

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark one)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarter ended June 30, 2025

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to
Commission File Number: 001-35475

ZURN ELKAY WATER SOLUTIONS CORPORATION
(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction of Incorporation or Organization)

20-5197013
(I.R.S. Employer Identification No.)

511 W. Freshwater Way
Milwaukee, Wisconsin
(Address of Principal Executive Offices)

53204
(Zip Code)

Registrant's telephone number, including area code: (855) 480-5050

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

Title of Each Class
Common Stock, \$.01 par value

Trading Symbol(s)
ZWS

Name of Each Exchange on Which Registered
The 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 checkmark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§229.405 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, a 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 Exchange Act Rule 12b-2). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at July 24, 2025
Zurn Elkay Water Solutions Corporation Common Stock, \$0.01 par value per share	167,552,517 shares

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Private Securities Litigation Reform Act Safe Harbor Statement

Our disclosure and analysis in this report concerning our operations, cash flows and financial position, including, in particular, the likelihood of our success in developing and expanding our business and the realization of sales from our backlog, include forward-looking statements. Statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “estimates” and similar expressions are forward-looking statements. Although these statements are based upon reasonable assumptions, including projections of orders, sales, operating margins, earnings, cash flows, research and development costs, working capital and capital expenditures, they are subject to risks and uncertainties that are described more fully herein and in our Annual Report on [Form 10-K](#) for the year ended December 31, 2024, in Part I, Item 1A, “Risk Factors” and in Part I under the heading “Cautionary Notice Regarding Forward-Looking Statements”, as well as in our other filings with the Securities and Exchange Commission. Accordingly, we can give no assurance that we will achieve the results anticipated or implied by our forward-looking statements. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by law.

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Zurn Elkay Water Solutions Corporation and Subsidiaries Condensed Consolidated Balance Sheets (in Millions, except share amounts)

	(Unaudited) June 30, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 201.9	\$ 198.0
Receivables, net	240.1	202.2
Inventories, net	275.8	272.6
Income taxes receivable	2.5	19.6
Other current assets	33.7	29.7
Total current assets	754.0	722.1
Property, plant and equipment, net	162.2	164.0
Intangible assets, net	863.9	891.6
Goodwill	795.6	794.2
Other assets	78.6	76.6
Total assets	<u>\$ 2,654.3</u>	<u>\$ 2,648.5</u>
Liabilities and stockholders' equity		
Current liabilities:		
Current maturities of debt	\$ 0.8	\$ 0.8
Trade payables	88.9	71.7
Compensation and benefits	34.0	37.9
Current portion of pension and postretirement benefit obligations	1.2	1.2
Other current liabilities	153.4	136.2
Total current liabilities	278.3	247.8
Long-term debt	495.1	494.8
Pension and postretirement benefit obligations	14.0	14.1
Deferred income taxes	186.0	196.5
Operating lease liability	46.3	43.3
Other liabilities	70.2	65.2
Total liabilities	1,089.9	1,061.7
Stockholders' equity:		
Common stock, \$0.01 par value; 200,000,000 shares authorized; shares issued and outstanding: 167,661,315 at June 30, 2025 and 170,308,023 at December 31, 2024	1.7	1.7
Additional paid-in capital	2,817.9	2,828.2
Retained deficit	(1,185.5)	(1,168.7)
Accumulated other comprehensive loss	(69.7)	(74.4)
Total stockholders' equity	1,564.4	1,586.8
Total liabilities and stockholders' equity	<u>\$ 2,654.3</u>	<u>\$ 2,648.5</u>

See notes to the condensed consolidated financial statements.

Zurn Elkay Water Solutions Corporation and Subsidiaries
Condensed Consolidated Statements of Operations
(in Millions, except share and per share amounts)
(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Net sales	\$ 444.5	\$ 412.0	\$ 833.3	\$ 785.8
Cost of sales	242.2	225.7	450.0	429.4
Gross profit	202.3	186.3	383.3	356.4
Selling, general and administrative expenses	108.2	98.9	209.4	194.8
Restructuring and other similar charges	1.9	0.7	3.6	7.0
Amortization of intangible assets	14.6	14.8	29.3	29.5
Income from operations	77.6	71.9	141.0	125.1
Non-operating expense:				
Interest expense, net	(7.7)	(8.5)	(15.0)	(17.3)
Other expense, net	(2.0)	(1.6)	(2.0)	(3.0)
Income before income taxes	67.9	61.8	124.0	104.8
Provision for income taxes	(17.8)	(16.5)	(32.9)	(25.5)
Net income from continuing operations	50.1	45.3	91.1	79.3
Income from discontinued operations, net of tax	0.4	0.7	3.0	1.0
Net income	\$ 50.5	\$ 46.0	\$ 94.1	\$ 80.3
Basic net income per share:				
Continuing operations	\$ 0.30	\$ 0.26	\$ 0.54	\$ 0.46
Discontinued operations	\$ —	\$ 0.01	\$ 0.02	\$ 0.01
Net income	\$ 0.30	\$ 0.27	\$ 0.56	\$ 0.47
Diluted net income per share:				
Continuing operations	\$ 0.29	\$ 0.26	\$ 0.53	\$ 0.45
Discontinued operations	\$ —	\$ 0.01	\$ 0.02	\$ 0.01
Net income	\$ 0.29	\$ 0.27	\$ 0.55	\$ 0.46
Weighted-average number of shares outstanding (in thousands):				
Basic	168,483	172,627	169,409	172,818
Effect of dilutive equity awards	1,600	2,376	1,901	2,738
Diluted	170,083	175,003	171,310	175,556

See notes to the condensed consolidated financial statements.

Zurn Elkay Water Solutions Corporation and Subsidiaries
Condensed Consolidated Statements of Comprehensive Income
(in Millions)
(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Net income	\$ 50.5	\$ 46.0	\$ 94.1	\$ 80.3
Other comprehensive income (loss):				
Foreign currency translation adjustments	4.9	(1.5)	4.7	(4.0)
Other comprehensive income (loss), net of tax	4.9	(1.5)	4.7	(4.0)
Total comprehensive income	<u>\$ 55.4</u>	<u>\$ 44.5</u>	<u>\$ 98.8</u>	<u>\$ 76.3</u>

See notes to the condensed consolidated financial statements.

Zurn Elkay Water Solutions Corporation and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(in Millions)
(Unaudited)

	Six Months Ended	
	June 30, 2025	June 30, 2024
Operating activities		
Net income	\$ 94.1	\$ 80.3
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation	15.5	13.8
Amortization of intangible assets	29.3	29.5
Non-cash restructuring charges	0.5	5.2
Loss on dispositions of long-lived assets	—	0.4
Deferred income taxes	(10.6)	(13.0)
Other non-cash expense	1.1	2.3
Pension curtailment	(0.7)	—
Stock-based compensation expense	19.5	19.4
Changes in operating assets and liabilities:		
Receivables, net	(36.8)	(30.6)
Inventories, net	(1.7)	0.4
Other assets	21.3	2.0
Accounts payable	16.8	21.8
Accruals and other	5.2	7.5
Cash provided by operating activities	153.5	139.0
Investing activities		
Expenditures for property, plant and equipment	(13.3)	(8.6)
Proceeds from dispositions of long-lived assets	—	1.6
Cash used for investing activities	(13.3)	(7.0)
Financing activities		
Repayments of debt	(0.4)	(0.4)
Proceeds from exercise of stock options and ESPP contributions	2.4	3.8
Taxes withheld and paid on employees' share-based payment awards	(0.5)	—
Repurchase of common stock	(109.9)	(79.9)
Payment of common stock dividends	(30.3)	(27.7)
Cash used for financing activities	(138.7)	(104.2)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	2.4	(1.8)
Increase in cash, cash equivalents and restricted cash	3.9	26.0
Cash, cash equivalents and restricted cash at beginning of period	198.0	136.7
Cash, cash equivalents and restricted cash at end of period	\$ 201.9	\$ 162.7

See notes to the condensed consolidated financial statements.

Zurn Elkay Water Solutions Corporation and Subsidiaries
Notes to Condensed Consolidated Financial Statements
June 30, 2025
(Unaudited)

1. Basis of Presentation and Significant Accounting Policies

The unaudited condensed consolidated financial statements included herein have been prepared by Zurn Elkay Water Solutions Corporation (“Zurn Elkay” or the “Company”) in accordance with accounting principles generally accepted in the United States (“GAAP”) pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information presented not misleading.

In the opinion of management, the condensed consolidated financial statements include all adjustments necessary for a fair presentation of the results of operations for the interim periods. Results for the interim periods are not necessarily indicative of results that may be expected for the year ending December 31, 2025. These condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and the notes thereto included in the Company's Annual Report on [Form 10-K](#) for the year ended December 31, 2024.

The Company

Zurn Elkay is a growth-oriented, pure-play water management business that designs, procures, manufactures, and markets what the Company believes to be the broadest sustainable product portfolio of specification-driven water management solutions to improve health, hydration, human safety and the environment. The Company's product portfolio includes professional grade water safety and control products, flow systems products, hygienic and environmental products, and filtered drinking water products for public and private spaces that deliver superior value to building owners, positively impact the environment and human hygiene and reduce product installation time. The Company's heritage of innovation and specification has allowed it to provide highly-engineered, mission-critical solutions to customers for decades and affords it the privilege of having long-term, valued relationships with market leaders. The Company operates in a disciplined way and the Zurn Elkay Business System (“ZEBS”) is its operating philosophy. Grounded in the spirit of continuous improvement, ZEBS creates a scalable, process-based framework that focuses on driving superior customer satisfaction and financial results by targeting world-class operating performance throughout all aspects of its business.

Recent Accounting Pronouncements

In December 2023, the FASB issued Accounting Standards Update 2023-09 “Income Taxes (Topic 470): Improvements to Income Tax Disclosures” (“ASU 2023-09”), which establishes new income tax disclosures to consistently categorize and provide greater disaggregation of information in the rate reconciliation, including dollar value and percentage impacts of each component of the reconciliation, as well as further disaggregates income taxes paid. This guidance is effective for fiscal years beginning after December 15, 2024. The Company is evaluating the impact of the adoption of ASU 2023-09 on the consolidated financial statements.

In November 2024, the FASB issued Accounting Standards Update 2024-03 “Income Statement — Reporting Comprehensive Income — Expense Disaggregation Disclosures: Disaggregation of Income Statement Expenses” (“ASU 2024-03”), which is intended to improve disclosures about a public business entity's expenses, primarily through additional disaggregation of income statement expenses. The ASU's amendments are effective for fiscal years beginning after December 15, 2026 and interim periods within fiscal years beginning after December 15, 2027. The Company is evaluating the impact of the adoption of ASU 2024-03 on the consolidated financial statements.

2. Restructuring and Other Similar Charges

During the three and six months ended June 30, 2025, the Company continued to execute various restructuring actions. These initiatives were implemented to drive efficiencies and reduce operating costs while also modifying the Company's footprint to reflect changes in the markets it serves, the impact of mergers and acquisitions on the Company's overall manufacturing capacity and the refinement of its overall product portfolio. These restructuring actions primarily resulted in workforce reductions, lease termination costs and other facility rationalization costs. Management expects to continue executing similar initiatives to optimize the Company's operating margin and manufacturing footprint. As such, the Company expects further expenses related to workforce reductions, potential impairment or accelerated depreciation of assets, lease termination

costs and other facility rationalization costs. The Company's restructuring plans are preliminary and the full extent of related expenses are not yet estimable.

The following table summarizes the Company's restructuring and other similar charges during the three and six months ended June 30, 2025 and June 30, 2024, (in millions):

	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Employee termination benefits	\$ 0.8	\$ 0.2	\$ 1.3	\$ 0.4
Contract termination and other associated costs	1.1	0.5	2.3	6.6
Total restructuring and other similar charges	\$ 1.9	\$ 0.7	\$ 3.6	\$ 7.0

The following table summarizes the activity in the Company's restructuring accrual for the six months ended June 30, 2025 (in millions):

	Employee termination benefits	Contract termination and other associated costs	Total
Accrued restructuring costs, December 31, 2024 (1)	\$ 1.1	\$ 0.1	\$ 1.2
Charges	1.3	2.3	3.6
Cash payments	(1.5)	(1.9)	(3.4)
Non-cash charges (2)	—	(0.5)	(0.5)
Accrued restructuring costs, June 30, 2025 (1)	\$ 0.9	\$ —	\$ 0.9

- (1) As of June 30, 2025 and December 31, 2024, the restructuring accrual is included in other current liabilities in the condensed consolidated balance sheets.
- (2) Non-cash charges consist primarily of asset impairments based on Level 3 inputs.

3. Discontinued Operations

On October 4, 2021, the Company completed a Reverse Morris Trust tax-free spin-off transaction (the "Spin-Off Transaction") in which (i) substantially all the assets and liabilities of the Company's Process & Motion Control ("PMC") business were transferred to a newly created subsidiary, Land Newco, Inc. ("Land"), (ii) the shares of Land were distributed to the Company's stockholders pro rata, and (iii) Land was merged with a subsidiary of Regal Rexnord Corporation (formerly known as Regal Beloit Corporation), in which the stock of Land was converted into a specified number of shares of Regal Rexnord Corporation in accordance with the exchange ratio. The operating results of PMC are reported as discontinued operations in the consolidated statements of operations for all periods presented, as the Spin-Off Transaction of PMC represented a strategic shift that had a major impact on operations and financial results. The condensed consolidated statements of cash flows for the six months ended June 30, 2025 and June 30, 2024 have not been adjusted to separately disclose cash flows related to the discontinued operations.

The major components of the Income from discontinued operations, net of tax presented in the condensed consolidated statements of operations for the three and six months ended June 30, 2025 and June 30, 2024, are as follows (in millions):

	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Selling, general and administrative expense (1)	\$ —	\$ (0.7)	\$ (2.6)	\$ (0.7)
Income from discontinued operations before income tax	—	0.7	2.6	0.7
Income tax benefit	0.4	—	0.4	0.3
Income from discontinued operations, net of tax	\$ 0.4	\$ 0.7	\$ 3.0	\$ 1.0

- (1) Selling, general and administrative expense includes the release of certain accruals as a result of costs the Company will no longer incur related to the Spin-Off Transaction.

