Beneficiary shall have any right, title or interest whatever in any assets of the Participating Employers. Nothing contained in this Plan, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind, or a fiduciary relationship, between the Participating Employers and any Employee, Director, spouse, or Beneficiary. To the extent that any person acquires a right to receive payments hereunder,

such rights are no greater than the right of an unsecured general creditor of the Participating Employers.

- 11.2 Rabbi Trust. A Participating Employer may, in its sole discretion, establish a grantor trust, commonly known as a rabbi trust, as a vehicle for accumulating assets to pay benefits under the Plan. Payments under the Plan may be paid from the general assets of the Participating Employers or from the assets of any such rabbi trust. Payment from any such source shall reduce the obligation owed to the Participant or Beneficiary under the Plan.

ARTICLE XII

Claims

- 12.1 Claim Procedure. A Participant or a beneficiary (the "Claimant") must file with the Committee a written claim for benefits if the Claimant believes he or she has not received the benefits he or she is entitled to receive. Any such claim must be filed within 90 days after the first date the Claimant knew or should have known of such a failure. Any claim filed after such time will be untimely.

- (a) *In General*. The Committee must render a decision on the claim within 90 days of the Claimant's written claim for benefits, provided that the Committee, in its discretion, may determine that an additional 90-day extension is warranted if it needs additional time to review the claim due to matters beyond the control of the Committee. In such event, the Committee shall notify the Claimant prior to the end of the initial period that an extension is needed, the reason therefore and the date by which the Committee expects to render a decision.
- (b) *Disability Benefits*. Notice of denial of a Disability Benefit will be provided within 45 days of the Committee's receipt of the Claimant's claim for a Disability Benefit. If the Committee determines that it needs additional time to review the Disability claim, the Committee will provide the Claimant with a notice of the extension before the end of the initial 45 day period. Such extension period may not exceed 30 days. If the Committee determines that a decision cannot be made within the first extension period due to matters beyond the control of the Committee, the time period for making a determination may be further extended for an additional 30 days. If such an additional extension is necessary, the Committee shall notify the Claimant prior to the expiration of the initial 30 day extension. Any notice of extension shall indicate the circumstances necessitating the extension of time, the date by which the Committee expects to furnish a notice of decision, the specific standards on which such entitlement to a benefit is based, the unresolved issues that prevent a decision on the claim and any additional information needed to resolve those issues. A Claimant will be provided a minimum of 45 days to submit any necessary additional information to the Committee. In the event that a 30 day extension is necessary due to a Claimant's failure to submit information necessary to decide a claim, the period for furnishing a notice of decision shall be tolled from the date on which the notice of the extension is sent to the Claimant until the earlier of the date the Claimant responds to the request for additional information or the response deadline

- (c) *Contents of Notice.* If a Claimant's request for benefits is denied, the notice of denial shall be in writing and shall contain the following information:
- (i) The specific reason or reasons for the denial in plain language;
 - (ii) A specific reference to the pertinent Plan provisions on which the denial is based;
 - (iii) A description of any additional material or information necessary for the Claimant to perfect the claim and an explanation of why such material or information is necessary;
 - (iv) An explanation of the claims review procedures and the time limits applicable to such procedures; and
 - (v) A statement of the Claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse determination upon review.
 - (vi) In the case of a complete or partial denial of a Disability benefit claim, the notice shall provide a statement that the Committee will provide to the Claimant, upon request and free of charge, a copy of any internal rule, guideline, protocol or other similar criterion that was relied upon in making the decision.

12.2 Appeal.

- (a) *In General.* A Claimant dissatisfied with the Committee's decision must file a written appeal to the Committee within 60 days after Claimant's receipt of the decision or deemed denial. Any claim filed more than 60 days after Claimant's receipt of the decision will be untimely. The Claimant will have the opportunity, upon request and free of charge, to have reasonable access to and copies of all documents, records and other information relevant to the Claimant's appeal. The Claimant may submit written comments, documents, records and other information relating to his or her claim with the appeal. The Committee will review all comments, documents, records and other information submitted by the Claimant relating to the claim, regardless of whether such information was submitted or considered in the initial claim determination. The Committee shall make a determination on the appeal within 60 days after receiving the Claimant's written appeal, provided that the Committee may determine that an additional 60-day extension is necessary due to circumstances beyond the Committee's control, in which event the Committee shall notify the Claimant prior to the end of the initial period that an extension is needed, the reason therefore and the date by which the Committee expects to render a decision.
- (b) *Disability Benefits.* Appeal of a denied Disability benefits claim must be filed in writing with the Committee no later than 180 days after receipt of the written notification of such claim denial. The review shall be conducted by the Committee (exclusive of the person who made the initial adverse decision or such person's subordinate). In reviewing the appeal, the Committee shall: (i) not afford deference to the initial denial of the claim, (ii) consult a medical professional who has appropriate training and

experience in the field of medicine relating to the Claimant's disability and who was neither consulted as part of the initial denial nor is the subordinate of such individual and (iii) identify the medical or vocational experts whose advice was obtained with respect to the initial benefit denial, without regard to whether the advice was relied upon in making the decision. The Committee shall make its decision regarding the merits of the denied claim within 45 days following receipt of the appeal (or within 90 days after such receipt, in a case where there are special circumstances requiring extension of time for reviewing the appealed claim). If an extension of time for reviewing the appeal is required because of special circumstances, written notice of the extension shall be furnished to the Claimant prior to the commencement of the extension. The notice will indicate the special circumstances requiring the extension of time and the date by which the Committee expects to render the determination on review. Following its review of any additional information submitted by the Claimant, the Committee shall render a decision on its review of the denied claim.

- (c) *Contents of Notice.* If the Claimant's appeal is denied in whole or part, the Committee shall provide written notice to the Claimant of such denial. The written notice shall include the following information:
- (i) The specific reason or reasons for the denial;
 - (ii) A specific reference to the pertinent Plan provisions on which the denial is based;
 - (iii) 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; and
 - (iv) A statement of the Claimant's right to bring a civil action under Section 502(a) of ERISA.
 - (v) For the denial of a Disability benefit, the notice will also include a statement that the Committee will provide, upon request and free of charge, (A) any internal rule, guideline, protocol or other similar criterion relied upon in making the decision, (B) any medical opinion relied upon to make the decision and (C) the required statement under Section 2560.503-1(j)(5)(iii) of the Department of Labor regulations.

12.3 Disability benefit claims. Notwithstanding any other provision in Article XII, this Section 12.3 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 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) *Disabled.* If a claim relates to a determination of whether a Participant is 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 the 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 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:
- (i) The specific reasons for the denial;
 - (ii) A reference to the specific provisions of the Plan or insurance contract on which the denial is based;
 - (iii) 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;
 - (iv) 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;
 - (v) 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.

- (vi) 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;
 - (vii) 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
 - (viii) 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 Disabled, 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:
- (i) 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.
 - (ii) 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.
 - (iii) 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.

- (iv) 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 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:
 - (i) The Committee's decision;
 - (ii) The specific reasons for the denial;
 - (iii) A reference to the specific provisions of the Plan or insurance contract on which the decision is based;
 - (iv) 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;
 - (v) A statement describing any voluntary appeal procedures offered by the Plan and the Claimant's right to obtain the information about such procedures;
 - (vi) 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 that in Section 12.6) 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;
 - (vii) 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.
- (viii) 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
 - (ix) 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: (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.

12.4 Relevance. For purposes of Section 12.1, Section 12.2, and 12.3, documents, records, or other information shall be considered "relevant" to a Claimant's claim for benefits if such documents, records or other information:

- (a) Were relied upon in making the benefit determination;
 - (b) Were submitted, considered, or generated in the course of making the benefit determination, without regard to whether such documents, records or other information were relied upon in making the benefit determination; or
 - (c) Demonstrate compliance with the administrative processes and safeguards required pursuant to Section 12.1, Section 12.2. and Section 12.3 regarding the making of the benefit determination.
- 12.5 Claims Appeals Upon Change in Control. For purposes of this Article XII, upon a Change in Control, the Committee, as constituted immediately prior to such Change in Control, shall continue to act as the Committee. After a Change in Control, no member of the Committee may be removed (and/or replaced) by the Company without the consent of either (a) 2/3 of the members of the Board of Directors of the Company and a majority of Participants and Beneficiaries with Account Balances or (b) the Ex-CEO or, in the event the Ex-CEO is no longer a Plan Participant, his or her appointee who is a Plan Participant.
- 12.6 Constructive Denial. If the Claimant does not receive a written decision within the time period(s) described above, the claim shall be deemed denied on the last day of such period(s).
- 12.7 Six Month Deadline for Filing Suit. No Claimant may institute any action or proceeding in any state or federal court of law or equity, or before any administrative tribunal or arbitrator, for a claim for benefits under the Plan until he first has exhausted the procedures set forth in Sections 12.1, 12.2 and 12.3. A claimant dissatisfied with the Committee's decision upon appeal under Sections 12.2 or 12.3 must file any lawsuit challenging that decision no later than six months after the Committee mails the notice of denial or a constructive denial occurs. Any suit brought more than six months after the denial on appeal or constructive denial shall be deemed untimely. In ruling on any timely-filed suit, the Court shall uphold the Committee's determinations unless they constitute an abuse of discretion or fraud.
- 12.8 Decisions of Committee. All actions, interpretations, and decisions of the Committee shall be conclusive and binding on all persons, and shall be given the maximum deference permitted by law.
- 12.9 Administrative Expenses. All expenses incurred in the administration of the Plan by the Committee, or otherwise, including legal fees and expenses, shall be paid and borne by the Participating Employers.
- 12.10 Eligibility to Participate. No member of the Committee who also is an Eligible Employee shall be excluded from participating in the Plan, but as a member of the Committee, he or she shall not be entitled to act or pass upon any matters pertaining specifically to his or her own Account.
- 12.11 Indemnification. Each of the Participating Employers shall, and hereby does, indemnify and hold harmless the members of the Committee, from and against any and all losses, claims, damages or liabilities (including attorneys' fees and amounts paid, with the approval of the Board of Directors, in settlement of any claim) arising out of or resulting from the implementation of a duty, act or decision with respect to the Plan, so long as such duty, act or

decision does not involve gross negligence or willful misconduct on the part of any such individual.

ARTICLE XIII

General Provisions

- 13.1 Assignment. No interest of any Participant, spouse or Beneficiary under this Plan and no benefit payable hereunder shall be assigned as security for a loan, and any such purported assignment shall be null, void and of no effect, nor shall any such interest or any such benefit be subject in any manner, either voluntarily or involuntarily, to anticipation, sale, transfer, assignment or encumbrance by or through any Participant, spouse or Beneficiary. Notwithstanding anything to the contrary herein, however, the Committee has the discretion to make payments to an alternate payee in accordance with the terms of a domestic relations order (as defined in Code Section 414(p)(1)(B)).

A Participating Employer may assign any or all of its liabilities under this Plan in connection with any restructuring, recapitalization, sale of assets or other similar transactions affecting such Participating Employer without the consent of the Participant.

- 13.2 No Legal or Equitable Rights or Interest. No Participant or other person shall have any legal or equitable rights or interest in this Plan that are not expressly granted in this Plan. Participation in this Plan does not give any person any right to be retained in the service of a Participating Employer. The right and power of a Participating Employer to dismiss or discharge an Employee is expressly reserved.
- 13.3 No Guarantee of Tax Consequences. While the Plan is intended to provide tax deferral for Participants, the Plan is not a guarantee that the intended tax deferral will be achieved. Participants are solely responsible and liable for the satisfaction of all taxes and penalties that may arise in connection with this Plan (including any taxes arising under Code Section 409A). No Participating Employer or any of their directors, officers or employees shall have any obligation to indemnify or otherwise hold any Participant harmless from any such taxes. No Participating Employer makes any representations or warranties as to the tax consequences to a Participant or a Participant's Beneficiary(ies) resulting from a deferral of income pursuant to the Plan.
- 13.4 Applicable Clawback Policies. Amounts credited to a Participant's Account on or after October 2, 2023 are subject to forfeiture under the terms of any applicable Clawback Policy and shall not be deemed nonforfeitable or unconditionally vested until any such Clawback Policy is no longer applicable. Further, to the extent permitted by applicable law, including Code Section 409A, all amounts deferred and/or payable under the Plan are subject to offset in the event that a Participant has an outstanding clawback, recoupment or forfeiture obligation to a Participating Employer under the terms of any applicable Clawback Policy. In the event of a forfeiture event under an applicable Clawback Policy, any amounts required to be forfeited pursuant to such policy shall be deemed not to have been earned under the terms of the Plan, and the applicable Participating Employer shall be entitled to recover from the Participant the amount specified under the Clawback Policy to be forfeited. For purposes of the Plan, "Clawback Policy" means any applicable clawback policy approved by the Board of

Directors or the Compensation Committee, as in effect from time to time, whether approved or amended before or after amounts are credited to a Participant's Account.

- 13.5 Rights and Duties. Under no circumstances will any Participating Employer, the Compensation Committee or the members of the Compensation Committee, the Committee or the members of the Committee be subject to any liability or duty under the Plan except as expressly provided in the Plan, or for any action taken, omitted or suffered in good faith.
- 13.6 No Effect on Service. Neither the establishment or maintenance of the Plan, the making of any Compensation Deferrals nor any action of a Participating Employer or the Committee, shall be held or construed to confer upon any individual: (a) any right to be continued as an employee or (b) upon dismissal, any right or interest in any specific assets of any Participating Employer or the Committee other than as provided in the Plan. Each Participating Employer expressly reserves the right to discharge any employee at any time, with or without cause. Nothing contained herein shall be construed to constitute a contract of employment between an Employee and any Participating Employer.
- 13.7 Notice. Any notice or filing required or permitted to be delivered to the Committee under this Plan shall be delivered in writing, in person, or through such electronic means as is established by the Committee. Notice shall be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark on the receipt for registration or certification. Written transmission shall be sent by certified mail to:

CENTURI GROUP, INC.
ATTENTION: – EVP, CHIEF LEGAL & ADMINISTRATIVE OFFICER
19820 N 7TH AVENUE, SUITE 120
PHOENIX, AZ 85027-4739

Any notice or filing required or permitted to be given to a Participant under this Plan shall be sufficient if in writing or hand-delivered, or sent by mail to the last known address of the Participant.

- 13.8 Headings. The headings of Sections are included solely for convenience of reference, and if there is any conflict between such headings and the text of this Plan, the text shall control.
- 13.9 Invalid or Unenforceable Provisions. If any provision of this Plan shall be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions hereof and the Committee may elect in its sole discretion to construe such invalid or unenforceable provisions in a manner that conforms to applicable law or as if such provisions, to the extent invalid or unenforceable, had not been included.
- 13.10 Lost Participants or Beneficiaries. Any Participant or Beneficiary who is entitled to a benefit from the Plan has the duty to keep the Committee advised of his or her current mailing address. If benefit payments are returned to the Plan or are not presented for payment after a reasonable amount of time, the Committee shall presume that the payee is missing. The Committee, after making such efforts as in its discretion it deems reasonable and appropriate to locate the payee, shall stop payment on any uncashed checks and may discontinue making

future payments until contact with the payee is restored to the extent permitted by Code Section 409A.

- 13.11 Facility of Payment to a Minor. If a distribution is to be made to a minor, or to a person who is otherwise incompetent, then the Committee may, in its discretion, make such distribution: (a) to the legal guardian, or if none, to a parent of a minor payee with whom the payee maintains his or her residence, or (b) to the conservator or committee or, if none, to the person having custody of an incompetent payee. Any such distribution shall fully discharge the Committee, the Participating Employers, and the Plan from further liability on account thereof.
- 13.12 Governing Law. Except to the extent preempted by ERISA or other federal law, the laws of the State of Nevada shall govern the construction and administration of the Plan, without regard to its conflicts of laws principles.
- 13.13 Compliance with Code Section 409A. This Plan is intended to be administered in compliance with Code Section 409A and each provision of the Plan shall be interpreted, to the extent possible, to comply with Code Section 409A.

IN WITNESS WHEREOF, the undersigned executed this Plan as of the _____ day of May, 2024.

Centuri Group, Inc.

By: William J. Fehrman, President & CEO

_____ (Signature)

Execution Version

TAX MATTERS AGREEMENT

BY AND BETWEEN

SOUTHWEST GAS HOLDINGS, INC.

AND

CENTURI HOLDINGS, INC.

DATED AS OF APRIL 11, 2024



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TAX MATTERS AGREEMENT

This TAX MATTERS AGREEMENT (this "Agreement") is made as of April 11, 2024 by and between Southwest Gas Holdings, Inc., a Delaware corporation ("Parent") and Centuri Holdings, Inc., a Delaware corporation and wholly-owned subsidiary of Parent ("Centuri" and, together with Parent, the "Parties"). Capitalized terms used in this Agreement and not defined herein shall have the meanings ascribed to such terms in the Separation Agreement, dated as of the date hereof, by and between the Parties and, prior to a Trigger Event, in the form attached to the Centuri Certificate of Incorporation as Exhibit A (the "Separation Agreement").

RECITALS

WHEREAS, the board of directors of Parent (the "Parent Board") has determined that it is in the best interests of Parent and its shareholders to create a new publicly traded company that shall operate the Centuri Business;

WHEREAS, the Parent Board has determined that it is appropriate and desirable to separate the Centuri Business from the Parent Business (the "Separation");

WHEREAS, pursuant to the Separation, (i) Parent will cause Carson Water Company, a Nevada corporation ("Carson Water") and the owner of one hundred percent (100%) of the stock of Centuri Group, Inc. ("CGI" and the CGI stock, the "CGI Capital Stock"), to adopt a plan of liquidation and distribute all of the CGI Capital Stock to Parent, and (ii) Parent will contribute all of the CGI Capital Stock received from Carson Water and any other Centuri Assets to Centuri in exchange for the assumption of the Centuri Liabilities and the actual or deemed issuance of additional shares of Centuri Common Stock;

WHEREAS, the Parties intend the Separation to qualify as a tax-free transaction under Section 368(a) and/or 351 of the Code;

WHEREAS, the Parent Board has further determined that it is appropriate and desirable, on the terms and conditions contemplated hereby, for Centuri to make an offer and sale to the public of a limited number of shares of Centuri Common Stock, pursuant to a registration statement on Form S-1, as more fully described in the Separation Agreement (the "IPO"), immediately following which offering and sale Parent will own 80.1% or more of the outstanding shares of Centuri Common Stock (the "Retained Shares");

WHEREAS, after the IPO, if effected, Parent may (i) transfer the Retained Shares by means of a distribution by Parent to holders of Parent Common Stock (a "Distribution"); (ii) effect a disposition of Retained Shares pursuant to one or more public offering(s) or private transaction(s); or (iii) continue to hold its interest in the Retained Shares;

WHEREAS, Parent currently intends the Distribution, if effected, to qualify as tax-free for U.S. federal income tax purposes under Section 355 of the Code;

WHEREAS, members of the Parent Group, on the one hand, and certain members of the Centuri Group, on the other hand, file certain Tax Returns on a consolidated, combined, or unitary basis for certain U.S. federal, state and local Tax purposes; and

WHEREAS, the Parties desire to set forth (i) the rights and responsibilities of each Party for the payment of Taxes, the receipt of Tax Benefits, the filing of Tax Returns and other matters relating to Taxes, and (ii) certain representations, covenants and indemnities that are intended to help preserve Parent's ability to effectuate a Distribution in a manner that is expected to be tax-free to Parent and the holders of Parent Capital Stock.

NOW THEREFORE, in consideration of the mutual agreements, provisions and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

**ARTICLE 1
DEFINITION OF TERMS**

For purposes of this Agreement (including the recitals hereof), the following terms have the following meanings:

“25% Transaction” shall have the meaning set forth in Section 4.2(b).

“Accounting Firm” shall have the meaning set forth in Section 9.1.

“Active Trade or Business” shall mean, with respect to Centuri or any Centuri Group member, the Centuri Business, the active conduct (as defined in Section 355(b)(2) of the Code and the Treasury Regulations thereunder) of which such entity was engaged in immediately prior to the Separation Date.

“Adjustment” shall mean an adjustment of any item of income, gain, loss, deduction, credit, or any other item affecting Taxes of a taxpayer pursuant to a Final Determination.

“Affiliate” shall mean any entity that is directly or indirectly “controlled” by either the person in question or an Affiliate of such person. “Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through ownership of voting securities, by contract or otherwise. The term Affiliate shall refer to Affiliates of a person as determined immediately after the Separation Date.

“Affiliated Group” means an affiliated group of corporations within the meaning of Section 1504(a) of the Code, or any other group filing consolidated, combined, or unitary Tax Returns under state, local or non-U.S. law.

“Agreement” shall have the meaning set forth in the preamble hereto.

“Ancillary Agreements” shall have the meaning set forth in the Separation Agreement.

“Business Day” means any day other than a Saturday, a Sunday or a day on which banking institutions are generally authorized or required by law to close in the United States or Las Vegas, Nevada.

“Centuri” shall have the meaning set forth in the preamble hereto.

“Centuri Assets” shall have the meaning set forth in the Separation Agreement.

“Centuri Business” shall have the meaning set forth in the Separation Agreement.

“Centuri Capital Stock” shall have the meaning set forth in the Separation Agreement.

“Centuri Common Stock” shall have the meaning set forth in the Separation Agreement.

“Centuri Disqualifying Action” shall mean (a) any action (or failure to take any action) by any Centuri Group member after the Separation Date (including entering into any agreement, understanding, arrangement, or negotiations with respect to any transaction or series of transactions), (b) any event (or series of events) after the Separation Date directly or indirectly involving Centuri Capital Stock or any stock or assets of any Centuri Group member, or (c) any breach by any Centuri Group member after the

Separation Date of any representation, warranty, or covenant made by them in this Agreement, that, in each case, could adversely impact (x) the ability of Parent to effect the Distribution on a basis that qualifies for the Tax-Free Status or (y) the Tax-Free Status of the Distribution, if effected; provided, however, that the term “Centuri Disqualifying Action” shall not include any action entered into pursuant to any Ancillary Agreement (other than this Agreement) or that is undertaken pursuant to the Separation, the IPO or the Distribution.

“Centuri Group” shall have the meaning set forth in the Separation Agreement.

“Centuri Liabilities” shall have the meaning set forth in the Separation Agreement.

“Centuri Separate Tax Asset” shall mean, with respect to any Joint Return, any Tax Attribute of the Centuri Group or with respect to the Centuri Business calculated as if the Centuri Group were a separate Affiliated Group filing a Combined Tax Return that did not include any member of the Parent Group and using the conventions set forth in Section 2.2; provided, however, that a Centuri Separate Tax Asset shall not include any Tax Attribute taken into consideration in the calculation of the Centuri Separate Tax Liability.

“Centuri Separate Tax Liability” shall mean, with respect to any Joint Return, (a) the liability for Taxes of the Centuri Group or with respect to the Centuri Business calculated as if the Centuri Group were a separate Affiliated Group filing a Combined Tax Return that did not include any member of the Parent Group and using the conventions set forth in Section 2.2 and (b) any deferred Tax liability that is attributable to the Centuri Business and that is accelerated or otherwise required to be reported on any Joint Return as a result of Deconsolidation.

“Centuri Stand-Alone Tax Return” shall mean any Tax Return of or including any Centuri Group member (including any consolidated, combined, or unitary return) that does not include any member of the Parent Group.

“CGI” shall have the meaning set forth in the preamble hereto.

“CGI Capital Stock” shall have the meaning set forth in the preamble hereto.

“Closing of the Books Method” means the apportionment of items between taxable periods (or portions of a taxable period) based on a closing of the books and records on the close of a Deconsolidation Date (in the event that a Deconsolidation Date is not the last day of the taxable period, as if the Deconsolidation Date were the last day of the taxable period), subject to adjustment for items accrued on the Deconsolidation Date that are properly allocable to the taxable period following the Deconsolidation Date, as determined by Parent in accordance with applicable Tax Law.

“Code” means the U.S. Internal Revenue Code of 1986, as amended.

“Combined Tax Return” means a Tax Return filed in respect of federal, state, local or non-U.S. income Taxes for an Affiliated Group, or any other affiliated, consolidated, combined, unitary, fiscal unity or other group basis (including as permitted by Section 1501 of the Code).

“Deconsolidation” shall mean, with respect to a given Tax and jurisdiction, any transfer or other disposition of Centuri Capital Stock, change or shift in voting power, or other event or change in law or circumstance that causes Centuri to fail to qualify, for purposes of such Tax and jurisdiction, as a member of an Affiliated Group that includes one or more members of the Parent Group. For the avoidance of doubt, the determination of a “Deconsolidation” for purposes of this Agreement shall be distinct from any determination whether Centuri or any member of the Centuri Group shall remain consolidated for financial

accounting purposes with Parent or any member of the Parent Group.

“Deconsolidation Date” shall mean the date of any Deconsolidation, which, for the avoidance of doubt, for U.S. federal income tax purposes, is expected to include the Distribution Date, if the Distribution is effected.

“Distribution” shall have the meaning set forth in the recitals.

“Distribution Date” shall mean the date the Distribution is consummated.

“Distribution-Related Tax Contest” shall mean any Tax Contest in which the IRS, another Taxing Authority or any other party asserts a position that could reasonably be expected to adversely affect the Tax-Free Status of the Distribution.

“Final Determination” shall mean the final resolution of liability for any Tax for any taxable period, by or as a result of (a) a final decision, judgment, decree, or other order by any court of competent jurisdiction that can no longer be appealed, (b) a final settlement with the IRS or other Taxing Authority, a closing agreement or accepted offer in compromise under Section 7121 or 7122 of the Code, or a comparable agreement under the Tax Laws of a state, local, or non-U.S. jurisdiction, which resolves the entire Tax liability for any taxable period, (c) any allowance of a Refund, but only after the expiration of all periods during which such Refund may be recovered (including by way of withholding or offset) by the jurisdiction imposing the Tax, or (d) any other final resolution, including by reason of the expiration of the applicable statute of limitations or the execution of a pre-filing agreement with the IRS or other Taxing Authority.

