

SOUTHWEST GAS HOLDINGS, INC.
CLAWBACK POLICY
(Approved by the Board of Directors on 05/05/2022)

Introduction

The Board of Directors (“Board”) of Southwest Gas Holdings, Inc. (“Company”) believes that it is in the best interests of the Company and its stockholders to create and maintain a culture that emphasizes integrity and accountability and that reinforces the Company’s pay-for-performance compensation philosophy. The Board has therefore adopted this policy which provides for the recoupment of certain incentive compensation in the event of an accounting restatement resulting from material noncompliance with financial reporting requirements under the federal securities laws (the “Policy”). This Policy is designed to comply with Section 10D of the Securities Exchange Act of 1934 (the “Exchange Act”).

Administration

This Policy shall be administered by the Board or, if so designated by the Board, the Compensation Committee, in which case references herein to the Board shall be deemed references to the Compensation Committee. Any determinations made by the Board shall be final and binding on all affected individuals.

Covered Executives

This Policy applies to the Company’s current and former executive officers, as determined by the Board in accordance with Section 10D of the Exchange Act and regulations of the New York Stock Exchange, and such other current and former employees who may from time to time receive incentive compensation pursuant to the Omnibus Incentive Plan and the Management Incentive Plan, or any other incentive plan that bases awards in whole or part on attainment of a performance condition based on a financial reporting measure covered by the federal securities laws (“Covered Executives”).

Recoupment; Accounting Restatement

In the event the Company is required to prepare an accounting restatement of its financial statements due to the Company’s material noncompliance with any financial reporting requirement under the securities laws, the Board will exercise its business judgement to determine whether to require reimbursement or forfeiture of any excess Incentive Compensation (defined below) received by any Covered Executive during the three fiscal years preceding the date on which the Company is required to prepare such accounting restatement. The Board may consider the following in making its determination:

- The importance and weighting of the measure in determining Incentive Compensation payouts.
- The restatement’s potential impact on the original award or payment.

- Whether the cost and administrative burden of attempting to recover any amount of Incentive Compensation is impractical or likely to exceed the amount to be recovered.
- Any other factors it deems relevant to the determination.

For purposes of this Policy, Incentive Compensation is received when the applicable performance condition based on a financial reporting measure specified in the award is attained, even if the payment or grant occurs later. For purposes of this Policy, the date on which the Company is required to prepare an accounting restatement is the earlier of (i) the date the Board concludes that the Company's previously issued financial statements contain a material error; or (ii) the date a court, regulatory or other legally authorized body directs the Company to restate its previously issued financial statements to correct a material error.

Incentive Compensation

For purposes of this Policy, Incentive Compensation means any of the following; provided that, such compensation is granted, earned, or vested based wholly or in part on the attainment of a performance condition based on a financial reporting measure:

- Annual bonuses and other short- and long-term cash incentives.
- Stock options.
- Stock appreciation rights.
- Restricted stock.
- Restricted stock units (time-based or otherwise).
- Performance shares.
- Performance units.

A performance condition is any financial, operating, or share price measure that is used to determine a Covered Executive's Incentive Compensation, including but not limited to:

- Company stock price.
- Total shareholder return.
- Revenues.
- Net income.
- Earnings before interest, taxes, depreciation, and amortization (EBITDA).
- Funds from operations.
- Enterprise Value.
- Liquidity measures such as working capital or operating cash flow.
- Return measures such as utility return on equity.
- Earnings measures such as earnings per share.

Excess Incentive Compensation: Amount Subject to Recovery

The amount to be recovered will be the excess of the pre-tax Incentive Compensation paid to the Covered Executive based on the erroneous data over the pre-tax Incentive Compensation that would have been paid to the Covered Executive had it been based on the restated results, as determined by the Board.

If the Board cannot determine the amount of excess Incentive Compensation received by the Covered Executive directly from the information in the accounting restatement, then it will make its determination based on a reasonable estimate of the effect of the accounting restatement.

Method of Recoupment

The Board will exercise its business judgement to determine the method for recouping Incentive Compensation hereunder which may include, without limitation:

- (a) requiring reimbursement of the pre-tax value of cash Incentive Compensation previously paid;
- (b) seeking recovery of the pre-tax value of any gain realized on the vesting, exercise, settlement, sale, transfer, or other disposition of any equity-based awards;
- (c) offsetting the recouped amount from any compensation otherwise owed by the Company to the Covered Executive;
- (d) cancelling outstanding vested or unvested equity awards; and/or
- (e) taking any other remedial and recovery action permitted by law, as determined by the Board.

No Indemnification

The Company shall not indemnify any Covered Executives against the loss of any incorrectly awarded Incentive Compensation.

Interpretation

The Board is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate, or advisable for the administration of this Policy. It is intended that this Policy be interpreted in a manner that is consistent with the requirements of Section 10D of the Exchange Act and any applicable rules or standards adopted by the Securities and Exchange Commission or New York Stock Exchange.

Effective Date

This Policy shall be effective as of the date it is adopted by the Board (the "Effective Date") and shall apply to Incentive Compensation that is approved or awarded to Covered Executives on or after that date.

Amendment; Termination

The Board may amend this Policy from time to time in its discretion and shall amend this Policy as it deems necessary to reflect final regulations adopted by the Securities and Exchange Commission under Section 10D of the Exchange Act and to comply with any rules or standards adopted by the New York Stock Exchange. The Board may terminate this Policy at any time.

Other Recoupment Rights

The Board intends that this Policy will be applied to the fullest extent of the law. The Board may require that any employment agreement, equity award agreement, or similar agreement entered into on or after the Effective Date shall, as a condition to the grant of any benefit thereunder, require a Covered Executive to agree to abide by the terms of this Policy. Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company pursuant to the terms of any similar policy in any employment agreement, equity award agreement, or similar agreement and any other legal remedies available to the Company.

Impracticability

The Board may recover any excess Incentive Compensation in accordance with this Policy unless such recovery would be impracticable, as determined by the Board in accordance with Rule 10D-1 of the Exchange Act and the listing standards of the New York Stock Exchange.

Successors

This Policy shall be binding and enforceable against all Covered Executives and their beneficiaries, heirs, executors, administrators or other legal representatives.

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