

Regulation FD Policy

Policy Number: POL-LEG07

Executive Sponsor: EVP, General Counsel & Corporate Secretary

Applicability: American Water Works Company, Inc., and its subsidiaries (together “American Water” or the “Company”)

Document Approver: Chief SEC & Corporate Governance Counsel

Effective Date: 03/01/2020

Document Owner: Director, Corporate Counsel

I. PURPOSE

This Policy:

- promotes compliance with Regulation FD (Fair Disclosure) by personnel of American Water;
- describes the authority of personnel of American Water to communicate with market participants; and
- ensures proper and consistent communications by authorized spokespersons with market participants.

This Policy applies to all directors, officers, employees, and contractors of the Company, including external directors of the subsidiaries of American Water.

II. POLICY STATEMENT

The Securities and Exchange Commission (the “SEC”) has adopted a set of rules, Regulation FD, which prohibits the selective disclosure of material nonpublic information by the Company or senior officials thereof, to certain market participants and investors, or “Enumerated Persons,” as described in Section IV. Selective disclosure occurs when a company or its senior officials discloses material nonpublic information, such as earnings information, to certain market participants or investors, before disclosing the information to the general public.

The Company is committed, consistent with legal and regulatory requirements, to maintaining an active and open dialogue with its existing and potential investors. However, it is also important to ensure that communications with Enumerated Persons with respect to material, nonpublic information is not selectively disclosed in violation of Regulation FD.

III. AUTHORIZED SPOKESPERSONS

The Company’s Chief Executive Officer, Chief Financial Officer and the Vice President, Investor Relations, or his or her designee (collectively, the “Authorized Spokespersons”) are authorized to communicate with Enumerated Persons. The Vice President, Investor Relations, or his or her designee, is responsible for coordinating communications by the Chief Executive Officer and the Chief Financial Officer. All other officers, directors, employees or contractors of the Company may not communicate with Enumerated Persons, except for permitted communications described under Section V or when specifically authorized to do so by an Authorized Spokesperson and only when an Authorized Spokesperson is present.

Inquiries from analysts, investors and other Enumerated Persons received by any person other than an Authorized Spokesperson should be forwarded to the Vice President, Investor Relations, or his or her designee. Under no circumstances should any attempt be made to respond to these inquiries without prior authorization from the Chief Executive Officer, Chief Financial Officer or Vice President, Investor Relations, or his or her designee.

IV. ENUMERATED PERSONS

Except as provided for under Section V, this Policy prohibits selective disclosure to certain market participants or investors, referred to as Enumerated Persons, including:

- broker-dealers and persons associated with them, including investment analysts;
- investment advisers, certain institutional investment managers and their associated persons;
- investment companies, hedge funds, and affiliated persons; and
- any investor under circumstances in which it is reasonably foreseeable that the investor would purchase or sell securities on the basis of the information.

V. PERMITTED COMMUNICATIONS

Notwithstanding anything to the contrary in this Policy, the following communications by persons other than Authorized Spokespersons with Enumerated Persons are not prohibited by this Policy:

- ordinary course communications among employees or directors on matters that are related to the employees' or directors' duties at the Company;
- ordinary course communications between employees or directors and Enumerated Persons on matters that are related to the employees' or directors' duties at the Company;
- ordinary course communications with customers, suppliers or strategic partners;
- communications with the press or news organizations, or any government agency; and
- communications with third parties, such as legal counsel, accountants and investment bankers, who owe the Company a duty of trust or confidence or have expressly agreed to keep the communicated information confidential.

All communications, even if not prohibited by this Policy, are subject to the Company's Insider Trading and Prohibited Transactions Policy, the Personal Securities Trading and Preclearance Practice, and the Code of Ethics.

VI. PUBLIC DISCLOSURE OF MATERIAL COMPANY INFORMATION

Whenever an Authorized Spokesperson desires to disclose or discuss nonpublic Company information with anyone who is or might be an Enumerated Person, there must be a determination made prior to such disclosure, and, to the extent practicable, in consultation with the Company's Chief SEC Counsel or his or her designee, whether the information is material.