“Group” shall mean the Parent Group or the Centuri Group, or both, as the context requires.

“Income Tax Return” shall mean any Tax Return filed or required to be filed with respect to Income Taxes.

“Income Taxes” shall mean all Taxes imposed on or measured in whole or in part by income, capital or net worth or a taxable base in the nature of income, capital or net worth, including franchise Taxes based on such factors, and shall include any addition to Tax, additional amount, interest and penalty imposed with respect to such Taxes.

“Indemnifying Party” shall have the meaning set forth in Section 5.2(a).

“Indemnitee” shall have the meaning set forth in Section 5.2(a).

“Invoice” shall have the meaning set forth in Section 6.2(d).

“IPO” shall have the meaning set forth in the preamble hereto.

“IRS” shall mean the U.S. Internal Revenue Service, including its agents, representatives, and attorneys.

“IRS Ruling” shall mean any U.S. federal income tax ruling issued to Parent by the IRS relating to the Distribution.

“IRS Ruling Request” shall mean the letter filed by Parent with the IRS on March 31, 2023, requesting a ruling regarding certain U.S. federal income tax consequences of the Separation and Distribution and any amendment or supplement to such ruling request letter.

“Joint Return” shall mean any Combined Tax Return or other Tax Return that includes, by election or otherwise, one or more members of the Parent Group together with one or more members of the Centuri Group.

“Law” shall have the meaning set forth in the Separation Agreement.

“Notified Action” shall have the meaning set forth in Section 4.2(c).

“Parent” shall have the meaning set forth in the preamble hereto.

“Parent Business” shall mean all businesses, operations and activities (whether or not such businesses, operations or activities are or have been terminated, divested or discontinued) conducted at any time prior to the effective time of the Separation by any member of the Parent Group.

“Parent Capital Stock” shall mean all classes or series of capital stock of Parent, including (i) Parent Shares, (ii) all options, warrants, and other rights to acquire such capital stock, and (iii) all other instruments properly treated as stock of Parent for U.S. federal income tax purposes.

“Parent Federal Consolidated Income Tax Return” shall mean any U.S. federal income Tax Return for the Affiliated Group of which Parent is the common parent.

“Parent Group” shall mean Parent and each Subsidiary of Parent other than Centuri and the members of the Centuri Group.

“Parent Shares” shall mean the shares of common stock, par value \$1.00 per share, of Parent.

“Parent Stand-Alone Tax Return” shall mean any Tax Return of or including any member of the Parent Group (including any consolidated, combined, or unitary return) that does not include any Centuri Group member.

“Parties” shall have the meaning set forth in the preamble hereto.

“Past Practices” shall have the meaning set forth in Section 3.5.

“Person” shall mean any individual, partnership, corporation, limited liability company, association, joint stock company, trust, joint venture, unincorporated organization or a governmental entity or any department, agency or political subdivision thereof, without regard to whether any entity is treated as disregarded for U.S. federal income tax purposes.

“Post-Deconsolidation Period” shall mean any taxable period beginning after a Deconsolidation Date, and, in the case of any Straddle Period, the portion of such Straddle Period beginning the day after such Deconsolidation Date.

“Post-Distribution Ruling” shall have the meaning set forth in Section 4.2(c).

“Pre-Deconsolidation Period” shall mean any taxable period ending on or before a Deconsolidation Date, and, in the case of any Straddle Period, the portion of such Straddle Period ending at the end of the day on such Deconsolidation Date.

“Privilege” shall have the meaning set forth in Section 6.1(b).

“Proposed Acquisition Transaction” shall mean a transaction or series of transactions (or any agreement, understanding, or arrangement to enter into a transaction or series of transactions, within the

meaning of Section 355(e) of the Code and Treasury Regulations Section 1.355-7, or any other Treasury Regulations promulgated under Section 355(e) of the Code), whether such transaction or series of transactions is supported by Centuri management or shareholders, is a hostile acquisition, is a transaction whereby a shareholder is allowed to appoint board members or otherwise, pursuant to which (a) Centuri (or any successor thereto) would merge or consolidate with any other Person or (b) one or more Persons would (directly or indirectly) acquire, or have the right to acquire, from Centuri (or any successor thereto) and/or one or more holders of Centuri Capital Stock, respectively, any amount of Centuri Capital Stock (including the voting rights thereof) that would, when combined with any other direct or indirect changes in ownership of Centuri Capital Stock pertinent for purposes of Section 355(e) of the Code and the Treasury Regulations promulgated thereunder, comprise forty percent (40%) or more of (i) the value of all outstanding shares of stock of Centuri immediately after such transaction, or in the case of a series of transactions, immediately after the last transaction of such series, or (ii) the total combined voting power of all outstanding shares of voting stock of Centuri immediately after such transaction, or in the case of a series of transactions, immediately after the last transaction of such series. Notwithstanding the foregoing, following the Distribution, if effected, a Proposed Acquisition Transaction shall not include (a) the adoption by Centuri of a customary shareholder rights plan or (b) issuances by Centuri that satisfy Safe Harbor VIII (relating to acquisitions in connection with a person's performance of services) or Safe Harbor IX (relating to acquisitions by a retirement plan of an employer) of Treasury Regulations Section 1.355-7(d). For purposes of determining whether a transaction constitutes an indirect acquisition, but without limiting the generality of the foregoing, any recapitalization resulting in a shift of voting power or any redemption of shares of stock shall be treated as an indirect acquisition of shares of stock by the non-exchanging shareholders. This definition and the application thereof are intended to monitor compliance with Section 355(e) of the Code and the Treasury Regulations promulgated thereunder and shall be interpreted accordingly. Any clarification of, or change in, the statute or Treasury Regulations promulgated under Section 355(e) of the Code shall be incorporated in this definition and its interpretation.

"Reasonable Basis" shall mean a reasonable basis within the meaning of Section 6662(d)(2)(B)(ii)(II) of the Code and the Treasury Regulations promulgated thereunder (or such other level of confidence required by the Code at that time to avoid the imposition of penalties).

"Refund" shall mean any refund, reimbursement, offset, credit, or other similar benefit in respect of Taxes (including any overpayment of Taxes that can be refunded or, alternatively, applied against other Taxes payable), including any interest paid on or with respect to such refund of Taxes; provided, however, that the amount of any refund of Taxes shall be net of (i) any Taxes imposed by any Taxing Authority on, related to, or attributable to, the receipt of or accrual of such Refund, including any Taxes imposed by way of withholding or offset and (ii) any out-of-pocket expenses incurred by the Party in obtaining such Refund.

"Responsible Party" shall have the meaning set forth in Section 3.3.

"Restricted Period" shall mean the period which begins with the Distribution Date and ends two (2) years thereafter.

"Retained Shares" shall have the meaning set forth in the preamble hereto.

"Reviewing Party" shall have the meaning set forth in Section 3.3.

"Section 336(e) Election" shall have the meaning set forth in Section 3.7.

"Section 336(e) Tax Basis" shall have the meaning set forth in Section 3.7(b).

"Separation Date" shall have the meaning set forth in the Separation Agreement.

“Stand-Alone Tax Return” shall mean a Parent Stand-Alone Tax Return or a Centuri Stand-Alone Tax Return.

“Straddle Period” shall mean any Tax Period that begins on or before, and ends after, a Deconsolidation Date.

“Sunset Date” shall mean the earliest of the close of business (i) on the expiration date of the Restricted Period, (ii) on the date on which the Parent Board determines to no longer pursue the Distribution or (iii) on the date in which Parent determines in its sole discretion that it is no longer able to effect a Distribution that qualifies for Tax-Free Status.

“Tax” or “Taxes” shall mean (i) all taxes, charges, fees, duties, levies, imposts, rates, or other assessments or governmental charges of any kind imposed by any U.S. federal, state, local, or non-U.S. Taxing Authority, including, without limitation, income, gross receipts, employment, estimated, excise, severance, stamp, occupation, premium, windfall profits, environmental, custom duties, property, sales, use, license, capital stock, transfer, franchise, registration, payroll, withholding, social security, unemployment, disability, value added, alternative or add-on minimum, or other taxes, whether disputed or not, and including any interest, penalties, charges, or additions attributable thereto, (ii) liability for the payment of any amount of the type described in clause (i) above arising as a result of being (or having been) a member of any consolidated, combined, unitary, or similar group or being (or having been) included or required to be included in any Tax Return related thereto, and (iii) liability for the payment of any amount of the type described in clauses (i) or (ii) above as a result of any express or implied obligation to indemnify or otherwise assume or succeed to the liability of any other Person, whether by contract, by operation of Law, or otherwise.

“Tax Advisor” shall mean a U.S. tax counsel or accountant of recognized national standing, as determined by Parent in its sole discretion.

“Tax Allocation Agreement” shall mean the Southwest Gas Holdings, Inc. Tax Allocation Agreement, dated January 1, 2017.

“Tax Attribute” shall mean any net operating loss, net capital loss, overall domestic source loss, overall foreign source loss, unused investment tax credit, alternative minimum tax credit, unused foreign tax credit, excess charitable contribution, general business credit or any other Tax Item that could reduce a Tax liability.

“Tax Benefit” shall mean, with respect to a taxable period, the amount by which the cash Tax liability of an entity (or of the consolidated or combined group of which it is a member) is reduced solely as a result of a Tax Item, or the amount of an actual Refund that is generated solely as a result of such Tax Item (plus any related interest received from any Taxing Authority), in either case, by comparing the cash Tax liability or actual Refund on the applicable Tax Return that would arise with and without the Tax Item potentially giving rise to the Tax Benefit.

“Tax Certificates” shall mean any officer’s certificates, representation letters, or similar documents provided by Parent and Centuri to Morrison & Foerster LLP, PricewaterhouseCoopers LLP or any other Tax Advisor in connection with any Tax Opinion delivered or deliverable to Parent in connection with the Distribution.

“Tax Contest” shall have the meaning set forth in Section 8.1.

“Tax-Free Status” shall mean the qualification of the Distribution as a distribution described in Section 355 of the Code in which neither Parent nor the holders of Parent Capital Stock recognize income

or gain for U.S. federal income tax purposes pursuant to Section 355 of the Code, other than intercompany items or excess loss accounts taken into account pursuant to the Treasury Regulations promulgated pursuant to Section 1502 of the Code.

“Tax Item” shall mean any item of income, gain, loss, deduction, or credit, or any other item which increases or decreases Taxes paid or payable in any taxable period.

“Tax Law” shall mean the Law of any governmental entity or political subdivision thereof relating to any Tax.

“Tax Materials” shall have the meaning set forth in Section 4.2(a).

“Tax Opinion” shall mean any written opinion delivered or deliverable to Parent by Morrison & Foerster LLP, PricewaterhouseCoopers LLP or any other Tax Advisor regarding the tax consequences of the Distribution.

“Tax Records” shall have the meaning set forth in Section 7.1.

“Tax-Related Losses” shall mean (i) all U.S. federal, state, local and non-U.S. Taxes (including interest and penalties thereon) imposed pursuant to any settlement, Final Determination, judgment or otherwise; (ii) all accounting, legal and other professional fees, and court costs incurred in connection with such Taxes or any defense against liability for such Taxes; and (iii) all costs and expenses and any damages associated with stockholder litigation or controversies and any amount paid by Parent (or any Parent Affiliate) or Centuri (or any Centuri Affiliate) in respect of the liability of shareholders, whether paid to shareholders or to the IRS or any other Taxing Authority, in each case, resulting from (x) any breach of or inaccuracy in, or failure to perform, as applicable, any representation, covenant, or obligation of any member of the Centuri Group pursuant to this Agreement, (y) the failure of the Distribution to qualify for Tax-Free Status or (z) the defense against any challenge by the IRS or any other Taxing Authority to the Tax-Free Status of the Distribution, even if the Distribution ultimately is determined to so qualify.

“Tax Return” or “Return” shall mean any return, report, certificate, form, or similar statement or document (including any related supporting information or schedule attached thereto and any information return, amended tax return, claim for Refund or declaration of estimated tax) supplied to or filed with, or required to be supplied to or filed with, a Taxing Authority, or any bill for or notice related to ad valorem or other similar Taxes received from a Taxing Authority, in each case, in connection with the determination, assessment, or collection of any Tax or the administration of any laws, regulations, or administrative requirements relating to any Tax.

“Taxing Authority” shall mean, with respect to any Tax, the governmental entity or political subdivision thereof that imposes such Tax, and the agency (if any) charged with the collection of such Tax for such entity or subdivision.

“Transfer Tax” shall mean (i) all transfer, sales, use, excise, stock, stamp, stamp duty, stamp duty reserve, stamp duty land, documentary, filing, recording, registration, value-added and other similar Taxes (excluding, for the avoidance of doubt, any income, gains, profits, or similar Taxes, however assessed), and (ii) any interest, penalties, additions to tax, or additional amounts in respect of the foregoing.

“Treasury Regulations” means the regulations promulgated from time to time under the Code as in effect for the relevant Tax Period.

“Unqualified Tax Opinion” means an unqualified “will” opinion of a Tax Advisor on which Parent may rely to the effect that a transaction will not affect the Tax-Free Status of the Distribution; provided,

that any tax opinion obtained in connection with a Proposed Acquisition Transaction shall not qualify as an Unqualified Tax Opinion unless such tax opinion concludes that such Proposed Acquisition Transaction will not be treated as “part of a plan (or series of related transactions),” within the meaning of Section 355(e) of the Code and the Treasury Regulations promulgated thereunder, that includes the Distribution. Any such opinion must assume that the Distribution would have qualified for Tax-Free Status if the transaction in question did not occur.

ARTICLE 2 ALLOCATION OF TAX LIABILITIES

2.1 Allocation of Tax Liabilities After the Separation Date. Except as otherwise provided in this Article 2 and Article 5, following the Separation Date, Taxes shall be allocated as follows:

(a) Allocation of Taxes Relating to Joint Returns.

(i) Parent shall be liable for, and shall indemnify and hold harmless the Centuri Group from and against, all Taxes reported, or required to be reported, on any Joint Return, other than any Centuri Separate Tax Liabilities.

(ii) Centuri shall be liable for, and shall indemnify and hold harmless the Parent Group from and against, all Centuri Separate Tax Liabilities.

(b) Allocation of Taxes Relating to Stand-Alone Tax Returns.

(i) Parent shall be responsible for any and all Taxes reported, or required to be reported, on any Parent Stand-Alone Tax Return for all taxable periods.

(ii) Centuri shall be responsible for any and all Taxes reported, or required to be reported, on any Centuri Stand-Alone Tax Return for all taxable periods.

2.2 Allocation Conventions.

(a) For purposes of determining the amount of any Centuri Separate Tax Liability following the Separation Date:

(i) except as provided in Section 2.2(a)(iii), all elections, accounting methods and conventions used on the Parent Federal Consolidated Income Tax Return (or applicable state law Combined Return in which a member of the Parent Group is the taxpayer of record) shall be used;

(ii) the highest statutory marginal corporate income Tax rate in effect for such taxable period shall be applied (unless Parent determines in its sole discretion that a lower rate is applicable); and

(iii) it shall be assumed that the Centuri Group elects not to carry back any Tax Attributes.

(b) In the case of any Straddle Period in which there is a Deconsolidation, the following conventions shall apply (in addition to those conventions in clause (a)):

(i) all Taxes shall be allocated in accordance with the Closing of the Books Method; provided, however, that if any Centuri Group member does not close its taxable year on the Deconsolidation Date, the Taxes attributable to the Post-Deconsolidation Period shall be computed using a hypothetical closing of the books consistent with the Closing of the Books Method;



(ii) any Tax Item of any Centuri Group member arising from a transaction engaged in outside of the ordinary course of business on the Deconsolidation Date shall be allocable to Centuri and any such transaction by or with respect to any Centuri Group member occurring on the Deconsolidation Date shall be treated for all Tax purposes (to the extent permitted by applicable Tax Law) as occurring at the beginning of the day following the Deconsolidation Date in accordance with the principles of Treasury Regulations Section 1.1502-76(b) (assuming no election is made under Treasury Regulations Section 1.1502-76(b)(2)(ii) (relating to a ratable allocation of a year's Tax Items)) or any similar state or local Tax Law; and

(iii) any deferred Tax liability that is attributable to the Centuri Business and that is accelerated or otherwise required to be reported on any Joint Return as a result of the Deconsolidation shall be treated as arising in the Post-Deconsolidation Period.

(c) The amount of any Centuri Separate Tax Liability shall not be less than zero.

(d) Centuri shall reimburse Parent for all reasonable costs and expenses paid or incurred by the Parent Group in connection with determining the amount of any Centuri Separate Tax Liability.

(e) In the event of any redetermination of a Tax liability in respect of any Joint Return, the Centuri Separate Tax Asset or Centuri Separate Tax Liability applicable to such Joint Return shall be recomputed. If, as a result of such recalculation, Centuri would be allocated additional Taxes pursuant to Section 2.1, Centuri shall promptly pay over to Parent such amounts in accordance with Section 3.8. If, as a result of such recalculation, Centuri would be allocated less Taxes pursuant to Section 2.1 than it previously paid, Parent shall promptly pay over to Centuri such amounts in accordance with Section 3.8.

2.3 Transfer Taxes. All Transfer Taxes, as reasonably determined by Parent, shall be borne equally by the Parent Group and the Centuri Group. The Party legally responsible for doing so will file all necessary Tax Returns and other documentation with respect to all such Transfer Taxes (and the Parent Group and each Centuri Group shall cooperate with respect thereto as necessary).

2.4 Centuri Separate Tax Assets; Tax Refunds.

(a) Parent shall pay to Centuri no later than thirty (30) Business Days after the filing of any Joint Return the amount of any Centuri Separate Tax Asset that was utilized to reduce the Tax liability shown on such Joint Return. Centuri shall repay Parent any amounts paid over pursuant to this Section 2.4(a) in the event that the use of such Centuri Separate Tax Asset is disallowed by any Taxing Authority.

(b) Parent shall be entitled to all Refunds of any Taxes for which Parent is responsible for payment pursuant to this Article 2. Centuri shall be entitled to all Refunds of any Taxes for which Centuri is responsible for payment pursuant to this Article 2.

(c) Parent shall pay to Centuri any Refund received by Parent or any member of the Parent Group that is allocable to Centuri pursuant to this Section 2.4 no later than thirty (30) Business Days after the receipt of such Refund. Centuri shall pay to Parent any Refund received by Centuri or any Centuri Group member that is allocable to Parent pursuant to this Section 2.4 no later than thirty (30) Business Days after the receipt of such Refund.

(d) Each Party, upon the request of the other Party, shall repay to the requesting Party the amount paid over pursuant to Section 2.4(c) (plus any penalties, interest or other charges imposed by



the relevant Taxing Authority) in the event that such Party is required to repay such Refund to such Taxing Authority.

2.5 Tax Benefits. If Parent determines, in its sole discretion, that one Party realizes any Tax Benefit as a result of any liability, obligation, loss or payment for which the other Party is required to indemnify the first Party pursuant to this Agreement or under applicable Tax Law, then the Party that realizes such Tax Benefit shall pay to the other Party the amount of such Tax Benefit, as determined by Parent in its sole discretion, no later than thirty (30) Business Days after the realization of such Tax Benefit. For purposes of this Section 2.5, any Tax Benefit shall be deemed to be realized on the earlier of (i) the date on which a Tax Return is filed claiming such Tax Benefit, and (ii) the date on which payment of the Tax which would have otherwise been paid absent such Tax Benefit is due (determined without taking into account any applicable extensions). If the Tax Benefit is subsequently disallowed by any Taxing Authority, the Party that received the amount of such Tax Benefit shall repay such amount to the other Party.

2.6 Prior Agreements. Any and all existing Tax sharing agreements or arrangements, written or unwritten, between any member of the Parent Group, on the one hand, and any Centuri Group member, on the other hand, if not previously terminated, shall be terminated with respect to any member of the Centuri Group as of the Separation Date without any further action by the parties thereto. Following the Separation Date, no member of the Centuri Group shall have any further rights or liabilities thereunder, and this Agreement and any Transaction Agreement (to the extent such Transaction Agreement reflects any agreement between the Parties as to Tax sharing) shall be the sole Tax sharing agreement between the members of the Parent Group on the one hand, and the members of the Centuri Group, on the other hand. For the avoidance of doubt, this Section 2.6 shall not impact the current Tax Allocation Agreement for any parties thereto other than the Centuri Group.

ARTICLE 3 PREPARATION AND FILING OF TAX RETURNS

3.1 Parent Responsibility. Parent shall prepare and file when due (taking into account any applicable extensions), or shall cause to be prepared and filed, all Joint Returns and all Parent Stand-Alone Tax Returns, including any amendments to such Tax Returns.

3.2 Centuri Responsibility. Centuri shall prepare and file when due (taking into account any applicable extensions), or shall cause to be prepared and filed, all Tax Returns, including any amended Tax Returns filed pursuant to Section 3.4 or Section 3.9(a), required to be filed by or with respect to members of the Centuri Group other than those Tax Returns which Parent is required to prepare and file under Section 3.1. The Tax Returns required to be prepared and filed by Centuri under this Section 3.2 shall include any Centuri Stand-Alone Tax Returns and any amended Centuri Stand-Alone Tax Returns filed pursuant to Section 3.4 or Section 3.9(a).

3.3 Right to Review Tax Returns.

(a) For so long as Parent is required to consolidate the results of operations and financial position of Centuri in its financial statements or, if the Distribution is effected, during the Restricted Period, Centuri shall provide a draft of any Centuri Stand-Alone Tax Return that is an Income Tax Return and, if requested by Parent, a draft of any other Centuri Stand-Alone Tax Return, to Parent at least thirty (30) days prior to the due date for such Tax Return (taking into account extensions) or as otherwise agreed in writing by Parent, and Centuri shall modify the relevant Tax Return to reflect any reasonable comments of Parent received at least fourteen (14) days prior to the due date for such Tax Return (taking into account extensions) that relate to items that would reasonably be expected to adversely affect the Tax or GAAP position of Parent or any member of the Parent Group.

(b) To the extent that the positions taken on any Tax Return would reasonably be expected to materially affect the Tax-Free Status of the Distribution, if effected, or any Tax position of the non-filing Party pursuant to Section 3.1 or 3.2 (the “Reviewing Party”), the Party required to prepare and file such Tax Return (the “Responsible Party”) shall prepare the portion of such Tax Return that relates to the business of the Reviewing Party (either the Parent Business or the Centuri Business, as the case may be) and use reasonable efforts to provide a draft of the relevant portions of such Tax Return to the Reviewing Party at least thirty (30) days prior to the due date for such Tax Return (taking into account extensions); provided, however, that Parent shall not be required to provide any portion of a Joint Return other than information relating solely to Centuri or a Centuri Group member. In such cases where Centuri is the Responsible Party, Centuri shall modify the relevant Tax Return to reflect any reasonable comments received at least fourteen (14) days prior to the due date for such Tax Return (taking into account extensions) that relate to items that would reasonably be expected to adversely affect the Tax position of any member of the Parent Group. In such cases where Parent is the Responsible Party, Parent shall consider in its sole discretion any comments received at least fourteen (14) days prior to the due date for such Tax Return (taking into account extensions) that relate to items that would reasonably be expected to adversely affect the Tax position of any member of the Centuri Group.

3.4 Cooperation. The Parties shall provide, and shall cause their Affiliates to provide, assistance and cooperation to one another in accordance with Article 6 with respect to the preparation and filing of Tax Returns or with respect to any Tax Contests or other Tax matters, including providing information required to be provided in Article 7. Notwithstanding anything to the contrary in this Agreement, Parent shall not be required to disclose to Centuri any Joint Return of which a member of the Parent Group is the common parent or any information related to such Joint Return other than information relating solely to Centuri or any Centuri Group member. If an amended Centuri Stand-Alone Tax Return is required to be filed as a result of an amendment made to a Joint Return pursuant to an Adjustment, then the Parties shall cooperate to ensure that such amended Centuri Stand-Alone Tax Return can be prepared and filed in a manner that preserves confidential information including through the use of third-party preparers.

3.5 Centuri Tax Reporting Requirements. Except as provided in Section 3.6, with respect to any Tax Return for any taxable period that begins on or before the latest of (x) the end of the Restricted Period, (y) the date that is two years after the Deconsolidation Date or (z) the date upon which Parent is no longer required to consolidate the results of operations and financial position of Centuri in its financial statements, Centuri shall prepare all Centuri Stand-Alone Tax Returns in a manner consistent with past practices, accounting methods, elections or conventions (“Past Practices”) used with respect to the Tax Returns in question (unless there is no Reasonable Basis for the use of such Past Practices), and to the extent any items, methods or positions are not covered by Past Practices (or in the event that there is no Reasonable Basis for the use of such Past Practices), as directed by Parent in its reasonable discretion to the extent permitted by applicable Tax Law.

3.6 Reporting of the Transactions. Unless and until there has been a Final Determination to the contrary, each Party agrees not to take any position on any Tax Return, in connection with any Tax Contest, or otherwise that is inconsistent with (a) the treatment of payments between the Parent Group and the Centuri Group as set forth in Section 5.4, (b) the Tax Materials, (c) the Tax-Free Status of the Distribution, if effected, or (d) the treatment of the Separation as a transaction entitled to nonrecognition of gain pursuant to Section 368 and/or 351 of the Code.

