

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

**FORM 10-Q**

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2023.

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_.

Commission File No. 001-34658

**BWX TECHNOLOGIES, INC.**

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of incorporation or organization) 80-0558025  
(I.R.S. Employer Identification No.)

800 Main Street, 4th Floor  
Lynchburg, Virginia 24504  
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (980) 365-4300

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$0.01 par value	BWXT	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The number of shares of the registrant's common stock outstanding at August 1, 2023 was 91,466,244.

**BWX TECHNOLOGIES, INC.**  
**INDEX – FORM 10-Q**

	<u>PAGE</u>	
<u>PART I – FINANCIAL INFORMATION</u>		
<a href="#">Item 1.</a>	<a href="#">Condensed Consolidated Financial Statements</a>	<a href="#">2</a>
	<a href="#">Condensed Consolidated Balance Sheets</a>	
	<a href="#">June 30, 2023 and December 31, 2022 (Unaudited)</a>	<a href="#">2</a>
	<a href="#">Condensed Consolidated Statements of Income</a>	
	<a href="#">Three and Six Months Ended June 30, 2023 and 2022 (Unaudited)</a>	<a href="#">4</a>
	<a href="#">Condensed Consolidated Statements of Comprehensive Income</a>	
	<a href="#">Three and Six Months Ended June 30, 2023 and 2022 (Unaudited)</a>	<a href="#">5</a>
	<a href="#">Condensed Consolidated Statements of Stockholders' Equity</a>	
	<a href="#">Three Months Ended March 31 and June 30, 2023 and 2022 (Unaudited)</a>	<a href="#">6</a>
	<a href="#">Condensed Consolidated Statements of Cash Flows</a>	
	<a href="#">Six Months Ended June 30, 2023 and 2022 (Unaudited)</a>	<a href="#">7</a>
	<a href="#">Notes to Condensed Consolidated Financial Statements</a>	<a href="#">8</a>
<a href="#">Item 2.</a>	<a href="#">Management's Discussion and Analysis of Financial Condition and Results of Operations</a>	<a href="#">18</a>
<a href="#">Item 3.</a>	<a href="#">Quantitative and Qualitative Disclosures About Market Risk</a>	<a href="#">26</a>
<a href="#">Item 4.</a>	<a href="#">Controls and Procedures</a>	<a href="#">27</a>
<u>PART II – OTHER INFORMATION</u>		
<a href="#">Item 1.</a>	<a href="#">Legal Proceedings</a>	<a href="#">28</a>
<a href="#">Item 1A.</a>	<a href="#">Risk Factors</a>	<a href="#">28</a>
<a href="#">Item 2.</a>	<a href="#">Unregistered Sales of Equity Securities and Use of Proceeds</a>	<a href="#">28</a>
<a href="#">Item 5</a>	<a href="#">Other Information</a>	<a href="#">28</a>
<a href="#">Item 6.</a>	<a href="#">Exhibits</a>	<a href="#">29</a>
<a href="#">Signatures</a>		<a href="#">30</a>

**PART I****FINANCIAL INFORMATION****Item 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****BWX TECHNOLOGIES, INC.  
CONDENSED CONSOLIDATED BALANCE SHEETS****ASSETS**

	<b>June 30, 2023</b>	<b>December 31, 2022</b>
	<b>(Unaudited) (In thousands)</b>	
Current Assets:		
Cash and cash equivalents	\$ 33,861	\$ 35,244
Restricted cash and cash equivalents	2,987	2,928
Investments	—	3,804
Accounts receivable – trade, net	64,299	60,782
Accounts receivable – other	30,522	26,894
Retainages	54,374	48,566
Contracts in progress	590,369	538,365
Other current assets	62,789	55,036
Total Current Assets	<u>839,201</u>	<u>771,619</u>
Property, Plant and Equipment, Net	<u>1,183,403</u>	<u>1,134,897</u>
Investments	<u>9,000</u>	<u>8,097</u>
Goodwill	<u>297,079</u>	<u>293,165</u>
Deferred Income Taxes	<u>20,175</u>	<u>20,585</u>
Investments in Unconsolidated Affiliates	<u>104,311</u>	<u>100,198</u>
Intangible Assets	<u>191,353</u>	<u>193,612</u>
Other Assets	<u>96,052</u>	<u>96,766</u>
TOTAL	<u>\$ 2,740,574</u>	<u>\$ 2,618,939</u>

See accompanying notes to condensed consolidated financial statements.

**BWX TECHNOLOGIES, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**

**LIABILITIES AND STOCKHOLDERS' EQUITY**

	June 30, 2023	December 31, 2022
	(Unaudited)	
	(In thousands, except share and per share amounts)	
Current Liabilities:		
Current portion of long-term debt	\$ 6,250	\$ 6,250
Accounts payable	144,437	127,112
Accrued employee benefits	49,025	61,079
Accrued liabilities – other	60,577	84,693
Advance billings on contracts	87,772	88,726
Total Current Liabilities	<u>348,061</u>	<u>367,860</u>
Long-Term Debt	1,330,523	1,282,624
Accumulated Postretirement Benefit Obligation	17,927	18,157
Environmental Liabilities	94,866	90,989
Pension Liability	53,766	57,832
Other Liabilities	53,903	53,122
Commitments and Contingencies (Note 5)		
Stockholders' Equity:		
Common stock, par value \$0.01 per share, authorized 325,000,000 shares; issued 127,986,101 and 127,671,756 shares at June 30, 2023 and December 31, 2022, respectively	1,280	1,277
Preferred stock, par value \$0.01 per share, authorized 75,000,000 shares; No shares issued	—	—
Capital in excess of par value	198,106	189,263
Retained earnings	2,010,212	1,932,970
Treasury stock at cost, 36,530,126 and 36,417,480 shares at June 30, 2023 and December 31, 2022, respectively	(1,360,219)	(1,353,270)
Accumulated other comprehensive income (loss)	(7,720)	(21,930)
Stockholders' Equity – BWX Technologies, Inc.	<u>841,659</u>	<u>748,310</u>
Noncontrolling interest	(131)	45
Total Stockholders' Equity	<u>841,528</u>	<u>748,355</u>
TOTAL	<u>\$ 2,740,574</u>	<u>\$ 2,618,939</u>

See accompanying notes to condensed consolidated financial statements.

**BWX TECHNOLOGIES, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
(Unaudited)				
(In thousands, except share and per share amounts)				
Revenues	\$ 612,445	\$ 554,208	\$ 1,180,805	\$ 1,084,946
Costs and Expenses:				
Cost of operations	471,324	413,000	902,454	817,827
Research and development costs	2,595	2,611	4,799	5,564
Losses (gains) on asset disposals and impairments, net	(9)	(1)	(15)	29
Selling, general and administrative expenses	64,437	54,680	125,272	114,814
Total Costs and Expenses	538,347	470,290	1,032,510	938,234
Equity in Income of Investees	12,568	11,319	26,213	20,098
Operating Income	86,666	95,237	174,508	166,810
Other Income (Expense):				
Interest income	517	73	980	190
Interest expense	(12,206)	(8,307)	(23,025)	(15,358)
Other – net	2,962	11,096	5,150	23,905
Total Other Income (Expense)	(8,727)	2,862	(16,895)	8,737
Income before Provision for Income Taxes	77,939	98,099	157,613	175,547
Provision for Income Taxes	19,274	23,418	37,955	41,792
Net Income	\$ 58,665	\$ 74,681	\$ 119,658	\$ 133,755
Net Loss (Income) Attributable to Noncontrolling Interest	(68)	(68)	31	(132)
Net Income Attributable to BWX Technologies, Inc.	\$ 58,597	\$ 74,613	\$ 119,689	\$ 133,623
Earnings per Common Share:				
Basic:				
Net Income Attributable to BWX Technologies, Inc.	\$ 0.64	\$ 0.82	\$ 1.31	\$ 1.46
Diluted:				
Net Income Attributable to BWX Technologies, Inc.	\$ 0.64	\$ 0.82	\$ 1.30	\$ 1.46
Shares used in the computation of earnings per share (Note 9):				
Basic	91,626,846	91,394,853	91,565,417	91,479,226
Diluted	91,805,179	91,540,319	91,802,435	91,670,307

See accompanying notes to condensed consolidated financial statements.

**BWX TECHNOLOGIES, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF**  
**COMPREHENSIVE INCOME**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
	(Unaudited) (In thousands)			
Net Income	\$ 58,665	\$ 74,681	\$ 119,658	\$ 133,755
Other Comprehensive Income (Loss):				
Currency translation adjustments	10,923	(15,281)	12,617	(9,916)
Derivative financial instruments:				
Unrealized (losses) gains arising during the period, net of tax benefit (provision) of \$22, \$134, \$(209) and \$170, respectively	(63)	(388)	614	(496)
Reclassification adjustment for (gains) losses included in net income, net of tax provision (benefit) of \$89, \$(52), \$132 and \$(104), respectively	(270)	148	(393)	300
Amortization of benefit plan costs, net of tax benefit of \$(153), \$(162), \$(326) and \$(325), respectively	677	651	1,334	1,302
Unrealized gains (losses) on investments arising during the period, net of tax (provision) benefit of \$(13), \$13, \$(11) and \$19, respectively	47	(48)	38	(72)
Other Comprehensive Income (Loss)	<u>11,314</u>	<u>(14,918)</u>	<u>14,210</u>	<u>(8,882)</u>
Total Comprehensive Income	<u>69,979</u>	<u>59,763</u>	<u>133,868</u>	<u>124,873</u>
Comprehensive Loss (Income) Attributable to Noncontrolling Interest	<u>(68)</u>	<u>(68)</u>	<u>31</u>	<u>(132)</u>
Comprehensive Income Attributable to BWX Technologies, Inc.	<u>\$ 69,911</u>	<u>\$ 59,695</u>	<u>\$ 133,899</u>	<u>\$ 124,741</u>

See accompanying notes to condensed consolidated financial statements.

**BWX TECHNOLOGIES, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**

	Common Stock		Capital In Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Stockholders' Equity	Noncontrolling Interest	Total Stockholders' Equity
	Shares	Par Value							
(In thousands, except share and per share amounts)									
Balance December 31, 2022	127,671,756	\$ 1,277	\$ 189,263	\$ 1,932,970	\$ (21,930)	\$ (1,353,270)	\$ 748,310	\$ 45	\$ 748,355
Net income (loss)	—	—	—	61,092	—	—	61,092	(99)	60,993
Dividends declared (\$0.23 per share)	—	—	—	(21,231)	—	—	(21,231)	—	(21,231)
Currency translation adjustments	—	—	—	—	1,694	—	1,694	—	1,694
Derivative financial instruments	—	—	—	—	554	—	554	—	554
Defined benefit obligations	—	—	—	—	657	—	657	—	657
Available-for-sale investments	—	—	—	—	(9)	—	(9)	—	(9)
Exercises of stock options	3,000	2	70	—	—	—	72	—	72
Shares placed in treasury	—	—	—	—	—	(6,903)	(6,903)	—	(6,903)
Stock-based compensation charges	293,961	1	3,892	—	—	—	3,893	—	3,893
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(67)	(67)
Balance March 31, 2023 (unaudited)	127,968,717	\$ 1,280	\$ 193,225	\$ 1,972,831	\$ (19,034)	\$ (1,360,173)	\$ 788,129	\$ (121)	\$ 788,008
Net income	—	—	—	58,597	—	—	58,597	68	58,665
Dividends declared (\$0.23 per share)	—	—	—	(21,216)	—	—	(21,216)	—	(21,216)
Currency translation adjustments	—	—	—	—	10,923	—	10,923	—	10,923
Derivative financial instruments	—	—	—	—	(333)	—	(333)	—	(333)
Defined benefit obligations	—	—	—	—	677	—	677	—	677
Available-for-sale investments	—	—	—	—	47	—	47	—	47
Exercises of stock options	4,417	—	105	—	—	—	105	—	105
Shares placed in treasury	—	—	—	—	—	(46)	(46)	—	(46)
Stock-based compensation charges	12,967	—	4,776	—	—	—	4,776	—	4,776
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(78)	(78)
Balance June 30, 2023 (unaudited)	127,986,101	\$ 1,280	\$ 198,106	\$ 2,010,212	\$ (7,720)	\$ (1,360,219)	\$ 841,659	\$ (131)	\$ 841,528
Balance December 31, 2021	127,311,985	\$ 1,273	\$ 174,288	\$ 1,775,751	\$ 12,143	\$ (1,326,280)	\$ 637,175	\$ 60	\$ 637,235
Net income	—	—	—	59,010	—	—	59,010	64	59,074
Dividends declared (\$0.22 per share)	—	—	—	(20,279)	—	—	(20,279)	—	(20,279)
Currency translation adjustments	—	—	—	—	5,365	—	5,365	—	5,365
Derivative financial instruments	—	—	—	—	44	—	44	—	44
Defined benefit obligations	—	—	—	—	651	—	651	—	651
Available-for-sale investments	—	—	—	—	(24)	—	(24)	—	(24)
Exercises of stock options	—	—	—	—	—	—	—	—	—
Shares placed in treasury	—	—	—	—	—	(26,011)	(26,011)	—	(26,011)
Stock-based compensation charges	279,242	3	3,955	—	—	—	3,958	—	3,958
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(59)	(59)
Balance March 31, 2022 (unaudited)	127,591,227	\$ 1,276	\$ 178,243	\$ 1,814,482	\$ 18,179	\$ (1,352,291)	\$ 659,889	\$ 65	\$ 659,954
Net income	—	—	—	74,613	—	—	74,613	68	74,681
Dividends declared (\$0.22 per share)	—	—	—	(20,273)	—	—	(20,273)	—	(20,273)
Currency translation adjustments	—	—	—	—	(15,281)	—	(15,281)	—	(15,281)
Derivative financial instruments	—	—	—	—	(240)	—	(240)	—	(240)
Defined benefit obligations	—	—	—	—	651	—	651	—	651
Available-for-sale investments	—	—	—	—	(48)	—	(48)	—	(48)
Exercises of stock options	—	—	—	—	—	—	—	—	—
Shares placed in treasury	—	—	—	—	—	(33)	(33)	—	(33)
Stock-based compensation charges	13,643	—	5,008	—	—	—	5,008	—	5,008
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(69)	(69)
Balance June 30, 2022 (unaudited)	127,604,870	\$ 1,276	\$ 183,251	\$ 1,868,822	\$ 3,261	\$ (1,352,324)	\$ 704,286	\$ 64	\$ 704,350

See accompanying notes to condensed consolidated financial statements.

**BWX TECHNOLOGIES, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Six Months Ended June 30,	
	2023	2022
	(Unaudited) (In thousands)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net Income	\$ 119,658	\$ 133,755
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	38,404	36,216
Income of investees, net of dividends	(4,113)	(5,616)
Recognition of losses for pension and postretirement plans	1,660	1,627
Stock-based compensation expense	8,669	8,966
Other, net	131	2,921
Changes in assets and liabilities, net of effects from acquisitions:		
Accounts receivable	(4,936)	(1,925)
Accounts payable	7,071	(22,571)
Retainages	(5,808)	(92)
Contracts in progress and advance billings on contracts	(47,278)	(38,703)
Income taxes	(10,830)	(4,897)
Accrued and other current liabilities	(13,158)	(8,045)
Pension liabilities, accrued postretirement benefit obligations and employee benefits	(17,865)	(29,798)
Other, net	(4,016)	200
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>67,589</b>	<b>72,038</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of property, plant and equipment	(69,582)	(94,946)
Acquisition of business, net of cash acquired	—	(47,328)
Purchases of securities	(2,343)	(1,975)
Sales and maturities of securities	5,996	1,981
Investments, net of return of capital, in equity method investees	—	(22,554)
Other, net	15	71
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(65,914)</b>	<b>(164,751)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Borrowings of long-term debt	210,900	322,400
Repayments of long-term debt	(164,025)	(132,400)
Repurchases of common stock	—	(20,000)
Dividends paid to common shareholders	(42,735)	(40,758)
Cash paid for shares withheld to satisfy employee taxes	(6,948)	(6,044)
Settlements of forward contracts, net	(520)	1,976
Other, net	46	(128)
<b>NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES</b>	<b>(3,282)</b>	<b>125,046</b>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON CASH</b>	<b>196</b>	<b>977</b>
<b>TOTAL (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND CASH EQUIVALENTS</b>	<b>(1,411)</b>	<b>33,310</b>
<b>CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>40,990</b>	<b>39,775</b>
<b>CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>\$ 39,579</b>	<b>\$ 73,085</b>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:</b>		
Cash paid during the period for:		
Interest	\$ 34,602	\$ 21,732
Income taxes (net of refunds)	\$ 48,315	\$ 45,187
<b>SCHEDULE OF NON-CASH INVESTING ACTIVITY:</b>		
Accrued capital expenditures included in accounts payable	\$ 10,694	\$ 10,072

See accompanying notes to condensed consolidated financial statements.



**BWX TECHNOLOGIES, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023**  
**(UNAUDITED)**

**NOTE 1 – BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES**

We have presented the condensed consolidated financial statements of BWX Technologies, Inc. ("BWXT" or the "Company") in U.S. dollars in accordance with the interim reporting requirements of Form 10-Q, Rule 10-01 of Regulation S-X and accounting principles generally accepted in the United States ("GAAP"). Certain financial information and disclosures normally included in our financial statements prepared annually in accordance with GAAP have been condensed or omitted. Readers of these financial statements should, therefore, refer to the consolidated financial statements and notes in our annual report on Form 10-K for the year ended December 31, 2022 (our "2022 10-K"). We have included all adjustments, in the opinion of management, consisting only of normal recurring adjustments, necessary for a fair presentation.

We use the equity method to account for investments in entities that we do not control, but over which we have the ability to exercise significant influence. We generally refer to these entities as "joint ventures." We have eliminated all intercompany transactions and accounts. We have reclassified certain amounts previously reported in our condensed consolidated statements of cash flows to conform to the presentation for the six months ended June 30, 2023. We classify assets and liabilities related to long-term contracts as current using the duration of the related contract or program as our operating cycle, which is generally longer than one year. We present the notes to our condensed consolidated financial statements on the basis of continuing operations, unless otherwise stated.

Unless the context otherwise indicates, "we," "us" and "our" mean BWXT and its consolidated subsidiaries.

***Reportable Segments***

We operate in two reportable segments: Government Operations and Commercial Operations. Our reportable segments are further described as follows:

- Our Government Operations segment manufactures naval nuclear reactors, including the related nuclear fuel, for the U.S. Naval Nuclear Propulsion Program for use in submarines and aircraft carriers. Through this segment, we also fabricate fuel-bearing precision components that range in weight from a few grams to hundreds of tons, manufacture electro-mechanical equipment, perform design, manufacturing, inspection, assembly and testing activities and downblend Cold War-era government stockpiles of high-enriched uranium. In addition, we supply proprietary and sole-source valves, manifolds and fittings to global naval and commercial shipping customers. In-house capabilities also include wet chemistry uranium processing, advanced heat treatment to optimize component material properties and a controlled, clean-room environment with the capacity to assemble railcar-size components. This segment also provides various other services, primarily through joint ventures, to the U.S. Government including nuclear materials management and operation, environmental management and administrative and operating services for various U.S. Government-owned facilities. These services are primarily provided to the U.S. Department of Energy ("DOE"), including the National Nuclear Security Administration, the Office of Nuclear Energy, the Office of Science and the Office of Environmental Management, the Department of Defense and NASA. In addition, this segment also develops technology for advanced nuclear reactors for a variety of power and propulsion applications in the space and terrestrial domains and offers complete advanced nuclear fuel and reactor design and engineering, licensing and manufacturing services for these programs.
- Our Commercial Operations segment fabricates commercial nuclear steam generators, nuclear fuel, fuel handling systems, pressure vessels, reactor components, heat exchangers, tooling delivery systems and other auxiliary equipment, including containers for the storage of spent nuclear fuel and other high-level waste and supplies nuclear-grade materials and precisely machined components for nuclear utility customers. We have supplied the nuclear industry with more than 1,300 large, heavy components worldwide and are the only commercial heavy nuclear component manufacturer in North America. This segment also provides specialized engineering services that include structural component design, 3-D thermal-hydraulic engineering analysis, weld and robotic process development, electrical and controls engineering and metallurgy and materials engineering. In addition, this segment offers in-plant inspection, maintenance and modification services for nuclear steam generators, heat exchangers, reactors, fuel handling systems and balance of plant equipment, as well as specialized non-destructive examination and tooling/repair solutions. This segment also manufactures medical radioisotopes, radiopharmaceuticals and medical devices, and partners with life science and pharmaceutical companies developing new drugs.