Information is considered "material" if a reasonable investor would consider that information important in the context of the total mix of information in making a decision to buy, hold or sell a Company security. Any information that could reasonably be expected to affect the price of the Company's securities, whether positive or negative, should be considered material. There is no bright-line standard or numerical test for assessing materiality, even with respect to financial information or similar data.

Some examples of information that could be regarded as material are:

- Quarterly and annual earnings or losses and other similar financial information;

- Earnings guidance or projections about earnings or other financial information; including amendments to or confirmations of any previously announced guidance, or the decision to suspend the use of such guidance;
- Dividend changes;
- A current, proposed or contemplated offering of securities;
- Establishing, modifying or terminating a repurchase program for securities;
- Pending or proposed acquisitions, mergers, joint ventures, divestitures or tender offers;
- Pending or proposed new or expanding businesses, products or services, including establishing new service territories;
- The acquisition or loss of a significant contract or customer;
- A restructuring of assets, personnel or operations;
- Significant changes to the Board of Directors or senior management;
- Significant related party transactions;
- Bank borrowings or other financing transactions, other than in the ordinary course of the Company's business;
- Regulatory developments of significant impact;
- Pending or threatened significant litigation, including the resolution of or other significant developments in such litigation;
- Severe liquidity problems or impending bankruptcy;
- A significant disruption to the Company's operations;
- A loss or potential loss, or breach or unauthorized access, to its properties or assets, including infrastructure, facilities or information technology;
- A change in auditors or notification that the auditor's reports may no longer be relied upon; or
- An imposition of a ban on trading in securities.

If the determination is made that the information to be disclosed is material, the information must be disclosed via a means reasonably designed to provide broad, non-exclusionary distribution to the public before or at the same time that the information is disclosed to the Enumerated Person. Methods of broad, public distribution include filing a Form 8-K or issuing a press release through one or more widely circulated national news or wire services.

If the Company learns that it has unintentionally disclosed material nonpublic information, it must publicly disseminate the information as soon as reasonably practicable, but no later than either 24 hours after discovery of the unintentional disclosure or prior to the commencement of the next day's trading on the New York Stock Exchange, if later. If an unintentional disclosure is made, an Authorized Spokesperson should immediately notify the Chief Financial Officer or Vice President, Investor Relations, and ask the recipient, in writing, to keep the disclosed material nonpublic information confidential.

If a director or an employee of the Company learns of information that causes the employee to believe that a disclosure (other than forward-looking disclosures) may have been misleading or inaccurate when made or may no longer be true, such person should report that information immediately to the Chief SEC Counsel and the Vice President, Investor Relations, or their respective designee.

VII. EARNINGS CALLS

The public must be given adequate advance notice of any public conference call, including quarterly earnings conference calls and webcasts. Reasonable advance public notice of each public conference call or webcast will be made by issuing a press release through a national news or wire service.

Quarterly earnings conference calls will be recorded and posted on the Company's website within 24 hours following the call. Web replay of the calls will be available for a reasonable period of time after the conference call, as determined by the Vice President, Investor Relations with the advice of the Chief SEC Counsel and Communications departments.

VIII. GUIDANCE, QUIET PERIOD AND ANALYST REPORTS

No one, including any Authorized Spokesperson, may provide “comfort” with respect to any earnings guidance or estimate, or otherwise “walk the Street” up or down (*i.e.*, suggest adjustments to an analyst’s estimates). If an analyst inquires as to the reliability of a previously, publicly disseminated projection, the spokesperson should follow the “no comment” policy noted below. Any “comfort” or discussions of earnings guidance will be deemed an update and must be disseminated in accordance with Regulation FD and this Policy.

Other than publicly disseminated statements, the Company will observe a “quiet period,” during which the Company shall not comment on its earnings estimates or other prospective financial results for the period for the Company. The quiet period will begin 14 days *prior* to the scheduled quarter-end earnings call date and continue until the Company’s earnings information for the applicable period is filed with the SEC.