4. Revenue Recognition

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer, and is the unit of account in Accounting Standards Codification ("ASC") 606, *Revenue from Contracts with Customers*. A contract's transaction price is allocated to each distinct performance obligation and revenue is recognized when obligations under the terms of a contract with the customer are satisfied. For the majority of the Company's product sales, revenue is recognized at a point-in-time when control of the product is transferred to the customer, which generally occurs when the product is shipped from the Company's manufacturing facility to the customer. When contracts include multiple products to be delivered to the customer, generally each product is separately priced and is determined to be distinct within the context of the contract. Other than a standard assurance-type warranty that the product will conform to agreed-upon specifications, there are generally no other significant post-shipment obligations. The expected costs associated with standard warranties continue to be recognized as an expense when the products are sold.

When the contract provides the customer the right to return eligible products or when the customer is part of a sales rebate program, the Company reduces revenue at the point of sale using current facts and historical experience by using an estimate for expected product returns and rebates associated with the transaction. The Company adjusts these estimates at the earlier of when the most likely amount of consideration that is expected to be received changes or when the consideration becomes fixed. Accordingly, an increase or decrease to revenue is recognized at that time.

Sales and other taxes collected concurrent with revenue-producing activities are excluded from revenue. The Company has elected to recognize the cost for freight and shipping when control of products has transferred to the customer as a component of cost of sales in the consolidated statements of operations. The Company classifies shipping and handling fees billed to customers as net sales and the corresponding costs are classified as cost of sales in the condensed consolidated statements of operations. Unsatisfied performance obligations as of June 30, 2025 have an expected duration of one year or less.

Revenue by Category

The Company designs, procures, manufactures, and markets a comprehensive portfolio of water management solutions. The Company disaggregates its sales by customer type and geographic location, which the Company believes best depicts how the nature, amount, timing and uncertainty of its revenue and cash flows may be impacted differently by certain economic factors. The following tables present revenue disaggregated by customer type and the geographic region of the end customer (in millions):

Customer Type	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Institutional	\$ 217.8	\$ 196.1	\$ 409.2	\$ 374.4
Commercial	125.6	118.1	234.5	224.9
All other	101.1	97.8	189.6	186.5
Total	\$ 444.5	\$ 412.0	\$ 833.3	\$ 785.8

Geography	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
United States	\$ 410.4	\$ 378.3	\$ 767.9	\$ 719.5
Canada	25.3	23.8	45.4	44.9
Rest of world	8.8	9.9	20.0	21.4
Total	\$ 444.5	\$ 412.0	\$ 833.3	\$ 785.8

Contract Balances

For substantially all of the Company's product sales, the customer is billed 100% of the contract value when the product ships and payment is generally due 30 days from shipment. Certain contracts include longer payment periods; however, the Company has elected to utilize the practical expedient in which the Company will only recognize a financing component to the sale if payment is due more than one year from the date of shipment.

Billings are recorded as accounts receivable when an unconditional right to the contractual consideration exists. Contract assets arise when the Company performs by transferring goods or services to a customer before the customer pays consideration, or before the customer's payment is due. A contract liability exists when the Company has received consideration or the amount is due from the customer in advance of revenue recognition. Contract liabilities and contract assets as of June 30, 2025 and December 31, 2024 were not material.

Timing of Performance Obligations Satisfied at a Point in Time

The Company determined that the customer is able to control the product when it is delivered to them; thus, depending on the shipping terms, control will transfer at different points between the Company's manufacturing facility or warehouse and the customer's location. The Company considers control to have transferred upon shipment or delivery because the Company has a present right to payment at that time, the customer has legal title to the asset, the Company has transferred physical possession of the asset and the customer has significant risks and rewards of ownership of the asset.

Variable Consideration

The Company provides volume-based rebates and the right to return product to certain customers, which are accrued for based on current facts and historical experience. Rebates are paid either on an annual or quarterly basis. There are no other significant variable consideration elements included in the Company's contracts with customers.

Allowance for Credit Losses

The Company assesses the collectability of customer receivables based on the credit worthiness of a customer as determined by credit checks and analysis, as well as the customer's payment history. In determining the allowance for credit losses, the Company also considers various factors, including the aging of customer accounts and historical write-offs. In addition, the Company monitors other risk factors, including forward-looking information when establishing allowances for credit losses, which reflects the current estimate of credit losses expected to be incurred over the life of the receivables.

5. Income Taxes

The provision for income taxes for all periods presented is based on an estimated effective income tax rate for the respective fiscal years. The estimated annual effective income tax rate is determined excluding the effect of significant discrete items or items that are reported net of their related tax effects. The tax effect of significant discrete items is reflected in the period in which they occur. The Company's income tax expense is impacted by a number of factors, including the amount of taxable earnings derived in foreign jurisdictions with tax rates that are generally higher than the U.S. federal statutory rate, state tax rates in the jurisdictions where the Company does business and the Company's ability to utilize various tax credits, capital loss and net operating loss ("NOL") carryforwards.

On July 4, 2025, the One Big Beautiful Bill Act (OBBBA) was enacted. There are multiple business tax provisions for which further guidance from the U.S. Treasury and the Internal Revenue Service is needed. The Company is currently reviewing and evaluating the impact of the guidance provided to date that could affect our income tax payable and deferred tax liability, including changes related to bonus depreciation and the expensing of research and development expenditures, among other topics.

The Company regularly reviews its deferred tax assets for recoverability and valuation allowances are established based on historical losses, projected future taxable income and the expected timing of the reversals of existing temporary differences, as deemed appropriate. In addition, all other available positive and negative evidence is taken into consideration for the purpose of determining the proper balances of such valuation allowances. As a result of this review, the Company continues to maintain a full valuation allowance against U.S. federal and state capital loss carryforwards, as well as certain foreign NOL carryforwards and related deferred tax assets and continues to maintain a partial valuation allowance against certain U.S. state NOL and tax credit carryforwards. Future changes to the balances of these valuation allowances, as a result of this continued review and analysis by the Company, could impact the financial statements for such period of change.

The income tax provision was \$17.8 million for the three months ended June 30, 2025, compared to \$16.5 million for the three months ended June 30, 2024. The effective income tax rate for the three months ended June 30, 2025 was 26.2% versus 26.7% for the three months ended June 30, 2024. The effective income tax rate for the three months ended June 30, 2025 and the three months ended June 30, 2024 was above the U.S. federal statutory rate of 21% primarily due to the accrual of additional income taxes associated with compensation deduction limitations under Section 162(m) of the Internal Revenue Code, the accrual of various state income taxes and the accrual of foreign income taxes, which are generally above the U.S. federal statutory rate, partially offset by the recognition of income tax benefits associated with share-based payments.

The income tax provision was \$32.9 million for the six months ended June 30, 2025, compared to \$25.5 million for the six months ended June 30, 2024. The effective income tax rate for the six months ended June 30, 2025 was 26.5% versus 24.3% for the six months ended June 30, 2024. The effective income tax rate for the six months ended June 30, 2025 and for the six months ended June 30, 2024 was above the U.S. federal statutory rate of 21% primarily due to the accrual of additional income taxes associated with compensation deduction limitations under Section 162(m) of the Internal Revenue Code, the accrual of various state income taxes and the accrual of foreign income taxes, which are generally above the U.S. federal statutory rate, partially offset by the recognition of income tax benefits associated with share-based payments.

The Company's total liability for net unrecognized tax benefits as of June 30, 2025 and December 31, 2024 was \$2.0 million and \$1.8 million, respectively. The Company recognizes accrued interest and penalties related to unrecognized income tax benefits in income tax expense. As of June 30, 2025 and December 31, 2024, the total amount of unrecognized tax benefits includes gross accrued interest and penalties of \$0.5 million. The Company recognized \$0.1 million and \$(0.2) million of net interest and penalties as income tax expense (benefit) during the six months ended June 30, 2025 and June 30, 2024, respectively.

The Company conducts business in multiple locations within and outside the U.S. Consequently, the Company is subject to periodic income tax examinations by domestic and foreign income tax authorities. It is reasonably possible that the amounts of unrecognized income tax benefits could change in the next twelve months based upon future income tax examinations; however, any potential payments of income tax, interest and penalties would not be expected to be significant to the Company's consolidated financial statements. With certain exceptions, the Company is no longer subject to U.S. federal income tax examinations for tax years ending prior to December 31, 2021, state and local income tax examinations for years ending prior to December 31, 2020 or significant foreign income tax examinations for years ending prior to March 31, 2020.

6. Earnings per Share

Basic net income per share from continuing and discontinued operations is computed by dividing net income from continuing operations and income from discontinued operations, respectively, by the corresponding weighted average number of common shares outstanding for the period. Diluted net income per share from continuing and discontinued operations is computed based on the weighted average number of common shares outstanding, increased by the number of incremental shares that would have been outstanding if the potential dilutive shares were issued through the exercise of outstanding stock options to purchase common shares and the vesting of restricted stock units and performance stock units using the treasury stock method, except when the effect would be anti-dilutive.

The computation for diluted net income per share for the three and six months ended June 30, 2025 excludes 0.1 million shares due to their anti-dilutive effects. The computation for diluted net income per share for the three and six months ended June 30, 2024 excludes 0.5 million shares and 0.3 million shares due to their anti-dilutive effects, respectively.

7. Stockholders' Equity

Stockholders' equity consists of the following (in millions):

	Common stock (1)	Additional paid-in capital	Retained deficit	Accumulated other comprehensive loss	Total stockholders' equity
Balance at December 31, 2023	\$ 1.7	\$ 2,847.0	\$ (1,178.2)	\$ (67.7)	\$ 1,602.8
Total comprehensive income	—	—	34.3	(2.5)	31.8
Stock-based compensation expense	—	10.0	—	—	10.0
Proceeds from exercise of stock options	—	2.1	—	—	2.1
Repurchase of common stock	—	—	(18.9)	—	(18.9)
Common stock dividends (\$0.08 per share)	—	(13.9)	—	—	(13.9)
Balance at March 31, 2024	\$ 1.7	\$ 2,845.2	\$ (1,162.8)	\$ (70.2)	\$ 1,613.9
Total comprehensive income	—	—	46.0	(1.5)	44.5
Stock-based compensation expense	—	9.4	—	—	9.4
Proceeds from exercise of stock options	—	1.7	—	—	1.7
Repurchase of common stock	—	—	(61.3)	—	(61.3)
Common stock dividends (\$0.08 per share)	—	(13.8)	—	—	(13.8)
Balance at June 30, 2024	\$ 1.7	\$ 2,842.5	\$ (1,178.1)	\$ (71.7)	\$ 1,594.4

	Common stock (1)	Additional paid-in capital	Retained deficit	Accumulated other comprehensive loss	Total stockholders' equity
Balance at December 31, 2024	\$ 1.7	\$ 2,828.2	\$ (1,168.7)	\$ (74.4)	\$ 1,586.8
Total comprehensive income	—	—	43.6	(0.2)	43.4
Stock-based compensation expense	—	10.5	—	—	10.5
Proceeds from exercise of stock options and ESPP contributions	—	1.1	—	—	1.1
Taxes withheld and paid on employees' share-based payment awards	—	(0.5)	—	—	(0.5)
Repurchase of common stock	—	—	(78.0)	—	(78.0)
Common stock dividends (\$0.09 per share)	—	(15.3)	—	—	(15.3)
Balance at March 31, 2025	\$ 1.7	\$ 2,824.0	\$ (1,203.1)	\$ (74.6)	\$ 1,548.0
Total comprehensive income	—	—	50.5	4.9	55.4
Stock-based compensation expense	—	9.0	—	—	9.0
Proceeds from exercise of stock options and ESPP contributions	—	1.3	—	—	1.3
Repurchase of common stock	—	—	(32.9)	—	(32.9)
Common stock dividends (\$0.09 per share)	—	(16.4)	—	—	(16.4)
Balance at June 30, 2025	\$ 1.7	\$ 2,817.9	\$ (1,185.5)	\$ (69.7)	\$ 1,564.4

- (1) During the three and six months ended June 30, 2025, the Company issued 109,796 and 597,933 shares of common stock, upon the exercise of stock options, vesting of restricted stock units and performance stock units, and for other common stock issuances, respectively. During the three and six months ended June 30, 2024, the Company issued 171,495 and 1,398,393 shares of common stock, upon the exercise of stock options, vesting of restricted stock units and performance stock units, and for other common stock issuances, respectively.

Share Repurchase Program

During fiscal 2015, the Company's Board of Directors approved a common stock repurchase program (the "Repurchase Program") authorizing the repurchase of up to \$200.0 million of the Company's common stock from time to time on the open market or in privately negotiated transactions. On January 27, 2020, the Company's Board of Directors approved increasing the remaining share repurchase authority under the Repurchase Program to \$300.0 million. On February 8, 2023, the Company's Board of Directors approved increasing the remaining share repurchase authority under the Repurchase Program to \$500.0 million. The Repurchase Program does not require the Company to acquire any particular amount of common stock and does not specify the timing of purchases or the prices to be paid; however, the program will continue until the maximum amount of dollars authorized have been expended or until it is modified or terminated by the Board of Directors. During the three months ended June 30, 2025, the Company repurchased 972,619 shares of common stock at a total cost of \$32.5 million at an average price of \$33.41 per share. During the six months ended June 30, 2025, the Company repurchased 3,244,641 shares of common stock at a total cost of \$109.9 million at a weighted average price of \$33.87 per share. During the three months ended June 30, 2024, the Company repurchased 1,942,016 shares of common stock at a total cost of \$61.0 million at an average

price of \$31.38 per share. During the six months ended June 30, 2024, the Company repurchased 2,562,860 shares of common stock at a total cost of \$79.9 million at an average price of \$31.15 per share. The repurchased shares were canceled by the Company upon receipt. Approximately \$130.3 million of the existing authority remained under the Repurchase Program at June 30, 2025.