3.7 Section 336(e) Election. After the date hereof, Parent shall determine, in its sole discretion, whether to make an election (which may be a protective election, if available) under Section 336(e) of the Code and the Treasury Regulations promulgated thereunder (and any corresponding or analogous provisions of state and local Tax Law) in connection with any “qualified stock disposition” within the meaning of Treasury Regulations Section 1.336-1(b)(6) (which may include the Distribution, if taxable in

whole or in part), with respect to Centuri and each other Centuri Group member that is a domestic corporation for U.S. federal income tax purposes (a “Section 336(e) Election”). If Parent determines that a Section 336(e) Election shall be made:

(a) Parent, Centuri, and their respective Affiliates shall cooperate in making the Section 336(e) Election, including by filing any statements, amending any Tax Returns, or taking such other actions as are reasonably necessary to carry out the Section 336(e) Election;

(b) if Centuri or any Centuri Group member realizes an increase in Tax basis as a result of the Section 336(e) Election (the “Section 336(e) Tax Basis”), including if the Distribution is completed but fails to qualify (in whole or in part) for the Tax-Free Status, then the Tax Benefits realized by Centuri and each Centuri Group member as a result of the Section 336(e) Tax Basis shall be shared between Parent and Centuri in the same proportion as the Taxes that gave rise to the Section 336(e) Tax Basis were borne by Parent and Centuri (after giving effect to the indemnification obligations in this Agreement); and

(c) if the Section 336(e) Election becomes effective, each Party agrees not to take any position (and to cause each of its Affiliates not to take any position) that is inconsistent with the Section 336(e) Election on any Tax Return, in connection with any Tax Contest, or otherwise, except as may be required by a Final Determination.

3.8 Payment of Taxes.

(a) With respect to any Tax Return required to be filed pursuant to this Agreement, the Responsible Party shall remit or cause to be remitted to the applicable Taxing Authority in a timely manner any Taxes due in respect of any such Tax Return.

(b) In the case of any Tax Return for which the Reviewing Party is obligated pursuant to this Agreement to pay all or a portion of the Taxes reported as due on such Tax Return, the Responsible Party shall notify the other Party, in writing, of its obligation to pay such Taxes and, in reasonably sufficient detail, its calculation of the amount due by such other Party, and the Reviewing Party shall pay such amount to the Responsible Party no later than (5) Business after the receipt of such notice.

(c) With respect to any estimated Taxes, the Party that is or will be the Responsible Party with respect to any Tax Return that will reflect (or otherwise give credit for) such estimated Taxes shall remit or cause to be remitted to the applicable Taxing Authority in a timely manner any estimated Taxes due. In the case of any estimated Taxes for which the Party that is not the Responsible Party is obligated pursuant to this Agreement to pay all or a portion of the Taxes that will be reported as due on any Tax Return that will reflect (or otherwise give credit for) such estimated Taxes, the Responsible Party shall notify the other Party, in writing, of its obligation to pay such estimated Taxes and, in reasonably sufficient detail, its calculation of the amount due by such other Party and the Party receiving such notice shall pay such amount to the Responsible Party no later than five (5) Business Days after the receipt of such notice.

(d) If any Party pays estimated Taxes to such other Party and the aggregate amount of such estimated Taxes exceeds the amount of Taxes actually payable pursuant to the Tax Return filed with respect to such Taxes, such first Party shall reimburse such other Party within five (5) Business Days after the applicable Tax Return has been filed.

3.9 Amended Returns and Carrybacks.

(a) For so long as Parent is required to consolidate the results of operations and financial position of Centuri in its financial statements or, if the Distribution is effected, until the end of the Restricted Period, Centuri shall not, and shall not permit any Centuri Group member to, file or allow to be

filed any amended Tax Return or any other request for an Adjustment without the prior written consent of Parent, such consent to be exercised in Parent's sole discretion.

(b) Centuri shall, and shall cause each Centuri Group member to, make any available elections to waive the right to carry back any Tax Attribute from a Post-Deconsolidation Period to a Pre-Deconsolidation Period.

(c) Centuri shall not, and shall cause each Centuri Group member not to, without the prior written consent of Parent, make any affirmative election to carry back any Tax Attribute from a Post-Deconsolidation Period to a Pre-Deconsolidation Period, such consent to be exercised in Parent's sole discretion.

(d) Receipt of consent by Centuri or a Centuri Group member from Parent pursuant to the provisions of this Section 3.9 shall not limit or modify Centuri's continuing indemnification obligation pursuant to Article 5.

3.10 Tax Attributes. In connection with a Deconsolidation, Parent shall advise Centuri in writing of the amount (if any) of any Tax Attributes which Parent determines, in its sole discretion, shall be allocated or apportioned to the Centuri Group for Tax purposes in accordance with Past Practice and applicable Tax Law, including the regulations under Section 1502 of the Code. Centuri and all members of the Centuri Group shall prepare all Tax Returns in accordance with such notice. Centuri agrees that it shall not dispute Parent's determination of Tax Attributes. For the avoidance of doubt, Parent shall not be required in order to comply with this Section 3.10 to create or cause to be created any books and records or reports or other documents based thereon (including, without limitation, any "E&P studies," "basis studies" or similar determinations) that it does not maintain or prepare in the ordinary course of business. The allocations made under this Section 3.10 shall be revised by Parent, in its sole discretion, to reflect each subsequent Final Determination or change in Law that affects such allocations or the amounts of Tax Attributes available for allocation. Notwithstanding any provision of this Agreement to the contrary, for the avoidance of doubt, the Parties agree that Parent is not warranting or guaranteeing the amount of any such Tax Attributes and Parent shall not be liable to any Centuri Group member for any failure of any determination under this Section 3.10 to be accurate under applicable Tax Law.

ARTICLE 4 TAX-FREE STATUS OF THE DISTRIBUTION

4.1 Certain Covenants Related to the Tax-Free Status of the Distribution. If Parent determines to effectuate the Distribution, Parent, on behalf of itself and all other members of the Parent Group, and Centuri, on behalf of itself and all other members of the Centuri Group, hereby agree to make certain representations and warranties and to provide any Tax Certificates requested by any Tax Advisor in connection with the rendering of any Tax Opinion related to the Tax-Free Status of the Distribution.

4.2 Certain Restrictions Relating to the Tax-Free Status of the Distribution.

(a) Centuri, on behalf of itself and all other members of the Centuri Group, hereby covenants and agrees that no Centuri Group member will take, fail to take, or cause or permit to be taken any action where such action or failure to act (a) would be inconsistent with or cause to be untrue any statement, information, covenant, or representation in the IRS Ruling Request, any Tax Certificate provided in accordance with Section 4.1, and any Tax Opinion (collectively, the "Tax Materials"), or (b) constitutes a Centuri Disqualifying Action.

(b) From the Separation Date through the end of the Restricted Period, Centuri shall, and shall cause each Centuri Group member whose Active Trade or Business is relied upon in the Tax Materials for purposes of qualifying for the Tax-Free Status, to:

(i) (a) maintain its status as a company engaged in the Active Trade or Business for purposes of Section 355(b)(2) of the Code, (b) not engage in any transaction that would cause Centuri to cease to be a company engaged in the Active Trade or Business for purposes of Section 355(b)(2) of the Code, and (c) not dispose of any interest in a Centuri Group member whose Active Trade or Business is relied upon in the Tax Materials for purposes of qualifying for the Tax-Free Status;

(ii) not voluntarily dissolve or liquidate itself (including any action that is a liquidation for U.S. federal income tax purposes); provided, however, that any Centuri Group member may liquidate into another Centuri Group member;

(iii) not (i) enter into any Proposed Acquisition Transaction or, to the extent Centuri has the right to prohibit any Proposed Acquisition Transaction, permit any Proposed Acquisition Transaction to occur, (ii) redeem or otherwise repurchase (directly or through an Affiliate) any Centuri Capital Stock, or rights to acquire Centuri Capital Stock, except to the extent such repurchases satisfy Section 4.05(1)(b) of Revenue Procedure 96-30 (as in effect prior to the amendment of such Revenue Procedure by Revenue Procedure 2003-48), (iii) amend its certificate of incorporation (or other organizational documents), or take any other action, whether through a stockholder vote or otherwise, affecting the relative voting rights of Centuri Capital Stock (including through the conversion of any class of Centuri Capital Stock into another class of Centuri Capital Stock), including any agreement with a shareholder to provide for the right to appoint board members, (iv) merge or consolidate with any other Person (other than another Centuri Group member), or (v) take any other action or actions (including any action or transaction that would be reasonably likely to be inconsistent with any of the statements and representations made or set forth in the Tax Materials) which in the aggregate, when combined with any other direct or indirect changes in ownership of Centuri Capital Stock pertinent for purposes of Section 355(e) of the Code, would be reasonably likely to have the effect of causing or permitting one or more Persons (whether or not acting in concert) to acquire directly or indirectly stock representing a forty percent (40%) or greater interest in Centuri (measured by voting power or value) or otherwise jeopardize the Tax-Free Status of the Distribution;

(iv) not sell, transfer, or otherwise dispose of or agree to, sell, transfer or otherwise dispose of (including in any transaction treated for U.S. federal income tax purposes as a sale, transfer, or disposition) assets (including any shares of capital stock of a subsidiary) that, in the aggregate, constitute more than twenty percent (20%) of the consolidated gross assets of Centuri or the Centuri Group. The foregoing sentence shall not apply to (i) sales, transfers, or dispositions of assets in the ordinary course of business, (ii) any cash paid to acquire assets from an unrelated Person in an arm's-length transaction, (iii) any assets transferred to a Person that is disregarded as an entity separate from the transferor for U.S. federal income tax purposes, or (iv) any mandatory or optional repayment (or prepayment) of any indebtedness of Centuri or any Centuri Group member. The percentages of gross assets or consolidated gross assets of Centuri or the Centuri Group, as the case may be, sold, transferred, or otherwise disposed of, shall be based on the fair market value of the gross assets of Centuri and the members of the Centuri Group as of the Separation Date, for all periods prior to the Distribution, if effected, and as of the Distribution Date, for all periods following the Distribution through the end of the Restricted Period. For purposes of this Section 4.2(b)(iv), a merger of Centuri or any Centuri Group member with and into any Person that is not a wholly-owned subsidiary of Centuri shall constitute a disposition of all of the assets of Centuri or such Centuri Group member; and

(v) not enter into any transaction or series of transactions that would be a Proposed Acquisition Transaction if the percentage reflected in the definition of Proposed Acquisition Transaction were twenty-five percent (25%) instead of forty percent (40%) (a “25% Transaction”) or, to the extent Centuri has the right or ability to prevent or prohibit any 25% Transaction, propose to permit any 25% Transaction to occur, in each case, without providing Parent, no later than ten (10) Business Days prior to the signing of any written agreement with respect to the 25% Transaction, a written description of such transaction (including the type and amount of Centuri Capital Stock to be issued in such transaction) and a certificate of the board of directors of Centuri to the effect that the 25% Transaction is not a Proposed Acquisition Transaction.

(c) Notwithstanding the restrictions imposed by Section 4.2(b), if Centuri or a Centuri Group member notifies Parent that it desires to take one of the actions described therein (a “Notified Action”) following the Separation Date through the end of the Restricted Period, Centuri or a Centuri Group member may take such Notified Action if, prior to taking such Notified Action, either (i) Parent agrees in its sole discretion, upon the request of Centuri, to request a private letter ruling (including a supplemental ruling, if applicable) from the IRS (a “Post-Distribution Ruling”) in accordance with Section 4.3(b) to the effect that such transaction will not affect the Tax-Free Status of the Distribution and Parent receives such Post-Distribution Ruling in a form and substance satisfactory to Parent in its sole discretion, or (ii) Centuri obtains an Unqualified Tax Opinion regarding such Notified Action in form and substance satisfactory to Parent in its sole discretion and Parent notifies Centuri that such Unqualified Tax Opinion is in form and substance satisfactory to Parent in its sole discretion. Parent’s evaluation of an Unqualified Tax Opinion may consider, among other factors, the appropriateness of any underlying assumptions, representations, and covenants made in connection with such opinion (and, for the avoidance of doubt, Parent may determine that no opinion would be acceptable to Parent). Centuri shall bear all costs and expenses of securing any such Post-Distribution Ruling or Unqualified Tax Opinion and shall reimburse Parent for all reasonable out-of-pocket expenses that Parent or any of its Affiliates may incur in good faith in seeking to obtain or evaluate any such Post-Distribution Ruling or Unqualified Tax Opinion. None of the obtaining of a Post-Distribution Ruling, the delivery of an Unqualified Tax Opinion or Parent’s waiver of Centuri’s obligation to obtain a Post-Distribution Ruling or deliver an Unqualified Tax Opinion shall limit or modify Centuri’s continuing indemnification obligation pursuant to Article 5.

4.3 Procedures Regarding Post-Distribution Rulings and Unqualified Tax Opinions.

(a) If Centuri determines that it desires to take a Notified Action, Centuri shall notify Parent of this fact in writing.

(b) Unless Parent has waived the requirement to obtain a Post-Distribution Ruling or Unqualified Tax Opinion, if Parent agrees in its sole discretion, upon the written request of Centuri, to request a Post-Distribution Ruling or Unqualified Tax Opinion with respect to a Notified Action, Parent shall use commercially reasonable efforts to cooperate with Centuri and to seek to obtain, as expeditiously as possible, a Post-Distribution Ruling from the IRS (and/or any other applicable Taxing Authority) or an Unqualified Tax Opinion for the purpose of permitting Centuri to take the Notified Action, subject in all respects to the provisions of Section 4.2(c). Notwithstanding the foregoing, Parent shall not be required to file or cooperate in the filing of any request for a Post-Distribution Ruling under this Section 4.3(b) unless Centuri represents that (i) it has reviewed such request for a Post-Distribution Ruling, and (ii) all statements, information and representations relating to any Centuri Group member contained in such request for a Post-Distribution Ruling are (subject to any qualifications therein) true, correct and complete. Centuri shall reimburse Parent for all reasonable costs and expenses, including out-of-pocket expenses and expenses relating to the utilization of Parent personnel, incurred by the Parent Group in obtaining a Post-Distribution Ruling or Unqualified Tax Opinion requested by Centuri within thirty (30) Business Days after receiving an invoice from Parent therefor.

(c) Parent shall have the right to obtain a Post-Distribution Ruling or an Unqualified Tax Opinion at any time in its sole discretion. If Parent determines in its sole discretion to obtain a Post-Distribution Ruling or an Unqualified Tax Opinion, Centuri shall (and shall cause each Affiliate of Centuri to) cooperate with Parent and take any and all actions reasonably requested by Parent in connection with obtaining the Post-Distribution Ruling or Unqualified Tax Opinion as expeditiously as possible (including by making any representation or covenant or providing any materials or information requested by the IRS, any other applicable Taxing Authority or a Tax Advisor; provided, that, Centuri shall not be required to make (or cause any Affiliate of Centuri to make) any representation or covenant that is inconsistent with historical facts or as to future matters or events or that relates to matters or events over which it has no control). Parent shall reimburse Centuri for all reasonable costs and expenses, including out-of-pocket expenses and expenses relating to the utilization of Centuri personnel, incurred by the Centuri Group in connection with such cooperation within thirty (30) Business Days after receiving an invoice from Centuri therefor.

(d) Parent shall have sole and exclusive control over the process of obtaining any Post-Distribution Ruling, and only Parent shall be permitted to apply for a Post-Distribution Ruling. In connection with obtaining a Post-Distribution Ruling, Parent shall (i) keep Centuri informed in a timely manner of all material actions taken or proposed to be taken by Parent in connection therewith; (ii) (A) reasonably in advance of the submission of any request for any Post-Distribution Ruling, provide Centuri with a draft copy thereof, (B) reasonably consider Centuri comments on such draft copy, and (C) provide Centuri with a final copy of such Post-Distribution Ruling; and (iii) provide Centuri with notice reasonably in advance of, and Centuri shall have the right to attend, any formally scheduled meetings with the IRS or other applicable Taxing Authority (subject to the approval of the IRS or such Taxing Authority) that relate to such Post-Distribution Ruling. Neither Centuri nor any Affiliate of Centuri directly or indirectly controlled by Centuri shall seek any guidance from the IRS or any other Taxing Authority (whether written, oral or otherwise) at any time concerning the Separation or the Distribution (including the impact of any transaction on the Separation or the Distribution).

(e) Any Post-Distribution Ruling or Unqualified Tax Opinion obtained in accordance with Section 4.2(c) and Section 4.3, and any tax representation letters or other materials delivered or deliverable in connection with the issuance of such a Post-Distribution Ruling or Unqualified Tax Opinion, shall be deemed included in the definition of Tax Materials from and after the obtaining thereof for all purposes of this Agreement.

4.4 Termination Upon a Sunset Date. The provisions set forth in this Article 4 shall terminate and cease to be effective on the day immediately following the Sunset Date.

ARTICLE 5 INDEMNIFICATION PAYMENTS

5.1 Indemnification Obligations. Notwithstanding anything to the contrary in this Agreement:

(a) Parent shall indemnify and hold harmless Centuri from and against, and will reimburse Centuri for, (i) all liability for Taxes allocated to Parent pursuant to Article 2, (ii) all Taxes and Tax-Related Losses arising out of, based upon, or relating or attributable to any breach of or inaccuracy in, or failure to perform, as applicable, any representation, covenant, or obligation of any member of the Parent Group pursuant to this Agreement, (iii) the amount of any Centuri Separate Tax Asset determined pursuant to Section 2.4, (iv) the amount of any Refund or Tax Benefit received by any member of the Parent Group that is allocated to Centuri pursuant to Section 2.4 or 2.5 and (v) any amount received by any member of the Parent Group from any member of the Centuri Group that is described in Section 3.8(d).

(b) Without regard to whether a Post-Distribution Ruling or Unqualified Tax Opinion may have been provided, if applicable, or whether any action is permitted or consented to hereunder and notwithstanding anything else to the contrary contained herein, Centuri shall indemnify and hold harmless Parent from and against, and will reimburse Parent for, (i) all liability for Taxes allocated to Centuri pursuant to Article 2, (ii) all Taxes and Tax-Related Losses arising out of, based upon, or relating or attributable to any breach of or inaccuracy in, or failure to perform, as applicable, any representation, covenant, or obligation of any Centuri Group member pursuant to this Agreement, (iii) the amount of any Centuri Separate Tax Asset that is subsequently disallowed, (iv) the amount of any Refund or Tax Benefit received by any Centuri Group member that is allocated to Parent pursuant to Section 2.4, 2.5 or 3.7(b), (v) any Taxes and Tax-Related Losses attributable to a Centuri Disqualifying Action (regardless of whether the conditions set forth in Section 4.2(c) are satisfied), (vi) any amount received by any member of the Centuri Group from any member of the Parent Group that is described in Section 3.8(d) and (vii) any amounts owned by Centuri to Parent pursuant to Section 6.2. The amount of any liability for Taxes that are indemnifiable pursuant to this Section 5.1(b) shall be determined, in Parent's sole and absolute discretion, without regard to any Tax Attributes of the Parent Group or the Parent Business.

(c) To the extent that any Tax or Tax-Related Loss is subject to indemnity pursuant to both Sections 5.1(a) and 5.1(b), responsibility for such Tax or Tax-Related Loss shall be shared by Parent and Centuri according to relative fault as determined by Parent in its sole discretion.

5.2 Indemnification Payments.

(a) Except as otherwise provided in this Agreement, if either Party (the "Indemnitee") is required to pay to a Taxing Authority a Tax or to another Person a payment in respect of a Tax for which the other Party (the "Indemnifying Party") is liable for under this Agreement, including as a result of a Final Determination, the Indemnitee shall notify the Indemnifying Party, in writing, of its obligation to pay such Tax and, in reasonably sufficient detail, its calculation of the amount due by such Indemnifying Party to the Indemnitee, including any Tax-Related Losses attributable thereto. The Indemnifying Party shall pay such amount, including any Tax-Related Losses attributable thereto, to the Indemnitee no later than ten (10) Business Days after the receipt of notice from the other Party.

(b) If, as a result of any change or redetermination, any amount previously allocated to and borne by one Party pursuant to the provisions of Article 2 is thereafter allocated to the other Party, then, no later than ten (10) Business Days after such change or redetermination, such other Party shall pay to the first Party the amount previously borne by such Party which is allocated to such other Party as a result of such change or redetermination.

5.3 Payment Mechanics.

(a) All payments under this Agreement shall be made by Parent directly to Centuri and by Centuri directly to Parent; provided, however, that if the Parties mutually agree with respect to any such indemnification payment, any member of the Parent Group, on the one hand, may make such indemnification payment to any Centuri Group member, on the other hand, and vice versa. All indemnification payments shall be treated in the manner described in Section 5.4.

(b) In the case of any payment of Taxes made by a Responsible Party or Indemnitee pursuant to this Agreement for which such Responsible Party or Indemnitee, as the case may be, has received a payment from the other Party, such Responsible Party or Indemnitee shall provide to the other Party a copy of any official government receipt received with respect to the payment of such Taxes to the applicable Taxing Authority (or, if no such official governmental receipts are available, executed bank payment forms or other reasonable evidence of payment).

5.4 Treatment of Payments. The Parties agree that any payment made between the Parties pursuant to this Agreement shall be treated for all U.S. federal income tax purposes, to the extent permitted by Law, as either (a) a non-taxable contribution by Parent to Centuri, or (b) a distribution by Centuri to Parent, and, in the case of any payment made between the Parties pursuant to this Agreement after a Deconsolidation Date, such payment shall be treated as having been made immediately prior to the Deconsolidation Date. Notwithstanding the foregoing, Parent shall notify Centuri if it determines that any payment made pursuant to this Agreement is to be treated, for any Tax purposes, as a payment made by one Party acting as an agent of one of such Party's subsidiaries to the other Party acting as an agent of one of such other Party's subsidiaries, and the Parties agree to treat any such payment accordingly. Any Tax indemnity payment made by a Party under this Agreement shall be increased as necessary so that after making all payments in respect of Taxes imposed on or attributable to such indemnity payment, the recipient Party receives an amount equal to the sum it would have received had no such Taxes been imposed.

ARTICLE 6 ASSISTANCE AND COOPERATION

6.1 Assistance and Cooperation.

(a) Each Party shall fully cooperate, and shall cause all members of such Party's Group to fully cooperate, with all reasonable information and documentation requests in writing from the other Party, or from an agent, representative, or advisor of such Party, in connection with the preparation and filing of any Tax Return, claims for Refunds, the conduct of any Tax Contest, and calculations of amounts required to be paid pursuant to this Agreement, in each case, related or attributable to or arising in connection with Taxes of either Party or any member of either Party's Group covered by this Agreement and the establishment of any reserve required in connection with any financial reporting. Such cooperation shall include making available, upon reasonable notice, all information and documents in their possession relating to the other Party and its respective Affiliates as provided in this Section 6.1 and Article 7. Each Party shall make its employees, advisors and facilities available, on a reasonable and mutually convenient basis in connection with the foregoing matters in a manner that does not interfere with the ordinary business operations of such Party. The Parties shall use commercially reasonable efforts to provide any information or documentation requested by the other Party in a manner that permits the other Party (or its Affiliates) to comply with Tax Return filing deadlines or other applicable timing requirements.

(b) Any information or documents provided under this Section 6.1 shall be kept confidential by the Party receiving the information or documents, except as may otherwise be necessary in connection with the filing of Tax Returns or in connection with any Tax Contest. Notwithstanding any other provision of this Agreement or any other agreement, (i) no Party or any of its Affiliates shall be required to provide another Party or any Affiliate thereof or any other Person access to or copies of any information or procedures (including the proceedings of any Tax Contest) other than information or procedures that reasonably relate to the Taxes (including any Taxes for which the first Party is liable under this Agreement), business or assets of the first Party or any of its Affiliates or are necessary to prepare Tax Returns for which the first Party is responsible for preparing the applicable Tax Return in accordance with the terms of this Agreement, and (ii) in no event shall any Party or its Affiliates be required to provide another Party, any of its Affiliates or any other Person access to or copies of any information if such action could reasonably be expected to result in the waiver of any privilege that may be asserted under applicable Law, including any privilege arising under or relating to the attorney-client relationship (including the attorney-client and work product privileges), the accountant-client privilege and any privilege relating to internal evaluation processes (each, a "Privilege"). In the event that a Party determines that the provision of any information to another Party or any of its Affiliates could be commercially detrimental, violate any Law or agreement or waive any Privilege, the first Party shall use reasonable best efforts to permit compliance with its obligations under this Section 6.1 in a manner that avoids any such harm or consequence.

6.2 Transition Services.

(a) For the period of two years following the Separation, as reasonably requested by Centuri, Parent shall use its commercially reasonable efforts in a manner consistent with past efforts and practices to provide, or cause to be provided, to Centuri and any member of the Centuri Group assistance in filing any Centuri Stand-Alone Tax Return or other tax services requested by Centuri and agreed to by Parent (the “Tax Services”).

(b) Except as expressly agreed herein, in connection with the performance of its obligations under Section 6.2(a), in no event shall Parent be obligated to (i) make modifications to its existing systems, (ii) acquire additional assets, equipment, rights or properties (including computer equipment, software, furniture, furnishings, fixtures, machinery, vehicles, tools and other tangible personal property), (iii) hire additional employees, (iv) maintain the employment of any specific employee, (v) perform any service that it, in good faith, believes requires consent, approval, authorization, filing or notice with any Taxing Authority, (vi) pay any fees, costs or expenses with respect to the provision of the Tax Services (other than ordinary course compensation to employees providing the Tax Services) or (vii) perform any actions with respect to the Tax Services that Parent considers, in its sole discretion, to be overly burdensome to Parent or disruptive to Parent’s conduct of the Parent Business. Parent may delegate performance of all or any part of the Tax Services to any Affiliate or one or more reputable third parties; provided, (A) no such delegation by Parent to any such Affiliate or third party shall in any way affect the rights of Centuri to receive the Tax Services or relieve Parent of any of its obligations under Section 6.2(a) and (B) Parent will remain responsible for all actions and omissions of any such Affiliate or third party.

