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

SCHEDULE 14D-9

SOLICITATION/RECOMMENDATION STATEMENT
UNDER SECTION 14(d)(4) OF THE SECURITIES EXCHANGE ACT OF 1934
(Amendment No. 14)

Southwest Gas Holdings, Inc.
(Name of Subject Company)

Southwest Gas Holdings, Inc.
(Name of Persons Filing Statement)

Common Stock, par value $1 per share
Preferred Stock Purchase Rights
(Title of Class of Securities)

844895102
(CUSIP Number of Class of Securities)

Karen S. Haller
Executive Vice President / Chief Legal & Administrative Officer
Southwest Gas Holdings, Inc.
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(702) 876-7237
(Name, Address and Telephone Number, including area code, of Agent For Service)

With copies to:

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(Name, address, and telephone numbers of person authorized to receive notices and communications on behalf of the persons filing statement)

☐ Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Introduction

This Amendment No. 14 to Schedule 14D-9 (this "Amendment") amends and supplements the Solicitation/Recommendation Statement on Schedule 14D-9 (as amended from time to time, the "Statement") originally filed by Southwest Gas Holdings, Inc., a Delaware corporation (the "Company"), with the Securities and Exchange Commission on November 9, 2021. The Statement relates to the unsolicited tender offer by IEP Utility Holdings LLC, a Delaware limited liability company, and Icahn Enterprises Holdings L.P., a Delaware limited partnership, to purchase any and all of the issued and outstanding shares of common stock, par value $1 per share, of the Company at a price of $82.50 per share, in cash, without interest and less any applicable withholding taxes. Except as otherwise set forth in this Amendment, the information set forth in the Statement remains unchanged.

The Statement is hereby amended and supplemented as follows:

Item 1 Subject Company Information

The last sentence under the subsection entitled *Securities* is amended and restated in its entirety as follows:

As of March 21, 2022, there were 60,523,873 Shares outstanding, no outstanding stock options and 355,508 Shares issuable upon the vesting of unvested time-lapse RSUs, Performance Shares and Non-threshold Performance Shares (each as defined below), assuming the Performance Shares and Non-threshold Performance Shares vest at target (potential Shares issued range from 0 to 195 percent of the target awards).

Item 2 Identity and Background of Filing Person

The third paragraph under the subsection entitled *Tender Offer* is amended and restated as follows:

According to the Schedule TO, the purpose of the Offer is for Icahn Enterprises L.P., through the Offeror, to acquire any and all Shares validly tendered and not properly withdrawn prior to the expiration date of the Offer, which is 12:00 midnight, New York City time, on Thursday, April 21,2022, unless extended or earlier terminated by the Offeror (the "Expiration Date").

Items 2 through 4 and 8

All references in the Statement to the Offer price are amended to refer to $82.50 per Share, in cash, without interest, less any applicable withholding taxes.

Items 2, 4, 8 and Annex A

All references in the Statement to the conditions of the Offer are amended to remove the Regulatory Approval Condition and to include the following as a condition to the Offer:

A majority of the members of the Icahn Slate are elected and seated as members of the board of directors of the Company at the 2022 Annual Meeting or at any subsequently called special meeting for such purpose (the "Board Condition").

Item 3 Past Contacts, Transactions, Negotiations and Agreements

The first two paragraphs under Item 3 are amended and restated in their entirety as follows, and Exhibit (e)(1) to the Statement is amended and restated in its entirety by Exhibit (e)(1) to this Amendment:

Except as described in this Statement or in the excerpts from the Company's Definitive Proxy Statement on Schedule 14A, dated and filed with the SEC on March 24, 2022 (the "2022 Proxy Statement"), relating to the Company's 2022 Annual Meeting of Stockholders, which excerpts are filed as Exhibit (e)(1) to this Statement and incorporated herein by reference, as of the date of this

Statement, there are no material agreements, arrangements or understandings, nor any actual or potential conflicts of interest, between the Company or any of its affiliates, on the one hand, and (i) the Company or any of its executive officers, directors or affiliates, or (ii) the Offeror or any of its executive officers, directors or affiliates, on the other hand. Exhibit (e)(1) contains the following sections from the 2022 Proxy Statement: "Governance of the Company—Securities Ownership by Directors, Director Nominees, Executive Officers, and Certain Beneficial Owners," "Executive Compensation—Compensation Discussion and Analysis," "Executive Compensation Tables—Summary Compensation Table (2021, 2020 and 2019)," "Executive Compensation Tables—Grants of Plan Based Awards (2021)," "Executive Compensation Tables—Outstanding Equity Awards at Fiscal Year End 2021," "Executive Compensation Tables—Pension Benefits," "Executive Compensation Tables—Non-Qualified Deferred Compensation (2021)," "Executive Compensation Tables—Post Termination Benefits" and "Director Compensation."

Any information contained in the sections from the 2022 Proxy Statement incorporated by reference herein shall be deemed modified or superseded for purposes of this Statement to the extent that any information contained herein modifies or supersedes such information.

The paragraph under the subsection entitled *Shares Held by Non-Employee Directors and Executive Officers of the Company* is amended and restated in its entirety as follows:

As a group, the non-employee directors and executive officers of the Company hold an aggregate of approximately 546,140 Shares as of March 21, 2022. If the Company's non-employee directors and executive officers were to tender any Shares they own for purchase pursuant to the Offer, then they would receive the same cash consideration per Share on the same terms and conditions as the other stockholders of the Company who tender their Shares. If the non-employee directors and executive officers were to tender all of the 546,140 owned by them for purchase pursuant to the Offer and those Shares were purchased by the Offeror for $82.50 per Share, then the non-employee directors and executive officers would receive an aggregate amount of approximately $45.1 million in cash. To the knowledge of the Company, none of the Company's non-employee directors or executive officers currently intends to tender any of their Shares pursuant to the Offer.

The paragraph under the subsection entitled *Restricted Stock Units* is amended and restated in its entirety as follows:

As of March 21, 2022, five executive officers of the Company held RSUs in respect of 40,262 Shares in the aggregate, all of which were unvested. As of March 21, 2022, 11 non-employee directors of the Company held RSUs in respect of 226,924 Shares in the aggregate, all of which were vested and held as deferred compensation. If the Offer were completed at a price of $82.50 per Share, the aggregate value of the shares subject to all outstanding RSUs held by (a) the executive officers would be $3,321,615 and (b) the non-employee directors would be $18,721,239.

The paragraph under the subsection entitled *Performance Shares* is amended and restated in its entirety as follows:

As of March 21, 2022, five executive officers of the Company held 179,100 Performance Shares in the aggregate (assuming satisfaction of performance goals based on target performance), all of which were unvested. The non-employee directors of the Company do not hold Performance Shares. If the Offer were completed at a price of $82.50 per Share, the aggregate value of all outstanding Performance Shares held by the executive officers would be $14,775,735 (assuming satisfaction of performance goals based on target performance).

The paragraph under the subsection entitled *Non-threshold Performance Shares* is amended and restated in its entirety as follows:

As of March 21, 2022, one executive officer of the Company held 9,849 Non-threshold Performance Shares in the aggregate (assuming satisfaction of performance goals based on target performance), all of which were unvested. The non-employee directors of the Company do not hold Non-threshold Performance Shares. If the Offer were completed at a price of $82.50 per Share, the aggregate value of all outstanding Non-threshold Performance Shares held by the executive officer would be $812,562 (assuming satisfaction of performance goals based on target performance).

Item 4 The Solicitation or Recommendation.

The text added to the Statement under the subsection entitled *Background of the Offer; Reasons for the Recommendation—Background of the Offer* pursuant to Amendment No. 9 is hereby replaced with the following disclosure:

Also on November 9, 2021, continuing its commitment to Board refreshment, the Board announced the appointment of E. Renae Conley and Carlos A. Ruisanchez to the Board, in each case, effective January 1, 2022, and the retirement of Michael J. Melarkey and Stephen C. Comer, effective immediately before the 2022 Annual Meeting, due to their attainment of the Company's mandatory retirement age. Ms. Conley's and Mr. Ruisanchez's appointment was the culmination of an extensive Board-led search which began in the first quarter of 2021. With these changes to the Board, following the 2022 Annual Meeting, the Board would be comprised of 10 directors, 9 of whom are independent and 4 of whom had joined the Board in the last 3 years.

Later that day, the Company conducted its third quarter 2021 earnings call. During the call, Mr. Hester highlighted how the Questar transaction is forecasted to be accretive to earnings in 2022 and that the transaction will, among other things, position the Company to support the delivery of reliable and affordable energy services in both the short- and long-term. The earnings call also included further insight from Mr. Hester as to how the Riggs Distler transaction will accelerate earnings per share and dividends for the Company's stockholders.

Also on November 9, 2021, Mr. Icahn issued an open letter to the Company's stockholders in response to this Statement.

On November 11, 2021, Mr. Icahn issued an open letter to the Board, threatening to sue the Company if it raises equity financing at a share price of less than $75 per share without first negotiating with him.

On November 15, 2021, Mr. Icahn notified the Company of, and issued a press release announcing, Mr. Icahn's intent to nominate 10 nominees for election to the Board at the 2022 Annual Meeting and to submit two proposals for stockholder approval.

Mr. Icahn's first proposal would ask the stockholders to call a special stockholders' meeting in the event that Mr. Icahn's slate of director nominees were unable to be elected at the 2022 Annual Meeting because the regulatory approvals necessary to elect Mr. Icahn's nominees had not yet been obtained (the "Special Meeting Proposal"). If approved, the special stockholders' meeting would take place no later than 45 days following the receipt of all such regulatory approvals. At the special stockholders' meeting, Mr. Icahn's slate of director nominees would be up for nomination to the Board. The Company has rejected the Special Meeting Proposal, on the basis that it is illegal under Delaware law as well as not permitted by the Company's organizational documents. The second proposal would be to repeal any amendment to the Company's Bylaws adopted after October 19, 2021 that prevents Mr. Icahn's full slate of director nominees from being elected to the Board (the "Bylaw Restoration Proposal").

Also on November 15, 2021, the Company issued a public statement, stating among other things that, consistent with the Company's governance arrangements, the Board would review Mr. Icahn's slate of directors with the Nominating and Corporate Governance Committee. In addition, the public statement asserted that the nomination of Mr. Icahn's slate of directors "is the latest step in Mr. Icahn's efforts to take control of Southwest Gas without paying a control premium" and that the Board is committed to determining the financing strategy for the Questar transaction that is in the long-term best interest of all of the Company's stockholders. The public statement also provided that "the Board values constructive dialogue with its investors with the mutual goal of enhancing value for all stakeholders– including for our local communities in partnership with our regulators in each of our three state commissions. As we do with all stockholders, members of the Company's management team have engaged directly with Icahn to hear his views and share ours. In these conversations, Icahn has criticized the pending Questar Pipelines acquisition and pressured Southwest Gas to pursue different alternatives for financing the acquisition – some of which treat Icahn differently than other stockholders."

Between November 18, 2021 and November 22, 2021, the respective counsel for Mr. Icahn and the Company exchanged communications regarding the Company's rejection of the Special Meeting Proposal.

On November 24, 2021, Mr. Icahn publicly circulated a stockholder presentation critical of the Company's management and the Board and in which, among other things, Mr. Icahn disclosed certain of his plans regarding the operation of the Company. Mr. Icahn did not discuss these plans with the Company before publicly disclosing them.

Also on November 24, 2021, Mr. Hester and certain other members of management had a telephone call with Mr. Icahn and several of his representatives. Mr. Icahn again repeated his criticism of the Questar transaction and the potential equity financing and again mentioned his proposal to backstop a rights offering. He also indicated his desire for Board representation.

On November 29, 2021, certain affiliates of Mr. Icahn sued the Company and the Board in the Delaware Court of Chancery (the "Lawsuit"). The Lawsuit, among other things, sought to impede the Company's permanent financing for the Questar transaction by seeking a restraining order that would prevent the Company from selling shares at a price below $75 per share or to anyone that the Board reasonably knows is likely to support the Board at the 2022 Annual Meeting. The Lawsuit also alleged that the Company improperly rejected the Special Meeting Proposal, which the Company rejected on the basis that it is illegal under Delaware Law as well as not permitted by the Company's organizational documents.

Since its initial consideration of the Questar transaction, the Board, together with its outside financial advisors, has continued its ongoing evaluation of the various financial alternatives for the permanent financing for the Questar transaction that would be in the long-term best interest of all of the Company's stockholders. This review includes a comprehensive assessment of a range of alternatives, including Mr. Icahn's financing proposals and the pro rata rights offering proposed by Mr. Icahn. Over the course of its review process, the Company and its financial advisors contacted and engaged with numerous financing sources, including both debt financing and equity financing. In accordance with the Board's ongoing evaluation, Southwest Gas entered into a 364-day term loan agreement (the "Bridge Facility") on November 1, 2021, which has provided the Company with the flexibility to consider a range of permanent financing alternatives for the Questar transaction.

In addition, the Company has continued its extensive engagement program with the Company's stockholders, including various meetings (in person or electronically) with a number of the Company's stockholders.

On December 7, 2021, affiliates of Mr. Icahn amended the Schedule TO and provided additional disclosure with respect to Mr. Icahn's plans for the Company. Mr. Icahn did not discuss these plans with the Company before filing the amendment. In addition, the amended Schedule TO provided additional disclosure with respect to certain of the regulatory approvals required to seat Mr. Icahn's slate of nominees as well as to consummate the Offer. In particular, the amended Schedule TO provided that Mr. Icahn would be seeking approval for the election of his slate and for consummating the Offer from regulators in Arizona, California and Nevada (the "Regulatory Approval Condition"). The amended Schedule TO only provided that Mr. Icahn "intends" to file applications for such approvals and did not otherwise provide a timeline for making these applications. It also stated that Mr. Icahn does not know how long the process for satisfying the Regulatory Approval Condition will take.

On December 15, 2021, Mr. Icahn publicly circulated a stockholder presentation, substantially similar to the one filed on November 24, 2021, critical of the Company's management and the Board and in which, among other things, Mr. Icahn disclosed certain of his plans regarding the operation of the Company. Mr. Icahn did not discuss these plans with the Company before publicly disclosing them.

On December 21, 2021, the Delaware Court of Chancery denied Mr. Icahn's motion for a temporary restraining order that would have constrained the Company's ability to raise permanent financing for the Questar transaction.

On December 24, 2021, Mr. Icahn extended the expiration date of the Offer from December 27, 2021 to January 26, 2022. In response, the Company issued a press release announcing that it continues to recommend that the Company's stockholders not tender any shares into the Offer.

On December 27, 2021, Mr. Hester and certain other members of management had a telephone call with Mr. Icahn and several of his representatives. During that call, the Company discussed the status of the Questar transaction with Mr. Icahn. Mr. Icahn reiterated his interest in providing financing to the Company.

On December 31, 2021, the Company completed the Questar acquisition, which was financed with the Bridge Facility.

On January 14, 2022, the Company amended this Statement and disclosed that the Board adopted a Board resolution designating Mr. Icahn's slate as "continuing directors," should they be elected to the Board at the 2022 Annual Meeting, for the sole purpose of ensuring that their election would not trigger an event of default under certain of the Company's indebtedness.

On January 20, 2022, as part of the nominee evaluation process in connection with the 2022 Annual Meeting, the Company invited each of Mr. Icahn's nominees to be interviewed by members of the Nominating and Corporate Governance Committee of the Board. None of the nominees has responded to the Company's invitation, let alone agreed to be interviewed.

On January 26, 2022, Mr. Icahn amended the Schedule TO to add, as a new condition to the Offer, the requirement that a majority of Mr. Icahn's slate of director nominees be elected to the Board at either the 2022 Annual Meeting or any subsequently called special meeting (the "Board Condition"). The amended Schedule TO also extended the expiration date of the Offer from January 26, 2022 to February 23, 2022.

In addition, Mr. Icahn announced that he intends to restructure the Offer so that, upon its closing, if shares are tendered that would result in Mr. Icahn and his affiliates holding more than 24.9% of the outstanding shares, then all shares held by Mr. Icahn and his affiliates in excess of 24.9% would be transferred to one or more independent trusts with third-party trustees. The trust or trusts will be the record owner of the transferred shares and the trustee(s) would have the right to vote the shares in the trustee(s)' discretion. Mr. Icahn would select the trustee or trustees, and would also have the power to remove and replace the trustee(s) at any time with or without cause. Mr. Icahn would also retain all of the economics, and the trustee(s) would generally not have dispositive control over the shares in the trust(s).

According to Mr. Icahn, as stated in an open letter to the Company's stockholders on January 26, 2022, he amended the Schedule TO in this manner because he believes it circumvents the need to obtain the regulatory approvals set forth in the Regulatory Approval Condition in order to consummate the Offer. Despite this belief, at that time Mr. Icahn neither amended the Schedule TO to remove the Regulatory Approval Condition nor revoked his intention to submit the Special Meeting Proposal at the 2022 Annual Meeting. In addition, to the Company's knowledge, none of the applicable state regulatory authorities has endorsed this structure as removing the requirement for regulatory approval.

In the amended Schedule TO, Mr. Icahn also did not alter his belief that certain state regulatory approvals would be required before Mr. Icahn's slate could be elected to the Board. As of the date of this filing, none of these approvals has been obtained nor, to the Company's knowledge, have any applications in respect thereof been made.

On January 27, 2022, the Company issued a press release stating that Mr. Icahn's amended Schedule TO "further reinforces our belief that the Icahn slate has been assembled with one goal in mind—to facilitate Mr. Icahn's effort to take control of Southwest Gas without paying a control premium to Southwest Gas stockholders." In addition, the Company noted in the press release that "Mr. Icahn does not have regulatory approval to proceed with his Offer or take control of the Southwest Gas Board through a proxy contest. Further, Mr. Icahn has not waived, nor satisfied, the Regulatory Approval condition to his Offer."

On February 11, 2022, the Company filed a motion for summary judgment in the Lawsuit regarding the Special Meeting Proposal on the basis that the Special Meeting Proposal is not lawful and not consistent with the Company's organizational documents.

On February 21, 2022, representatives of Lazard had a telephone call with Mr. Icahn and several of his representatives. The purpose of the call was for Lazard to invite Mr. Icahn and his representatives to share the terms they proposed for Mr. Icahn's potential financing to replace the Bridge Facility. However, Mr. Icahn declined to propose any terms. Mr. Icahn restated his objective to purchase the Company for $75 per share as his priority as compared to providing any financing on its own. Moreover, Mr. Icahn stated that he would only be willing to provide financing if the Offer closed first or, if the Company agreed to move forward with the Offer and it did not close, he would provide financing on terms that he declined to define.

On February 21, 2022, Lazard followed up by email with a request for proposed financing terms and asked Mr. Icahn to complete a questionnaire including questions concerning specific types of equity, ratios of any such equity if a financing were to consist of multiple components and other proposed terms, such as exit requirements and governance rights.

On February 23, 2022, Mr. Icahn amended the Schedule TO to extend the expiration date of the Offer from February 23, 2022 to March 23, 2022.

On March 1, 2022, after refusing to provide such information to Lazard, Mr. Icahn publicly disclosed his purported responses to the questionnaire provided by Lazard on February 21, 2022. However, in his responses, Mr. Icahn failed to respond to a number of direct questions and did not provide any specific proposed terms.

On March 14, 2022, Mr. Icahn amended the Schedule TO to increase the offer price to be paid in the Offer from $75 per share to $82.50 per share in cash, upon the terms set forth in the Schedule TO. On March 14, 2022, the Company issued a press release stating that the Board, consistent with its fiduciary duties and in consultation with its independent financial and legal advisors, would carefully review and evaluate the revised Offer to determine the course of action that the Board believes to be in the best interests of the Company's stockholders.

On March 15, 2022, the Delaware Court of Chancery held a hearing on the Company's and the director defendants' motion for summary judgment on counts IV and V of Mr. Icahn's Verified Complaint for Injunctive and Declaratory Relief in the Lawsuit, relating to the Company's exclusion of the Special Meeting Proposal. The Court has not yet rendered a decision on the motion.

On March 23, 2022, the Board met via video conference with certain members of the Company's management and advisors, including representatives of Lazard, Moelis, MoFo, and Cravath. Members of Lazard, MoFo and Cravath discussed Mr. Icahn's amended Offer, and discussed with the Board potential next steps. Members of Lazard and Moelis discussed their preliminary views on valuation and their assessment of the revised offer price. MoFo reviewed the Board's fiduciary duties and certain legal matters in connection with the Offer.

On March 24, 2022, Mr. Icahn amended the Schedule TO to extend the expiration date of the Offer from March 23, 2022 to April 21, 2022 and to remove the Regulatory Approval Condition as a condition to the Offer.

Also on March 24, 2022, the Company filed its definitive proxy statement on Schedule 14A relating to the 2022 Annual Meeting.

On March 25, 2022, the Board met via video conference with certain members of the Company's management and advisors, including representatives of Lazard, Moelis, MoFo, and Cravath. The Board continued its consideration of various factors relating to the Offer. At the meeting, each of Lazard and Moelis informed the Board of their respective financial analyses with respect to the Offer and rendered their respective oral opinions to the Board, each subsequently confirmed in writing, to the effect that, as of March 25, 2022, and based upon and subject to the assumptions, qualifications, matters and limitations set forth in their respective written opinions, the consideration proposed to be paid to the holders (other than the Offeror and any of its affiliates) of Shares pursuant to the Offer was inadequate from a financial point of view to such holders. After discussion, the Board unanimously determined (1) that the Offer is inadequate, undervalues the Company, is illusory, highly conditional and coercive, and is not in the best interests of Southwest Gas and its stockholders, and (2) that the Board would recommend that stockholders reject the Offer and not tender any Shares into the Offer.

On March 28, 2022, the Company issued a press release announcing the Board's recommendation that stockholders reject the Offer and not tender their Shares in the Offer.

The disclosure under the subsection entitled *Background of the Offer; Reasons for the Recommendation—Reasons for the Recommendation* is hereby amended and restated in its entirety as follows:

The Board has determined that the Offer is not in the best interests of Southwest Gas stockholders. Accordingly, the Board unanimously recommends that Southwest Gas stockholders reject the Offer and not tender any Shares pursuant to the Offer.

In reaching this conclusion and making its recommendation to reject the Offer, the Board consulted with its independent financial and legal advisors and management and took into account numerous factors, including but not limited to the following:

I. The Offer is inadequate and undervalues Southwest Gas.

The Offer undervalues Southwest Gas, as it does not reflect Southwest Gas' strong track record of value creation and disregards Southwest Gas' compelling prospects for continued growth and the ongoing creation of sustainable, long-term stockholder value. The Board and management have been and will continue to be focused on optimizing the value of Southwest Gas' component businesses as well as Southwest Gas as a whole and are focused on implementing plans that they believe will further drive stockholder value and relative stock price performance, including the announced separation of Southwest Gas' utility infrastructure services business, Centuri.

- *The Board and management have delivered strong, consistent financial and operational performance.* In evaluating the Offer, the Board considered Southwest Gas' track record of delivering attractive, risk-adjusted total returns comprised of stable earnings growth and a meaningful dividend. Southwest Gas' strong operational success has yielded a 5-year compound annual growth rate ("CAGR") from 2015 to 2020 of 11.4% in net income and 6% in revenue. Southwest Gas has also consistently increased its dividend, growing at a 5-year CAGR from 2016 to 2021 of 5.8% and returning approximately $517 million to stockholders from 2016 to 2020. Southwest Gas is committed to continuing this strong record of capital return and, following the separation of Centuri, plans to evaluate an increase in the payout ratio to at least levels competitive with pure-play utilities.

  In addition, Southwest Gas' public utility, Southwest Gas Corporation, which serves customers in portions of Arizona, Nevada, and California, has delivered a 79% increase in rate base since 2017. Southwest Gas had near record growth in rate base in 2021. This followed a successful 2020, where Southwest Gas received constructive rate case outcomes in all three jurisdictions that resulted in an increase in rate base of over $1 billion, as well as approval of new supportive regulatory mechanisms. Importantly, this rate base growth has been pursued in a responsible manner from the perspective of stakeholders—that is, while managing the impact of cost to customers and doing so in a way that maximizes safety and reliability.