8. Accumulated Other Comprehensive Loss

The changes in accumulated other comprehensive loss, net of tax, for the six months ended June 30, 2025, are as follows (in millions):

	Foreign Currency Translation and Other	Pension and Postretirement Plans	Total
Balance at December 31, 2024	\$ (81.5)	\$ 7.1	\$ (74.4)
Other comprehensive income before reclassifications	4.7	—	4.7
Net current period other comprehensive income	4.7	—	4.7
Balance at June 30, 2025	\$ (76.8)	\$ 7.1	\$ (69.7)

There were no amounts reclassified from accumulated other comprehensive loss to net income during the six months ended June 30, 2025 and 2024.

9. Inventories

The major classes of inventories are summarized as follows (in millions):

	June 30, 2025	December 31, 2024
Finished goods	\$ 233.2	\$ 228.7
Work in progress	11.8	12.1
Raw materials	50.8	44.8
Inventories at First-In, First-Out ("FIFO") cost	295.8	285.6
Adjustment to state inventories at Last-In, First-Out ("LIFO") cost	(20.0)	(13.0)
	\$ 275.8	\$ 272.6

10. Goodwill and Intangible Assets

The changes in the net carrying value of goodwill for the six months ended June 30, 2025, are presented below (in millions):

Net carrying amount as of December 31, 2024	\$	794.2
Currency translation adjustments		1.4
Net carrying amount as of June 30, 2025	\$	795.6

The gross carrying amount and accumulated amortization for each major class of identifiable intangible assets as of June 30, 2025 and December 31, 2024 are as follows (in millions):

	Weighted Average Useful Life	June 30, 2025		
		Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Intangible assets subject to amortization:				
Patents	10 years	\$ 27.8	\$ (23.2)	\$ 4.6
Customer relationships (including distribution network)	16 years	1,068.7	(423.7)	645.0
Tradenames	19 years	156.8	(28.8)	128.0
Intangible assets not subject to amortization - trademarks and tradenames		86.3	—	86.3
Total intangible assets, net	16 years	\$ 1,339.6	\$ (475.7)	\$ 863.9
	Weighted Average Useful Life	December 31, 2024		
		Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Intangible assets subject to amortization:				
Patents	9 years	\$ 27.4	\$ (22.9)	\$ 4.5
Customer relationships (including distribution network)	16 years	1,066.9	(398.1)	668.8
Tradenames	19 years	156.7	(24.7)	132.0
Intangible assets not subject to amortization - trademarks and tradenames		86.3	—	86.3
Total intangible assets, net	16 years	\$ 1,337.3	\$ (445.7)	\$ 891.6

Intangible asset amortization expense totaled \$14.6 million and \$14.8 million for the three months ended June 30, 2025 and June 30, 2024, respectively. Intangible asset amortization expense totaled \$29.3 million and \$29.5 million for the six months ended June 30, 2025 and June 30, 2024, respectively.

The Company expects to recognize amortization expense on the intangible assets subject to amortization of \$58.7 million in the year ending December 31, 2025 (inclusive of the \$29.3 million of amortization expense recognized in the six months ended June 30, 2025), \$58.5 million in 2026, \$58.5 million in 2027, \$58.5 million in 2028, \$58.5 million in 2029 and \$58.5 million in 2030.

11. Other Current Liabilities

Other current liabilities are summarized as follows (in millions):

	June 30, 2025	December 31, 2024
Commissions	\$ 12.4	\$ 9.2
Current portion of operating lease liability	14.1	12.7
Income taxes payable	7.2	2.3
Professional fees	2.1	1.6
Product warranty (1)	5.6	4.9
Restructuring and other similar charges (2)	0.9	1.2
Risk management (3)	5.8	5.5
Sales rebates	77.9	73.2
Tax indemnities	11.1	12.2
Taxes, other than income taxes	2.9	2.9
Other	13.4	10.5
	<u>\$ 153.4</u>	<u>\$ 136.2</u>

- (1) See more information related to the product warranty obligations balance within Note 14, Commitments and Contingencies.
- (2) See more information related to the restructuring obligations balance within Note 2, Restructuring and Other Similar Charges.
- (3) Includes projected liabilities related to losses arising from automobile, general, environmental, worker's compensation, and product liability claims.

12. Long-Term Debt

Long-term debt is summarized as follows (in millions):

	June 30, 2025	December 31, 2024
Term loan (1)	\$ 475.7	\$ 475.0
Finance leases	20.2	20.6
Total	<u>495.9</u>	<u>495.6</u>
Less current maturities	0.8	0.8
Long-term debt	<u>\$ 495.1</u>	<u>\$ 494.8</u>

- (1) Includes unamortized debt issuance costs of \$4.7 million and \$5.4 million at June 30, 2025 and December 31, 2024, respectively.

Senior Secured Credit Facility

On October 4, 2021, ZBS Global, Inc. ("Holdings"), Zurn Holdings, Inc., Zurn LLC (together, the "Original Borrowers"), the lenders from time to time party thereto, and Credit Suisse AG, Cayman Islands Branch, as administrative agent for the lenders (in such capacity, the "Administrative Agent") entered into a Fourth Amended and Restated First Lien Credit Agreement as amended by that certain Amendment No. 1 to Fourth Amended and Restated First Lien Credit Agreement dated as of July 1, 2022 (the "Amendment") (as so amended, the "Credit Agreement"). Pursuant to the Amendment, Elkay joined the Credit Agreement as a borrower (Elkay and the Original Borrowers, collectively, the "Borrowers"). The Credit Agreement is funded by a syndicate of banks and other financial institutions and provides for (i) a \$550.0 million term loan facility (the "Term Loan") and (ii) a \$200.0 million revolving credit facility (the "Revolving Credit Facility").

The obligations under the Credit Agreement and related documents are secured by liens on substantially all of the assets of Holdings, the Borrowers, and certain subsidiaries of the Borrowers pursuant to a Third Amended and Restated Guarantee and Collateral Agreement, dated as of October 4, 2021, among Holdings, the Borrowers, the subsidiaries of the Borrowers party thereto, and the Administrative Agent, as supplemented pursuant to that certain Supplement No. 1 dated as of July 1, 2022, executed by Elkay and its domestic subsidiaries, and certain other collateral documents.

The Credit Agreement contains representations, warranties, covenants and events of default, including, without limitation, a financial covenant under which the Borrowers are, if certain conditions are met, obligated to maintain on a consolidated basis, as of the end of each fiscal quarter, a certain maximum Net First Lien Leverage Ratio (as defined in the Credit Agreement). As of June 30, 2025, the Borrowers were in compliance with all applicable covenants under the Credit Agreement.

Term Debt

The Credit Agreement provides for the issuance of a term loan facility in an aggregate principal amount of \$550.0 million. The proceeds of the Term Loan were, together with the dividend received by the Company in connection with the Spin-Off Transaction and cash on hand, used to (i) repay in full a \$625 million term loan, together with accrued interest thereon, (ii) redeem the \$500 million of outstanding principal amount of the 4.875% Senior Notes due 2025, and (iii) pay related fees and expenses.

In October 2023, the Company made a voluntary prepayment on its Term Loan of \$60.0 million. In connection with this prepayment, the Company recognized a \$0.9 million loss on debt extinguishment to write off a portion of the unamortized debt issuance costs. The Term Loan has a maturity date of October 4, 2028. In connection with the voluntary prepayment of \$60.0 million, quarterly principal payments are no longer required.

For purposes of the Term Loan, effective July 1, 2023, the secured overnight financing rate ("SOFR") replaced LIBOR, and accordingly, beginning July 1, 2023 the Term Loan bears interest at the Borrowers' option, by reference to a base rate or a rate based on Term SOFR, plus a Term SOFR adjustment of 0.115%, 0.262%, or 0.428% for interest periods of one month, three months, and six months, respectively, plus an applicable margin based on the Borrowers' Net First Lien Leverage Ratio as of the last day of each fiscal quarter. If the Net First Lien Leverage Ratio is greater than 1.80 to 1.00, the applicable margin shall equal 1.25% in the case of base rate borrowings and 2.25% in the case of SOFR borrowings. In the event the Borrowers' Net First Lien Leverage Ratio is less than or equal to 1.80 to 1.00, the applicable margin on both base rate and SOFR borrowings would decrease by 0.25%. The Borrowers' Net First Lien Leverage Ratio was 0.79 to 1.00 as of June 30, 2025, and therefore the applicable margin is 2.00%.

Prior to July 1, 2023, the Term Loan bore interest at the Borrowers' option, by reference to a base rate or a rate based on LIBOR, in either case plus an applicable margin determined quarterly based on the Borrowers' Net First Lien Leverage Ratio as of the last day of each fiscal quarter as illustrated above.

At June 30, 2025 and for the six months then ended, the borrowings under the Term Loan had weighted-average effective interest rates of 6.41% and 6.44%, respectively.

Revolving Credit Facility

The Credit Agreement includes a \$200.0 million revolving credit facility that has a maturity date of October 2, 2026. Similar to the Term Loan, effective July 1, 2023, the SOFR replaced LIBOR, and accordingly, beginning July 1, 2023 the Revolving Credit Facility bears interest by reference to a base rate or a rate based on Term SOFR, plus a Term SOFR adjustment of 0.115%, 0.262%, or 0.428% for interest periods of one month, three months, and six months, respectively, plus an applicable margin based on the Borrowers' Net First Lien Leverage Ratio as of the last day of each fiscal quarter. If the Net First Lien Leverage Ratio is greater than 2.00 to 1.00, the applicable margin shall equal 1.00% in the case of base rate borrowings and 2.00% in the case of SOFR borrowings. In the event the Borrowers' Net First Lien Leverage Ratio is less than or equal to 2.00 to 1.00, the applicable margin on both base rate and SOFR borrowings would decrease by 0.25%. The Borrowers' Net First Lien Leverage Ratio was 0.79 to 1.00 as of June 30, 2025. The Borrowers are also required to pay a quarterly commitment fee on the average daily unused portion of the Revolving Credit Facility for each fiscal quarter and fees in connection with the issuance of letters of credit. If the Net First Lien Leverage Ratio is greater than 2.00 to 1.00, the commitment fee shall equal 0.50%, and if the Company's Net First Lien Leverage Ratio is less than or equal to 2.00 to 1.00, the commitment fee shall equal 0.375%.

Prior to July 1, 2023, borrowings under the Revolving Credit Facility bore interest at the Borrowers' option, by reference to a base rate or a rate based on LIBOR, in either case, plus an applicable margin determined quarterly based on the Borrowers' Net First Lien Leverage Ratio as of the last day of each fiscal quarter as illustrated above.

At June 30, 2025 and December 31, 2024, there were no amounts borrowed under the Revolving Credit Facility. As of June 30, 2025 and December 31, 2024, \$10.1 million and \$11.3 million, respectively, of the Revolving Credit Facility was considered utilized in connection with outstanding letters of credit.

Finance Leases

At June 30, 2025 and December 31, 2024, the Company had finance lease obligations of \$20.2 million and \$20.6 million, respectively.

13. Fair Value Measurements

ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market

participants. ASC 820 also specifies a fair value hierarchy based upon the observability of inputs used in valuation techniques. Observable inputs (highest level) reflect market data obtained from independent sources, while unobservable inputs (lowest level) reflect internally developed assumptions about the assumptions a market participant would use.

In accordance with ASC 820, fair value measurements are classified under the following hierarchy:

- Level 1 - Quoted prices for identical instruments in active markets.
- Level 2 - Quoted prices for similar instruments; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs or significant value-drivers are observable.
- Level 3 - Model-derived valuations in which one or more inputs or value-drivers are both significant to the fair value measurement and unobservable.

If applicable, the Company uses quoted market prices in active markets to determine fair value, and therefore classifies such measurements within Level 1. In some cases where market prices are not available, the Company makes use of observable market-based inputs to calculate fair value, in which case the measurements are classified within Level 2. If quoted or observable market prices are not available, fair value is based upon internally developed models that use, where possible, current market-based parameters. These measurements are classified within Level 3 if they use significant unobservable inputs.

Fair Value of Financial Instruments

The Company has a nonqualified deferred compensation plan where assets are invested in mutual funds and corporate-owned life insurance contracts held in a Rabbi Trust, which is restricted for payments to participants of the plan. The Company has elected to use the fair value option for the mutual funds, which are measured using quoted prices of identical instruments in active markets categorized as Level 1. Corporate-owned life insurance contracts are recorded at cash surrender value, which is provided by a third party and reflects the net asset value of the underlying publicly traded mutual funds categorized as Level 2. The deferred compensation plan assets are classified within Other assets on the condensed consolidated balance sheets. Deferred compensation plan liabilities are measured at fair value based on quoted prices of identical instruments to the investment vehicles selected by the participants categorized as Level 1. Deferred compensation short-term and long-term plan liabilities are classified within Compensation and benefits and Other liabilities, respectively, on the condensed consolidated balance sheets.

The following table provides a summary of the Company's assets and liabilities that were recognized at fair value on a recurring basis as of June 30, 2025 and December 31, 2024 (in millions):

	Fair Value as of June 30, 2025			
	Level 1	Level 2	Level 3	Total
Deferred compensation plan assets	\$ 2.1	\$ 15.9	\$ —	\$ 18.0
Deferred compensation plan liabilities	20.9	—	—	20.9
	Fair Value as of December 31, 2024			
	Level 1	Level 2	Level 3	Total
Deferred compensation plan assets	\$ 1.2	\$ 15.1	\$ —	\$ 16.3
Deferred compensation plan liabilities	18.9	—	—	18.9

There were no transfers of assets between levels at June 30, 2025 and December 31, 2024, respectively.