(c) Parent shall be entitled to, and Centuri shall pay, or cause to be paid to Parent, a fee for the Tax Services, which shall include the following:

1. Reimbursement for the cost, without further mark-up, of Parent or its Affiliate performing the Tax Services; provided, however, if Parent or its Affiliate is required pursuant to any applicable Law or rule of a regulatory body having jurisdiction to charge a price for any given Tax Service other than cost, it will do so in compliance with such Law or rule after notice to Centuri.
2. Reimbursement for all third party costs and out of pocket costs and expenses actually and reasonably incurred in connection with the provision of the Tax Services.

(d) Parent shall submit an invoice (each, an “Invoice”) to Centuri on a monthly basis consistent with the current practice setting forth the charges for the Tax Services provided for the preceding month. Centuri shall be obligated to pay each Invoice within thirty (30) days of receipt of such Invoice. The amounts invoiced shall be paid by wire transfer of immediately available funds to the bank account designated in writing by Parent. Interest will accrue on any unpaid invoiced amounts (so long as such amounts are not subject to a good faith dispute by Centuri in accordance with Section 6.2(e)) at a rate of eight percent (8%) per annum from the date due, compounded quarterly, until such amounts, together with all accrued and unpaid interest thereon, are paid in full. Any preexisting obligation to make payment for any Tax Service provided hereunder shall survive the expiration or earlier termination of such Tax Service or this Agreement.

(e) Centuri may object to the amount of any Invoice at any time before payment is made, provided that any such objection is made in writing to Parent no later than twenty (20) Business Days after receipt of such Invoice; and further provided that any such objection shall not relieve Centuri of its obligations pursuant to Section 6.2(d). Payment or acceptance of payment of any amount set forth in an Invoice shall not constitute approval thereof. The Parties shall meet as expeditiously as possible to resolve any payment dispute. Any payment dispute that is not resolved between the Parties within twenty (20)

Business Days shall be resolved in accordance with Article 9. If a payment dispute is resolved in favor of Centuri, Centuri will no longer be obligated to pay the disputed amount under the disputed Invoice, Parent will return any such disputed amount paid by Centuri, and Parent will issue a new Invoice with the new, mutually agreed amount (if any).

ARTICLE 7 TAX RECORDS

7.1 Retention of Tax Records. For seven (7) years after a Deconsolidation Date, the Parties shall retain records, documents, accounting data, and other information (including computer data) necessary for the preparation and filing of all Tax Returns (collectively, “Tax Records”) in respect of Taxes of any member of either the Parent Group or the Centuri Group for any Pre-Deconsolidation Period or Post-Deconsolidation Period or for any Tax Contests relating to such Tax Returns. Prior to the seven (7) year anniversary of a Deconsolidation Date (at which point the Parent Group shall be permitted to destroy any Tax Records in its possession), Centuri may request in writing, and the Centuri Group shall be entitled to receive, such requested Tax Records that pertain solely to Centuri as determined in Parent’s sole discretion. Prior to the seven (7) year anniversary of a Deconsolidation Date (at which point the Centuri Group shall be permitted to destroy any Tax Records in its possession), Parent may request in writing, and the Parent Group shall be entitled to receive, such requested Tax Records.

7.2 Access to Tax Records. The Parties and their respective Affiliates shall make available to each other for inspection and copying, during normal business hours upon reasonable notice, all Tax Records (including, for the avoidance of doubt, any pertinent underlying data accessed or stored on any computer program or information technology system) in their possession, limited, in the case of the Parent Group, to those Tax Records that pertain to the Centuri Group or the Centuri Business. Each of the Parties shall permit the other Party and its Affiliates, authorized agents, and representatives and any representative of a Taxing Authority or other Tax auditor direct access, during normal business hours upon reasonable notice, to any computer program or information technology system used to access or store any Tax Records, in each case to the extent reasonably required by the other Party in connection with the preparation of Tax Returns or financial accounting statements, audits, litigation, or the resolution of items pursuant to this Agreement. The Party seeking access to the records of the other Party shall bear all out-of-pocket costs and expenses associated with such access, including any professional fees. Notwithstanding anything herein to the contrary, (a) this Section 7.2 shall not apply to the Parent Federal Consolidated Income Tax Return (except to the extent required pursuant to Section 3.3) and (b) no Party shall have the right to review any information, documentation or other materials that are subject to Privilege without the written consent of the other Party, which may be conditioned upon the Parties entering into a joint defense agreement to preserve Privilege.

ARTICLE 8 TAX CONTESTS

8.1 Notice. Each Party shall notify the other Party in writing no later than thirty (30) days, or as soon as reasonably practicable to permit a timely response to the Taxing Authority, after receipt by such Party or any member of its Group of a written communication from any Taxing Authority with respect to any pending or threatened audit, examination, claim, dispute, suit, action, proposed assessment, or other proceeding (a “Tax Contest”) concerning any Taxes for which the other Party may be liable pursuant to this Agreement, and thereafter shall promptly forward or make available to such Party copies of material notices and communications relating to such Tax Contest. A failure by an Indemnitee to give notice as provided in this Section 8.1 (or to promptly forward any such notices or communications) shall not relieve the Indemnifying Party of its indemnification obligation under this Agreement, except to the extent that the Indemnifying Party shall have been actually prejudiced by such failure.

8.2 Control of Tax Contests.

(a) Stand-Alone Tax Returns. Subject to Section 8.2(b), in the case of any Tax Contest with respect to any Stand-Alone Tax Return, the Party having the liability for the Tax pursuant to Article 2 shall have the sole responsibility and right to control the prosecution of such Tax Contest, including the exclusive right to communicate with agents of the applicable Taxing Authority and to control, resolve, settle, or agree to any deficiency, claim, or adjustment proposed, asserted, or assessed in connection with or as a result of such Tax Contest; provided, that for so long as Parent is required to consolidate the results of operations and financial position of Centuri in its financial statements, (i) Parent shall have the right to participate in the conduct of any Tax Contest involving a Centuri Stand-Alone Return at its own expense and (ii) Centuri shall not, and shall cause any member of the Centuri Group not to, settle, compromise or consent to the entry of any judgment with respect to such Tax Contest involving a Centuri Stand-Alone Return without the prior written consent of Parent.

(b) Joint Returns. In the case of any Tax Contest with respect to any Joint Return, Parent shall have the sole responsibility and right to control the prosecution of such Tax Contest, including the exclusive right to communicate with agents of the applicable Taxing Authority and to control, resolve, settle, or agree to any deficiency, claim, or adjustment proposed, asserted, or assessed in connection with or as a result of such Tax Contest.

(c) Distribution-Related Tax Contests. In the event of any Distribution-Related Tax Contest, Parent shall have the right to administer and control such Tax Contest (or, if such Distribution-Related Tax Contest relates to a Centuri Stand-Alone Return, Parent shall have the right to administer and control the portion of the Tax Contest that relates to the Tax-Free Status of the Distribution). If such a Tax Contest could reasonably be expected to result in a material payment by any member of the Centuri Group under applicable law or this Agreement, Parent shall (a) keep Centuri reasonably informed as to the status of such Tax Contest, (b) timely provide Centuri with copies of any material written correspondence or filings submitted to any Taxing Authority or judicial authority in connection with such Tax Contest, and (c) offer Centuri a reasonable opportunity to comment before submitting any significant written materials to be furnished in connection with such Tax Contest; provided, however that the final determination of the positions taken, including with respect to settlement or other disposition, in any Distribution-Related Tax Contest shall be made in the sole discretion of Parent and shall be final and not subject to the dispute resolution provisions of Article 9 or similar provision in any Transaction Agreement. The failure of Parent to take any action specified in the preceding sentence shall not relieve Centuri of any liability or obligation which it may have to Parent under this Agreement.

(d) Costs and Expenses. Except to the extent provided otherwise in this Agreement, the Party to which the Tax liability related to a Tax Contest is (or would be) allocated, as determined by Parent in its sole discretion, shall be responsible for all Tax-Related Losses incurred in connection with such Tax Contest, regardless of which Party is responsible for the conduct of such Tax Contest; provided that in the event such Tax liability is allocated to both Parties, such Tax-Related Losses shall be allocated to the Parties in such manner as the Parent determines in its sole discretion.

ARTICLE 9 DISPUTE RESOLUTION

9.1 Dispute Resolution. **SUBJECT TO SECTION 12.12, IN THE EVENT OF ANY DISPUTE BETWEEN THE PARTIES AS TO ANY MATTER COVERED BY THIS AGREEMENT, THE PARTIES SHALL APPOINT A NATIONALLY RECOGNIZED INDEPENDENT PUBLIC ACCOUNTING FIRM (THE “ACCOUNTING FIRM”) TO RESOLVE SUCH DISPUTE. IN THIS REGARD, THE ACCOUNTING FIRM SHALL MAKE DETERMINATIONS WITH RESPECT TO THE DISPUTED ITEMS BASED SOLELY ON**

REPRESENTATIONS MADE BY PARENT, CENTURI, AND THEIR RESPECTIVE REPRESENTATIVES, AND NOT BY INDEPENDENT REVIEW, AND SHALL FUNCTION ONLY AS AN EXPERT AND NOT AS AN ARBITRATOR AND SHALL BE REQUIRED TO MAKE A DETERMINATION IN FAVOR OF ONE PARTY ONLY. THE PARTIES SHALL REQUIRE THE ACCOUNTING FIRM TO RESOLVE ALL DISPUTES NO LATER THAN THIRTY (30) DAYS AFTER THE SUBMISSION OF SUCH DISPUTE TO THE ACCOUNTING FIRM, BUT IN NO EVENT LATER THAN THE DUE DATE FOR THE PAYMENT OF TAXES OR THE FILING OF THE APPLICABLE TAX RETURN, IF APPLICABLE, AND AGREE THAT ALL DECISIONS BY THE ACCOUNTING FIRM WITH RESPECT THERETO SHALL BE FINAL AND CONCLUSIVE AND BINDING ON THE PARTIES. THE ACCOUNTING FIRM SHALL RESOLVE ALL DISPUTES IN A MANNER CONSISTENT WITH THIS AGREEMENT AND, TO THE EXTENT NOT INCONSISTENT WITH THIS AGREEMENT, IN A MANNER CONSISTENT WITH THE PAST PRACTICES OF PARENT, EXCEPT AS OTHERWISE REQUIRED BY APPLICABLE TAX LAW. THE PARTIES SHALL REQUIRE THE ACCOUNTING FIRM TO RENDER ALL DETERMINATIONS IN WRITING AND TO SET FORTH, IN REASONABLE DETAIL, THE BASIS FOR SUCH DETERMINATION. THE FEES AND EXPENSES OF THE ACCOUNTING FIRM SHALL BE BORNE EQUALLY BY THE PARTIES. IN ADDITION, AND NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS SECTION 9.1, TO THE EXTENT ANY PROVISION OF THIS SECTION 9.1 WOULD CONFLICT WITH SECTION 12.12, THE PROVISIONS OF SECTION 12.12 SHALL CONTROL.

LATE PAYMENTS

Except as set forth in Section 6.2, with respect to any payment between the Parties pursuant to this Agreement not made by the due date set forth in this Agreement for such payment, the outstanding amount will accrue interest at a rate per annum equal to the rate in effect for underpayments under Section 6621 of the Code from such due date to and including the payment date.

ARTICLE 11 EXPENSES

Except as otherwise provided in this Agreement, each Party and its Affiliates shall bear their own expenses incurred in connection with preparation of Tax Returns, Tax Contests, and other matters related to Taxes under the provisions of this Agreement.

ARTICLE 12 GENERAL PROVISIONS

12.1 Notices. All notices, requests, claims, demands or other communications under this Agreement shall be in writing, together with a copy by electronic mail (which shall not constitute notice), and shall be given or made (and shall be deemed to have been duly given or made upon acknowledgment of receipt) by delivery in person, by overnight courier service, or by registered or certified mail (postage prepaid, return receipt requested) to the respective Parties at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 12.1:

if to Parent, to:

Southwest Gas Holdings, Inc.
8360 S. Durango Dr.
Post Office Box 98510
Las Vegas, Nevada 89113
Attention: General Counsel
E-mail:

with a copy to:

Morrison & Foerster LLP
425 Market Street
San Francisco, California 94105
Attention: Brandon Parris; David Slotkin
E-mail: bparris@mofocom; dslotkin@mofocom

if to Centuri, to:

Centuri Holdings, Inc.
19820 North 7th Avenue, Suite 120
Phoenix, Arizona 85027
Attention: Chief Legal & Administrative Officer
E-mail:

A Party may, by notice to the other Party, change the address to which such notices are to be given.

12.2 Assignability. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their successors and permitted assigns; provided, that neither Party may assign its rights or delegate its obligations under this Agreement without the express prior written consent of the other Party hereto. Notwithstanding the foregoing, no such consent shall be required for the assignment of a Party's rights and obligations under this Agreement and the Ancillary Agreements (except as may be otherwise provided in any such Ancillary Agreement) in whole (*i.e.*, the assignment of a Party's rights and obligations under this Agreement and all Ancillary Agreements all at the same time) in connection with a change of control of a Party so long as the resulting, surviving or transferee Person assumes all the obligations of the relevant party thereto by operation of Law or pursuant to an agreement in form and substance reasonably satisfactory to the other Party.

12.3 Waiver. Waiver by a Party of any default by the other Party of any provision of this Agreement shall not be deemed a waiver by the waiving Party of any subsequent or other default, nor shall it prejudice the rights of the other Party. No failure or delay by a Party in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall a single or partial exercise thereof prejudice any other or further exercise thereof or the exercise of any other right, power or privilege.

12.4 Severability. If any provision of this Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby. Upon such determination, the Parties shall negotiate in good faith in an effort to agree upon such a suitable and equitable provision to effect the original intent of the Parties.

12.5 Authority. Parent represents on behalf of itself and each other member of the Parent Group, and Centuri represents on behalf of itself and each other Centuri Group member, as follows: (i) each such Person has the requisite corporate or other power and authority and has taken all corporate or other action necessary to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby; and (ii) this Agreement has been duly executed and delivered by it and constitutes a valid and binding agreement of it enforceable in accordance with the terms thereof.

12.6 Further Action. The Parties shall execute and deliver all documents, provide all information, and take or refrain from taking action as may be necessary or appropriate to achieve the

purposes of this Agreement, including the execution and delivery to the other Parties and their Affiliates and representatives of such powers of attorney or other authorizing documentation as is reasonably necessary or appropriate in connection with Tax Contests (or portions thereof) under the control of such other Parties in accordance with Article 8.

12.7 Integration. This Agreement supersedes all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to the matters set forth or referred to herein; provided; however, that the Tax Allocation Agreement shall continue to be effective for all taxable periods prior to a Deconsolidation Date with respect to matters not addressed herein. In the event of any inconsistency between this Agreement, the Separation Agreement, the Ancillary Agreements, any other agreements relating to the Transactions, on the one hand, and the Tax Allocation Agreement, on the other hand, with respect to matters addressed herein, the provisions of this Agreement shall control.

12.8 Construction. The language in all parts of this Agreement shall in all cases be construed according to its fair meaning and shall not be strictly construed for or against any party. The captions, titles and headings included in this Agreement are for convenience only, and do not affect this Agreement's construction or interpretation. Unless otherwise indicated, all "Section" and "Article" references in this Agreement are to sections of this Agreement.

12.9 Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Party. Each Party acknowledges that it and each other Party is executing certain of the Ancillary Agreements by facsimile, stamp or mechanical signature, and that delivery of an executed counterpart of a signature page to this Agreement (whether executed by manual, stamp or mechanical signature) by facsimile or by email in portable document format (PDF) shall be effective as delivery of such executed counterpart of this Agreement. Each Party expressly adopts and confirms each such facsimile, stamp or mechanical signature (regardless of whether delivered in person, by mail, by courier, by facsimile or by email in portable document format (PDF)) made in its respective name as if it were a manual signature delivered in person, agrees that it will not assert that any such signature or delivery is not adequate to bind such Party to the same extent as if it were signed manually and delivered in person and agrees that, at the reasonable request of the other Party at any time, it will as promptly as reasonably practicable cause this Agreement to be manually executed (such execution to be as of the date of the initial date thereof) and delivered in person, by mail or by courier.

12.10 Governing Law. Subject to Section 12.12, this Agreement (and any claims or disputes arising out of or related hereto or to the transactions contemplated hereby or to the inducement of any party to enter herein, whether for breach of contract, tortious conduct or otherwise and whether predicated on common law, statute or otherwise) shall be governed by and construed and interpreted in accordance with the Laws of the State of New York irrespective of the choice of laws principles of the State of New York including all matters of validity, construction, effect, enforceability, performance and remedies.

12.11 Amendment. No provisions of this Agreement shall be deemed waived, amended, supplemented or modified by a Party, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of the Party against whom it is sought to enforce such waiver, amendment, supplement or modification; provided, that, prior to a Trigger Event (as defined in the Centuri Certificate of Incorporation), any amendments hereto or to the Separation Agreement may only be effected in conformity with Section 12.12.

12.12 Trigger Event. Until the occurrence of a Trigger Event (as defined in the Centuri Certificate of Incorporation), notwithstanding anything herein to the contrary, (i) references herein to the Separation Agreement shall be deemed references to the Separation Agreement attached as Exhibit A to the Centuri Certificate of Incorporation and (ii) any amendments hereto or to the Separation Agreement may only be

effected if a conforming amendment is made to Exhibit B or Exhibit A, as applicable, of the Centuri Certificate of Incorporation. Notwithstanding anything herein to the contrary, with respect to any Internal Corporate Claim, this Agreement shall be deemed governed by Delaware law and such Internal Corporate Claim shall be brought exclusively in the Court of Chancery of the State of Delaware.

12.13 Subsidiaries. If, at any time, Parent or Centuri acquires or creates one or more subsidiaries that are includable in the Parent Group or Centuri Group, as applicable, they shall be subject to this Agreement and all references to the Parent Group or Centuri Group, as applicable, herein shall thereafter include a reference to such subsidiaries.

12.14 Successors. This Agreement shall be binding on and inure to the benefit of any successor by merger, acquisition of assets, or otherwise, to any of the Parties hereto (including but not limited to any successor of Parent or Centuri succeeding to the Tax attributes of either under Section 381 of the Code), to the same extent as if such successor had been an original party to this Agreement.

12.15 Injunctions. The Parties acknowledge that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with its specific terms or were otherwise breached. The Parties hereto shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically the terms and provisions hereof in any court having jurisdiction, such remedy being in addition to any other remedy to which they may be entitled at law or in equity.

12.16 Effective Date. This Agreement shall become effective on the Separation Date.

* * *

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the Parties hereto, on behalf of themselves and their respective subsidiaries, by their respective officers thereunto duly authorized as of the date first written above.

SOUTHWEST GAS HOLDINGS, INC.

By: /s/ Karen S. Haller
Name: Karen S. Haller
Title: Chief Executive Officer and President

CENTURI HOLDINGS, INC.

By: /s/ William J. Fehrman
Name: William J. Fehrman
Title: Chief Executive Officer

REGISTRATION RIGHTS AGREEMENT

BY AND BETWEEN

CENTURI HOLDINGS, INC.,

AND

SOUTHWEST GAS HOLDINGS, INC.

DATED APRIL 11, 2024



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THIS REGISTRATION RIGHTS AGREEMENT, dated as of April 11, 2024 (this "Agreement"), is entered into by and between Centuri Holdings, Inc., a Delaware corporation (together with any successor entity thereto, the "Company"), and Southwest Gas Holdings, Inc. ("Southwest").

WHEREAS, Southwest currently owns all of the issued and outstanding shares of Common Stock (as defined below) of the Company;

WHEREAS, Southwest intends to preserve its ability to evaluate strategic options with respect to its remaining ownership interest in the Company after the completion of the Company's initial public offering in a manner consistent with its rights and obligations under the Separation Agreement (as defined below), including pursuant to Section 3.3 thereunder after the Separation Date (as defined in the Separation Agreement); and

WHEREAS, Southwest and the Company desire to make certain arrangements to provide Southwest with registration rights with respect to the Shares of Common Stock owned by Southwest.

NOW, THEREFORE, in consideration of the promises and of the mutual consents and obligations hereinafter set forth, the parties hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. As used herein, the following terms shall have the following respective meanings:

"Affiliate" means, with respect to any specified Person, any other Person that, directly or indirectly, through one or more intermediaries, Controls, or is Controlled by, or is under common Control with, such Person. Notwithstanding the foregoing, solely for purposes of this Agreement, (a) the Company and its Affiliates shall not be considered Affiliates of any Holder and (b) no Holder or its Affiliates shall be considered an Affiliate of the Company.

"Agreement" shall have the meaning ascribed to it in the introductory paragraph.

"Automatic Shelf Registration Statement" shall mean an "automatic shelf registration statement" as defined in Rule 405 (or successor rule) promulgated under the Securities Act.

"beneficially owned," "beneficial ownership" and similar phrases have the same meanings as such terms have under Rule 13d-3 (or any successor rule then in effect) under the Exchange Act, except that in calculating the beneficial ownership of any Holder, such Holder shall be deemed to have beneficial ownership of all securities that such Holder has the right to acquire, whether such right is currently exercisable or is exercisable upon the occurrence of a subsequent event.

"Business Day" shall mean any day other than a Saturday, a Sunday or a day on which banks in New York, New York are authorized or obligated by law or executive order to close.

"Commission" shall mean the Securities and Exchange Commission or any other Federal agency at the time administering the Securities Act.

"Common Stock" shall mean, collectively, the Company's common stock, par value \$0.01 per share, any additional security paid, issued or distributed in respect of any such Common Stock by way of a dividend, stock split or distribution, or in connection with a combination of shares, and any security into which such Common Stock or additional securities shall have been converted or exchanged in connection with a recapitalization, reorganization, reclassification, merger, consolidation, exchange, distribution or otherwise.

"Company" shall have the meaning ascribed to it in the introductory paragraph.

"Control," and its correlative meanings, "Controlling," and "Controlled," shall mean the possession, direct or indirect (including through one or more intermediaries), of the power to direct or cause the direction of the management of a Person, whether through the ownership of voting securities, by contract or otherwise.

“Demand Notice” shall have the meaning ascribed to it in Section 2.1(b).

“Demand Registration” shall mean a registration of Shares pursuant to Section 2.1.

“Demand Right” shall have the meaning ascribed to it in Section 2.1(a).

“Determination Date” shall have the meaning ascribed to it in Section 2.2(d).

“Disadvantageous Condition” shall have the meaning ascribed to it in Section 2.3(a).

“Equity Equivalents” means any securities, rights, options or warrants (or similar securities) to purchase Common Stock, and or obligations of any type whatsoever that are, or may become, convertible into or exercisable for or exchangeable into Common Stock.

“Exchange Act” shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

“FINRA” shall mean the Financial Industry Regulatory Authority or any successor regulatory authority.

“Fully Diluted Outstanding Shares” means, at the relevant time, the number of Shares of Common Stock outstanding, assuming all Equity Equivalents then outstanding have been converted, exercised, or exchanged, as the case may be, into Shares of Common Stock at (if applicable) the then applicable conversion or exercise price.

“Holders” shall mean (i) Southwest and (ii) any Permitted Transferees.

“Information” shall have the meaning ascribed to it in Section 4.1(i).

“Initial Notice” shall have the meaning ascribed to it in Section 3.1.

“Inspectors” shall have the meaning ascribed to it in Section 4.1(i).

“Lock-Up Period” shall have the meaning ascribed to it in Section 2.6(a).

“Marketed Underwritten Shelf Take-Down” shall have the meaning ascribed to it in Section 2.2(c)(i).

“Permitted Transferee” shall have the meaning ascribed to it in Section 2.9.

“Person” shall be construed broadly and shall include, without limitation, an individual, a partnership, a limited liability company, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

“Piggyback Notice” shall have the meaning ascribed to it in Section 3.1(a).

“Piggyback Registration” shall mean any registration pursuant to Section 3.1(a).

“Prospectus” shall mean the prospectus included in any Registration Statement, as amended or supplemented by any prospectus supplement with respect to the terms of the offering of any portion of the securities covered by such Registration Statement and, in each case, by all other amendments and supplements to such prospectus, including post-effective amendments and, in each case, all material incorporated by reference in such prospectus.

“Records” shall have the meaning ascribed to it in Section 4.1(i).

“Registrable Securities” shall mean, with respect to any Holder, at any time, the Shares held or beneficially owned by such Holder at such time or which such Holder has the right to acquire pursuant to the exercise of any option, warrant or right or the conversion or exchange of any convertible or exchangeable security held or beneficially owned by such Holder at such time, regardless of whether then exercisable, convertible or exchangeable (including, for the avoidance of doubt, any Company securities issued or issuable with respect to, or in exchange for, or upon conversion or in replacement of, any Shares as a result of any stock split, stock dividend, recapitalization, reclassification, merger, reorganization, exchange, conversion or similar event); provided, however, that as to any

Registrable Securities, such securities shall cease to be Registrable Securities (i) upon the sale thereof pursuant to an effective Registration Statement, (ii) upon the sale thereof pursuant to Rule 144 or Rule 145, (iii) when the Holder of such securities holds or beneficially owns less than one percent (1%) of the then issued and outstanding shares of Common Stock (determined as the aggregate number of Registrable Securities held or beneficially owned by such Holder with all of its Affiliates, and the Company shall promptly, upon the request of any Holder, furnish to such Holder evidence of the number of shares of Common Stock then outstanding) and such securities are eligible for sale pursuant to Rule 144 without compliance with the manner of sale and volume limitations under such rule and are not otherwise subject to any transfer restriction, (iv) when such securities cease to be outstanding or (v) if such securities shall have been otherwise transferred and new certificates or book-entries for them not bearing a legend restricting transfer shall have been delivered by the Company and such securities may be publicly resold without registration under the Securities Act and without being subject to any volume limitations or manner of sale restrictions pursuant to Rule 144.