  During the last four years, in respect of Centuri, the Board and management have successfully integrated three acquisitions, which has resulted in Centuri's revenue nearly doubling—from approximately $1.2 billion to approximately $2.2 billion—and has transformed Centuri into a business with a significant and diversified scope in the areas of customer type, geography and service offerings. Indeed, Centuri now serves the entire utility and infrastructure value chain nationally. This growth has been pursued with a focus on value creation through organic and inorganic activities. Centuri's recent acquisition of Riggs Distler in 2021 is just the latest in the series of actions that has contributed to this narrative.

  The Board and management's execution of these efforts has resulted in significant growth and created compelling value for stockholders.

- *Southwest Gas' standalone plan has positioned it for significant value creation*. The Offer is an opportunistic attempt by Mr. Icahn to take advantage of opportunities that should benefit all stockholders.

  - <u>Public Utility Business Growth</u>. The Board expects the significant expansion in Southwest Gas' public utility customer base to persist, as residents and businesses continue to move into its geographic footprint, drawn by robust economies, job growth, attractive business climates and excellent quality of life. As a result, Southwest Gas' public utility has a strong rate base and is expected to grow 7% per year over 2022-2026. As has been the case historically, this rate base growth will be pursued in a responsible manner from the perspective of stakeholders.

  - <u>MountainWest</u>. The recent acquisition of MountainWest Pipelines Holding Company ("MountainWest"), formerly Dominion Energy Questar Pipeline, LLC, which operates more than 2,000 miles of highly contracted, FERC-regulated interstate national pipelines, provides a complementary and compelling suite of high-return assets that is expected to drive value by supporting dividend growth and accretion to cash flow and earnings in 2022. MountainWest significantly broadens Southwest Gas' flexibility to source and allocate growth capital. More than 90% of MountainWest's revenue is contracted and over 70% of revenues are backed by investment grade customers. In addition, MountainWest provides improved rate base and regulatory diversification, as well as strong, stable cash flows, thereby reducing Southwest Gas' reliance on capital markets for the significant capital investment required to invest in Southwest Gas' continued local distribution company growth. MountainWest also positions Southwest Gas to deliver on numerous attractive opportunities in the energy transition with renewable natural gas, responsibly sourced natural gas, hydrogen and CO2 transportation.

- Centuri Spin-Off. The Board expects the spin-off of Centuri to create significant financial benefits for both Southwest Gas and Centuri, including:
  - Unlocking value for stockholders and enhancing value transparency through more direct comparability to pure-play industry peers;
  - Flexibility to meaningfully reduce future equity financing needs, including with respect to MountainWest;
  - Compelling financial profiles that more accurately reflect the strengths and opportunities of each business, and as a result, enabling them to more efficiently finance themselves while providing a more targeted investment opportunity for stockholders;
  - Improved capital allocation efficiency and strategic flexibility based on the specific initiatives and objectives of each business; and
  - Distinct and expanding market opportunities and specific customer bases with enhanced potential for customer base expansion and organic growth.

- *The Board has received an inadequacy opinion from each of Lazard and Moelis.* The Board considered the fact that on March 25, 2022, Lazard rendered an oral opinion to the Board, subsequently confirmed in writing, to the effect that, as of March 25, 2022, and based upon and subject to the assumptions, qualifications, matters and limitations set forth in its written opinion, the consideration proposed to be paid to the holders (other than Offeror and any of its affiliates) of Shares pursuant to the Offer was inadequate from a financial point of view to such holders. The full text of the written opinion of Lazard, dated March 25, 2022, which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with its opinion, is attached as Exhibit (a)(26) to this Statement. Lazard provided its opinion for the information and assistance of the Board in connection with its consideration of the Offer. The opinion of Lazard is not a recommendation as to whether any holder of Shares should tender its Shares in connection with the Offer or otherwise how to act in connection with the Offer or any other matter.

  The Board also considered the fact that on March 25, 2022, Moelis rendered an oral opinion to the Board, subsequently confirmed in writing, to the effect that, as of March 25, 2022, and based upon and subject to the assumptions, qualifications, matters and limitations set forth in its written opinion, the consideration proposed to be paid to the holders (other than Offeror and any of its affiliates) of Shares pursuant to the Offer was inadequate from a financial point of view to such holders. The full text of the written opinion of Moelis, dated March 25, 2022, which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with its opinion, is attached as Exhibit (a)(27) to this Statement. Moelis provided its opinion for the information and assistance of the Board in connection with its consideration of the Offer. The opinion of Moelis is not a recommendation as to whether any holder of Shares should tender its Shares in connection with the Offer or otherwise how to act in connection with the Offer or any other matter.

In short, the Board believes that it and Southwest Gas' management can deliver more value to Southwest Gas stockholders than the Offer.

II. The Offer is blatantly coercive and provides no protection for stockholders who do not tender. Mr. Icahn has a history of coercive actions towards minority stockholders.

The Offer provides no protection whatsoever to Southwest Gas stockholders who do not tender into the Offer. Indeed, Mr. Icahn makes no mention of any intention to effect a second step merger or otherwise offer terms or protections to remaining stockholders. Stockholders may feel compelled to tender, even if they believe that the Offer does not represent fair value, in order to avoid the chance of finding themselves as minority stockholders in a company with a new majority or controlling stockholder and an entirely new Board selected by Mr. Icahn, and potentially facing default on significant debt, as noted below. Further, Mr. Icahn has stated that, following the completion of the Offer, the Company may be delisted from the New York Stock Exchange and the remaining outstanding shares deregistered (in which case Southwest Gas would no longer be required to file reports with the SEC). In addition, as described by Mr. Icahn in the Offer, "depending upon the number of Shares purchased and the number of remaining holders of Shares, the purchase of Shares pursuant to the Offer may adversely affect the liquidity and market value of the remaining Shares held by the public." These events would almost certainly lead to a substantial decline in value of the remaining outstanding Shares. In addition, minority stockholders have frequently complained about Mr. Icahn's tactics, and these tactics have at times led to protracted and costly litigation with minority stockholders, including situations involving Voltari Corporation, CVR Energy, Lions Gate Entertainment Corporation and XO Holdings.

III. The track record of Mr. Icahn, as well as the quantity and nature of the conditions to the Offer, create significant uncertainty and risk.

The Board believes that Mr. Icahn's poor track record in similar situations, coupled with the numerous conditions to the Offer, create significant uncertainties about the Offer.

- *Mr. Icahn has an extremely poor track record of completing transactions in similar situations***.** According to publicly available data, since 2000, affiliates of Mr. Icahn have commenced numerous tender offers to acquire at least a majority of the outstanding shares of other public companies that were not in bankruptcy proceedings at the time. Mr. Icahn and his affiliates failed to consummate all but two of these tender offers.
- *The Offer contains a long list of conditions*. As described in "*Item 2. Identity and Background of Filing Person—Tender Offer*", the Offer is subject to numerous conditions, many of which are ambiguously written, thereby making it unclear as to what Mr. Icahn's obligations are to close the Offer. These conditions include, among others, the following, many of which are outside the control of Southwest Gas and Mr. Icahn:
  - Board Condition
  - No Injunction Condition
  - No External Events Condition

- No Challenge Condition
- No Events Outside of the Ordinary Course Condition
- No Competing Offer Condition
- Rights Plan Condition
- Dominant Stockholder Condition
- Equity Condition

- *The conditions give Mr. Icahn wide latitude not to consummate the Offer*. According to the Offer, each of the foregoing conditions are for the sole benefit of Mr. Icahn and may be asserted by Mr. Icahn in his sole discretion regardless of the circumstances giving rise to any such condition failing to be satisfied and may be waived by Mr. Icahn, in whole or in part, at any time and from time to time, prior to the expiration of the Offer. In other words, the Offer states that Mr. Icahn may assert whenever he chooses, for any reason he chooses, that a condition has not been satisfied, and such determination will not be subject to challenge. For example, Mr. Icahn could claim that the No Events Outside of the Ordinary Course Condition is not satisfied if there is any acquisition of assets or disposition of assets by Southwest Gas since the date of the Offer – this would include Southwest Gas' acquisition of MountainWest, which was completed after the commencement of the Offer. The Board believes that the effect of these conditions is that Southwest Gas stockholders cannot be assured that Mr. Icahn will consummate the Offer.
- *Mr. Icahn can amend the Offer in any respect*. Mr. Icahn expressly reserves the right to amend the Offer in any respect—including by decreasing the offer price or by changing the number of Shares being sought or the type of consideration—at any time before it expires

IV. The Offer is highly illusory and it is very unlikely that stockholders will ever receive any Offer consideration. We cannot predict the consequences of seeking to close the Offer without obtaining state regulatory approvals.

The Offer is highly conditional and illusory and stockholders should not be deceived into thinking that they will ever receive any Offer consideration, whether on the Expiration Date, or otherwise. The Offer is conditioned on, among other things, satisfaction of the Board Condition and the Equity Condition. Furthermore, we cannot predict the consequences of seeking to close the Offer without obtaining state regulatory approvals.

Regulatory approval is required for Mr. Icahn and his affiliates to acquire more than 25% of Southwest Gas' outstanding Shares, and Mr. Icahn has indicated that he planned to seek the requisite regulatory approvals to seat a majority of the Board—i.e., satisfy the Board Condition. Mr. Icahn admits this in public filings and had previously conditioned the Offer on receiving the necessary regulatory approvals. Mr. Icahn announced that he removed his "regulatory condition" – but the conditionality remains (the Board Condition can only be satisfied to the extent that, in Mr. Icahn's words, he obtains the applicable regulatory approvals). While Mr. Icahn now states that "there are no outstanding required regulatory approvals to the closing of the Offer", in connection with his proxy contest, he continues to litigate the ability to call a special meeting of Southwest Gas stockholders to the extent that he has not obtained the applicable regulatory approvals by the time of the 2022 Annual Meeting. Mr. Icahn's Special Meeting Proposal and associated litigation is a direct contradiction of his assertion that the closing of the Offer does not require regulatory approvals. If Mr. Icahn cannot seat a majority of his slate, including if he does not obtain regulatory approval, then he can elect not to close the Offer.

In addition, instead of seeking the regulatory approvals necessary to acquire more than 25% of Southwest Gas' outstanding Shares, Mr. Icahn has announced that he will be restructuring the Offer so that, if Shares are tendered that would result in Mr. Icahn and his affiliates owning more than 24.9% of the Shares, then all Shares in excess of 24.9% will be transferred to one or more trusts ("Trusts"), with the intended result being that neither Mr. Icahn and his affiliates, nor any of the Trusts, would directly hold more than a 24.9% ownership percentage in Southwest Gas (the "Trust Structure"). Notably, Mr. Icahn has been silent on whether the Trust Structure has been endorsed by any of the applicable regulatory authorities and, similarly, whether he intends to seek confirmation of the permissibility of the Trust Structure prior to closing the Offer. Southwest Gas believes that the Trust Structure does not obviate the need to obtain regulatory approvals, and Southwest Gas has no reason to believe the viability of the Trust Structure to avoid regulatory approvals has been endorsed by any applicable regulatory authority. If Mr. Icahn closes the Offer without the necessary approvals, we cannot predict the consequences, but they may include adverse impacts on the Company's relationship with its regulators and on future rate cases, uncertainty about ownership and control of the Company and overhang on the market value of the Shares.

In addition, Mr. Icahn has made the Offer conditioned on the Equity Condition, a condition which is effectively impossible to satisfy given Southwest Gas' publicly announced plans to raise equity as part of the permanent financing for the acquisition of MountainWest. Southwest Gas announced the intention to raise equity at the time it announced the acquisition of MountainWest – which occurred well before Mr. Icahn launched the Offer. Mr. Icahn has also conditioned the Offer on a series of broadly worded and vague conditions, each of which (in addition to the Board Condition and the Equity Condition) may be deemed satisfied in Mr. Icahn's sole discretion at whatever time it pleases him, rendering the Offer illusory.

V. Consummation of the Offer could trigger a default under Southwest Gas' credit agreements and a mandatory repurchase offer for Southwest Gas' outstanding 2041 senior notes. The Offer describes no plan to fund these liabilities or the resulting effects on Southwest Gas.

If Mr. Icahn consummates the Offer and acquires more than 50% of the outstanding Shares then a change of control event of default would be triggered under the Debt Documents (as defined below) of Southwest Gas Holdings Inc. and Southwest Gas Corporation. In such event, the lenders under the Debt Documents will have, among other rights, the right to cause all unpaid amounts under the Debt Documents to be immediately due and payable. As of December 31, 2021, approximately $2,239 million in aggregate principal amount of debt under the Debt Documents was outstanding.

In addition, if Mr. Icahn consummates the Offer and acquires more than 51% of the outstanding Shares then Southwest Gas Corporation will be required to make an offer to repurchase all of Southwest Gas Corporation's outstanding 2041 Notes (as defined below) at a price equal to 100% of the principal of such notes plus a 1% premium on such principal amount, together with accrued interest. As of December 31, 2021, approximately $125 million in aggregate principal amount of 2041 Notes was outstanding.

In addition, if Mr. Icahn consummates the Offer, acquires more than 50% of the outstanding Shares and within 120 days a specified negative ratings event occurs, then MountainWest Pipeline, LLC will be required to make an offer to prepay all of the outstanding MountainWest CofC Notes (as defined below) at a price equal to 100% of the principal amount of such notes, together with accrued interest. As of December 31, 2021, approximately $250 million in aggregate principal amount of MountainWest CofC Notes was outstanding.

In addition, if a change of control is triggered under the Debt Documents or the 2041 Notes and the indebtedness thereunder is accelerated, lenders under the SWG Notes (as defined below) may accelerate the maturity of the outstanding indebtedness of Southwest Gas Corporation under the SWG Notes. As of December 31, 2021, approximately $2,282.5 million in aggregate principal amount of SWG Notes was outstanding.

In addition, if a change of control is triggered under the MountainWest CoC Notes and the indebtedness thereunder is accelerated, lenders under the MountainWest Notes (as defined below) may accelerate the maturity of the outstanding indebtedness of MountainWest Pipeline, LLC under the MountainWest Notes. As of December 31, 2021, approximately $180 million in aggregate principal amount of MountainWest Notes was outstanding.

Southwest Gas currently does not have sufficient cash on hand to fund the full amount of these liabilities. The Offer does not describe any plan, or source of funds, to finance these very significant liabilities that could result if the Offer is completed in accordance with its terms, nor does it describe the very serious consequences to Southwest Gas and its remaining minority stockholders that would result in the event Southwest Gas is unable to satisfy these liabilities, or is able to satisfy them only by refinancing the debt on disadvantageous terms. The prospect of holding a potentially delisted and unregistered minority equity interest in an insolvent entity is further evidence of the coercive nature of the Offer.

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ACCORDINGLY, BASED ON THE FOREGOING, THE BOARD UNANIMOUSLY RECOMMENDS THAT HOLDERS OF SHARES REJECT THE OFFER AND NOT TENDER ANY SHARES PURSUANT TO THE OFFER.

The foregoing discussion of the information and factors considered by the Board is not meant to be exhaustive, but includes the material information, factors and analyses considered by the Board in reaching its conclusions and recommendations. The members of the Board evaluated the various factors listed above in light of their knowledge of the business, financial condition and prospects of the Company and consulted with the Board’s financial and legal advisors.

In light of the number and variety of factors that the Board considered, the Board did not find it practicable to, and did not, quantify or otherwise assign relative weights to the factors summarized above in reaching its recommendation. However, the recommendation of the Board was made after considering the totality of the information and factors involved. In addition, individual members of the Board may have given different weight to different factors.

After considering the totality of the information and factors involved, the Board has determined that the Offer is not in the best interests of Southwest Gas stockholders. Accordingly, the Board unanimously recommends that Southwest Gas stockholders reject the Offer and not tender any Shares pursuant to the Offer.

Item 8 Additional Information.

The disclosure in Item 8 under the subsection entitled *Effect of the Offer on the Company’s Outstanding Indebtedness* is hereby amended and restated in its entirety as follows:

Southwest Gas Holdings, Inc. and Southwest Gas Corporation are subject to the following outstanding indebtedness under debt instruments that contain change in control provisions that are triggered when a change in control occurs with respect to Southwest Gas Holdings, Inc.: (i) the Term Loan Agreement, dated March 23, 2021, between Southwest Gas Corporation, as the borrower, and The Bank of New York Mellon, as the administrative agent, (ii) the Amended and Restated Revolving Credit Agreement, dated April 10, 2020, between Southwest Gas Holdings, Inc., as the borrower, and The Bank of New York Mellon, as administrative agent, (iii) the Amended and

Restated Revolving Credit Agreement, dated April 10, 2020, between Southwest Gas Corporation, as the borrower, and The Bank of New York Mellon, as administrative agent, (iv) the reimbursement agreements entered into in connection with the letters of credit issued by Southwest Gas Corporation relating to the Industrial Development Revenue Bonds relating to Clark County, Nevada and City of Big Bear Lake, California, and (v) the 364-Day Term Loan Credit Agreement, dated November 1, 2021, between Southwest Gas Holdings, Inc., as the borrower, and JPMorgan Chase Bank, N.A., as the administrative agent (clauses (i)-(v), collectively, the "Debt Documents") and (vi) Southwest Gas Corporation's 6.10% Senior Notes due 2041 (the "2041 Notes").

MountainWest Pipeline LLC is subject to the following outstanding indebtedness under debt instruments that contain change in control provisions that are triggered when a change in control occurs with respect to Southwest Gas Holdings, Inc. and within 120 days a specified negative rating event occurs: (i) 3.53% Senior Notes due 2028, and (ii) 3.91% Senior Notes due 2038 (clauses (i) and (ii), collectively, the "MountainWest CofC Notes").

Under the Debt Documents, the change in control provisions are triggered when, among other triggers, (i) any person or group of associated persons acting in concert acquires an aggregate of more than 50% of the outstanding shares of voting stock of Southwest Gas Holdings, Inc., or (ii) if a majority of the Board are not the "Incumbent Board," which is defined as members of the Board as of the effective date of the applicable Debt Document, or who subsequently became directors and whose election or nomination for election was approved by the majority of the Incumbent Board. In the event that the Icahn Group acquires more than 50% of the outstanding Shares, including as a result of the consummation of the Offer, and/or the majority of the Board is composed of the Icahn Slate after the 2022 Annual Meeting, and the nomination and election of such Board was not approved by the applicable Incumbent Board, then, under the Debt Documents, an event of default will occur, which will give the applicable lenders under the Debt Documents the right to exercise remedies, including to accelerate amounts owing under the Debt Documents.

Under the 2041 Notes, the change of control provisions are triggered when, among other triggers, (i) any person or group of associated persons acting in concert acquires an aggregate of more than 51% of the outstanding shares of voting stock of Southwest Gas Corporation or (ii) if a majority of the Board are not the "Incumbent Board," which is defined as members of the Board as of the effective date of the date on which the 2041 Notes were issued or who subsequently became directors and whose election or nomination for election was approved by the majority of the Incumbent Board. In the event that the Icahn Group acquires more than 51% of the outstanding Shares, including as a result of the consummation of the Offer, and/or the majority of the Board is composed of the Icahn Slate after the 2022 Annual Meeting, and the nomination and election of such Board was not approved by the applicable Incumbent Board, then:, under the 2041 Notes, Southwest Gas Corporation will be required to make an offer to repurchase all of the outstanding 2041 Notes at a price equal to 100% of the principal amount of the 2041 Notes outstanding plus a premium equal to 1% of such principal amount, together with accrued and unpaid interest.

On January 13, 2022, the Board of Directors of Southwest Gas Holdings, Inc., constituting the "Incumbent Board", adopted a Board resolution designating the Icahn Slate, should such slate of directors be elected by shareholders at the 2022 Annual Meeting, as continuing directors for the sole purpose of ensuring that the change in control provisions in the Debt Documents and the 2041 Notes are not triggered by the nomination (or election) to the Board of any member or members from the Icahn Slate at the 2022 Annual Meeting.

In no way does such action change the Board's unanimous recommendation that holders of Shares REJECT the Offer and NOT TENDER any Shares pursuant to the Offer. The Board has determined that Icahn's offer is inadequate, coercive, uncertain and illusory. In addition, such action does not constitute an endorsement or recommendation in favor of any member or members of the Icahn Slate.

Under the MountainWest CofC Notes the change of control provisions are triggered when, among other triggers, (i) any person or group of persons acting in concert together with affiliates thereof shall in the aggregate, directly or indirectly, control or own (beneficially or otherwise) more than 50% (by number of membership units) of the issued and outstanding membership interests of MountainWest Pipeline, LLC or otherwise directly or indirectly control or have the power to control the affairs and policies of the Company and (ii) within 120 days a specified negative ratings event occurs.

Southwest Gas Corporation issued the following notes which contain a cross acceleration provision triggered when amounts owing by Southwest Gas Corporation under its other material indebtedness (including the Debt Documents, the 2041 Notes or any other indebtedness (in excess of a specified outstanding principal amount ranging from $10 million to $50 million)) are accelerated following an event of default thereunder (including an event of default as a result of a change in control): (i) Southwest Gas Corporation's 3.70% Senior Notes due 2028, (ii) Southwest Gas Corporation's 4.15% Senior Notes due 2049, (iii) Southwest Gas Corporation's 2.20% Senior Notes due 2030, (iv) Southwest Gas Corporation's 3.18% Senior Notes due 2051, (v) Southwest Gas Corporation's 3.875% Senior Notes due 2022, (vi) Southwest Gas Corporation's 4.875% Senior Notes due 2043, (vii) Southwest Gas Corporation's 3.8% Senior Notes due 2046, (viii) Southwest Gas Corporation's 8% Debenture due 2026, (ix) Southwest Gas Corporation's 7.78% medium-term notes due 2022, (x) Southwest Gas Corporation's 7.92% medium-term notes due 2027, and (xi) and Southwest Gas Corporation's 6.76% medium-term notes due 2027 (clauses (i)-(xi), collectively, the "SWG Notes"). Following acceleration of indebtedness under any such other indebtedness, the holders of more than 25% in principal amount of the applicable series of the SWG Notes and 2041 Notes at the time outstanding would have the right to accelerate all the SWG Notes or 2041 Notes of such series then outstanding.

MountainWest Pipeline, LLC issued the following notes which contain a cross acceleration provision triggered when amounts owing by MountainWest Pipeline, LLC under its other material indebtedness (including the MountainWest CofC Notes or any indebtedness (in excess of a specified outstanding principal amount of $50 million)) are accelerated following an event of default thereunder (including an event of default as a result of a change in control): 4.875% Senior Notes due 2041 (the "MountainWest Notes"). Following notice of the event of default by holders of 25% in principal amount of the applicable series of the MountainWest Notes, the holders of more than 33-1/3% in principal amount of the applicable series of the MountainWest Notes at the time outstanding would have the right to accelerate all the MountainWest Notes of such series then outstanding.

As of December 31, 2021: (i) Southwest Gas Holdings, Inc., Southwest Gas Corporation and MountainWest Pipeline, LLC had an aggregate principal amount of $5,076.5 million outstanding under the Debt Documents, the 2041 Notes, MountainWest CofC Notes, the SWG Notes and the MountainWest Notes, and (ii) Southwest Gas Holdings, Inc. and Southwest Gas Corporation had an aggregate principal amount of $411 million of unutilized borrowing commitments available under the Debt Documents that are revolving credit facilities.

Item 9 Financial Statements and Exhibits.

Item 9 of the Statement is hereby amended and supplemented by adding the following exhibits:

Exhibit No.	Description
(a)(26)	Opinion of Lazard Frères & Co. LLC, dated as of March 25, 2022.
(a)(27)	Opinion of Moelis & Company LLC, dated as of March 25, 2022.
(a)(28)	Press Release, dated March 28, 2022, with respect to the Board's Unanimous Rejection of Carl Icahn's Revised Unsolicited Tender Offer.
(a)(29)	Press Release, dated March 28, 2022, with respect to the Company's Letter to Stockholders.
(e)(1)	Excerpts from the Company's Definitive Proxy Statement on Schedule 14A, filed on March 24, 2022.

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this Statement is true, complete and correct.

SOUTHWEST GAS HOLDINGS, INC.