Fair Value of Non-Derivative Financial Instruments

The carrying amounts of cash, receivables, payables and accrued liabilities approximated fair value at June 30, 2025 and December 31, 2024, due to the short-term nature of those instruments. The fair value of long-term debt as of June 30, 2025 and December 31, 2024, was approximately \$503.0 million and \$503.4 million, respectively. The fair value is based on quoted market prices for the same instruments.

14. Commitments and Contingencies

Warranties:

The Company offers warranties on the sales of certain of its products and records an accrual for estimated future claims. Such accruals are based upon historical experience and management's estimate of the level of future claims. The following table presents changes in the Company's product warranty liability (in millions):

	Six Months Ended	
	June 30, 2025	June 30, 2024
Balance at beginning of period	\$ 4.9	\$ 4.7
Charged to operations	2.0	1.2
Claims settled	(1.3)	(1.1)
Balance at end of period	<u>\$ 5.6</u>	<u>\$ 4.8</u>

Contingencies:

The Company's subsidiaries are involved in various unresolved legal actions, administrative proceedings and claims in the ordinary course of business involving, among other things, product liability, commercial, employment, workers' compensation, intellectual property claims and environmental matters. The Company establishes accruals in a manner that is consistent with accounting principles generally accepted in the United States for costs associated with such matters when a liability is probable and those costs are capable of being reasonably estimated. Although it is not possible to predict with certainty the outcome of these unresolved legal actions or the range of possible loss or recovery, based upon current information, management believes the eventual outcome of these unresolved legal actions, either individually or in the aggregate, will not have a material adverse effect on the financial position, results of operations or cash flows of the Company.

15. Retirement Benefits

The components of net periodic cost are as follows (in millions):

	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Pension Benefits:				
Service cost	\$ —	\$ 0.1	\$ —	\$ 0.1
Interest cost	2.9	2.8	5.7	5.6
Expected return on plan assets	(2.3)	(1.8)	(4.6)	(3.7)
Curtailment	—	—	(0.7)	—
Net periodic cost	<u>\$ 0.6</u>	<u>\$ 1.1</u>	<u>\$ 0.4</u>	<u>\$ 2.0</u>
Other Postretirement Benefits:				
Interest cost	\$ 0.1	\$ 0.1	\$ 0.2	\$ 0.2
Net periodic cost	<u>\$ 0.1</u>	<u>\$ 0.1</u>	<u>\$ 0.2</u>	<u>\$ 0.2</u>

The service cost component of net periodic cost is presented within Cost of sales and Selling, general and administrative expenses in the condensed consolidated statements of operations, while the other components of net periodic cost are presented within Other expense, net. The Company recognizes the net actuarial gains or losses in excess of the corridor in operating results during the final quarter of each fiscal year (or upon any required re-measurement event).

On January 30, 2025, the Company's Board of Directors approved a resolution to terminate the Company's U.S. defined benefit pension plan (the "Pension Plan") with the full freeze of benefit accruals under the Plan effective March 31, 2025 and the termination of the Pension Plan effective April 1, 2025. The Pension Plan freeze resulted in a curtailment gain of \$0.7 million in the first quarter of 2025. The Company expects to annuitize the remaining pension liability in fiscal year 2025.

See Note 15, Retirement Benefits, to the audited consolidated financial statements included in the Company's Annual Report on [Form 10-K](#) for the year ended December 31, 2024 for further information regarding retirement benefits.

16. Stock-Based Compensation

The Zurn Elkay Water Solutions Corporation Performance Incentive Plan (the "Plan") is utilized to provide performance incentives to the Company's officers, employees, directors and certain others by permitting grants of equity awards (for common stock), as well as performance-based cash awards, to such persons to encourage them to maximize the Company's performance and create value for the Company's stockholders. For the three months ended June 30, 2025 and June 30, 2024, the Company recognized \$9.0 million and \$9.4 million of stock-based compensation expense, respectively. For the six months ended June 30, 2025 and June 30, 2024, the Company recognized \$19.5 million and \$19.4 million of stock-based compensation expense, respectively.

During the six months ended June 30, 2025, the Company granted the following stock options, restricted stock units, performance stock units, and common stock to directors, executive officers, and certain other employees:

Award Type	Number of Awards	Weighted Average Grant-Date Fair Value
Stock options	66,540	\$ 13.11
Restricted stock units	187,490	\$ 35.34
Performance stock units	388,651	\$ 35.47
Common stock	123,550	\$ 34.28

Employee Stock Purchase Plan

In May 2024, the Company's stockholders approved the adoption of the Zurn Elkay Water Solutions Corporation Employee Stock Purchase Plan (the "ESPP"). The number of shares of Company common stock available for purchase under the ESPP is 2,000,000 shares, subject to adjustment in the event of a change in capitalization.

During the three and six months ended June 30, 2025, the Company issued 18,403 and 45,698 shares of common stock, respectively. As of June 30, 2025, 1,909,866 shares remained available for future issuance. During the three and six months ended June 30, 2025, the Company recognized \$0.1 million and \$0.3 million of stock-based compensation expense related to the ESPP, respectively.

See Note 14, Stock-Based Compensation, to the audited consolidated financial statements included in the Company's Annual Report on [Form 10-K](#) for the year ended December 31, 2024, for further information regarding stock-based compensation.

17. Business Segment Information

The Company is a growth-oriented, pure-play water management business that designs, procures, manufactures and markets what the Company believes to be the broadest sustainable product portfolio of specification-driven water management solutions to improve health, hydration, human safety and the environment. The Company's product portfolio includes professional grade water safety and control products, flow systems products, hygienic and environmental products and filtered drinking water products. Revenue is primarily generated in the United States and the Company manages and evaluates its operations on a consolidated basis as one reportable operating segment due to similarities of its products, processes, customer base and methods of distribution. See Note 2, Significant Accounting Policies, to the audited consolidated financial statements included in the Company's Annual Report on [Form 10-K](#) for the year ended December 31, 2024, for further information regarding the Company's accounting policies.

The Company's Chief Operating Decision Maker ("CODM") is the Chief Executive Officer. The CODM assesses the Company's performance and makes capital allocation decisions based on Net income from continuing operations as reported in the consolidated statement of operations. This metric is used to monitor forecasted to actual and budgeted results and

benchmarking to our peers. The following table includes segment revenue, significant expense items and segment profit as viewed by the CODM for the three and six months ended June 30, 2025 and June 30, 2024:

	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Net sales	\$ 444.5	\$ 412.0	\$ 833.3	\$ 785.8
Less:				
Cost of sales	242.2	225.7	450.0	429.4
Selling, general and administrative expenses	108.2	98.9	209.4	194.8
Other segment items (1)	44.0	42.1	82.8	82.3
Segment profit (Net income from continuing operations)	\$ 50.1	\$ 45.3	\$ 91.1	\$ 79.3

- (1) Other segment items include restructuring and other similar charges, amortization of intangible assets, interest expense, net, other expense, net, and provision for income taxes.

Segment net sales, amortization, interest expense, net, income before income taxes and income tax expense are included on the condensed consolidated statement of operations. Segment assets are included on the condensed consolidated balance sheet and segment depreciation, stock-based compensation expense, non-cash restructuring charges, and expenditures for plant, property and equipment are included on the condensed consolidated statement of cash flows. Interest income for the three months ended June 30, 2025 and June 30, 2024 was \$1.4 million and \$1.9 million, respectively. Interest income for the six months ended June 30, 2025 and June 30, 2024 was \$3.1 million and \$3.5 million, respectively.

18. Subsequent Events

On July 24, 2025, the Company's Board of Directors declared a quarterly cash dividend on the Company's common stock of \$0.09 per share to be paid on September 5, 2025, to stockholders of record as of August 20, 2025.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

General

Zurn Elkay Water Solutions Corporation is a growth-oriented, pure-play water management business that designs, procures, manufactures, and markets what we believe to be the broadest sustainable product portfolio of specification-driven water management solutions to improve health, hydration, human safety and the environment. Our product portfolio includes professional grade water safety and control products, flow systems products, hygienic and environmental products, and filtered drinking water products for public and private spaces that deliver superior value to building owners, positively impact the environment and human hygiene and reduce product installation time. Zurn Elkay's heritage of innovation and specification has allowed us to provide highly-engineered, mission-critical solutions to customers for decades and affords us the privilege of having long-term, valued relationships with market leaders. We operate in a disciplined way and the Zurn Elkay Business System ("ZEBS") is our operating philosophy. Grounded in the spirit of continuous improvement, ZEBS creates a scalable, process-based framework that focuses on driving superior customer satisfaction and financial results by targeting world-class operating performance throughout all aspects of our business.

The following information should be read in conjunction with the audited consolidated financial statements and notes thereto, along with Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A"), in our Annual Report on [Form 10-K](#) for the year ended December 31, 2024.

Recent Developments

As disclosed in Part I, Item 1A, "Risk Factors", of our Annual Report on [Form 10-K](#) for the year ended December 31, 2024, the Company's business is subject to risks related to, among other factors, tariffs and other trade protection measures put in place by the United States or other countries. Starting in the first quarter of 2025, the United States government announced additional tariffs on goods imported into the U.S. from numerous countries and multiple nations countered with reciprocal tariffs and other actions in response. The U.S. government continues to negotiate with other countries regarding the tariffs. While the Company is well positioned to respond to the tariff environment, costs are impacted by trade policies.

Critical Accounting Estimates

The condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP"), which require us to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of the financial statements and revenues and expenses during the periods reported. Actual results could differ from those estimates. Refer to Item 7, MD&A, of our Annual Report on [Form 10-K](#) for the year ended December 31, 2024 for information with respect to our critical accounting estimates which we believe could have the most significant effect on our reported results and require subjective or complex judgments by management. Except for the items reported below, management believes that as of June 30, 2025, and during the period from January 1, 2025 through June 30, 2025, there has been no material change to this information.

Recent Accounting Pronouncements

See Item 1, Note 1, Basis of Presentation and Significant Accounting Policies regarding recent accounting pronouncements.

Discontinued Operations

On October 4, 2021, the Company completed a Reverse Morris Trust tax-free spin-off transaction (the "Spin-Off Transaction") in which (i) substantially all the assets and liabilities of the Company's Process & Motion Control ("PMC") business were transferred to a newly created subsidiary, Land Newco, Inc. ("Land"), (ii) the shares of Land were distributed to the Company's stockholders pro rata, and (iii) Land was merged with a subsidiary of Regal Rexnord Corporation (formerly known as Regal Beloit Corporation), in which the stock of Land was converted into a specified number of shares of Regal Rexnord Corporation in accordance with the exchange ratio. The operating results of PMC are reported as discontinued operations in our condensed consolidated statements of operations for all periods presented. The condensed consolidated statements of cash flows for the six months ended June 30, 2025 and June 30, 2024 have not been adjusted to separately disclose cash flows related to the discontinued operations.

The major components of the Income from discontinued operations, net of tax presented in the condensed consolidated statements of operations for the three and six months ended June 30, 2025 and June 30, 2024, are as follows (in millions):

	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Selling, general and administrative expense (1)	\$ —	\$ (0.7)	\$ (2.6)	\$ (0.7)
Income from discontinued operations before income tax	—	0.7	2.6	0.7
Income tax benefit	0.4	—	0.4	0.3
Income from discontinued operations, net of tax	\$ 0.4	\$ 0.7	\$ 3.0	\$ 1.0

- (1) Selling, general and administrative expense includes the release of certain accruals as a result of costs the Company will no longer incur related to the Spin-Off Transaction.

See Item 1, Note 3, Discontinued Operations for additional information.

Restructuring and Other Similar Charges

During the three and six months ended June 30, 2025, the Company continued to execute various restructuring actions. These initiatives were implemented to drive efficiencies and reduce operating costs while also modifying the Company's footprint to reflect changes in the markets it serves, the impact of mergers and acquisitions on the Company's overall manufacturing capacity and the refinement of its overall product portfolio. These restructuring actions primarily resulted in workforce reductions, lease termination costs and other facility rationalization costs. Management expects to continue executing similar initiatives to optimize the Company's operating margin and manufacturing footprint. As such, the Company expects further expenses related to workforce reductions, potential impairment or accelerated depreciation of assets, lease termination costs and other facility rationalization costs. For the three and six months ended June 30, 2025, restructuring charges totaled \$1.9 million and \$3.6 million, respectively. For the three and six months ended June 30, 2024, restructuring charges totaled \$0.7 million and \$7.0 million, respectively. Refer to Item 1, Note 2, Restructuring and Other Similar Charges for further information.

Results of Operations

Three Months Ended June 30, 2025 compared with the Three Months Ended June 30, 2024:

Net sales

(Dollars in Millions)

	Three Months Ended		Change	% Change
	June 30, 2025	June 30, 2024		
Net sales	\$ 444.5	\$ 412.0	\$ 32.5	7.9 %

Net sales were \$444.5 million and \$412.0 million during the three months ended June 30, 2025 and June 30, 2024, respectively, an increase of 8% year over year. Core sales improved 8% year over year, including growth in all product categories.

Income from operations

(Dollars in Millions)

	Three Months Ended		Change	% Change
	June 30, 2025	June 30, 2024		
Income from operations	\$ 77.6	\$ 71.9	\$ 5.7	7.9 %
% of net sales	17.5 %	17.5 %	— %	

During the three months ended June 30, 2025, income from operations was \$77.6 million compared to \$71.9 million during the three months ended June 30, 2024. Income from operations as a percentage of net sales stayed consistent year over year as a result of the favorable impact of year-over-year sales growth (inclusive of price realization) and productivity savings being offset primarily by the year-over-year change in the adjustment to state inventories at last-in, first-out cost and incremental restructuring expense.

Interest expense, net

Interest expense, net was \$7.7 million for the three months ended June 30, 2025, compared to \$8.5 million for the three months ended June 30, 2024. The decrease in interest expense, net as compared to the prior year period is primarily due to lower interest rates.