See Note 8 and Note 3 for financial information about our segments. Operating results for the three and six months ended June 30, 2023 are not necessarily indicative of the results that may be expected for the year ending December 31, 2023. For further information, refer to the consolidated financial statements and notes included in our 2022 10-K.

### ***Recently Adopted Accounting Standards***

There were no accounting standards adopted during the six months ended June 30, 2023 that had a significant impact on our financial position, results of operations, cash flows or disclosures.

### ***Contracts and Revenue Recognition***

We generally recognize contract revenues and related costs over time for individual performance obligations based on a cost-to-cost method in accordance with FASB Topic *Revenue from Contracts with Customers*. We recognize estimated contract revenue and resulting income based on the measurement of the extent of progress toward completion as a percentage of the total project. Certain costs may be excluded from the cost-to-cost method of measuring progress, such as significant costs for uninstalled materials, if such costs do not depict our performance in transferring control of goods or services to the customer. We review contract price and cost estimates periodically as the work progresses and reflect adjustments proportionate to the percentage-of-completion in income in the period when those estimates are revised. Certain of our contracts recognize revenue at a point in time, and revenue on these contracts is recognized when control transfers to the customer. The majority of our revenue that is recognized at a point in time is related to parts and certain medical radioisotopes and radiopharmaceuticals in our Commercial Operations segment. For all contracts, if a current estimate of total contract cost indicates a loss on a contract, the projected loss is recognized in full when determined.

See Note 3 for a further discussion of revenue recognition.

### ***Provision for Income Taxes***

We are subject to federal income tax in the U.S., Canada, and the U.K., as well as income tax within multiple U.S. state jurisdictions. We provide for income taxes based on the enacted tax laws and rates in the jurisdictions in which we conduct our operations. These jurisdictions may have regimes of taxation that vary with respect to nominal rates and with respect to the basis on which these rates are applied. This variation, along with changes in our mix of income within these jurisdictions, can contribute to shifts in our effective tax rate from period to period.

Our effective tax rate for the three months ended June 30, 2023 was 24.7% as compared to 23.9% for the three months ended June 30, 2022. Our effective tax rate for the six months ended June 30, 2023 was 24.1% as compared to 23.8% for the six months ended June 30, 2022. The effective tax rates for the three and six months ended June 30, 2023 and 2022 were higher than the U.S. corporate income tax rate of 21% primarily due to state income taxes within the U.S. and the unfavorable rate differential associated with our foreign earnings.

### ***Cash and Cash Equivalents and Restricted Cash and Cash Equivalents***

At June 30, 2023, we had restricted cash and cash equivalents totaling \$5.7 million, \$2.7 million of which was held for future decommissioning of facilities (which is included in Other Assets on our condensed consolidated balance sheets) and \$3.0 million of which was held to meet reinsurance reserve requirements of our captive insurer.

The following table provides a reconciliation of cash and cash equivalents and restricted cash and cash equivalents on our condensed consolidated balance sheets to the totals presented on our condensed consolidated statements of cash flows:

	June 30, 2023	December 31, 2022
	(In thousands)	
Cash and cash equivalents	\$ 33,861	\$ 35,244
Restricted cash and cash equivalents	2,987	2,928
Restricted cash and cash equivalents included in Other Assets	2,731	2,818
Total cash and cash equivalents and restricted cash and cash equivalents as presented on our condensed consolidated statement of cash flows	<u>\$ 39,579</u>	<u>\$ 40,990</u>

### ***Inventories***

At June 30, 2023 and December 31, 2022, Other current assets included inventories totaling \$30.2 million and \$22.9 million, respectively, consisting entirely of raw materials and supplies.

### ***Property, Plant and Equipment, Net***

Property, plant and equipment is stated at cost and is set forth below:

	June 30, 2023	December 31, 2022
	(In thousands)	
Land	\$ 9,850	\$ 9,844
Buildings	373,252	365,955
Machinery and equipment	1,056,779	1,026,024
Property under construction	559,043	515,494
	<u>1,998,924</u>	<u>1,917,317</u>
Less: Accumulated depreciation	815,521	782,420
Property, Plant and Equipment, Net	<u>\$ 1,183,403</u>	<u>\$ 1,134,897</u>

### ***Accumulated Other Comprehensive Income (Loss)***

The components of Accumulated other comprehensive income (loss) included in Stockholders' Equity are as follows:

	June 30, 2023	December 31, 2022
	(In thousands)	
Currency translation adjustments	\$ 8,410	\$ (4,207)
Net unrealized gain on derivative financial instruments	326	105
Unrecognized prior service cost on benefit obligations	(16,621)	(17,955)
Net unrealized gain on available-for-sale investments	165	127
Accumulated other comprehensive income (loss)	<u>\$ (7,720)</u>	<u>\$ (21,930)</u>

The amounts reclassified out of Accumulated other comprehensive income (loss) by component and the affected condensed consolidated statements of income line items are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,		
	2023	2022	2023	2022	
<b>Accumulated Other Comprehensive Income (Loss)</b>	(In thousands)				<b>Line Item Presented</b>
<b>Component Recognized</b>					
Realized gain (loss) on derivative financial instruments	\$ 98	\$ (23)	\$ 127	\$ 66	Revenues
	261	(177)	398	(470)	Cost of operations
	359	(200)	525	(404)	Total before tax
	(89)	52	(132)	104	Provision for Income Taxes
	<u>\$ 270</u>	<u>\$ (148)</u>	<u>\$ 393</u>	<u>\$ (300)</u>	Net Income
Amortization of prior service cost on benefit obligations	\$ (830)	\$ (813)	\$ (1,660)	\$ (1,627)	Other – net
	153	162	326	325	Provision for Income Taxes
	<u>\$ (677)</u>	<u>\$ (651)</u>	<u>\$ (1,334)</u>	<u>\$ (1,302)</u>	Net Income
Total reclassification for the period	<u>\$ (407)</u>	<u>\$ (799)</u>	<u>\$ (941)</u>	<u>\$ (1,602)</u>	

### ***Derivative Financial Instruments***

Our operations give rise to exposure to market risks from changes in foreign currency exchange ("FX") rates. We use derivative financial instruments, primarily FX forward contracts, to reduce the impact of changes in FX rates on our operating

results. We use these instruments to hedge our exposure associated with revenues or costs on our long-term contracts and other transactions that are denominated in currencies other than our operating entities' functional currencies. We do not hold or issue derivative financial instruments for trading or other speculative purposes.

We enter into derivative financial instruments primarily as hedges of certain firm purchase and sale commitments and loans between domestic and foreign subsidiaries denominated in foreign currencies. We record these contracts at fair value on our condensed consolidated balance sheets. Based on the hedge designation at the inception of the contract, the related gains and losses on these contracts are deferred in stockholders' equity as a component of Accumulated other comprehensive income (loss) until the hedged item is recognized in earnings. The gain or loss on a derivative instrument not designated as a hedging instrument is immediately recognized in earnings. Gains and losses on derivative financial instruments that require immediate recognition are included as a component of Other – net on our condensed consolidated statements of income and are recorded in our condensed consolidated statements of cash flows based on the nature and use of the instruments.

We have designated the majority of our FX forward contracts that qualify for hedge accounting as cash flow hedges. The hedged risk is the risk of changes in functional-currency-equivalent cash flows attributable to changes in FX spot rates of forecasted transactions primarily related to long-term contracts. We exclude from our assessment of effectiveness the portion of the fair value of the FX forward contracts attributable to the difference between FX spot rates and FX forward rates. At June 30, 2023, we had deferred approximately \$0.3 million of net gains on these derivative financial instruments. Assuming market conditions continue, we expect to recognize the majority of this amount in the next 12 months. For the three months ended June 30, 2023 and 2022, we recognized (gains) losses of \$9.6 million and \$(7.5) million, respectively, and for the six months ended June 30, 2023 and 2022, we recognized losses of \$8.9 million and \$0.4 million, respectively, in Other – net on our condensed consolidated statements of income associated with FX forward contracts not designated as hedging instruments.

At June 30, 2023, our derivative financial instruments consisted of FX forward contracts with a total notional value of \$479.0 million with maturities extending to June 2025. These instruments consist primarily of FX forward contracts to purchase or sell Canadian dollars and Euros. We are exposed to credit-related losses in the event of non-performance by counterparties to derivative financial instruments. We attempt to mitigate this risk by using major financial institutions with high credit ratings. Our counterparties to derivative financial instruments have the benefit of the same collateral arrangements and covenants as described under our credit facility.

## NOTE 2 – ACQUISITIONS

### *Dynamic Controls Limited and Citadel Capital Corporation*

On April 11, 2022, our subsidiary BWXT Government Group, Inc. acquired all of the outstanding stock of U.K.-based Dynamic Controls Limited ("Dynamic") and U.S.-based Citadel Capital Corporation, along with its wholly-owned subsidiary, Cunico Corporation ("Cunico"), for approximately \$49.9 million. Our final purchase price allocation resulted in the recognition of \$28.5 million of Intangible Assets, \$7.2 million of inventory and \$17.2 million of Goodwill. In addition, we recognized right-of-use assets and lease liabilities of \$7.2 million. Dynamic and Cunico are suppliers of highly-engineered, proprietary valves, manifolds and fittings for global naval nuclear and diesel-electric submarines, surface warfare ships and commercial shipping vessels. These companies are reported as part of our Government Operations segment.

The intangible assets included above consist of the following (dollar amounts in thousands):

	Amount	Amortization Period
Customer relationships	\$ 17,700	21 years
Backlog	\$ 6,600	5 years
Unpatented technology	\$ 4,200	8 years

**NOTE 3 – REVENUE RECOGNITION**

As described in Note 1, our operations are assessed based on two reportable segments.

**Disaggregated Revenues**

Revenues by geographic area and customer type were as follows:

	Three Months Ended June 30, 2023			Three Months Ended June 30, 2022		
	Government Operations	Commercial Operations	Total	Government Operations	Commercial Operations	Total
(In thousands)						
<b>United States:</b>						
Government	\$ 459,334	\$ —	\$ 459,334	\$ 410,793	\$ —	\$ 410,793
Non-Government	28,081	14,918	42,999	22,236	8,856	31,092
	<u>\$ 487,415</u>	<u>\$ 14,918</u>	<u>\$ 502,333</u>	<u>\$ 433,029</u>	<u>\$ 8,856</u>	<u>\$ 441,885</u>
<b>Canada:</b>						
Government	\$ 37	\$ —	\$ 37	\$ —	\$ —	\$ —
Non-Government	385	100,093	100,478	841	102,757	103,598
	<u>\$ 422</u>	<u>\$ 100,093</u>	<u>\$ 100,515</u>	<u>\$ 841</u>	<u>\$ 102,757</u>	<u>\$ 103,598</u>
<b>Other:</b>						
Government	\$ 1,155	\$ —	\$ 1,155	\$ 725	\$ —	\$ 725
Non-Government	2,975	5,909	8,884	1,942	6,909	8,851
	<u>\$ 4,130</u>	<u>\$ 5,909</u>	<u>\$ 10,039</u>	<u>\$ 2,667</u>	<u>\$ 6,909</u>	<u>\$ 9,576</u>
Segment Revenues	<u>\$ 491,967</u>	<u>\$ 120,920</u>	<u>612,887</u>	<u>\$ 436,537</u>	<u>\$ 118,522</u>	<u>555,059</u>
Eliminations			(442)			(851)
Revenues			<u>\$ 612,445</u>			<u>\$ 554,208</u>

	Six Months Ended June 30, 2023			Six Months Ended June 30, 2022		
	Government Operations	Commercial Operations	Total	Government Operations	Commercial Operations	Total
(In thousands)						
<b>United States:</b>						
Government	\$ 890,912	\$ —	\$ 890,912	\$ 817,040	\$ —	\$ 817,040
Non-Government	51,773	26,196	77,969	45,794	16,070	61,864
	<u>\$ 942,685</u>	<u>\$ 26,196</u>	<u>\$ 968,881</u>	<u>\$ 862,834</u>	<u>\$ 16,070</u>	<u>\$ 878,904</u>
<b>Canada:</b>						
Government	\$ 88	\$ —	\$ 88	\$ —	\$ —	\$ —
Non-Government	593	193,112	193,705	1,819	193,155	194,974
	<u>\$ 681</u>	<u>\$ 193,112</u>	<u>\$ 193,793</u>	<u>\$ 1,819</u>	<u>\$ 193,155</u>	<u>\$ 194,974</u>
<b>Other:</b>						
Government	\$ 2,303	\$ —	\$ 2,303	\$ 725	\$ —	\$ 725
Non-Government	6,184	10,536	16,720	2,936	9,247	12,183
	<u>\$ 8,487</u>	<u>\$ 10,536</u>	<u>\$ 19,023</u>	<u>\$ 3,661</u>	<u>\$ 9,247</u>	<u>\$ 12,908</u>
Segment Revenues	<u>\$ 951,853</u>	<u>\$ 229,844</u>	<u>1,181,697</u>	<u>\$ 868,314</u>	<u>\$ 218,472</u>	<u>1,086,786</u>
Eliminations			(892)			(1,840)
Revenues			<u>\$ 1,180,805</u>			<u>\$ 1,084,946</u>

Revenues by timing of transfer of goods or services were as follows:

	Three Months Ended June 30, 2023			Three Months Ended June 30, 2022		
	Government Operations	Commercial Operations	Total	Government Operations	Commercial Operations	Total
	(In thousands)					
Over time	\$ 486,730	\$ 94,764	\$ 581,494	\$ 436,537	\$ 104,580	\$ 541,117
Point-in-time	5,237	26,156	31,393	—	13,942	13,942
Segment Revenues	<u>\$ 491,967</u>	<u>\$ 120,920</u>	<u>612,887</u>	<u>\$ 436,537</u>	<u>\$ 118,522</u>	<u>555,059</u>
Eliminations			(442)			(851)
Revenues			<u>\$ 612,445</u>			<u>\$ 554,208</u>

	Six Months Ended June 30, 2023			Six Months Ended June 30, 2022		
	Government Operations	Commercial Operations	Total	Government Operations	Commercial Operations	Total
	(In thousands)					
Over time	\$ 941,541	\$ 190,716	\$ 1,132,257	\$ 868,286	\$ 190,495	\$ 1,058,781
Point-in-time	10,312	39,128	49,440	28	27,977	28,005
Segment Revenues	<u>\$ 951,853</u>	<u>\$ 229,844</u>	<u>1,181,697</u>	<u>\$ 868,314</u>	<u>\$ 218,472</u>	<u>1,086,786</u>
Eliminations			(892)			(1,840)
Revenues			<u>\$ 1,180,805</u>			<u>\$ 1,084,946</u>

Revenues by contract type were as follows:

	Three Months Ended June 30, 2023			Three Months Ended June 30, 2022		
	Government Operations	Commercial Operations	Total	Government Operations	Commercial Operations	Total
	(In thousands)					
Fixed-Price Incentive Fee	\$ 327,270	\$ 2,604	\$ 329,874	\$ 324,948	\$ 1,969	\$ 326,917
Firm-Fixed-Price	77,323	77,570	154,893	60,672	75,351	136,023
Cost-Plus Fee	86,410	—	86,410	49,970	—	49,970
Time-and-Materials	964	40,746	41,710	947	41,202	42,149
Segment Revenues	<u>\$ 491,967</u>	<u>\$ 120,920</u>	<u>612,887</u>	<u>\$ 436,537</u>	<u>\$ 118,522</u>	<u>555,059</u>
Eliminations			(442)			(851)
Revenues			<u>\$ 612,445</u>			<u>\$ 554,208</u>

	Six Months Ended June 30, 2023			Six Months Ended June 30, 2022		
	Government Operations	Commercial Operations	Total	Government Operations	Commercial Operations	Total
	(In thousands)					
Fixed-Price Incentive Fee	\$ 619,429	\$ 6,788	\$ 626,217	\$ 626,373	\$ 4,516	\$ 630,889
Firm-Fixed-Price	172,041	149,122	321,163	144,238	153,333	297,571
Cost-Plus Fee	159,225	—	159,225	95,488	—	95,488
Time-and-Materials	1,158	73,934	75,092	2,215	60,623	62,838
Segment Revenues	<u>\$ 951,853</u>	<u>\$ 229,844</u>	<u>1,181,697</u>	<u>\$ 868,314</u>	<u>\$ 218,472</u>	<u>1,086,786</u>
Eliminations			(892)			(1,840)
Revenues			<u>\$ 1,180,805</u>			<u>\$ 1,084,946</u>

**Performance Obligations**

As we progress on our contracts and the underlying performance obligations for which we recognize revenue over time, we refine our estimates of variable consideration and total estimated costs at completion, which impact the overall profitability on our contracts and performance obligations. Changes in these estimates result in the recognition of cumulative catch-up adjustments that impact our revenues and/or costs of contracts. During the three and six months ended June 30, 2023, we recognized net unfavorable changes in estimates related to contracts that recognize revenue over time that resulted in decreases in revenues of \$5.2 million and \$13.0 million, respectively. During the three and six months ended June 30, 2022, we recognized net changes in estimates related to contracts that recognize revenue over time that resulted in increases (decreases) in revenues of \$2.1 million and \$(3.1) million, respectively, and increases in cost of operations of \$2.2 million for both the three and six months ended June 30, 2022. Included in these amounts are contract adjustments for cost overruns related to the manufacture of non-nuclear components being produced within our Government Operations segment. We recognized decreases in operating income of \$11.3 million for the three and six months ended June 30, 2022 related to this matter which resulted in decreases in earnings per share of \$0.09 for the three and six months ended June 30, 2022. We are pursuing recovery of cost overruns related to this project.

**Contract Assets and Liabilities**

We include revenues and related costs incurred, plus accumulated contract costs that exceed amounts invoiced to customers under the terms of the contracts, in Contracts in progress. Costs specific to certain contracts for which we recognize revenue at a point in time are also included in Contracts in Progress. We include in Advance billings on contracts billings that exceed accumulated contract costs and revenues recognized over time. Amounts that are withheld on our fixed-price incentive fee contracts are classified within Retainages. Certain of these amounts require conditions other than the passage of time to be achieved, with the remaining amounts only requiring the passage of time. Most long-term contracts contain provisions for progress payments. Our unbilled receivables do not contain an allowance for credit losses as we expect to invoice customers and collect all amounts for unbilled receivables. Changes in Contracts in progress and Advance billings on contracts are primarily driven by differences in the timing of revenue recognition and billings to our customers. Our fixed-price incentive fee contracts for our Government Operations segment include provisions that result in an increase in retainages on contracts during the first and third quarters of the year, with larger payments received during the second and fourth quarters. Retainages also vary as a result of timing differences between incurring costs and achieving milestones that allow us to recover these amounts.

	June 30, 2023	December 31, 2022
	(In thousands)	
Included in Contracts in progress:		
Unbilled receivables	\$ 570,763	\$ 521,291
Retainages	\$ 54,374	\$ 48,566
Advance billings on contracts	\$ 87,772	\$ 88,726

During the three months ended June 30, 2023 and 2022, we recognized \$29.7 million and \$38.6 million, respectively, of revenues that were in Advance billings on contracts at the beginning of each year. During the six months ended June 30, 2023 and 2022, we recognized \$69.2 million and \$77.3 million, respectively, of revenues that were in Advance billings on contracts at the beginning of each year.

**Remaining Performance Obligations**

Remaining performance obligations represent the dollar amount of revenue we expect to recognize in the future from performance obligations on contracts previously awarded and in progress. At June 30, 2023, our remaining performance obligations were \$4,115.0 million. We expect to recognize approximately 58% of the revenue associated with our remaining performance obligations by the end of 2024, with the remainder to be recognized thereafter.

**NOTE 4 – PENSION PLANS AND POSTRETIREMENT BENEFITS**

We record the service cost component of net periodic benefit cost within Operating income on our condensed consolidated statements of income. For the three months ended June 30, 2023 and 2022, these amounts were \$2.0 million and \$3.2 million, respectively. For the six months ended June 30, 2023 and 2022, these amounts were \$3.9 million and \$6.2 million, respectively. All other components of net periodic benefit cost are included in Other – net within the condensed consolidated statements of income. For the three months ended June 30, 2023 and 2022, these amounts were \$(2.4) million and \$(12.6)

million, respectively. For the six months ended June 30, 2023 and 2022, these amounts were \$(4.9) million and \$(25.2) million, respectively. Components of net periodic benefit cost included in net income were as follows:

	Pension Benefits				Other Benefits			
	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022	2023	2022	2023	2022
	(In thousands)							
Service cost	\$ 1,879	\$ 2,988	\$ 3,758	\$ 5,905	\$ 84	\$ 166	\$ 169	\$ 331
Interest cost	11,949	7,858	23,859	15,679	534	347	1,069	694
Expected return on plan assets	(15,109)	(20,888)	(30,219)	(41,756)	(635)	(737)	(1,269)	(1,475)
Amortization of prior service cost	820	807	1,640	1,614	10	6	20	13
Net periodic benefit income	\$ (461)	\$ (9,235)	\$ (962)	\$ (18,558)	\$ (7)	\$ (218)	\$ (11)	\$ (437)

#### NOTE 5 – COMMITMENTS AND CONTINGENCIES

There were no material contingencies during the period covered by this Form 10-Q.