Date: March 28, 2022

/s/ Thomas E. Moran

Thomas E. Moran
Vice President/Corporate Secretary/Legal Counsel

Exhibit (a)(26)

LAZARD

Lazard Frères & Co. LLC
30 Rockefeller Plaza
New York, NY 10112

March 25, 2022

The Board of Directors
Southwest Gas Holdings, Inc.
8630 S. Durango Drive
Las Vegas, NV 89193

Dear Members of the Board:

On March 14, 2022, IEP Utility Holdings LLC ("Offeror"), a wholly-owned subsidiary of Icahn Enterprises Holdings, L.P ("Holdings"), amended its previously announced offer to purchase any and all of the outstanding shares of common stock, par value $1.00 per share (the "Common Stock"), of Southwest Gas Holdings, Inc. (the "Company"), including the associated rights issued pursuant to the Rights Agreement, dated October 10, 2021, between the Company and Equiniti Trust Company, as Rights Agent (the "Rights" and, together with the Common Stock, the "Shares"), to increase the consideration payable thereunder to $82.50 per Share in cash, without interest, less any applicable withholding taxes (the "Consideration"), upon the terms and subject to the conditions set forth in the Offer to Purchase dated October 27, 2021, as amended through March 24, 2022 (the "Offer to Purchase"), the Supplement to the Offer to Purchase, dated December 7, 2021, as amended through March 24, 2022 (the "Supplement"), and in the related Letter of Transmittal, as amended through March 24, 2022 (which, together with the Offer to Purchase and the Supplement collectively constitute the "Offer"). The terms and conditions of the Offer are more fully set forth in the Schedule TO filed by Offeror, Holdings, Icahn Enterprises L.P., Icahn Enterprises G.P. Inc., Beckton Corp. and Carl C. Icahn (Holdings, Offeror, Mr. Icahn and such other entities, collectively, the "Icahn Parties") with the Securities and Exchange Commission on October 27, 2021, as amended through Amendment No. 19 thereof filed with the Securities and Exchange Commission on March 24, 2022 (as so amended, the "Schedule TO").

You have requested our opinion, as of the date hereof, as to whether the Consideration proposed to be paid to the holders of the Shares (other than the Icahn Parties and their respective affiliates) pursuant to the Offer is adequate, from a financial point of view, to such holders.

In connection with this opinion, we have:

(i) Reviewed the Offer to Purchase, the Supplement and the Schedule TO;

(ii) Analyzed certain historical business and financial information relating to the Company;

(iii) Reviewed financial forecasts prepared by management of the Company and provided to us on March 17, 2022 and other data provided to us by the Company relating to its business and, in each case, approved by you for our use in connection herewith;

(iv) Held discussions with members of senior management of the Company with respect to the business and prospects of the Company and the strategic objectives of the Company;

(v) Reviewed public information with respect to certain other companies in lines of business we believe to be generally relevant in evaluating the business of the Company;

(vi) Reviewed the financial terms of certain business combinations involving companies in lines of business we believe to be generally relevant in evaluating the business of the Company;

(vii) Reviewed the historical stock prices and trading volumes of the Common Stock; and

(viii) Conducted such other financial studies, analyses and investigations as we deemed appropriate.

We have assumed and relied upon the accuracy and completeness of the foregoing information, without independent verification of such information. We have not conducted any independent valuation or appraisal of any of the assets or liabilities (contingent or otherwise) of the Company, or concerning the solvency or fair value of the Company, and we have not been furnished with any such valuation or appraisal. With respect to the financial forecasts utilized in our analyses, we have assumed, with the consent of the Company, that they have been reasonably prepared on bases reflecting the best currently available estimates and judgments as to the future financial performance of the Company. We assume no responsibility for and express no view as to any such forecasts or the assumptions on which they are based, including with respect to the potential effects of the COVID-19 pandemic and Russia's invasion of Ukraine on such forecasts or assumptions. For purposes of our analysis, we have assumed that permanent financing for the Company's acquisition of Dominion Energy Questar Pipeline, LLC will be completed in accordance with Company management's plan.

Our opinion is necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to us as of, the date hereof. We assume no responsibility for updating or revising our opinion based on circumstances or events occurring after the date hereof. We further note that volatility and disruption in the credit and financial markets relating to, among others, the COVID-19 pandemic and Russia's invasion of Ukraine, may or may not have an effect on the Company and we are not expressing an opinion as to the effects of such volatility or such disruption on the Company. Our opinion does not in any manner address the prices at which the Shares will actually trade at any time. Furthermore, our opinion does not address the relative merits of the Offer as compared to any alternative business transaction, or other alternatives. In addition, we were not authorized to solicit, and did not solicit, interest from any party with respect to the acquisition, business combination or other transaction involving all or substantially all of the Company or its assets, nor did we negotiate with any party, including the Icahn Parties and their respective affiliates, with respect to a possible acquisition, business combination or other transaction involving all or substantially all of the Company or its assets. We do not express any opinion as to any tax or other consequences that might result from the Offer, nor does our opinion address any legal, tax, regulatory or accounting matters, as to which we understand that the Company has obtained such advice as it deemed necessary from qualified professionals. Our opinion does not address, and we express no view with respect to, the fairness, from a financial point of view, of the Consideration or any other term or aspect of the Offer. Our opinion does not address, and we express no view with respect to, the adequacy or fairness of the Consideration or any other term or aspect of the Offer, to, or any consideration received in connection therewith by, the Ichan Parties and their respective affiliates, the holders of any class of securities other than the Shares, creditors, or other constituencies of the Company; nor does our opinion address the adequacy or fairness of the amount or nature of any compensation proposed to be paid or payable to any of the officers, directors or employees of the Company, or class of such persons, in connection with the Offer, whether relative to the Consideration proposed to be paid to the holders of Shares pursuant to the Offer or otherwise.

Lazard Frères & Co. LLC (“Lazard”) is acting as financial advisor to the Company in connection with and for the purpose of its evaluation of the Offer and will receive a fee for such services, whether or not the Offer is consummated. We in the past have provided, currently are providing and in the future may provide certain investment banking services to the Company and its affiliates for which we have received and may receive compensation, including, during the past two years, acting as financial advisor to the Company in connection with its acquisition of MountainWest Pipeline Holding Company (formerly known as Dominion Energy Questar Pipeline, LLC), acting as financial advisor to the Company in connection with its recently announced plan to separate Centuri Group Inc., and providing advice to the Company in connection with certain of its other businesses. We have in the past been engaged by Tenneco Inc., an entity in which Holdings had an economic interest, with respect to Tenneco’s 2020 cooperation agreement with Protean Services LLC and related matters. In addition, in the ordinary course, Lazard and its affiliates and employees may trade securities of the Company, Holdings and certain of their respective affiliates for their own accounts and for the accounts of their customers, may at any time hold a long or short position in such securities, and may also trade and hold securities on behalf of the Company, the Icahn Parties and certain of their respective affiliates. The issuance of this opinion was approved by the Opinion Committee of Lazard.

Our engagement and the opinion expressed herein are for the benefit of the Board of Directors of the Company (in its capacity as such) and our opinion is rendered to the Board of Directors of the Company in connection with its evaluation of the Offer. Our opinion does not constitute a recommendation to any holder of Shares as to whether such holder should tender any Shares pursuant to the Offer, or with respect to how such holder should vote or act on any matter relating to the Offer.

Based on and subject to the foregoing, we are of the opinion that, as of the date hereof, the Consideration proposed to be paid to the holders of the Shares (other than the Icahn Parties and their respective affiliates) pursuant to the Offer is inadequate, from a financial point of view, to such holders.

Very truly yours,

LAZARD FRERES & CO. LLC

By: /s/ George Bilicic
George Bilicic
Managing Director

MOELIS & COMPANY

399 PARK AVENUE
5TH FLOOR
NEW YORK, NEW
YORK 10022

T 1 212 883 3800
F 1 212 880 4260

March 25, 2022

Board of Directors
Southwest Gas Holdings, Inc.
8630 S. Durango Drive
Las Vegas, NV 89193

Ladies & Gentlemen:

You have requested our opinion as to the adequacy, from a financial point of view, to the holders of the outstanding shares of common stock, par value $1.00 per share (the "Company Shares"), of Southwest Gas Holdings, Inc. (the "Company") (other than the Excluded Holders (as defined below) and any of their respective affiliates), of the $82.50 per Company Share in cash, without interest, less any applicable withholding taxes (the "Consideration"), proposed to be paid to such holders in the Offer (as defined below). The terms of the offer to purchase, as amended through March 24, 2022 (the "Offer to Purchase"), the Supplement to the Offer to Purchase, dated December 7, 2021, as amended through March 24, 2022, and related letter of transmittal, as amended through March 24, 2022 (which, together with the Offer to Purchase, constitutes the "Offer") contained in the Tender Offer Statement on Schedule TO filed by Icahn Enterprises Holdings L.P. ("Holdings"), IEP Utility Holdings LLC, a wholly owned subsidiary of Holdings (the "Offeror"), Icahn Enterprises L.P., Icahn Enterprises G.P. Inc., Beckton Corp. and Carl C. Icahn (Holdings, the Offeror, Mr. Icahn and such other entities, collectively, the "Excluded Holders"), with the Securities and Exchange Commission on October 27, 2021, as amended through Amendment No. 19 filed with the Securities and Exchange Commission on March 24, 2015 (as so amended, the "Schedule TO"), provide for an offer for any and all of the Company Shares pursuant to which, subject to the satisfaction or waiver of certain conditions set forth in the Offer, the Offeror will pay the Consideration for each Company Share accepted.

In arriving at our opinion, we have, among other things: (i) reviewed the Offer and the Schedule TO; (ii) reviewed certain publicly available business and financial information relating to the Company; (iii) reviewed certain internal information relating to the business, earnings, cash flow, assets, liabilities and prospects of the Company furnished to us by the Company, including financial forecasts prepared by the management of the Company and provided to us on March 17, 2022, in each case as approved by you for our use in connection herewith; (iv) conducted discussions with members of the senior management and the Board of Directors and representatives of the Company concerning the information described in clauses (ii) and (iii) of this paragraph, as well as the businesses and prospects of the Company generally; (v) reviewed publicly available financial and stock market data of certain other companies in lines of business that we deemed relevant; (vi) reviewed the financial terms of certain other transactions that we deemed relevant; and (vii) conducted such other financial studies and analyses and took into account such other information as we deemed appropriate.

In connection with our review, we have, with your consent, relied on the information supplied to, discussed with or reviewed by us for purposes of this opinion being complete and accurate in all material respects. We have not assumed any responsibility for independent verification of (and have not independently verified) any of such information. With respect to the financial forecasts and other information relating to the Company, we have assumed, at your direction, that they have been reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of the Company as to the future performance of the Company. We express no views as to the reasonableness of any such financial forecasts or the assumptions on which they are based. For purposes of our analysis and opinion, we have assumed, with your consent, that permanent financing for the Company's acquisition of Dominion Energy Questar Pipeline, LLC and related entities will be completed in accordance with Company management's plan. In addition, with your consent, we have not made any independent evaluation or appraisal of any of the assets or liabilities (contingent, derivative, off-balance-sheet, or otherwise) of the Company, nor have we been furnished with any such evaluation or appraisal.

Our opinion does not address the relative merits of the Offer as compared to any strategic alternatives that may be available to the Company and does not address any legal, regulatory, tax or accounting matters. At your direction, we have not been asked to, nor do we, offer any opinion as to any terms of the Offer or any aspect or implication of the Offer, except for the adequacy of the Consideration from a financial point of view to the holders of Company Shares (other than the Excluded Holders and their respective affiliates). We express no opinion as to the prices at which the Common Shares may trade at any time. We have not been authorized to solicit and have not solicited indications of interest in a possible transaction with the Company from any party.

Our opinion is necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to us as of, the date hereof, and we assume no responsibility to update this opinion for developments after the date hereof.

We have acted as your financial advisor in connection with the Offer and will receive a fee upon delivery of this opinion. Our affiliates, employees, officers and partners may at any time own securities (long or short) of the Company or any of the parties involved in the offer. We have provided investment banking and other services to the Company unrelated to the Offer and in the future may provide such services to the Company and have received and may receive compensation for such services. In the past two years prior to the date hereof, we acted as a financial advisor to the Company with respect to certain strategic matters. We have provided investment banking and other services to a Company in which affiliates of the Offeror owned approximately 39% and we received compensation for such services. We may in the future provide investment banking and other services to the Offeror or its affiliates and may receive compensation for such services.

This opinion is for the use and benefit of the Board of Directors of the Company (solely in its capacity as such) in its evaluation of the Offer. This opinion does not constitute a recommendation as to how any holder of securities should vote or act with respect to the Offer or any other matter, including whether such stockholder should tender Company Shares in the Offer. This opinion does not address the fairness of the Offer or any aspect or implication thereof to, or any other consideration of or relating to, the holders of any class of securities, creditors or other constituencies of the Company. In addition, we do not express any opinion as to the fairness of the amount or nature of any compensation to be received by any officers, directors or employees of any parties, or any class of such persons, relative to the Consideration or otherwise. This opinion was approved by a Moelis & Company LLC fairness opinion committee.

Based upon and subject to the foregoing, it is our opinion that, as the date hereof, the Consideration proposed to be paid to the holders of Company Shares pursuant to the Offer is inadequate from a financial point of view to such holders (other than the Excluded Holders and their respective affiliates).

Very truly yours,

MOELIS & COMPANY LLC

Exhibit (a)(28)

FOR IMMEDIATE RELEASE

Southwest Gas Board of Directors Unanimously Rejects Carl Icahn's Revised Unsolicited Tender Offer

Determines Offer is Structurally Coercive and Not in the Best Interests of Stockholders

Files Schedule 14D-9 Amendment with the SEC Recommending Stockholders Reject Inadequate, Coercive and Highly Conditional Offer

LAS VEGAS – March 28, 2022 – Southwest Gas Holdings, Inc. (NYSE: SWX) (the "Company") today announced that its Board of Directors, (the "Board") following a thorough review with the assistance of its financial and legal advisors, has unanimously determined that the revised tender offer from an affiliate of Carl Icahn ("Mr. Icahn") to acquire any and all outstanding common shares of the Company for $82.50 per share in cash (the "Offer") is inadequate, structurally coercive, highly conditional, undervalues the Company, and is not in the best interests of all of its stockholders. Accordingly, the Board recommends that stockholders not tender any of their shares into the Offer.

On November 9, 2021, the Board rejected Mr. Icahn's initial unsolicited tender offer of $75.00 per share.

The Company separately announced that it filed its definitive proxy materials on March 24, 2022 and today issued a letter to Southwest Gas stockholders detailing the strategic actions to scale Southwest Gas' businesses, enhance profitability and drive value for stockholders that the Board expects will unlock far greater value than Mr. Icahn's inadequate $82.50 per share Offer. As highlighted in the letter, the Southwest Gas Board notes that Mr. Icahn openly admits that his $82.50 tender offer significantly undervalues the Company. In his recent open letter to stockholders, Mr. Icahn publicly stated that he believes "SWX could be worth in a range of $110-$150 per share." **By his own admission, Mr. Icahn's Offer fails to compensate Southwest Gas stockholders fairly for the upside potential inherent in their share ownership.**

The basis for the Board's decision is set forth in an amendment to the Company's Solicitation/Recommendation Statement on Schedule 14D-9 being filed today with the U.S. Securities and Exchange Commission.

Southwest Gas' proxy materials are currently in the process of being mailed to stockholders. The Board strongly recommends that stockholders vote **FOR ALL** its director nominees on the **WHITE** proxy card promptly upon receipt. The proxy materials and other information regarding the Board of Directors' recommendation for the 2022 Annual Meeting can also be found at www.SWXBuildingValue.com.

Lazard and Moelis & Company LLC are serving as financial advisors to Southwest Gas and Morrison & Foerster LLP and Cravath, Swaine & Moore LLP are serving as legal advisors.

About Southwest Gas Holdings, Inc.

Southwest Gas Holdings, Inc., through its subsidiaries, engages in the business of purchasing, distributing and transporting natural gas, and providing comprehensive utility infrastructure services across North America. Southwest Gas Corporation, a wholly owned subsidiary, safely and reliably delivers natural gas to over two million customers in Arizona, California and Nevada. The Company's MountainWest subsidiary provides natural gas storage and interstate pipeline services within the Rocky Mountain region. Centuri Group, Inc., a wholly owned subsidiary, is a strategic infrastructure services company that partners with regulated utilities to build and maintain the energy network that powers millions of homes and businesses across the United States and Canada.

How to Find Further Information

This communication does not constitute a solicitation of any vote or approval in connection with the 2022 annual meeting of stockholders of Southwest Gas Holdings, Inc. (the "Company") (the "Annual Meeting"). In connection with the Annual Meeting, the Company has filed a definitive proxy statement with the U.S. Securities and Exchange Commission ("SEC"), which the Company has furnished to its stockholders in connection with the Annual Meeting. The Company may furnish additional materials in connection with the Annual Meeting. BEFORE MAKING ANY VOTING DECISION, WE URGE STOCKHOLDERS TO READ THE PROXY STATEMENT (INCLUDING ALL AMENDMENTS AND SUPPLEMENTS THERETO) AND WHITE PROXY CARD AND OTHER DOCUMENTS WHEN SUCH INFORMATION IS FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY, BECAUSE THEY CONTAIN IMPORTANT INFORMATION ABOUT THE COMPANY AND THE ANNUAL MEETING. The proposals for the Annual Meeting are being made solely through the definitive proxy statement. In addition, a copy of the definitive proxy statement may be obtained free of charge from www.swgasholdings.com/proxymaterials. Security holders also may obtain, free of charge, copies of the proxy statement and any other documents filed by Company with the SEC in connection with the Annual Meeting at the SEC's website at http://www.sec.gov, and at the companies' website at www.swgasholdings.com.

Important Information for Investors and Stockholders: *This communication does not constitute an offer to buy or solicitation of an offer to sell any securities. In response to the tender offer for the shares of the Company commenced by IEP Utility Holdings LLC and Icahn Enterprises Holdings L.P., the Company has filed a solicitation/recommendation statement on Schedule 14D-9 with the SEC. INVESTORS AND STOCKHOLDERS OF SOUTHWEST GAS HOLDINGS ARE URGED TO READ THE SOLICITATION/RECOMMENDATION STATEMENT AND OTHER DOCUMENTS FILED WITH THE SEC CAREFULLY IN THEIR ENTIRETY BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. Investors and stockholders may obtain a free copy of these documents free of charge at the SEC's website at www.sec.gov, and at the Company's website at www.swgasholdings.com. In addition, copies of these materials may be requested from the Company's information agent, Innisfree M&A Incorporated, toll-free at (877) 825-8621.*

Forward-Looking Statements: *This press release contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements include, without limitation, statements regarding Southwest Gas Holdings, Inc. (the "Company") and the Company's expectations or intentions regarding the future. These forward-looking statements can often be identified by the use of words such as "will", "predict", "continue", "forecast", "expect", "believe", "anticipate", "outlook", "could", "target", "project", "intend", "plan", "seek", "estimate", "should", "may" and "assume", as well as variations of such words and similar expressions referring to the future, and include (without limitation) statements regarding expectations with respect to a separation of Centuri, the future performance of Centuri, Southwest Gas's dividend ratios and Southwest Gas's future performance. A number of important factors affecting the business and financial results of the Company could cause actual results to differ materially from those stated in the forward-looking statements. These* *factors include, but are not limited to, the timing and amount of rate relief, changes in rate design, customer growth rates, the effects of regulation/deregulation, tax reform and related regulatory decisions, the impacts of construction activity at Centuri, whether we will separate Centuri within the anticipated timeframe and the impact to our results of operations and financial position from the separation, the potential for, and the impact of, a credit rating downgrade, the costs to integrate MountainWest, future earnings trends, inflation, sufficiency of labor markets and similar resources, seasonal patterns, the cost and management attention of ongoing litigation that the Company is currently engaged in, the effects of the pending tender offer and proxy contest brought by Carl Icahn and his affiliates, and the impacts of stock market volatility. In addition, the Company can provide no assurance that its discussions about future operating margin, operating income, COLI earnings, interest expense, and capital expenditures of the natural gas distribution segment will occur. Likewise, the Company can provide no assurance that discussions regarding utility infrastructure services segment revenues, EBITDA as a percentage of revenue, and interest expense will transpire, nor assurance regarding acquisitions or their impacts, including management's plans or expectations related thereto, including with regard to Riggs Distler or MountainWest. Factors that could cause actual results to differ also include (without limitation) those discussed under the heading "Risk Factors" in the Company's most recent Annual Report on Form 10-K and in the Company's and Southwest Gas Corporation's current and periodic reports, including our Quarterly Reports on Form 10-Q, filed from time to time with the SEC. The statements in this press release are made as of the date of this press release, even if subsequently made available by the Company on its Web site or otherwise. The Company does not assume any obligation to update the forward-looking statements, whether written or oral, that may be made from time to time, whether as a result of new information, future developments, or otherwise.*

Participants in the Solicitation: *The directors and officers of the Company may be deemed to be participants in the solicitation of proxies in connection with the Annual Meeting. Information regarding the Company's directors and officers and their respective interests in the Company by security holdings or otherwise is available in its most recent Annual Report on Form 10-K filed with the SEC and the recent definitive Proxy Statement on Schedule 14A filed with the SEC in connection with the Annual Meeting. Additional information regarding the interests of such potential participants is included in the proxy statement for the Annual Meeting and other relevant materials to be filed with the SEC.*

Contacts

For investor information, contact: Boyd Nelson, (702) 876-7237, boyd.nelson@swgas.com; or Innisfree M&A Incorporated, Scott Winter/Jennifer Shotwell/Jon Salzberger, (212) 750-5833.

For media information, contact: Sean Corbett, (702) 876-7219, sean.corbett@swgas.com; or
Joele Frank, Wilkinson Brimmer Katcher, Dan Katcher / Tim Lynch, (212) 355-4449.

FOR IMMEDIATE RELEASE

Southwest Gas Mails Letter to Stockholders Reiterating Value Unlocked by Spin-Off of Centuri and Urging Stockholders to Vote the WHITE Proxy Card "FOR ALL" of Southwest Gas' Highly Qualified Directors

Highlights Strategy to Create Long-Term Value for Stockholders

Cautions that Icahn's Slate Facilitates Icahn's Attempts to Take Over Southwest Gas Without Paying an Appropriate Control Premium

LAS VEGAS – March 28, 2022 – Southwest Gas Holdings, Inc. (NYSE: SWX) ("Southwest Gas" or the "Company") today announced it is mailing a letter to its stockholders in connection with its upcoming Annual Meeting of Stockholders (the "Annual Meeting"), scheduled for May 12, 2022.

The letter highlights that stockholders should vote **FOR ALL** the Board's nominees on the **WHITE** proxy card in order to benefit from the transformation of Southwest Gas and the value unlocked by the spin-off of Centuri, noting that:

- **The stakes are high – Mr. Icahn has made clear that the Icahn control slate has been assembled solely to facilitate Mr. Icahn's efforts to take control of the Company without paying an appropriate control premium** to Southwest Gas stockholders. In addition, Mr. Icahn continues to advocate for his participation in the permanent financing of MountainWest (formerly Questar Pipelines), which is yet another tactic to try to disrupt the operations of the Company and take control of the Company at the expense of other stockholders.
- **The Southwest Gas Board is taking bold, decisive steps necessary to create value for stockholders.** Under the leadership of the Southwest Gas Board of Directors and management, the Company has continued to grow both organically and through strategic acquisitions, which have positioned Southwest Gas and Centuri to be strong independent companies with industry-leading growth prospects.
- **Value unlocked by the spin-off of Centuri belongs to ALL stockholders. Over the last four years, the Southwest Gas Board and management team have nearly doubled Centuri's revenue, while valuation multiples for utility infrastructure services peers have increased.** Centuri can now thrive as an independent company that is scaled, diversified and able to freely deploy capital in pursuit of growth opportunities – ensuring Centuri is fully capable of competing with the biggest players in the space. As an independent company, Centuri is expected to trade at a multiple similar to premier infrastructure service peers.
- **Southwest Gas will be well-positioned for continued growth as a fully regulated natural gas leader.** Following the spin-off of Centuri, Southwest Gas will become a fully regulated natural gas business with enhanced value transparency through more direct comparability to pure-play industry peers. Southwest Gas stockholders' dividend will be maintained and stockholders should not expect any reduction in the overall dividend payment.
- **Mr. Icahn openly admits that the value of Southwest Gas is substantially greater than the value of his $82.50 tender offer.** In his recent open letter to stockholders, Mr. Icahn publicly stated that he believes "SWX could be worth in a range of $110-$150 per share."