Other expense, net

Other expense, net for the three months ended June 30, 2025 and 2024, was \$2.0 million and \$1.6 million, respectively. Other expense, net consists primarily of foreign currency transaction gains and losses, the non-service cost components associated with our defined benefit and postretirement plans and other non-operational gains and losses. The year-over-year change is primarily driven by increased other non-operational and foreign currency transaction losses, offset by lower defined benefit plan costs in the current year.

Provision for income taxes

The income tax provision was \$17.8 million for the three months ended June 30, 2025, compared to \$16.5 million for the three months ended June 30, 2024. The effective income tax rate for the three months ended June 30, 2025 was 26.2% versus 26.7% for the three months ended June 30, 2024. The effective income tax rate for the three months ended June 30, 2025 and the three months ended June 30, 2024 was above the U.S. federal statutory rate of 21% primarily due to the accrual of additional income taxes associated with compensation deduction limitations under Section 162(m) of the Internal Revenue Code, the accrual of various state income taxes and the accrual of foreign income taxes, which are generally above the U.S. federal statutory rate, partially offset by the recognition of income tax benefits associated with share-based payments.

On a quarterly basis, we review and analyze our valuation allowances associated with deferred tax assets relating to certain foreign and state net operating loss carryforwards as well as U.S. federal and state capital loss carryforwards. In conjunction with this analysis, we weigh both positive and negative evidence for purposes of determining the proper balances of such valuation allowances. Future changes to the balances of these valuation allowances, as a result of our continued review and analysis, could impact the financial statements for such period of change.

Net income

Net income for the three months ended June 30, 2025, was \$50.5 million compared to net income of \$46.0 million for the three months ended June 30, 2024. Diluted net income per share for the three months ended June 30, 2025 and June 30, 2024, was \$0.29 and \$0.27, respectively. The year-over-year change is the result of the factors described above. Net income from discontinued operations, net of tax, was \$0.4 million for the three months ended June 30, 2025 compared to net income from discontinued operations, net of tax, of \$0.7 million for the three months ended June 30, 2024. Diluted net income per share from discontinued operations for the three months ended June 30, 2025 and June 30, 2024, was \$0.00 and \$0.01, respectively.

Six Months Ended June 30, 2025 compared with the Six Months Ended June 30, 2024:

Net sales

(Dollars in Millions)

	Six Months Ended		Change	% Change
	June 30, 2025	June 30, 2024		
Net sales	\$ 833.3	\$ 785.8	\$ 47.5	6.0 %

Net sales were \$833.3 million during the six months ended June 30, 2025, an increase of 6% year over year. Core sales improved 7% year over year, including growth in all product categories. The impact from foreign currency exchange rates reduced net sales by 1% in the year.

Income from operations

(Dollars in Millions)

	Six Months Ended		Change	% Change
	June 30, 2025	June 30, 2024		
Income from operations	141.0	125.1	15.9	12.7 %
% of net sales	16.9 %	15.9 %	1.0 %	

Income from operations during the six months ended June 30, 2025 was \$141.0 million compared to \$125.1 million during the six months ended June 30, 2024. Income from operations as a percentage of net sales increased by 100 basis points year over year as a result of the favorable impact of year-over-year sales growth (inclusive of price realization) and productivity savings being slightly offset primarily by the year-over-year change in the adjustment to state inventories at last-in, first-out cost.

Interest expense, net

Interest expense, net was \$15.0 million during the six months ended June 30, 2025, compared to \$17.3 million during the six months ended June 30, 2024. The decrease in interest expense, net as compared to the prior year period is primarily due to reduced interest expense in the current year as a result of lower interest rates.

Other expense, net

Other expense, net during the six months ended June 30, 2025 was \$2.0 million compared to \$3.0 million during the six months ended June 30, 2024. Other expense, net consists primarily of foreign currency transaction gains and losses, the non-service cost components associated with our defined benefit plans and other non-operational gains and losses. The year-over-year change is primarily driven by lower defined benefit plan costs in the current year, partly offset by foreign currency transaction losses.

Provision for income taxes

The income tax provision was \$32.9 million for the six months ended June 30, 2025, compared to \$25.5 million for the six months ended June 30, 2024. The effective income tax rate for the six months ended June 30, 2025 was 26.5% versus 24.3% for the six months ended June 30, 2024. The effective income tax rate for the six months ended June 30, 2025 and the six months ended June 30, 2024 was above the U.S. federal statutory rate of 21% primarily due to the accrual of additional income taxes associated with compensation deduction limitations under Section 162(m) of the Internal Revenue Code, the accrual of various state income taxes and the accrual of foreign income taxes, which are generally above the U.S. federal statutory rate, partially offset by the recognition of income tax benefits associated with share-based payments.

Net income

Net income for the six months ended June 30, 2025, was \$94.1 million compared to \$80.3 million for the six months ended June 30, 2024. Diluted net income per share for the six months ended June 30, 2025 and June 30, 2024, was \$0.55 and \$0.46, respectively. The year-over-year change is the result of the factors described above. Net income from discontinued operations, net of tax, was \$3.0 million for the six months ended June 30, 2025 compared to \$1.0 million for the six months ended June 30, 2024. Diluted net income per share from discontinued operations for the six months ended June 30, 2025 and June 30, 2024, was \$0.02 and \$0.01, respectively.

Non-GAAP Financial Measures

Non-GAAP financial measures are intended to supplement and not replace financial measures prepared in accordance with GAAP. The following non-GAAP financial measures are utilized by management in comparing our operating performance on a consistent basis. We believe that these financial measures are appropriate to enhance an overall understanding of our underlying operating performance trends compared to historical and prospective periods and our peers. Management also believes that these measures are useful to investors in their analysis of our results of operations and provide improved comparability between fiscal periods as well as insight into the compliance with our debt covenants. Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information calculated in accordance with GAAP. Investors are encouraged to review the reconciliation of these non-GAAP measures to their most directly comparable GAAP financial measures.

Core sales

Core sales excludes the impact of mergers and acquisitions, divestitures and foreign currency translation. Management believes that core sales facilitates easier and more meaningful comparisons of our net sales performance with prior and future periods and to our peers. We exclude the effect of mergers and acquisitions and divestitures because the nature, size and number can vary dramatically from period to period and between us and our peers, and can also obscure underlying business trends and make comparisons of long-term performance difficult. We exclude the effect of foreign currency translation from this measure because the volatility of currency translation is not under management's control.

EBITDA

EBITDA represents earnings before interest and other debt related activities, taxes, depreciation and amortization. EBITDA is presented because it is an important supplemental measure of performance and it is frequently used by analysts, investors and other interested parties in the evaluation of companies in our industry. EBITDA is also presented and compared by analysts and investors in evaluating our ability to meet debt service obligations. Other companies in our industry may calculate EBITDA differently. EBITDA is not a measurement of financial performance under GAAP and should not be considered as an alternative to cash flow from operating activities or as a measure of liquidity or an alternative to net income as indicators of operating performance or any other measures of performance derived in accordance with GAAP. Because EBITDA is calculated before recurring cash charges, including interest expense and taxes, and is not adjusted for capital expenditures or other recurring cash requirements of the business, it should not be considered as a measure of discretionary cash available to invest in the growth of the business.

Adjusted EBITDA

Adjusted EBITDA is an important measure because, under our credit agreement, our ability to incur certain types of acquisition debt and certain types of subordinated debt, make certain types of acquisitions or asset exchanges, operate our business and make dividends or other distributions, all of which will impact our financial performance, is impacted by our Adjusted EBITDA, as our lenders measure our performance with a Net First Lien Leverage Ratio by comparing our senior secured bank indebtedness to our Adjusted EBITDA (see "Covenant Compliance" for additional discussion of this ratio, including a reconciliation to our net income). "Adjusted EBITDA" is the term we use to describe EBITDA as defined and adjusted in our credit agreement, which is net income, adjusted for the items summarized in the table in the "Covenant Compliance" section. Adjusted EBITDA is intended to show our unleveraged, pre-tax operating results and therefore reflects our financial performance based on operational factors, excluding non-operational, non-cash or non-recurring losses or gains. It is also provided to aid investors in understanding our compliance with our debt covenants. Adjusted EBITDA is not a presentation made in accordance with GAAP, and our use of the term Adjusted EBITDA varies from others in our industry. This measure should not be considered as an alternative to net income, income from operations or any other performance measures derived in accordance with GAAP. Adjusted EBITDA has important limitations as an analytical tool, and should not be considered in isolation, or as a substitute for analysis of our results as reported under GAAP. For example, Adjusted EBITDA does not reflect: (a) our capital expenditures, future requirements for capital expenditures or contractual commitments; (b) changes in, or cash requirements for, our working capital needs; (c) the significant interest expenses, or the cash requirements necessary to service interest or principal payments, on our debt; (d) tax payments that represent a reduction in cash available to us; (e) any cash requirements for the assets being depreciated and amortized that may have to be replaced in the future; or (f) the impact of earnings or charges resulting from matters that we and the lenders under our credit agreement may not consider indicative of our ongoing operations. In particular, our definition of Adjusted EBITDA allows us to add back certain non-cash, non-operating or non-recurring charges that are deducted in calculating net income, even though these are expenses that may recur, vary greatly and are difficult to predict and can represent the effect of long-term strategies as opposed to short-term results.

In addition, certain of these expenses added back in calculating Adjusted EBITDA can represent the reduction of cash that could be used for other corporate purposes. Further, although not included in the calculation of Adjusted EBITDA in the "Covenant Compliance" section below, the measure may at times allow us to add estimated cost savings and operating

synergies related to operational changes ranging from mergers, acquisitions or dispositions to restructuring, and/or exclude one-time transition expenditures that we anticipate incurring to realize cost savings before such savings have occurred.

The calculation of Adjusted EBITDA under our credit agreement as of June 30, 2025, is presented in the table in the "Covenant Compliance" section below. However, the results of such calculation could differ in the future based on the different types of adjustments that may be included in such respective calculations at the time. For the six months ended June 30, 2025, we reported net income of \$94.1 million and Adjusted EBITDA for the same period of \$215.9 million. See "Covenant Compliance" for a reconciliation of Adjusted EBITDA to GAAP net income.

Covenant Compliance

Our credit agreement, which governs our senior secured credit facilities, contains, among other provisions, restrictive covenants regarding indebtedness, payments and distributions, mergers and acquisitions, asset sales, affiliate transactions, capital expenditures and the maintenance of certain financial ratios. Payment of borrowings under the credit agreement may be accelerated if there is an event of default. Events of default include the failure to pay principal and interest when due, a material breach of a representation or warranty, certain non-payments or defaults under other indebtedness, covenant defaults, events of bankruptcy and a change of control. Certain covenants contained in the credit agreement restrict our ability to take certain actions, such as incurring additional debt or making acquisitions, if we are unable to meet a maximum total Net First Lien Leverage Ratio (consolidated indebtedness to Adjusted EBITDA) of 5.00 to 1.00 as of the end of each fiscal quarter. As of June 30, 2025, our Net First Lien Leverage Ratio was 0.79 to 1.00. Failure to comply with these covenants could limit our long-term growth prospects by hindering our ability to borrow under the revolver, to obtain future debt and/or to make acquisitions.

Set forth below is a reconciliation of net income to Adjusted EBITDA for the periods indicated below.

(in millions)	Six months ended June 30, 2024	Twelve months ended December 31, 2024	Six months ended June 30, 2025	Twelve months ended June 30, 2025
Net income	\$ 80.3	\$ 160.2	\$ 94.1	\$ 174.0
Income from discontinued operations, net of tax (1)	(1.0)	(1.3)	(3.0)	(3.3)
Provision for income taxes	25.5	48.1	32.9	55.5
Actuarial gain on pension and postretirement benefit obligations	—	(1.4)	—	(1.4)
Other expense, net (2)	3.0	5.9	2.0	4.9
Interest expense, net	17.3	33.1	15.0	30.8
Depreciation and amortization	43.3	88.3	44.8	89.8
EBITDA	168.4	332.9	185.8	350.3
Adjustments to EBITDA				
Restructuring and other similar charges (3)	7.0	13.5	3.6	10.1
Stock-based compensation expense	19.4	37.9	19.5	38.0
Last-In, First-Out ("LIFO") adjustments (4)	(0.9)	5.5	7.0	13.4
Other, net (5)	0.4	0.6	—	0.2
Subtotal of adjustments to EBITDA	25.9	57.5	30.1	61.7
Adjusted EBITDA	\$ 194.3	\$ 390.4	\$ 215.9	\$ 412.0
Consolidated indebtedness (6)				\$ 326.6
Net First Lien Leverage Ratio (7)				0.79

- (1) Income from discontinued operations, net of tax is not included in Adjusted EBITDA in accordance with the terms of our credit agreement.
- (2) Other expense, net consists primarily of gains and losses from foreign currency transactions, the non-service cost components of net periodic benefit costs associated with our defined benefit plans and other non-operational gains and losses as defined in our credit agreement.
- (3) In accordance with the terms in our credit agreement, restructuring and other similar charges is comprised of costs associated with workforce reductions, asset impairments, lease termination costs, and other facility rationalization costs. See Item 1, Note 2, Restructuring and Other Similar Charges for more information.
- (4) Last-In, First-Out ("LIFO") adjustments are excluded in calculating Adjusted EBITDA as defined in our credit agreement.
- (5) Other, net consists of gains and losses on the disposition of long-lived assets per the credit agreement.
- (6) Our credit agreement defines our consolidated indebtedness as the sum of all indebtedness (other than letters of credit or bank guarantees, to the extent undrawn) consisting of indebtedness for borrowed money and capitalized lease obligations, less unrestricted cash, which was \$169.3 million (as defined by the credit agreement) at June 30, 2025.
- (7) Our credit agreement defines the Net First Lien Leverage Ratio as the ratio of consolidated indebtedness (as described above) to Adjusted EBITDA for the trailing four fiscal quarters.

Liquidity and Capital Resources

Our primary sources of liquidity are available cash and cash equivalents, cash flow from operations, and borrowing availability of up to \$200.0 million under our revolving credit facility.