“Registration Statement” shall mean any Registration Statement of the Company which covers the Registrable Securities, including any preliminary Prospectus and the Prospectus, amendments and supplements to such Registration Statement, including post-effective amendments, all exhibits thereto and all material incorporated by reference in such Registration Statement.

“Registration Suspension” shall have the meaning ascribed to it in Section 2.3(a).

“Requesting Holder” shall mean the Holder exercising a Demand Right.

“Restricted Shelf Take-Down” shall have the meaning ascribed to it in Section 2.2(c)(iii).

“Restricted Shelf Take-Down Notice” shall have the meaning ascribed to it in Section 2.2(c)(iii).

“Rule 144” shall mean Rule 144 under the Securities Act as such rule may be amended from time to time (or any successor rule).

“Rule 145” shall mean Rule 145 under the Securities Act as such rule may be amended from time to time (or any successor rule).

“Securities Act” shall mean the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

“Selling Investors” shall mean the Holders selling Registrable Securities pursuant to a Registration Statement under this Agreement.

“Selling Investors’ Counsel” shall have the meaning set forth in Section 4.1(b).

“Separation Agreement” shall mean that certain Separation Agreement, by and between Southwest and the Company, dated as of April 11, 2024.

“Shares” shall mean shares of Common Stock.

“Shelf Holder” shall have the meaning ascribed to it in Section 2.2(b).

“Shelf Registration” shall have the meaning ascribed to it in Section 2.2(a).

“Shelf Registration Statement” shall have the meaning ascribed to it in Section 2.2(a).

“Shelf Take-Down” shall have the meaning ascribed to it in Section 2.2(b).

“Short-Form Registration Statement” shall mean a registration statement on Form S-3 or any similar short-form registration statement, as it may be amended from time to time, or any similar successor form.

“Southwest” shall have the meaning ascribed to it in the introductory paragraph.

“Transfer” shall mean any direct or indirect sale, assignment, transfer, conveyance, gift, bequest by will or under intestacy laws, pledge, hypothecation or other encumbrance, or any other disposition, of the stated security (or any interest therein or right thereto, including the issuance of any total return swap or other derivative whose economic value is primarily based upon the value of the stated security) or of all or part of the voting power (other than the granting of a revocable proxy) associated with the stated security (or any interest therein) whatsoever, or any other transfer of beneficial ownership of the stated security, with or without consideration and whether voluntarily or involuntarily (including by operation of law).

“Underwritten Offering” shall mean a sale, on the Company’s or any Holder’s behalf, of Shares by the Company or a Holder to an underwriter for reoffering to the public.

“Underwritten Shelf Take-Down” shall have the meaning ascribed to it in Section 2.2(c)(i).

“Underwritten Shelf Take-Down Notice” shall have the meaning ascribed to it in Section 2.2(c)(i).

“Well-Known Seasoned Issuer” shall mean a “well-known seasoned issuer” as defined in Rule 405 (or successor rule) promulgated under the Securities Act.

ARTICLE II

DEMAND AND SHELF REGISTRATION

Section 2.1 Right to Demand; Demand Notices.

(a) Demand for Registration. Subject to the provisions of this Article II, at any time and from time to time, each Holder shall have the right to request in writing that the Company register the offer and sale under the Securities Act of all or part of the Registrable Securities beneficially owned by such Holder (a “Demand Right”). Notwithstanding the foregoing, if the Company has previously effected a Demand Registration pursuant to this Section 2.1, the Company shall not be required to effect an additional Demand Registration pursuant to this Section 2.1 until a period of 60 days shall have elapsed from the date on which such previous Registration Statement became effective. Furthermore, the Company shall not be obligated to effect more than three (3) Demand Registrations in any twelve (12)-month period.

(b) Demand Notices. All requests made pursuant to this Section 2.1 shall be made by providing written notice to the Company (each such written notice, a “Demand Notice”), which notice shall (i) specify the aggregate number and class or classes of Registrable Securities proposed to be registered by the Holder providing such Demand Notice and (ii) state the intended methods of disposition in the offering (including whether or not such offering shall be an Underwritten Offering).

(c) Demand Filing. Subject to Section 2.3, the Company shall use reasonable best efforts to file a Registration Statement in respect of a Demand Notice as soon as practicable (and in any event within 30 days (in the case of a Registration Statement on Form S-3 or Form S-4) or 75 days (in the case of all other Registration Statements) after receiving a Demand Notice) and shall use reasonable best efforts to cause the same to be declared effective by the Commission or otherwise become effective as promptly as practicable after such filing.

(d) Demand Registration Form. Registrations under this Section 2.1 shall be on such appropriate registration form of the Commission that the Company is eligible to use (i) as reasonably requested by the Requesting Holder (which form may include a confidential submission if permitted under applicable rules of the Commission) and (ii) as shall permit the disposition of the Registrable Securities in accordance with the intended method or methods of disposition specified in the Demand Notice. If, in connection with any registration under this Section 2.1 that is requested by the Requesting Holder to be on a Short-Form Registration Statement, the managing underwriter, if any, shall advise the Company that in its opinion, or if the Company independently determines in good faith, the use of another permitted form is of material importance to the success of the offering, then such registration shall be permitted to be on such other permitted form.

(e) Demand Withdrawal. A Requesting Holder may withdraw all or any portion of its Registrable Securities from a Demand Registration by providing written notice to the Company at least five (5) Business Days

prior to the earliest of (i) effectiveness of the applicable Registration Statement, (ii) the filing of any Registration Statement relating to such Demand Registration that includes a pricing range or (iii) the commencement of a roadshow relating to the Registration Statement for such Demand Registration.

Section 2.2 Shelf Registration.

(a) Filing. Notwithstanding anything contained in this Agreement to the contrary, (i) from and after such time as the Company shall have qualified for the use of a Short-Form Registration Statement, upon the written request by Southwest, the Company shall use its reasonable best efforts to file as soon as reasonably practicable and in any event within 30 days with the Commission a Short-Form Registration Statement (a "Shelf Registration Statement") to register the offer and sale of all or a portion of the Registrable Securities then outstanding on a delayed or continuous basis in accordance with Rule 415 under the Securities Act (a "Shelf Registration") and (ii) the Company shall use its reasonable best efforts to cause the Shelf Registration Statement to be declared effective by the Commission or otherwise become effective as promptly as practicable after such filing. In no event shall the Company be required to file, and maintain effectiveness of, more than one Shelf Registration Statement at any one time pursuant to this Section 2.2. For the avoidance of doubt, no request for the filing of a Shelf Registration Statement pursuant to this Section 2.2(a) shall count as a Demand Registration for purposes of Section 2.1(a).

(b) Shelf Take-Downs. Any Holder whose Registrable Securities are included in an effective Shelf Registration Statement (a "Shelf Holder") may initiate an offering or sale of all or part of such Registrable Securities (a "Shelf Take-Down"), in which case the provisions of this Section 2.2 shall apply.

(c) Underwritten Shelf Take-Downs.

(i) Subject to Section 2.2(b), if a Holder that is a Shelf Holder so elects in a written request delivered to the Company (an "Underwritten Shelf Take-Down Notice"), a Shelf Take-Down may be in the form of an Underwritten Offering (an "Underwritten Shelf Take-Down") and, if necessary, the Company shall use its reasonable best efforts to file and effect an amendment or supplement to its Shelf Registration Statement for such purpose as soon as practicable. Such initiating Shelf Holder shall indicate in such Underwritten Shelf Take-Down Notice the number of Registrable Securities of such Shelf Holder to be included in such Underwritten Shelf Take-Down and whether it intends for such Underwritten Shelf Take-Down to involve a customary "road show" (including an "electronic road show") or other marketing effort by the underwriters (a "Marketed Underwritten Shelf Take-Down").

(ii) Promptly upon delivery of an Underwritten Shelf Take-Down Notice with respect to a Marketed Underwritten Shelf Take-Down (but in no event more than ten (10) days prior to the expected date of such Marketed Underwritten Shelf Take-Down), the Company shall promptly deliver a written notice of such Marketed Underwritten Shelf Take-Down to all Shelf Holders with Registrable Securities under such Shelf Registration Statement and, in each case, subject to Section 2.5(b) and Section 2.7, the Company shall include in such Marketed Underwritten Shelf Take-Down all such Registrable Securities of such Shelf Holders that are registered on such Shelf Registration Statement for which the Company has received written requests, which requests must specify the aggregate amount of such Registrable Securities of such Holder to be offered and sold pursuant to such Marketed Underwritten Shelf Take-Down, for inclusion therein at least three (3) Business Days prior to the expected date of such Marketed Underwritten Shelf Take-Down.

(iii) If a Shelf Holder desires to effect an Underwritten Shelf Take-Down that is not a Marketed Underwritten Shelf Take-Down (a "Restricted Shelf Take-Down"), the Shelf Holder initiating such Restricted Shelf Take-Down shall provide written notice (a "Restricted Shelf Take-Down Notice") of such Restricted Shelf Take-Down to the other Shelf Holders as far in advance of the completion of such Restricted Shelf Take-Down as shall be reasonably practicable in light of the circumstances applicable to such Restricted Shelf Take-Down, which Restricted Shelf Take-Down Notice shall set forth (A) the total number of Registrable Securities expected to be offered and sold in such Restricted Shelf Take-Down, (B) the expected plan of distribution of such Restricted Shelf Take-Down, (C) an invitation to the other Shelf Holders to elect to include in the Restricted Shelf Take-Down Registrable Securities held by such other Shelf Holders (but subject to Section 2.5(b) and Section 2.7) and (D) the action or actions required (including the timing thereof) in connection with such Restricted Shelf Take-Down with respect to the other Shelf Holders if any such Shelf Holder elects to exercise such right.

(iv) Upon delivery of a Restricted Shelf Take-Down Notice, the other Shelf Holders may elect to sell Registrable Securities in such Restricted Shelf Take-Down, at the same price per Registrable Security and pursuant to the same terms and conditions with respect to payment for the Registrable Securities as agreed to by the initiating Shelf Holder, by sending an irrevocable written notice to the initiating Shelf Holder, indicating its election to participate in the Restricted Shelf Take-Down and the total number of its Registrable Securities to include in the Restricted Shelf Take-Down (but, in all cases, subject to Section 2.5(b) and Section 2.7).

(v) Notwithstanding the delivery of any Underwritten Shelf Take-Down Notice, all determinations as to whether to complete any Underwritten Shelf Take-Down and as to the timing, manner, price and other terms of any Underwritten Shelf Take-Down shall be at the discretion of the Shelf Holder initiating the Underwritten Shelf Take-Down.

(d) Filing for Well-Known Seasoned Issuer. If the Company qualifies as a Well-Known Seasoned Issuer, then, upon the Company becoming a Well-Known Seasoned Issuer, (x) the Company shall give written notice to all of the Holders as promptly as practicable but in no event later than ten (10) Business Days thereafter and such notice shall describe, in reasonable detail, the basis on which the Company has become a Well-Known Seasoned Issuer, and (y) if the Company then qualifies for the use of a Short-Form Registration Statement, the Company shall, upon written request by Southwest, as promptly as practicable, but in no event later than 20 Business Days after receiving such request, use its reasonable best efforts to register, under an Automatic Shelf Registration Statement, the offer and sale of all of the Registrable Securities in accordance with the terms of this Agreement. The Company agrees that if any Holder beneficially owns any Registrable Securities three years after the filing of the most recent Automatic Shelf Registration Statement in compliance with this Section 2.2(d), the Company shall (x) give written notice of the third anniversary of the filing of the most recent Automatic Shelf Registration Statement to all such Holders no later than ten (10) Business Days prior to such third anniversary and (y) upon written request by Southwest, as promptly as practicable, but in no event later than 20 Business Days after receiving such request, use its reasonable best efforts to file and cause to remain effective a new Automatic Shelf Registration Statement that registers the offer and sale of any Registrable Securities that remain outstanding at such time. The Company shall give written notice of filing such Registration Statement to all of the Holders as promptly as practicable thereafter. At any time after the filing of an Automatic Shelf Registration Statement by the Company, if the Company is required to re-evaluate its status as a Well-Known Seasoned Issuer for the continued use of such Automatic Shelf Registration Statement and the Company is no longer a Well-Known Seasoned Issuer (the “Determination Date”), within ten (10) Business Days after such Determination Date, the Company shall (A) give written notice thereof to all of the Holders and (B) to the extent the Company continues to qualify for the use of a Short-Form Registration Statement and there is not a then-effective Shelf Registration Statement covering all of the Registrable Securities, the Company shall file a Short-Form Registration Statement (or a post-effective amendment converting the Automatic Shelf Registration Statement to a Short-Form Registration Statement) covering all of the Registrable Securities, and the Company shall use its reasonable best efforts to have such Short-Form Registration Statement declared effective as promptly as practicable after the date the Automatic Shelf Registration Statement is no longer useable by the Holders to sell their Registrable Securities.

(e) Continued Effectiveness. The Company shall use its reasonable best efforts to keep the Shelf Registration Statement filed pursuant to Section 2.2(a) or Section 2.2(d), as applicable, continuously effective under the Securities Act in order to permit the Prospectus forming a part thereof to be usable by a Shelf Holder until the earlier of (i) the date as of which all Registrable Securities registered by such Shelf Registration Statement no longer constitute Registrable Securities and (ii) such shorter period as Shelf Holders holding a majority of the Registrable Securities may reasonably determine.

Section 2.3 Deferral or Suspension of Registration.

(a) If the Board of Directors (the “Board”) of the Company reasonably determines in good faith that the filing (but not the preparation), initial effectiveness or continued use of a Registration Statement would (i) require the disclosure of material nonpublic information, the disclosure of which would be reasonably likely to have a material adverse effect on the Company, (ii) materially impede, delay or interfere with any material acquisition, divestiture, joint venture, merger, consolidation, other business combination, corporate reorganization, tender offer or other material transaction of the Company or (iii) render the Company unable to comply with SEC requirements for effectiveness of such Registration Statement (each of clauses (i) through (iii), a “Disadvantageous Condition”), the Company may, upon giving prompt written notice of such action to the Holders, postpone the filing or effectiveness

(but not the preparation) or continued use of such Registration Statement (a “Registration Suspension”) until the earlier of (A) seven (7) days after the date on which the Disadvantageous Condition no longer exists or (B) forty-five (45) days after the date on which the Board makes such determination that a Disadvantageous Condition exists; provided, however, that the Company may not exercise a Registration Suspension pursuant to this Section 2.3(a) with respect to a Registration relating to an Distribution; provided further, that the Company may exercise a Registration Suspension no more than once during any twelve (12)-month period following the Separation Date.

(c) Notwithstanding the foregoing, no deferral or suspension pursuant to this Section 2.3 delay shall exceed such number of days the Company determines in good faith to be reasonably necessary. In the event of any deferral or suspension pursuant to this Section 2.3, the Company shall (i) promptly notify the Requesting Holder or Shelf Holders, as applicable, of the deferral or suspension but not the reason therefor; (ii) use its reasonable best efforts to keep the Requesting Holder or Shelf Holders, as applicable, apprised of the estimated length of the anticipated delay; (iii) use its reasonable best efforts to limit the length of any delay; and (iv) notify the Requesting Holder or Shelf Holders, as applicable, promptly upon termination of the deferral or suspension. The Company shall not register the offer and sale of any securities for its own account or that of any other Holder(s) during any such deferral or suspension period; provided, that, for the avoidance of doubt, the previous clause shall not apply to a registration on Form S-8, or any successor of such form, or a registration relating solely to the offer and sale to the Company’s directors or employees pursuant to any employee stock plan or other employee benefit plan or arrangement. Notices given by the Company pursuant to this Section 2.3 shall not contain any material non-public information. After the expiration of the deferral or suspension period and without any further request from the Requesting Holder or Shelf Holders, as applicable, to the extent such Requesting Holder has not withdrawn the Demand Notice, if applicable, the Company shall as promptly as reasonably practicable prepare and file a Registration Statement or post-effective amendment or supplement to the applicable Registration Statement or document, or file any other required document, as applicable, so that, as thereafter delivered to purchasers of the Registrable Securities included therein, the Prospectus will not include a material misstatement or omission and will be effective and useable for the sale of Registrable Securities.

Section 2.4 Effective Registration Statement. A registration requested pursuant to this Article II shall not be deemed to have been effected:

(a) unless a Registration Statement with respect thereto has been declared effective by the Commission (or otherwise becomes effective) and remains effective in compliance with the provisions of the Securities Act and the laws of any U.S. state or other jurisdiction applicable to the disposition of Registrable Securities covered by such Registration Statement for not less than 180 days (or such shorter period as will terminate when all of such Registrable Securities shall have been disposed of in accordance with such Registration Statement) or, if such Registration Statement relates to an Underwritten Offering, such longer period as, in the opinion of counsel for the Company, a Prospectus is required by law to be delivered in connection with sales of Registrable Securities by an underwriter or dealer;

(b) if, after it becomes effective, such registration is interfered with by any stop order, injunction or other order or requirement of the Commission or other governmental authority or court for any reason other than a violation of applicable law solely by any Selling Investor and has not thereafter become effective; or

(c) if, in the case of an Underwritten Offering, the conditions to closing specified in an underwriting agreement applicable to the Company are not satisfied or waived other than by reason of any breach or failure by any Selling Investor.

Section 2.5 Selection of Underwriters; Cutback.

(a) Selection of Underwriters. If a Requesting Holder intends to offer and sell the Registrable Securities covered by its request under this Article II by means of an Underwritten Offering, such Requesting Holder shall, in reasonable consultation with other participating Holders (if any), select the managing underwriter or underwriters to administer such offering, which managing underwriter or underwriters shall be firms of nationally recognized standing. If a Shelf Holder intends to offer and sell the Registrable Securities covered by its request under this Article II by means of an Underwritten Shelf Take-Down, the participating Shelf Holders shall mutually select the managing underwriter or underwriters to administer such offering, which managing underwriter or underwriters shall be firms of nationally recognized standing.

(b) Underwriter's Cutback. Notwithstanding any other provision of this Article II or Section 3.1, if the managing underwriter or underwriters of an Underwritten Offering in connection with a Demand Registration or a Shelf Registration advise the Company in writing in their good faith opinion that the inclusion of all such Registrable Securities proposed to be included in the Registration Statement or such Underwritten Offering would be reasonably likely to interfere with the successful marketing, including, but not limited to, the pricing, timing or distribution, of the Registrable Securities to be offered thereby or in such Underwritten Offering, and no Holder has delivered a Piggyback Notice with respect to such Underwritten Offering, then the number of Registrable Securities proposed to be included in such Registration Statement or Underwritten Offering shall be allocated among the Company, the Selling Investors and all other Persons selling Registrable Securities in such Underwritten Offering in the following order:

(i) *first*, the Registrable Securities of the class or classes proposed to be registered held by the Holder that initiated such Demand Registration, Shelf Registration or Underwritten Offering;

(ii) *second*, all other securities of the same class or classes (or convertible at the Holder's option into such class or classes) requested to be included in such Demand Registration, Shelf Registration or Underwritten Offering other than Registrable Securities to be offered and sold by the Company; and

(iii) *third*, the Registrable Securities of the same class or classes to be offered and sold by the Company.

No Registrable Securities excluded from the underwriting by reason of the managing underwriter's marketing limitation shall be included in such registration or offering. If the managing underwriter has not limited the number of Registrable Securities to be underwritten, the Company may include Registrable Securities for its own account (or for the account of any other Persons) in such registration if the managing underwriter so agrees and if the number of Registrable Securities would not thereby be limited.

Section 2.6 Lock-up.

(a) If requested by the managing underwriters in connection with any Underwritten Offering, each Holder (i) who beneficially owns 1% or more of the outstanding Shares or (ii) who is a natural person and serving as a director or executive officer of the Company shall agree to be bound by customary lock-up agreements providing that such Holder shall not, directly or indirectly, effect any Transfer (including sales pursuant to Rule 144) of any such Shares without prior written consent from the underwriters managing such Underwritten Offering during a period beginning on the date of launch of such Underwritten Offering and ending up to 90 days from and including the date of pricing or such shorter period as reasonably requested by the underwriters managing such Underwritten Offering (the "Lock-Up Period"); provided that (A) the foregoing shall not apply to any Shares that are offered for sale as part of such Underwritten Offering and (B) such Lock-Up Period shall be no longer than and on substantially the same terms as the lock-up period applicable to the Company and the executive officers and directors of the Company. Each such Holder agrees to execute a customary lock-up agreement in favor of the underwriters to such effect.

(b) Nothing in Section 2.6(a) shall prevent: (i) any Holder that is a partnership, limited liability company or corporation from (A) making a distribution of Shares to the partners, members or stockholders thereof or (B) Transferring Shares to an Affiliate of such Holder; (ii) any Holder who is an individual from Transferring Shares to (A) an individual by will or the laws of descent or distribution or by gift without consideration of any kind or (B) a trust or estate planning-related entity for the sole benefit of such Holder or a lineal descendant or antecedent or spouse; (iii) any Holder from (A) pledging, hypothecating or otherwise granting a security interest in Shares or securities convertible into or exchangeable for Shares to one or more lending institutions as collateral or security for any loan, advance or extension of credit and any transfer upon foreclosure upon such Shares or such securities or (B) Transferring Shares pursuant to a final non-appealable order of a court or regulatory agency or (iv) any Holder from Transferring Shares in a manner that was permitted under, but subject to the conditions described in, the lockups entered into in connection with the Company's initial public offering; provided that, in the case of clauses (i), (ii), (iii) and (iv), such Transfer is otherwise in compliance with applicable securities laws and; provided, further, that, in the case of clause (i), clause (ii), subclause (A) of clause (iii) and, if applicable, clause (iv), each such Permitted Transferee agrees in writing to become subject to the terms of this Agreement and agrees to be bound by the applicable underwriter lock-up.

Section 2.7 Participation in Underwritten Offering; Information by Holder. No Holder may participate in an Underwritten Offering hereunder unless such Holder (a) agrees to sell such Holder's Shares on the basis provided in any underwriting arrangements, and in accordance with the terms and provisions of this Agreement, including any lock-up arrangements, and (b) completes and executes all questionnaires, indemnities, underwriting agreements and other documents required under the terms of such underwriting arrangements. In addition, the Holders shall furnish to the Company such information regarding such Holder or Holders and the distribution proposed by such Holders, as applicable, as the Company may reasonably request in writing and as shall be required in connection with any registration, qualification or compliance referred to in this Article II. Nothing in this Section 2.7 shall be construed to create any additional rights regarding the registration of the offer and sale of Shares in any Person otherwise than as set forth herein.

Section 2.8 Registration Expenses. All expenses incident to the Company's performance of or compliance with this Agreement, including without limitation (i) all registration and filing fees, and any other fees and expenses associated with filings required to be made with any stock exchange, the Commission and FINRA (including, if applicable, the fees and expenses of any "qualified independent underwriter" and its counsel as may be required by the rules and regulations of FINRA), (ii) all fees and expenses of compliance with state securities or blue sky laws (including fees and disbursements of counsel for the underwriters or Selling Investors in connection with blue sky qualifications of the Shares and determination of their eligibility for investment under the laws of such jurisdictions as the managing underwriters or the Selling Investors may designate), (iii) all printing and related messenger and delivery expenses (including expenses of printing certificates for the Shares in a form eligible for deposit with The Depository Trust Company and of printing prospectuses), (iv) all fees and disbursements of counsel for the Company and of all independent certified public accountants of the Company and its subsidiaries (including the expenses of any special audit and "cold comfort" letters required by or incident to such performance and, for the avoidance of doubt, any comfort letters relating to any financial statements as may be required by Rule 3-05 of Regulation S-X), (v) all fees and expenses incurred in connection with the listing of the Shares on any securities exchange and all transfer agent fees, (vi) all fees and reasonable and documented out-of-pocket expenses and disbursements of the Selling Investors' Counsel, (vii) all fees and reasonable and documented out-of-pocket disbursements of underwriters customarily paid by the issuer or sellers of securities, including liability insurance if the Company so desires or if the underwriters so require and expenses of any special experts retained in connection with the requested registration (excluding fees and disbursements of counsel to underwriters (other than such fees and disbursements incurred in connection with any FINRA filing or registration or qualification of Shares under the securities or blue sky laws of any state)), (viii) Securities Act liability insurance or similar insurance if the Company or the underwriters so require in accordance with then-customary underwriting practice, (ix) fees and expenses of other Persons retained by the Company, and (x) any other expenses customarily paid by the issuers of securities, will be borne by the Company, regardless of whether the Registration Statement becomes effective (or such offering is completed) and whether or not all or any portion of the Registrable Securities originally requested to be included in such registration are ultimately included in such registration; provided, however, that (x) any underwriting discounts, commissions or fees in connection with the sale of the Registrable Securities will be borne by the Holders pro rata on the basis of the number of Shares so registered and sold, (y) transfer taxes with respect to the sale of Registrable Securities will be borne by the Holder of such Registrable Securities and (z) the fees and expenses of any other counsel, accountants or other persons retained or employed by any Holder will be borne by such Holder.