Southwest Gas' proxy materials are currently in the process of being mailed to stockholders. The Board strongly recommends that stockholders vote "**FOR ALL"** its director nominees on the **WHITE** proxy card promptly upon receipt. The proxy materials and other information regarding the Board of Directors' recommendation for the 2022 Annual Meeting can also be found at www.SWXBuildingValue.com.

Stockholders who have questions or who need help voting their shares may call the Company's proxy solicitor, Innisfree M&A Incorporated, at 1 (877) 825-8621 (toll-free from the U.S. and Canada) or +1 (412) 232-3651 (from other countries).

The full text of the letter being mailed to stockholders follows:

Vote the WHITE Proxy Card to Unlock the Value of Southwest Gas

March 28, 2022

Dear Fellow Stockholder,

We are writing to you today regarding the upcoming 2022 Annual Meeting of Stockholders of Southwest Gas Holdings, Inc. ("Southwest Gas"), which will be held on May 12, 2022.

As you may know, one of our stockholders, Carl Icahn, launched a two-pronged campaign to take control of your Company — he commenced a tender offer and began a proxy fight to replace the entire Southwest Gas Board of Directors (the "Board") with his own slate of 10 candidates for election to the Board (the "Icahn control slate").

Your Board unanimously rejected Mr. Icahn's inadequate, structurally coercive and highly conditional tender offer to acquire the outstanding shares of the Company for $82.50 per share. This follows the Board's previous rejection of Mr. Icahn's unsolicited tender offer for $75 per share prior to the announcement of our decision to separate Centuri as a standalone independent company.

The stakes are high — Mr. Icahn has made clear that his slate of director candidates has been assembled solely to facilitate his efforts to take control of the Company without paying an appropriate control premium to Southwest Gas stockholders. In fact, Mr. Icahn publicly stated, *"at the very least, a majority of the Board needs to change in order to allow for the tender offer to be completed"*.

Mr. Icahn openly admits that more value than his $82.50 tender offer is available to Southwest Gas stockholders. In his recent open letter to stockholders, Mr. Icahn publicly stated that he believes "*SWX could be worth in a range of $110-$150 per share*". By his own admission, Mr. Icahn's offer significantly undervalues our Company and fails to compensate Southwest Gas stockholders fairly for the upside potential inherent in your share ownership.

Mr. Icahn continues to advocate for his participation in the permanent financing of MountainWest (formerly Questar Pipelines), which we believe is yet another tactic to try to disrupt the operations of the Company and take control of the Company at the expense of other stockholders. While he says there are no preconditions and claims that the financing and the tender offer are unrelated, the fact is that he is legally prohibited from purchasing shares from the Company while he has a pending tender offer. This is just another tactic of Mr. Icahn's of making illusory "commitments" that he is legally prohibited from effecting. Nonetheless, even if Mr. Icahn was able to participate in an equity financing, it would only increase his ownership in your Company and transfer even more of the value inherent in the Company from other stockholders to Mr. Icahn. The financing would put Mr. Icahn one step closer to acquiring Southwest Gas at an inadequate price. Despite our outreach, Mr. Icahn has declined to propose any real concrete terms related to his financing proposal and stated that he is only willing to provide the financing if his tender offer closes first.

Put simply, your Board and management team believe that the value inherent in your Company belongs to all stockholders, not only Mr. Icahn.

<u>We urge you to protect the value of your investment in Southwest Gas and retain your ability to participate in the upside from our value creation plans. Don't let Mr. Icahn benefit at your expense—use the WHITE proxy card to vote FOR ALL of Southwest Gas' highly qualified directors TODAY.</u>

YOUR BOARD IS TAKING BOLD, DECISIVE STEPS TO CREATE VALUE FOR STOCKHOLDERS AND POSITION SOUTHWEST GAS FOR ENHANCED SUCCESS

<u>We are confident that now is the right time to unlock the significant value we have built by separating Centuri, a rapidly growing unregulated utility services platform, and Southwest Gas, a fully regulated natural gas business, into two independent companies.</u>

Under your Board and management team, Southwest Gas has continued to grow both organically and through strategic acquisitions. These actions have positioned both Southwest Gas and Centuri to be strong independent companies with bright futures and solid growth prospects.

- Our 2021 acquisitions of MountainWest and Riggs Distler added the scale and capabilities necessary for our regulated and unregulated businesses to be strong independent companies.
- Separating Centuri via a spin-off that we anticipate to be tax-free for U.S. federal income tax purposes will unlock the value of an infrastructure services leader that we have methodically built over the last 25+ years.

Execution on this strategy began long before Mr. Icahn initiated his campaign to take control of Southwest Gas, and Mr. Icahn's actions threaten to disrupt this thoughtfully developed strategy and the execution we are ready to complete.

<u>We expect the spin-off of Centuri to create significant financial benefits for both our regulated and unregulated businesses including:</u>

- Unlocking value for stockholders and enhancing value transparency through more direct comparability to pure-play industry peers;
- Flexibility to meaningfully reduce future equity financing needs, including with respect to MountainWest;
- Compelling financial profiles that more accurately reflect the strengths and opportunities of each business, and as a result, enable them to more efficiently finance themselves while providing a targeted investment opportunity for stockholders;
- Improved capital allocation efficiency and strategic flexibility based on the specific initiatives and objectives of each business; and

- Distinct and expanding market opportunities and specific customer bases with enhanced potential for customer base expansion and organic growth.

THE VALUE UNLOCKED BY THE SPIN-OFF OF CENTURI BELONGS TO ALL STOCKHOLDERS

Over the last four years, your Board and management team have nearly doubled Centuri's revenue, while valuation multiples for utility infrastructure services peers have increased. We have long recognized that a separation in some form could be the best way to unlock Centuri's value, while at the same time we understood that a premature separation could shortchange stockholders of the tremendous value embedded in this business. Centuri can now thrive as an independent company that is scaled, diversified and able to freely deploy capital in pursuit of growth opportunities – ensuring Centuri is fully capable of competing with the biggest players in the space.

Centuri's attractive customer base, consisting of investment grade regulated utilities, and its track record of significant EBITDA growth, position Centuri as a strong standalone company expected to achieve a premium valuation among its industry peer set. As an independent company, we expect Centuri to trade at a multiple similar to premier infrastructure service peers.

How we expect this to occur… We currently expect the foundation of the separation structure to be a tax-free spin-off in which stockholders would receive a prorated dividend of Centuri shares. We expect the spin-off of Centuri will take place within 9 to 12 months from the announcement of the separation on March 1, 2022 with a goal of maximizing value for Southwest Gas stockholders.

SOUTHWEST GAS WILL BE WELL-POSITIONED FOR CONTINUED GROWTH AS A FULLY REGULATED NATURAL GAS LEADER

Following the spin-off, Southwest Gas will become a fully regulated natural gas business with enhanced value transparency through more direct comparability to pure-play industry peers…The spin-off will enable us to further optimize our regulated business, balance sheet and capital allocation strategy to enhance stockholder value.

… and will pay an attractive dividend. Until the spin-off, Southwest Gas intends to continue its dividend program at a payout ratio of 55% - 65% of consolidated earnings per share, with a plan to increase the payout ratio to at least levels competitive with pure-play utilities following the spin-off. The dividend will be maintained pursuant to this payout ratio and Southwest Gas stockholders should not expect any reduction in the overall dividend payment.

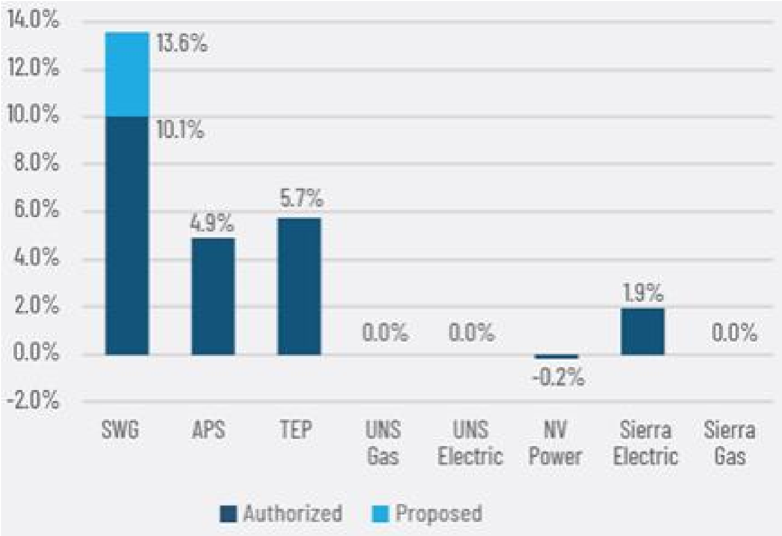
Southwest Gas has strong and collaborative relationships with our regulators, which contributed to near record growth in revenues and rate base in 2021. This followed a successful 2020, where the Company received constructive rate case outcomes in all three jurisdictions – Arizona, California and Nevada – that resulted in an **increase in rate base of over $1 billion** as well as approval of new supportive regulatory mechanisms.

Since 2017, Southwest Gas' rate base growth is nearly double its peers, demonstrating the tremendous growth in our markets, the quality of the territories we service and the successful relationships we have with our regulators. Over the coming years, our stockholders will benefit from capital investments made over the last five years. While there is regulatory lag between investments made and approvals of rate base, the returns will be there, as 2021 growth showed.

We continue to work with all stakeholders to make targeted investments across our service territories and this approach delivered a 79% increase in rate base since 2016. In comparison, other peers, specifically NW Natural and ONE Gas, have increased rate base by ~38% and ~44%, respectively, over the same period. Our rate base growth is grounded in constructive rate case outcomes and supportive regulatory mechanisms**.** Further, we still have another significant rate case pending and, depending on the ultimate outcome, our rate base could increase to ***nearly $5 billion***.

RATE BASE CAGR SINCE 2017[1]

CAGR 13.6%



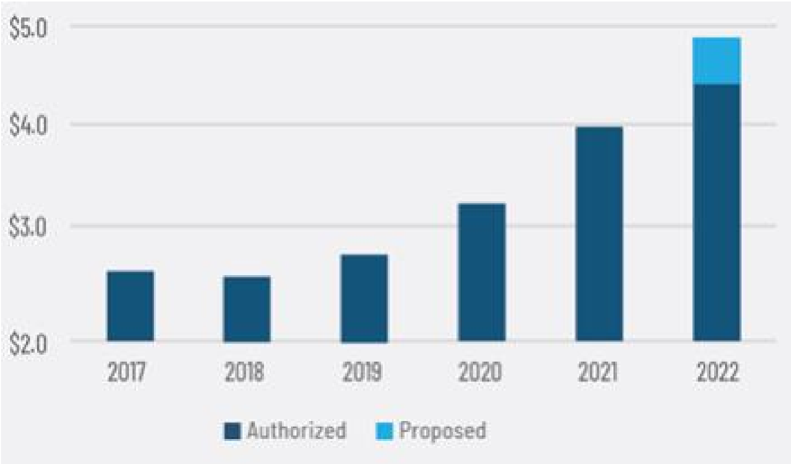
As we continue to grow Southwest Gas' customer base and rate base, stockholders can expect significant net income and EBITDA growth.

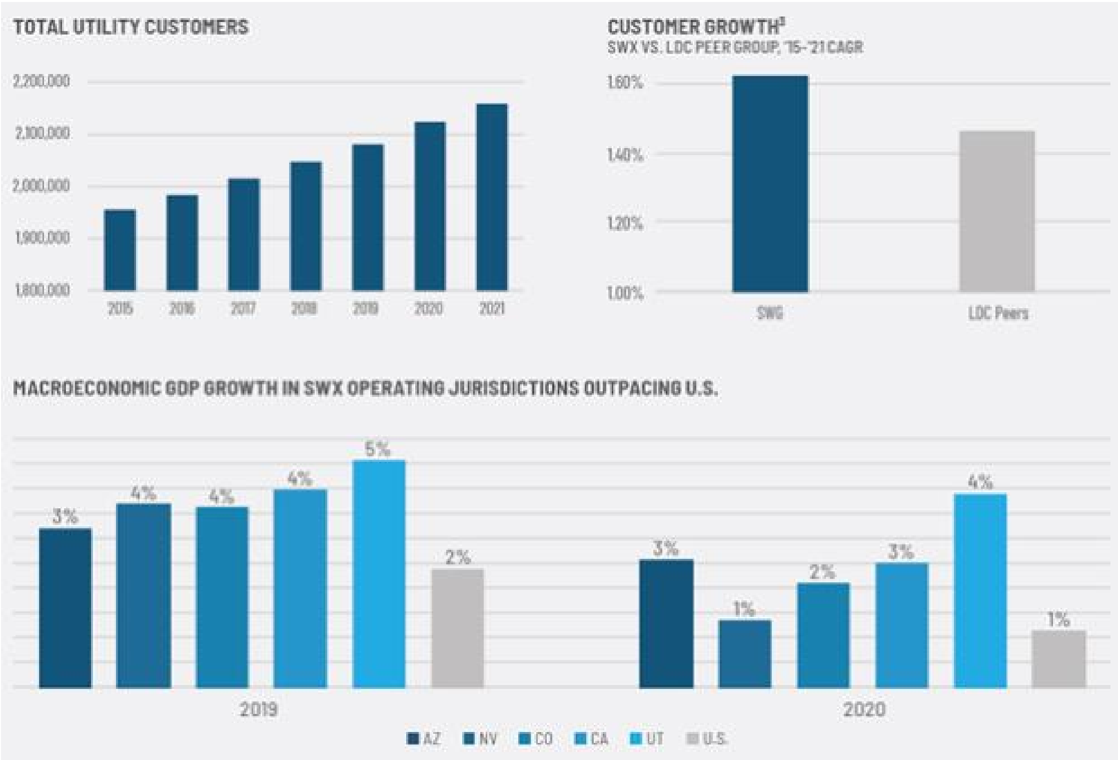
This increase in rate base is the direct result of strategic investments we made to enhance the safety and reliability of our distribution system and to meet the significant growth we continue to experience in our attractive service territories. While these investments impact financial performance when made due to the historical test period jurisdictions in which we serve, they are critical to the significant growth we are experiencing today and necessary to serve our growing customer base.

1 Uses most recent authorized rate base as of 12/31/2017 for each peer.

AUTHORIZED RATE BASE[2]

2017 TO 2022, CAGR 13.6%





2 Authorized rate base effective as of April 1, 2022

3 LDC Peer group: ATO, NJR, NWN, SR, and OGS

MOUNTAINWEST ACQUISITION COMPLEMENTS SWX UTILITY OPERATIONS, PROVIDING FLEXIBILITY, DIVERSIFICATION AND STABILITY

Our recent acquisition of MountainWest, which operates more than 2,000 miles of highly contracted, FERC-regulated interstate natural gas pipelines, provides a complementary and compelling suite of high-return assets that is expected to drive value by supporting dividend growth and accretion to cash flow and earnings in 2022.

MountainWest significantly broadens the Company's flexibility to source and allocate growth capital. More than 90% of MountainWest's revenue is contracted and over 70% of revenues are backed by investment grade customers. In addition, MountainWest provides improved rate base and regulatory diversification, as well as strong, stable cash flows. The addition of Mountain West reduces our reliance on capital markets for the significant capital investment required by Southwest Gas' continued local distribution company growth.

MountainWest also positions Southwest Gas to deliver on numerous attractive opportunities in the energy transition with renewable natural gas, responsibly sourced natural gas, hydrogen and CO_2 transportation. We have identified numerous opportunities to enhance the value of the MountainWest assets and to foster company growth. For instance, we are seeking to reduce the carbon footprint, in the near term with coal-to-gas power conversion opportunities. In addition, there are several projects under consideration within our service area with potential in-service dates of late 2022 to late 2023.

SOUTHWEST GAS' HIGHLY QUALIFIED AND ENGAGED BOARD IS OVERSEEING A GROWTH STRATEGY TO DRIVE SUSTAINABLE STOCKHOLDER VALUE

Your Board has been thoughtfully and strategically curated, with veteran utility leaders that bring significant regulatory expertise, as well as business leaders that work and live in our service territories. Having leaders from the communities in which we operate is important for our regulators, particularly our state commissioners. Under your Board's oversight, we have created a company that is poised for further value creation across each of its businesses and the Company as a whole, and we are confident that we have the right team to take us into the future.

As part of our ongoing commitment to good corporate governance and ongoing Board refreshment, we continue to recruit strong directors to your Board.

- In 2019, we appointed Jane Lewis-Raymond and Leslie T. Thornton, two veterans of successful utilities who bring decades of experience to your Board and strengthen our culture and commitment to safety, growth and sustainability.
- In May 2021, Ms. Lewis-Raymond became the Chair of the Compensation Committee.
- On January 1, 2022, we had the pleasure of welcoming two new, independent and highly qualified directors, E. Renae Conley and Carlos Ruisanchez, who bring further diversity, proven industry experience and financial and operational expertise to your Board.

With these appointments, the Board added four independent directors since 2019. We also appointed a new independent Chairman, effective at the Company's 2022 Annual Meeting of Stockholders.

Your newly refreshed Board is made up of 10 diverse and experienced professionals, nine of whom are independent, and whom collectively bring decades of diverse industry experience and expertise in key areas including strategy, operations, finance, cyber, ESG, capital market transactions and legal/regulatory matters. With significant experience in the industries that matter most to our business, the Southwest Gas directors bring a variety of important skills and perspectives to the boardroom and have delivered impressive growth in both of the Company's business segments while overseeing a constructive and supportive relationship with our regulators.

Your Board has been deeply engaged on the key strategic issues facing the Company and has been tirelessly focused on the drivers of stockholder value. This Board will continue to drive business growth, champion transactions like the Centuri spin-off and optimize your stockholder value.

PROTECT THE VALUE OF YOUR SOUTHWEST GAS INVESTMENT:
VOTE THE WHITE PROXY CARD TODAY

Your Board is open-minded with respect to value creation opportunities and will continue to take the actions that it believes are in the best interest of Southwest Gas and all stockholders.

This is a critical moment for Southwest Gas and your investment in the Company. **We are confident that the forthcoming spin-off of Centuri and the execution of our strategic plans will deliver significantly greater value than Mr. Icahn's $82.50 offer, which as we have reiterated consistently, is inadequate, structurally coercive and highly conditional.**

On behalf of your Board and the management team, thank you for your continued support.

Sincerely,

/s/ Michael J. Melarkey	/s/ Robert L. Boughner
Michael J. Melarkey	Robert L. Boughner
Chairman	Incoming Chairman

YOUR VOTE IS IMPORTANT!

Simply follow the easy instructions on the enclosed **WHITE** proxy card to vote by telephone, by internet or by signing, dating and returning the **WHITE** proxy card in the postage-paid envelope provided. If you received this letter by email, you may also vote by pressing the **WHITE** "VOTE NOW" button in the accompanying email.

Remember--please **do not** vote using any gold proxy card you may receive from Mr. Icahn—even as a "protest vote." Any vote on the gold proxy card will revoke your prior vote on a **WHITE** proxy card, and only your latest-dated proxy counts.

It you have questions about how to vote your shares, please call the firm assisting us with the solicitation of proxies, Innisfree M&A Incorporated, at:
1 (877) 825-8621 (toll-free from the U.S. and Canada)
or
+1 (412) 232-3651 (from other locations)

In a separate press release issued today, the Company announced the Board unanimously determined that the revised tender offer from an affiliate of Carl Icahn to acquire any and all outstanding common shares of the Company for $82.50 per share in cash is inadequate, structurally coercive, highly conditional, undervalues the Company, and is not in the best interests of all of its stockholders.

Lazard is serving as financial advisor to Southwest Gas and Morrison & Foerster LLP and Cravath, Swaine & Moore LLP are serving as legal advisors.

About Southwest Gas Holdings, Inc.

Southwest Gas Holdings, Inc., through its subsidiaries, engages in the business of purchasing, distributing and transporting natural gas, and providing comprehensive utility infrastructure services across North America. Southwest Gas Corporation, a wholly owned subsidiary, safely and reliably delivers natural gas to over two million customers in Arizona, California and Nevada. The Company's MountainWest subsidiary provides natural gas storage and interstate pipeline services within the Rocky Mountain region. Centuri Group, Inc., a wholly owned subsidiary, is a strategic infrastructure services company that partners with regulated utilities to build and maintain the energy network that powers millions of homes and businesses across the United States and Canada.

How to Find Further Information

This communication does not constitute a solicitation of any vote or approval in connection with the 2022 annual meeting of stockholders of Southwest Gas Holdings, Inc. (the "Company") (the "Annual Meeting"). In connection with the Annual Meeting, the Company has filed a definitive proxy statement with the U.S. Securities and Exchange Commission ("SEC"), which the Company has furnished to its stockholders in connection with the Annual Meeting. The Company may furnish additional materials in connection with the Annual Meeting. BEFORE MAKING ANY VOTING DECISION, WE URGE STOCKHOLDERS TO READ THE PROXY STATEMENT (INCLUDING ALL AMENDMENTS AND SUPPLEMENTS THERETO) AND WHITE PROXY CARD AND OTHER DOCUMENTS WHEN SUCH INFORMATION IS FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY, BECAUSE THEY CONTAIN IMPORTANT INFORMATION

ABOUT THE COMPANY AND THE ANNUAL MEETING. The proposals for the Annual Meeting are being made solely through the definitive proxy statement. In addition, a copy of the definitive proxy statement may be obtained free of charge from www.swgasholdings.com/proxymaterials. Security holders also may obtain, free of charge, copies of the proxy statement and any other documents filed by Company with the SEC in connection with the Annual Meeting at the SEC's website at http://www.sec.gov, and at the companies' website at www.swgasholdings.com.

Important Information for Investors and Stockholders: *This communication does not constitute an offer to buy or solicitation of an offer to sell any securities. In response to the tender offer for the shares of the Company commenced by IEP Utility Holdings LLC and Icahn Enterprises Holdings L.P., the Company has filed a solicitation/recommendation statement on Schedule 14D-9 with the SEC. INVESTORS AND STOCKHOLDERS OF SOUTHWEST GAS HOLDINGS ARE URGED TO READ THE SOLICITATION/RECOMMENDATION STATEMENT AND OTHER DOCUMENTS FILED WITH THE SEC CAREFULLY IN THEIR ENTIRETY BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. Investors and stockholders may obtain a free copy of these documents free of charge at the SEC's website at www.sec.gov, and at the Company's website at www.swgasholdings.com. In addition, copies of these materials may be requested from the Company's information agent, Innisfree M&A Incorporated, toll-free at (877) 825-8621.*

Forward-Looking Statements: *This press release contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements include, without limitation, statements regarding Southwest Gas Holdings, Inc. (the "Company") and the Company's expectations or intentions regarding the future. These forward-looking statements can often be identified by the use of words such as "will", "predict", "continue", "forecast", "expect", "believe", "anticipate", "outlook", "could", "target", "project", "intend", "plan", "seek", "estimate", "should", "may" and "assume", as well as variations of such words and similar expressions referring to the future, and include (without limitation) statements regarding expectations with respect to a separation of Centuri, the future performance of Centuri, Southwest Gas's dividend ratios and Southwest Gas's future performance. A number of important factors affecting the business and financial results of the Company could cause actual results to differ materially from those stated in the forward-looking statements. These factors include, but are not limited to, the timing and amount of rate relief, changes in rate design, customer growth rates, the effects of regulation/deregulation, tax reform and related regulatory decisions, the impacts of construction activity at Centuri, whether we will separate Centuri within the anticipated timeframe and the impact to our results of operations and financial position from the separation, the potential for, and the impact of, a credit rating downgrade, the costs to integrate MountainWest, future earnings trends, inflation, sufficiency of labor markets and similar resources, seasonal patterns, the cost and management attention of ongoing litigation that the Company is currently engaged in, the effects of the pending tender offer and proxy contest brought by Carl Icahn and his affiliates, and the impacts of stock market volatility. In addition, the Company can provide no assurance that its discussions about future operating margin, operating income, COLI earnings, interest expense, and capital expenditures of the natural gas distribution segment will occur. Likewise, the Company can provide no assurance that discussions regarding utility infrastructure services segment revenues, EBITDA as a percentage of revenue, and interest expense will transpire, nor assurance regarding acquisitions or their impacts, including management's plans or expectations related thereto, including with regard to Riggs Distler or MountainWest. Factors that could cause actual results to differ also include (without limitation) those discussed under the heading "Risk Factors" in the Company's most recent Annual Report on Form 10-K and in the Company's and Southwest Gas Corporation's current and* *periodic reports, including our Quarterly Reports on Form 10-Q, filed from time to time with the SEC. The statements in this press release are made as of the date of this press release, even if subsequently made available by the Company on its Web site or otherwise. The Company does not assume any obligation to update the forward-looking statements, whether written or oral, that may be made from time to time, whether as a result of new information, future developments, or otherwise.*

Participants in the Solicitation: *The directors and officers of the Company may be deemed to be participants in the solicitation of proxies in connection with the Annual Meeting. Information regarding the Company's directors and officers and their respective interests in the Company by security holdings or otherwise is available in its most recent Annual Report on Form 10-K filed with the SEC and the recent definitive Proxy Statement on Schedule 14A filed with the SEC in connection with the Annual Meeting. Additional information regarding the interests of such potential participants is included in the proxy statement for the Annual Meeting and other relevant materials to be filed with the SEC.*

Contacts

For investor information, contact: Boyd Nelson, (702) 876-7237, boyd.nelson@swgas.com; or Innisfree M&A Incorporated, Scott Winter/Jennifer Shotwell/Jon Salzberger, (212) 750-5833.