As of June 30, 2025, we had \$201.9 million of cash and cash equivalents and \$189.9 million of additional borrowing capacity under our revolving credit facility. As of June 30, 2025, the available borrowings under our credit facility were reduced by \$10.1 million due to outstanding letters of credit. As of December 31, 2024, we had \$198.0 million of cash and cash equivalents and \$188.7 million of additional borrowing capacity under our revolving credit facility. As of December 31, 2024, the available borrowings under our credit facility were reduced by \$11.3 million due to outstanding letters of credit.

Our revolving credit facility is available to fund our working capital requirements, capital expenditures and other general corporate purposes. We believe this resource is adequate for our expected short-term and long-term needs.

Cash Flows

Net cash provided by operating activities was \$153.5 million and \$139.0 million during the six months ended June 30, 2025 and 2024, respectively. The change in year-over-year operating cash flows was primarily the result of an increase in net income during the six months ended June 30, 2025.

Cash used for investing activities was \$13.3 million during the six months ended June 30, 2025 and \$7.0 million during the six months ended June 30, 2024. Investing activities during the six months ended June 30, 2025, consisted of \$13.3 million of capital expenditures. Investing activities during the six months ended June 30, 2024, consisted of \$8.6 million of capital expenditures, which were partially offset by \$1.6 million from the sale of certain long-lived assets.

Cash used for financing activities was \$138.7 million during the six months ended June 30, 2025, compared to \$104.2 million during the six months ended June 30, 2024. During the six months ended June 30, 2025, we utilized \$0.4 million of cash for payments on finance leases, \$109.9 million to repurchase outstanding shares of our common stock, and \$30.3 million for the payment of common stock dividends, which was partially offset by \$1.9 million of proceeds from the exercise of stock options and ESPP contributions, net of taxes withheld and paid on employees' share-based awards. During the six months ended June 30, 2024, we utilized \$0.4 million of cash for payments on finance leases, \$79.9 million to repurchase outstanding shares of our common stock, and \$27.7 million for the payment of common stock dividends, which was partially offset by \$3.8 million of proceeds from the exercise of stock options.

Indebtedness

As of June 30, 2025, we had \$495.9 million of total indebtedness outstanding as follows (in millions):

	Total Debt at June 30, 2025	Current Maturities of Debt	Long-term Portion
Term loan (1)	\$ 475.7	\$ —	\$ 475.7
Finance leases	20.2	0.8	19.4
Total	\$ 495.9	\$ 0.8	\$ 495.1

(1) Includes unamortized original issue discount and debt issuance costs of \$4.7 million at June 30, 2025.

See Item 1, Note 12, Long-Term Debt for a description of our outstanding indebtedness.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk during the normal course of business from changes in foreign currency exchange rates and interest rates. The exposure to these risks is managed through a combination of normal operating and financing activities and at times derivative financial instruments in the form of foreign currency forward contracts to cover certain known foreign currency transactional risks. We also have historically entered into interest rate derivatives to manage interest rate fluctuations.

ITEM 4. CONTROLS AND PROCEDURES

We maintain a set of disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms.

We carried out an evaluation, under the supervision and with the participation of management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rules 13a-15 and 15d-15 of the Exchange Act. Based on that evaluation as of June 30, 2025, the Chief Executive Officer and Chief Financial Officer concluded that, as of such date, the Company's disclosure controls and procedures are adequate and effective in recording, processing, summarizing and reporting, on a timely basis, information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act and that such information is accumulated and communicated to the Company's management, including the Chief Executive Officer and Chief Financial Officer, in a manner allowing timely decisions regarding required disclosure. As such, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of the period covered by this report.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of the changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

There have been no changes in our internal control over financial reporting that occurred during our last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

See the information under the heading "Commitments and Contingencies" in Note 14 to the condensed consolidated financial statements contained in Part I, Item 1 of this report, which is incorporated in this Part II, Item 1 by reference.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

In fiscal 2015, the Company's Board of Directors approved a stock repurchase program (the "Repurchase Program") authorizing the repurchase of up to \$200.0 million of the Company's common stock from time to time on the open market or in privately negotiated transactions. On January 27, 2020, the Company's Board of Directors approved increasing the remaining share repurchase authority under the Repurchase Program to \$300.0 million. On February 8, 2023, the Company's Board of Directors approved increasing the remaining share repurchase authority under the Repurchase Program to \$500.0 million. The Repurchase Program does not require the Company to acquire any particular amount of common stock and does not specify the timing of purchases or the prices to be paid; however, the program will continue until the maximum amount of dollars authorized have been expended or until it is modified or terminated by the Board of Directors. During the three months ended June 30, 2025, the Company repurchased 972,619 shares of common stock at a total cost of \$32.5 million at an average price of \$33.41 per share. The repurchased shares were canceled by the Company upon receipt. The remaining repurchase authority under the Repurchase Program at June 30, 2025 was \$130.3 million.

ISSUER PURCHASES OF EQUITY SECURITIES

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Approximate Dollar Value that may yet be Purchased Under the Plans or Programs
April 1 - April 30, 2025	474,146	\$ 30.83	474,146	\$ 148,186,986
May 1 - May 31, 2025	290,022	\$ 35.70	290,022	\$ 137,826,462
June 1 - June 30, 2025	208,451	\$ 36.12	208,451	\$ 130,293,403
Total/Average	972,619	\$ 33.41	972,619	

ITEM 5. OTHER INFORMATION

During the three months ended June 30, 2025, 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.

ITEM 6. EXHIBITS

Exhibit No.	Description	Filed Herewith
10.1	Zurn Elkay Water Solutions Corporation Performance Incentive Plan, as amended and restated *	
10.2	Form of Performance Stock Unit Agreement under the Performance Incentive Plan (current)	X
10.3	Form of Restricted Stock Unit Agreement under the Performance Incentive Plan (current)	X
10.4	Form of amendment to Performance Stock Unit Agreement (for outstanding awards granted prior to 2025)	X
10.5	Zurn Elkay Water Solutions Corporation Deferred Compensation Plan (as amended and restated effective April 30, 2025)	X
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 and Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended	X
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 and Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended	X
32.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350	X
101.INS	Inline 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.)	X
101.SCH	Inline XBRL Taxonomy Extension Schema Document	X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document	X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document	X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document	X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document	X
104	Cover Page Inline XBRL data (contained in Exhibit 101)	X

* Incorporated by reference to Appendix A to the Company's Definitive Proxy Statement for its 2025 Annual Meeting of Stockholders, which was filed with the Securities and Exchange Commission on March 13, 2025.

SIGNATURES

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

ZURN ELKAY WATER SOLUTIONS CORPORATION

Date: July 29, 2025

By: /s/ DAVID J. PAULI
Name: **David J. Pauli**
Title: **Chief Financial Officer**

**PERFORMANCE STOCK UNIT AGREEMENT
OF
ZURN ELKAY WATER SOLUTIONS CORPORATION**

THIS AGREEMENT (this “Agreement”), dated as of _____ (the “Grant Date”) is made by and between Zurn Elkay Water Solutions Corporation, a Delaware corporation (the “Corporation”), and _____, an employee of the Corporation or one of its Subsidiaries (the “Grantee”).

WHEREAS, the Corporation wishes to afford the Grantee the opportunity to receive shares of its common stock (“Common Stock”);

WHEREAS, the Corporation wishes to carry out the purpose of the Zurn Elkay Water Solutions Corporation Performance Incentive Plan (as may be amended, restated or revised from time to time, the “Plan”), the terms of which are hereby incorporated by reference and made a part of this Agreement;

WHEREAS, the Administrator, as defined in the Plan, (i) has determined that it would be to the advantage and in the best interests of the Corporation and its stockholders to grant performance stock units (the “Performance Stock Units”) provided for herein to the Grantee as an inducement for the Grantee to enter into or remain in the employ of the Corporation or one of its Subsidiaries and as an incentive for increased efforts by the Grantee during such employment, and (ii) has instructed the officers of the Corporation to issue said Performance Stock Units; and

[**WHEREAS**, this grant of Performance Stock Units (the “Award”) is conditioned upon the Grantee’s acknowledgement and agreement that any and all vesting acceleration terms set forth in any severance, change in control, separation, success fee, retention or other agreement (an “Elkay Severance Agreement”) made between EMC Water LLC (f/k/a Elkay Manufacturing Company) (“Elkay”) and the Grantee prior to July 1, 2022 shall not apply to this Award.]

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration, receipt and sufficiency of which is hereby acknowledged, the parties hereto do hereby agree as follows:

ARTICLE I

GRANT, EARNING AND VESTING OF PERFORMANCE STOCK UNITS

AND ISSUANCE OF SHARES

Section 1.1 Grant of Performance Stock Units

(a) In consideration of the Grantee’s agreement to enter into or remain in the employ of the Corporation or one of its Subsidiaries and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, on the date hereof, the Corporation irrevocably grants to the Grantee the number of Performance Stock Units (at target) as set forth in Section 1.1(b) hereof. The Performance Stock Units

granted under this Agreement are units that will be reflected in a book account maintained by the Corporation until they become earned, vested and settled or have been forfeited.

(b) The number of Performance Stock Units (at target) that are eligible to be earned and vested based on _____ as described in Appendix A is _____.

(c) [The parties agree that any and all vesting acceleration terms in any Elkay Severance Agreement shall not apply to this Award and that the vesting terms contained in this Award shall control.]

(d) The Performance Period for the Performance Stock Units will be the three-year period beginning _____, 20__ and ending _____, 20__ (the "Performance Period").

Section 1.2 Satisfaction of Performance-Based Conditions and Vesting

(a) Subject to Section 1.2(b) and the satisfaction of the performance conditions set forth in Appendix A to this Agreement during the Performance Period, the Performance Stock Units will be earned and shall become vested on the last day of the Performance Period.

(b) [Subject to Section 1.5 hereof,] all unearned Performance Stock Units will be forfeited upon the Grantee's termination of employment during the Performance Period for any reason. [Notwithstanding the foregoing, if the Grantee's employment terminates prior to the last day of the Performance Period for any reason other than a termination for Cause by the Company (including by reason of the Grantee's resignation, retirement, death or disability), the Grantee shall continue to be eligible to vest in the unvested portion of the Award, and paid out based on the final payout percentage approved by the Administrator, without regard to the requirement that the Grantee continue in employment through the last day of the Performance Period; provided, however, that the provisions of Section 1.5 hereof shall prevail over the provisions of this Section 1.2(b), to the extent more favorable to the Grantee.]

(c) The Grantee will not have any right to vote the Performance Stock Units and will not be deemed a stockholder of the Corporation with respect to any of the Performance Stock Units.

Section 1.3 Issuance of Shares

Earned Performance Stock Units, and related dividend equivalent rights, will be paid in shares of Common Stock as soon as administratively practicable following the close of the Performance Period and certification of the satisfaction of the performance conditions, but in no event later than the fifteenth (15th) day of the third month following the end of the Corporation's fiscal year which contains the last day of the Performance Period.

Section 1.4 Performance Stock Units Subject to Plan

The Performance Stock Units, and related dividend equivalent rights, granted hereunder are subject to the terms and provisions of the Plan, including without limitation, Sections 7.5 and

8.9 of the Plan. Capitalized terms used in this Agreement and not defined herein shall have the meaning given to such terms in the Plan.

Section 1.5 Corporate Transactions – Acceleration of Performance Stock Units

The Performance Stock Units, and related dividend equivalent rights, granted hereunder will be subject to accelerated vesting as set forth in Section 7.3 of the Plan, or to the extent more favorable to the Grantee, as set forth in the Corporation's Executive Change in Control Plan ("Executive CIC Plan") [(as modified by the Letter Agreement by and between the Corporation and the Grantee dated May 17, 2024)], including, in the interest of clarity, upon an "involuntary termination" or Qualifying Termination (as defined in the applicable plan), as applicable, that would result in accelerated vesting under the applicable provisions of the Plan or the Executive CIC Plan where a Change in Control occurs prior to settlement of the Award, but without regard to whether such termination occurred during the Protection Period (as defined in the applicable plan)]. In such case, the vested Performance Stock Units, and related dividend equivalent rights, will be settled as soon as administratively practicable, but in no event later than the fifteenth (15th) day of the third month following the end of the Corporation's fiscal year in which the Performance Units vest (or, to the extent the Performance Stock Units vest pursuant to the Executive CIC Plan, within such other period as may be provided under the Executive CIC Plan to the extent necessary to ensure the Performance Stock Units are exempt from, or compliant with, Section 409A of the Code).

Section 1.6 Dividend Equivalents

During the period beginning on the first day of the Performance Period and ending on the date that shares of Common Stock are issued in settlement of a Performance Stock Unit, the Grantee will accrue dividend equivalents on Performance Stock Units equal to any cash or other dividend or distribution that would have been paid on the Performance Stock Unit had the Performance Stock Unit been an issued and outstanding share of Common Stock on the record date for the dividend or distribution. Such accrued dividend equivalents (i) will vest and become payable (or forfeitable) upon the same terms and at the same time as shares of Common Stock are paid pursuant to Section 1.3 to settle the earned and vested Performance Stock Units to which they relate, and (ii) will be paid in shares of Common Stock, rounded up to the nearest whole share, based on the fair market value of the shares of Common Stock on such date.

