

California Water Service Group

Audit Committee Charter

I. Purpose

The purpose of the Audit Committee of the Board of Directors (the “Committee”) is to represent and assist the Board in oversight of (a) the quality and integrity of the California Water Service Group (“Company”)’s financial statements; (b) the Company’s compliance with legal, environmental, regulatory and reporting requirements; (c) the qualifications, performance and independence of the Company’s Independent Registered Public Accounting Firm (“IRPAF”); (d) the Company’s internal audit function; (e) cybersecurity risk; and (f) third party supplier risk. The Committee shall also oversee the preparation of the report required by the rules of the Securities and Exchange Commission (“SEC”) to be included in the Company’s annual proxy statement.

II. Committee Membership

The Committee shall be comprised of three or more directors appointed annually by the Board of Directors on the recommendation of the Nominating/Corporate Governance Committee. Each Committee member shall satisfy the independence requirements applicable to directors and audit committee members under the New York Stock Exchange listing standards, as determined by the Board. Each member of the Committee must be financially literate, as determined by the Board. In addition, at least one member of the Committee must be an “audit committee financial expert,” as determined by the Board in accordance with SEC rules.

III. Meetings

The Committee shall meet as often as necessary to fulfill its responsibilities, but not less than quarterly. At least quarterly, the Committee shall hold separate, private meetings with the Company’s Chief Financial Officer and Controller and the Company’s IRPAF. At least twice each year, the Committee shall hold separate, private meetings with the internal audit manager. At least twice each year, the Committee shall hold a separate, private meeting with the Company’s Vice President, General Counsel. Each such person shall have free and direct access to the Committee and any of its members.

The Committee shall meet only if a quorum is present. The presence of a majority of the members will constitute a quorum.

The Committee shall maintain a one-year schedule of future meeting dates including a preliminary agenda for each meeting. Final meeting agendas shall be drafted by the Committee Chair in consultation with the Chief Financial Officer, the IRPAF, the internal audit manager, and the Corporate Secretary.

The Committee shall report regularly to the Board of Directors with respect to its activities.

IV. Subcommittees

The Committee may delegate its duties and responsibilities to one or more subcommittees, consisting of not less than two members of the Committee, as it determines appropriate.

V. Outside Advisors

In discharging its oversight role and responsibilities, the Committee is empowered to investigate any matter brought to its attention or assigned by the Board of Directors. The Committee may require Company personnel to assist in any such investigations, and it is empowered to engage and retain outside legal counsel and other experts and advisors to assist in such investigations or other matters as it deems necessary. The Committee shall receive appropriate funding from the Company, as determined by the Committee, for payment of compensation to the IRPAF and any such experts and advisors retained by the Committee, and for the payment of ordinary administrative expenses that are necessary and appropriate in carrying out the Committee's duties.

VI. Responsibilities of the Committee

The Company's management is responsible for preparing the Company's financial statements and the IRPAF is responsible for auditing those financial statements. In fulfilling these responsibilities, the IRPAF is ultimately accountable to the Committee, and management is ultimately accountable to the Committee and the Board of Directors. The Committee provides an oversight function.

To fulfill its responsibilities, the Committee shall:

A. With Respect to the IRPAF:

1. Be directly responsible, in its capacity as a Committee of the Board, for the appointment, retention, compensation and oversight of the IRPAF. In this regard, the Committee shall appoint and retain (subject to stockholder ratification), compensate, and terminate, when appropriate, the IRPAF, which shall report directly to the Committee.
2. Review and evaluate the IRPAF's performance. The evaluation should include a performance review of the IRPAF's lead partner.
3. Oversee the IRPAF's independence by:
 - (i) at least annually receiving from the IRPAF and reviewing a formal written statement delineating all relationships between the IRPAF, and the Company or individuals in a financial reporting oversight role at the Company, that may reasonably be thought to bear on independence; and
 - (ii) actively engaging in dialogue with the IRPAF with respect to the impact that such relationships may have on independence, consistent with rules of the Public Company Accounting Oversight Board.

4. Set clear policies defining the circumstances under which the Company is permitted to hire employees and former employees of the IRPAF.
5. Review and approve in advance any audit and permissible non-audit services and related fees to be provided by the IRPAF on behalf of the Company, and establish policies and procedures for the pre-approval of audit and permissible non-audit services to be provided by the IRPAF.
6. Annually review the IRPAF's proposed scope and audit plan, discuss staffing and timing of the audit and related matters, and approve the audit fees associated with the annual audit.
7. Obtain and review, at least annually, the IRPAF's report on their internal quality controls and any material issues and the steps taken and to be taken to deal with issues raised by the IRPAF's internal quality control review, peer review or inquiry by governmental or professional organizations, at any time within the past five years.
8. Oversee the rotation of the lead audit partner assigned to the Company's audit and the second partner responsible for reviewing the audit at least every five years.
9. Periodically review rotating the IRPAF to be selected as the Company's IRPAF. The Committee should present its conclusions with respect to the IRPAF to the Board.