For media information, contact: Sean Corbett, (702) 876-7219, sean.corbett@swgas.com; or Joele Frank, Wilkinson Brimmer Katcher, Dan Katcher / Tim Lynch, (212) 355-4449.

Exhibit (e)(1)

Excerpts from Southwest Gas Holdings, Inc.'s Definitive Proxy Statement on Schedule 14A relating to the 2022 Annual Meeting of Stockholders, as filed with the Securities and Exchange Commission on March 24, 2022

Securities Ownership by Directors, Director Nominees, Executive Officers, and Certain Beneficial Owners

Directors, Director Nominees and Executive Officers. The following table discloses all Common Stock beneficially owned by the Company's directors, the nominees for director and the executive officers of the Company, as of March 15, 2022.

Directors, Nominees & Executive Officers	No. of Shares of Common Stock Beneficially Owned[1]	Percent of Outstanding Common Stock
Robert L. Boughner	59,284	*
José A. Cárdenas	26,790	*
Stephen C. Comer[7]	38,409[2]	*
E. Renae Conley	1,872	*
John. P. Hester	130,207[3][4]	*
Jane Lewis-Raymond	9,338	*
Anne L. Mariucci	38,297	*
Michael J. Melarkey[7]	42,518	*
Carlos A. Ruisanchez	1,872	*
A. Randall Thoman	32,815[5]	*
Thomas A. Thomas	38,284	*
Leslie T. Thornton	7,838	*
Gregory J. Peterson	25,588[4]	*
Paul M. Daily	8,796	*
Karen S. Haller	48,048[4][6]	*
Eric DeBonis	22,253	*
Other Executive Officers	13,931	*
All Directors and Executive Officers	546,140	0.90%

* Represents less than 1% of the issued and outstanding shares of the Company's Common Stock as of March 15, 2022.

(1) Common Stock holdings listed in this column include restricted stock units that are vested as of March 15, 2022, and those that are scheduled to vest within 60 days after that date.

(2) The holdings include 5,127 shares over which Mr. Comer has shared voting and investment power with his spouse through a family trust.

(3) The holdings include 7,765 shares over which Mr. Hester's spouse has voting and investment control.

(4) Number of shares does not include 28,018 shares held by the Southwest Gas Corporation Foundation, which is a charitable trust. Messrs. Hester and Peterson and Ms. Haller are trustees of the Foundation but disclaim beneficial ownership of the shares held by the Foundation.

(5) The holdings include 3,559 shares over which Mr. Thoman has shared voting and investment power with his spouse through a family trust.

(6) The holdings include 996 shares over which Ms. Haller's spouse has voting and investment control.

(7) Messrs. Comer and Melarkey have attained retirement age, as specified in the Corporate Governance Guidelines, and will retire from Board service immediately prior to the 2022 Annual Meeting.

Beneficial Owners. The following table discloses all Common Stock beneficially owned by anyone that the Company believes beneficially owns more than 5% of the Company's outstanding shares of Common Stock based solely on the Company's review of filings with the SEC pursuant to Section 13(d) or 13(g) of the Exchange Act.

Beneficial Owner	No. of Shares Beneficially Owned	Percent of Outstanding Common Stock as of March 15, 2022
BlackRock, Inc.[(1)] 55 East 52nd Street New York, New York 10055	9,283,165	15.34%
The Vanguard Group[(2)] 100 Vanguard Blvd. Malvern, Pennsylvania 19355	5,956,240	9.85%
T. Rowe Price Associates, Inc.[(3)] 100 E. Pratt Street Baltimore, Maryland 21202	3,388,301	5.60%

(1) According to a Schedule 13G filed on March 11, 2022, BlackRock, Inc. has sole voting power over 8,933,366 shares, no shared voting power, sole dispositive power over all of the shares beneficially owned, and no shared dispositive power.

(2) According to Schedule 13G filed on February 9, 2022, The Vanguard Group has no sole voting power, but has shared voting power over 49,123 shares, sole dispositive power over 5,856,061 shares, and shared dispositive power over 100,179 shares.

(3) According to Schedule 13G filed on February 14, 2022, T. Rowe Price Associates, Inc. has sole voting power over 887,765 shares, no shared voting power, sole dispositive power over all of the shares beneficially owned, and no shared dispositive power

EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis describes our 2021 executive compensation program, the compensation decisions made by the Compensation Committee (the "Committee") under our executive compensation program and the factors considered in making such decisions. This section focuses on the compensation of the Company's named executive officers ("NEOs") for fiscal 2021, who were:

- John P. Hester, President and Chief Executive Officer (the "CEO")
- Gregory J. Peterson, Senior Vice President/Chief Financial Officer
- Paul M. Daily, President and Chief Executive Officer, Centuri Group, Inc.
- Karen S. Haller, Executive Vice President/Chief Legal and Administrative Officer
- Eric DeBonis, Senior Vice President/Operations, Southwest Gas Corporation

Company Overview

Southwest Gas Holdings, Inc. (the "Company") is a holding company, owning all of the shares of common stock of Southwest Gas Corporation ("Southwest"), Centuri Group, Inc. ("Centuri") and MountainWest Pipelines Holding Company ("MountainWest"). Southwest is engaged in the business of purchasing, distributing, and transporting natural gas for customers in portions of Arizona, California and Nevada. Centuri is a strategic infrastructure services company that partners with regulated utilities to build and maintain the energy network that powers millions of homes and businesses across the United States and Canada. The MountainWest subsidiaries provide natural gas storage and interstate pipeline services within the Rocky Mountain region.

Each of the officers listed above were determined to be NEOs due to their position as CEO, Chief Financial Officer or one of the other three most highly compensated officers of the Company during 2021. Therefore, this Compensation Discussion and Analysis addresses the compensation programs of the Company, including elements of Southwest and Centuri compensation, where and as applicable to each of the NEOs. In this Compensation Discussion and Analysis, we sometimes refer to Messrs. Hester, Peterson and DeBonis and Ms. Haller as the "Southwest Officers."

Executive Summary

2021 Business Performance Overview

In 2021, we continued to provide stockholders with an attractive blend of steady regulated returns and utility services growth. We have assembled a group of businesses—organically and through strategic acquisitions—that we believe will be at the forefront of making our nation's energy transition work in a number of interrelated areas. We continued to scale our business and balance our exposure.

Under our natural gas operations business, Southwest safely and reliably purchases, distributes and transports natural gas to over two million customers in parts of Arizona, California and Nevada. In late 2021, we finalized our acquisition of Dominion Energy Questar Pipeline, LLC and its subsidiaries—now to be known as MountainWest—and we now operate 2,160 miles of highly contracted, FERC-regulated interstate natural gas pipelines in the Rocky Mountain Region. This acquisition positions us to expand our role as a clean energy provider with increased opportunities in renewable natural gas that builds on what Southwest has already accomplished, as well as responsibly sourced gas, hydrogen and CO_2 transportation.

Southwest added 37,000 new customers across its service territories in Arizona, California and Nevada for the second year in a row in 2021, and despite macro headwinds, is positioned for continued long-term value creation as we continue supporting the growing societal demand and industry trends such as gas infrastructure replacement, and safety and reliability investments.

Within our wholly-owned subsidiary, Centuri, we run a comprehensive utility infrastructure services enterprise that delivers a diverse array of solutions to North America's blue-chip electric, gas and combination utilities. Centuri has nearly doubled its revenue over the last four years and has strong continuing growth potential as it continues to benefit from infrastructure spending in areas including gas and electric infrastructure. The recent acquisition of Riggs Distler & Company, Inc. ("Riggs Distler") contributed to Centuri's record revenues of $2.2 billion in 2021 while providing significant growth opportunities in additional markets such as union electric utility services, 5G Datacom buildout, and offshore wind and other renewable energy transition infrastructure.

2021 Financial Performance Highlights

- Basic earnings per share in 2021 of $3.39.
- Annualized dividends declared per share were $2.18 in 2019, $2.28 in 2020, and $2.38 in 2021. In February 2022, the Board increased the quarterly dividend from 59.5 cents per share to 62 cents per share ($2.48 on an annual basis and a 4.2% increase), effective with the June 2022 dividend payment.
- Centuri experienced record revenues of $2.2 billion in 2021, an increase of $210 million, or 11%, compared to 2020.

Other Notable Accomplishments

- Southwest customers awarded us a 95% satisfaction rating for the fifth straight year in 2021.
- In studies conducted by a leading national consumer insights firm, Southwest also ranked No. 1 among its peers in the West for business and residential utility customer satisfaction for the second year in a row.
- The same firm also ranked Southwest No. 1 in the West for digital experience among utilities in 2021—affirming the enhancements we made to our digital channels, including launching our modernized customer information system earlier that year.
- CSO honored Southwest's proactive cybersecurity efforts with the CSO50 award, a distinction recognizing the world's top 50 organizations driving exceptional security projects and initiatives.

Incentive Compensation Structure

The Committee believes our incentive compensation program (i) is a competitive program relative to the market and our peers, (ii) aligns with the market best governance practices, (iii) supports robust pay-for-performance alignment, and (iv) provides the appropriate linkage between executive compensation and the Company's long-term business strategy.

The executive compensation program provides for cash-based annual incentive awards. For Southwest Officers, long-term equity compensation is comprised of restricted stock units ("Performance Shares") that vest at the end of the three-year performance period based on the achieved performance results against rigorous pre-set targets, and time-lapse restricted stock units ("time-lapse RSUs") that vest over a three-year period. The Centuri CEO is eligible to receive performance-based and time-based equity and cash incentive compensation based on Centuri's financial performance. Under this structure, a greater portion of our NEOs' total compensation is at-risk and variable based on performance relative to metrics that are more directly aligned with our long-term performance, customer interests and stockholder returns.

In 2021, the Committee made changes to the long-term incentive plan and pension plan to enhance alignment with stockholders. Southwest will no longer offer the Retirement Plan and supplemental plan for officers to anyone hired after December 31, 2021. For the long-term incentive plan, the modifier that potentially reduces incentive payments was increased to 30% and a cap was introduced to reduce incentive payments in the event of negative total shareholder return and poor relative performance. This modification reduces long-term incentive payments when the Company's total shareholder return compares poorly with the peer group, or results in a negative return to stockholders, and strengthens the link between our financial performance results and the market's reaction to that performance.

Annual Incentive Compensation Paid for 2021 Performance

The Company achieved $239 million in adjusted consolidated net income, and Southwest achieved $182 million in adjusted utility net income in fiscal 2021, exceeding target performance. Centuri achieved $92.46 million in adjusted pretax income and exceeded threshold performance under this metric. These results, coupled with achievements under applicable operational, safety and individual performance goals, resulted in Messrs. Hester and Peterson and Ms. Haller receiving annual incentive awards equal to 97% of their respective target awards, Mr. DeBonis receiving an award equal to 111% of his target award and Mr. Daily receiving an award equal to 98.83% of his target award (each as a specified percentage of base salary). Adjusted consolidated net income and adjusted utility net income are non-GAAP measures. See "Details of Compensation Program—Annual Incentive Compensation" below for a description of all adjustments made.

Past Company performance has established a strong financial platform for sustainable growth into the future, and this year's continued accomplishments are expected to contribute to our ability to provide stockholder returns over the long-term. Going forward, we expect our incentive compensation structure (as discussed in more detail below), to continue to strengthen alignment between executive compensation and stockholder returns.

Commitment to Best Practices

We believe in the importance of aligning the financial interests of the Company's executives with those of stockholders and maintain executive compensation policies that are consistent with robust corporate and compensation program governance. The Compensation Committee reviews our executive compensation program annually to ensure it maintains its competitiveness with the market and supports our long-term growth strategy. Key policies include:

- Robust stock ownership guidelines for NEOs and directors.
- Compensation Committee composed only of Independent Directors.
- Independent compensation consultant retained by the Compensation Committee.
- Change in control arrangements which do not provide for excise tax gross-ups or severance amounts greater than three times base salary, excluding incentive compensation, welfare benefits, retirement benefits and outplacement services.
- Double trigger equity acceleration following a change in control.
- No dividends paid on unvested stock-based awards until the underlying awards have vested.
- No tax gross-up on benefits or perquisites.
- Clawback policy that is broader than the 2015 draft SEC regulations and which permits the Company to recover from our NEOs' incentive compensation awarded under the Omnibus Incentive Plan in certain circumstances.
- Regular peer group review used to assess executive compensation.
- Annual say-on-pay vote for stockholders.
- Anti-pledging and anti-hedging policies that apply to all of our NEOs, other Section 16 officers and directors.

Compensation Program Objectives, Key Considerations and Principles

Philosophy and Objectives

We believe in the importance of aligning the financial interests of the Company's executives with those of stockholders. By emphasizing our mission and core values of safety, excellence, quality, partnership, stewardship and value, the Committee believes that it motivates achievements that are the platform for increased stockholder returns. A significant portion of our NEOs' compensation is designed to be variable and tied to the achievement of key financial and strategic performance objectives, the performance of our stock price, or both, which helps us to incentivize our NEOs to create long-term value for our stockholders.

In our utility segment, we strive to work collaboratively with regulators to achieve positive results for both customers and stockholders, and we recognize that customer satisfaction and the Company's safety record are both essential elements in the regulatory process. Safety is also critical to the success of our utility infrastructure services segment, and safety goals carry significant weight under Centuri's annual incentive plan.

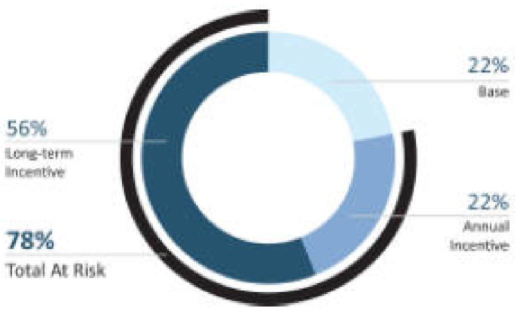
In particular, the compensation programs have been designed to accomplish the following objectives:

- Establish competitive compensation plans to attract, retain and motivate high performing senior leaders;
- Emphasize pay-for-performance culture to reward both annual and long-term Company performance while not encouraging excessive risk-taking;
- Create long-term alignment between the senior executives and stockholder interests; and
- Support our strategic initiatives and financial goals.

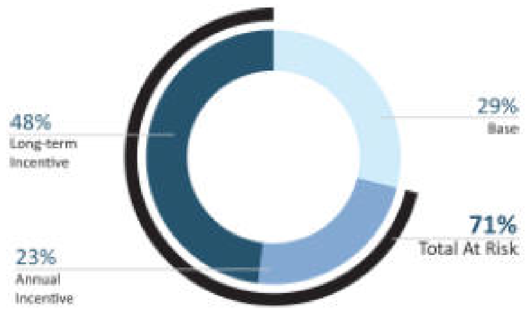
Pay for Performance

With respect to each of our NEOs, all annual cash incentives and long-term equity incentives are "at risk" and performance-based, as those awards are either variable based on the level of performance against incentive targets or are subject to continued employment and stock price performance during a three-year vesting period. The portion of total direct compensation designed to be at risk depends upon the NEO's position and the ability to influence outcomes, as well as market pay levels and risk mitigation considerations. Mr. Hester, the Company's CEO, has the largest portion of pay at risk. In 2021, the percentage of his targeted total direct compensation opportunity at risk was 78%. For the other NEOs, the average percentage of such compensation at risk was 71%.

CEO Target Compensation



Other NEOs
Target Compensation



Compensation Program Administration

Role of the Committee

The Committee oversees our executive compensation program and is responsible for reviewing and approving all executive compensation and benefit plans of the Company's executive officers, including its NEOs. The Committee meets regularly throughout the year to review and discuss, among other items, our compensation philosophy, changes in compensation governance, composition of our peer group, corporate goals and objectives relevant to the CEO's compensation, the CEO's performance in relation to such goals and objectives and, together with the other Independent Directors of the Board, the CEO's actual compensation. The Committee also reviews, based on the recommendations provided by the CEO, and approves the salaries and incentive compensation for the other executive officers, including the NEOs. The Committee's Charter is available on the Company's website at *www.swgasholdings.com*.

Role of Management

Management, including the NEOs, receives direction from the Committee regarding executive compensation. Management annually provides information to the Committee regarding market practices and pay levels of the various elements of direct compensation (including target awards for incentive compensation), as well as the thresholds, targets and maximums of the performance measures. Information is gathered from Company operating data, external independent surveys and publicly available compensation comparisons. Decisions regarding CEO compensation are made solely by the Committee meeting in an executive session without the CEO or any other NEOs present.

Role of Independent Compensation Consultant

In 2021, the Committee directly retained Korn Ferry as an independent compensation consultant to the Committee. Management also engaged Pay Governance LLC to advise on executive compensation and other topics. The compensation consultant's engagement with the Committee included a review and analysis of several aspects of the executive compensation program, including the following:

- Peer group review;
- Providing and analyzing compensation market data;
- Advising on the reasonableness of our NEO compensation levels and programs;
- Review of our Compensation Discussion and Analysis disclosure;
- Performing benchmarking and analysis of our Board of Directors' compensation; and
- Attending each Compensation Committee meeting, including meeting with the Compensation Committee in private sessions, without management present.

Korn Ferry did not receive any fees from the Company for services other than the fees paid for work requested by the Committee with respect to executive and director compensation. For 2021, the Committee analyzed whether the work of Pay Governance, Korn Ferry, or any other executive compensation adviser raised any conflicts of interest, taking into consideration all relevant factors, including those set forth in Rule 10C-1(b)(4)(i) through (vi) under the Exchange Act. The Committee determined, based on its analysis of all relevant factors, that no conflicts of interest were present.

How We Determine Amounts Paid for Each Element of Compensation

We operate in a competitive environment for talented executives, and the Committee analyzes a variety of information as it seeks to identify competitive levels of compensation within the relevant markets in which we operate.

Peer Group

The companies in the compensation peer group for the Southwest Officers were selected because they represent those publicly traded companies considered by the Committee to be the most comparable to the Company in terms of revenue, market capitalization, business operations, operational complexity and overall financial performance. To maintain a meaningful comparison, the Compensation Committee reviews the peer group regularly to reflect changes due to M&A activity or shifts in our peers' business focus or operations. For setting 2021 executive compensation, the Committee reviewed the peer group used in 2020 and determined that no changes were necessary. As in 2020, the peer group was composed of 20 companies in the utility industry, placing the Company in the 67th percentile for 2021 annual revenue.

- Alliant Energy Corporation
- Ameren Corporation
- Atmos Energy Corporation
- Avista Corporation
- Black Hills Corporation
- CMS Energy Corporation
- Evergy, Inc
- Hawaiian Electric Company, Inc.
- IDACORP, Inc.
- MDU Resources Group, Inc.
- New Jersey Resources Corporation
- NiSource Inc.
- NorthWestern Corporation
- OGE Energy Corporation
- ONE Gas, Inc.
- Pinnacle West Capital Corporation
- Portland General Electric Company
- PNM Resources, Inc.
- South Jersey Industries
- Spire, Inc.

For Centuri, the peer group approved by the Committee contained 10 companies as shown below. Centuri placed in the 63rd percentile for 2021 EBITDA in the peer group.

- Aegion Corporation
- Comfort Systems USA
- Dycom Industries, Inc.
- Granite Construction Inc.
- Matrix Service Company
- MYR Group Inc.
- Primoris Services Corporation
- Sterling Construction Company
- Team Construction Company
- Tetra Tech, Inc.

Compensation Review

Korn Ferry performed comprehensive competitive compensation benchmarking, which included assessments of all elements of compensation for the Southwest Officers and Mr. Daily. The competitive compensation benchmarking data reviewed by the Committee included base salary, annual incentive compensation and long-term incentive compensation found in the proxy statements filed by companies in the peer groups for Southwest and Centuri.

Benchmarking of Compensation

In reference to the data and analyses discussed above, the Committee reviewed competitive target compensation levels for each NEO relative to the 50th percentile of the relevant market. For each NEO position, base salary, target total cash compensation (base salary plus annual incentive award) and target total direct compensation (base salary plus annual incentive award plus the target value of long-term incentive compensation) were benchmarked and analyzed at the median level. The Committee found that overall target total direct compensation for each NEO was generally aligned with the relevant market benchmarks.

Other elements of overall compensation for the NEOs (perquisites, welfare benefits, retirement benefits and post-termination benefits) were implemented at various times over the past several years to remain competitive with the relevant market and are reviewed periodically. In determining the NEOs' overall compensation, we annually compare elements of compensation with those of the relevant market to ensure the Company remains competitive.

Consideration of 2021 Say-on-Pay Vote

The Company holds an annual say-on-pay advisory vote regarding executive compensation. At the 2021 Annual Meeting of Stockholders, approximately 93% of the votes cast were in favor of the compensation of the NEOs as described in the proxy statement for the 2021 Annual Meeting. The Board and Committee reviewed these vote results and determined that, given the significant level of support, no changes to our executive compensation philosophy, policies and decisions were necessary based solely on the vote results. We determined that our stockholders should vote on a say-on-pay proposal each year as recommended by stockholders at the most recent "say-on-frequency" vote in 2017. The Board recommends that you vote FOR Proposal 2 at the Annual Meeting. For more information, see "ADVISORY VOTE TO APPROVE THE COMPANY'S EXECUTIVE COMPENSATION" in this Proxy Statement.

We maintain a regular ongoing dialogue with our stockholders and welcome stockholder perspectives regarding our executive compensation program.

Details of Compensation Program

The nature of the Company's operations and competitive considerations have led the Committee to design and employ compensation programs that we believe are comparable to compensation programs widely used in the natural gas operations and utility infrastructure services industries, as applicable. To accomplish our objectives, our programs are designed to respond to changing market conditions and to offer a broad spectrum of compensation opportunities. Performance is the critical component of our programs, and both individual and overall Company performance can impact an NEO's level of compensation on an annual basis.