ARTICLE II

RESTRICTIVE COVENANTS

Section 2.1 Reasonableness of Restrictions

The Grantee acknowledges that the Grantee has had and will continue to have access to Confidential Information (as defined below), that such Confidential Information is of economic value to the Corporation and its Subsidiaries, that such Confidential Information would be of value to a competitor of the Corporation and/or one of its Subsidiaries in competing against the Corporation and/or one of its Subsidiaries, and that it would be unfair for the Grantee to exploit

such Confidential Information for the Grantee's personal benefit or for the benefit of a competitor. The Grantee further acknowledges that the Grantee has had and/or will have an opportunity to learn about, and develop relationships with, customers of the Corporation and/or its Subsidiaries and that the Corporation and its Subsidiaries have a legitimate interest in protecting relationships with such customers, and that it would be unfair for the Grantee to exploit information the Grantee has learned about such customers and relationships which the Grantee has developed with such customers for the Grantee's personal benefit or for the benefit of a competitor. The Grantee further acknowledges that the Corporation and its Subsidiaries currently market and sell products and services to customers throughout the United States and that the Grantee's job duties have included and/or will include contact with products that are marketed throughout the entire United States and that the Confidential Information to which the Grantee has had and/or will have access to, and the Grantee's customer knowledge and contacts and relationships, would be of value to a competitor in competing against the Corporation and/or one of its Subsidiaries anywhere in the United States. Accordingly, the Grantee acknowledges that the protections provided to the Corporation and its Subsidiaries in this Article II are reasonable and necessary to protect the legitimate interests of the Corporation and its Subsidiaries and that abiding by the Grantee's obligations under this Article II will not impose an undue hardship on the Grantee.

Section 2.2 Restricted Services Obligation

For a period of two years following the end, for whatever reason, of the Grantee's employment with the Corporation or any of its Subsidiaries, the Grantee agrees not to directly or indirectly provide Restricted Services to any Competitor respecting its operations in the United States. For purposes of this Section, (i) "Restricted Services" means services of any kind or character comparable to those the Grantee provided to the Corporation or any of its Subsidiaries during the one year period preceding the end of the Grantee's employment with the Corporation or any of its Subsidiaries, and (ii) "Competitor" means any business located in the United States which is engaged in the development and/or sale of any product line or service offering that is substantially similar to (and thus competitive with) a product line or service offering sold by the Corporation or any of its United States Subsidiaries for which the Grantee had direct managerial responsibility during the last year of the term of the Grantee's employment with the Corporation or any of its United States Subsidiaries.

Section 2.3 Customer Non-Solicitation

For a period of two years following the end, for whatever reason, of the Grantee's employment with the Corporation or any of its Subsidiaries, the Grantee agrees not to directly or indirectly attempt to sell or otherwise provide to any Restricted Customer any goods, products or services of the type or substantially similar to the type sold or otherwise provided by the Corporation or any of its Subsidiaries (and thus competitive with such goods, products or services) for which the Grantee was employed during the twelve months prior to termination of the Grantee's employment. For purposes of this Section 2.3, "Restricted Customer" means any individual or entity (i) for whom/which the Corporation or any of its Subsidiaries provided goods, products or services, and (ii) with whom/which the Grantee was the primary contact on behalf of the Corporation during the Grantee's last twelve months of employment or about whom/which the Grantee acquired non-public information during the Grantee's last twelve

months of employment that would be of benefit to the Grantee in selling or attempting to sell such goods, products or services in competition with the Corporation or any of its Subsidiaries.

Section 2.4 Non-Solicitation of Employees

During the term of the Grantee's employment with the Corporation or any of its Subsidiaries and for a period of one year thereafter, the Grantee shall not directly or indirectly solicit any employee of the Corporation or any of its United States Subsidiaries with whom the Grantee has worked to terminate his or her employment with the Corporation or any such Subsidiary or solicit such an individual for employment outside the Corporation or any of its Subsidiaries in a manner which would end or diminish that employee's services to the Corporation or any of its Subsidiaries.

Section 2.5 Non-Disclosure of Confidential Information, Defend Trade Secrets Act Notice and Protected Government Agency Communications

(a) The Grantee shall maintain in confidence and shall not directly, indirectly or otherwise, use, disseminate, disclose, publish or otherwise misappropriate, or use for the Grantee's benefit or the benefit of any third party, or deliver to any third party any trade secrets or other Confidential Information (as defined herein) of the Corporation or its Subsidiaries. "Confidential Information" means any document, record, notebook, computer program or similar repository of or containing, any confidential or proprietary information of or relating to the Corporation or any of its Subsidiaries, including, without limitation, information with respect to the Corporation's or any of its Subsidiary's operations, processes, products, inventions, business practices, finances, principals, vendors, suppliers, customers, potential customers, marketing methods, costs, prices, contractual relationships, regulatory status, compensation paid to employees or other terms of employment. Confidential Information shall be defined to exclude information which is or becomes public knowledge through no fault of the Grantee, or which was known to the Grantee before the start of the Grantee's earliest relationship with the Corporation or any of its Subsidiaries, or which is otherwise not subject to protection under applicable law. The Grantee's obligations under this Section 2.5 shall apply for so long as the Grantee continues in the employment of the Corporation or any of its Subsidiaries and for two years following the termination of such employment, for whatever reason, as to any Confidential Information that does not constitute a trade secret under applicable law. As to any Confidential Information that does constitute a trade secret under applicable law, the Grantee agrees that the Grantee's obligations under this Section 2.5 shall apply for so long as the item qualifies as a trade secret.

(b) The Grantee is advised that he or she may not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made: (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and provided that such disclosure is solely for the purpose of reporting or investigating a suspected violation of the law, or (ii) in a complaint or other document filed in a lawsuit or other proceeding, provided that such filing is made under seal. Additionally, in the event the Grantee files a lawsuit against the Corporation for retaliation by the Corporation against the Grantee for reporting a suspected violation of law, the Grantee has the right to provide trade secret information to the Grantee's attorney and use the trade secret information in the court proceeding, although the Grantee must file any document containing the trade secret under seal and may not disclose the trade secret, except pursuant to court order.

(c) The Grantee understands that nothing in this Agreement is intended to or shall limit, prevent, impede or interfere with the Grantee's non-waivable right, without prior notice to the Corporation or its Subsidiaries, to: (i) provide information to, file a charge or complaint with, obtain monetary or equitable relief from, or participate in any investigation regarding the Corporation's or its Subsidiaries' past or future conduct conducted by, the Securities and Exchange Commission ("SEC"), the Equal Employment Opportunity Commission, the National Labor Relations Board or any other federal, state or local government agency or body; or (ii) engage in any activities protected under whistleblower statutes or receive and fully retain a monetary award from a government-administered whistleblower award program, including but not limited to awards for whistleblowers to the SEC, for providing information directly to a government agency.

Section 2.6 Return of Corporation Property

All correspondence, drawings, manuals, letters, notes, notebooks, reports, programs, plans, proposals, financial documents, or any other documents concerning the Corporation's or any of its Subsidiary's customers, business plans, marketing strategies, products or processes, whether confidential or not, is the property of the Corporation (the "Corporation Property"). Accordingly, upon the Grantee's termination of employment for any reason, the Grantee shall promptly deliver to the Corporation all such Corporation Property, including any and all copies of any such Corporation Property, and shall not make any notes of or relating to any information contained in any such Corporation Property. The Grantee may respond to a lawful and valid subpoena or other legal process but shall give the Corporation the earliest possible notice thereof, shall, as much in advance of the return date as possible, make available to the Corporation and its counsel the documents and other information sought and shall assist such counsel in resisting or otherwise responding to such process.

Section 2.7 Injunctive Relief; Attorneys' Fees

The Grantee hereby acknowledges that a breach of the covenants contained in this Article II will cause irreparable damage to the Corporation and its goodwill, the exact amount of which will be difficult or impossible to ascertain, and that the remedies at law for any such breach will be inadequate. Accordingly, the Grantee hereby agrees that, in the event of an actual or threatened breach of any of the covenants contained in this Article II, in addition to any other remedy which may be available at law or in equity, the Corporation shall be entitled to specific performance and injunctive relief. In addition, should the Corporation prevail in obtaining legal relief against the Grantee as related to a breach of the covenants contained in this Article II, the Grantee shall indemnify the Corporation for reasonable costs and expenses, including, but not limited, to court costs and reasonable attorneys' fees that the Corporation incurred pursuant to the enforcement of this Agreement.

ARTICLE III

OTHER PROVISIONS

Section 3.1 Not a Contract of Employment

Nothing in this Agreement or in the Plan shall (i) confer upon the Grantee any right to continue in the employ of the Corporation or any of its Subsidiaries, or (ii) interfere with or restrict in any way the rights of the Corporation or its Subsidiaries, which are hereby expressly reserved, to discharge the Grantee at any time for any reason whatsoever, with or without Cause, except pursuant to an employment agreement, if any, executed by and between the Corporation

or any of its Subsidiaries, on the one hand, and the Grantee, on the other hand, and approved by the Board.

Section 3.2 Construction; Choice of Law; Other Obligations

This Agreement shall be administered, interpreted and enforced under the laws of the state of Delaware, without regard to conflicts of laws provisions that would give effect to the laws of another jurisdiction. The obligations and restrictions set forth in this Agreement are in addition to and not in lieu of any obligations or restrictions imposed upon the Grantee under any other agreement or any law or statute including, but not limited to, any obligations the Grantee may owe under any law governing trade secrets, any common law duty of loyalty, or any fiduciary duty. No time or geographic restriction provided above shall affect the availability or scope of protection afforded to the Corporation's trade secrets.

Section 3.3 Conformity to Securities Laws

The Grantee acknowledges that the Plan is intended to conform to the extent necessary with all provisions of the Securities Act and the Exchange Act and any and all regulations and rules promulgated thereunder by the Securities and Exchange Commission, including without limitation, Rule 16b-3. Notwithstanding anything herein to the contrary, the Plan shall be administered, and the Performance Stock Units are granted, only in such a manner as to conform to such laws, rules and regulations. To the extent permitted by applicable law, the Plan and this Agreement shall be deemed amended to the extent necessary to conform to such laws, rules and regulations.

Section 3.4 Entire Agreement

The parties hereto acknowledge that this Agreement and the Plan, together with the Executive CIC Plan, set forth the entire agreement and understanding of the parties and supersede all prior written or oral agreements or understandings with respect to the subject matter hereof[, including any terms applicable to the vesting of equity awards contained in any Elkay Severance Agreement except that any provisions therein regarding confidentiality, non-competition or non-solicitation remain in full force and effect in favor of the Corporation and its Subsidiaries as if the agreements containing such provisions were not so superseded. The parties agree that the vesting acceleration terms contained in any Elkay Severance Agreement shall not apply to this Award. Because this Award is conditioned upon the Grantee's agreement that the vesting acceleration terms set forth in any Elkay Severance Agreement shall not apply to this Award, any attempt by the Grantee to enforce or apply those vesting acceleration terms to this Award shall cause this Award to be null and void and require the Grantee to return any shares of Common Stock issued to the Grantee under Section 1.3 of this Agreement.] The obligations imposed by this Agreement are severable and should be construed independently of each other. The invalidity of one provision shall not affect the validity of any other provision. If any provision of this Agreement shall be invalid or unenforceable, in whole or in part, or as applied to any circumstances, under the laws of any jurisdiction which may govern for such purpose, then such provision shall be deemed, to the extent allowed by the laws of such jurisdiction, to be modified or restricted to the extent and in the manner necessary to render the same valid and enforceable, either generally or as applied to such circumstance, or shall be deemed excised from this Agreement, as the case may require, and this Agreement shall be construed and enforced to the maximum extent permitted by law, as if such provision had been originally incorporated

herein as so modified or restricted, or as if such provision had not been originally incorporated herein, as the case may be.

Section 3.5 Amendment

The Administrator at any time, and from time to time, may amend the terms of this Agreement, *provided, however*, that the rights of the Grantee shall not be adversely impaired without the Grantee's written consent. The Corporation shall provide the Grantee with notice and a copy of any amendment made to this Agreement

Section 3.6 Disputes (Forum; Personal Jurisdiction; Waiver of Jury Trial)

Any dispute or controversy arising under, out of, or in connection with or in relation to this Agreement or the Plan shall be brought exclusively in the state, federal, or other courts of the state of Delaware, and the parties hereby consent and submit to the personal jurisdiction of those courts. In the event of dispute or litigation, each party shall pay its own attorney's fees and expenses, except that, should the Grantee file suit in a forum other than the state, federal, or other courts of the state of Delaware, Corporation shall be entitled to recover from the Grantee its attorney fees and expenses associated with seeking the dismissal or transfer of the Grantee's suit. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHTS TO ANY TRIAL BY JURY, IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING UNDER, OUT OF, IN CONNECTION WITH, OR IN RELATION TO THE PLAN OR THIS AGREEMENT.

Section 3.7 Notices

All notices, requests, consents and other communications hereunder to any party hereto shall be deemed to be sufficient if contained in a written instrument and shall be deemed to have been duly given when delivered in person, by telecopy, by nationally-recognized overnight courier, or by first class registered or certified mail, postage prepaid, addressed to such party at the address set forth below or such other address as may hereafter be designated in writing by the addressee to the addressor:

- (i) if to the Corporation, to:

Zurn Elkay Water Solutions Corporation

Attention: General Counsel

- (ii) if to the Grantee, to the Grantee's home address on file with the Corporation.

Section 3.8 Government and Other Regulations

The obligation to sell and deliver shares of Common Stock under the Plan, and related dividend equivalents, shall be subject to all applicable laws, rules and regulations and the obtaining of all such approvals by governmental agencies as may be deemed necessary or desirable by the Corporation, including (without limitation) the satisfaction of all applicable federal, state and local tax withholding requirements. The Corporation shall have the power and the right to deduct or withhold, or require the Grantee to remit to the Corporation, an amount

sufficient to satisfy federal, state, and local taxes (including the Grantee's FICA obligation) required by law to be withheld with respect to any taxable event arising or as a result of these Performance Stock Units and related dividend equivalents.

Section 3.9 Section 409A

This Agreement is intended to comply with Section 409A of the Code or an exemption thereunder and shall be construed and interpreted in a manner consistent with the requirements for avoiding additional taxes and penalties under Section 409A of the Code. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement comply with Section 409A of the Code and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Grantee on account of non-compliance with Section 409A of the Code.

Section 3.10 Counterparts

This Agreement may be executed in several counterparts, including via facsimile transmission, each of which shall be deemed to be an original, but all of which together will constitute one and the same Agreement.