B. With Respect to Financial Statements

10. Review accounting principles and financial statement presentations, including:
 - (i) any changes in the Company's selection or application of significant accounting principles;
 - (ii) any major issues as to the adequacy of the Company's internal controls and any special audit steps adopted by the IRPAF in light of material internal control deficiencies;
 - (iii) analyses prepared by management and/or the IRPAF setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative Generally Accepted Accounting Principles ("GAAP") on the financial statements; and
 - (iv) the effect of regulatory and accounting initiatives, as well as off-balance sheet arrangements, on the Company's financial statements.
11. Receive and review reports from the IRPAF as required by applicable SEC rules and professional standards, and discuss with the IRPAF matters required to be discussed by applicable professional standards, including the quality, and not just the acceptability, of the accounting principles and underlying estimates used in the preparation of the financial statements.

12. Inquire of the IRPAF at a post-audit, pre-issuance review of the Company's annual financial statements, and the IRPAF's opinion thereon, of any problems, difficulties or disagreements with management encountered by the IRPAF during the course of the audit, and management's response.

13. Review and discuss with the Company's IRPAF the quarterly and annual financial statements, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," prior to any public release or announcement or submission to a regulatory agency.

14. Review with management each Form 10-K and 10-Q report required to be submitted to the SEC, its disclosures to the Committee under Section 302 of the Sarbanes-Oxley Act ("Act") and the contents of the Chief Executive Officer and the Chief Financial Officer certifications required to be filed under Section 302 and 906 of the Act. Each quarter, review with management the status of significant deficiencies or material weaknesses in internal controls as reported under Section 404 of the Act. Annually, review management's and the IRPAF's reports on internal controls required under Section 404 of the Act and discuss relevant issues as appropriate.

15. Recommend to the Board of Directors that the financial statements be included in the Company's annual report to the SEC on Form 10-K if the Committee finds the financial statements acceptable. Such recommendation shall be reported in the Committee report included in the proxy statement.

16. Review and discuss quarterly earnings releases with the Company's financial management and the IRPAF prior to issuance.

17. Annually review the Company's policy for financial information and earnings guidance provided to analysts and rating agencies.

C. With Respect to Internal Auditing, Internal Controls and Compliance

18. Appoint, in consultation with management, the Company's internal audit manager who shall report to and be responsible to the Committee.

19. Review and approve the annual internal audit plan including the internal audit budget, the results of the internal audit program, and the performance and effectiveness of the internal audit function.

20. At least annually review the quality of internal controls over financial reporting (ICFR) including, internal auditor reports and recommendations the internal auditor or IRPAF may have for improving the Company's ICFR, as well as management's response to any internal auditor or IRPAF recommendations.

21. Each quarter, receive reports from management regarding, and review and discuss the adequacy and effectiveness of, the Company's disclosure controls and procedures.

22. Review with management risks related to the Company's business, financial reporting and internal controls, and, at least annually, discuss with the Enterprise Risk Management, Safety, and Security Committee the Company's risk assessment and risk management, including the Company's major risk exposures, and the steps management has taken and proposes to take to monitor and mitigate such exposures.

23. Oversee the Company's compliance program with respect to legal and regulatory requirements, including the Company's code of conduct for executive officers and employees, and oversee the Company's policies and procedures for monitoring compliance. At least annually, review the implementation and effectiveness of the Company's compliance program with the Chief Financial Officer and Vice President, General Counsel, who shall have the authority to communicate directly to the Committee, promptly, about reports of actual and alleged violations of the code of conduct, including any matters involving criminal conduct or potential criminal conduct.

24. Oversee relevant related party transactions governed by applicable accounting standards (other than those addressed by the Nominating/Corporate Governance Committee).

D. With Respect to Cybersecurity Risk

25. Oversee the Company's cybersecurity program.

26. Receive periodic reports on emerging cybersecurity risks and the Company's response to mitigating identified emerging risks.

27. Receive at least annually a management report regarding compliance with all federal and state cybersecurity standards and data privacy laws.

28. Perform an annual review of the Privacy Policy and Terms of Use and recommend any changes to the Board of Directors.

E. With Respect to Third Party Supplier Risk

29. Oversee the Company's program to identify, manage, and mitigate third party supplier risk.

30. Review at least annually a management report regarding: (i) prior year Supplier Diversity Program results, and (ii) updates to the Supplier Diversity Program.

31. Review at least annually a management report regarding:

(i) compliance with the Supplier Code of Conduct;

(ii) evaluation of the performance of the Supplier Diversity Program.

32. Perform an annual review of the Supplier Code of Conduct and recommend any changes to the Board of Directors.

VII. Annual Performance Evaluation and Other Matters

33. The Committee shall conduct an annual performance evaluation that considers matters related to its responsibilities as set forth herein.
34. The Committee will annually evaluate the adequacy of its charter and recommend changes to the Board of Directors as appropriate.
35. The Committee will prepare a report to the stockholders for inclusion in each proxy statement, as required by SEC regulations.
36. The Committee will maintain procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls, auditing and federal securities law matters, including procedures for confidential, anonymous submission of concerns by employees regarding these matters. There also shall be procedures for the Committee, at its Chair's direction, to investigate these matters.

Board approved: February 23, 2022

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