Why We Pay Each Element

The elements of executive compensation for the NEOs and the purpose for providing each element are described below:

Element	Purpose	Summary of Features
Base Salary	• Recognize leadership responsibilities and value of executive's role to the Company. • Serve as a competitive compensation foundation.	• Targeted at 50th percentile of relevant peer group companies. • Adjustments are made based upon the value of the position to the business, individual performance and pay relative to the appropriate market.
Annual Incentive Plans	• Encourage and reward NEO contributions in achieving short-term performance goals, including important social goals of safety and customer satisfaction. • Align management interests with customers and stockholders.	• No awards paid unless at least 80% of target adjusted net income is achieved. • Awards paid out annually in cash. • Award values are subject to downward adjustment to avoid windfalls and maintain internal equity.
Long-Term Incentives	• Provide executives with long-term performance goals to work toward. • Align management interests with customers and stockholders. • Retain management with awards subject to service vesting.	• Southwest Officers receive long-term incentives through both time-lapse restricted stock units and Performance Shares. • Centuri and Southwest performance awards are earned based on three-year financial performance. • Centuri's CEO receives long-term incentives through both cash and equity, which includes Performance Shares with and without thresholds to generate awards.
Executive Health, Welfare and Retirement Benefits	• Provide executives reasonable and competitive benefits. • Encourage savings for retirement. • Retain executives with pension benefits subject to service vesting.	• Health and welfare benefits consistent with standard benefits provided to all employees. • 401(k) plan and nonqualified deferred compensation plans allow for deferral of compensation and Company contributions. • Qualified and supplemental nonqualified pension benefits for the Southwest Officers.
Southwest Change in Control Agreements	• Ensure attention and dedication to performance without distraction in the circumstance of a potential change in control. • Enables executives to maintain objectivity with respect to merger or acquisition offers considered by the Board.	• Double trigger change in control severance agreements without any excise tax gross-up. • Accelerated vesting of equity awards upon certain terminations following change in control. • Potential increase to supplemental pension benefit.
Centuri CEO Employment Agreement	• Ensure attention and dedication to performance without distraction in the circumstance of a potential change in control. • Provide an incentive to enter into executive employment relationship. • Protect the Company's interests.	• Two-year term, with automatic renewals. • Provides change in control severance and severance outside of change in control scenario. • Non-competition and non-solicitation restrictive covenants.

Base Salaries

Salaries for the NEOs are established based on the scope of their responsibilities, taking into account competitive market compensation paid by the peer group and additional salary survey data for similar positions. The competitive market processes and data regarding the 50th percentile pay level of peer companies were used by the Committee to help ensure that salaries are reasonable, competitive and properly address position responsibilities. The range of salaries available through this review provides an objective standard to determine the appropriate level of salary for a given executive position. Salaries are reviewed annually and are subject to mid-year adjustment to maintain alignment with the market and to reflect changes in individual responsibilities, performance, and experience. In 2021, the Committee approved merit increases of varying amounts for the NEOs to reflect performance relative to their goals and to ensure market competitiveness.

Annual Incentive Compensation

We establish cash incentive opportunities on an annual basis, expressed as a percentage of each individual's base salary. The target level of annual incentive opportunities granted to NEOs is based primarily on the competitive compensation benchmarking. The target incentive opportunities for the NEOs were set at the following percentages of base salary for 2021:

	Incentive Opportunities (% of salary)
John P. Hester	100%
Gregory J. Peterson	65%
Paul M. Daily	100%
Karen S. Haller	75%
Eric DeBonis	60%

Southwest Annual Incentives. Annual incentive opportunities are payable entirely in cash, only if at least 80% of target adjusted net income is achieved.

The 2021 performance measures for Southwest Officers were tied to measures of financial performance, customer satisfaction, productivity and safety. For 2021, the Committee derived the targets for our four performance measures as follows:

Performance Metric	**Weighting**	**Metric Description**
Adjusted Net Income	40%	Measured on a consolidated basis for Messrs. Hester and Peterson and Ms. Haller because of their influence over both of the Company's business segments. Measured solely for the utility segment for Mr. DeBonis. Fiscal 2021 Targets: Aligned to the Company's and Southwest's business plans and budgets.
Customer Satisfaction	20%	Reflects our performance on independent customer surveys conducted in each of our utility operating divisions to reinforce commitment to our customers. Fiscal 2021 Target: Set higher than 2020's target.
Productivity	20%	Rewards success in reaching a predetermined level of operations and maintenance expense per customer. Fiscal 2021 Target: Required an improvement in cost containment over 2020's target.

Performance Metric	Weighting	Metric Description
Safety	20%	Oriented toward minimizing incidents associated with the Company's natural gas distribution systems and thereby linked to risk reduction in areas such as regulation, operations, reputation and franchise value.
• Damage per 1,000 tickets	10%	
• Response Times within 30 minutes	10%	Fiscal 2021 Targets: Represents an improvement from 2020's target.

Actual awards for each measure are determined as of year-end by comparing the Company's performance to the threshold, target and maximum levels set by the Committee at the beginning of the year for each performance measure. When threshold performance for any measure is achieved, an award with respect to that measure is earned. Award payouts can range from 70% (at threshold) to 100% (at target) to 140% (at maximum) of the assigned incentive opportunity for each measure, based on where actual results fall in the range from threshold to target to maximum. No awards are paid with respect to any measure if 80% of target adjusted net income is not achieved. We determine actual payouts through linear interpolation.

The thresholds, targets and maximums and actual results under the four core performance measures for 2021 are set forth below:

Measure	Threshold	Target	Maximum	Actual	Weighting	Payout (% of target)
Adjusted Net Income:						
Consolidated (000s)[1]	$212,400	$236,000	$259,600	$238,979	40%	42.02%
Utility (000s)[1]	$158,100	$170,000	$181,900	$182,135	40%	56%
Customer Satisfaction	93%	96%	98%	94.7%	20%	17.4%
Productivity (O&M/Customer)[1]	$ 211	$ 207	$ 204	$ 210.03	20%	15.46%
Safety:						
Damage per 1,000 Tickets	1.30	1.00	0.90	0.91	10%	13.6%
Response Times w/in 30 Min.	72%	78%	82%	75.1%	10%	8.55%
Total:						
Consolidated						**97%**
Utility						**111%**

(1) Adjusted consolidated net income and adjusted utility net income are non-GAAP measures. In the calculation of actual results under the adjusted net income measures, the Committee excluded the earnings impacts of Company-owned life insurance ("COLI") policy value changes ($8.8 million) and other one-time items. For the Company, the Committee excluded one-time transaction costs and partial period operating results related to the recently completed acquisitions of MountainWest ($18.3 million, net of tax) and Riggs Distler ($21.5 million, net of tax), and stockholder activism response costs ($3.4 million, net of tax). For Southwest, the Committee also excluded the impacts of a $5 million legal reserve ($3.8 million, net of tax) related to an isolated pipeline incident. Exclusion of these costs allows operating results to be computed on a comparative basis from year to year (COLI income was $17.4 million and $9.2 million in 2019 and 2020, respectively; there were no such acquisition or activism costs in 2019 or 2020) and is appropriate because these costs were determined by the Committee to be out of the control of Company executives.

The Committee has the discretion to reduce an NEO's overall award that would otherwise be earned to avoid windfalls and for other reasons, including internal equity. The Committee reviews the CEO's individual performance to determine whether there will be any downward adjustment. For 2021, individual performance goals for the CEO centered on promoting fundamental business strategies, maximizing customer and stockholder value, pursuing regulatory initiatives, promoting workforce diversity and other ESG-related initiatives such as increasing renewable natural gas supplies and enhancing transparency in reporting, and overseeing the utility infrastructure services segment.

The CEO reviews the Southwest Officers' individual performance to determine whether there will be any downward adjustment in the performance awards. As a result of such review, if the CEO recommends a downward adjustment in the performance awards, the CEO will bring the matter before the Committee for review and approval. Mr. Peterson's goals were centered on investor relations activities, financial planning and execution, external reporting, regulatory compliance and strategic planning matters. Ms. Haller's goals pertain to legal and regulatory matters, corporate ethics and compliance, enterprise risk management, corporate governance matters, gas resources, human resources and administrative functions. Mr. DeBonis' goals were directed to maintaining system safety and reliability, controlling operating costs and enhancing customer service. The Committee reviewed the performance achievements of the CEO and other eligible Southwest Officers and determined that no reductions to their annual incentive awards were warranted with respect to 2021.

Adjusted net income, both on a consolidated and utility segment basis, exceeded 80% of our target, and achievements under the performance measures aggregated for a payout of 97% of the target incentive award opportunity for Messrs. Hester and Peterson and Ms. Haller, and 111% of target for Mr. DeBonis. These aggregated percentage payouts are multiplied by the total incentive opportunity (expressed above as a percentage of base salary) to determine the overall dollar value of the annual award. The following table details the actual payouts associated with the 2021 annual incentive awards for the eligible Southwest Officers:

	Incentive Opportunities (% of salary)	Total Achievement of Performance Measures (% of target)	Incentive Earned (% of salary)	Incentive Earned
John P. Hester	100%	97%	97%	$ 1,091,250
Gregory J. Peterson	65%	97%	63.1%	$ 299,488
Karen S. Haller	75%	97%	72.8%	$ 411,765
Eric DeBonis	60%	111%	66.6%	$ 256,410

Centuri Annual Incentives. For Centuri, the Committee selected financial performance and safety goals for the 2021 annual incentive opportunities. No awards are paid unless at least 50% of target pretax income is achieved.

Performance Metric		Weighting	Metric Description
Pretax Income		80%	Focuses on profitability. Fiscal 2021 Targets: Aligned to Centuri's business plans and budgets.
Safety • DART • TRIR	10% 10%	20%	Reflects days away from work, restricted or transferred ("DART") incident rate, which is the industry standard measurement for safety, and total recordable incident rate ("TRIR") to ensure both incident frequency and severity measures are considered. Fiscal 2021 Targets: DART set higher than 2020's targets; TRIR remained the same.

Actual awards for each measure are determined as of year-end by comparing Centuri's performance to the threshold, target and maximum levels set by the Committee at the beginning of the year for each performance measure. When threshold performance for any measure is achieved, an award with respect to that measure is earned. Award payouts can range from 65% (at threshold) to 100% (at target) to 170% (at maximum) of the assigned incentive opportunity for each measure, based on where actual results fall in the range from threshold to target to maximum. We determine actual payouts through linear interpolation.

The thresholds, targets and maximums and actual results under the performance measures for 2021 are set forth below:

Measure	Threshold	Target	Maximum	Actual	Weighting	Payout (% of target)
Pretax Income	$70.4 million	$100.6 million	$125.8 million	$92.46 million	80%	90.58%
Safety (DART)	0.9	0.45	0.36	0.31	10%	170.0%
Safety (TRIR)	2.0	1.0	0.75	1.18	10%	93.7%
Total						**98.83%**

No annual incentive awards are paid in any year unless 50% of target pretax income is achieved. In 2021, pretax income exceeded 50% of target, and achievements under the other performance measure aggregated for a payout of 98.83% of the target incentive award opportunity for Mr. Daily. The aggregated percentage payout is multiplied by the total incentive opportunity (expressed above as a percentage of base salary) to determine the overall dollar value of the annual award.

The Committee reviews Mr. Daily's individual performance to determine whether there will be any downward adjustment in his performance award. For 2021, individual performance goals for Mr. Daily centered on promoting fundamental business strategies, including safety performance; organizational development, including identifying and implementing opportunities to enhance ESG efforts and workforce diversity; and operations, financial, and strategic planning improvements. The individual performance goals for Mr. Daily were satisfied, and there were no reductions to his incentive awards with respect to 2021.

The following table details the potential and actual payouts associated with the 2021 annual incentive award to Mr. Daily:

	Incentive Opportunities (% of salary)	Total Achievement of Performance Measures (% of target)	Incentive Earned (% of salary)	Incentive Earned
Paul M. Daily	100%	98.83%	98.83%	$ 776,835

Long-Term Incentive Compensation

Our long-term incentive compensation is designed to provide incentives for maintaining long-term performance and strengthening customer and stockholder value over a three-year performance period. NEOs are incentivized with equity compensation and Mr. Daily's long-term incentive opportunity also includes a cash component. The Committee based the value of incentive awards granted to NEOs primarily on competitive compensation benchmarking. To more closely align his long-term incentive opportunity with the market, in 2021 the equity portion of Mr. Daily's long-term incentive opportunity was increased. For 2021, the target long-term incentive opportunities for the NEOs were set at the percentages of base salary shown in the following table.

	Incentive Opportunities (% of salary)					
	RSUs	Non-threshold Performance Shares	Performance Shares	Non-threshold Performance Cash	Performance Cash	Total
John P. Hester	70%	—	190%	—	—	260%
Gregory J. Peterson	40%	—	100%	—	—	140%
Paul M. Daily	—	46.5%	108.5%	21%	49%	225%
Karen S. Haller	45%	—	110%	—	—	155%
Eric DeBonis	30%	—	60%	—	—	90%

Southwest Long-Term Incentives. Long-term incentives for the Southwest Officers are composed of time-lapse RSUs and Performance Shares.

- *RSUs.* The Committee believes that grants of time-lapse RSUs promote and encourage long-term retention and service to the Company, align the interests of the Southwest Officers with those of our customers and stockholders through increased share ownership, and provide a balanced approach to long-term compensation. At its February 2021 meeting, the Committee approved the 2021 grants under this Board-approved program. The number of RSUs granted was determined based on the closing price for our Common Stock for the last trading day of 2020 ($60.75 per share). The time-lapse RSUs granted in 2021 vest 40% one year after the award date and 30% following each of the next two years, assuming continued service.

The table below illustrates the target long-term incentive opportunity granted as time-lapse RSUs, and the number granted.

	RSU Component (% of salary)	RSU Component	RSUs Granted
John P. Hester	70%	$ 735,000	12,099
Gregory J. Peterson	40%	$ 174,000	2,864
Karen S. Haller	45%	$ 214,200	3,526
Eric DeBonis	30%	$ 110,100	1,812

- *Performance Shares.* The Committee believes that the payment of long-term incentive compensation in the form of Performance Shares, measured over a three-year performance period, rewards our NEOs for improved financial performance of the Company, thereby giving them an incentive to enhance long-term customer and stockholder value. The target number of Performance Shares granted was determined based on the closing price for our Common Stock for the last trading day of 2020 ($60.75 per share). Performance Shares granted in 2021 are earned upon achievement of financial performance goals for the three-year period from 2021 through 2023.

The table below illustrates the target long-term incentive opportunity granted as Performance Shares, and the number of Performance Shares granted:

	PS Component (% of salary)	Target PS Component	Target PSs Granted
John P. Hester	190%	$ 1,995,000	32,840
Gregory J. Peterson	100%	$ 435,000	7,160
Karen S. Haller	110%	$ 523,600	8,619
Eric DeBonis	60%	$ 220,200	3,625

For Performance Shares granted in 2021 to Messrs. Hester and Peterson and Ms. Haller, 60% are earnable based on a consolidated earnings per share (“EPS”) performance measure, and 40% are earnable based on a utility segment return on equity (“ROE”) performance measure. ROE is calculated by dividing the utility adjusted net income by the average equity balance for 2021. For Mr. DeBonis, 60% of the Performance Shares are based on utility net income, and 40% are based on ROE. Each of these measures is adjusted to remove the impact of COLI and other one-time items to more closely represent Southwest-driven outcomes.

At its meeting in February 2021, the Committee established the threshold, target and maximum performance levels upon which Performance Share awards would be based for the 2021 through 2023 performance period, and the Board subsequently approved the grants of Performance Shares to the Southwest Officers. The target levels were based on Company and Southwest business plans and budgets and took into account such factors as budgeted capital expenditures, expected growth within the markets that the

Company serves, competitive factors from other service providers, and other business considerations embedded in the Company's annual business planning process. The following table shows the three-year performance criteria for such period:

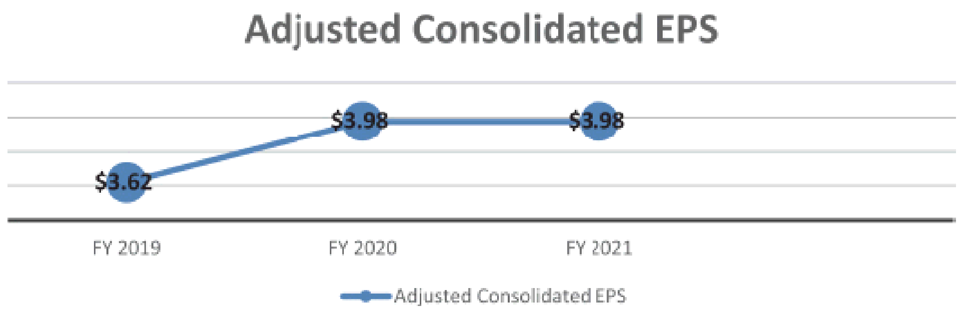
Performance Level	EPS	Utility Adjusted Net Income (000s)	Utility Return on Equity	Base Percentage of Target Award Earned[1]
Below Threshold	<$11.15	<$ 514,290	<6.50%	No award
Threshold	$ 11.15	$ 514,290	6.5%	50%
Target	$ 12.39	$ 553,000	7.5%	100%
Maximum	$ 13.63	$ 591,710	8.5%	150%

(1) Subject to upward or downward adjustment based on total shareholder return performance relative to a peer group.

Linear interpolation will be used to compute the percentage of the target award earned. The awards are payable in the form of Common Stock with the Southwest Officers also receiving cumulative dividend equivalents over the three-year performance period on such awards to the extent the underlying shares are earned.

If threshold performance is met, a base number of Performance Shares in a range of 50% to 150% of the target number will be earned, subject to modification based on total shareholder return relative to a peer group. Total shareholder return of the Company over the three-year period, plus dividends, will be compared to total shareholder returns of peer companies. The peer companies list for total shareholder return comparison is the same as the peer companies list used for compensation benchmarking purposes. The previously used peer group was created by Bloomberg and has been discontinued. Relative performance that places the Company at or above the 75th percentile of the peer group would result in maximum upward adjustment of the number of shares of Common Stock earned by 30%, performance in the range between the 25th and 75th percentiles would result in no adjustment, and performance at or below the 25th percentile of the peer group would result in maximum downward adjustment by 30% (provided that if a base number of shares is earned, the lowest percentage of the target number that will vest is 50%). When total shareholder return is negative, but the Company's relative total shareholder return performance is at or above the 75th percentile, the cap is 140% of target. When the Company's relative total shareholder return performance is between the 50th and 75th percentiles, the cap is 115% of target. When the Company's relative total shareholder return performance is at or below the 50th percentile, the cap is 100% of target. The Committee included the total shareholder return modification feature to strengthen the link between our financial performance results and the market's reaction to that performance, and to reinforce alignment of our executive compensation program with stockholder experience.

- *2019-2021 Performance Share Vesting*. In 2019 the Compensation Committee approved the award of Performance Shares to the Southwest Officers. For Performance Shares granted in 2019 to Messrs. Hester and Peterson and Ms. Haller, 60% were earnable based on a consolidated EPS performance measure, and 40% were earnable based on a utility ROE performance measure. For Mr. DeBonis, 60% of the Performance Shares were earnable based on utility net income, and 40% were earnable based on ROE. To calculate ROE, utility net income was divided by the average equity balance for 2019 through 2021. Each of these measures was adjusted to remove the impact of COLI income of $17.4 million in 2019, $9.2 million in 2020, and $8.8 million in 2021. For EPS in 2021, the Committee also excluded one-time transaction costs and partial period operating results related to the recently completed acquisitions of MountainWest ($18.3 million, net of tax) and Riggs Distler ($21.5 million, net of tax), and stockholder activism response costs ($3.4 million, net of tax). Exclusion of these costs allows operating results to be computed on a comparative basis from year to year and is appropriate because these costs were determined by the Committee to be out of the control of Company executives. There were no such acquisition or activism costs in 2020 or 2019. Performance was measured over a three-year performance period commencing on January 1, 2019 and continuing through December 31, 2021. For the three-year period 2019-2021, the total shareholder return for the Company was between the 25th and 75th percentile of the peer group of companies selected for such 2019 awards, and therefore no adjustment was applied to the results to determine ultimate payout. On February 24, 2022, the Committee determined that for the 2019-2021 performance period, the payout is 113% of the target award level, except for those officers subject to the consolidated EPS measure. For Messrs. Hester and Peterson and Ms. Haller, who are subject to the consolidated EPS measure, the payout is 95% of the target award level. The figure below shows EPS growth over the performance period. The 2019-2021 Performance Shares are included in the "Stock Vested During 2021" table.



Centuri Long-Term Incentives. Historically, the Company did not grant Company equity awards to Centuri executives, but beginning in 2019, the Committee strengthened the link to Company performance by granting Company equity to the Centuri Chief Executive Officer for part of his long-term incentives. The table below illustrates the target long-term incentive opportunity granted to Mr. Daily for the performance period from 2021 through 2023 for both equity and cash components:

	Target PS Incentive (% of salary)	Target PS (#)	Target PS Value ($)	Target Non-threshold PS Incentive (% of salary)	Target Non-threshold PS (#)	Target Non-threshold PS Value ($)	Target PC Incentive (% of salary)	Target PC Value ($)	Target Non-threshold PC Incentive (% of salary)	Target Non-threshold PC Value ($)
Equity	108.5%	13,145	$798,560	46.5%	5,634	$342,240	—	—	—	—
Cash	—	—	—	—	—	—	49%	$360,640	21%	$154,560

The target number of Performance Shares and Non-threshold Performance Shares granted was determined based on the closing price for our Common Stock for the last trading day of 2020 ($60.75 per share). The Centuri CEO's long-term incentive amount includes the opportunity for a cash award equal to 70% of salary and an equity award equal to 155% of salary. The equity award is further split between 70% as Performance Shares and 30% as time-based shares. Because the time-based shares may be modified based on financial performance but are not subject to a threshold to receive an award, they are referred to herein as "Non-threshold Performance Shares." Both Performance Shares and Non-threshold Performance Shares granted in 2021 are earned upon achievement of financial performance goals for the three-year period from 2021 through 2023. The cash award is also further split between 70% as Performance Cash and 30% as time-based cash. Because the time-based cash award may be modified based on financial performance but is not subject to a threshold to receive an award, the time-based cash award is referred to herein as "Non-threshold Performance Cash." Both Performance Cash and Non-threshold Performance Cash granted in 2021 are earned upon achievement of financial performance goals for the three-year period from 2021 through 2023.

The payment of incentive compensation under Centuri's long-term incentive plan is measured by Centuri's cumulative enterprise value ("EV") growth rate over a three-year performance period. EV is defined as earnings before interest, taxes, depreciation and amortization ("EBITDA") for Centuri multiplied by an EBITDA multiple determined by the Committee at the beginning of the performance period, minus Centuri net debt. Net debt is calculated as debt less cash and excludes leases recorded as debt under accounting rules. Debt includes the Company's capital contribution for the Linetec Services, LLC acquisition. EV was adjusted this year to remove costs associated with the Riggs Distler acquisition.

At its meeting in February 2021, the Committee established the threshold, target and maximum performance levels of EV growth for Centuri from the baseline of Centuri's EV as of 2020 year-end. The target EV growth rate level was based on Centuri's business plan and budget and took into account such factors as budgeted capital expenditures, expected growth within the markets that Centuri serves, competitive factors from other service providers and other business considerations embedded in Centuri's annual business planning process. The baseline of Centuri's EV as of 2020 year-end increased substantially over 2019's, primarily due to the growth of Linetec Services, LLC and a significant amount of emergency response storm restoration work performed during 2020. This higher baseline was considered in establishing the EV growth rate percentages for the three-year performance period from 2021 through 2023, and due to the impact on EV from the 2020 emergency storm restoration work, the EV growth targets are lower. The following table summarizes the performance goals for the performance period from 2021 through 2023:

Performance Shares and Performance Cash Performance Level	Three-Year Cumulative EV Growth	Percentage of Target Award Earned
Below Threshold	<6%	No award
Threshold	6%	25%
Target	21%	100%
Maximum	41%	200%

Linear interpolation will be used to compute the percentage of the target award earned. Awards under the plan are to be paid following the end of the performance period.

Non-threshold Performance Shares and Non-threshold Performance Cash are not subject to a threshold to generate payment, but they are impacted by the change in EV at the end of the three-year performance period. If EV increases over the performance period, the Non-threshold Performance Share and Non-threshold Performance Cash awards are increased by the percent of increase. Similarly, the Non-threshold Performance Share and Non-threshold Performance Cash awards are decreased by the same percent of decrease if EV decreases over the performance period. Non-threshold Performance Share awards are capped at 133.1% of the target award amount (the target award is $342,240 for 2021) and Non-threshold Performance Cash awards are capped at 133.1% of the target award amount (the target award is $154,560 for 2021).