Section 2.9 Permitted Transferees. As used in this Agreement, "Permitted Transferee" shall mean any transferee, whether direct or indirect, of Registrable Securities that (a) (i) as of the time of transfer of the Registrable Securities to such transferee is, and as of immediately prior to the sale of Registrable Securities pursuant to the Demand Registration or Piggyback Registration, as the case may be, will be, a member of the Southwest Group (as defined in the Separation Agreement) or (ii) is a third-party lender participating in an equity-for-debt exchange (i.e., any transfer of the Common Stock by a member of the Southwest Group to one or more third-party lenders in repayment of indebtedness of any member of the Southwest Group owed to such lenders or their affiliates) and (b) is designated by Southwest (or a subsequent Holder) in a written notice to the Company. Any Permitted Transferee of the Registrable Securities shall be subject to and bound by and benefit from all of the terms and conditions herein applicable to Holders. For the avoidance of doubt, any Permitted Transferee of Registrable Securities shall be subject to and bound by and benefit from all of the terms and conditions applicable to Holders generally and not those applicable to Southwest (or any member of the Southwest Group) specifically. The notice required by this Section 2.9 shall be signed by both the transferring Holder and the Permitted Transferees so designated and shall include an undertaking by the Permitted Transferees to comply with the terms and conditions of this Agreement applicable to Holders.

ARTICLE III

PIGGYBACK REGISTRATION

Section 3.1 Notices.

(a) If the Company at any time proposes for any reason to register the offer and sale of a class or classes of Shares under the Securities Act (other than a registration on Form S-4 or Form S-8, or any successor of either such form, or a registration relating solely to the offer and sale to the Company's directors or employees pursuant to any employee stock plan or other employee benefit plan or arrangement), including the filing of a prospectus supplement to an already effective Registration Statement, whether or not Shares are to be sold by the Company or otherwise, and whether or not in connection with any Demand Registration pursuant to Section 2.1, any Shelf Registration pursuant to Section 2.2 or any other agreement (such registration, a "Piggyback Registration"), the Company shall give to each Holder holding Shares of the same class or classes proposed to be registered (or convertible at the Holder's option into such class or classes) written notice of its intention to so register the offer and sale of the Shares at least ten (10) days (or such shorter period as reasonably practical) prior to the expected date of filing of such Registration Statement or amendment thereto in which the Company first intends to identify the selling stockholders and the number of Registrable Securities to be sold (each such notice, an "Initial Notice"). The Company shall, subject to the provisions of Section 3.2 and Section 3.3 below, use its reasonable best efforts to include in such Piggyback Registration on the same terms and conditions as the securities otherwise being sold, all Registrable Securities of the same class or classes as the Shares proposed to be registered (or convertible at the Holder's option into such class or classes) with respect to which the Company has received written requests from Holders for inclusion therein within the time period specified by the Company in the applicable Initial Notice, which time period shall be not less than five (5) Business Days after sending the applicable Initial Notice (each such written request, a "Piggyback Notice"), which Piggyback Notice shall specify the number of Shares proposed to be included in the Piggyback Registration.

(b) If a Holder does not deliver a Piggyback Notice within the period specified in Section 3.1(a), such Holder shall be deemed to have irrevocably waived any and all rights under this Article III with respect to such registration (but not with respect to future registrations in accordance with this Article III).

(c) No registration effected under this Section 3.1 shall relieve the Company of its obligation to effect any registration upon request under Section 2.1 or Section 2.2, and no registration effected pursuant to this Section 3.1 shall be deemed to have been effected pursuant to Section 2.1 or Section 2.2. The Initial Notice, the Piggyback Notice and the contents thereof shall be kept confidential until the public filing of the Registration Statement.

Section 3.2 Underwriter's Cutback. If the managing underwriter or underwriters of an Underwritten Offering (including an offering pursuant to Section 2.1 or Section 2.2) that includes a Piggyback Registration advises the Company in writing that it is the managing underwriter's good faith opinion that the inclusion of all such Registrable Securities proposed to be included in the Registration Statement for such Underwritten Offering would be reasonably likely to interfere with the successful marketing, including, but not limited to, the pricing, timing or distribution, of the Registrable Securities to be offered thereby, then the number of Shares proposed to be included in such Underwritten Offering shall be allocated among the Company, the Selling Investors and all other Persons selling Shares in such Underwritten Offering in the following order:

(a) If the Piggyback Registration referred to in Section 3.1 is initiated as an underwritten primary registration on behalf of the Company, then, with respect to each class proposed to be registered:

(i) *first*, the Shares that the Company proposes to offer and sell;

(ii) *second*, all Registrable Securities of the same class or classes (or convertible at the Holder's option into such class or classes) held by Holders requested to be included in such Piggyback Registration (for each such Holder, the number of Registrable Securities to be included in any such registration shall be the lesser of (x) the *pro rata* number of Registrable Securities among the respective Holders of such Registrable Securities in proportion, as nearly as practicable, to the amounts of Registrable Securities held by each such Holder at the time of

such Piggyback Registration and (y) the number of Registrable Securities requested to be included in such registration by each such Holder); and

(iii) *third*, all other securities of the same class or classes (or convertible at the Holder's option into such class or classes) requested to be included in such Piggyback Registration.

(b) if the Piggyback Registration referred to in Section 3.1 is an underwritten secondary registration on behalf of any Requesting Holder, then, with respect to each class proposed to be registered:

(i) *first*, the Registrable Securities of the class or classes proposed to be registered held by such Requesting Holder and the Registrable Securities of the same class or classes (or convertible at the Holder's option into such class or classes) held by other Holders requested to be included in such Piggyback Registration (for each such Holder, the number of Registrable Securities to be included in any such registration shall be the lesser of (x) the *pro rata* number of Registrable Securities among the respective Holders of such Registrable Securities in proportion, as nearly as practicable, to the amounts of Registrable Securities held by each such Holder at the time of such Piggyback Registration and (y) the number of Registrable Securities requested to be included in such registration by each such Holder);

(ii) *second*, all other securities of the same class or classes (or convertible at the Holder's option into such class or classes) requested to be included in such Piggyback Registration other than Shares to be offered and sold by the Company; and

(iii) *third*, the Shares of the same class or classes to be offered and sold by the Company.

Section 3.3 Company Control. Except for a Registration Statement being filed in connection with the exercise of a Demand Right or a Shelf Registration, the Company may decline to file a Registration Statement after an Initial Notice has been given or after receipt by the Company of a Piggyback Notice, and the Company may withdraw a Registration Statement after filing and after such Initial Notice or Piggyback Notice, but prior to the effectiveness of the Registration Statement, provided that (i) the Company shall promptly notify the Selling Investors in writing of any such action and (ii) nothing in this Section 3.3 shall prejudice the right of any Holder to immediately request that such registration be effected as a registration under Section 2.1 or Section 2.2 to the extent permitted thereunder.

Section 3.4 Selection of Underwriters. If the Company intends to offer and sell Shares by means of an Underwritten Offering (other than an offering pursuant to Section 2.1 or Section 2.2), the Company shall select the managing underwriter or underwriters to administer such Underwritten Offering, which managing underwriter or underwriters shall be firms of nationally recognized standing.

Section 3.5 Withdrawal of Registration. Any Holder shall have the right to withdraw all or a part of its Piggyback Notice by giving written notice to the Company of such withdrawal at least five (5) Business Days prior to the earliest of (i) effectiveness of the applicable Registration Statement, (ii) the filing of any Registration Statement relating to such Piggyback Registration that includes a price range or (iii) commencement of a roadshow relating to the Registration Statement for such Piggyback Registration.

ARTICLE IV

REGISTRATION PROCEDURES

Section 4.1 Registration Procedures. If and whenever the Company is under an obligation pursuant to the provisions of this Agreement to use its reasonable best efforts to effect the registration of any Registrable Securities, the Company shall, as expeditiously as practicable:

(a) in the case of Registrable Securities, use its reasonable best efforts to cause a Registration Statement that registers the offer and sale such Registrable Securities to become and remain effective for a period of 180 days or, if earlier, until all of such Registrable Securities covered thereby have been disposed of; provided, that, in the case of any registration of Registrable Securities on a Shelf Registration Statement which are intended to be offered on a continuous or delayed basis, such 180-day period shall be extended, if necessary, to keep the Registration Statement continuously effective, supplemented and amended (including by way of the filing of an Automatic Shelf

Registration Statement pursuant to Section 2.2(e)) to the extent necessary to ensure that it is available for sales of such Registrable Securities, and to ensure that it conforms with the requirements of this Agreement, the Securities Act and the policies, rules and regulations of the Commission as announced from time to time, until the date as of which all Registrable Securities registered by such Shelf Registration Statement no longer constitute Registrable Securities;

(b) furnish to each Selling Investor, at least ten (10) Business Days before filing a Registration Statement, or such shorter period as reasonably practical, copies of such Registration Statement or any amendments or supplements thereto, which documents shall be subject to the review, comment and approval by one lead counsel (and any reasonably necessary local counsel) selected by the Holders who beneficially own a majority of such Registrable Securities, which counsel (who may also be counsel to the Company), in each case, shall be subject to the reasonable approval of each Holder whose Registrable Securities are included in such registration, and who shall represent all Selling Investors as a group (the "Selling Investors' Counsel") (it being understood that such ten (10) Business Day period need not apply to successive drafts of the same document proposed to be filed so long as such successive drafts are supplied to the Selling Investors' Counsel in advance of the proposed filing by a period of time that is customary and reasonable under the circumstances);

(c) furnish to each Selling Investor and each underwriter, if any, such number of copies of final conformed versions of the applicable Registration Statement and of each amendment and supplement thereto (in each case including all exhibits and any documents incorporated by reference) reasonably requested by such Selling Investor or underwriter in writing;

(d) in the case of Registrable Securities, prepare and file with the Commission such amendments, including post-effective amendments, and supplements to such Registration Statement and the applicable Prospectus or prospectus supplement, including any free writing prospectus as defined in Rule 405 under the Securities Act, used in connection therewith as may be

(i) reasonably requested by any Holder (to the extent such request relates to information relating to such Holder), or

(ii) necessary to keep such Registration Statement effective for at least the period specified in Section 4.1(a) and to comply with the provisions of this Agreement and the Securities Act with respect to the sale or other disposition of such Registrable Securities, and furnish to each Selling Investor and to the managing underwriter(s), if any, within a reasonable period of time prior to the filing thereof a copy of any amendment or supplement to such Registration Statement or Prospectus; provided, however, that, with respect to each free writing prospectus or other materials to be delivered to purchasers at the time of sale of the Registrable Securities, the Company shall (i) ensure that no Registrable Securities are sold "by means of" (as defined in Rule 159A(b) under the Securities Act) such free writing prospectus or other materials without the prior written consent of the sellers of the Registrable Securities, which free writing prospectus or other materials shall be subject to the review of counsel to such sellers and (ii) make all required filings of all free writing prospectuses or other materials with the Commission as are required;

(e) notify in writing each Holder promptly (i) of the receipt by the Company of any notification with respect to any comments by the Commission with respect to such Registration Statement or any amendment or supplement thereto or any request by the Commission for the amending or supplementing thereof or for additional information with respect thereto, (ii) of the receipt by the Company of any notification with respect to the issuance by the Commission of any stop order suspending the effectiveness of such Registration Statement or any amendment or supplement thereto or the initiation or threatening of any proceeding for that purpose and (iii) of the receipt by the Company of any notification with respect to the suspension of the qualification of such Registrable Securities for sale in any jurisdiction or the initiation or threatening of any proceeding for such purposes and, in any such case as promptly as reasonably practicable thereafter, prepare and file an amendment or supplement to such Registration Statement or Prospectus which will correct such statement or omission or effect such compliance;

(f) use its reasonable best efforts to register or qualify such Registrable Securities under such other securities or blue sky laws of such jurisdictions as the Holders reasonably request and do any and all other acts and things which may be reasonably necessary or advisable to enable such Holders to consummate their disposition in such jurisdictions; provided, however, that the Company will not be required to qualify generally to do business,

subject itself to general taxation or consent to general service of process in any jurisdiction where it would not otherwise be required to do so but for this Section 4.1(f);

(g) furnish to each Selling Investor such number of copies of a summary prospectus or other prospectus, including a preliminary prospectus and any other prospectus filed under Rule 424 under the Securities Act, in conformity with the requirements of the Securities Act, and such other documents as such Selling Investors or any underwriter may reasonably request in writing;

(h) notify on a timely basis each Holder of such Registrable Securities at any time when a Prospectus relating to such Registrable Securities is required to be delivered under the Securities Act, of the happening of any event as a result of which the Prospectus included in such Registration Statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing and, at the request of such Holder, as soon as practicable prepare and furnish to such Holder a reasonable number of copies of a supplement to or an amendment of such Prospectus as may be necessary so that, as thereafter delivered to the offeree of such securities, such Prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing;

(i) make available for inspection by the Selling Investors, the Selling Investors' Counsel or any underwriter participating in any disposition pursuant to such Registration Statement and any attorney, accountant or other agent retained by any such Selling Investor or underwriter (collectively, the "Inspectors"), all pertinent financial and other records, pertinent corporate documents and properties of the Company (collectively, the "Records"), as shall be necessary to enable them to exercise their due diligence responsibility, and cause the Company's officers, directors and employees to supply all information (together with the Records, the "Information") requested by any such Inspector in connection with such Registration Statement and request that the independent public accountants who have certified the Company's financial statements make themselves available, at reasonable times and for reasonable periods, to discuss the business of the Company. Any of the Information which the Company determines in good faith to be confidential, and of which determination the Inspectors are so notified, shall not be disclosed by the Inspectors to any other Person unless (i) the disclosure of such Information is necessary to avoid or correct a misstatement or omission in the Registration Statement, (ii) the release of such Information is requested or required pursuant to a subpoena, order from a court of competent jurisdiction or other interrogatory by a governmental entity or similar process; (iii) such Information has been made generally available to the public; or (iv) such Information is or becomes available to such Inspector on a non-confidential basis other than through the breach of an obligation of confidentiality (contractual or otherwise). The Holder(s) of Registrable Securities agree that they will, upon learning that disclosure of such Information is sought in a court of competent jurisdiction or by another governmental entity, give notice to the Company and allow the Company, at the Company's expense, to undertake appropriate action to prevent disclosure of the Information deemed confidential;

(j) in the case of an Underwritten Offering, deliver or cause to be delivered to the underwriters of such Underwritten Offering a "comfort" letter in customary form and at customary times and covering matters of the type customarily covered by such comfort letters from its independent certified public accountants;

(k) in the case of an Underwritten Offering, deliver or cause to be delivered to the underwriters of such Underwritten Offering a written and signed legal opinion or opinions in customary form from its outside or in-house legal counsel dated the closing date of the Underwritten Offering;

(l) provide a transfer agent and registrar (which may be the same entity and which may be the Company) for such Registrable Securities and deliver to such transfer agent and registrar such customary forms, legal opinions from its outside or in-house legal counsel, agreements and other documentation as such transfer agent and/or registrar so request;

(m) in connection with any non-marketed, non-underwritten offering taking the form of a block trade to a financial institution, "qualified institutional buyer" (as defined in Rule 144A under the Securities Act) or institutional "accredited investor" (as defined in Rule 501(a) of Regulation D under the Securities Act) or other disposition of Registrable Securities by any Holder, use its commercially reasonable efforts to timely furnish any information or take any actions reasonably requested by the Holders in connection with such a block trade, including the delivery of customary comfort letters, customary legal opinions and customary underwriter due diligence, in each

case subject to receipt by the Company, its auditors and legal counsel of representation and documentation by such Persons to permit the delivery of such comfort letter and legal opinions;

(n) upon the request of any Holder of the Registrable Securities included in such registration, use reasonable best efforts to cause such Registrable Securities to be listed on any national securities exchange on which any Shares are listed or, if the Shares are not listed on a national securities exchange, use its reasonable best efforts to qualify such Registrable Securities for inclusion on such national securities exchange as the Company shall designate;

(o) otherwise use its reasonable best efforts to comply with all applicable rules and regulations of the Commission and make available to its security holders, as soon as reasonably practicable, earnings statements (which need not be audited) covering a period of 12 months beginning within three months after the effective date of the Registration Statement, which earnings statements shall satisfy the provisions of Section 11(a) of the Securities Act;

(p) notify the Holders and the lead underwriter or underwriters, if any, and (if requested) confirm such advice in writing, as promptly as reasonably practicable after notice thereof is received by the Company when the applicable Registration Statement or any amendment thereto has been filed or becomes effective and when the applicable Prospectus or any amendment or supplement thereto has been filed;

(q) use its reasonable best efforts to prevent the entry of, and use its reasonable best efforts to obtain as promptly as reasonably practicable the withdrawal of, any stop order with respect to the applicable Registration Statement or other order suspending the use of any preliminary or final Prospectus;

(r) promptly incorporate in a prospectus supplement or post-effective amendment to the applicable Registration Statement such information as the lead underwriter or underwriters, if any, and the Holders holding a majority of each class of Registrable Securities being sold agree (with respect to the relevant class) should be included therein relating to the plan of distribution with respect to such class of Registrable Securities; and make all required filings of such prospectus supplement or post-effective amendment as promptly as reasonably practicable after being notified of the matters to be incorporated in such prospectus supplement or post-effective amendment;

(s) cooperate with each Holder and each underwriter or agent, if any, participating in the disposition of such Registrable Securities and their respective counsel in connection with any filings required to be made with FINRA;

(t) provide a CUSIP number or numbers for all such shares, in each case not later than the effective date of the applicable Registration Statement;

(u) to the extent reasonably requested by the managing underwriter(s) in connection with an Underwritten Offering (including an Underwritten Offering pursuant to [Section 2.1](#) or [Section 2.2](#)), send appropriate officers of the Company to attend any "road shows" scheduled in connection with any such Underwritten Offering, with all out-of-pocket costs and expenses incurred by the Company or such officers in connection with such attendance to be paid by the Company;

(v) enter into such agreements (including an underwriting agreement in customary form) and take such other actions as the Selling Investor or Selling Investors, as the case may be, owning at least a majority of the Registrable Securities covered by any applicable Registration Statement, shall reasonably request in order to expedite or facilitate the disposition of such Registrable Securities, including customary indemnification and contribution to the effect and to the extent provided in [Article V](#); and

(w) subject to all the other provisions of this Agreement, use its reasonable best efforts to take all other steps necessary to effect the registration, marketing and sale of such Registrable Securities contemplated hereby.

ARTICLE V

INDEMNIFICATION

Section 5.1 [Indemnification by the Company](#). The Company agrees to indemnify and hold harmless, to the full extent permitted by law, each Selling Investor, its Affiliates and their respective officers, directors, managers,

partners, members and representatives, and each of their respective successors and assigns, and each Person who Controls a Selling Investor, against any losses, claims, damages, liabilities and expenses caused by any violation by the Company of the Securities Act or the Exchange Act applicable to the Company and relating to action or inaction required of the Company in connection with the registration contemplated by a Registration Statement or any untrue or alleged untrue statement of a material fact contained in any Registration Statement, Prospectus, or preliminary Prospectus or any amendment thereof or supplement thereto, or any other disclosure document (including reports and other documents filed under the Exchange Act and any document incorporated by reference therein) or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading; provided, however, that the Company shall not be liable in any such case to the extent that any such loss, claim, damage, liability or expense arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in any Registration Statement, Prospectus, or preliminary Prospectus or any amendment thereof or supplement thereto in reliance upon and in conformity with information furnished to the Company in writing by the Person asserting such loss, claim, damage, liability or expense specifically for use therein. The Company will also indemnify underwriters, selling brokers, dealer managers and similar securities industry professionals participating in the distribution, their officers and directors and each Person who Controls such Persons to the same extent as provided above with respect to the indemnification of the Selling Investor, if requested.

Section 5.2 Indemnification by Selling Investors. Each Selling Investor agrees to indemnify and hold harmless, to the full extent permitted by law, the Company, the Company's Controlled Affiliates and their respective officers, directors, managers, partners, members and representatives, and each of their respective successors and assigns, and each Person who Controls the Company, against any losses, claims, damages, liabilities and expenses caused by any untrue or alleged untrue statement of a material fact contained in any Registration Statement, Prospectus, or preliminary Prospectus or any amendment thereof or supplement thereto or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, to the extent, but only to the extent, that such untrue statement or omission was made in reliance on and in conformity with any information furnished in writing by such Selling Investor to the Company expressly for inclusion in such Registration Statement and has not been corrected in a subsequent writing prior to or concurrently with the sale of the Registrable Securities to the Person asserting such loss, claim, damage, liability or expense; provided that the obligation to indemnify shall be several, not joint and several, for each Selling Investor and in no event shall the liability of any Selling Investor hereunder be greater in amount than the dollar amount of the net proceeds received by such Selling Investor upon the sale of the Registrable Securities giving rise to such indemnification obligation.

Section 5.3 Conduct of Indemnification Proceedings. Any Person entitled to indemnification hereunder will (i) give prompt (but in any event within 30 days after such Person has actual knowledge of the facts constituting the basis for indemnification) written notice to the indemnifying party of any claim with respect to which it seeks indemnification and (ii) permit such indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to the indemnified party; provided, however, that any delay or failure to so notify the indemnifying party shall relieve the indemnifying party of its obligations hereunder only to the extent, if at all, that it is prejudiced by reason of such delay or failure. Any Person entitled to indemnification hereunder shall have the right to select and employ separate counsel and to participate in the defense of such claim, but the fees and expenses of such counsel shall be at the expense of such Person unless (a) the indemnifying party has agreed in writing to pay such fees or expenses, (b) the indemnifying party shall have failed to assume the defense of such claim within a reasonable time after receipt of notice of such claim from the Person entitled to indemnification hereunder and employ counsel reasonably satisfactory to such Person, (c) the indemnified party has reasonably concluded, based on the advice of counsel, that there may be legal defenses available to it or other indemnified parties that are different from or in addition to those available to the indemnifying party or (d) in the reasonable judgment of any such Person, based upon advice of counsel, a conflict of interest may exist between such Person and the indemnifying party with respect to such claims (in which case, if such Person notifies the indemnifying party in writing that such Person elects to employ separate counsel at the expense of the indemnifying party, the indemnifying party shall not have the right to assume the defense of such claim on behalf of such Person). If such defense is not assumed by the indemnifying party, the indemnifying party will not be subject to any liability for any settlement made without its consent (but such consent will not be unreasonably withheld, conditioned or delayed). No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened action or claim in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party unless such settlement includes (i) an unconditional release of such indemnified party from all

liability on any claims that are the subject matter of such action, (ii) does not include a statement as to or an admission of fault, culpability or failure to act by or on behalf of any indemnified party and (iii) does not commit any indemnified party to take, or hold back from taking, any action. No indemnified party shall, without the written consent of the indemnifying party, effect the settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or threatened action or claim in respect of which indemnification or contribution may be sought hereunder, and no indemnifying party shall be liable for any settlement or compromise of, or consent to the entry of judgment with respect to, any such action or claim effected without its consent, in each case which consent shall not be unreasonably withheld, conditioned or delayed.

Section 5.4 Settlement Offers. Whenever the indemnified party or the indemnifying party receives a firm offer to settle a claim for which indemnification is sought hereunder, it shall promptly notify the other of such offer. If the indemnifying party refuses to accept such offer within 20 Business Days after receipt of such offer (or of notice thereof), such claim shall continue to be contested and, if such claim is within the scope of the indemnifying party's indemnity contained herein, the indemnified party shall be indemnified pursuant to the terms hereof. An indemnifying party who is not entitled to, or elects not to, assume the defense of a claim will not be obligated to pay the fees and expenses of more than one counsel for all parties indemnified by such indemnifying party with respect to such claim in any one jurisdiction, unless in the written opinion of counsel to the indemnified party, reasonably satisfactory to the indemnifying party, use of one counsel would be expected to give rise to a conflict of interest between such indemnified party and any other of such indemnified parties with respect to such claim, in which event the indemnifying party shall be obligated to pay the fees and expenses of one additional counsel.

Section 5.5 Other Indemnification. Indemnification similar to that specified in this Article V (with appropriate modifications) shall be given by the Company and each Selling Investor with respect to any required registration or other qualification of Registrable Securities under Federal or state law or regulation of governmental authority other than the Securities Act.

Section 5.6 Contribution. If for any reason the indemnification provided for in Section 5.1 or Section 5.2 is unavailable to an indemnified party or insufficient to hold it harmless as contemplated by Section 5.1 and Section 5.2, then (i) the indemnifying party shall contribute to the amount paid or payable by the indemnified party as a result of such loss, claim, damage, liability or expense in such proportion as is appropriate to reflect the relative fault of the indemnified party and the indemnifying party or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as shall be appropriate to reflect the relative benefits received by the Company, on the one hand, and such prospective sellers, on the other hand, from their sale of the Registrable Securities, provided that, no Selling Investor shall be required to contribute in an amount greater than the dollar amount of the net proceeds received by such Selling Investor with respect to the sale of the Registrable Securities giving rise to such indemnification obligation. The amount paid or payable by an indemnified party as a result of the losses, claims, damages, liabilities or expenses (or actions in respect thereof) referred to above shall be deemed to include any legal or other fees or expenses reasonably incurred by such indemnified party in connection with investigating or, except as provided in Section 5.3, defending any such action or claim. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. The Holders' obligations in this Section 5.6 to contribute shall be several in proportion to the amount of Registrable Securities registered by them and not joint.

ARTICLE VI

EXCHANGE ACT COMPLIANCE; LEGEND REMOVAL

Section 6.1 Exchange Act Compliance. So long as the Company (a) has registered a class of securities under Section 12 or Section 15 of the Exchange Act and (b) files reports under Section 13 of the Exchange Act, then the Company shall take all actions reasonably necessary to enable Holders to sell Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by Rule 144, including, without limiting the generality of the foregoing, (i) making and keeping public information available, as those terms are understood and defined in Rule 144, (ii) filing with the Commission in a timely manner all reports and other documents required of the Company under the Exchange Act and (iii) at the request of any Holder if such Holder proposes to sell securities in compliance with Rule 144, forthwith furnish to such Holder, as applicable, a written statement of compliance with the reporting requirements of the Commission as set forth in Rule 144 and make available to such Holder such information as will enable the Holder to make sales pursuant to Rule 144.