The Company does not comment or provide feedback on earnings or financial models or the conclusions, recommendations or opinions contained in analyst reports. Any comments by an Authorized Spokesperson on an analyst report must be limited to correcting factual errors in publicly available, historical information, or mathematical errors. No Company employee should distribute copies of, or refer to, analyst’s reports to anyone outside the Company, except to third parties that owe the Company a duty of trust or confidence.

IX. ANALYST MEETINGS, INVESTMENT BANKER CONFERENCES AND ROADSHOWS

The Company may, from time to time, participate in analyst meetings, investment banker conferences and non-deal roadshows. Prior to the meeting, conference or roadshow, the Company will disclose either through a press release, an open conference call or a webcast, or any combination of these methods, any material information that is not already public and which may be discussed or presented at the meeting, conference or the roadshow.

X. USE OF SOCIAL MEDIA AND NETWORKS

Use of social networks, including corporate blogs, employee blogs, chat boards, Facebook, Twitter and similar modes of communication, to disclose material, nonpublic information is considered selective disclosure and is a violation of Regulation FD and this policy. The use of social media and networks is covered separately by the Company’s [Social Media Guidelines Practice](#).

XI. RUMORS

The Company does not comment on or respond to rumors, except as may be required by the New York Stock Exchange pursuant to its Timely Alert/Material News Policy. When it is learned that rumors about the Company are circulating, unless further disclosure is required, Authorized Spokespersons should state only that it is Company policy to not comment on rumors.

XII. NON-COMPLIANCE

Violations of Regulation FD are subject to enforcement actions by the SEC, which may include an administrative action seeking a cease-and-desist order, or a civil action against the Company or an individual seeking an injunction, an officer or director bar, and/or civil money penalties. In addition, an individual’s failure to comply with this Policy may subject the individual to Company-imposed sanctions, including termination of employment or service for cause, whether or not the individual’s failure to comply results in a violation of Regulation FD or other applicable law or regulation.

XIII. STRATEGIC OBJECTIVE

This Policy addresses strategic objectives for compliance with Regulation FD, and to provide guidance on communications with Enumerated Persons and by Authorized Spokespersons.

XIV. WAIVERS; MODIFICATIONS

Compliance with this Policy cannot be waived. The Company reserves the right to amend or rescind this Policy or any portion of it at any time and to adopt different or additional policies and practices at any time.

XV. DEFINITIONS

The following definitions apply to this Policy:

- **Authorized Spokespersons** mean:
 - the Company's Chief Executive Officer;
 - the Company's Chief Financial Officer;
 - the Company's Vice President, Investor Relations, or his or her designee; and
 - other officers or employees of the Company, to the extent
 - such officers or employees are specifically authorized by the Chief Executive Officer or the Chief Financial Officer to speak with an Enumerated Person with respect to a particular topic or for a particular purpose, and
 - the Chief Executive Officer, the Chief Financial Officer or the Vice President, Investor Relations is also present.
- **Enumerated Persons** mean:
 - broker-dealers and persons associated with them, including their investment analysts;
 - investment advisers, certain institutional investment managers and their associated persons and analysts;
 - investment companies, hedge funds, and affiliated persons; and
 - any investor under circumstances in which it is reasonably foreseeable that the investor would purchase or sell securities on the basis of the disclosed, material nonpublic information.
- **Form 8-K** is an SEC form that the Company is required to file after a reportable event occurs, or that may be used to publicly disclose information in compliance with Regulation FD.
- **Regulation FD** is a regulation promulgated by the SEC that prohibits public companies from selectively disclosing material nonpublic information to market participants and investors.
- **SEC** means the U.S. Securities and Exchange Commission.

XVI. CONTACT INFORMATION

Any person who has a question about this Policy or its application should obtain additional guidance from the Company's Chief SEC Counsel, or his or her designee, or, in their absence, from the Company's General Counsel