#### NOTE 6 – FAIR VALUE MEASUREMENTS

##### Investments

The following is a summary of our investments measured at fair value at June 30, 2023:

	Total	Level 1	Level 2	Level 3	Unclassified
	(In thousands)				
<u>Equity securities</u>					
Mutual funds	\$ 7,294	\$ —	\$ 7,294	\$ —	\$ —
<u>Available-for-sale securities</u>					
Corporate bonds	1,706	1,706	—	—	—
Total	\$ 9,000	\$ 1,706	\$ 7,294	\$ —	\$ —

The following is a summary of our investments measured at fair value at December 31, 2022:

	Total	Level 1	Level 2	Level 3	Unclassified
	(In thousands)				
<u>Equity securities</u>					
Mutual funds	\$ 6,341	\$ —	\$ 6,341	\$ —	\$ —
<u>Available-for-sale securities</u>					
U.S. Government and agency securities	3,253	3,253	—	—	—
Corporate bonds	2,265	1,714	551	—	—
Asset-backed securities and collateralized mortgage obligations	42	—	42	—	—
Total	\$ 11,901	\$ 4,967	\$ 6,934	\$ —	\$ —

We estimate the fair value of investments based on quoted market prices. For investments for which there are no quoted market prices, we derive fair values from available yield curves for investments of similar quality and terms.

##### Derivatives

Level 2 derivative assets and liabilities currently consist of FX forward contracts. Where applicable, the value of these derivative assets and liabilities is computed by discounting the projected future cash flow amounts to present value using market-based observable inputs, including FX forward and spot rates, interest rates and counterparty performance risk adjustments. At June 30, 2023 and December 31, 2022, we had FX forward contracts outstanding to purchase or sell foreign currencies, primarily Canadian dollars and Euros, with a total fair value of \$(8.0) million and \$1.2 million, respectively.



Derivative assets and liabilities are included in Accounts receivable – other and Accounts payable, respectively, on our condensed consolidated balance sheets.

### Other Financial Instruments

We used the following methods and assumptions in estimating our fair value disclosures for our other financial instruments, as follows:

*Cash and cash equivalents and restricted cash and cash equivalents.* The carrying amounts that we have reported in the accompanying condensed consolidated balance sheets for Cash and cash equivalents and Restricted cash and cash equivalents approximate their fair values due to their highly liquid nature.

*Long-term and short-term debt.* We base the fair values of debt instruments, including our 4.125% senior notes due 2028 (the "Senior Notes due 2028") and our 4.125% senior notes due 2029 (the "Senior Notes due 2029"), on quoted market prices. Where quoted prices are not available, we base the fair values on the present value of future cash flows discounted at estimated borrowing rates for similar debt instruments or on estimated prices based on current yields for debt issues of similar quality and terms. At June 30, 2023 and December 31, 2022, the fair value of the Senior Notes due 2028 was \$365.0 million and \$358.0 million, respectively, and the fair value of the Senior Notes due 2029 was \$359.3 million and \$352.0 million, respectively. The fair value of our remaining debt instruments approximated their carrying values at June 30, 2023 and December 31, 2022.

### NOTE 7 – STOCK-BASED COMPENSATION

Stock-based compensation recognized for all of our plans for the three months ended June 30, 2023 and 2022 totaled \$4.9 million and \$5.1 million, respectively, with associated tax benefit totaling \$0.9 million and \$0.9 million, respectively. Stock-based compensation recognized for all of our plans for the six months ended June 30, 2023 and 2022 totaled \$8.8 million and \$9.2 million, respectively, with associated tax benefit totaling \$1.5 million and \$1.6 million, respectively.

### NOTE 8 – SEGMENT REPORTING

As described in Note 1, our operations are assessed based on two reportable segments. An analysis of our operations by reportable segment is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
	(In thousands)			
<b>REVENUES:</b>				
Government Operations	\$ 491,967	\$ 436,537	\$ 951,853	\$ 868,314
Commercial Operations	120,920	118,522	229,844	218,472
Eliminations <sup>(1)</sup>	(442)	(851)	(892)	(1,840)
	<u>\$ 612,445</u>	<u>\$ 554,208</u>	<u>\$ 1,180,805</u>	<u>\$ 1,084,946</u>
 (1) Segment revenues are net of the following intersegment transfers:				
Government Operations Transfers	\$ (388)	\$ (851)	\$ (788)	\$ (1,774)
Commercial Operations Transfers	(54)	—	(104)	(66)
	<u>\$ (442)</u>	<u>\$ (851)</u>	<u>\$ (892)</u>	<u>\$ (1,840)</u>
<b>OPERATING INCOME:</b>				
Government Operations	\$ 82,208	\$ 83,783	\$ 172,768	\$ 156,014
Commercial Operations	11,017	12,864	12,530	16,826
	<u>\$ 93,225</u>	<u>\$ 96,647</u>	<u>\$ 185,298</u>	<u>\$ 172,840</u>
Unallocated Corporate <sup>(2)</sup>	(6,559)	(1,410)	(10,790)	(6,030)
Total Operating Income	<u>\$ 86,666</u>	<u>\$ 95,237</u>	<u>\$ 174,508</u>	<u>\$ 166,810</u>
Other Income (Expense)	(8,727)	2,862	(16,895)	8,737
Income before Provision for Income Taxes	<u>\$ 77,939</u>	<u>\$ 98,099</u>	<u>\$ 157,613</u>	<u>\$ 175,547</u>

(2) Unallocated corporate includes general corporate overhead not allocated to segments.

**NOTE 9 – EARNINGS PER SHARE**

The following table sets forth the computation of basic and diluted earnings per share:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
(In thousands, except share and per share amounts)				
<b>Basic:</b>				
Net Income Attributable to BWX Technologies, Inc.	\$ 58,597	\$ 74,613	\$ 119,689	\$ 133,623
Weighted-average common shares	91,626,846	91,394,853	91,565,417	91,479,226
Basic earnings per common share	\$ 0.64	\$ 0.82	\$ 1.31	\$ 1.46
<b>Diluted:</b>				
Net Income Attributable to BWX Technologies, Inc.	\$ 58,597	\$ 74,613	\$ 119,689	\$ 133,623
Weighted-average common shares (basic)	91,626,846	91,394,853	91,565,417	91,479,226
Effect of dilutive securities:				
Stock options, restricted stock units and performance shares <sup>(1)</sup>	178,333	145,466	237,018	191,081
Adjusted weighted-average common shares	91,805,179	91,540,319	91,802,435	91,670,307
Diluted earnings per common share	\$ 0.64	\$ 0.82	\$ 1.30	\$ 1.46

(1) At June 30, 2023 and 2022, we excluded 160,426 and 80,117 shares, respectively, from our diluted share calculation as their effect would have been antidilutive.

## **Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The following information should be read in conjunction with the unaudited condensed consolidated financial statements and the notes thereto included in Item 1 in Part I of this quarterly report on Form 10-Q ("Report"), as well as the audited consolidated financial statements and the related notes and Item 7 of our annual report on Form 10-K for the year ended December 31, 2022 (our "2022 10-K").

In this Report, unless the context otherwise indicates, "we," "us" and "our" mean BWX Technologies, Inc. ("BWXT" or the "Company") and its consolidated subsidiaries.

### ***Cautionary Statement Concerning Forward-Looking Statements***

From time to time, our management or persons acting on our behalf make forward-looking statements to inform existing and potential security holders about our Company. Forward-looking statements include those statements that express a belief, expectation or intention, as well as those that are not statements of historical fact, within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Statements and assumptions regarding expectations and projections of specific projects, our future backlog, revenues, income and capital spending, strategic investments, acquisitions or divestitures, return of capital activities or margin improvement initiatives are examples of forward-looking statements. Forward-looking statements are generally accompanied by words such as "estimate," "project," "predict," "believe," "expect," "anticipate," "plan," "seek," "goal," "could," "intend," "may," "should" or other words that convey the uncertainty of future events or outcomes. In addition, sometimes we will specifically describe a statement as being a forward-looking statement and refer to this cautionary statement.

We have based our forward-looking statements on information currently available to us and our current expectations, estimates and projections about our Company, industries and business environment. We caution that these statements are not guarantees of future performance and you should not rely unduly on them as they involve risks, uncertainties and assumptions that we cannot predict. In addition, we have based many of these forward-looking statements on assumptions about future events that may prove to be inaccurate. While our management considers these statements and assumptions to be reasonable, they are inherently subject to numerous factors, including potentially the risk factors described in Item 1A of our 2022 10-K, most of which are difficult to predict and many of which are beyond our control. Accordingly, our actual results may differ materially from the future performance that we have expressed or forecast in our forward-looking statements.

We have discussed many of these factors in more detail elsewhere in this Report. These factors are not necessarily all the factors that could affect us. Unpredictable or unanticipated factors we have not discussed in this Report or in our 2022 10-K could also have material adverse effects on actual results of matters that are the subject of our forward-looking statements. We do not intend to update or review any forward-looking statement or our description of important factors, whether as a result of new information, future events or otherwise, except as required by applicable laws.

### ***General***

We operate in two reportable segments: Government Operations and Commercial Operations. In general, we operate in capital-intensive industries and rely on large contracts for a substantial amount of our revenues. We are currently exploring growth strategies across our segments to expand and complement our existing businesses. We would expect to fund these opportunities with cash generated from operations or by raising additional capital through debt, equity or some combination thereof.

### ***Government Operations***

The revenues of our Government Operations segment are largely a function of defense spending by the U.S. Government. Through this segment, we engineer, design and manufacture precision naval nuclear components, reactors and nuclear fuel for the U.S. Department of Energy ("DOE")/National Nuclear Security Administration's Naval Nuclear Propulsion Program. In addition, we perform fabrication activities for missile launch tubes for U.S. Navy submarines and supply proprietary and sole-source valves, manifolds and fittings to global naval and commercial shipping customers. As a supplier of major nuclear components for certain U.S. Government programs, this segment is a significant participant in the defense industry.

This segment also provides various services to the U.S. Government by managing and operating high-consequence operations at U.S. nuclear weapons sites, national laboratories and manufacturing complexes. The revenues and equity income of investees under these types of contracts are largely a function of spending of the U.S. Government and the performance

scores we and our consortium partners earn in managing and operating these sites. With our specialized capabilities of full life-cycle management of special materials, facilities and technologies, we believe this segment is well-positioned to continue participating in the ongoing cleanup, operation and management of critical government-owned nuclear sites, laboratories and manufacturing complexes maintained by the DOE, NASA and other federal agencies.

Additionally, this segment also develops technology for a variety of applications, including advanced nuclear power sources, and offers complete advanced nuclear fuel and reactor design and engineering, licensing and manufacturing services for new advanced nuclear reactors.

### *Commercial Operations*

Through this segment, we design and manufacture commercial nuclear steam generators, heat exchangers, pressure vessels, reactor components, as well as other auxiliary equipment, including containers for the storage of spent nuclear fuel and other high-level nuclear waste. This segment is a leading supplier of nuclear fuel, fuel handling systems, tooling delivery systems, nuclear-grade materials and precisely machined components, and related services for CANDU nuclear power plants. This segment also provides a variety of engineering and in-plant services and is a significant supplier to nuclear power utilities undergoing major refurbishment and plant life extension projects. Additionally, this segment is a global manufacturer and supplier of critical medical radioisotopes and radiopharmaceuticals.

Our Commercial Operations segment's overall activity primarily depends on the demand and competitiveness of nuclear energy and the demand for critical radioisotopes and radiopharmaceuticals. A significant portion of our Commercial Operations segment's operations depends on the timing of maintenance outages, the cyclical nature of capital expenditures and major refurbishment and life extension projects, as well as the demand for nuclear fuel and fuel handling equipment primarily in the Canadian market, which could cause variability in our financial results.

### *Acquisition of Dynamic Controls Limited and Citadel Capital Corporation*

On April 11, 2022, our subsidiary BWXT Government Group, Inc. acquired all of the outstanding stock of U.K.-based Dynamic Controls Limited ("Dynamic") and U.S.-based Citadel Capital Corporation, along with its wholly-owned subsidiary, Cunico Corporation ("Cunico"). Dynamic and Cunico are suppliers of highly-engineered, proprietary valves, manifolds and fittings for global naval nuclear and diesel-electric submarines, surface warfare ships and commercial shipping vessels. These companies are reported as part of our Government Operations segment.

For additional information on the acquisition of Dynamic and Cunico, see Note 2 to our condensed consolidated financial statements included in this Report.

### *Critical Accounting Estimates*

For a summary of the critical accounting policies and estimates that we use in the preparation of our unaudited condensed consolidated financial statements, see Item 7 of our 2022 10-K. There have been no material changes to our critical accounting policies and estimates during the six months ended June 30, 2023.

### *Accounting for Contracts*

On certain of our performance obligations, we recognize revenue over time. In accordance with FASB Topic *Revenue from Contracts with Customers*, we are required to estimate the total amount of costs on these performance obligations. As of June 30, 2023, we have provided for the estimated costs to complete all of our ongoing contracts. However, it is possible that current estimates could change due to unforeseen events, which could result in adjustments to overall contract revenues and costs. A principal risk on fixed-price contracts is that revenue from the customer is insufficient to cover increases in our costs. It is possible that current estimates could materially change for various reasons, including, but not limited to, fluctuations in the cost of labor, forecasted labor productivity or raw material prices. In some instances, we guarantee completion dates related to our projects or provide performance guarantees. Increases in costs on our fixed-price contracts could have a material adverse impact on our consolidated results of operations, financial condition and cash flows. Alternatively, reductions in overall contract costs at completion could materially improve our consolidated results of operations, financial condition and cash flows.

During the three and six months ended June 30, 2023, we recognized net changes in estimates related to contracts that recognize revenue over time, which decreased operating income by approximately \$5.2 million and \$13.0 million, respectively. During the three and six months ended June 30, 2022, we recognized net changes in estimates related to contracts that recognize revenue over time which decreased operating income by approximately \$0.1 million and \$5.3 million, respectively. Included in

these amounts are contract adjustments for cost overruns related to the manufacture of non-nuclear components being produced within our Government Operations segment. We have recognized decreases in operating income of \$11.3 million for the three and six months ended June 30, 2022 related to this matter which resulted in a decrease in earnings per share of \$0.09 for the three and six months ended June 30, 2022. We are pursuing recovery of cost overruns related to this project.

### Results of Operations – Three and Six Months Ended June 30, 2023 vs. Three and Six Months Ended June 30, 2022

Selected financial highlights are presented in the table below:

	Three Months Ended June 30,			Six Months Ended June 30,		
	2023	2022	\$ Change	2023	2022	\$ Change
(In thousands)						
<b>REVENUES:</b>						
Government Operations	\$ 491,967	\$ 436,537	\$ 55,430	\$ 951,853	\$ 868,314	\$ 83,539
Commercial Operations	120,920	118,522	2,398	229,844	218,472	11,372
Eliminations	(442)	(851)	409	(892)	(1,840)	948
	<u>\$ 612,445</u>	<u>\$ 554,208</u>	<u>\$ 58,237</u>	<u>\$ 1,180,805</u>	<u>\$ 1,084,946</u>	<u>\$ 95,859</u>
<b>OPERATING INCOME:</b>						
Government Operations	\$ 82,208	\$ 83,783	\$ (1,575)	\$ 172,768	\$ 156,014	\$ 16,754
Commercial Operations	11,017	12,864	(1,847)	12,530	16,826	(4,296)
	<u>\$ 93,225</u>	<u>\$ 96,647</u>	<u>\$ (3,422)</u>	<u>\$ 185,298</u>	<u>\$ 172,840</u>	<u>\$ 12,458</u>
Unallocated Corporate	(6,559)	(1,410)	(5,149)	(10,790)	(6,030)	(4,760)
Total Operating Income	<u>\$ 86,666</u>	<u>\$ 95,237</u>	<u>\$ (8,571)</u>	<u>\$ 174,508</u>	<u>\$ 166,810</u>	<u>\$ 7,698</u>

### Consolidated Results of Operations

#### Three months ended June 30, 2023 vs. 2022

Consolidated revenues increased 10.5%, or \$58.2 million, to \$612.4 million in the three months ended June 30, 2023 compared to \$554.2 million for the corresponding period of 2022 due to increases in revenues in our Government Operations and Commercial Operations segments of \$55.4 million and \$2.4 million, respectively.

Consolidated operating income decreased \$8.6 million to \$86.7 million in the three months ended June 30, 2023 compared to \$95.2 million for the corresponding period of 2022. Operating income in our Government Operations and Commercial Operations segments decreased \$1.6 million and \$1.8 million, respectively. We also experienced higher Unallocated Corporate expenses of \$5.1 million.

#### Six months ended June 30, 2023 vs. 2022

Consolidated revenues increased 8.8%, or \$95.9 million, to \$1,180.8 million in the six months ended June 30, 2023 compared to \$1,084.9 million for the corresponding period of 2022 due to increases in revenues in our Government Operations and Commercial Operations segments of \$83.5 million and \$11.4 million, respectively.

Consolidated operating income increased \$7.7 million to \$174.5 million in the six months ended June 30, 2023 compared to \$166.8 million for the corresponding period of 2022. Operating income in our Government Operations segment increased \$16.8 million, which was partially offset by lower operating income in our Commercial Operations segment of \$4.3 million when compared to the prior year. We also experienced higher Unallocated Corporate expenses of \$4.8 million.

### Government Operations

	Three Months Ended June 30,			Six Months Ended June 30,		
	2023	2022	\$ Change	2023	2022	\$ Change
	(In thousands)					
Revenues	\$ 491,967	\$ 436,537	\$ 55,430	\$ 951,853	\$ 868,314	\$ 83,539
Operating Income	\$ 82,208	\$ 83,783	\$ (1,575)	\$ 172,768	\$ 156,014	\$ 16,754
% of Revenues	16.7%	19.2%		18.2%	18.0%	

#### Three months ended June 30, 2023 vs. 2022

Revenues increased \$55.4 million, or 12.7%, to \$492.0 million in the three months ended June 30, 2023 compared to \$436.5 million for the corresponding period of 2022. The increase was driven by higher volume in the manufacture of nuclear components for U.S. Government programs, resulting in an increase in revenues of \$20.6 million when compared to the prior year. Continued growth in design and engineering work executed by our advanced technologies business, particularly in the defense market, resulted in an additional increase in revenues of \$27.7 million. We also experienced additional volume associated with our downblending operations as well as an increase in revenues due to our acquisition of Dynamic and Cunico in the prior year. These increases were partially offset by the timing of long-lead material procurements when compared to the corresponding period in the prior year.

Operating income decreased \$1.6 million to \$82.2 million in the three months ended June 30, 2023 compared to \$83.8 million for the corresponding period of 2022. The expansion of our advanced technologies business required additional investments in research and development and selling, general and administrative expenses, which resulted in an unfavorable impact on operating income of \$1.5 million when compared to the prior year. We also experienced lower levels of favorable contract adjustments when compared to the corresponding period of the prior year. These decreases were almost entirely offset by the operating income impact of the changes in revenues noted above.

#### Six months ended June 30, 2023 vs. 2022

Revenues increased 9.6%, or \$83.5 million, to \$951.9 million in the six months ended June 30, 2023 compared to \$868.3 million for the corresponding period of 2022. The increase was driven by higher volume in the manufacture of nuclear components for U.S. Government programs, resulting in an increase in revenues of \$51.9 million when compared to the prior year. Continued growth in design and engineering work executed by our advanced technologies business, particularly in the defense market, resulted in an additional increase in revenues of \$36.7 million. We also experienced additional volume associated with our downblending operations as well as an increase in revenues due to our acquisition of Dynamic and Cunico in the prior year. These increases were partially offset by the timing of long-lead material procurements when compared to the corresponding period in the prior year.

Operating income increased \$16.8 million to \$172.8 million in the six months ended June 30, 2023 compared to \$156.0 million for the corresponding period of 2022. The increase was due to the operating income impact of the changes in revenues noted above in addition to an increase in operating income of \$6.7 million associated with our joint venture activities, which include the Savannah River Site Integrated Mission Completion Contract that began in February 2022. These increases were partially offset by the additional costs associated with the expansion of our advanced technologies business discussed above.