- *2019-2021 Performance Share and Non-Threshold Performance Share Vesting*. In 2019 the Compensation Committee approved the award of Company stock for the first time to Paul Daily. The Performance Shares and Non-Threshold Performance Shares granted in 2019 to Mr. Daily were earnable based on the EV achievement over the three-year performance period from 2019-2021. EV is defined as EBITDA for Centuri multiplied by seven (the multiple determined by the Committee at the beginning of the performance period), minus Centuri net debt. Net debt is calculated as debt less cash and excludes leases recorded as debt under accounting rules. Debt includes the Company’s capital contribution for the Linetec Services, LLC acquisition. EV was adjusted for 2021 to remove costs associated with the Riggs Distler acquisition. Performance Shares are 70% of the stock award, while Non-Threshold Performance Shares are 30% of the stock award. On February 24, 2022, the Committee determined that for the 2019-2021 performance period, the payout is 96% of the target award level based on a cumulative EV increase of 14.2% over the performance period. The 2019-2021 Performance Shares are included in the “Stock Vested During 2021” table.

Perquisites

The Company provides a limited number of perquisites to its executive officers. The NEOs receive car allowances, and reimbursement for annual physical examinations and social club memberships. The Southwest Officers also receive reimbursement once every three years to assist in financial and estate planning. The CEO of Centuri receives life insurance and reimbursement annually for financial planning, estate planning and tax preparation.

Retirement Benefits

Southwest Retirement Benefits. Four retirement benefit plans are available to the Southwest Officers. Two of the plans, the Retirement Plan for Employees of Southwest (“Retirement Plan”) and the Employee Investment Plan (“EIP”), both tax-qualified plans, are available to all Southwest employees. The Retirement Plan is no longer offered to Southwest employees who started with Southwest after December 31, 2021. Two additional plans are offered to officers, the Supplemental Executive Retirement Plan (“SERP”) and the Executive Deferral Plan (“EDP”). The SERP is no longer offered to officers who started with Southwest after December 31, 2021. These additional plans were established to attract and retain qualified executives and to address the dollar limitations imposed on the two tax-qualified plans.

- *Retirement Plan for Employees Hired on or Before December 31, 2021*. Benefits under the Retirement Plan are based on (i) the executive's years of service with the Company, up to a maximum of 30 years, and (ii) the average of the executive's highest five consecutive years' salaries, within the final 10 years of service, not to exceed an annual maximum compensation level of $305,000 established by the Internal Revenue Service.
- *SERP for Officers Hired on or Before December 31, 2021*. The SERP is designed to supplement the benefits under the Retirement Plan to a level of 50 - 60% of salary. To qualify for benefits under the SERP, which is based on a 12-month average of the highest consecutive 36-months of salary, an executive is required to have reached (i) age 55, with 20 years of service with the Company, or (ii) age 65, with 10 years of service.
- *EIP*. Southwest Officers may participate in the EIP and defer salary up to the maximum annual dollar amount permitted for 401(k) plans under the Internal Revenue Code. Investments of these deferrals are controlled by the individual executives from a selection of investment options offered through the EIP. There are no employer matching contributions for executive deferrals into the EIP.
- *EDP*. The EDP supplements the deferral opportunities by permitting executives to defer up to 100% of their annual salary and non-equity incentive compensation. As part of the EDP, the Company provides matching contributions up to 3.5% of annual salary, which vest immediately. Amounts deferred and Company matching contributions bear interest at 150% of the Moody's Seasoned Corporate Bond Rate (the "Bond Rate"). At retirement with five years of service with the Company, the Southwest Officers will receive EDP balances paid out at the election of the participant over a period of 10, 15 or 20 years, and will be credited during the applicable payment period with interest at 150% of the average of the Bond Rate on each January 1st for the five years prior to the start of retirement.

Centuri Retirement Benefits. Centuri maintains two plans which provide retirement benefits for the Centuri executives, including Mr. Daily: a 401(k) plan and a nonqualified deferred compensation plan, the Executive Deferred Compensation Plan (the "EDCP").

- *Centuri 401(k) Plan*. Mr. Daily receives matching contributions from Centuri to his account in the Centuri 401(k) Plan, consistent with all other employees participating in the plan. Centuri matches 100% of Mr. Daily's pre-tax contributions up to the first 3% of his base salary and 50% on the next 4%. All matching contributions are subject to certain limits as determined by law.
- *EDCP*. Under the nonqualified deferred compensation plan maintained by Centuri, certain employees, including Mr. Daily, 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 deferred compensation plan are equal to the first 5% of the compensation deferred by the employee under the plan. Matching contributions vest immediately. Participants may allocate deferred cash amounts among (i) a group of notional accounts that mirror the gains and/or losses of various investment alternatives that do not provide for above-market or preferential earnings and (ii) an account with returns based on Centuri's financial performance ("Performance Fund"). Mr. Daily must invest at least 25% of his annual incentive compensation in the Performance Fund until he meets the established investment requirement of four times his base salary. The four times base salary amount is split equally between the Performance Fund and Company stock ownership. Performance Fund investments grow or depreciate based on Centuri's EV growth rate. The maximum annual loss of the Performance Fund is negative five percent and the maximum annual gain is fifteen percent.

Executive Agreements

Southwest Change in Control Agreements. The Company offers change in control agreements to the Southwest Officers to align their interests with stockholders and to retain and motivate high caliber executive talent. Providing change in control benefits is designed to reduce the reluctance of management to pursue potential change in control transactions that may be in the best interests of stockholders and helps ensure stability and continued performance during the potentially protracted process of merging with or acquiring entities subject to utility regulation. These change in control agreements do not include gross-up payments to reimburse the executive for certain excise taxes imposed under Internal Revenue Code Section 4999. Instead, the change in control agreements employ a "best net" approach whereby change in control benefits would be reduced if a reduced benefit would result in a greater after-tax benefit to the officer after the application of the excise taxes under Internal Revenue Code Section 4999.

The terms of the change in control agreements, as well as an estimate of the compensation that would have been payable had they been triggered as of fiscal year-end, are discussed in more detail under “Post-Termination Benefits” below.

Centuri CEO Employment Agreement. Centuri is currently a party to an employment agreement with Mr. Daily (“Employment Agreement”). Under the terms of the Employment Agreement, Mr. Daily is entitled to payments and benefits upon certain employment termination events both in the absence of and following certain change in control events of Centuri or the Company. The termination provisions of the Employment Agreement provide Mr. Daily with a fixed amount of compensation upon termination as an incentive to forgo other opportunities in order to join or maintain employment with Centuri. At the time of entering into this agreement, we considered our aggregate potential obligations in the context of the desirability of hiring Mr. Daily, as well as the benefits of securing non-competition and other restrictive covenants included in the Employment Agreement. The Employment Agreement does not contain excise tax gross-up provisions and employs a “best net” approach to potential change in control severance payments.

More detailed discussion of the Employment Agreement, as well as an estimate of the compensation that would have been payable had various provisions been triggered as of fiscal year-end, are described in “Post-Termination Benefits” below.

Analysis of Risk in Company Executive Compensation Policies

On an annual basis, Company management reviews, analyzes and considers whether the Company’s compensation policies and practices encourage unnecessary or excessive risk taking that is reasonably likely to have a material adverse effect on the Company. One of the primary purposes of this review is to ensure that our incentive compensation programs do not inappropriately encourage unnecessary or excessive risk taking at any level in the organization that would be reasonably likely to have a material adverse effect on the Company. The Committee oversees the risk review process. In 2021, management concluded, and discussed with the Committee, that the Company’s compensation policies and practices do not encourage executives or other employees to take inappropriate risks that are reasonably likely to have a material adverse effect on the Company.

Deductibility of Compensation

Section 162(m) of the Internal Revenue Code currently imposes a $1 million limit on the amount that a public company may deduct for compensation paid to certain current and former executive officers in any one year. The Tax Cuts and Jobs Acts of 2017 eliminated the “performance-based compensation” exception under Section 162(m) effective January 1, 2018, subject to a special rule that “grandfathers” certain awards or arrangements that were in effect on or before November 2, 2017. There can be no assurance that compensation structured prior to 2018 with the intent of qualifying as performance-based compensation will be deductible under Section 162(m). Additionally, compensation awarded in 2018 and future years to covered employees in excess of $1 million will generally not be deductible. The Committee retains the discretion to establish the compensation as the Committee may determine is in the best interest of the Company and its stockholders, and without regard to any limitation provided in Section 162(m). This discretion is an important feature of the Committee’s compensation practices because it provides the Committee with sufficient flexibility to respond to specific circumstances facing the Company.

Summary Compensation Table (2020, 2019 and 2018)

The following table includes information concerning compensation during 2020, 2019 and 2018 for the named executive officers, whom we refer to as the “NEOs.”

Name and Principal Position	Year	Salary ($)(1)	Bonus ($)	Stock Awards ($)(2)(3)	Non-Equity Incentive Plan Compensation ($)(1)(4)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)(5)	All Other Compensation ($)(6)(7)(8)	Total ($)
John P. Hester	2020	1,005,943	—	2,558,720	1,249,500	1,636,794	60,820	6,511,777
President and Chief Executive Officer	2019	933,493	—	1,944,941	1,150,500	1,783,655	58,135	5,870,724
	2018	858,288	—	1,418,123	1,125,000	651,174	43,900	4,096,485
Gregory J. Peterson	2020	418,646	—	575,314	336,473	829,999	35,625	2,196,057
Senior Vice President/ Chief Financial Officer	2019	387,790	—	402,127	312,292	771,233	31,544	1,904,986
	2018	335,353	—	63,944	279,120	274,074	23,783	976,274
Paul M. Daily	2020	736,828	—	938,187	1,747,272	40,471	92,388	3,555,146
President and Chief Executive Officer for Centuri Group, Inc.	2019	704,905	—	364,658	872,109	3,032	87,131	2,031,835
	2018	564,556	—	—	830,315	32,557	318,223	1,745,651
Karen S. Haller	2020	465,426	—	716,568	424,830	964,385	24,655	2,595,864
Executive Vice President/Chief Legal and Administrative Officer	2019	436,970	—	635,347	405,330	936,175	39,427	2,453,249
	2018	402,742	—	324,020	341,250	56,380	35,183	1,159,575
Eric DeBonis	2020	362,888	—	327,011	240,018	684,479	36,615	1,651,011
Senior Vice President/ Operations Southwest Gas Corporation	2019	346,096	—	325,778	230,400	682,383	40,100	1,624,757
	2018	327,770	—	249,074	207,700	26,831	36,951	848,326

(1) Amounts shown in this column include any amounts deferred by the NEOs into 401(k) and nonqualified deferral plans.

(2) Amounts shown in this column represent the aggregate grant date fair value of awards of Performance Shares, time-lapse RSUs, and Non-threshold Performance Shares granted in 2018, 2019 and 2020. In each case, the amounts were determined in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 718 based on the Common Stock share price on the date of grant. The value ultimately realized by the NEO upon actual vesting of the awards may or may not be equal to this determined value. The assumptions used to calculate these amounts are included in “Note 9 – Share-Based Compensation” of Exhibit 13.01 to our 2020 Annual Report on Form 10-K. However, as required, the amounts shown exclude the impact of estimated forfeitures. Performance Share values were calculated based on the probable outcome of the performance condition as of the grant date, which was determined to equal target performance. For the Southwest Officers, Performance Shares generally vest upon completion of a three-year performance period, with the amount that vests based on the achievement of certain company financial targets and stockholder returns. The final amount of earned Performance Shares can range from 0% to a maximum of 195% (assuming the highest level of performance) of the amount of unearned Performance Shares granted, and upon settlement, shares of Common Stock are issued for each earned Performance Share. The value of Performance Shares granted in 2020, assuming achievement of the highest level of performance for the three-year performance period ending December 31, 2022, and using the closing price of Common Stock as of the date of grant in accordance with ASC Topic 718, would be as follows: for Mr. Hester, $3,646,134; for Mr. Peterson, $801,383; for Ms. Haller, $991,626; and for Mr. DeBonis, $425,114. The time-lapse RSUs vest in three annual installments of 40%, 30%, 30% respectively following the grant, assuming the NEO continues to meet the requirements for vesting. Award agreements for Performance Shares and time-lapse RSUs give holders the right to receive dividend equivalent payments as and when dividends are paid on Common Stock, which dividends are reallocated into additional equity awards of the same type and with the same vesting schedule as the original award.

(3) For Mr. Daily, Performance Share and Non-threshold Performance Share values were calculated based on the probable outcome of the performance condition as of the grant date, which was determined to equal target performance. Performance Shares generally vest upon completion of a three-year performance period, with the amount that vests based on the achievement of certain Centuri financial targets. The final amount of earned Performance Shares can range from 0% to a maximum of 200% (assuming the highest level of performance) of the amount of unearned Performance Shares granted, and upon settlement, shares of Common Stock are issued for each earned Performance Share. For Mr. Daily, the value of Performance Shares and Non-threshold Performance Shares granted in 2020, assuming achievement of the highest level of performance for the three-year performance period ending December 31, 2022, and using the closing price of Common Stock as of the date of grant in accordance with ASC Topic 718, would be $1,688,080. The Non-threshold Performance Shares vest three years after grant, assuming Mr. Daily continues to meet the requirements for vesting. The award of Non-threshold Performance Shares is not subject to a threshold to generate payment, but they are impacted by the change in Centuri EV at the end of the performance period. Non-Threshold Performance Shares are capped at 133.1% of the target award amount (the target award is $278,850

for 2020). Mr. Daily's award agreement for Performance Shares and Non-threshold Performance Shares gives him the right to receive dividend equivalent payments as and when dividends are paid on Common Stock, which dividends are reallocated into additional equity awards of the same type and with the same vesting schedule as the original award

(4) Amounts shown in this column represent the cash awards paid in 2019, 2020 and 2021 for services performed in 2018, 2019 and 2020, respectively. For Mr. Daily, the amounts shown in this column also include the cash portion of his long-term incentive awards for the performance periods beginning in 2018, 2017 and 2016 and paid in 2021, 2020 and 2019, respectively. Mr. Daily's 2020 annual incentive cash award amount was $1,054,541, while his long-term incentive cash award amount for the three year performance period beginning in 2018 was $692,731.

(5) The aggregate change in the actuarial present value of the Southwest Officers' accumulated benefit under the Retirement Plan and the SERP for 2020 and the above-market interest (in excess of 120% of the applicable federal long-term rate with compounding) earned by NEOs on executive deferral plan balances for 2020 are as follows:

	Increase in Pension Values ($)	Above-Market Interest ($)
Mr. Hester	1,497,964	138,830
Mr. Peterson	795,373	34,626
Mr. Daily	—	40,471
Ms. Haller	917,597	46,788
Mr. DeBonis	648,364	36,115

No amounts are payable from the pension plans before a participant attains age 55 and experiences a separation in service from the Company.

(6) Employer matching contributions under the EDP for Southwest Officers and Centuri's 401(k) and nonqualified deferral plan for Mr. Daily in 2020 were as follows:

	Matching Contributions ($)
Mr. Hester	34,125
Mr. Peterson	14,625
Mr. Daily	51,262
Ms. Haller	2,466
Mr. DeBonis	12,600

Centuri matches 100% of Mr. Daily's pre-tax contributions up to the first 3% of his base salary under its 401(k) plan. Thereafter, Centuri matches 50% of Mr. Daily's pre-tax contributions up to the next 4% of his base salary. All matching contributions are subject to certain limits as determined by law, and Mr. Daily received $13,678 of matching contributions in the 401(k). Employer matching contributions in Centuri's nonqualified deferral plan are equal to the first 5% of the compensation deferred under the plan, and Mr. Daily received $37,584 of matching contributions in the nonqualified deferral plan. Matching contributions to Southwest Officers under the EDP equal 50% of the amount deferred by each officer up to 3.5% of the officer's respective annual salary.

(7) The aggregate incremental costs of the perquisites and personal benefits to the NEOs are based on the taxable value of the personal use of company cars, while the car allowance, club dues, life insurance, financial planning and physicals are based on the cost to the Company. The life insurance benefit provided to the Southwest Officers is available generally to all salaried employees, so cost information is omitted from the table below. For Mr. Daily, the life insurance cost relates to purchase of coverage for him by Centuri. The perquisites and personal benefits, by type and amount, for 2020 are as follows:

	Car Allowance ($)	Club Dues ($)	Physicals ($)	Financial Planning ($)	Life Insurance ($)
Mr. Hester	21,600	2,595	2,500	—	—
Mr. Peterson	18,000	—	2,500	—	—
Mr. Daily	29,150	4,270	1,965	—	5,741
Ms. Haller	17,094	2,595	2,500	—	—
Mr. DeBonis	18,000	3,515	2,500	—	—

(8) A charitable matching gift donation of $500 made by the Company on behalf of Mr. Peterson is included in the amount shown for Mr. Peterson in the "All Other Compensation" column.

EXECUTIVE COMPENSATION TABLES

Grants of Plan-Based Awards (2021)

The following table sets forth information regarding each grant of an award made under our Incentive Plans to our NEOs during the fiscal year ended December 31, 2021. All awards were granted on February 24, 2021.

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards[(1)]			Estimated Future Payouts Under Equity Incentive Plan Awards[(2)(3)]				
Name	**Award Type**	**Threshold ($)**	**Target ($)**	**Maximum ($)**	**Threshold (#)**	**Target (#)**	**Maximum (#)**	**All Other Stock Awards (#)**	**Grant Date Fair Value of Stock Awards ($)[(4)]**
John P. Hester	Annual Cash[(1)]	787,500	1,125,000	1,575,000	—	—	—	—	—
	Performance Shares	—	—	—	16,420	32,840	64,037	—	2,134,928
	RSUs	—	—	—	—	—	—	12,099[(5)]	786,541
Gregory J. Peterson	Annual Cash[(1)]	216,125	308,750	432,250	—	—	—	—	—
	Performance Shares	—	—	—	3,580	7,160	13,963	—	465,472
	RSUs	—	—	—	—	—	—	2,864[(5)]	186,201
Paul M. Daily	Annual Cash[(1)]	510,900	786,000	1,336,200	—	—	—	—	—
	Performance Shares	—	—	—	3,286	13,145	26,290	—	854,558
	Non-threshold Performance Shares[(6)]	—	—	—	—	5,634	7,498	—	366,239
	Long-Term Cash[(7)]	90,160	515,200	927,000	—	—	—	—	—
Karen S. Haller	Annual Cash[(1)]	297,150	424,500	594,300	—	—	—	—	—
	Performance Shares	—	—	—	4,309	8,619	16,807	—	560,321
	RSUs	—	—	—	—	—	—	3,526[(5)]	229,220
Eric DeBonis	Annual Cash[(1)]	161,700	231,000	323,400	—	—	—	—	—
	Performance Shares	—	—	—	1,812	3,625	7,068	—	235,661
	RSUs	—	—	—	—	—	—	1,812[(5)]	117,821

(1) The amounts reflect the estimated payments which could have been made under the annual cash component of our incentive compensation program, based upon the participant's annual salary. The program provides that executive officers may receive annual cash incentive awards based on performance and profitability measures. The Committee establishes annual target awards for each such officer. The actual amounts received by the NEOs for 2021 performance under the program are set forth under the "Non-Equity Incentive Plan Compensation" column in the "Summary Compensation Table." Annual cash incentives are described in further detail under "Compensation Discussion and Analysis – Incentive Compensation – Annual Incentive Compensation."

(2) For the Southwest Officers, the amounts shown represent the number of shares of Common Stock that could be earned with respect to Performance Shares granted in 2021 under the long-term performance component of our incentive compensation program. The number of Performance Shares that will become earned and vested, and the resulting number of shares of Common Stock to be issued, will be determined after completion of the three-year performance period ending December 31, 2023, and the number of shares can range from 50% at threshold to a maximum of 150% of the target number, subject to 30% upward or downward adjustment based on a total shareholder return modifier. When threshold performance is achieved, the number of shares earned will not be adjusted below 50% of the target number. When total shareholder return is negative, but the Company's relative total shareholder return performance is at or above the 75th percentile, the cap is 140% of target. When the Company's relative total shareholder return performance is between the 50th and 75th percentiles, the cap is 115% of target. When the Company's relative total shareholder return performance is at or below the 50th percentile, the cap is 100% of target.

(3) For Mr. Daily, the amounts shown represent the number of shares of Common Stock that could be earned with respect to Performance Shares granted in 2021 under the long-term performance component of the Centuri incentive compensation program. The number of Performance Shares that will become earned and vested, and the resulting number of shares of Common Stock to be issued, will be determined after completion of the three-year performance period ending December 31, 2023, and the number of shares can range from 25% at threshold to a maximum of 200% of the target number. If Centuri EV growth does not achieve threshold, then no amount is paid.

(4) The amounts shown reflect the aggregate grant date fair value (based on the closing price of Common Stock on the date of grant) of time-lapse RSUs, Performance Shares, or Non-threshold Performance Shares granted on February 24, 2021, to the NEOs, calculated in accordance with FASB ASC Topic 718. With respect to the Performance Shares and Non-threshold Performance Shares granted, the amount represents the grant date fair value of the target award.

(5) The amounts shown represent the number of time-lapse RSUs that were granted in 2021 under the long-term component of our incentive compensation program. The RSUs awarded vest over three years, 40% at the end of the first year and 30% at the end of each of the second and third years, assuming the NEO continues to meet the requirements for vesting, and the initial vesting occurred in the first quarter of 2022. For further details regarding the long-term components of our incentive compensation program, see "Compensation Discussion and Analysis – Incentive Compensation – Long-Term Incentive Compensation."

(6) The amounts shown represent the number of Non-threshold Performance Shares that were granted in 2021 under the long-term component of Centuri's incentive compensation program. The Non-threshold Performance Shares awarded vest at the end of the three year performance period, assuming Mr. Daily meets the requirements for vesting. Non-threshold Performance Shares are not subject to a threshold to generate an award, but they can be increased or decreased based on the percentage change of Centuri's EV. If EV increases over the performance period, the award is increased by the percent of increase. Similarly, the Non-threshold Performance Share award is decreased by the same percent of decrease if EV decreases over the performance period. Non-threshold Performance Shares are capped at 133.1% of the target award amount (the target award is $342,240 for 2021). True Performance Shares make up 70% of Mr. Daily's long-term equity incentive, while 30% is made up of Non-threshold Performance Shares.

(7) The amounts reflect the estimated payments which could be made under the long-term cash component of Mr. Daily's incentive compensation, based upon his annual salary as of December 31, 2020, as required under the Centuri Long-Term Incentive Plan for 2021. The program provides that Mr. Daily may receive a cash incentive award based on performance and profitability measures, with 70% of the award as Performance Cash and 30% of the award as Non-threshold Performance Cash. The amount of the award that will become earned and payable will be determined after completion of the three-year performance period ending December 31, 2023. The value for the Performance Cash award can range from 25% of the target value at threshold to a maximum of 200% of the target value (the target award is $360,640 for 2021). Non-threshold Performance Cash awards are not subject to a threshold to generate an award, but they can be increased or decreased based on the percentage change of Centuri's EV. Non-threshold Performance Cash awards are capped at 133.1% of the target award amount (the target award is $154,560 for 2021). This program is described in further detail under "Compensation Discussion and Analysis – Incentive Compensation – Long-Term Incentive Compensation."

EXECUTIVE COMPENSATION TABLES

Outstanding Equity Awards at Fiscal Year-End 2021

The following table sets forth information regarding unvested time-lapse RSUs, Performance Share, and Non-threshold Performance Share awards for each of the NEOs, in each case, outstanding as of December 31, 2021, and assuming target performance.

	Stock Awards[1]			
Name	**Number of Shares or Units of Stock That Have Not Vested (#)[2]**	**Market Value of Shares or Units of Stock That Have Not Vested ($)[3]**	**Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)[4]**	**Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)[3]**
John P. Hester	20,631	1,445,168	60,127	4,211,898
Gregory J. Peterson	4,825	338,001	13,156	921,575
Paul M. Daily	—	—	32,552	2,280,300
Karen S. Haller	6,119	428,637	16,029	1,122,818
Eric DeBonis	3,224	225,815	6,799	476,276

(1) There were no securities underlying either unexercised stock options, which were exercisable or unexercisable, or unexercised unearned options granted under any equity incentive plan at the end of fiscal 2021.

