

Related Person Transaction Policy

Applicability: American Water Works Company, Inc. ("Parent Company"), and its subsidiaries (together, individually or collectively, "American Water" or the "Company")

Last Updated: December 1, 2024

Executive Sponsor: Executive Vice President and General Counsel

Policy Owner: Vice President, Chief SEC Counsel and Secretary

I. PURPOSE

This Policy governs the identification, review and approval of related person transactions, as defined in this Policy. By their nature, related person transactions:

- may present a conflict of interest or the perception of a conflict of interest;
- may be prohibited by the Company's Code of Ethics;
- require disclosure in Parent Company's filings with the Securities and Exchange Commission (the "SEC"); and
- unless properly approved, may be challenged by a shareholder of the Company under Section 144 of the General Corporate Law of the State of Delaware or under other similar applicable corporate laws.

II. POLICY STATEMENT

The Company is adopting this Policy to provide a uniform written standard for the review and approval of related person transactions as defined in this Policy. The Policy is designed to permit timely pre-approval and disclosure of related person transactions in Parent Company's SEC filings where required. In so doing, this Policy is meant to supplement the Code of Ethics provisions related to conflicts of interest without superseding or conflicting with them. Stated another way, a transaction must always comply with the Code of Ethics, even if it is not covered by this Policy.

It is the policy of the Company that related person transactions are prohibited unless prior written approval is granted in accordance with this Policy.

III. RELATED PERSONS

For purposes of this Policy, a *related person* is (i) any member of the Board of Directors of Parent Company (the "Board"); (ii) any executive officer of Parent Company, as determined from time to time by the Board; (iii) any person who beneficially owns (as defined under the Securities Exchange Act of 1934) more than 5% of any class of the Company's voting securities (a "5% Shareholder"); or (iv) any immediate family member of the foregoing.

An *immediate family member* of a person is any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law of such person, or any other person sharing the household of such person, other than a tenant or employee.

IV. RELATED PERSON TRANSACTIONS

For the purposes of this Policy, a *related person transaction* is any *transaction* (other than those described in Part V below) in which (i) the Company was or is to be a participant, (ii) a related person had or will have a direct or indirect material interest, and (iii) the amount at issue is in excess of \$120,000.* A related person transaction requires advance written approval by the disinterested members of (x) the Audit, Finance and Risk Committee of the Board (the "Audit Committee") or (y) the Board.

To aid in compliance with this Policy, the following is an illustrative list of potential transactions: (i) a contract, agreement or arrangement to provide goods or services; (ii) an employment or consulting relationship involving the Company; (iii) a financial contract, agreement, arrangement or relationship, including any indebtedness or guarantee of indebtedness; (iv) the sale, transfer, ownership or lease of real, personal, tangible, intangible or other property; or (v) any series of transactions involving one or more of these.

In all cases involving a related person transaction requiring Audit Committee or Board review and approval:

- The material facts as to a person's relationship or interest and the transaction must be disclosed to the Audit Committee or the Board, if not already known.
- The majority of the disinterested members of the Audit Committee or Board must approve the transaction, even if less than a quorum.
- The Audit Committee or Board must determine that the transaction is fair and in the best interests of the Company as of the time it is authorized or approved.

* This amount shall be automatically increased commensurate with any increase in the reporting threshold in Item 404(a) of Regulation S-K.

V. RELATED PERSON TRANSACTIONS – EXCEPTIONS

The following do not create a material direct or indirect interest on behalf of the related person, and are, therefore, not related person transactions for purposes of this Policy:

- interests arising only from (a) the related person's position as a member of the board of directors of another corporation or organization that is a party to the transaction, so long as the outside directorship has been properly approved pursuant to the Code of Ethics, or (b) the ownership of an interest of a less than 10% equity interest in another entity which is a party to the transaction**, or (c) both (a) and (b) above;
- a transaction where the rates or charges are determined by competitive bids, or which involves the rendering of services as a common or contract carrier, or public utility, at rates or charges fixed in conformity with law or as determined by a public service commission or similar governmental authority;
- reimbursement or advancement of proper business expenses in the ordinary course of business;
- transactions involving compensation of directors or executive officers of Parent Company, if reviewed and approved in the manner provided from time to time under an applicable Board committee charter or corporate governance guidelines, as the case may be;
- interests arising solely from the ownership of a class of the Company's equity securities if all holders of that class of equity securities receive the same benefit on a pro rata basis;
- a transaction that is specifically contemplated by provisions of the governing documents of the Company;
- a transaction that involves services as a bank depository of funds, transfer agent, registrar, or trustee under a trust indenture, or similar services; or
- interests arising from intercompany transactions involving solely two or more entities within the Company.

** If the other entity is a partnership, then in lieu of clause (b), (1) the interest must arise only from such position as a limited partner in the partnership in which the related person and all other related persons of the Company collectively have an interest of less than 10%, (2) the related person must not be a general partner of the partnership, and (c) the related person must not hold another position in the partnership.

VI. RELATED PERSON TRANSACTIONS – FACTORS FOR REVIEW

The following factors should be considered in reviewing any related person transaction:

- the related person's interest in the related person transaction;
- the dollar value of the amount involved in the related person transaction;
- the dollar value of the amount of the related person's interest in the transaction without regard to the amount of any profit or loss;
- whether the transaction is to be undertaken in the ordinary course of business of the Company;
- whether the transaction with the related person is proposed to be entered into on terms more favorable to the Company than terms that could have been reached with an unrelated third party;
- the purpose, and the potential benefits to the Company, of the transaction; and
- any other information regarding the related person transaction or the related person that may be important in light of the circumstances of the particular transaction.

Approval of a related person transaction should be granted only if the approver determines that, under all of the circumstances:

- the related person transaction is in the best interests of the Company and
- the interests in favor of the related person transaction outweigh any negative effects that may arise from allowing the transaction to occur.

The approver may, in their sole discretion, impose such conditions as they deem appropriate on the Company or the related person in connection with approval of the related person transaction.

VII. REPORTING, DISCLOSURE AND MONITORING

Any request for approval under this Policy must be reported to the General Counsel, or his or her designee, and to the Chief SEC Counsel.

Any approved related person transaction that is ongoing shall be reviewed periodically by the approver (or designee) to ensure that the related person transaction continues to be conducted in accordance with the approval and that all required disclosures regarding the related person transaction are properly made.

VIII. INTERPRETATION OF THIS POLICY

Any issue requiring an interpretation of this Policy must be discussed with Parent Company's General Counsel, who will make a determination after consultation with the Chief Financial Officer and the Chief SEC Counsel and, if appropriate, the Disclosure Committee.

IX. STRATEGIC OBJECTIVE

The rules and regulations of the SEC require Parent Company to implement policies and procedures governing the review and approval of related person transactions that must be reported in certain of Parent Company's SEC reports and filings. This policy addresses the strategic objectives of (1) preventing the risk or perception of related person transactions that could present a conflict of interest and (2) assisting in the Company's compliance with applicable rules and regulations governing the approval and disclosure of related person transactions.

X. WAIVERS

Compliance with this Policy cannot be waived.

XI. NON-COMPLIANCE

Any employee who violates or circumvents the Policy may be subject to disciplinary action, up to and including termination.

Appendix – Summary of Policies & Practices Related to Related Person Transaction Policy

| Policy | Related Practices |
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| Code of Ethics | |
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