### Commercial Operations

	Three Months Ended June 30,			Six Months Ended June 30,		
	2023	2022	\$ Change	2023	2022	\$ Change
	(In thousands)					
Revenues	\$ 120,920	\$ 118,522	\$ 2,398	\$ 229,844	\$ 218,472	\$ 11,372
Operating Income	\$ 11,017	\$ 12,864	\$ (1,847)	\$ 12,530	\$ 16,826	\$ (4,296)
% of Revenues	9.1%	10.9%		5.5%	7.7%	

#### Three months ended June 30, 2023 vs. 2022

Revenues increased 2.0%, or \$2.4 million, to \$120.9 million in the three months ended June 30, 2023 compared to \$118.5 million for the corresponding period of 2022. The increase was primarily related to higher levels of in-plant inspection, maintenance, modification and refurbishment services of \$3.2 million and an increase in revenues in our medical radioisotopes

business of \$3.8 million. These increases were partially offset by decreased revenues in our fuel fabrication business and lower volume in our nuclear components manufacturing business.

Operating income decreased \$1.8 million to \$11.0 million in the three months ended June 30, 2023 compared to \$12.9 million for the corresponding period of 2022. The decrease was primarily due to a shift in our project and product line mix. In particular, our field services business has experienced a considerable increase in volume associated with large scale, long-term, construction projects in support of major refurbishment and plant life extension projects in Canada.

#### *Six months ended June 30, 2023 vs. 2022*

Revenues increased 5.2%, or \$11.4 million, to \$229.8 million in the six months ended June 30, 2023 compared to \$218.5 million for the corresponding period of 2022. The increase was primarily related to higher levels of in-plant inspection, maintenance, modification and refurbishment services of \$5.0 million and an increase in revenues in our medical radioisotopes business of \$4.8 million. We also experienced higher volume in our nuclear components manufacturing and nuclear fuel handling businesses. These increases were partially offset by decreased revenues in our fuel fabrication business.

Operating income decreased \$4.3 million to \$12.5 million in the six months ended June 30, 2023 compared to \$16.8 million in 2022. The decrease was primarily due to a shift in our project and product line mix. In particular, our field services business has experienced a considerable increase in volume associated with large scale, long-term, construction projects in support of major refurbishment and plant life extension projects in Canada. In addition, an increase in restructuring-related expenses of \$1.4 million had an unfavorable impact on operating income when compared to the corresponding period of the prior year.

#### *Unallocated Corporate*

Unallocated corporate expenses increased \$5.1 million and \$4.8 million in the three and six months ended June 30, 2023, respectively, compared to the corresponding period of 2022 primarily due to increases in healthcare costs and compensation related expenses. These increases were partially offset by a decrease in legal and consulting costs associated with due diligence activities when compared to the prior year.

#### *Provision for Income Taxes*

	Three Months Ended June 30,			Six Months Ended June 30,		
	2023	2022	\$ Change	2023	2022	\$ Change
	(In thousands)					
Income before Provision for Income Taxes	\$ 77,939	\$ 98,099	\$ (20,160)	\$ 157,613	\$ 175,547	\$ (17,934)
Provision for Income Taxes	\$ 19,274	\$ 23,418	\$ (4,144)	\$ 37,955	\$ 41,792	\$ (3,837)
Effective Tax Rate	24.7%	23.9%		24.1%	23.8%	

We primarily operate in the U.S., Canada and the U.K. and we recognize our U.S. income tax provision based on the U.S. federal statutory rate of 21%, our Canadian tax provision based on the Canadian local statutory rate of approximately 25%, and our U.K. tax provision based on the U.K. local statutory rate of 25%.

Our effective tax rate for the three months ended June 30, 2023 was 24.7% as compared to 23.9% for the three months ended June 30, 2022. Our effective tax rate for the six months ended June 30, 2023 was 24.1% as compared to 23.8% for the six months ended June 30, 2022. The effective tax rates for the three and six months ended June 30, 2023 and 2022 were higher than the U.S. corporate income tax rate of 21% primarily due to state income taxes within the U.S. and the unfavorable rate differential associated with our foreign earnings.

#### *Backlog*

Backlog represents the dollar amount of revenue we expect to recognize in the future from contracts awarded and in progress. Not all of our expected revenue from a contract award is recorded in backlog for a variety of reasons, including that some projects are awarded and completed within the same reporting period.

Our backlog is equal to our remaining performance obligations under contracts that meet the criteria in FASB Topic *Revenue from Contracts with Customers*, as discussed in Note 3 to our condensed consolidated financial statements included in

this Report. It is possible that our methodology for determining backlog may not be comparable to methods used by other companies.

We are subject to the budgetary and appropriations cycle of the U.S. Government as it relates to our Government Operations segment. Backlog may not be indicative of future operating results, and projects in our backlog may be cancelled, modified or otherwise altered by customers.

	June 30, 2023	December 31, 2022
	(In approximate millions)	
Government Operations	\$ 3,406	\$ 3,515
Commercial Operations	709	629
Total Backlog	<u>\$ 4,115</u>	<u>\$ 4,144</u>

We do not include the value of our unconsolidated joint venture contracts in backlog. These unconsolidated joint ventures are included in our Government Operations segment.

As of June 30, 2023, our ending backlog was \$4,115.0 million, which included \$483.7 million of unfunded backlog related to U.S. Government contracts. We expect to recognize approximately 58% of the revenue associated with our backlog by the end of 2024, with the remainder to be recognized thereafter.

Major new awards from the U.S. Government are typically received following Congressional approval of the budget for the U.S. Government's next fiscal year, which starts October 1, and may not be awarded to us before the end of the calendar year. Due to the fact that most contracts awarded by the U.S. Government are subject to these annual funding approvals, the total values of the underlying programs are significantly larger.

The value of unexercised options excluded from backlog as of June 30, 2023, was approximately \$200 million, which is expected to be awarded in annual installments through 2024, subject to annual Congressional appropriations.

## ***Liquidity and Capital Resources***

### ***Credit Facility***

On October 12, 2022, we entered into an Amended and Restated Credit Agreement (the "Credit Facility") with Wells Fargo Bank, National Association, as administrative agent, and the other lenders party thereto. The Credit Facility consists of a \$750 million senior secured revolving credit facility (the "Revolving Credit Facility") and a \$250 million senior secured term A loan (the "Term Loan"). The Revolving Credit Facility and the Term Loan are scheduled to mature on October 12, 2027. The proceeds of loans under the Credit Facility are available for working capital needs, permitted acquisitions and other general corporate purposes.

The Credit Facility allows for additional parties to become lenders and, subject to certain conditions, for the increase of the commitments under the Credit Facility, subject to an aggregate maximum for all additional commitments of (1) the greater of (a) \$400 million and (b) 100% of EBITDA, as defined in the Credit Facility, for the last four full fiscal quarters, plus (2) all voluntary prepayments of the Term Loan, plus (3) additional amounts provided the Company is in compliance with a pro forma first lien net leverage ratio test of less than or equal to 2.50 to 1.00.

The Company's obligations under the Credit Facility are guaranteed, subject to certain exceptions, by substantially all of the Company's present and future wholly owned domestic restricted subsidiaries. The Credit Facility is secured by first-priority liens on certain assets owned by the Company and its subsidiary guarantors (other than its subsidiaries comprising a portion of its Government Operations segment).

The Credit Facility requires interest payments on outstanding loans on a periodic basis until maturity. We are required to make quarterly amortization payments on the Term Loan in an amount equal to (i) 0.625% of the initial aggregate principal amount of the Term Loan on the last business day of each quarter beginning the quarter ended March 31, 2023 and ending the quarter ending December 31, 2024 and (ii) 1.25% of the initial aggregate principal amount of the Term Loan on the last business day of each quarter ending after December 31, 2024, with the balance of the Term Loan due at maturity. We may prepay all loans under the Credit Facility at any time without premium or penalty (other than customary Term SOFR breakage costs), subject to notice requirements.



The Credit Facility includes financial covenants that are evaluated on a quarterly basis, based on the rolling four-quarter period that ends on the last day of each fiscal quarter. The maximum permitted total net leverage ratio is 4.00 to 1.00, which may be increased to 4.50 to 1.00 for up to four consecutive fiscal quarters after a material acquisition. The minimum consolidated interest coverage ratio is 3.00 to 1.00. In addition, the Credit Facility contains various restrictive covenants, including with respect to debt, liens, investments, mergers, acquisitions, dividends, equity repurchases and asset sales. As of June 30, 2023, we were in compliance with all covenants set forth in the Credit Facility.

Outstanding loans under the Credit Facility bear interest at our option at either (1) the Term SOFR plus a credit spread adjustment of 0.10% plus a margin ranging from 1.0% to 1.75% per year or (2) the base rate plus a margin ranging from 0.0% to 0.75% per year. We are charged a commitment fee on the unused portion of the Revolving Credit Facility, and that fee ranges from 0.15% to 0.225% per year. Additionally, we are charged a letter of credit fee of between 1.0% and 1.75% per year with respect to the amount of each financial letter of credit issued under the Revolving Credit Facility, and a letter of credit fee of between 0.75% and 1.05% per year with respect to the amount of each performance letter of credit issued under the Revolving Credit Facility. The applicable margin for loans, the commitment fee and the letter of credit fees set forth above will vary quarterly based on our total net leverage ratio. Based on the total net leverage ratio applicable at June 30, 2023, the margin for Term SOFR and base rate loans was 1.50% and 0.50%, respectively, the letter of credit fee for financial letters of credit and performance letters of credit was 1.50% and 0.90%, respectively, and the commitment fee for the unused portion of the Revolving Credit Facility was 0.20%.

As of June 30, 2023, borrowings under the Term Loan totaled \$246.9 million, borrowings and letters of credit issued under the Revolving Credit Facility totaled \$300.0 million and \$1.7 million, respectively, and we had \$448.3 million available under the Revolving Credit Facility for borrowings and to meet letter of credit requirements. As of June 30, 2023, the weighted-average interest rate on outstanding borrowings under the Credit Facility was 6.73%.

The Credit Facility generally includes customary events of default for a secured credit facility. Under the Credit Facility, (1) if an event of default relating to bankruptcy or other insolvency events occurs with respect to the Company, all related obligations will immediately become due and payable; (2) if any other event of default exists, the lenders will be permitted to accelerate the maturity of the related obligations outstanding; and (3) if any event of default exists, the lenders will be permitted to terminate their commitments thereunder and exercise other rights and remedies, including the commencement of foreclosure or other actions against the collateral.

If any default occurs under the Credit Facility, or if we are unable to make any of the representations and warranties in the Credit Facility, we will be unable to borrow funds or have letters of credit issued under the Credit Facility.

#### *Senior Notes due 2028*

We issued \$400 million aggregate principal amount of 4.125% senior notes due 2028 (the "Senior Notes due 2028") pursuant to an indenture dated June 12, 2020 (the "2020 Indenture"), among the Company, certain of our subsidiaries, as guarantors, and U.S. Bank Trust Company, National Association (formerly known as U.S. Bank National Association) ("U.S. Bank"), as trustee. The Senior Notes due 2028 are guaranteed by each of the Company's present and future direct and indirect wholly owned domestic subsidiaries that is a guarantor under the Credit Facility.

Interest on the Senior Notes due 2028 is payable semi-annually in cash in arrears on June 30 and December 30 of each year at a rate of 4.125% per annum. The Senior Notes due 2028 will mature on June 30, 2028.

We may redeem the Senior Notes due 2028, in whole or in part, at any time on or after June 30, 2023 at a redemption price equal to (i) 102.063% of the principal amount to be redeemed if the redemption occurs during the 12-month period beginning on June 30, 2023, (ii) 101.031% of the principal amount to be redeemed if the redemption occurs during the 12-month period beginning on June 30, 2024 and (iii) 100.0% of the principal amount to be redeemed if the redemption occurs on or after June 30, 2025, in each case plus accrued and unpaid interest, if any, to, but excluding, the redemption date.

The 2020 Indenture contains customary events of default, including, among other things, payment default, failure to comply with covenants or agreements contained in the 2020 Indenture or the Senior Notes due 2028 and certain provisions related to bankruptcy events. The 2020 Indenture also contains customary negative covenants. As of June 30, 2023, we were in compliance with all covenants set forth in the 2020 Indenture and the Senior Notes due 2028.

### *Senior Notes due 2029*

We issued \$400 million aggregate principal amount of 4.125% senior notes due 2029 (the "Senior Notes due 2029") pursuant to an indenture dated April 13, 2021 (the "2021 Indenture"), among the Company, certain of our subsidiaries, as guarantors, and U.S. Bank, as trustee. The Senior Notes due 2029 are guaranteed by each of the Company's present and future direct and indirect wholly owned domestic subsidiaries that is a guarantor under the Credit Facility.

Interest on the Senior Notes due 2029 is payable semi-annually in cash in arrears on April 15 and October 15 of each year, at a rate of 4.125% per annum. The Senior Notes due 2029 will mature on April 15, 2029.

We may redeem the Senior Notes due 2029, in whole or in part, at any time on or after April 15, 2024 at a redemption price equal to (i) 102.063% of the principal amount to be redeemed if the redemption occurs during the 12-month period beginning on April 15, 2024, (ii) 101.031% of the principal amount to be redeemed if the redemption occurs during the 12-month period beginning on April 15, 2025 and (iii) 100.0% of the principal amount to be redeemed if the redemption occurs on or after April 15, 2026, in each case plus accrued and unpaid interest, if any, to, but excluding, the redemption date. At any time prior to April 15, 2024, we may also redeem up to 40.0% of the Senior Notes due 2029 with net cash proceeds of certain equity offerings at a redemption price equal to 104.125% of the principal amount to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date. In addition, at any time prior to April 15, 2024, we may redeem the Senior Notes due 2029, in whole or in part, at a redemption price equal to 100.0% of the principal amount to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date plus an applicable "make-whole" premium.

The 2021 Indenture contains customary events of default, including, among other things, payment default, failure to comply with covenants or agreements contained in the 2021 Indenture or the Senior Notes due 2029 and certain provisions related to bankruptcy events. The 2021 Indenture also contains customary negative covenants. As of June 30, 2023, we were in compliance with all covenants set forth in the 2021 Indenture and the Senior Notes due 2029.

### *Other Arrangements*

We have posted surety bonds to support regulatory and contractual obligations for certain decommissioning responsibilities, projects and legal matters. We utilize bonding facilities to support such obligations, but the issuance of bonds under those facilities is typically at the surety's discretion, and the bonding facilities generally permit the surety, in its sole discretion, to terminate the facility or demand collateral. Although there can be no assurance that we will maintain our surety bonding capacity, we believe our current capacity is adequate to support our existing requirements for the next 12 months. In addition, these bonds generally indemnify the beneficiaries should we fail to perform our obligations under the applicable agreements. We, and certain of our subsidiaries, have jointly executed general agreements of indemnity in favor of surety underwriters relating to surety bonds those underwriters issue. As of June 30, 2023, bonds issued and outstanding under these arrangements totaled approximately \$114.7 million.

Similarly, we have provided letters of credit to governmental agencies and contractual counterparties to support regulatory and contractual obligations for certain decommissioning responsibilities, projects and legal matters. We utilize our Revolving Credit Facility and a bilateral letter of credit facility to support such obligations, but the issuance of letters of credit under our bilateral letter of credit facility is at the issuer's discretion, and our bilateral letter of credit facility generally permits the issuer, in its sole discretion, to demand collateral if the issuer does not otherwise have the benefit of the collateral under our Credit Facility. Although there can be no assurance that we will maintain our bilateral letter of credit facility capacity, we believe our current capacity, together with capacity under our Revolving Credit Facility, is adequate to support our existing requirements for the next 12 months. As of June 30, 2023, letters of credit issued and outstanding under our bilateral letter of credit facility totaled approximately \$36.2 million, and such letters of credit are secured by the collateral under our Credit Facility.

### *Long-term Benefit Obligations*

As of June 30, 2023, we had underfunded defined benefit pension and postretirement benefit plans with obligations totaling approximately \$75.9 million. These long-term liabilities are expected to require use of our resources to satisfy future funding obligations. Based largely on statutory funding requirements, we expect to make contributions of approximately \$3.9 million for the remainder of 2023 related to our pension and postretirement plans. We may also make additional contributions based on a variety of factors including, but not limited to, tax planning, evaluation of funded status and risk mitigation strategies.

*Other**Cash, Cash Equivalents, Restricted Cash and Investments*

Our domestic and foreign cash and cash equivalents, restricted cash and cash equivalents and investments as of June 30, 2023 and December 31, 2022 were as follows:

	June 30, 2023	December 31, 2022
	(In thousands)	
Domestic	\$ 35,898	\$ 38,455
Foreign	12,681	14,436
Total	<u>\$ 48,579</u>	<u>\$ 52,891</u>

Our working capital increased by \$87.4 million to \$491.1 million at June 30, 2023 from \$403.8 million at December 31, 2022, primarily attributable to changes in contracts in progress and retainages due to the timing of project cash flows and a decrease in current liabilities associated with the payment of accrued incentives and income taxes payable during the six months ended June 30, 2023.

Our net cash provided by operating activities decreased by \$4.4 million to \$67.6 million in the six months ended June 30, 2023, compared to \$72.0 million in the six months ended June 30, 2022. The decrease in cash provided by operating activities was primarily attributable to the timing of project cash flows and income tax payments, partially offset by the timing of vendor payments when compared to the prior year.

Our net cash used in investing activities decreased by \$98.8 million to \$65.9 million in the six months ended June 30, 2023, compared to \$164.8 million in the six months ended June 30, 2022. The decrease in cash used in investing activities was primarily attributable to the \$47.3 million acquisition of Dynamic and Cunico in the prior year. In addition, we experienced a decrease in purchases of property, plant and equipment of \$25.4 million as well as a \$22.6 million decrease in investments in equity method investees in the six months ended June 30, 2023.

Our net cash used in financing activities increased by \$128.3 million to \$3.3 million in the six months ended June 30, 2023, compared to \$125.0 million cash provided by financing activities in the six months ended June 30, 2022. The increase in cash used in financing activities was primarily attributable to a reduction in net borrowings of long-term debt which was partially offset by a reduction in repurchases of common stock when compared to the corresponding period of the prior year.

At June 30, 2023, we had restricted cash and cash equivalents totaling \$5.7 million, \$2.7 million of which was held for future decommissioning of facilities (which is included in other assets on our condensed consolidated balance sheets) and \$3.0 million of which was held to meet reinsurance reserve requirements of our captive insurer.

At June 30, 2023, we had long-term investments with a fair value of \$9.0 million. Our investment portfolio consists primarily of corporate bonds and mutual funds. Our debt securities are carried at fair value and are either classified as trading, with unrealized gains and losses reported in earnings, or as available-for-sale, with unrealized gains and losses, net of tax, being reported as a component of other comprehensive income. Our equity securities are carried at fair value with the unrealized gains and losses reported in earnings.

*Cash Requirements*

In April 2023, one of our joint ventures was awarded a DOE contract which was protested and returned to the DOE to reassess the procurement. If re-awarded to us, we would expect this contract to transition at the earliest in the first half of 2024. After transition, we expect significant working capital contributions will be required for the first 12 months of the contract. Apart from this item, our cash requirements have not changed materially from those disclosed in Item 7 of our 2022 10-K. Furthermore, we believe we have sufficient cash and cash equivalents and borrowing capacity, along with cash generated from operations and continued access to capital markets, to satisfy our cash requirements for the next 12 months and beyond.

**Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

Our exposures to market risks have not changed materially from those disclosed in Item 7A of our 2022 10-K.

**Item 4. CONTROLS AND PROCEDURES**

As of the end of the period covered by this Report, we carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as that term is defined in Rules 13a-15(e) and 15d-15(e) adopted by the Securities and Exchange Commission ("SEC") under the Exchange Act). This evaluation was conducted under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer. Our disclosure controls and procedures were developed through a process in which our management applied its judgment in assessing the costs and benefits of such controls and procedures, which, by their nature, can provide only reasonable assurance regarding the control objectives. You should note that the design of any system of disclosure controls and procedures is based in part upon various assumptions about the likelihood of future events, and we cannot assure you that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote. Based on the evaluation referred to above, our Chief Executive Officer and Chief Financial Officer concluded that the design and operation of our disclosure controls and procedures are effective as of June 30, 2023 to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and such information is accumulated and communicated to management as appropriate to allow timely decisions regarding disclosure. There has been no change in our internal control over financial reporting during the three months ended June 30, 2023 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

**PART II****OTHER INFORMATION****Item 1. LEGAL PROCEEDINGS**

For information regarding ongoing investigations and litigation, see Note 5 to our unaudited condensed consolidated financial statements in Part I of this Report, which we incorporate by reference into this Item.

