

CALIFORNIA WATER SERVICE GROUP
CODE OF BUSINESS CONDUCT AND ETHICS
FOR
MEMBERS OF THE BOARD OF DIRECTORS

California Water Service Group (the “Company”) is committed to conducting its business in accordance with the highest ethical standards of corporate leadership and citizenship. As part of its commitment to the highest ethical standards, the Board of Directors (the “Board”) of the Company has adopted the following Code of Business Conduct and Ethics (the “Code”) for directors of the Company. This Code is intended to focus the Board and each director on areas of ethical risk, provide guidance to directors to help them recognize and deal with ethical issues, provide mechanisms to report unethical conduct, and help foster a culture of honesty and accountability. Each director must comply with the letter and spirit of this Code.

No code or policy can anticipate every situation that may arise. Accordingly, this Code is intended to serve as a source of guiding principles for directors. Directors are encouraged to bring questions about particular circumstances that may implicate one or more of the provisions of this Code to the attention of the Chair of the Nominating/Corporate Governance Committee, who may consult with inside or outside legal counsel as appropriate.

Directors who also serve as officers of the Company should read this Code in conjunction with the Company’s Business Code of Conduct for employees.

1. Director Responsibilities.

The Board represents the interests of stockholders, as owners of a corporation, in optimizing long-term value by overseeing management performance on the stockholders’ behalf. The Board’s responsibilities in performing this oversight function include a duty of care and a duty of loyalty.

A director’s duty of care refers to the responsibility to exercise appropriate diligence in overseeing the management of the Company, making decisions and taking other actions. In meeting the duty of care, directors are expected to:

- *Attend and participate in board and committee meetings.* Personal participation is required. Directors may not vote or participate by proxy.
- *Remain properly informed about the corporation’s business and affairs.* Directors should review and devote appropriate time to studying board materials.
- *Rely on others.* Absent knowledge that makes reliance unwarranted, directors may rely on board committees, management, employees, and professional advisors.

- *Make inquiries.* Directors should make inquiries about potential problems that come to their attention and follow up until they are reasonably satisfied that management is addressing them appropriately.

A director's duty of loyalty refers to the responsibility to act in good faith and in the best interests of the corporation and its stockholders, not the interests of the director, a family member or an organization with which the director is affiliated. Directors should not use their positions for personal gain. The duty of loyalty may be relevant in cases of conflict of interest (section 2 below), and corporate opportunities (section 3 below).

2. Conflict of Interest.

Directors should avoid conflicts of interest between the director and the Company. Any situation that involves, or may reasonably be expected to involve, a conflict of interest with the Company, should be disclosed promptly to the Chair of the Nominating/Corporate Governance Committee.

A "conflict of interest" can occur when a director's personal or business interests are adverse to – or may appear to be adverse to – the interests of the Company as a whole. A director's personal or business interests include the interests of an immediate family member or an organization with which a director or an immediate family member has a significant relationship. Conflicts of interest also arise when a director, or a director's immediate family member, receives improper personal benefits as a result of his or her position as a director of the Company. A director's "immediate family members" include any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, and any person (other than a tenant or employee) sharing the director's household.

This Code does not attempt to describe all possible conflicts of interest which could develop. Some of the more common conflicts from which directors must refrain, however, are set out below.

- *Relationship of Company with third-parties.* Directors may not engage in any conduct or activities that are inconsistent with the Company's best interests or that disrupt or impair the Company's relationship with any person or entity with which the Company has or proposes to enter into a business or contractual relationship.
- *Gifts.* Directors and their immediate family members may not accept gifts from persons or entities who deal with the Company in those cases where any such gift is being made in order to influence a director's actions as a member of the Board, or where acceptance of a gift could create the appearance of a conflict of interest.
- *Personal use of Company assets.* Directors may not use Company assets, labor or information for personal use unless approved by the Chair of the Nominating/Corporate Governance Committee or as part of a compensation or expense reimbursement program available to all directors.

- *Personal relationships.* The Company has a zero tolerance policy for personal relationships involving any director and/or any officer or employee of the Company or its affiliates. For purposes of this Code, a “personal relationship” is a close personal and/or romantic/sexual relationship. In addition to creating conflicts of interest, such relationships can go awry and result in workplace friction, deterioration of employee morale, actual or perceived acts of favoritism, and even the potential for claims of sexual harassment.