Section 6.2 Legend Removal. The legend on any Shares shall be removed if (i) such Shares are sold pursuant to an effective Registration Statement, (ii) (A) a Registration Statement covering the resale of such Shares is effective under the Securities Act and the applicable Holder of such Shares delivers to the Company a representation letter agreeing that such Shares will be sold under such effective Registration Statement, or (B) at any time after the date the Company first has a class of securities registered under Section 12 or Section 15 of the Exchange Act, of this Agreement, such Holder has held (taking into account the provisions of Rule 144(d)(3)) such Shares for at least six months and is not, and has not been in the preceding three months, an Affiliate of the Company (as defined in Rule 144), and such Holder or permitted assignee provides to the Company any other information the Company deems reasonably necessary to deliver to the transfer agent an instruction to so remove such legend, (iii) such Shares may be sold by the Holder thereof free of restrictions pursuant to Rule 144(b) under the Securities Act or (iv) such Shares are being sold, assigned or otherwise transferred pursuant to Rule 144 under the Securities Act. The Company shall cooperate with the applicable Holder of Shares covered by this Agreement to effect removal of the legend on such shares pursuant to this Section 6.2 as soon as reasonably practicable after delivery of notice from such Holder that the conditions to removal are satisfied (together with any documentation required to be delivered by such Holder pursuant to the immediately preceding sentence). The Company shall bear all direct costs and expenses associated with the removal of a legend pursuant to this Section 6.2.

ARTICLE VII

TERMINATION

Section 7.1 Termination. The rights hereunder shall cease to apply to any particular Registrable Security when it no longer constitutes a Registrable Security, and this Agreement shall terminate when there are no longer any Registrable Securities outstanding.

ARTICLE VIII

MISCELLANEOUS

Section 8.1 Severability. If any provision of this Agreement is adjudicated by a court of competent jurisdiction to be invalid, prohibited or unenforceable for any reason, such provision, as to such jurisdiction, shall be ineffective, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction. Notwithstanding the foregoing, if such provision could be more narrowly drawn so as not to be invalid, prohibited or unenforceable in such jurisdiction, it shall, as to such jurisdiction, be so narrowly drawn, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 8.2 Governing Law; Submission to Jurisdiction. This Agreement, and all rights and remedies in connection herewith, shall be governed by and construed in accordance with the laws of the State of Delaware, excluding any conflict-of-laws rule or principle (whether under the laws of Delaware or any other jurisdiction) that might refer the governance or the construction of this Agreement to the law of another jurisdiction. THE PARTIES HERETO VOLUNTARILY AND IRREVOCABLY SUBMIT TO THE JURISDICTION OF ANY U.S. DISTRICT COURT OR DELAWARE STATE CHANCERY COURT LOCATED, IN EACH CASE, IN WILMINGTON, DELAWARE, OVER ANY DISPUTE BETWEEN OR AMONG THE PARTIES HERETO ARISING OUT OF THIS AGREEMENT. EACH PARTY HERETO IRREVOCABLY AGREES THAT ALL SUCH CLAIMS IN RESPECT OF SUCH DISPUTE SHALL BE HEARD AND DETERMINED IN SUCH COURTS. THE PARTIES HERETO HEREBY IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH THEY MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH DISPUTE ARISING OUT OF THIS AGREEMENT BROUGHT IN SUCH COURT OR ANY DEFENSE OF INCONVENIENT FORUM FOR THE MAINTENANCE OF SUCH DISPUTE. EACH PARTY HERETO AGREES THAT A JUDGMENT IN ANY SUCH DISPUTE MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. A COPY OF ANY SERVICE OF PROCESS SERVED UPON THE PARTIES SHALL BE MAILED BY REGISTERED MAIL TO THE RESPECTIVE PARTY EXCEPT THAT, UNLESS OTHERWISE PROVIDED BY LAW, ANY FAILURE TO MAIL SUCH COPY SHALL NOT AFFECT THE VALIDITY OF SERVICE OF PROCESS. IF ANY AGENT APPOINTED BY A PARTY REFUSES TO ACCEPT SERVICE, EACH PARTY AGREES THAT SERVICE UPON THE APPROPRIATE PARTY BY REGISTERED MAIL SHALL, TO THE FULLEST EXTENT PERMITTED BY LAW, CONSTITUTE

SUFFICIENT SERVICE. NOTHING HEREIN SHALL AFFECT THE RIGHT OF A PARTY TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT.

Section 8.3 Other Registration Rights. From and after the date hereof, the Company shall not, without the prior written consent of Southwest, enter into any agreement with any current or future holder of any securities of the Company that would allow such current or future holder to require the Company to include securities in any registration statement filed by the Company for such Holders on a basis other than *pari passu* with, or expressly subordinate to, the piggyback rights of the Holders hereunder *provided*, that in no event shall the Company enter into any agreement that would permit another holder of securities of the Company to participate on a *pari passu* basis (in terms of priority of cut-back based on advice of underwriters) with a Requesting Holder or a Holder exercising piggyback rights in a Shelf Take-Down.

Section 8.4 [Reserved].

Section 8.5 Successors and Assigns. Subject to Section 8.5, this Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of each of the parties hereto, each of which, in the case of the Permitted Transferees, shall agree to become subject to the terms of this Agreement as provided for in Section 2.9. The Company may not assign any of its rights or delegate any of its duties hereunder without the prior written consent of Southwest.

Section 8.6 Notices. All notices, requests, claims, demands and other communications under this Agreement shall be in English, shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service, or by facsimile or electronic mail with receipt confirmed (followed by delivery of an original via overnight courier service) to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 8.6).

(a) if to the Company to:

Centuri Holdings, Inc.
19820 North 7th Avenue, Suite 120
Phoenix, Arizona 85027
Attention: General Counsel
Email:

(b) if to Southwest Gas to:

Southwest Gas Holdings, Inc.
8360 S. Durango Drive
Las Vegas, Nevada 89113
Attention: General Counsel
Email:

All such notices, requests, consents and other communications shall be deemed to have been received (i) in the case of personal delivery or delivery by facsimile or electronic mail, on the date of such delivery, (ii) in the case of dispatch by nationally recognized overnight courier, on the next Business Day following such dispatch and (iii) in the case of mailing, on the fifth (5th) Business Day after the posting thereof.

Section 8.7 Headings. The headings contained in this Agreement are for the sole purpose of convenience of reference, and shall not in any way limit or affect the meaning or interpretation of any of the terms or provisions of this Agreement.

Section 8.8 Adjustments. If, and as often as, there are any changes in the Shares or securities convertible into or exchangeable into or exercisable for Shares as a result of any reclassification, recapitalization, stock split (including a reverse stock split) or subdivision or combination, exchange or readjustment of shares, or any stock dividend or

stock distribution, merger or other similar transaction affecting such Shares or such securities, appropriate adjustment shall be made in the provisions of this Agreement, as may be required, so that the rights, privileges, duties and obligations hereunder shall continue with respect to such Shares or such securities as so changed.

Section 8.9 Entire Agreement. This Agreement and the other writings referred to herein constitute the entire agreement among the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral or written, with respect to such subject matter.

Section 8.10 Counterparts; Facsimile or .pdf Signature. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original instrument, but all of which together shall constitute one and the same document. This Agreement may be executed by facsimile or .pdf signature and a facsimile or .pdf signature shall constitute an original for all purposes.

Section 8.11 Amendment. This Agreement may not be amended, modified or supplemented without the written consent of Southwest and the Holders of a majority of the Registrable Securities; provided, however, that, with respect to a particular Holder or group of Holders, any such amendment, supplement, modification or waiver that (a) would materially and adversely affect such Holder or group of Holders in any respect or (b) would disproportionately benefit any other Holder or group of Holders or confer any benefit on any other Holder or group of Holders to which such Holder or group of Holders would not be entitled, shall not be effective against such Holder or group of Holders unless approved in writing by such Holder or the Holders of a majority of the Registrable Securities held by such group of Holders, as the case may be.

Section 8.12 Extensions; Waivers. Any party may, for itself only, (a) extend the time for the performance of any of the obligations of any other party under this Agreement, (b) waive any inaccuracies in the representations and warranties of any other party contained herein or in any document delivered pursuant hereto and (c) waive compliance with any of the agreements or conditions for the benefit of such party contained herein. Any extension or waiver pursuant to this Section 8.12 will be valid only if set forth in a writing signed by the party to be bound thereby.

No waiver by any party of any default, misrepresentation or breach of warranty or covenant hereunder, whether intentional or not, may be deemed to extend to any prior or subsequent default, misrepresentation or breach of warranty or covenant hereunder or affect in any way any rights arising because of any prior or subsequent such occurrence. Neither the failure nor any delay on the part of any party to exercise any right or remedy under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy preclude any other or further exercise of the same or of any other right or remedy.

Section 8.13 Further Assurances. Each of the parties hereto shall execute all such further instruments and documents and take all such further action as the Company may reasonably require in order to effectuate the terms and purposes of this Agreement.

Section 8.14 No Third-Party Beneficiaries. Except pursuant to Article V, this Agreement shall not confer any rights or remedies upon any Person other than the parties hereto and their respective successors and permitted assigns and other Persons expressly named herein.

Section 8.15 Interpretation; Construction. This Agreement has been freely and fairly negotiated among the parties. If an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the parties and no presumption or burden of proof will arise favoring or disfavoring any party because of the authorship of any provision of this Agreement. Any reference to any law will be deemed to refer to such law as amended and all rules and regulations promulgated thereunder, unless the context requires otherwise. The words "include," "includes," and "including" will be deemed to be followed by "without limitation." Pronouns in masculine, feminine, and neuter genders will be construed to include any other gender, and words in the singular form will be construed to include the plural and vice versa, unless the context otherwise requires. The words "this Agreement," "herein," "hereof," "hereby," "hereunder" and words of similar import refer to this Agreement as a whole, including the schedules, exhibits and annexes, as the same may from time to time be amended, modified or supplemented, and not to any particular subdivision unless expressly so limited. All references to sections, schedules, annexes and exhibits mean the sections of this Agreement and the schedules, annexes and exhibits attached to this Agreement, except where otherwise stated. The parties intend that each representation, warranty, and covenant contained herein will have independent significance. If any party has breached any covenant contained herein in any respect, the fact that there

exists another covenant relating to the same subject matter (regardless of the relative levels of specificity) that the party has not breached will not detract from or mitigate the party's breach of the first covenant.

* * * *

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first above written.

CENTURI HOLDINGS, INC.

By: /s/ William J. Fehrman

Name: William J. Fehrman

Title: Chief Executive Officer

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first above written.

SOUTHWEST GAS HOLDINGS, INC.:

By: /s/ Karen S. Haller
Name: Karen S. Haller
Title: Chief Executive Officer and
President

FORM OF INDEMNIFICATION AGREEMENT

This Indemnification Agreement (this "Agreement") is made as of the 17th day of April, 2024 by and between Centuri Holdings, Inc., a Delaware corporation, (the "Company") and _____ (the "Indemnitee"), a director or officer of the Company.

WHEREAS, the Board of Directors has determined that the increasing difficulty in attracting and retaining qualified persons as directors and officers is detrimental to the best interests of the Company's stockholders and that the Company should act to assure such persons that there will be adequate certainty of protection through insurance and indemnification against risks of claims and actions against them arising out of their service to and activities on behalf of the Company; and

WHEREAS, Section 145 of the General Corporation Law of the State of Delaware empowers the Company to indemnify and advance expenses to its officers, directors, employees and agents by agreement and to indemnify and advance expenses to persons who serve, at the request of the Company, as directors, officers, employees, or agents of other corporations or enterprises, and expressly provides that the indemnification provided by Section 145 is not exclusive;

WHEREAS, the Company has adopted provisions in its Certificate of Incorporation and Bylaws providing for mandatory indemnification of its officers and directors to the fullest extent permitted by applicable law, subject to certain limitations specified in the Certificate of Incorporation and Bylaws, and the Company wishes to clarify and enhance the rights and obligations of the Company and the Indemnitee with respect to indemnification; and

WHEREAS, in order to induce and encourage highly experienced and capable persons such as the Indemnitee to serve and continue to serve as directors and officers of the Company and in other capacities with respect to the Company and its affiliates, and to otherwise promote the desirable end that such persons will resist what they consider unjustified lawsuits and claims made against them in connection with the good faith performance of their duties to the Company, with the knowledge that certain costs, judgments, liabilities and expenses incurred by them in their defense of such litigation are to be borne by the Company, the Board of Directors of the Company has determined that the following Agreement is reasonable and prudent to promote and ensure the best interests of the Company and its stockholders.

NOW, THEREFORE, in consideration of the Indemnitee's service as a director or officer of the Company, or service at the Company's request as a director, officer, employee, or agent of other enterprises or entities, after the date hereof, and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

Section 1. Service by Indemnitee. The Indemnitee will serve and/or continue to serve as a director or officer of the Company faithfully and to the best of the Indemnitee's

ability so long as the Indemnitee is duly elected or appointed and until such time as the Indemnitee is removed, terminated, or tenders a resignation.

Section 2. Indemnification.

(a) General. The Company shall indemnify the Indemnitee (i) as provided in this Agreement and (ii) subject to the provisions of this Agreement, to the full extent permitted by applicable law and in a manner permitted by such law.

(b) Proceedings Other Than Proceedings by or in the Right of the Company. Except as provided in Section 4 hereof, the Indemnitee shall be entitled to the rights of indemnification provided in this Section 2(b) if, by reason of the Indemnitee's Corporate Status, the Indemnitee is or was, or is or was threatened to be made, a party to or is or was otherwise involved in a Proceeding, other than a Proceeding by or in the right of the Company to procure a judgment in its favor. The Indemnitee shall be indemnified pursuant to and in accordance with this Section 2(b) against all Losses actually and reasonably incurred by the Indemnitee or on the Indemnitee's behalf in connection with such a Proceeding or any claim, issue, or matter therein, but only if the Indemnitee acted in good faith and in a manner that the Indemnitee reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful.

(c) Proceedings by or in the Right of the Company. Except as provided in Section 4 hereof, the Indemnitee shall be entitled to the rights of indemnification provided in this Section 2(c) if, by reason of the Indemnitee's Corporate Status, the Indemnitee is or was, or is or was threatened to be made, a party to or is or was otherwise involved in a Proceeding brought by or in the right of the Company to procure a judgment in its favor. The Indemnitee shall be indemnified pursuant to and in accordance with this Section 2(c) against all Expenses actually and reasonably incurred by the Indemnitee or on the Indemnitee's behalf in connection with such a Proceeding or any claim, issue, or matter therein, but only if the Indemnitee acted in good faith and in a manner that the Indemnitee reasonably believed to be in or not opposed to the best interests of the Company; provided, however, that no indemnification for such Expenses shall be made in respect of any claim, issue, or matter in such Proceeding as to which the Indemnitee shall have been adjudged liable to the Company unless (and only to the extent that) the Court of Chancery of the State of Delaware or the court in which such Proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, the Indemnitee is fairly and reasonably entitled to indemnity for such expenses that the Court of Chancery or such other court shall deem proper. Anything in this Agreement to the contrary notwithstanding, if the Indemnitee, by reason of the Indemnitee's Corporate Status, is or was, or is or was threatened to be made, a party to any Proceeding by or in the right of the Company to procure a judgment in its favor, then the Company shall not indemnify the Indemnitee for any judgment, fines, or amounts paid in settlement to the Company in connection with such Proceeding.

(d) Indemnification for Expenses if Indemnitee is Wholly or Partly Successful. Anything in this Agreement to the contrary notwithstanding, to the extent that

the Indemnitee, by reason of the Indemnitee's Corporate Status, is or was, or is or was threatened to be made, a party to any Proceeding and is successful, on the merits or otherwise, in defending such Proceeding (including dismissal without prejudice), the Indemnitee shall be indemnified to the maximum extent permitted by law against all Expenses actually and reasonably incurred by the Indemnitee or on the Indemnitee's behalf in connection with the defense of such Proceeding. If the Indemnitee is not wholly successful in defending any such Proceeding but is successful, on the merits or otherwise, in defending one or more but less than all claims, issues, or matters in such Proceeding (including dismissal without prejudice of certain claims), the Company shall indemnify the Indemnitee against all Expenses actually and reasonably incurred by the Indemnitee or on the Indemnitee's behalf in defending each such successfully resolved claim, issue, or matter. To the extent the Indemnitee has been successful, on the merits or otherwise, in defending any Proceeding, or in defending any claim, issue, or matter therein, the Indemnitee shall be entitled to indemnification as provided in this Section 2(d) regardless of whether the Indemnitee met the standards of conduct set forth in Sections 2(b) and 2(c) hereof.

(e) Indemnification for Expenses as a Witness. Anything in this Agreement to the contrary notwithstanding, to the fullest extent permitted by applicable law, to the extent that the Indemnitee, by reason of the Indemnitee's Corporate Status, is or was, or is or was threatened to be made, a witness in any Proceeding to which the Indemnitee is not a party, the Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by the Indemnitee or on the Indemnitee's behalf in connection therewith. To the extent permitted by applicable law, the Indemnitee shall be entitled to indemnification for Expenses incurred in connection with being or threatened to be made a witness, as provided in this Section 2(e), regardless of whether the Indemnitee met the standards of conduct set forth in Sections 2(b) and 2(c) hereof.

(f) Partial Indemnification. If the Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of the Losses actually and reasonably incurred by the Indemnitee in a Proceeding, but not for the total amount thereof, the Company shall indemnify the Indemnitee for the portion of such Losses to which the Indemnitee is entitled.

Section 3. Advancement of Expenses. Anything in this Agreement to the contrary notwithstanding, but subject to Section 4 hereof, if, by reason of the Indemnitee's Corporate Status, the Indemnitee is or was, or is or was threatened to be made, a party to, or is or was otherwise involved in, or is or was, or is or was threatened to be made, a witness to any Proceeding (including, without limitation, a Proceeding brought by or in the right of the Company to procure a judgment in its favor), then the Company shall advance all Expenses actually and reasonably incurred by or on behalf of the Indemnitee in connection with any such Proceeding in advance of the final disposition of such Proceeding within thirty (30) calendar days after the receipt by the Company of a written request for such advance or advances from time to time. Such written request shall include or be accompanied by a statement or statements reasonably evidencing the Expenses incurred by or on behalf of the Indemnitee and for which advancement is requested, and shall include

or be preceded or accompanied by an undertaking by or on behalf of the Indemnitee to repay any Expenses advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal that the Indemnitee is not entitled to be indemnified against such Expenses under this Agreement or otherwise. Such undertaking shall be sufficient for purposes of this Section 3 if it is in substantially the form attached hereto as Exhibit A. Any advances and undertakings to repay pursuant to this Section 3 shall be unsecured and interest free. The Indemnitee shall be entitled to advancement of Expenses as provided in this Section 3 regardless of any determination by or on behalf of the Company that the Indemnitee has not met the standards of conduct set forth in Sections 2(b) and 2(c) hereof.

Section 4. Proceedings Against the Company; Certain Securities Laws Claims.

(a) Anything in Section 2 or Section 3 hereof to the contrary notwithstanding, except as provided in Section 7(d) hereof, with respect to a Proceeding initiated against the Company by the Indemnitee (whether initiated by the Indemnitee in or by reason of such person's capacity as an officer or director of the Company or in or by reason of any other capacity, including, without limitation, as an employee or agent of the Company or a director, officer, employee, or agent of Another Enterprise), the Company shall not be required to indemnify or to advance Expenses to the Indemnitee in connection with prosecuting such Proceeding (or any part thereof) or in defending any counterclaim, cross-claim, affirmative defense, or like claim of the Company in such Proceeding (or part thereof) unless such Proceeding was authorized by the Board of Directors of the Company. For purposes of this Section 4, a compulsory counterclaim by the Indemnitee against the Company in connection with a Proceeding initiated against the Indemnitee by the Company shall not be considered a Proceeding (or part thereof) initiated against the Company by the Indemnitee, and the Indemnitee shall have all rights of indemnification and advancement with respect to any such compulsory counterclaim in accordance with and subject to the terms of this Agreement.

(b) Anything in Section 2 (other than Section 2(d)) or Section 3 hereof to the contrary notwithstanding, except as provided in Section 2(d) hereof with respect to indemnification of Expenses in connection with whole or partial success on the merits or otherwise in defending any Proceeding, the Company shall not be required to indemnify the Indemnitee in connection with any claim made against Indemnitee for (i) an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Securities Exchange Act of 1934 or similar provisions of state statutory law or common law; (ii) any reimbursement of the Company by the Indemnitee of any bonus or other incentive-based or equity-based compensation or of any profits realized by the Indemnitee from the sale of securities of the Company, as required in each case under the Securities Exchange Act of 1934 (including any such reimbursements that arise from an accounting restatement of the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the "**Sarbanes-Oxley Act**")), or the payment to the Company of profits arising from the purchase and sale by Indemnitee of securities in violation of Section 306 of the Sarbanes-Oxley Act); or (iii) any reimbursement to the Company by the Indemnitee, withholding of any bonus or other

incentive-based compensation by the Company or clawback by the Company of any bonus or other incentive-based compensation, pursuant to a Clawback Policy adopted by the Company's Board of Directors, as such Clawback Policy may currently exist or be amended in the future.

Section 5. Procedure for Determination of Entitlement to Indemnification; Independent Counsel.

(a) To obtain indemnification under this Agreement, the Indemnitee shall submit to the Company (following the final disposition of the applicable Proceeding) a written request for indemnification, including therein or therewith, except to the extent previously provided to the Company in connection with a request or requests for advancement pursuant to Section 3 hereof, a statement or statements reasonably evidencing all Losses incurred or paid by or on behalf of the Indemnitee and for which indemnification is requested. The Secretary of the Company shall, promptly upon receipt of such a request for indemnification, advise the Board of Directors in writing that the Indemnitee has requested indemnification.

(b) Upon written request by the Indemnitee for indemnification pursuant to the first sentence of Section 5(a) hereof, if required by applicable law and to the extent not otherwise provided pursuant to the terms of this Agreement, a determination with respect to the Indemnitee's entitlement to indemnification shall be made in the specific case as follows: (i) if a Change in Control shall have occurred and if so requested in writing by the Indemnitee, by Independent Counsel in a written opinion to the Board of Directors; or (ii) if a Change in Control shall not have occurred (or if a Change in Control shall have occurred but the Indemnitee shall not have requested that indemnification be determined by Independent Counsel as provided in subpart (i) of this Section 5(b)), (A) by a majority vote of the Disinterested Directors, even though less than a quorum of the Board of Directors, or (B) by a committee of Disinterested Directors designated by majority vote of the Disinterested Directors, even though less than a quorum of the Board of Directors, or (C) if there are no such Disinterested Directors or, if such Disinterested Directors so direct, by Independent Counsel in a written opinion to the Board of Directors, or (D) by the Company's stockholders in accordance with applicable law. Notice in writing of any determination as to the Indemnitee's entitlement to indemnification shall be delivered to the Indemnitee promptly after such determination is made, and if such determination of entitlement to indemnification has been made by Independent Counsel in a written opinion to the Board of Directors, then such notice shall be accompanied by a copy of such written opinion. If it is determined that the Indemnitee is entitled to indemnification, then payment to the Indemnitee of all amounts to which the Indemnitee is determined to be entitled shall be made within thirty (30) calendar days after such determination. If it is determined that the Indemnitee is not entitled to indemnification, then the written notice to the Indemnitee (or, if such determination has been made by Independent Counsel in a written opinion, the copy of such written opinion delivered to the Indemnitee) shall disclose the basis upon which such determination is based. The Indemnitee shall cooperate with the person, persons, or entity making the determination with respect to the Indemnitee's entitlement to indemnification, including

providing to such person, persons, or entity upon reasonable advance request any documentation or information that is not privileged or otherwise protected from disclosure and that is reasonably available to the Indemnitee and reasonably necessary to determine whether and to what extent the Indemnitee is entitled to indemnification.

(c) If the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 5(b) hereof, the Independent Counsel shall be selected as provided in this Section 5(c). If a Change in Control shall not have occurred (or if a Change in Control shall have occurred but the Indemnitee shall not have requested that indemnification be determined by Independent Counsel as provided in subpart (i) of Section 5(b)), then the Independent Counsel shall be selected by the Board of Directors, and the Company shall give written notice to the Indemnitee advising the Indemnitee of the identity of the Independent Counsel so selected. If a Change in Control shall have occurred and the Indemnitee shall have requested that indemnification be determined by Independent Counsel, then the Independent Counsel shall be selected by the Indemnitee (unless the Indemnitee shall request that such selection be made by the Board of Directors, in which event the preceding sentence shall apply), and the Indemnitee shall give written notice to the Company advising it of the identity of the Independent Counsel so selected. In either event, the Indemnitee or the Company, as the case may be, may, within 10 calendar days after such written notice of selection has been given, deliver to the Company or to the Indemnitee, as the case may be, a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the law firm or person so selected does not meet the requirements of "Independent Counsel" as defined in Section 23 of this Agreement, and the objection shall set forth the basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If such written objection is so made and substantiated, the law firm or person so selected may not serve as Independent Counsel unless and until such objection is withdrawn or the Court of Chancery of the State of Delaware or another court of competent jurisdiction in the State of Delaware has determined that such objection is without merit. If the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 5(b) hereof and, following the expiration of thirty (30) calendar days after submission by the Indemnitee of a written request for indemnification pursuant to Section 5(a) hereof, Independent Counsel shall not have been selected, or an objection thereto has been made and not withdrawn, then either the Company or the Indemnitee may petition the Court of Chancery of the State of Delaware or another court of competent jurisdiction in the State of Delaware for resolution of any objection that shall have been made by the Company or the Indemnitee to the other's selection of Independent Counsel and/or for appointment as Independent Counsel of a law firm or person selected by such court (or selected by such person as the court shall designate), and the law firm or person with respect to whom all objections are so resolved or the law firm or person so appointed shall act as Independent Counsel under Section 5(b) hereof. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 7(a) of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing). If the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 5(b) hereof, then the Company agrees to pay the reasonable fees and expenses of such

Independent Counsel and to fully indemnify and hold harmless such Independent Counsel against any and all Expenses, claims, liabilities, and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

Section 6. Burden of Proof; Defenses; and Presumptions.