**Item 1A. RISK FACTORS**

In addition to the other information in this Report, the other factors presented in Item 1A of our 2022 10-K are some of the factors that could materially affect our business, financial condition or future results. There have been no material changes to our risk factors from those disclosed in our 2022 10-K.

**Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

Since November 2012, we have periodically announced that our Board of Directors has authorized share repurchase programs. The following table provides information on our purchases of equity securities during the three months ended June 30, 2023. Any shares purchased that were not part of a publicly announced plan or program are related to repurchases of common stock pursuant to the provisions of employee benefit plans that permit the repurchase of shares to satisfy statutory tax withholding obligations.

Period	Total number of shares purchased <sup>(1)</sup>	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Approximate dollar value of shares that may yet be purchased under the plans or programs (in millions) <sup>(2)</sup>
April 1, 2023 - April 30, 2023	—	\$ —	—	\$ 397.6
May 1, 2023 - May 31, 2023	717	\$ 64.81	—	\$ 397.6
June 1, 2023 - June 30, 2023	—	\$ —	—	\$ 397.6
Total	<u>717</u>	<u>\$ 64.81</u>	<u>—</u>	

- (1) Includes 0, 717 and 0 shares repurchased during April, May and June, respectively, pursuant to the provisions of employee benefit plans that permit the repurchase of shares to satisfy statutory tax withholding obligations.
- (2) On April 30, 2021, our Board of Directors authorized us to repurchase an indeterminate number of shares of our common stock at an aggregate market value of up to \$500 million with no expiration date.

**Item 5. OTHER INFORMATION***Rule 10b5-1 Trading Arrangements*

During the three months ended June 30, 2023, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

*Bylaw Amendment*

On August 2, 2023, the Board of Directors amended and restated the Company's Bylaws, effective immediately. The amendments address the universal proxy rules adopted by the U.S. Securities and Exchange Commission and certain other corporate governance matters. Sections 1.9, 1.10 and 2.10 of the Bylaws have been amended to address the universal proxy rules to update the proposal of business to be considered by the stockholders and the procedures and information requirements for the nomination of persons for election to the Board of Directors of the Company, including with respect to Rule 14a-19 under the Securities Exchange Act of 1934, as amended. In addition, the director tenure limit included in Section 2.10 was deleted as it was duplicative of the provision in the Company's Corporate Governance Principles. The foregoing summary description of the amendment to the Bylaws is not intended to be complete and is qualified in its entirety by reference to the complete text of the Bylaws, a copy of which is included as Exhibit 3.3 to this Form 10-Q and incorporated herein by reference.

**Item 6. EXHIBITS**

<b>Exhibit Number</b>	<b>Description</b>
3.1	<a href="#">Certificate of Amendment to Restated Certificate of Incorporation dated May 14, 2019 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on May 17, 2019 (File No. 1-34658)).</a>
3.2	<a href="#">Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed with the SEC on May 17, 2019 (File No. 1-34658)).</a>
3.3	<a href="#">Amended and Restated Bylaws, effective August 2, 2023.</a>
31.1	<a href="#">Rule 13a-14(a)/15d-14(a) certification of Chief Executive Officer.</a>
31.2	<a href="#">Rule 13a-14(a)/15d-14(a) certification of Chief Financial Officer.</a>
32.1	<a href="#">Section 1350 certification of Chief Executive Officer.</a>
32.2	<a href="#">Section 1350 certification of Chief Financial Officer.</a>
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BWX TECHNOLOGIES, INC.

By: /s/ Robb A. LeMasters  
Robb A. LeMasters  
Senior Vice President and Chief Financial Officer  
(Principal Financial Officer and Duly Authorized  
Representative)

By: /s/ Mike T. Fitzgerald  
Mike T. Fitzgerald  
Vice President, Finance and Chief Accounting Officer  
(Principal Accounting Officer and Duly Authorized  
Representative)

August 3, 2023

AMENDED AND RESTATED BYLAWS  
OF  
BWX TECHNOLOGIES, INC.

---



Article I	STOCKHOLDERS	1
Section 1.1	Annual Meetings	1
Section 1.2	Special Meetings	1
Section 1.3	Notice of Meetings	1
Section 1.4	Fixing Date for Determination of Stockholders of Record	2
Section 1.5	List of Stockholders Entitled To Vote	2
Section 1.6	Adjournments	2
Section 1.7	Quorum	3
Section 1.8	Organization	3
Section 1.9	Voting by Stockholders	3
Section 1.10	Stockholder Proposals	4
Section 1.11	Proxies	7
Section 1.12	Conduct of Meetings	7
Article II	BOARD OF DIRECTORS	8
Section 2.1	Powers, Number and Vacancies	8
Section 2.2	Regular Meetings	8
Section 2.3	Special Meetings	9
Section 2.4	Telephonic Meetings	9
Section 2.5	Organization	9
Section 2.6	Order of Business	9
Section 2.7	Notice of Meetings	9
Section 2.8	Quorum; Vote Required for Action	9
Section 2.9	Board Action by Unanimous Written Consent in Lieu of Meeting	9
Section 2.10	Nomination of Directors; Qualifications	10
Section 2.11	Compensation	14
Article III	BOARD COMMITTEES	14
Section 3.1	Board Committees	14
Section 3.2	Board Committee Rules	14
Article IV	OFFICERS	14
Section 4.1	Designation	14
Section 4.2	Executive Chair	14
Section 4.3	Chief Executive Officer	15
Section 4.4	Chief Financial Officer	15
Section 4.5	General Counsel	15
Section 4.6	Executive Vice President, Senior Vice President, Vice President	15
Section 4.7	Secretary and Assistant Secretary	15
Section 4.8	Treasurer and Assistant Treasurer	15
Section 4.9	Powers and Duties of Other Officers	16
Section 4.10	Other Positions	16
Section 4.11	Vacancies	16
Section 4.12	Removal	16
Section 4.13	Action with Respect to Securities of Other Corporations	16
Article V	CAPITAL STOCK	16
Section 5.1	Uncertificated Shares	16
Section 5.2	Transfer of Shares	16
Section 5.3	Ownership of Shares	16
Section 5.4	Regulations Regarding Shares	17

TABLE OF CONTENTS  
(continued)

Page

Article VI	INDEMNIFICATION	17
Section 6.1	General	17
Section 6.2	Expenses	17
Section 6.3	Advances	17
Section 6.4	Request for Indemnification	17
Section 6.5	Determination of Entitlement; No Change of Control	17
Section 6.6	Determination of Entitlement; Change of Control	18
Section 6.7	Procedures of Independent Counsel	18
Section 6.8	Independent Counsel Expenses	19
Section 6.9	Adjudication	19
Section 6.10	Participation by the Corporation	20
Section 6.11	Nonexclusivity of Rights	20
Section 6.12	Insurance and Subrogation	20
Section 6.13	Severability	21
Section 6.14	Certain Actions Where Indemnification Is Not Provided	21
Section 6.15	Definitions	21
Section 6.16	Notices	22
Section 6.17	Contractual Rights	22
Section 6.18	Indemnification of Employees, Agents and Fiduciaries	22
Article VII	MISCELLANEOUS	23
Section 7.1	Fiscal Year	23
Section 7.2	Seal	23
Section 7.3	Interested Directors; Quorum	23
Section 7.4	Form of Records	23
Section 7.5	Bylaw Amendments	23
Section 7.6	Notices; Waiver of Notice	24
Section 7.7	Resignations	24
Section 7.8	Books, Reports and Records	24
Section 7.9	Facsimile Signatures	24
Section 7.10	Certain Definitional Provisions	24
Section 7.11	Captions	25
Section 7.12	Forum for Adjudication of Disputes	25

AMENDED AND RESTATED  
BYLAWS  
OF  
BWX TECHNOLOGIES, INC.

EFFECTIVE AS OF JULY 1, 2015; AMENDED AS OF AUGUST 2, 2023

The Board of Directors of BWX Technologies, Inc. (the “Corporation”) by resolution has duly adopted these Amended and Restated Bylaws (these “Bylaws”) to govern the Corporation’s internal affairs.

ARTICLE I  
STOCKHOLDERS

Section 1.1 *Annual Meetings*. If required by applicable law, the Corporation will hold an annual meeting of the holders of its capital stock (each, a “Stockholder”) for the election of directors of the Corporation (each, a “Director”) at such date, time and place as the Board of Directors of the Corporation (the “Board”) by resolution may designate from time to time. The Corporation may transact any other business, or act on any proposal, at an annual meeting which has properly come before that meeting in accordance with Sections 1.10 or 2.10.

Section 1.2 *Special Meetings*. Any of the following may call special meetings of Stockholders for any purpose or purposes at any time and designate the date, time and place of any such meeting: (i) either the Executive Chair of the Board (the “Executive Chair”) or the Chair of the Board (the “Chair”), whichever position is filled at the time; and (ii) the Board pursuant to a resolution that at least a majority of the total number of Directors approves by an affirmative vote. Except as the restated certificate of incorporation of the Corporation (as amended from time to time and including each certificate of designation, if any, respecting any class or series of preferred stock of the Corporation which has been executed, acknowledged and filed in accordance with applicable law, the “Certificate of Incorporation”) or applicable law otherwise provides, no other Person or Persons may call a special meeting of Stockholders. Business transacted at any special meeting of Stockholders shall be limited to the purposes stated in the notice.

Section 1.3 *Notice of Meetings*. By or at the direction of the Executive Chair or Chair, the Chief Executive Officer or the Secretary whenever Stockholders are to take any action at a meeting, the Corporation will give a notice of that meeting to the Stockholders entitled to vote at that meeting which states the place, date, the means of remote communications, if any, by which Stockholders and proxy holders may be deemed to be present in person and vote at the meeting, and hour of that meeting and, in the case of a special meeting, the purpose or purposes for which that meeting is called. Unless the Certificate of Incorporation, these Bylaws or applicable law otherwise provides, the Corporation will give the notice of any meeting of Stockholders not less than ten nor more than 60 days before the date of that meeting. Written notice may be given personally, by mail or by a form of electronic transmission consented to by the Stockholder to whom the notice is given, to the fullest extent allowed under the General Corporation Law of the State of Delaware or any successor statute (the “DGCL”). Notice of any meeting of Stockholders need not be given to any Stockholder (a) if waived by such Stockholder in writing in accordance with Section 7.6 or (b) to whom (i) notice of two consecutive annual meetings, and all notices of meetings or of the taking of action by written consent without a meeting to such person during the period between such two consecutive annual meetings, or (ii) all, and at least two, payments (if sent by first-class mail) of dividends or interest on securities during a 12-month period, in either case (i) or (ii) above, have been mailed addressed to such person at such person’s address as shown on the records of the Corporation and have been returned undeliverable; provided, however, that the exception in (b)(i) shall not be

applicable to any notice returned as undeliverable if the notice was given by electronic transmission. If any person to whom notice need not be given in accordance with clause (b) of the immediately preceding sentence shall deliver to the Corporation a written notice setting forth such person's then current address, the requirement that notice be given to such person shall be reinstated. Attendance at a meeting of the Stockholders shall constitute a waiver of notice of such meeting, except when a Stockholder attends a meeting for the express purpose of objecting (and so expresses such objection at the beginning of the meeting) to the transaction of any business on the ground that the meeting has not been called or convened in accordance with applicable law, the Certificate of Incorporation or these Bylaws.

Section 1.4 *Fixing Date for Determination of Stockholders of Record.*

(a) *Registered Holders as Owners.* Unless otherwise provided under Delaware law, the Corporation may regard the person in whose name any shares issued by the Corporation are registered in the stock transfer records of the Corporation at any particular time (including, without limitation, as of a record date fixed pursuant to paragraph (b) of this Section 1.4) as the owner of those shares at that time for purposes of voting those shares, receiving distributions thereon or notices in respect thereof, transferring those shares, exercising rights of dissent with respect to those shares, entering into agreements with respect to those shares, or giving proxies with respect to those shares; and neither the Corporation nor any of its officers, Directors, employees or agents shall be liable for regarding that person as the owner of those shares at that time for any of those purposes.

(b) *Record Date.* In order that the Corporation may determine the Stockholders entitled to notice of or to vote at any meeting of Stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board by resolution may fix a record date, which record date: (i) must not precede the date on which the Board adopts that resolution; (ii) in the case of a determination of Stockholders entitled to vote at any meeting of Stockholders or adjournment thereof, will, unless applicable law otherwise requires, not be more than 60 nor less than ten days before the date of that meeting; and (iii) in the case of any other action, will not be more than 60 days prior to that other action. If the Board does not fix a record date: (i) the record date for determining Stockholders entitled to notice of or to vote at a meeting of Stockholders will be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived in accordance with Section 7.6 of these Bylaws, at the close of business on the day next preceding the day on which the meeting is held; and (ii) the record date for determining Stockholders for any other purpose will be at the close of business on the day on which the Board adopts the resolution relating thereto. A determination of Stockholders of record entitled to notice of or to vote at a meeting of Stockholders will apply to any adjournment of that meeting; provided, however, that the Board may fix a new record date for the adjourned meeting.

Section 1.5 *List of Stockholders Entitled To Vote.* The Secretary will prepare and make, at least ten days before each meeting of Stockholders, a list of the Stockholders entitled to vote at that meeting which complies with the requirements of Section 219 of the DGCL as in effect at that time.

Section 1.6 *Adjournments.* Any meeting of Stockholders, annual or special, may be adjourned from time to time by the Executive Chair, Chair or presiding officer of the meeting or by the Stockholders or their proxies in attendance to reconvene at the same or some other place, and notice need not be given of any such adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the Corporation may transact any business it might have transacted at the original

meeting. If the adjournment is for more than 30 days, or if after the adjournment the Board fixes a new record date for the adjourned meeting, the Corporation will give, in accordance with Section 1.3, notice of the adjourned meeting to each Stockholder of record and entitled to vote at the adjourned meeting.

Section 1.7 *Quorum*. Except as the Certificate of Incorporation, these Bylaws or applicable law otherwise provides: (i) at each meeting of Stockholders the presence in person or by proxy of the holders of shares of stock having a majority of the votes the holders of all outstanding shares of capital stock of the Corporation entitled to vote at the meeting could cast will be necessary and sufficient to constitute a quorum; and (ii) the holders of capital stock of the Corporation so present and entitled to vote at any duly convened meeting at which the necessary quorum has been ascertained may continue to transact business until that meeting adjourns notwithstanding any withdrawal from that meeting of shares of capital stock counted in determining the existence of that quorum. Any shares subject to “broker non-votes” shall be considered present at the meeting with respect to the determination of a quorum but shall not be considered as votes cast with respect to matters as to which no authority is granted. In the absence of a quorum, the Executive Chair, Chair or presiding officer of the meeting or the Stockholders so present may, by majority vote, adjourn the meeting from time to time in the manner Section 1.6 provides until a quorum attends. Shares of its own capital stock belonging to the Corporation or to another corporation, limited liability company, partnership or other entity (each, an “Entity”), if the Corporation, directly or indirectly, holds a majority of the shares entitled to vote in the election of directors (or the equivalent) of that other Entity, will be neither entitled to vote nor counted for quorum purposes; provided, however, that the foregoing will not limit the right of the Corporation to vote shares of capital stock, including but not limited to its own capital stock, it holds in a fiduciary capacity.

Section 1.8 *Organization*. Either the Executive Chair or Chair will chair and preside over any meeting of Stockholders at which he or she is present. The Board will designate the Chair and presiding officer over any meeting of Stockholders from which the Executive Chair or Chair is absent. In the absence of such designation by the Board, the chair of the meeting will be chosen at the meeting. The Secretary will act as secretary of meetings of Stockholders, but in his or her absence from any such meeting the chair of that meeting may appoint any person to act as secretary of that meeting. The chair of any meeting of Stockholders will announce at that meeting the date and time of the opening and the closing of the polls for each matter on which the Stockholders will vote at that meeting.

Section 1.9 *Voting by Stockholders*.

(a) *Voting on Matters Other than the Election of Directors*. With respect to any matters as to which no other voting requirement is specified by the DGCL, the Certificate of Incorporation or these Bylaws, the affirmative vote required for Stockholder action shall be that of a majority of the shares present in person or represented by proxy at the meeting and entitled to vote on the matter. Any shares subject to broker non-votes shall not be considered as shares entitled to vote as to matters with respect to which no authority has been granted. In the case of a matter submitted for a vote of the Stockholders as to which a Stockholder approval requirement is applicable under the Stockholder approval policy of any stock exchange or quotation system on which the capital stock of the Corporation is traded or quoted, the requirements (to the extent applicable to the Corporation) of Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or any provision of the Internal Revenue Code, in each case for which no higher voting requirement is specified by the DGCL, the Certificate of Incorporation or these Bylaws, the vote required for approval shall be the requisite vote specified in such Stockholder approval policy, Rule 16b-3 or Internal Revenue Code provision, as the case may be (or the highest such requirement if more than one is applicable). For the approval or ratification of the appointment of independent public accountants (if submitted for a vote of the

Stockholders), the vote required for approval shall be a majority of the votes cast on the matter. For this purpose, abstentions shall not be considered as votes cast.

(b) *Voting in the Election of Directors.* Unless otherwise provided in the Certificate of Incorporation or these Bylaws, Directors shall be elected by a majority of the votes cast by the holders of outstanding shares of capital stock of the Corporation entitled to vote in the election of Directors at a meeting of Stockholders at which a quorum is present, provided that if, as of the tenth (10<sup>th</sup>) day preceding the date the Corporation first mails its notice of meeting for such meeting to the Stockholders of the Corporation, the number of nominees exceeds the number of Directors to be elected (a "Contested Election"), the Directors shall be elected by the vote of a plurality of the votes cast by the holders of outstanding shares of capital stock of the Corporation entitled to vote in the election of Directors at a meeting of Stockholders at which a quorum is present. For purposes of this Section 1.9(b) of these Bylaws, a majority of votes cast shall mean that the number of votes cast "for" a Director's election exceeds the number of votes cast "against" that Director's election (with "abstentions" and "broker nonvotes" not counted as a vote cast either "for" or "against" that Director's election). In order for any incumbent Director to become a nominee of the Board for further service on the Board, such person must submit an irrevocable resignation, contingent on (i) that person not receiving a majority of the votes cast in an election that is not a Contested Election, and (ii) acceptance of that resignation by the Board in accordance with the policies and procedures adopted by the Board for such purpose. In the event an incumbent Director fails to receive a majority of the votes cast in an election that is not a Contested Election, the governance committee, or such other committee designated by the Board pursuant to these Bylaws, shall make a recommendation to the Board as to whether to accept or reject the resignation of such incumbent director, or whether other action should be taken. The Board shall act on the resignation, taking into account such committee's recommendation, and publicly disclose (by a press release or filing an appropriate disclosure with the Securities and Exchange Commission) its decision regarding the resignation and, if such resignation is rejected, the rationale behind the decision within ninety (90) days following certification of the election results. The committee in making its recommendation and the Board in making its decision each may consider any factors and other information that they consider appropriate and relevant. If the Board accepts a Director's resignation pursuant to this Section 1.9(b), or if a nominee for Director is not elected and the nominee is not an incumbent Director, then the Board may fill the resulting vacancy pursuant to Section 2.1(e) of these Bylaws.

Section 1.10 *Stockholder Proposals.* (a) At an annual meeting of Stockholders, only such business shall be conducted, and only such proposals shall be acted upon, as shall have been properly brought before such annual meeting. To be properly brought before an annual meeting, business or proposals (other than any nomination of Directors, which is governed by Section 2.10 hereof) must (i) be specified in the notice relating to the meeting (or any supplement thereto) given by or at the direction of the Board in accordance with Section 1.3 hereof or (ii) be properly brought before the meeting by a Stockholder who (A) is a Stockholder of record at the time of the giving of such Stockholder's notice provided for in this Section 1.10 and on the record date for the determination of Stockholders entitled to vote at such annual meeting, (B) is entitled to vote at the annual meeting and (C) complies with the requirements of this Section 1.10, and must otherwise be proper subjects for Stockholder action and be properly introduced at the annual meeting. Clause (ii) of the immediately preceding sentence shall be the exclusive means for a Stockholder to submit business or proposals (other than matters properly brought under Rule 14a-8 under the Exchange Act, to the extent such rule is applicable to the Corporation, and included in the notice relating to the meeting (or any supplement thereto) given by or at the direction of the Board in accordance with Section 1.3 hereof) before an annual meeting of Stockholders. For a proposal to be properly brought before an annual meeting by a Stockholder pursuant to these provisions, in addition to any other applicable requirements, such Stockholder must have given timely advance notice thereof in writing to the Secretary. To be timely, such Stockholder's notice must be delivered to, or mailed and received at, the principal

executive offices of the Corporation not later than the close of business on the 90th day and not earlier than the close of business on the 120th day prior to the first anniversary of the annual meeting date of the next preceding annual meeting; *provided, however*, that if the scheduled annual meeting date differs from such anniversary date by more than 30 days, notice by such Stockholder, to be timely, must be so delivered or received not earlier than the close of business on the 75th day and not later than the close of business on the later of the 45th day prior to the date of such annual meeting or, if less than 100 days' prior notice or public disclosure of the scheduled meeting date is given or made, the tenth day following the earlier of the day on which the notice of such meeting was mailed to Stockholders or the day on which such public disclosure was made. In no event shall any adjournment or postponement of an annual meeting or the announcement thereof commence a new time period for the giving of a Stockholder's notice as described above.