3. Corporate Opportunities.

Directors are prohibited from: (a) taking for themselves personally opportunities related to the Company’s business; (b) using the Company’s property, information, or position for personal gain; or (c) competing with the Company for business opportunities, *provided, however*, if the Company’s disinterested directors determine that the Company will not pursue an opportunity that relates to the Company’s business, a director may do so.

4. Confidentiality.

Directors must protect and hold confidential all non-public information that comes to them, from whatever source, in their capacity as a director, except when disclosure is authorized or legally mandated. Accordingly, directors may not: (a) use confidential information for their own personal benefit or to benefit persons or entities outside the Company; or (b) disclose confidential information outside the Company, either during or after their service as directors, except with express or implied permission of the Board or as may be otherwise required by law.

For purposes of this Code, “confidential information” includes all non-public information entrusted to or obtained by a director by reason of his or her position as a director of the Company, whether the information relates to the Company or a third party. Confidential information includes, but is not limited to, non-public information that might be of use to competitors or harmful to the Company or its customers if disclosed, such as:

- non-public information about: (a) the Company’s financial condition, prospects or plans; or (b) mergers and acquisitions, divestitures or stock splits;
- non-public information about possible transactions with other companies that the Company is under an obligation to keep confidential;
- non-public information about the Company’s customers or suppliers that the Company is under an obligation to keep confidential; and
- non-public information about discussions and deliberations relating to business issues and decisions that take place between and among directors, officers and employees.

5. Compliance with Laws, Rules and Regulations.

Directors shall comply, and oversee compliance by employees, officers and other directors, with laws, rules and regulations applicable to the Company, including insider trading laws.

Federal and state laws prohibit insider trading – that is, buying, selling or making other transfers of an entity’s securities at a time when a person has “material non-public information” about the entity. “Material information” generally means information that there is a likelihood a reasonable investor would consider important in deciding whether to buy, sell or hold the securities. “Nonpublic information” is information that is not generally known or available to the public. If, during the course of their service on the Board, directors come into possession of material non-public information about the Company or another entity, directors may not buy or sell the securities of the Company or that entity. In addition, directors may not convey material non-public information about the Company or the entity to others. Directors also may not suggest that anyone purchase or sell an entity’s securities while they are aware of material non-public information about that entity. These practices, known as “tipping,” also violate the securities laws and can result in the same civil and criminal penalties that apply if an individual engages in insider trading directly, even if the individual does not receive any money or derive any benefit from trades made by persons to whom the individual passed material non-public information.

See the Company’s Insider Trading Policy for more information.

6. Fair Dealing.

Directors shall oversee fair dealing by employees and officers with the Company’s customers, suppliers, competitors, and employees.

7. Encouraging Reporting of Any Illegal or Unethical Behavior.

Directors should promote ethical behavior and take steps to see that the Company: (a) encourages employees to talk to supervisors, managers and other appropriate personnel when in doubt about the best course of action in a particular situation; (b) encourages employees to report violations of laws, rules, regulations or the Company’s Business Code of Conduct for employees to appropriate personnel; and (c) informs employees that the Company will not allow retaliation for reports made in good faith.

8. Compliance Procedures; Waivers.

Directors should communicate any suspected violations of this Code promptly to the Chair of the Nominating/Corporate Governance Committee. Violations will be investigated by the Board or by a person or persons designated by the Board and appropriate action will be taken in the event of any violations of the Code.

Any waivers of this Code may only be granted by the Board or the Nominating/Corporate Governance Committee after disclosure of all material facts by

the director seeking the waiver. Waivers will only be granted in exigent circumstances and will be disclosed promptly to stockholders.

Approved: April 29, 2020

Acknowledgement and Signature

I have received the Code of Business Conduct and Ethics for Members of the Board of Directors. I have read and understand the Code and I agree to comply with it.

<u>Signature</u>	<u>Date</u>
_____ Gregory E. Aliff	_____
_____ Terry P. Bayer	_____
_____ Shelly M. Esque	_____
_____ Martin A. Kropelnicki	_____
_____ Thomas M. Krummel, M.D.	_____
_____ Richard P. Magnuson	_____
_____ Scott L. Morris	_____
_____ Peter C. Nelson	_____
_____ Carol M. Pottenger	_____
_____ Lester A. Snow	_____
_____ Patricia K. Wagner	_____