(a) In any judicial proceeding or arbitration pursuant to Section 7 hereof brought by the Indemnitee to enforce rights to indemnification or to an advancement of expenses hereunder, or in any action, suit, or proceeding brought by the Company to recover an advancement of expenses (whether pursuant to the terms of an undertaking or otherwise), the burden shall be on the Company to prove that the Indemnitee is not entitled to be indemnified, or to such an advancement of expenses, as the case may be.

(b) It shall be a defense in any judicial proceeding or arbitration pursuant to Section 7 hereof to enforce rights to indemnification under Section 2(b) or Section 2(c) hereof (but not in any judicial proceeding or arbitration pursuant to Section 7 hereof to enforce a right to an advancement of expenses under Section 3 hereof) that the Indemnitee has not met the standards of conduct set forth in Section 2(b) or Section 2(c), as the case may be, but the burden of proving such defense shall be on the Company. With respect to any judicial proceeding or arbitration pursuant to Section 7 hereof brought by the Indemnitee to enforce a right to indemnification hereunder, or any action, suit, or proceeding brought by the Company to recover an advancement of expenses (whether pursuant to the terms of an undertaking or otherwise), neither (i) the failure of the Company (including by its directors or Independent Counsel) to have made a determination prior to the commencement of such action, suit, proceeding, or arbitration that indemnification is proper in the circumstances because the Indemnitee has met the applicable standards of conduct, nor (ii) an actual determination by the Company (including by its directors or Independent Counsel) that the Indemnitee has not met such applicable standards of conduct, shall create a presumption that the Indemnitee has not met the applicable standards of conduct or, in the case of a judicial proceeding or arbitration pursuant to Section 7 hereof brought by the Indemnitee seeking to enforce a right to indemnification, be a defense to such proceeding or arbitration.

(c) The termination of any Proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, adversely affect the right of the Indemnitee to indemnification hereunder or create a presumption that the Indemnitee did not act in good faith and in a manner the Indemnitee reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal Proceeding, that the Indemnitee had reasonable cause to believe that his or her conduct was unlawful.

(d) For purposes of any determination of good faith, Indemnitee shall be deemed to have acted in good faith if Indemnitee's action is based on the records or books of account of the Company or Other Enterprise, including financial statements, or on information supplied to Indemnitee by the officers of the Company or Other Enterprise in the course of their duties, or on the advice of legal counsel for the Company or Other Enterprise or on information or records given or reports made to the Company or Other

Enterprise by an independent certified public accountant or by an appraiser or other expert selected by the Company or Other Enterprise. The provisions of this Section 6(d) shall not be deemed to be exclusive or to limit in any way the other circumstances in which the Indemnitee may be deemed or found to have met the applicable standard of conduct set forth in this Agreement.

(e) The knowledge and/or actions, or failure to act, of any other director, officer, agent, or employee of the Company or of Another Enterprise shall not be imputed to the Indemnitee for purposes of determining the Indemnitee's right to indemnification under this Agreement.

Section 7. Remedies of Indemnitee.

(a) In the event that (i) a determination is made pursuant to Section 5 of this Agreement that the Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 3 of this Agreement, (iii) except when the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 5(b) hereof, no determination of entitlement to indemnification shall have been made pursuant to Section 5(b) of this Agreement within sixty (60) calendar days after receipt by the Company of the Indemnitee's written request for indemnification, (iv) under circumstances in which the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 5(b) hereof, no determination of entitlement to indemnification shall have been made pursuant to Section 5(b) hereof within eighty (80) calendar days after receipt by the Company of the Indemnitee's written request for indemnification (unless an objection to the selection of such Independent Counsel has been made and substantiated and not withdrawn, in which case the applicable time period shall be seventy (70) calendar days after the Court of Chancery of the State of Delaware or another court of competent jurisdiction in the State of Delaware (or such person appointed by such court to make such determination) has determined or appointed the person to act as Independent Counsel pursuant to Section 5(b) hereof), (v) payment of indemnification is not made pursuant to Section 2(d) or Section 2(e) of this Agreement within thirty (30) calendar days after receipt by the Company of a written request therefor, or (vi) payment of indemnification pursuant to Section 2(b) or Section 2(c) of this Agreement is not made within thirty (30) calendar days after a determination has been made pursuant to Section 5(b) that the Indemnitee is entitled to indemnification, then the Indemnitee shall be entitled to seek an adjudication by the Court of Chancery of the State of Delaware of the Indemnitee's entitlement to such indemnification or advancement of Expenses. Alternatively, if the foregoing conditions have been satisfied, the Indemnitee, at his or her option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. The Indemnitee shall commence such proceeding seeking an adjudication or an award in arbitration within one hundred and eighty (180) calendar days following the date on which the Indemnitee first has the right to commence such proceeding pursuant to this Section 7(a); provided, however, that the foregoing clause shall not apply in respect of a proceeding brought by the Indemnitee to enforce his or her rights to indemnification under Section 2(d) of this Agreement.

(b) In the event that a determination shall have been made pursuant to Section 5(b) of this Agreement that the Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 7 shall be conducted in all respects as a *de novo* trial, or arbitration, on the merits and the Indemnitee shall not be prejudiced by reason of that adverse determination.

(c) If a determination shall have been made pursuant to Section 5(b) of this Agreement that the Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 7, absent (i) a misstatement or misrepresentation by the Indemnitee (or anyone acting on the Indemnitee's behalf) of a material fact, or an omission of a material fact necessary to make the Indemnitee's statement (or statements of persons acting on behalf of the Indemnitee) not materially misleading, in connection with the request for indemnification or in connection with the provision of information or documentation pursuant to the last sentence of Section 5(b), or (ii) a prohibition of such indemnification under applicable law.

(d) In the event that the Indemnitee, pursuant to this Section 7, seeks a judicial adjudication of or an award in arbitration to enforce the Indemnitee's rights under, or to recover damages for breach of, this Agreement, then the Indemnitee shall be entitled to recover from the Company, and shall be indemnified by the Company against, any and all Expenses actually and reasonably incurred by or on behalf of such Indemnitee in such judicial adjudication or arbitration, but only if (and only to the extent) the Indemnitee prevails therein. If it shall be determined in said judicial adjudication or arbitration that the Indemnitee is entitled to receive part but not all of the indemnification or advancement of Expenses sought, the expenses incurred by the Indemnitee in connection with such judicial adjudication or arbitration shall be appropriately prorated.

Section 8. Non-Exclusivity. Except to the extent expressly provided herein, and only to such extent, the rights of indemnification and to receive advancement of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which the Indemnitee may at any time be entitled under applicable law, the Company's Certificate of Incorporation, the Company's Bylaws, any agreement, a vote of stockholders, a resolution of directors, or otherwise, both as to action in or by reason of the Indemnitee's Corporate Status and as to action in or by reason of any other capacity of the Indemnitee while serving as a director or officer of the Company. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. In the event of any change after the date of this Agreement in any applicable law, statute, or rule that expands the power of a Delaware corporation to indemnify a member of its board of directors or an officer, employee, agent, or fiduciary, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greatest benefits afforded by such change. Anything in this Section 8 to the contrary notwithstanding, to the extent the time periods specified in Section 3 and Section 7(a) hereof with respect to the time at which the Indemnitee shall be entitled to seek an adjudication or an award in arbitration as to the Indemnitee's entitlement to

indemnification or advancement differ from similar time periods specified in the Company's Certificate of Incorporation or Bylaws, the time periods set forth in Section 3 and Section 7(a) hereof shall control and be binding on the Indemnitee and the Company and shall be deemed a waiver of any contrary right specified in the Company's Certificate of Incorporation or Bylaws. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

Section 9. Insurance; Subrogation; Other Sources of Payment.

(a) To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, officers, employees, or agents of the Company or Another Enterprise, Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any such director, officer, employee or agent under such policy or policies. If, at the time of the receipt of a notice of a claim pursuant to the terms hereof, the Company has director and officer liability insurance in effect, the Company shall give prompt notice of the commencement of such proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such proceeding in accordance with the terms of such policies. To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, officers, employees, or agents of the Company or Another Enterprise, the provision of directors' and officers' liability insurance as provided in this Section 9(a) shall be in addition to the Company's obligations under Sections 2 and 3 hereof and shall not be deemed to be in satisfaction of those obligations.

(b) In the event of any payment to or on behalf of the Indemnitee under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of the Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

(c) Except to the extent required by applicable law, the Company shall not be liable under this Agreement to make any payment to Indemnitee with respect to amounts otherwise indemnifiable hereunder (or for which advancement is otherwise provided hereunder) if and to the extent that the Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement, or otherwise. Nothing hereunder is intended to affect any right of contribution of or against the Company in the event the Company and any other person or persons have co-equal obligations to indemnify or advance expenses to Indemnitee.

(d) The Company's obligation to indemnify or advance Expenses hereunder to the Indemnitee, in connection with or by reason of Indemnitee's service at the request of the Company as a director, officer, employee, agent, or fiduciary of Another Enterprise, shall be reduced by any amount that the Indemnitee has actually received as indemnification or advancement of Expenses from such Other Enterprise with respect to

the Proceeding for which indemnification or advancement of Expenses is sought.

Section 10. Contribution. To the fullest extent permitted by applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, for any and all Losses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Company, on the one hand, and Indemnitee, on the other hand, as a result of the event(s) and/or transaction(s) giving cause to such Proceeding; and/or (ii) the relative fault of the Company (and its directors, officers, employees and agents), on the one hand, and Indemnitee, on the other hand, in connection with such event(s) and/or transaction(s).

Section 11. Settlements. Anything in this Agreement or the Company's Certificate of Incorporation or Bylaws to the contrary notwithstanding, the Company shall have no obligation to indemnify the Indemnitee for any amounts paid by or on behalf of the Indemnitee in settlement of any Proceeding, unless the Company has consented in writing to such settlement, which consent shall not be unreasonably withheld. The Company shall not settle any claim in any manner that would impose any fine or any obligation on the Indemnitee without the Indemnitee's prior written consent, which consent shall not be unreasonably withheld.

Section 12. Survival of Rights; Binding Effect; Successors and Assigns.

(a) The indemnification and advancement of Expenses and other rights provided by, or granted pursuant to, this Agreement shall continue during the period that the Indemnitee is a director or officer of the Company and shall continue through and after the Termination Date so long as Indemnitee shall be subject to any possible Proceeding (including any appeal thereto), by reason of Indemnitee's Corporate Status, with respect to claims arising from any action taken or omitted (or that are alleged to have been taken or omitted) by the Indemnitee, or from any facts or events that occurred (or that are alleged to have occurred), on or before the Termination Date, and shall further continue for such period of time following the conclusion of any such Proceeding as may be reasonably necessary for Indemnitee to enforce rights and remedies pursuant to this Agreement as provided in Section 7 of this Agreement.

(b) This Agreement shall be binding upon the Indemnitee and upon the Company and its successors and assigns, and shall inure to the benefit of the Indemnitee, the Indemnitee's heirs, personal representatives, executors, administrators, and assigns and to the benefit of the Company and its successors and assigns.

(c) The Company further agrees that in the event the Company or any of its successors or assigns (i) consolidates with or merges into any other corporation or entity and shall not be the continuing or surviving corporation or entity of such consolidation or merger or (ii) transfers or conveys all or substantially all of its properties and assets to any corporation or entity, then, and in each such case, to the extent necessary,

proper provision shall be made so that the successors and assigns of the Company as a result of such transaction assume the obligations of the Company set forth in this Agreement, including, without limitations, the requirements with respect to directors' and officers' liability insurance set forth in Section 9.

Section 13. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal, or unenforceable for any reason whatsoever: (a) the validity, legality, and enforceability of the remaining provisions of this Agreement (including without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal, or unenforceable, that is not itself invalid, illegal, or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal, or unenforceable, that it not itself invalid, illegal, or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

Section 14. Acknowledgement. The Company expressly acknowledges, confirms, and agrees that it has entered into this Agreement and has assumed the obligations imposed on the Company hereby in order to induce the Indemnitee to serve or continue to serve as a director or officer of the Company, and the Company acknowledges that the Indemnitee is relying upon this Agreement in serving and continuing to serve in such capacity. In addition, both the Company and Indemnitee acknowledge that in certain instances, federal law or applicable public policy may prohibit the Company from indemnifying its directors, officers, employees, agents or fiduciaries under this Agreement or otherwise. Indemnitee understands and acknowledges that the Company may be required in the future to undertake with the Securities and Exchange Commission to submit the question of indemnification to a court in certain circumstances for a determination of the Company's rights under public policy to indemnify Indemnitee.

Section 15. Notice by Indemnitee. The Indemnitee agrees to notify the Company promptly and in writing upon being served with any summons, citation, subpoena, complaint, petition, indictment, information, or other document relating to the commencement or threatened commencement of any Proceeding or matter that may be subject to indemnification or advancement of Expenses covered hereunder. The failure of the Indemnitee to so notify the Company shall not relieve the Company of any obligation that it may have to the Indemnitee under this Agreement or otherwise, except to the extent the Company is materially prejudiced by such failure.

Section 16. Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given (i) if delivered by hand to the party to whom said notice or other communication shall have been directed, on the date so delivered, or (ii) if mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed. All such notices,

requests, demands, and other communications shall be delivered to the Indemnitee or to the Company, as the case may be, at the following addresses:

(a) If to the Indemnitee, to the address set forth on the signature page hereto.

(b) If to the Company, to:

Centuri Holdings, Inc.
19820 North 7th Avenue, Suite 120
Phoenix, Arizona 85027
Attention: General Counsel

or to such other address as may have been furnished to the Indemnitee by the Company or to the Company by the Indemnitee, as the case may be, by like notice.

Section 17. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement.

Section 18. Headings. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

Section 19. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written, and implied, between the parties hereto with respect to the subject matter hereof.

Section 20. Modification and Waiver.

(a) No amendment, modification, supplementation, or repeal of this Agreement or any provision hereof shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

(b) No amendment, modification, supplementation, or repeal of this Agreement or of any provision hereof shall limit or restrict any rights of the Indemnitee under this Agreement in respect of any action taken or omitted by the Indemnitee in or by reason of the Indemnitee's Corporate Status prior to such amendment, modification, supplementation, or repeal.

Section 21. Governing Law; Submission to Jurisdiction; Service of Process.

(a) This Agreement and the legal relations among the parties with respect to the matters addressed hereby shall be governed by, and construed and enforced

in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules.

(b) Except with respect to any arbitration commenced by the Indemnitee pursuant to Section 7(a) of this Agreement and except to the extent permitted by Section 2(c) hereof with respect to a determination by a court in which an underlying Proceeding was brought that the Indemnitee is entitled to indemnification of Expenses notwithstanding an adjudication of liability to the Company, the Company and the Indemnitee each hereby irrevocably and unconditionally (i) agrees and consents to the jurisdiction of the courts of the State of Delaware for all purposes in connection with any action, suit, or proceeding that arises out of or relates to this Agreement and agrees that any such action instituted under this Agreement shall be brought only in the Court of Chancery of the State of Delaware (or in any other state court of the State of Delaware if the Court of Chancery does not have subject matter jurisdiction over such action), and not in any other state or federal court in the United States of America or any court or tribunal in any other country; (ii) consents to submit to the exclusive jurisdiction of the courts of the State of Delaware for purposes of any action or proceeding arising out of or in connection with this Agreement; (iii) waives any objection to the laying of venue of any such action or proceeding in the courts of the State of Delaware; and (iv) waives, and agrees not to plead or to make, any claim that any such action or proceeding brought in the courts of the State of Delaware has been brought in an improper or otherwise inconvenient forum.

(c) Each of the Company and the Indemnitee hereby consents to service of any summons and complaint and any other process that may be served in any action, suit, or proceeding arising out of or relating to this Agreement in any court of the State of Delaware by mailing by certified or registered mail, with postage prepaid, copies of such process to such party at its address for receiving notice pursuant to Section 16 hereof. Nothing herein shall preclude service of process by any other means permitted by applicable law.

Section 22. Nature of Agreement. This Agreement shall not be deemed an employment contract between the Company and the Indemnitee, and, if Indemnitee is an officer or employee of the Company, Indemnitee specifically acknowledges that Indemnitee may be discharged as an officer or employee of the Company at any time for any reason, with or without cause, and with or without severance compensation, except as may be otherwise provided in a separate written contract between the Company and the Indemnitee.

Section 23. Definitions. For purposes of this Agreement:

(a) “Another Enterprise” and “Other Enterprise” refer to a corporation, partnership, limited liability company, joint venture, trust, employee benefit plan, or any other form of enterprise, other than the Company.

(b) “Change in Control” means, and shall be deemed to have occurred if, (i) any “person” (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended), other than a trustee or other fiduciary holding

securities under an employee benefit plan of the Company acting in such capacity or a corporation owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company, becomes the “beneficial owner” (as defined in Rule 13d-3 under said Act), directly or indirectly, of securities of the Company representing more than fifty percent (50%) of the total voting power represented by the Company’s then outstanding voting stock, (ii) during any period of two (2) consecutive years (not including any period prior to the execution of this Agreement), individuals who at the beginning of such period constitute the Board of Directors of the Company and any new director whose election by the Board of Directors or nomination for election by the Company’s stockholders was approved by a vote of at least a majority of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof, (iii) the stockholders of the Company approve a merger or consolidation of the Company with any other corporation other than a merger or consolidation that would result in the voting stock of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting stock of the surviving entity) at least fifty percent (50%) of the total voting power represented by the voting stock of the Company or such surviving entity outstanding immediately after such merger or consolidation, or (iv) the stockholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company (in one transaction or a series of related transactions) of all or substantially all of the Company’s assets.

(c) “Corporate Status” describes (1) the Indemnitee’s status as a present or former director or officer of the Company, (2) the Indemnitee’s present or former status, at any time while serving as a director or officer of the Company, as a director, officer, employee, agent, or fiduciary of Another Enterprise to the extent the Indemnitee is or was serving in such capacity with respect to such Other Enterprise at the request of Company, and (3) the Indemnitee’s present or former status as a director, officer, employee, agent, or fiduciary of Another Enterprise to the extent the Indemnitee served in such capacity with respect to such Other Enterprise while serving as a director or officer of the Company, continued serving in such capacity with respect to such Other Enterprise after ceasing to be a director or officer of the Company, and is or was serving in such capacity with respect to such Other Enterprise at the request of Company.

(d) “Expenses” includes, without limitation, reasonable attorneys’ fees; retainers; disbursements of counsel; court costs; filing fees; transcript costs; fees and expenses of experts; fees and expenses of witnesses; fees and expenses of accountants and other consultants (excluding public relations consultants unless approved in advance by the Company); travel expenses; duplicating and imaging costs; printing and binding costs; telephone charges; facsimile transmission charges; computer legal research costs; postage; delivery service fees; fees and expenses of third-party vendors; the premium, security for, and other costs associated with any bond (including supersedeas or appeal bonds, injunction bonds, cost bonds, appraisal bonds or their equivalents), in each case actually and reasonably incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, or otherwise participating

in, a Proceeding (including, without limitation, any judicial or arbitration Proceeding brought to enforce the Indemnitee's rights under, or to recover damages for breach of, this Agreement), as well as all other "expenses" within the meaning of that term as used in Section 145 of the General Corporation Law of the State of Delaware and all other disbursements or expenses of types customarily and reasonably incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, or otherwise participating in, actions, suits, or proceedings similar to or of the same type as the Proceeding with respect to which such disbursements or expenses were incurred; but, notwithstanding anything in the foregoing to the contrary, "Expenses" shall not include amounts of judgments, penalties, or fines actually levied against the Indemnitee in connection with any Proceeding.

(e) "Disinterested Director" means a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is sought by the Indemnitee.

(f) "Independent Counsel" means a law firm, or a person admitted to practice law in any State of the United States, that is experienced in matters of corporation law and neither presently is, nor in the past three years has been, retained to represent: (i) the Company or the Indemnitee in any matter material to either such party (other than with respect to serving as Independent Counsel (or similar independent legal counsel position) as to matters concerning the rights of Indemnitee under this Agreement, the rights of other indemnitees under similar indemnification agreements, or the rights of Indemnitee or other indemnitees to indemnification under the Company's Certificate of Incorporation or Bylaws), or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any law firm or person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or the Indemnitee in an action to determine the Indemnitee's rights under this Agreement. For the avoidance of doubt, the term "Independent Counsel" shall not include any law firm or person who represented or advised any entity or person in connection with a Change in Control of the Company.

(g) "Losses" means all Expenses, judgments, penalties, fines, liabilities, and amounts paid in settlement in connection with a Proceeding.

(h) "Proceeding" means any threatened, pending, or completed action, suit, arbitration, alternative dispute resolution mechanism, investigation (including any internal investigation), inquiry, administrative hearing, or any other threatened, pending, or completed proceeding, whether brought by or in the right of the Company or otherwise, and whether civil, criminal, administrative, or investigative.

(i) "Termination Date" shall mean the date on which the Indemnitee is no longer a director or officer of the Company; provided, however, that if (1) the Indemnitee continues to serve as a director, officer, employee, agent, or fiduciary of Another Enterprise after the date on which the Indemnitee is no longer a director or officer of the Company, (2) the Indemnitee is serving in such capacity with respect to such Other

Enterprise at the request of the Company, and (3) the Indemnitee served in such capacity with respect to such Other Enterprise while serving as a director or officer of the Company, then "Termination Date" shall mean such later date after the Indemnitee is no longer a director or officer of the Company or which the Indemnitee is no longer serving in such capacity with respect to such Other Enterprise.

(j) References herein to "fines" shall include any excise tax assessed with respect to any employee benefit plan.

(k) References herein to a director of Another Enterprise or a director of an Other Enterprise shall include, in the case of any entity that is not managed by a board of directors, such other position, such as manager or trustee or member of the governing body of such entity, that entails responsibility for the management and direction of such entity's affairs, including, without limitation, the general partner of any partnership (general or limited) and the manager or managing member of any limited liability company.

(l) (i) References herein to serving at the request of the Company as a director, officer, employee, agent, or fiduciary of Another Enterprise shall include any service as a director, officer, employee, or agent of the Company that imposes duties on, or involves services by, such director or officer with respect to an employee benefit plan of the Company or any of its affiliates, other than solely as a participant or beneficiary of such a plan; and (ii) if the Indemnitee has acted in good faith and in a manner the Indemnitee reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan, the Indemnitee shall be deemed to have acted in a manner not opposed to the best interests of the Company for purposes of this Agreement.

(Signature page follows.)

IN WITNESS WHEREOF, the Company and the Indemnitee have executed this Agreement on and as of the day and year first above written.

CENTURI HOLDINGS, INC.

By: _____
Name:
Title:

IN WITNESS WHEREOF, the Company and the Indemnitee have executed this Agreement on and as of the day and year first above written.

INDEMNITEE

By: _____
Name:

Address: **[Address]**

Schedule A

Indemnitee	Date of Signature
Julie A. Dill	April 17, 2024
Andrew W. Evans	April 17, 2024
William J. Fehrman	April 17, 2024
Karen S. Haller	April 17, 2024
Gregory A. Izenstark	April 17, 2024
Christoper A. Krummel	April 17, 2024
Anne L. Mariucci	April 17, 2024
Christoper R. Patton	April 17, 2024
James S. Wilcock	April 17, 2024

Exhibit A

UNDERTAKING

I _____, agree to reimburse the Company for all expenses paid to me or on my behalf by the Company in connection with my involvement in **[name or description of proceeding or proceedings]**, in the event, and to the extent, that it shall ultimately be determined that I am not entitled to be indemnified by the Company for such expenses.

Signature _____

Typed Name _____

_____) ss:

Before me _____, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument, and who, after being duly sworn, stated that the contents of said instrument is to the best of his/her knowledge and belief true and correct and who acknowledged that he/she executed the same for the purpose and consideration therein expressed.

GIVEN under my hand and official seal at _____, this _____ day of _____, 20__.

Notary Public

My commission expires:

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, William J Fehrman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Centuri 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(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) [language intentionally omitted pursuant to Exchange Act Rule 13a-14] 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) [Paragraph intentionally omitted pursuant to Exchange Act Rule 13a-14];
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2024

/s/ William J. Fehrman

William J. Fehrman
Chief Executive Officer and Director
(Principal Executive Officer)

**CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Gregory A. Izenstark, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Centuri 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(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) [language intentionally omitted pursuant to Exchange Act Rule 13a-14] 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) [Paragraph intentionally omitted pursuant to Exchange Act Rule 13a-14];
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2024

/s/ Gregory A. Izenstark

Gregory A. Izenstark

Chief Financial Officer

(Principal Financial and Accounting Officer)

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

Each of the undersigned officers of Centuri Holdings, Inc. (the "Company") hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to such officer's knowledge that:

- (1) the accompanying quarterly report on Form 10-Q for the period ending March 31, 2024 as filed with the U.S. Securities and Exchange Commission (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 8, 2024

/s/ William J. Fehrman

William J. Fehrman

Chief Executive Officer and Director

Dated: May 8, 2024

/s/ Gregory A. Izenstark

Gregory A. Izenstark

Chief Financial Officer

This certification is being furnished to the SEC with this Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to liability of that section.