(b) Any such Stockholder's notice to the Secretary shall set forth (i) as to each matter such Stockholder proposes to bring before the annual meeting, a description of the proposal desired to be brought before the meeting and the reasons for conducting such business at the meeting, together with the text of the proposal or business (including the text of any resolutions proposed for consideration); (ii) as to such Stockholder proposing such business and the beneficial owner, if any, on whose behalf the proposal is made, (A) the name and address of such Stockholder, as they appear on the Corporation's books, and of such beneficial owner, if any, and the name and address of any other Stockholders known by such Stockholder to be supporting such business or proposal, (B) (1) the class or series and number of shares of capital stock of the Corporation which are, directly or indirectly, owned beneficially and of record by such Stockholder and such beneficial owner, including any shares of any class or series of capital stock of the Corporation as to which such Stockholder and such beneficial owner, if any, has a right to acquire beneficial ownership at any time in the future, (2) any option, warrant, convertible security, stock appreciation right or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of capital stock of the Corporation or with a value derived in whole or in part from the price, value or volatility of any class or series of shares of capital stock of the Corporation or any derivative or synthetic arrangement having characteristics of a long position in any class or series of shares of capital stock of the Corporation, whether or not such instrument or right shall be subject to settlement in the underlying class or series of capital stock of the Corporation or otherwise (a "Derivative Instrument") directly or indirectly owned beneficially by such Stockholder and by such beneficial owner and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of capital stock of the Corporation, (3) any proxy, contract, arrangement, understanding or relationship the effect or intent of which is to increase or decrease the voting power of such Stockholder or beneficial owner with respect to any shares of any security of the Corporation, (4) any pledge by such Stockholder or beneficial owner of any security of the Corporation or any short interest of such Stockholder or beneficial owner in any security of the Corporation (for purposes of this Section 1.10 and Section 2.10, a person shall be deemed to have a short interest in a security if such person directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has the opportunity to profit or share in any profit derived from any decrease in the value of the subject security), (5) any rights to dividends on the shares of capital stock of the Corporation owned beneficially by such Stockholder and by such beneficial owner that are separated or separable from the underlying shares of capital stock of the Corporation, (6) any proportionate interest in shares of capital stock of the Corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which such Stockholder or beneficial owner is a general partner or, directly or indirectly, beneficially owns an interest in a general partner and (7) any performance-related fees (other than an asset-based fee) that such Stockholder or beneficial owner is entitled to based on any increase or decrease in the value of shares of capital stock of the Corporation or Derivative Instruments, if any, as of the date of such notice, including, without limitation, for purposes of clauses (B)(1) through (B)(7) above, any of

the foregoing held by members of such Stockholder's or beneficial owner's immediate family sharing the same household (which information shall be supplemented by such Stockholder and beneficial owner, if any, not later than ten days after the record date for the meeting to disclose such ownership as of the record date), (C) any other information relating to such Stockholder and beneficial owner, if any, that would be required to be disclosed in solicitations of proxies for the proposal, or would otherwise be required, in each case pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder, (D) a description of any proxy (other than a revocable proxy given in response to a public proxy solicitation made pursuant to, and in accordance with, the Exchange Act), agreement, arrangement, understanding or relationship pursuant to which such Stockholder or beneficial owner has or shares a right, directly or indirectly, to vote any shares of any class or series of capital stock of the Corporation, (E) any material interest of such Stockholder and beneficial owner, if any, in such business or proposal, and (F) a description of all agreements, arrangements and understandings between such Stockholder and beneficial owner, if any, and any other person or persons (including their names) in connection with such business or proposal by such Stockholder.

(c) A Stockholder providing notice of business proposed to be brought before an annual meeting shall further update and supplement such notice, if necessary, so that the information provided or required to be provided in such notice pursuant to this Section 1.10 shall be true and correct as of the record date for the meeting and as of the date that is ten business days prior to the meeting or any adjournment or postponement thereof, and such update and supplement shall be delivered to, or mailed and received at, the principal executive offices of the Corporation not later than five business days after the record date for the meeting (in the case of the update and supplement required to be made as of the record date), and not later than eight business days prior to the date for the meeting and, if practicable (or, if not practicable, on the first practicable date prior to), any adjournment or postponement thereof (in the case of the update and supplement required to be made as of ten business days prior to the meeting or any adjournment or postponement thereof). In addition, a Stockholder providing notice of business proposed to be brought before an annual meeting shall update and supplement such notice, and deliver such update and supplement to the principal executive offices of the Corporation, promptly following the occurrence of any event that materially changes the information provided or required to be provided in such notice pursuant to this Section 1.10. For the avoidance of doubt, the obligation to update and supplement as set forth in this Section 1.10(c) or any other section of these Bylaws shall not limit the Corporation's rights with respect to any deficiencies in any Stockholder's notice, extend any applicable deadlines under these Bylaws or enable or be deemed to permit a Stockholder who has previously submitted a Stockholder's notice under these Bylaws to amend or update any proposal or to submit any new proposal, including by changing or adding matters, business and/or resolutions proposed to be brought before a meeting of Stockholders.

(d) Either the Executive Chair or Chair or, if the Executive Chair or Chair is not presiding, the presiding officer of the meeting of Stockholders shall determine whether the requirements of this Section 1.10 have been met with respect to any Stockholder proposal. If the Executive Chair, Chair or the presiding officer determines that any Stockholder proposal was not made in accordance with the terms of this Section 1.10, he or she shall so declare at the meeting and any such proposal shall not be acted upon at the meeting, notwithstanding that such proposal is set forth in the notice of meeting or other proxy materials and notwithstanding that proxies in respect of such vote may have been received by the Corporation. Notwithstanding the foregoing provisions of this Section 1.10, unless otherwise required by law, if the Stockholder (or a qualified representative of the Stockholder) does not appear at the meeting of Stockholders to present a proposal, such proposal shall not be acted upon at the meeting, notwithstanding that such proposal is set forth in the notice of meeting or other proxy materials and notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this Section 1.10 and Section 2.10 hereof, to be considered a qualified representative of the



Stockholder, a person must be a duly authorized officer, manager or partner of such Stockholder or must be authorized by a writing executed by such Stockholder or an electronic transmission delivered by such Stockholder to act for such Stockholder as proxy at the meeting of Stockholders and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of Stockholders.

(e) At a special meeting of Stockholders, only such business shall be conducted, and only such proposals shall be acted upon, as shall have been properly brought before such special meeting. To be properly brought before such a special meeting, business or proposals (other than any nomination of Directors, which is governed by Section 2.10 hereof) must (i) be specified in the notice relating to the meeting (or any supplement thereto) given by or at the direction of the Board of Directors in accordance with Section 1.3 hereof or (ii) constitute matters incident to the conduct of the meeting as the Executive Chair, Chair or the presiding officer of the meeting shall determine to be appropriate.

(f) In addition to the foregoing provisions of this Section 1.10, a Stockholder shall also comply with all applicable requirements of state and federal law, including the Exchange Act and the rules and regulations thereunder, to the extent such requirements apply to the Corporation, with respect to the matters set forth in this Section 1.10. Nothing in this Section 1.10 shall be deemed to affect any rights of Stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act, to the extent such rule applies to the Corporation.

Section 1.11 *Proxies*. Each Stockholder entitled to vote at a meeting of Stockholders may authorize another person or persons to act for such Stockholder by proxy. Proxies for use at any meeting of Stockholders shall be filed with the Secretary, or such other officer as the Board may from time to time determine by resolution to act as secretary of the meeting, before or at the time of the meeting. All proxies shall be received and taken charge of and all ballots shall be received and canvassed by the secretary of the meeting, who shall decide all questions relating to the qualification of voters, the validity of the proxies and the acceptance or rejection of votes, unless an inspector or inspectors shall have been appointed by the Executive Chair, Chair or presiding officer of the meeting, in which event such inspector or inspectors shall decide all such questions.

Section 1.12 *Conduct of Meetings*. The Board may adopt by resolution such rules and regulations for the conduct of meetings of Stockholders as it deems appropriate. Except to the extent inconsistent with those rules and regulations, if any, the Executive Chair, Chair or presiding officer of any meeting of Stockholders will have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of the Executive Chair, Chair or presiding officer, are appropriate for the proper conduct of that meeting. Such rules, regulations or procedures whether adopted by the Board or prescribed by the Executive Chair, Chair or presiding officer of the meeting may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) the determination of when the polls shall open and close for any given matter to be voted on at the meeting; (iii) rules and procedures for maintaining order at the meeting and the safety of those present; (iv) limitations on attendance at or participation in the meeting to Stockholders of record, their duly authorized and constituted proxies or such other persons as the Executive Chair, Chair or presiding officer of the meeting may determine; (v) restrictions on entry to the meeting after the time fixed for the commencement thereof; (vi) limitations on the time allotted to questions or comments by participants; and (vii) policies and procedures with respect to the adjournment of such meetings. Except to the extent the Board, the Executive Chair, the Chair or presiding officer of any meeting otherwise prescribes, no rules or parliamentary procedure will govern any meeting of Stockholders.

ARTICLE II  
BOARD OF DIRECTORS

Section 2.1 *Powers, Number, Classification and Vacancies.*

(a) *Powers of the Board of Directors.* The powers of the Corporation shall be exercised by or under the authority of, and the business and affairs of the Corporation shall be managed by or under the direction of, the Board. In addition to the authority and powers conferred upon the Board by the DGCL, the Certificate of Incorporation or these Bylaws, the Board is hereby authorized and empowered to exercise all such powers and do all such acts and things as may be exercised or done by the Corporation, subject to the provisions of the DGCL, the Certificate of Incorporation and these Bylaws; provided, however, that no Bylaw of the Corporation hereafter adopted, nor any amendment thereto, shall invalidate any prior act of the Board that would have been valid if such Bylaw or amendment thereto had not been adopted.

(b) *Management.* Except as otherwise provided by the Certificate of Incorporation or these Bylaws or to the extent prohibited by Delaware law, the Board shall have the right (which, to the extent exercised, shall be exclusive) to establish the rights, powers, duties, rules and procedures that (i) from time to time shall govern the Board, including, without limiting the generality of the foregoing, the vote required for any action by the Board and (ii) from time to time shall affect the directors' power to manage the business and affairs of the Corporation. No Bylaw of the Corporation shall be adopted by the Stockholders that shall impair or impede the implementation of this Section 2.1(b).

(c) *Number of Directors.* Within the limits specified in the Certificate of Incorporation, and subject to such rights of holders of shares of one or more outstanding series of preferred stock of the Corporation to elect one or more Directors under circumstances as shall be provided by or pursuant to the Certificate of Incorporation, the number of Directors that shall constitute the whole Board shall be fixed from time to time exclusively by, and may be increased or decreased from time to time exclusively by, the affirmative vote of at least a majority of the Directors then in office.

(d) *Vacancies.* Unless otherwise provided by or pursuant to the Certificate of Incorporation, newly created directorships resulting from any increase in the number of Directors and any vacancies on the Board resulting from death, resignation, removal or other cause in accordance with the Certificate of Incorporation and these Bylaws may be filled only by the affirmative vote of at least a majority of the remaining Directors then in office, even if such remaining Directors constitute less than a quorum of the Board, or by a sole remaining Director. Any person who becomes a Director in accordance with the preceding sentence shall hold office for either the remainder of the full term of the class of directors in which the vacancy occurred or, in the case of a newly created directorship, for a term expiring at the first annual meeting of stockholders held after such director's election and, in each case, until such Director's successor shall have been duly elected and qualified or until his or her earlier death, resignation or removal. Unless otherwise provided by or pursuant to the Certificate of Incorporation, no decrease in the number of Directors constituting the Board shall shorten the term of any incumbent Director.

Section 2.2 *Regular Meetings.* The Board will hold its regular meetings at such places within or without the State of Delaware, on such dates and at such times as the Board by resolution may determine from time to time, and any such resolution will constitute due notice to all Directors of the regular meeting or meetings to which it relates. By notice pursuant to Section 2.7, the Executive Chair, Chair or a majority of the Board may change the place, date or time of any regular meeting of the Board.

Section 2.3 *Special Meetings*. The Board will hold a special meeting at any place within or without the State of Delaware or time whenever the Executive Chair, Chair or a majority of the Board by resolution calls that meeting by notice pursuant to Section 2.7.

Section 2.4 *Telephonic Meetings*. Members of the Board may hold and participate in any Board meeting by means of conference telephone or other communications equipment that permits all persons participating in the meeting to hear each other, and participation of any Director in a meeting pursuant to this Section 2.4 will constitute the presence in person of that Director at that meeting for purposes of these Bylaws, except in the case of a Director who so participates only for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business on the ground that the meeting has not been called or convened in accordance with applicable law or these Bylaws.

Section 2.5 *Organization*. Either the Executive Chair or Chair will chair and preside over meetings of the Board at which he or she is present. A majority of the Directors present at any meeting of the Board from which the Executive Chair or Chair is absent will designate one of their number as chair over that meeting. The Secretary will act as secretary of meetings of the Board, but in his or her absence from any such meeting the chair of that meeting may appoint any person to act as secretary of that meeting.

Section 2.6 *Order of Business*. The Board will transact business at its meetings in such order as the Executive Chair, Chair or the Board by resolution will determine.

Section 2.7 *Notice of Meetings*. To call a special meeting of the Board, the Executive Chair, Chair or a majority of the Board must give a timely notice to each Director of the time and place of, and the general nature of the business the Board will transact at, all special meetings of the Board. To change the time or place of any regular meeting of the Board, the Executive Chair, Chair or a majority of the Board must give a timely notice to each Director of that change. To be timely, any notice this Section 2.7 requires must be delivered to each Director personally or by mail, facsimile, e-mail or other communication at least one day before the meeting to which it relates; provided, however, that notice of any meeting of the Board need not be given to any Director who waives the requirement of that notice (whether after that meeting or otherwise) or is present at that meeting.

Section 2.8 *Quorum; Vote Required for Action*. At all meetings of the Board, the presence in person of a majority of the total number of Directors then in office will constitute a quorum for the transaction of business, and the participation by a Director in any meeting of the Board will constitute that Director's presence in person at that meeting unless that Director expressly limits that participation to objecting, at the beginning of the meeting, to the transaction of any business at that meeting on the ground that the meeting has not been called or convened in accordance with applicable law or these Bylaws. Except in cases in which the Certificate of Incorporation or these Bylaws otherwise provide, the vote of a majority of the Directors present at a meeting at which a quorum is present will be the act of the Board.

Section 2.9 *Board Action by Unanimous Written Consent in Lieu of Meeting*. Unless the Certificate of Incorporation or these Bylaws otherwise provides, the Board may, without a meeting, prior notice or a vote, take any action it must or may take at any meeting, if all members of the Board consent thereto in writing or electronic transmission, and the written consents or electronic transmissions are filed with the minutes of proceedings of the Board that the Secretary is to keep.

Section 2.10 *Nomination of Directors; Qualifications.*

(a) Subject to such rights of holders of shares of one or more outstanding series of preferred stock of the Corporation to elect one or more Directors under circumstances as shall be provided by or pursuant to the Certificate of Incorporation, only persons who are nominated in accordance with the procedures set forth in this Section 2.10 shall be eligible for election as, and to serve as, Directors. Nominations of persons for election to the Board may be made only at a meeting of the Stockholders at which Directors are to be elected, and only (i) by or at the direction of the Board or (ii) (if but only if the Board has determined that directors shall be elected at such meeting) by any Stockholder who is a Stockholder of record at the time of the giving of such Stockholder's notice provided for in this Section 2.10 and on the record date for the determination of Stockholders entitled to vote at such meeting, who is entitled to vote at such meeting in the election of Directors and who complies with the requirements of this Section 2.10. Clause (ii) of the immediately preceding sentence shall be the exclusive means for a Stockholder to make any nomination of a person or persons for election as a Director at an annual meeting or special meeting. Any such nomination by a Stockholder shall be preceded by timely advance notice in writing to the Secretary pursuant to this Section 2.10.

To be timely with respect to an annual meeting, such Stockholder's notice must be delivered to, or mailed and received at, the principal executive offices of the Corporation not earlier than the close of business on the 120th day and not later than the close of business on the 90th day prior to the first anniversary of the annual meeting date of the next preceding annual meeting; *provided, however,* that (1) if the scheduled annual meeting date differs from such anniversary date by more than 30 days, notice by such Stockholder, to be timely, must be so delivered or received not earlier than the close of business on the 75th day and not later than the close of business on the later of the 45th day prior to the date of such annual meeting or, if less than 100 days' prior notice or public disclosure of the scheduled meeting date is given or made, the tenth day following the earlier of the day on which the notice of such meeting was mailed to Stockholders or the day on which such public disclosure was made; and (2) if the number of directors to be elected to the Board at such annual meeting is increased and there is no prior notice or public disclosure by the Corporation naming all of the nominees for director or specifying the size of the increased Board at least 100 days prior to such anniversary date, a Stockholder's notice required by this Section 2.10 shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the principal executive offices of the Corporation not later than the close of business on the tenth day following the earlier of the day on which the notice of such meeting was mailed to Stockholders or the day on which such public disclosure was made. To be timely with respect to a special meeting, such Stockholder's notice must be delivered to, or mailed and received at, the principal executive offices of the Corporation not earlier than the close of business on the 75th day and not later than the close of business on the 45th day prior to the scheduled special meeting date; *provided, however,* that if less than 100 days' prior notice or public disclosure of the scheduled meeting date is given or made, notice by such Stockholder, to be timely, must be so delivered or received not later than the close of business on the tenth day following the earlier of the day on which the notice of such meeting was mailed to Stockholders or the day on which such public disclosure was made. In no event shall any adjournment or postponement of an annual meeting or special meeting or the announcement thereof commence a new time period for the giving of a Stockholder's notice as described above.

Any such Stockholder's notice to the Secretary shall set forth (i) as to each person whom such Stockholder proposes to nominate for election or re-election as a Director, (A) the name, age, business address and residence address of such person, (B) the principal occupation or employment of such person, (C) any other information relating to such person that would be required to be disclosed in solicitations of proxies for election of Directors in a contested election, or would otherwise be required, in each case pursuant to Section 14 of the Exchange

Act and the rules and regulations promulgated thereunder (including, without limitation, the written consent of such person to having such person's name placed in nomination at the meeting, to being named as a nominee in any proxy statement and any associated proxy card for the Corporation's next meeting of Stockholders for the election of Directors, and to serving as a Director if elected), and (D) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among such Stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination is made, and their respective affiliates and associates, or others acting in concert therewith (each of the foregoing, a "Stockholder Associated Person"), on the one hand, and each proposed nominee, and his or her respective affiliates and associates, or others acting in concert therewith, on the other hand, including, without limitation, all information that would be required to be disclosed pursuant to Rule 404 promulgated under Regulation S-K if such Stockholder and such beneficial owner, or any Stockholder Associated Person, were the "registrant" for purposes of such rule and the nominee were a director or executive officer of such registrant, including the name of each other person who is party to such agreement, arrangement or understanding; and (ii) as to such Stockholder giving the notice, the beneficial owner, if any, on whose behalf the nomination is made and the proposed nominee, (A) the name and address of such Stockholder, as they appear on the Corporation's books, and of such beneficial owner, if any, and the name and address of any other Stockholders known by such Stockholder to be supporting such nomination, (B) (1) the class or series and number of shares of capital stock of the Corporation which are, directly or indirectly, owned beneficially and of record by such Stockholder, such beneficial owner and such nominee, including any shares of any class or series of capital stock of the Corporation as to which such Stockholder, such beneficial owner, such nominee has a right to acquire beneficial ownership at any time in the future, (2) any Derivative Instrument directly or indirectly owned beneficially by such Stockholder, such beneficial owner and such nominee and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of capital stock of the Corporation, (3) any proxy, contract, arrangement, understanding or relationship the effect or intent of which is to increase or decrease the voting power of such Stockholder, beneficial owner or nominee with respect to any shares of any security of the Corporation, (4) any pledge by such Stockholder, beneficial owner or nominee of any security of the Corporation or any short interest of such Stockholder, beneficial owner or nominee in any security of the Corporation, (5) any rights to dividends on the shares of capital stock of the Corporation owned beneficially by such Stockholder, beneficial owner and nominee that are separated or separable from the underlying shares of capital stock of the Corporation, (6) any proportionate interest in shares of capital stock of the Corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which such Stockholder, beneficial owner or nominee is a general partner or, directly or indirectly, beneficially owns an interest in a general partner and (7) any performance-related fees (other than an asset-based fee) that such Stockholder, beneficial owner or nominee is entitled to based on any increase or decrease in the value of shares of capital stock of the Corporation or Derivative Instruments, if any, as of the date of such notice, including, without limitation, for purposes of clauses (B)(1) through (B)(7) above, any of the foregoing held by members of such Stockholder's, beneficial owner's or nominee's immediate family sharing the same household (which information shall be supplemented by such Stockholder, beneficial owner, if any, and nominee not later than ten days after the record date for the meeting to disclose such ownership as of the record date), (C) a representation whether the Stockholder or any Stockholder Associated Person intends to solicit proxies in support of director nominees other than the Corporation's nominees in accordance with Rule 14a-19 promulgated under the Exchange Act, including by soliciting the holders of shares representing at least 67% of the voting power of shares entitled to vote on the election of Directors, (D) any other information relating to such Stockholder, beneficial owner, if any, and nominee that would be required to be disclosed in solicitations of proxies for election of Directors in a contested election, or would otherwise be required, in each case pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder, and (E) a

description of any proxy (other than a revocable proxy given in response to a public proxy solicitation made pursuant to, and in accordance with, the Exchange Act), agreement, arrangement, understanding or relationship pursuant to which such Stockholder or beneficial owner has or shares a right, directly or indirectly, to vote any shares of any class or series of capital stock of the Corporation. Any such Stockholder's notice to the Secretary shall also include or be accompanied by, with respect to each nominee for election or reelection to the Board, a completed and signed questionnaire, representation and agreement required by Section 2.10(c). The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent Director or that could be material to a reasonable Stockholder's understanding of the independence, or lack thereof, of such nominee.