(2) Represents time-lapse RSUs, which vest in annual installments over the course of the three years following the grant, assuming the NEO continues to meet the requirements for vesting, as reflected in the following tables. Grants in 2021 reflected below include amounts discussed in footnote (5) to the "Grants of Plan-Based Awards (2021)" table.

Outstanding time-lapse RSUs vesting over three years, 40% at the end of the first year and 30% at the end of each of the second and third years, granted in 2019, 2020 and 2021, including dividends reinvested, vest as follows:

	Grant Year	Vests January 2022 (#)	Vests January 2023 (#)	Vests January 2024 (#)
Mr. Hester	2021	5,012	3,759	3,759
	2020	2,886	2,886	—
	2019	2,327	—	—
Mr. Peterson	2021	1,187	890	890
	2020	689	689	—
	2019	481	—	—
Mr. Daily	2021	—	—	—
	2020	—	—	—
	2019	—	—	—
Ms. Haller	2021	1,461	1,096	1,096
	2020	872	872	—
	2019	724	—	—
Mr. DeBonis	2021	751	563	563
	2020	457	457	—
	2019	433	0	—

Vesting provisions of time-lapse RSUs following certain termination events are discussed below under "Post-Termination Benefits."

(3) The market value of Common Stock was $70.05 per share, the closing price on the last trading day of 2021.

(4) Represents Performance Shares and Non-threshold Performance Shares awarded for the performance period beginning January 1, 2020 and January 1, 2021. See footnotes (2), (3), and (6) to the "Grants of Plan-Based Awards (2021)" table and "Post-Termination Benefits" for a discussion of the vesting terms of our Performance Shares and Non-threshold Performance Shares. Assuming achievement of target performance, the number of Performance Shares and Non-threshold Performance Shares indicated (plus accumulated dividends reinvested) will vest following the three-year performance period ending December 31, 2022, and/or December 31, 2023 subject to meeting all vesting requirements.

Pension Benefits

We offer two defined benefit retirement plans to the Southwest Officers. They include the Retirement Plan, which is available to all employees of Southwest who were hired before January 1, 2022, and the SERP, which is available to officers of Southwest who were hired before January 1, 2022.

Benefits under the Retirement Plan are based on each Southwest Officer's (i) years of service with Southwest, up to a maximum of 30 years, and (ii) highest average annual salary over a period of five consecutive years within the final 10 years of service, not to exceed an annual maximum compensation level of $305,000 established by the Internal Revenue Service. Vesting in the Retirement Plan occurs after five years of service with Southwest.

The SERP is designed to supplement the benefits under the Retirement Plan to a level of 50-60% of salary, as shown in the "Salary" column of the Summary Compensation Table. Salary is based on the 12-month average of the highest consecutive 36 months of salary at the time of retirement. Vesting in the SERP occurs at age 55, with 20 years of service, or at age 65 with 10 years of service with Southwest.

Upon retirement, the plans will provide a lifetime annuity to the Southwest Officers, with a 50% survivor benefit to their spouses and an option to choose a 75% survivor benefit to their spouses. No lump sum payments are permitted under the plans except when the amount is less than $5,000.

Messrs. Hester and Peterson are vested in both plans and both would receive full benefits if they were to retire as of the date of this Proxy Statement. Ms. Haller is vested in both plans, and her benefits would be reduced by 4.75% if she retired as of the date of this Proxy Statement. Mr. DeBonis is vested only in the Retirement Plan and, if he left the Company as of the date of this Proxy Statement, his accrued benefit under the Retirement Plan would be reduced by 58.56% assuming benefits commenced at age 55. Mr. DeBonis would also receive a limited benefit under the SERP of $15,521 annually.

Pension Benefits as of December 31, 2021

The following table sets forth the number of years of credited service and present value of accumulated benefits as of December 31, 2021, and payments received during the last fiscal year, under both the Retirement Plan and the SERP for each NEO.

Name	Plan Name	Number of Years Credited Service (#)	Present Value of Accumulated Benefit ($)[1]	Payments During Last Fiscal Year ($)
John P. Hester	Retirement Plan	30	2,480,422	—
	SERP	30	8,372,965	—
Gregory J. Peterson	Retirement Plan	26	1,919,255	—
	SERP	26	2,197,330	—
Paul M. Daily	N/A	N/A	N/A	N/A
Karen S. Haller	Retirement Plan	24	2,056,992	—
	SERP	24	2,799,880	—
Eric DeBonis	Retirement Plan	28	2,382,612	—
	SERP	28	1,406,621	—

(1) The valuation method and all material assumptions applied in quantifying the present value of the accrued benefits are described in "Note 11—Pension and Other Postretirement Benefits" of Exhibit 13.01 to our 2021 Annual Report on Form 10-K.

Nonqualified Deferred Compensation (2021)

We maintain nonqualified deferred compensation plans under which our NEOs are permitted to defer base salary and other cash compensation. These plans are described in detail under "Compensation Discussion & Analysis—Retirement Benefits." The following table describes the nonqualified deferred compensation activity for each of our NEOs during fiscal year 2021.

Name	Executive Contributions in Last Fiscal Year($)[1]	Registrant Contributions in Last Fiscal Year ($)[2]	Aggregate Earnings in Last Fiscal Year ($)[2]	Aggregate Withdrawals / Distributions ($)	Aggregate Balance at Last Fiscal Year-End ($)[3]
John P. Hester	100,000	36,750	232,857	—	5,599,371
Gregory J. Peterson	112,333	15,689	59,287	—	1,392,682
Paul M. Daily	450,631	39,234	66,477	—	2,828,502
Karen S. Haller	60,000	16,660	73,197	—	1,724,274
Eric DeBonis	60,005	12,845	56,531	—	1,317,154

(1) Amounts shown in this column are included in the "Salary" and "Non-Equity Incentive Compensation" columns of the "Summary Compensation Table."

(2) Deferred compensation earnings, which were above-market, and Company contributions are also reported in the "Change in Pension Value and Nonqualified Deferred Compensation Earnings" and the "All Other Compensation" columns, respectively, of the "Summary Compensation Table." Those amounts for the NEOs are as follows:

	Above-Market Interest	Company Contributions	Total
Mr. Hester	$ 137,975	$ 36,750	$174,725
Mr. Peterson	36,326	15,689	52,015
Mr. Daily	5,603	39,234	44,837
Ms. Haller	44,077	16,660	60,737
Mr. DeBonis	34,327	12,845	47,172

(3) The amounts reported in this column that were previously reported as compensation to the NEOs in the Summary Compensation Table for previous years are as follows:

	2019	2020	2021
Mr. Hester	$756,983	$272,955	$274,725
Mr. Peterson	233,795	153,496	164,348
Mr. Daily	248,240	367,246	495,468
Ms. Haller	289,699	186,869	120,737
Mr. DeBonis	127,555	140,875	107,177

Post-Termination Benefits

Each Southwest Officer has a change in control agreement, which provides benefits upon certain termination events following a change in control. Centuri is party to an employment agreement with Mr. Daily pursuant to which he is entitled to benefits upon the occurrence of specified termination events, both following and in the absence of a change in control. Incentive programs for the NEOs also provide for vesting of awards upon the occurrence of specified termination events in the absence of a change in control. Regardless of the manner in which an NEO's employment is terminated, the officer is entitled to receive the amount of any accrued but unpaid base salary, amounts contributed (or otherwise vested) under 401(k) or nonqualified deferral plans, and amounts accrued and vested through Southwest's Retirement Plan and SERP.

Following Change in Control

The Southwest Officers' change in control agreements are triggered by certain termination events following a change in control of either the Company or Southwest, and the change in control provision of Mr. Daily's employment agreement is triggered by certain termination events following a change in control of either the Company or Centuri. Covered termination events include (i) the termination of employment by the employer without cause and (ii) termination by the employee as a result of a significant reduction in duties, responsibilities or compensation or a change in location. If a termination event occurs within two years after a change in control (collectively referred to as a "Double Trigger Event"), the affected NEOs would receive the following benefits (as applicable):

- Salary for three years for our CEO, two and one-half years for all other Southwest Officers and two years for Mr. Daily;
- Annual incentive compensation for three years for our CEO, two and one-half years for all other Southwest Officers, and two years of all cash incentive compensation for Mr. Daily;
- Welfare benefits including the cost of medical, dental, disability, and life insurance coverage under the current employer plans (for three years for our CEO, two and one-half years for all other Southwest Officers and two years for Mr. Daily);
- Vesting of unvested time-lapse RSUs for the Southwest Officers and vesting of Performance Shares and Non-threshold Performance Shares for Mr. Daily;
- Additional credit that may affect eligibility, vesting and the calculation of benefits under the SERP; and
- Outplacement services of up to $30,000.

A change in control with respect to the Company includes: approval by the stockholders of the Company of the dissolution or liquidation of the Company; a merger or similar transaction resulting in more than a 50% change of ownership of the Company; a sale of substantially all of the Company's business and/or assets to a person or entity that is not a subsidiary of the Company; acquisition by one person or a group of persons of at least 30% of the combined voting power of the Company; and during any two year period replacement of at least 50% of the directors unless the election of each new director was approved by a vote of at least three-fourths of the directors then still in office who were directors at the beginning of such period. A change in control event could occur this year depending on the result of the contested election of directors. Any of the foregoing events with respect to Southwest constitutes a change in control of Southwest, and any of the foregoing events with respect to Centuri constitutes a change in control of Centuri.

Pursuant to their change in control agreements, Southwest Officers agreed not to publicly disparage the Company. In addition, severance payable under the agreements is subject to the Southwest Officers' execution of a release of claims against the Company, which includes a covenant prohibiting disclosure of the Company's confidential information. Mr. Daily's employment agreement contains non-compete and non-solicitation provisions, which apply during his employment and for a period of two years after his employment ends, and also contains confidentiality and non-disparagement provisions. Mr. Daily's severance payments are also subject to a release of claims against Centuri.

In addition to benefits provided under the change in control agreements, Performance Share, Non-threshold Performance Share, and time-lapse RSU awards provide for vesting of awards following a change in control (as described in footnote (1) to the following table).

Under the assumption that a Double Trigger Event occurred on December 31, 2021, based on the terms of the change in control agreements for the Southwest Officers and the Employment Agreement for Mr. Daily, it is estimated that the NEOs would have received the compensation presented in the following table.

Name	Salary	Incentive Compensation	Welfare Benefits	Stock Acceleration[(1)]	Outplacement Services	Additional SERP Benefits[(2)]	Total
John P. Hester	$3,375,000	$ 3,375,000	$55,071	$ 3,458,895	$ 30,000	—	$10,293,966
Gregory J. Peterson	1,187,500	771,875	44,788	779,212	30,000	—	2,813,375
Paul M. Daily	1,572,000	2,602,400	64,406	1,066,051	30,000	N/A	5,334,858
Karen S. Haller	1,415,000	1,061,250	44,933	968,738	30,000	438,646	3,958,567
Eric DeBonis	962,500	577,500	55,153	455,671	30,000	568,813	2,649,637

(1) All time-lapse RSUs of the Southwest Officers would vest upon a Double Trigger Event. A pro rata portion of the target number of Performance Shares based on the number of months of service relative to the 2020-2022 and 2021-2023 three-year performance periods would vest upon a Double Trigger Event. For Mr. Daily, a pro-rata portion of the target number of 2020-2022 and 2021-2023 Performance Shares and Non-threshold Performance Shares would vest upon a Double Trigger Event. As of December 31, 2021, the pro rata amount equaled one-third of the target number for the 2021-2023 performance period and two-thirds of the target number for the 2020-2022 performance period. The value of Performance Shares, Non-threshold Performance Shares and time-lapse RSUs set forth above is based on the closing price of Common Stock on the last trading day of 2021 ($70.05).

(2) Additional SERP benefits are shown on a present value basis, using the valuation method and all material assumptions described in "Note 11—Pension and Other Postretirement Benefits" of Exhibit 13.01 to our 2021 Annual Report on Form 10-K.

Absent a Change in Control

Southwest Officers. Incentive programs for the Southwest Officers provide for vesting of awards upon the occurrence of specified termination events in the absence of a change in control.

- *Annual Incentive Plan.* Southwest's annual cash incentive plan states that if employment terminates as a result of death or disability, or when the officer is eligible for retirement under our Retirement Plan, the officer will receive a prorated incentive plan payout for the portion of the performance period that the officer was employed. As of December 31, 2021, Messrs. Hester and Peterson and Ms. Haller were age 55 or older and eligible for retirement, but Mr. DeBonis was not. Accordingly, if any Southwest Officer had terminated employment on December 31, 2021, as a result of death, disability or, other than in the case of Mr. DeBonis, retirement, the officer would have been entitled to receive a full incentive plan award because December 31, 2021 was the final day of the applicable performance period. The values for these payouts are set forth in the "Non-Equity Incentive Plan Compensation" column of the Summary Compensation Table.
- *RSUs.* As of December 31, 2021, each Southwest Officer held unvested time-lapse RSUs. The respective award agreements generally require the officer to be employed by us on the applicable vesting dates to receive the awarded shares, but if employment terminates earlier as a result of death or disability, or when the officer is eligible for retirement under our Retirement Plan, the officer will receive all of the unvested shares. Accordingly, if any Southwest Officer had terminated employment on December 31, 2021, as a result of death, disability or, other than in the case of Mr. DeBonis, retirement, the value of the time-lapse RSUs, based on a stock price of $70.05 per share (the closing price of Common Stock on the last trading day of 2021), that the officer would have been entitled to is: for Mr. Hester, $1,445,168; for Mr. Peterson, $338,001; for Ms. Haller, $428,637; and for Mr. DeBonis, $225,815.

- *Performance Shares.* As described above under “Grants of Plan-Based Awards During 2021,” we granted Performance Share awards to the Southwest Officers in February 2021 under which shares of Common Stock (plus accumulated cash dividends) will be issued to them based on Company performance from 2021 through 2023. The award agreements generally require the officer to be employed by us on the last day of the performance period to receive an award payout, but if employment terminates earlier as a result of death, disability, or retirement after reaching age 55, the officer will be entitled to a prorated award payout. In the case of disability or death, a pro rata portion of the target number of Performance Shares would be paid promptly. Following retirement, an officer would receive a payout at the end of the applicable performance period based on the Company’s actual performance against the performance goals. If any Southwest Officer had terminated employment on December 31, 2021, as a result of death, disability or, other than in the case of Mr. DeBonis, retirement, his or her target award for the performance period from 2021 through 2023 would have been reduced to one-third of the original target award reflecting employment for one year of the three-year performance period. Additionally, the Southwest Officers were granted Performance Shares in February 2020 under which shares of Common Stock (plus accumulated cash dividends) will be issued to them based on Company performance from 2020 through 2022. Assuming termination of employment as described above, the target award for the performance period from 2020 through 2022 would have been reduced to two-thirds of the original target award reflecting employment for two years of the three-year performance period. The value of the prorated award payouts for both tranches of Performance Shares, based on a stock price of $70.05 per share (which was the closing price of Common Stock on the last trading day of 2021), for each Southwest Officer is: for Mr. Hester, $2,013,727; for Mr. Peterson, $441,211; for Ms. Haller, $540,101; and for Mr. DeBonis, $229,856. For purposes of the retirement scenario, whereby pro rata payouts would occur based on actual performance at the end of the three-year performance period, the above amounts assume achievement of target performance and do not include any estimated amounts for accumulated dividends.

Centuri. In the event of termination of Mr. Daily’s employment by reason of retirement, death, disability, termination for cause or without good reason, or termination without cause or for good reason, he would be provided with the benefits described below.

- *Cash Incentive Payments Made Upon Retirement, Death or Disability*. Centuri’s annual incentive and long-term incentive plans generally require the officer to be employed by Centuri on the date that the awards are paid to receive the cash awards, but if employment terminates earlier as a result of death or disability, or when the officer is retirement age, the officer may receive a prorated award at the Centuri CEO’s discretion. As of December 31, 2021, Mr. Daily was eligible for retirement under both Centuri incentive plans. If Mr. Daily had terminated employment on December 31, 2021, as a result of death, disability or retirement, he would have been eligible to receive a full annual incentive plan award because December 31, 2021 was the final day of the applicable performance period. The value for this payout is set forth in the “Non-Equity Incentive Plan Compensation” column of the Summary Compensation Table. If Mr. Daily had terminated employment on December 31, 2021, as a result of death, disability or retirement, his target award under Centuri’s long-term incentive plan for the performance period from 2021 through 2023 would have been reduced to one-third of the original target award reflecting employment for one year of the three-year performance period and his target award under Centuri’s long-term incentive plan for the performance period from 2020 through 2022 would have been reduced to two-thirds of the original target award reflecting employment for two years of the three-year performance period. He would have been eligible to receive a payout at the end of the applicable performance periods based on Centuri’s actual performance. Assuming achievement of target performance for the performance period from 2021 through 2023 and the performance period from 2020 through 2022, the value of the cash long-term incentive that Mr. Daily would be entitled to receive would be $505,400. In addition, in the event of termination for disability, Mr. Daily’s employment agreement provides for a severance benefit equal to one year of base salary. Under the assumption that termination occurred on December 31, 2021 due to disability, Mr. Daily would have been entitled to a benefit of $786,000 pursuant to his employment agreement.
- *Payments Made Upon Termination for Cause or Without Good Reason*. In the event of termination for cause by Centuri or voluntary resignation by Mr. Daily without good reason, his employment agreement and incentive plans provide for no severance benefits. The employment agreement defines “good reason” as (i) any requirement that Mr. Daily relocate, (ii) material failure by the employer to comply with the compensation provisions of the employment agreement or (iii) a significant reduction in duties, responsibilities or compensation.
- *Payments Made Upon Termination Without Cause or For Good Reason*. In the event of a voluntary termination for good reason or termination by Centuri without cause, Mr. Daily’s employment agreement

provides for a severance benefit equal to two years of base salary, the value of any unpaid annual incentive from the year prior to the termination and two years of welfare benefits, including the cost of medical, dental and vision insurance coverage under the current Centuri plans. Under the assumption that termination occurred on December 31, 2021, Mr. Daily would have been entitled to a benefit of $1,623,228, including $1,572,000 in base salary and $51,228 in welfare benefits.

- *Performance Shares and Non-Threshold Performance Shares*. In the event of Mr. Daily's death, disability, job elimination or termination following a change in control, restrictions on Performance Shares and Non-threshold Performance Shares are removed and a pro-rata portion of the unvested shares become vested. The number of shares that vest is determined by multiplying the ratio of actual months of service in the three-year performance period by the number of shares earned at target performance. The value of the shares, based on a stock price of $70.05 per share (the closing price of Common Stock on the last trading day of 2021), that Mr. Daily would have been entitled to based on a December 31, 2021, termination date is $1,066,051. In the event of Mr. Daily's retirement, the number of Performance Shares and Non-threshold Performance Shares that vest is determined by multiplying the ratio of actual months of service in the three-year performance period by the shares earned based on actual performance at the end of the performance period. Assuming Mr. Daily retired on December 31, 2021, based on a stock price of $70.05 per share (the closing price of Common Stock on the last trading day of 2021), the value of the shares Mr. Daily would have received is $1,066,051. For purposes of the retirement scenario, whereby pro rata payouts would occur based on actual performance at the end of the three-year performance period, the above amounts assume achievement of target performance and do not include any estimated amounts for accumulated dividends.

DIRECTOR COMPENSATION

2021 Director Compensation Table

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)(1)(2)(3)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)(4)	All Other Compensation ($)(5)	Total ($)
Robert L. Boughner	104,175	139,121	38,584	105	281,985
José A. Cárdenas	119,175	139,121	—	105	258,401
Stephen C. Comer	111,925	139,121	47,351	105	298,502
Jane Lewis-Raymond	111,925	139,121	—	105	251,151
Anne L. Mariucci	104,175	139,121	38,254	105	281,655
Michael J. Melarkey	191,988	139,121	51,966	105	383,180
A. Randall Thoman	124,175	139,121	30,847	105	294,248
Thomas A. Thomas	104,175	139,121	30,938	105	274,339
Leslie T. Thornton	104,175	139,121	7,408	105	250,809

(1) On February 24, 2021, each director serving at that time received 2,140 restricted stock units. The Company does not issue option awards.

(2) The restricted stock units are valued at the closing price of Common Stock on the date of grant. The grant date fair value of the restricted stock units granted in 2021 was based on the closing price of Common Stock of $65.01 on February 24, 2021. The amounts were determined in accordance with FASB ASC Topic 718. The assumptions used to calculate these amounts are included in "Note 9 – Share-Based Compensation" of Exhibit 13.01 to our 2021 Annual Report on Form 10-K.

(3) Stock awards outstanding at December 31, 2021, for each of the listed directors are as follows. There are no outstanding option awards.

	Stock Awards(#)
Mr. Boughner	31,642
Mr. Cárdenas	18,336
Mr. Comer	27,297
Ms. Lewis-Raymond	5,916
Ms. Mariucci	29,129
Mr. Melarkey	29,470
Mr. Thoman	27,172
Mr. Thomas	31,642
Ms. Thornton	5,916

(4) The amounts in this column also reflect above-market interest on nonqualified deferred compensation balances for 2021.
(5) The All Other Compensation column represents the cost of life insurance for directors ($105 for each of the directors).

Director Compensation Narrative

In 2021, the Compensation Committee conducted a review of the types and amounts of director compensation. The independent compensation consultant conducted a benchmarking analysis of peer company director pay practices. Based on that analysis, the Committee decided that an increase to director compensation, as a balance of cash and equity compensation, was needed to move compensation closer to the median. The Committee uses a retainer-based model for director cash compensation (without regular individual meeting fees) and determines the value of annual equity grants for directors based on a set dollar amount.

The annual cash retainer for non-employee directors increased to $90,000. Additional annual cash retainers for the Chairs of the Audit, Compensation, and Nominating and Corporate Governance Committees are $20,000, $15,500 and $15,000, respectively. The additional annual cash retainer paid to our Chair of the Board increased to $100,000. Individual cash meeting fees of $1,650 are only payable when the number of meetings of the Board or a committee exceeds regularly scheduled meetings by three or more.

Cash compensation received by the non-employee directors may be deferred until retirement or termination of their status as directors pursuant to the Directors Deferral Plan. Amounts deferred bear interest at 150% of the Moody’s Seasoned Corporate Bond Rate (“Bond Rate”). At retirement or termination, such deferrals will be paid out over 5, 10, 15 or 20 years, and will be credited during the applicable payment period with interest at 150% of the average of the Bond Rate on January 1 for the five years prior to retirement or termination.

A fixed dollar value ($130,000 for 2022) will be granted annually in the form of equity compensation under the Company’s Omnibus Incentive Plan during the February Board meeting. The fixed dollar value is converted into awards representing a number of shares of Common Stock based on the closing share price for the last trading session of the most recently completed fiscal year. Under this program, each member of the Board was granted the equivalent of 1,856 shares of Common Stock on February 24, 2022.

Non-employee director equity compensation vests immediately upon grant, and the directors are provided the option to defer receipt of equity compensation until they leave the Board. Deferred stock units are credited with notional dividends at the same time, in the same form, and in equivalent amounts as dividends that are payable from time to time on Common Stock. Such notional dividends are valued as of the date on which they are credited to the director and are reallocated into additional deferred stock units. When a director leaves the Board, any deferred stock units of such director will be converted into shares of Common Stock.

By Board policy, each non-employee director is required to retain at least five times the value of his or her annual cash retainer in Common Stock (or equivalents). Each non-employee director is required to fulfill this requirement within five years of being elected to the Board.

The maximum number of shares of Common Stock which may be awarded to any non-employee director during any fiscal year is 5,000 shares, which taken together with any cash fees paid by the Company to such non-employee director shall not exceed $500,000 in total value (calculating the value of any award based on the fair market value of the shares on the grant date of such award). These limitations were approved by stockholders on May 4, 2017.

Directors are prohibited by Company policy from pledging or engaging in financial hedging of their investment risk in our Common Stock.

Directors are entitled to participate in the same gift matching program that is available to all of our employees. Under this program, the Company matches contributions to qualified charitable organizations up to a maximum of $2,500 in any calendar year.

Directors who are full-time employees of the Company or its subsidiaries receive no additional compensation for serving on the Board.