(b) A Stockholder providing notice of any nomination proposed to be made at a meeting shall further update and supplement such notice, if necessary, so that the information provided or required to be provided in such notice pursuant to Section 2.10(a) shall be true and correct as of the record date for the meeting and as of the date that is ten business days prior to the meeting or any adjournment or postponement thereof, and such update and supplement shall be delivered to, or mailed and received at, the principal executive offices of the Corporation not later than five business days after the record date for the meeting (in the case of the update and supplement required to be made as of the record date), and not later than eight business days prior to the date for the meeting and, if practicable (or, if not practicable, on the first practicable date prior to), any adjournment or postponement thereof (in the case of the update and supplement required to be made as of ten business days prior to the meeting or any adjournment or postponement thereof). In addition, a Stockholder providing notice of any nomination proposed to be made at a meeting shall update and supplement such notice, and deliver such update and supplement to the principal executive offices of the Corporation promptly following the occurrence of any event that materially changes the information provided or required to be provided in such notice pursuant to this Section 2.10. For the avoidance of doubt, the obligation to update and supplement as set forth in this Section 2.10(b) or any other section of these Bylaws shall not limit the Corporation's rights with respect to any deficiencies in any Stockholder's notice, extend any applicable deadlines under these Bylaws or enable or be deemed to permit a Stockholder who has previously submitted a Stockholder's notice under these Bylaws to amend or update any nomination or to submit any new nomination, including by changing or adding nominees.

(c) To be eligible to be a nominee for election or reelection as a Director, a person must deliver (in accordance with the time periods prescribed for delivery of notice under Section 2.10(a)) to the Secretary at the principal executive offices of the Corporation a written questionnaire with respect to the background and qualification of such person and the background of any other person or entity on whose behalf the nomination is being made (which questionnaire shall be in the form provided by the Secretary upon written request) and a written representation and agreement (in the form provided by the Secretary upon written request) that such person (A) is not and will not become a party to (1) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such person, if elected as a Director, will act or vote on any issue or question (a "Voting Commitment") that has not been disclosed to the Corporation or (2) any Voting Commitment that could limit or interfere with such person's ability to comply, if elected as a Director, with such person's fiduciary duties under applicable law, (B) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a Director that has not been disclosed therein, and (C) in such person's individual capacity and on behalf of any person or entity on whose behalf the nomination is being made, would be in compliance, if elected as a Director, and will comply with

all applicable publicly disclosed corporate governance, conflict of interest, confidentiality and stock ownership and trading policies and guidelines of the Corporation.

(d) The Executive Chair or Chair or, if he or she is not presiding, the presiding officer of the meeting of Stockholders shall determine whether the requirements of this Section 2.10 have been met with respect to any nomination or purported nomination. If the Executive Chair, Chair or the presiding officer determines that any purported nomination was not made in accordance with the requirements of this Section 2.10, he or she shall so declare at the meeting and the defective nomination shall be disregarded, notwithstanding that such nomination is set forth in the notice of meeting or other proxy materials and notwithstanding that proxies in respect of such vote may have been received by the Corporation. Notwithstanding the foregoing provisions of this Section 2.10, unless otherwise required by law, if the Stockholder (or a qualified representative of the Stockholder) does not appear at the meeting of Stockholders to present a proposal, such proposal shall not be acted upon at the meeting, notwithstanding that such proposal is set forth in the notice of meeting or other proxy materials and notwithstanding that proxies in respect of such vote may have been received by the Corporation. In addition to the foregoing provisions of this Section 2.10, a Stockholder shall also comply with all applicable requirements of state and federal law, including the Exchange Act and the rules and regulations thereunder (including Rule 14a-19), to the extent such requirements apply to the Corporation, with respect to the matters set forth in this Section 2.10.

(e) Notwithstanding anything to the contrary in these Bylaws, unless otherwise required by law, if any Stockholder or beneficial owner, if any, on whose behalf a nomination is made (A) provides notice pursuant to Rule 14a-19(b) promulgated under the Exchange Act or includes the information required by Rule 14a-19(b) in a preliminary or definitive proxy statement previously filed by such person (it being understood that such notice or filing shall be in addition to, and not in lieu of, the notices required under these Bylaws) and (B) subsequently notifies the Corporation that it no longer intends to comply with Rule 14a-19(a)(2) or Rule 14a-19(a)(3) promulgated under the Exchange Act, fails to comply with the requirements of Rule 14a-9 promulgated under the Exchange Act, or fails to timely provide reasonable evidence sufficient to satisfy the Corporation that such Stockholder or such beneficial owner has met the requirements of Rule 14a-19(a)(3) promulgated under the Exchange Act in accordance with the following sentence, then the nomination of each such proposed nominee shall be disregarded, notwithstanding that such nomination is set forth in the notice of meeting or other proxy materials and notwithstanding that proxies or votes in respect of the election of such proposed nominees may have been received by the Corporation (which proxies shall be disregarded). Upon request by the Corporation, if any Stockholder or beneficial owner, if any, on whose behalf the nomination is made, provides notice pursuant to Rule 14a-19(b) promulgated under the Exchange Act or includes the information required by Rule 14a-19(b) in a preliminary or definitive proxy statement previously filed by such person, such Stockholder or such beneficial owner shall deliver to the Corporation, no later than five business days prior to the applicable meeting, reasonable evidence that it has met the requirements of Rule 14a-19(a)(3) promulgated under the Exchange Act.

(f) The number of nominees a Stockholder may nominate for election to the Board at the meeting of Stockholders (or in the case of one or more Stockholders giving the notice on behalf of a beneficial owner, the number of nominees such Stockholders may collectively nominate for election on behalf of such beneficial owner) shall not exceed the number of Directors to be elected at such meeting, and for the avoidance of doubt, no Stockholder shall be entitled to make additional or substitute nominations following the expiration of the time periods set forth in the second paragraph of Section 2.10(a).

(g) Directors need not be residents of the State of Delaware or Stockholders.

Section 2.11 *Compensation*. Unless otherwise restricted by law, the Board shall have the authority to establish the amount and form of compensation of the Directors from time to time, and to reimburse directors for expenses related to their service as Directors.

### ARTICLE III BOARD COMMITTEES

Section 3.1 *Board Committees*. (a) The Board may designate one or more Board committees consisting of one or more of the Directors. The Board may designate one or more Directors as alternate members of any Board committee, who may replace any absent or disqualified member at any meeting of that committee. The member or members present at any meeting of any Board committee and not disqualified from voting at that meeting may, whether or not constituting a quorum, unanimously appoint another Director to act at that meeting in the place of any member of that committee who is absent from or disqualified to vote at that meeting.

(b) The Board by resolution may change the membership of any Board committee at any time and fill vacancies on any of those committees. A majority of the members of any Board committee will constitute a quorum for the transaction of business by that committee unless the Board by resolution requires a greater number for that purpose. The Board by resolution may elect a chair of any Board committee. The election or appointment of any Director to a Board committee will not create any contract rights of that Director, and the Board's removal of any member of any Board committee will not prejudice any contract rights that member otherwise may have.

(c) Each other Board committee the Board may designate pursuant to Section 3.1(a) will, subject to applicable provisions of law, have and may exercise all the powers and authorities of the Board to the extent the Board resolution designating that committee so provides.

Section 3.2 *Board Committee Rules*. Unless the Board otherwise provides, each Board committee may make, alter and repeal rules for the conduct of its business. In the absence of those rules, each Board committee will conduct its business in the same manner as the Board conducts its business pursuant to Article II.

### ARTICLE IV OFFICERS

Section 4.1 *Designation*. The officers of the Corporation will consist of a Chief Executive Officer, President, Secretary, Treasurer and such Executive, Senior or other Vice Presidents, Assistant Secretaries, Assistant Treasurers and other officers, including Chief Financial Officer and General Counsel, as the Board may elect or appoint from time to time. Any number of offices of the Corporation may be held by the same person. The Board may also elect or appoint an Executive Chair from among its directors to serve as an officer of the Corporation. If no Executive Chair is elected or appointed, the Board shall elect or appoint from among the directors a person to act as Chair who shall not be deemed to be an officer of the Corporation unless he or she has otherwise been elected or appointed as such.

Section 4.2 *Executive Chair*. The Executive Chair, if one shall have been elected or appointed, shall exercise such powers and perform such duties as shall be determined from time to time by resolution of the Board, including, but not limited to, sharing with the Chief Executive Officer responsibility for strategic planning, collaborating with the Chief Executive Officer on major initiatives, assisting the Chief Executive Officer and other senior officers in



matters relating to communications and relationships with the Corporation's constituents, and generally serving as a resource for the Chief Executive Officer.

Section 4.3 *Chief Executive Officer.* The Chief Executive Officer will, subject to the control of the Board: (i) have general supervision and control of the affairs, business, operations and properties of the Corporation; (ii) see that all orders and resolutions of the Board are carried into effect; and (iii) have the power to appoint and remove all subordinate officers, employees and agents of the Corporation, except for those the Board elects or appoints. The Chief Executive Officer also will perform such other duties and may exercise such other powers as generally pertain to his or her office or these Bylaws or the Board by resolution assigns to him or her from time to time.

Section 4.4 *Chief Financial Officer.* The Chief Financial Officer shall keep and maintain or cause to be kept and maintained, adequate and correct books and records of account of the business transactions of the Corporation. The Chief Financial Officer shall make proper accounts of such funds, and render as required by the Board such account of all such transactions and of the financial condition of the Corporation. The Chief Financial Officer shall be empowered, from time to time, to require from the officers and agents of the Corporation, reports or statements giving such information as he or she may desire with respect to any and all financial transactions of the Corporation, and shall exercise the duties and have the powers usually pertaining to the office held by the Chief Financial Officer of a corporation.

Section 4.5 *General Counsel.* The General Counsel shall advise the Corporation on legal matters affecting the Corporation and its activities and shall supervise and direct handling of all such legal matters on behalf of the Corporation.

Section 4.6 *Executive Vice President, Senior Vice President, Vice President.* Any Executive Vice President, Senior Vice President or Vice President shall have such duties and powers as shall be determined by the Board or the Chief Executive Officer.

Section 4.7 *Secretary and Assistant Secretary.* The Secretary shall (i) attend all meetings of the Board and all meetings of stockholders and record all the proceedings at the meetings in a book or books to be kept for that purpose and, at the request of the Board, perform like duties for the standing committees of the Board; (ii) give, or cause to be given, notice of all meetings of the stockholders and special meetings of the Board in accordance with the provisions of these Bylaws or as required by law; (iii) be custodian of the corporate seal of the Corporation; (iv) keep or cause to be kept a register of the mailing address of each stockholder furnished by such stockholder; (v) have general Charge of the stock certificate books and related books and records of the Corporation and see that the books, reports, and statements, certificates and all other documents and records incident to the office of Secretary and require by law are properly kept and filed, and (vi) in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the Chief Executive Officer or the Board. Any Assistant Secretary shall, in the absence of the Secretary or in the event of the Secretary's inability or refusal to act, perform the duties and exercise the powers of the Secretary.

Section 4.8 *Treasurer and Assistant Treasurer.* The Treasurer (or if there is none, the Chief Financial Officer) shall (i) have charge and custody of, and be responsible for, all funds and securities of the Corporation, receive and give receipts for moneys due and payable to the Corporation from any sources whatsoever, and deposit all such moneys in the name of the Corporation in such banks, trust companies or other depositories and shall be selected by the Board or in accordance with corporate policy approved by the Board, and (ii) in general, perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the Chief Executive Officer of the Board. Any Assistant Treasurer shall, in the

absence of the Treasurer or in the event of the Treasurer's inability or refusal to act, perform the duties and exercise the powers of the Treasurer.

Section 4.9 *Powers and Duties of Other Officers.* The Board may appoint such other officers, each of whom shall hold office for such term as determined by the Board. The other officers of the Corporation will have such powers and duties in the management of the Corporation as the Board by resolution may prescribe and, except to the extent so prescribed, as generally pertain to their respective offices, subject to the control of the Board. The Board may require any officer, agent or employee to give security for the faithful performance of his or her duties.

Section 4.10 *Other Positions.* The Chief Executive Officer may authorize the use of titles, including President, Vice President and other titles, by individuals who hold management positions with the business groups, divisions or other operational units of the Corporation, but who are not and shall not be deemed officers of the Corporation. Individuals in such positions shall hold such titles at the discretion of the appointing officer, who shall be the Chief Executive Officer or any officer to whom the Chief Executive Officer delegates such appointing authority, and shall have such powers and perform such duties as such appointing officer may from time to time determine.

Section 4.11 *Vacancies.* Whenever any vacancies shall occur in any office by death, resignation, increase in the number of offices of the Corporation, or otherwise, the same shall be filled by the Board, and the officer so elected shall hold office until such officer's successor is elected or appointed or until his or her earlier death, resignation or removal.

Section 4.12 *Removal.* Any officer or agent elected or appointed by the Board may be removed by the Board whenever in its judgment the best interests of the Corporation will be served thereby, but such removal shall be without prejudice to the contract, common law and statutory rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

Section 4.13 *Action with Respect to Securities of Other Corporations.* Unless otherwise directed by the Board, the Executive Chair, the Chair, the Chief Executive Officer, the President, any Vice President and the Treasurer of the Corporation shall each have power to vote and otherwise act on behalf of the Corporation, in person or by proxy, at any meeting of security holders of or with respect to any action of security holders of any other corporation in which the Corporation may hold securities and otherwise to exercise any and all rights and powers which the Corporation may possess by reason of its ownership of securities in such other corporation.

## ARTICLE V CAPITAL STOCK

Section 5.1 *Uncertificated Shares.* Shares of capital stock of the Corporation will be uncertificated. Ownership of such shares shall be evidenced by book entry notation on the stock transfer records of the Corporation.

Section 5.2 *Transfer of Shares.* The Corporation may act as its own transfer agent and registrar for shares of its capital stock or use the services of one or more transfer agents and registrars as the Board by resolution may appoint from time to time. Shares shall be transferred on the stock transfer records of the Corporation only upon the written instructions originated by the holders thereof or by their duly authorized attorneys or legal representatives.

Section 5.3 *Ownership of Shares.* The Corporation will be entitled to treat the holder of record of any share or shares of its capital stock as the holder in fact thereof and,

accordingly, will not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it has express or other notice thereof, except as the applicable laws of the State of Delaware otherwise provide.

Section 5.4 *Regulations Regarding Shares.* The Board will have the power and authority to make all such rules and regulations as it may deem expedient concerning the issue, transfer and registration or the replacement of shares of capital stock of the Corporation.

## ARTICLE VI INDEMNIFICATION

Section 6.1 *General.* The Corporation shall, to the fullest extent permitted by applicable law in effect on the date of effectiveness of these Bylaws, and to such greater extent as applicable law may thereafter permit, indemnify and hold each Indemnitee (as this and all other capitalized words used in this Article VI not previously defined in these Bylaws are defined in Section 6.15 hereof) harmless from and against any and all losses, liabilities, costs, claims, damages and, subject to Section 6.2, Expenses arising out of any event or occurrence related to the fact that Indemnitee is or was a Director or an officer of the Corporation or is or was serving in another Corporate Status.

Section 6.2 *Expenses.* If Indemnitee is, by reason of his or her Corporate Status, a party to and is successful, on the merits or otherwise, in any Proceeding, he or she shall be indemnified against all Expenses actually and reasonably incurred by him or her or on his or her behalf in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to any Matter in such Proceeding, the Corporation shall indemnify Indemnitee against all Expenses actually and reasonably incurred by him or her or on his or her behalf relating to such Matter. The termination of any Matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such Matter. To the extent that the Indemnitee is, by reason of his or her Corporate Status, a witness in any Proceeding, he or she shall be indemnified against all Expenses actually and reasonably incurred by him or her or on his or her behalf in connection therewith.

Section 6.3 *Advances.* In the event of any threatened or pending Proceeding in which Indemnitee is a party or is involved and that may give rise to a right of indemnification under this Article VI, following written request to the Corporation by Indemnitee, the Corporation shall promptly pay to Indemnitee amounts to cover Expenses reasonably incurred by Indemnitee in such Proceeding in advance of its final disposition upon the receipt by the Corporation of (i) a written undertaking executed by or on behalf of Indemnitee providing that Indemnitee will repay the advance if it shall ultimately be determined that Indemnitee is not entitled to be indemnified by the Corporation as provided in this Article VI and (ii) satisfactory evidence as to the amount of such Expenses.

Section 6.4 *Request for Indemnification.* To obtain indemnification, Indemnitee shall submit to the Secretary a written claim or request. Such written claim or request shall contain sufficient information to reasonably inform the Corporation about the nature and extent of the indemnification or advance sought by Indemnitee. The Secretary shall promptly advise the Board of such request.

Section 6.5 *Determination of Entitlement; No Change of Control.* If there has been no Change of Control at or before the time the request for indemnification is submitted, Indemnitee's entitlement to indemnification shall be determined in accordance with Section 145(d) of the DGCL. If entitlement to indemnification is to be determined by Independent Counsel, the Corporation shall furnish notice to Indemnitee, within ten days after receipt of the request for indemnification, specifying the identity and address of Independent Counsel. The

Indemnatee may, within 14 days after receipt of such written notice, deliver to the Corporation a written objection to such selection. Such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of Independent Counsel and the objection shall set forth with particularity the factual basis for such assertion. If there is an objection to the selection of Independent Counsel, either the Corporation or Indemnatee may petition the Court for a determination that the objection is without a reasonable basis or for the appointment of Independent Counsel selected by the Court.

Section 6.6 *Determination of Entitlement; Change of Control.* If there has been a Change of Control at or before the time the request for indemnification is submitted, Indemnatee's entitlement to indemnification shall be determined in a written opinion by Independent Counsel selected by Indemnatee. Indemnatee shall give the Corporation written notice advising of the identity and address of the Independent Counsel so selected. The Corporation may, within 14 days after receipt of such written notice of selection, deliver to the Indemnatee a written objection to such selection. Indemnatee may, within 14 days after the receipt of such objection from the Corporation, submit the name of another Independent Counsel and the Corporation may, within seven days after receipt of such written notice, deliver to the Indemnatee a written objection to such selection. Any objections referred to in this Section 6.6 may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of Independent Counsel and such objection shall set forth with particularity the factual basis for such assertion. Indemnatee may petition the Court for a determination that the Corporation's objection to the first or second selection of Independent Counsel is without a reasonable basis or for the appointment of Independent Counsel of a person selected by the Court.

Section 6.7 *Procedures of Independent Counsel.* If a Change of Control shall have occurred before the request for indemnification is sent by Indemnatee, Indemnatee shall be presumed (except as otherwise expressly provided in this Article VI) to be entitled to indemnification upon submission of a request for indemnification in accordance with Section 6.4 hereof, and thereafter the Corporation shall have the burden of proof to overcome the presumption in reaching a determination contrary to the presumption. The presumption shall be used by Independent Counsel as a basis for a determination of entitlement to indemnification unless the Corporation provides information sufficient to overcome such presumption by clear and convincing evidence or the investigation, review and analysis of Independent Counsel convinces him or her by clear and convincing evidence that the presumption should not apply.

Except in the event that the determination of entitlement to indemnification is to be made by Independent Counsel, if the person or persons empowered under Section 6.5 or 6.6 hereof to determine entitlement to indemnification shall not have made and furnished to Indemnatee in writing a determination within 60 days after receipt by the Corporation of the request therefor, the requisite determination of entitlement to indemnification shall be deemed to have been made and Indemnatee shall be entitled to such indemnification unless Indemnatee knowingly misrepresented a material fact in connection with the request for indemnification or such indemnification is prohibited by applicable law. The termination of any Proceeding or of any Matter therein, by judgment, order, settlement or conviction, or upon a plea of *nolo contendere* or its equivalent, shall not (except as otherwise expressly provided in this Article VI) of itself adversely affect the right of Indemnatee to indemnification or create a presumption that Indemnatee did not act in good faith and in a manner that he or she reasonably believed to be in or not opposed to the best interests of the Corporation, or with respect to any criminal Proceeding, that Indemnatee had reasonable cause to believe that his or her conduct was unlawful. A person who acted in good faith and in a manner he or she reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan of the Corporation shall be deemed to have acted in a manner not opposed to the best interests of the Corporation.

For purposes of any determination hereunder, a person shall be deemed to have acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Corporation, or, with respect to any criminal Proceeding, to have had no reasonable cause to believe his or her conduct was unlawful, if his or her action is based on the records or books of account or other records of the Corporation or another enterprise or on information, opinions, reports or statements presented to him or her or to the Corporation by any of the Corporation's officers, employees or Directors, or committees of the Board, or by any other person as to matters the person reasonably believes are in such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Corporation or another enterprise in the course of their duties or on the advice of legal counsel for the Corporation or another enterprise or on information or records given or reports made to the Corporation or another enterprise by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Corporation or another enterprise. The term "another enterprise" as used in this Section 6.7 shall mean any other corporation or any partnership, limited liability company, association, joint venture, trust, employee benefit plan or other enterprise for which such person is or was serving at the request of the Corporation as a director, officer, employee or agent. The provisions of this paragraph shall not be deemed to be exclusive or to limit in any way the circumstances in which an Indemnitee may be deemed to have met the applicable standards of conduct for determining entitlement to rights under this Article.

**Section 6.8 *Independent Counsel Expenses.*** The Corporation shall pay any and all reasonable fees and expenses of Independent Counsel incurred acting pursuant to this Article VI and in any Proceeding to which it is a party or witness in respect of its investigation and written report and shall pay all reasonable fees and expenses incident to the procedures in which such Independent Counsel was selected or appointed. No Independent Counsel may serve if a timely objection has been made to his or her selection until a court has determined that such objection is without a reasonable basis.

**Section 6.9 *Adjudication.*** In the event that (i) a determination is made pursuant to Section 6.5 or 6.6 hereof that Indemnitee is not entitled to indemnification under this Article VI; (ii) advancement of Expenses is not timely made pursuant to Section 6.3 hereof; (iii) Independent Counsel has not made and delivered a written opinion determining the request for indemnification (a) within 90 days after being appointed by the Court, (b) within 90 days after objections to his or her selection have been overruled by the Court or (c) within 90 days after the time for the Corporation or Indemnitee to object to his or her selection; or (iv) payment of indemnification is not made within five days after a determination of entitlement to indemnification has been made or is deemed to have been made pursuant to Section 6.5, 6.6 or 6.7 hereof, Indemnitee shall be entitled to an adjudication by the Court of his or her entitlement to such indemnification or advancement of Expenses. In the event that a determination shall have been made that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 6.9 shall be conducted in all respects as a *de novo* trial on the merits and Indemnitee shall not be prejudiced by reason of that adverse determination. If a Change of Control shall have occurred, in any judicial proceeding commenced pursuant to this Section 6.9, the Corporation shall have the burden of proving that Indemnitee is not entitled to indemnification or advancement of Expenses, as the case may be. If a determination shall have been made or is deemed to have been made that Indemnitee is entitled to indemnification, the Corporation shall be bound by such determination in any judicial proceeding commenced pursuant to this Section 6.9, or otherwise, unless Indemnitee knowingly misrepresented a material fact in connection with the request for indemnification, or such indemnification is prohibited by law.

The Corporation shall be precluded from asserting in any judicial proceeding commenced pursuant to this Section 6.9 that the procedures and presumptions of this Article VI

are not valid, binding and enforceable. If the Indemnitee, pursuant to this Section 6.9, seeks a judicial adjudication to enforce his or her rights under, or to recover damages for breach of, this Article VI, and if he or she prevails therein, then Indemnitee shall be entitled to recover from the Corporation, and shall be indemnified by the Corporation against, any and all Expenses actually and reasonably incurred by him or her in such judicial adjudication. If it shall be determined in such judicial adjudication that Indemnitee is entitled to receive part but not all of the indemnification or advancement of Expenses sought, then the Expenses incurred by Indemnitee in connection with such judicial adjudication or arbitration shall be prorated.

**Section 6.10 *Participation by the Corporation.*** With respect to any Proceeding: (a) the Corporation will be entitled to participate therein at its own expense; (b) except as otherwise provided below, to the extent that it may wish, the Corporation (jointly with any other indemnifying party similarly notified) will be entitled to assume the defense thereof, with counsel reasonably satisfactory to Indemnitee; and (c) the Corporation shall not be liable to indemnify Indemnitee under this Article VI for any amounts paid in settlement of any action or claim effected without its written consent, which consent shall not be unreasonably withheld. After receipt of notice from the Corporation to Indemnitee of the Corporation's election to assume the defense thereof, the Corporation will not be liable to Indemnitee under this Article VI for any legal or other expenses subsequently incurred by Indemnitee in connection with the defense thereof other than as otherwise provided below. Indemnitee shall have the right to employ his or her own counsel in such action, suit, proceeding or investigation but the fees and expenses of such counsel incurred after notice from the Corporation of its assumption of the defense thereof shall be at the expense of Indemnitee unless the employment of counsel by Indemnitee has been authorized by the Corporation, or Indemnitee shall have reasonably concluded that there is a conflict of interest between the Corporation and Indemnitee in the conduct of the defense of such action, or the Corporation shall not in fact have employed counsel to assume the defense of such action, in each of which cases the fees and expenses of counsel employed by Indemnitee shall be subject to indemnification pursuant to the terms of this Article VI. The Corporation shall not be entitled to assume the defense of any Proceeding brought in the name of or on behalf of the Corporation or as to which Indemnitee shall have reasonably concluded that there is a conflict of interest between the Corporation and Indemnitee in the conduct of the defense of such action. The Corporation shall not settle any action or claim in any manner which would impose any limitation or unindemnified penalty on Indemnitee without Indemnitee's written consent, which consent shall not be unreasonably withheld.

**Section 6.11 *Nonexclusivity of Rights.*** The rights of indemnification and advancement of Expenses as provided by this Article VI shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled to under applicable law, the Certificate of Incorporation, these Bylaws, any agreement, a vote of Stockholders or a resolution of directors, or otherwise. No amendment, alteration or repeal of this Article VI or any provision hereof shall be effective as to any Indemnitee for acts, events and circumstances that occurred, in whole or in part, before such amendment, alteration or repeal. The provisions of this Article VI shall be binding upon the Corporation, its successors and assigns and shall continue as to an Indemnitee whose Corporate Status has ceased for any reason and shall inure to the benefit of his or her heirs, executors, administrators or personal representatives. Neither the provisions of this Article VI nor those of any agreement to which the Corporation is a party shall be deemed to preclude the indemnification of any person who is not specified in this Article VI as having the right to receive indemnification or is not a party to any such agreement, but whom the Corporation has the power or obligation to indemnify under the provisions of the DGCL.

**Section 6.12 *Insurance and Subrogation.*** The Corporation may maintain insurance, at its expense, to protect itself and any Director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against

any such expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under applicable law.

The Corporation shall not be liable under this Article VI to make any payment of amounts otherwise indemnifiable hereunder if, but only to the extent that, Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

In the event of any payment hereunder, the Corporation shall be subrogated to the extent of such payment to all the rights of recovery of Indemnitee, who shall execute all papers required and take all action reasonably requested by the Corporation to secure such rights, including execution of such documents as are necessary to enable the Corporation to bring suit to enforce such rights.

Section 6.13 *Severability*. If any provision or provisions of this Article VI shall be held to be invalid, illegal or unenforceable for any reason whatsoever, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby; and, to the fullest extent possible, the provisions of this Article VI shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

Section 6.14 *Certain Actions Where Indemnification Is Not Provided*. Notwithstanding any other provision of this Article VI, no person shall be entitled to indemnification or advancement of Expenses under this Article VI with respect to any Proceeding, or any Matter therein, brought or made by such person against the Corporation.

Section 6.15 *Definitions*. For purposes of this Article VI:

“Change of Control” means a change in control of the Corporation after the date Indemnitee acquired his or her Corporate Status, which shall be deemed to have occurred in any one of the following circumstances occurring after such date: (i) there shall have occurred an event that is or would be required to be reported with respect to the Corporation in response to Item 6(e) of Schedule 14A of Regulation 14A (or in response to any similar item on any similar schedule or form) promulgated under the Exchange Act, if the Corporation is or were subject to such reporting requirement; (ii) any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) shall have become the “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Corporation representing 40% or more of the combined voting power of the Corporation’s then outstanding voting securities without prior approval of at least two-thirds of the members of the Board in office immediately prior to such person’s attaining such percentage interest; (iii) the Corporation is a party to a merger, consolidation, sale of assets or other reorganization, or a proxy contest, as a consequence of which members of the Board in office immediately prior to such transaction or event constitute less than a majority of the Board thereafter; or (iv) during any period of two consecutive years, individuals who at the beginning of such period constituted the Board (including, for this purpose, any new director whose election or nomination for election by the Stockholders was approved by a vote of at least two-thirds of the Directors then still in office who were directors at the beginning of such period) cease for any reason to constitute at least a majority of the Board.

“Corporate Status” describes the status of an individual as a director, officer or other designated legal representative of the Corporation or of any predecessor of the Corporation, or as a director, officer or other designated legal representative of any other corporation, partnership, limited liability company, association, joint venture, trust, employee benefit plan or other enterprise for which an individual is or was serving as a director, officer or other designated legal representative at the request of the Corporation.

“Court” means the Court of Chancery of the State of Delaware or any other court of competent jurisdiction.

“Expenses” shall include all reasonable attorneys’ fees, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, or being or preparing to be a witness in a Proceeding.

“Indemnitee” includes any person who is, or is threatened to be made, a witness in or a party to any Proceeding by reason of his or her Corporate Status.

“Independent Counsel” means a law firm, or a member of a law firm, that is experienced in matters of corporate law and neither presently is, nor in the five years previous to his, her or its selection or appointment has been, retained to represent: (i) the Corporation or Indemnitee in any matter material to either such party or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder.

“Matter” is a claim, a material issue or a substantial request for relief.

“Proceeding” includes any action, suit, arbitration, alternate dispute resolution mechanism, investigation, administrative hearing or any other proceeding, whether civil, criminal, administrative or investigative, except one initiated by an Indemnitee pursuant to Section 6.9 hereof to enforce his or her rights under this Article VI.

Section 6.16 *Notices*. Promptly after receipt by Indemnitee of notice of the commencement of any Proceeding, Indemnitee shall, if he or she anticipates or contemplates making a claim for Expenses or an advance pursuant to the terms of this Article VI, notify the Corporation of the commencement of such Proceeding; *provided, however*, that any delay in so notifying the Corporation shall not constitute a waiver or release by Indemnitee of rights hereunder and that any omission by Indemnitee to so notify the Corporation shall not relieve the Corporation from any liability that it may have to Indemnitee otherwise than under this Article VI. Any communication required or permitted to the Corporation shall be addressed to the Secretary and any such communication to Indemnitee shall be addressed to Indemnitee’s address as shown on the Corporation’s records unless he or she specifies otherwise and shall be personally delivered, delivered by U.S. Mail, or delivered by commercial express overnight delivery service. Any such notice shall be effective upon receipt.

Section 6.17 *Contractual Rights*. The right to be indemnified or to the advancement or reimbursement of Expenses (i) is a contract right based upon good and valuable consideration, pursuant to which Indemnitee may sue as if these provisions were set forth in a separate written contract between Indemnitee and the Corporation, (ii) is and is intended to be retroactive and shall be available as to events occurring prior to the adoption of these provisions and (iii) shall continue after any rescission or restrictive modification of such provisions as to events occurring prior thereto.

Section 6.18 *Indemnification of Employees, Agents and Fiduciaries*. The Corporation, by adoption of a resolution of the Board of Directors, may indemnify and advance expenses to a person who is an employee, agent or fiduciary of the Corporation including any such person who is or was serving at the request of the Corporation as a director, officer, employee, agent or fiduciary of any other corporation, partnership, joint venture, limited liability company, trust, employee benefit plan or other enterprise to the same extent and subject to the same conditions (or to such lesser extent and/or with such other conditions as the Board of



Directors may determine) under which it may indemnify and advance expenses to an Indemnitee under this Article VI.

## ARTICLE VII MISCELLANEOUS

Section 7.1 *Fiscal Year.* The fiscal year of the Corporation shall end on the 31st day of December of each year or as otherwise provided by a resolution adopted by the Board.

Section 7.2 *Seal.* The corporate seal will have the name of the Corporation inscribed thereon and will be in such form as the Board by resolution may approve from time to time.

Section 7.3 *Interested Directors; Quorum.* No contract or transaction between the Corporation and one or more of its Directors or officers, or between the Corporation and any other Entity in which one or more of its Directors or officers are Directors or officers (or hold equivalent offices or positions), or have a financial interest, will be void or voidable solely for this reason, or solely because the Director or officer is present at or participates in the meeting of the Board or Board committee which authorizes the contract or transaction, or solely because his, her or their votes are counted for that purpose, if: (i) the material facts as to his or her relationship or interest and as to the contract or transaction are disclosed or are known to the Board or the Board committee, and the Board or Board committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested Directors, even though the disinterested Directors be less than a quorum; or (ii) the material facts as to the Director's or officer's relationship or interest and as to the contract or transaction are disclosed or are known to the Stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of those Stockholders; or (iii) the contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified by the Board, a Board committee or the Stockholders. Common or interested Directors may be counted in determining the presence of a quorum at a meeting of the Board or of a Board committee which authorizes the contract or transaction.

Section 7.4 *Form of Records.* Any records the Corporation maintains in the regular course of its business, including its stock ledger, books of account, and minute books, may be kept on, or be in the form of, punch cards, magnetic tape, photographs, microphotographs or any other information storage device, provided that the records so kept can be converted into clearly legible form within a reasonable time.

Section 7.5 *Bylaw Amendments.* The Board has the power to adopt, amend and repeal from time to time the Bylaws of the Corporation. Any adoption, amendment or repeal of the Bylaws of the Corporation by the Board shall require the approval of at least a majority of the Directors then in office. The Stockholders shall also have the power to adopt, amend or repeal the Bylaws of the Corporation at any annual meeting before which such matter has been properly brought in accordance with Sections 1.1 and 1.10 hereof, or at any special meeting if notice of the proposed amendment is contained in the notice of said special meeting; provided, however, that, in addition to any vote of the holders of any class or series of capital stock of the Corporation required by law or by the Certificate of Incorporation, the affirmative vote of the holders of at least eighty percent (80%) of the voting power of the then issued and outstanding shares of the capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required to adopt, amend or repeal any provision of the Bylaws of the Corporation.

Section 7.6 *Notices; Waiver of Notice.* Whenever any notice is required to be given to any Stockholder, Director or member of any Board committee under the provisions of the DGCL, the Certificate of Incorporation or these Bylaws, that notice will be deemed to be sufficient if given (i) by telegraphic, facsimile, electronic mail, cable, wireless transmission or other electronic transmission or (ii) by deposit of the same in the United States mail, with postage paid thereon, addressed to the person entitled thereto at his or her address as it appears in the records of the Corporation, and that notice shall be deemed to have been given on the day of such transmission or mailing, as the case may be.

Whenever any notice is required to be given to any Stockholder or Director under the provisions of the DGCL, the Certificate of Incorporation or these Bylaws, a waiver thereof in writing signed by the person or persons entitled to that notice or a waiver by electronic transmission by the person entitled to notice, whether before or after the time stated therein, will be equivalent to the giving of that notice. Attendance of a person at a meeting will constitute a waiver of notice of that meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Stockholders, the Board or any Board committee need be specified in any written waiver of notice or any waiver by electronic transmission unless the Certificate of Incorporation or these Bylaws so require.

Section 7.7 *Resignations.* Any resignation by a Director or officer of the Corporation shall be made in writing.

Section 7.8 *Books, Reports and Records.* The Corporation shall keep books and records of account and shall keep minutes of the proceedings of the Stockholders, the Board and each committee of the Board. Each Director and each member of any committee designated by the Board shall, in the performance of his or her duties, be fully protected in relying in good faith on the books of account or other records of the Corporation and on information, opinions, reports or statements presented to him or her or to the Corporation by any of the Corporation's officers, employees or other Directors, or committees of the Board, or by any other person as to matters the Director or member reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or behalf of the Corporation.

Section 7.9 *Facsimile Signatures.* In addition to the provisions for the use of facsimile signatures elsewhere specifically authorized in these Bylaws, facsimile signatures of either the Executive Chair or Chair, any other Director, or any officer or officers of the Corporation may be used whenever and as authorized by the Board.

Section 7.10 *Certain Definitional Provisions.* (a) When used in these Bylaws, the words "herein," "hereof" and "hereunder" and words of similar import refer to these Bylaws as a whole and not to any provision of these Bylaws, and the words "Article" and "Section" refer to Articles and Sections of these Bylaws unless otherwise specified.

(b) Whenever the context so requires, the singular number includes the plural and vice versa, and a reference to one gender includes the other gender and the neuter.

(c) The word "including" (and, with correlative meaning, the word "include") means including, without limiting the generality of any description preceding that word, and the words "shall" and "will" are used interchangeably and have the same meaning.

Section 7.11 *Captions*. Captions to Articles and Sections of these Bylaws are included for convenience of reference only, and these captions do not constitute a part hereof for any other purpose or in any way affect the meaning or construction of any provision hereof.

Section 7.12 *Forum for Adjudication of Disputes*. Unless the Corporation consents in writing to the selection of an alternative forum, the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of fiduciary duty owed by any director or officer or other employee of the Corporation to the Corporation or the Corporation's stockholders, (iii) any action asserting a claim against the Corporation or any director or officer or other employee of the Corporation arising pursuant to any provision of the DGCL or the Corporation's Certificate of Incorporation or Bylaws (as either may be amended from time to time), or (iv) any action asserting a claim against the Corporation or any director or officer or other employee of the Corporation governed by the internal affairs doctrine shall be a state court located within the State of Delaware (or, if no state court located within the State of Delaware has jurisdiction, the federal district court for the District of Delaware).

## CERTIFICATION

I, Rex D. Geveden, certify that:

1. I have reviewed this quarterly report on Form 10-Q of BWX Technologies, Inc. for the quarterly period ended June 30, 2023;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 3, 2023

/s/ Rex D. Geveden

---

Rex D. Geveden

President and Chief Executive Officer

## CERTIFICATION

I, Robb A. LeMasters, certify that:

1. I have reviewed this quarterly report on Form 10-Q of BWX Technologies, Inc. for the quarterly period ended June 30, 2023;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 3, 2023

/s/ Robb A. LeMasters

---

Robb A. LeMasters

Senior Vice President and Chief Financial Officer

BWX TECHNOLOGIES, INC.

Certification Pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002  
(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), I, Rex D. Geveden, President and Chief Executive Officer of BWX Technologies, Inc., a Delaware corporation (the "Company"), hereby certify, to my knowledge, that:

- (1) the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2023 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 3, 2023

/s/ Rex D. Geveden

Rex D. Geveden

President and Chief Executive Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

BWX TECHNOLOGIES, INC.

Certification Pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002  
(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), I, Robb A. LeMasters, Senior Vice President and Chief Financial Officer of BWX Technologies, Inc., a Delaware corporation (the "Company"), hereby certify, to my knowledge, that:

- (1) the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2023 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 3, 2023

/s/ Robb A. LeMasters

Robb A. LeMasters

Senior Vice President and Chief Financial Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.