Section 3.11 Performance Stock Units Subject to Clawback

As an additional condition of receiving the Performance Stock Units, the Grantee agrees that the Performance Stock Units and any benefits or proceeds therefrom that the Grantee may receive hereunder shall be subject to forfeiture, recoupment repayment, and/or recovery to the Corporation to the extent required (i) to comply with any requirements imposed under applicable laws and/or the rules and regulations of the securities exchange or inter-dealer quotation system on which the shares of Common Stock are listed or quoted, including, without limitation, pursuant to Section 10D of the Exchange Act, Rule 10D-1 thereunder, and Section 303A.14 of the New York Stock Exchange Listed Company Manual, and (ii) under the terms of the Corporation's Executive Compensation Clawback Policy or any policy adopted by the Corporation, as may be amended from time to time, designed to eliminate or discourage fraud, misconduct, wrongdoing, or violations of law by an employee or other service provider or similar considerations (and the provisions contained in a policy contemplated under sub-clause (i) and (ii) shall be deemed incorporated into this Agreement without the Grantee's additional or separate consent). Further, if the Grantee receives any amount in excess of what the Grantee should have received under the terms of this Agreement for any reason (including without limitation by reason of a financial restatement, mistake in calculations or administrative error), all as determined by the Administrator, then the Grantee shall be required to promptly repay any such excess amount to the Corporation. To satisfy any recoupment obligation arising under any clawback or compensation recovery policy of the Corporation or otherwise under applicable laws, rules, regulations or stock exchange listing standards, among other things, the Grantee expressly and explicitly authorizes the Corporation to issue instructions, on the Grantee's behalf, to any brokerage firm or stock plan service provider engaged by the Corporation to hold any shares of Common Stock or other amounts acquired pursuant to the Performance Stock Units to re-convey, transfer or otherwise return such shares of Common Stock and/or other amounts to the Corporation upon the Corporation's enforcement of any clawback or compensation recovery policy.

[Signature Page to Follow]

IN WITNESS WHEREOF, this Agreement has been executed and delivered by the parties hereto as of the day, month and year first set forth above.

THE CORPORATION:

Zurn Elkay Water Solutions Corporation

By: _____
Print Name: _____
Title: _____

THE GRANTEE:

Signature: _____
Print Name: _____

Grantee's Address:

Grantee's Taxpayer Identification Number:

APPENDIX A

EARNING OF PERFORMANCE STOCK UNITS

[PERFORMANCE METRICS]

* * * * *

**RESTRICTED STOCK UNIT AGREEMENT
OF
ZURN ELKAY WATER SOLUTIONS CORPORATION**

THIS AGREEMENT (this “Agreement”), dated as of _____ (the “Grant Date”) is made by and between Zurn Elkay Water Solutions Corporation, a Delaware corporation (the “Corporation”), and _____, an employee of the Corporation or one of its Subsidiaries (the “Grantee”).

WHEREAS, the Corporation wishes to afford the Grantee the opportunity to receive shares of its common stock (“Common Stock”);

WHEREAS, the Corporation wishes to carry out the purpose of the Zurn Elkay Water Solutions Corporation Performance Incentive Plan (as may be amended, restated or revised from time to time, the “Plan”), the terms of which are hereby incorporated by reference and made a part of this Agreement;

WHEREAS, the Administrator, as defined in the Plan, (i) has determined that it would be to the advantage and in the best interests of the Corporation and its stockholders to grant Restricted Stock Units (the “Restricted Stock Units”) provided for herein to the Grantee as an inducement for the Grantee to enter into or remain in the employ of the Corporation or one of its Subsidiaries and as an incentive for increased efforts by the Grantee during such employment, and (ii) has instructed the officers of the Corporation to issue said Restricted Stock Units (the “Award”); and

[**WHEREAS**, this grant of Restricted Stock Units (the “Award”) is conditioned upon the Grantee’s acknowledgement and agreement that any and all vesting acceleration terms set forth in any severance, change in control, separation, success fee, retention or other agreement (an “Elkay Severance Agreement”) made between EMC Water LLC (f/k/a Elkay Manufacturing Company) (“Elkay”) and the Grantee prior to July 1, 2022 shall not apply to this Award.]

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration, receipt and sufficiency of which is hereby acknowledged, the parties hereto do hereby agree as follows:

ARTICLE I

**GRANT AND VESTING OF RESTRICTED STOCK UNITS
AND ISSUANCE OF SHARES**

Section 1.1 Grant of Restricted Stock Units

In consideration of the Grantee’s agreement to enter into or remain in the employ of the Corporation or one of its Subsidiaries and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, on the date hereof the Corporation irrevocably grants to the Grantee _____ Restricted Stock Units. The Restricted Stock Units granted

under this Agreement are units that will be reflected in a book account maintained by the Corporation until they become vested or have been forfeited.

Section 1.2 Vesting of Restricted Stock Units

(a) These Restricted Stock Units shall become vested in accordance with the schedule established by the Administrator at the time of grant and set forth below:

- _____;
- _____;
- _____.

(b) [The parties agree that any and all vesting acceleration terms in the Severance Agreement shall not apply to this Award and that the vesting terms contained in this Award shall control.]

(c) Subject to Section 1.5 hereof, no Restricted Stock Unit which is unvested at the Grantee's termination of employment shall thereafter become vested. [Notwithstanding the foregoing, if the Grantee's employment terminates prior to the second anniversary of the Grant Date for any reason other than a termination for Cause by the Corporation (including by reason of the Grantee's resignation, retirement, death or disability), the Grantee shall continue to be eligible to vest in the unvested portion of the Award without regard to the requirement that the Grantee continue in employment through the second anniversary of the Award; provided, however, that the provisions of Section 1.5 hereof shall prevail over the provisions of this Section 1.2(b), to the extent more favorable to the Grantee.]

(d) The Grantee will not have any right to vote the Restricted Stock Units and will not be deemed a stockholder of the Corporation with respect to any of the Restricted Stock Units.

Section 1.3 Issuance of Shares

Within forty-five (45) days of each vesting date set forth in Section 1.2, the Corporation shall issue the Grantee one share of Common Stock for each Restricted Stock Unit that becomes vested, subject to the terms and provisions of the Plan and this Agreement.

Section 1.4 Restricted Stock Units Subject to Plan

The Restricted Stock Units granted hereunder are subject to the terms and provisions of the Plan, including without limitation, Sections 7.5 and 8.9 of the Plan. Capitalized terms used in this Agreement and not defined herein shall have the meaning given to such terms in the Plan.

Section 1.5 Corporate Transactions - Acceleration

The Award will be subject to accelerated vesting as set forth in Section 7.3 of the Plan, or to the extent more favorable to the Grantee, as set forth in the Corporation's Executive Change in Control Plan ("Executive CIC Plan") [including, in the interest of clarity, upon an "involuntary termination" or Qualifying Termination (as defined in the applicable plan), as applicable, that would result in accelerated vesting under the applicable provisions of the Plan or the Executive CIC Plan where a Change in Control (as defined in the applicable plan) occurs prior to settlement of the Award, but without regard to whether such termination occurred during the Protection Period (as defined in the applicable plan). In such case, the vested Restricted Stock Units will be settled as soon as administratively practicable, but in no event later than the forty-fifth (45th) day following the Grantee's termination of employment, subject to any delay in payment required pursuant to Section 3.9.]

ARTICLE II

RESTRICTIVE COVENANTS

Section 2.1 Reasonableness of Restrictions

The Grantee acknowledges that the Grantee has had and will continue to have access to Confidential Information (as defined below), that such Confidential Information is of economic value to the Corporation and its Subsidiaries, that such Confidential Information would be of value to a competitor of the Corporation and/or one of its Subsidiaries in competing against the Corporation and/or one of its Subsidiaries, and that it would be unfair for the Grantee to exploit such Confidential Information for the Grantee's personal benefit or for the benefit of a competitor. The Grantee further acknowledges that the Grantee has had and/or will have an opportunity to learn about, and develop relationships with, customers of the Corporation and/or its Subsidiaries and that the Corporation and its Subsidiaries have a legitimate interest in protecting relationships with such customers, and that it would be unfair for the Grantee to exploit information the Grantee has learned about such customers and relationships which the Grantee has developed with such customers for the Grantee's personal benefit or for the benefit of a competitor. The Grantee further acknowledges that the Corporation and its Subsidiaries currently market and sell products and services to customers throughout the United States and that the Grantee's job duties have included and/or will include contact with products that are marketed throughout the entire United States and that the Confidential Information to which the Grantee has had and/or will have access to, and the Grantee's customer knowledge and contacts and relationships, would be of value to a competitor in competing against the Corporation and/or one of its Subsidiaries anywhere in the United States. Accordingly, the Grantee acknowledges that the protections provided to the Corporation and its Subsidiaries in this Article II are reasonable and necessary to protect the legitimate interests of the Corporation and its Subsidiaries and that abiding by the Grantee's obligations under this Article II will not impose an undue hardship on the Grantee.

Section 2.2 Restricted Services Obligation

For a period of two years following the end, for whatever reason, of the Grantee's employment with the Corporation or any of its Subsidiaries, the Grantee agrees not to directly or indirectly provide Restricted Services to any Competitor respecting its operations in the United States. For purposes of this Section, (i) "Restricted Services" means services of any kind or

character comparable to those the Grantee provided to the Corporation or any of its Subsidiaries during the one year period preceding the end of the Grantee's employment with the Corporation or any of its Subsidiaries, and (ii) "Competitor" means any business located in the United States which is engaged in the development and/or sale of any product line or service offering that is substantially similar to (and thus competitive with) a product line or service offering sold by the Corporation or any of its United States Subsidiaries for which the Grantee had direct managerial responsibility during the last year of the term of the Grantee's employment with the Corporation or any of its United States Subsidiaries.

Section 2.3 Customer Non-Solicitation

For a period of two years following the end, for whatever reason, of the Grantee's employment with the Corporation or any of its Subsidiaries, the Grantee agrees not to directly or indirectly attempt to sell or otherwise provide to any Restricted Customer any goods, products or services of the type or substantially similar to the type sold or otherwise provided by the Corporation or any of its Subsidiaries (and thus competitive with such goods, products or services) for which the Grantee was employed during the twelve months prior to termination of the Grantee's employment. For purposes of this Section 2.3, "Restricted Customer" means any individual or entity (i) for whom/which the Corporation or any of its Subsidiaries provided goods, products or services, and (ii) with whom/which the Grantee was the primary contact on behalf of the Corporation during the Grantee's last twelve months of employment or about whom/which the Grantee acquired non-public information during the Grantee's last twelve months of employment that would be of benefit to the Grantee in selling or attempting to sell such goods, products or services in competition with the Corporation or any of its Subsidiaries.

Section 2.4 Non-Solicitation of Employees

During the term of the Grantee's employment with the Corporation or any of its Subsidiaries and for a period of one year thereafter, the Grantee shall not directly or indirectly solicit any employee of the Corporation or any of its United States Subsidiaries with whom the Grantee has worked to terminate his or her employment with the Corporation or any such Subsidiary or solicit such an individual for employment outside the Corporation or any of its Subsidiaries in a manner which would end or diminish that employee's services to the Corporation or any of its Subsidiaries.

Section 2.5 Non-Disclosure of Confidential Information, Defend Trade Secrets Act Notice and Protected Government Agency Communications

(a) The Grantee shall maintain in confidence and shall not directly, indirectly or otherwise, use, disseminate, disclose, publish or otherwise misappropriate, or use for the Grantee's benefit or the benefit of any third party, or deliver to any third party any trade secrets or other Confidential Information (as defined herein) of the Corporation or its Subsidiaries. "Confidential Information" means any document, record, notebook, computer program or similar repository of or containing, any confidential or proprietary information of or relating to the Corporation or any of its Subsidiaries, including, without limitation, information with respect to the Corporation's or any of its Subsidiary's operations, processes, products, inventions, business practices, finances, principals, vendors, suppliers, customers, potential customers, marketing methods, costs, prices, contractual relationships, regulatory status, compensation paid to employees or other terms of employment. Confidential Information shall be defined to exclude information which is or becomes public knowledge through no fault of the Grantee, or which was known to the Grantee before the start of the Grantee's earliest relationship with the Corporation or any of its Subsidiaries, or which is otherwise not subject to protection under applicable law. The Grantee's obligations under this Section 2.5 shall apply for so long as the Grantee continues in the employment of the Corporation or any of its Subsidiaries and for two years following the termination of such employment, for whatever reason, as to any Confidential Information that does not constitute a trade secret under applicable law. As to any Confidential Information that does constitute a trade secret under applicable law, the Grantee agrees that the Grantee's obligations under this Section 2.5 shall apply for so long as the item qualifies as a trade secret.

(b) The Grantee is advised that he or she may not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made: (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and provided that such disclosure is solely for the purpose of reporting or investigating a suspected violation of the law, or (ii) in a complaint or other document filed in a lawsuit or other proceeding, provided that such filing is made under seal. Additionally, in the event the Grantee files a lawsuit against the Corporation for retaliation by the Corporation against the Grantee for reporting a suspected violation of law, the Grantee has the right to provide trade secret information to the Grantee's attorney and use the trade secret information in the court proceeding, although the Grantee must file any document containing the trade secret under seal and may not disclose the trade secret, except pursuant to court order.

(c) The Grantee understands that nothing in this Agreement is intended to or shall limit, prevent, impede or interfere with the Grantee's non-waivable right, without prior notice to the Corporation or its Subsidiaries, to: (i) provide information to, file a charge or complaint with, obtain monetary or equitable relief from, or participate in any investigation regarding the Corporation's or its Subsidiaries' past or future conduct conducted by, the Securities and Exchange Commission ("SEC"), the Equal Employment Opportunity Commission, the National Labor Relations Board or any other federal, state or local government agency or body; or (ii) engage in any activities protected under whistleblower statutes or receive and fully retain a monetary award from a government-administered whistleblower award program, including but not limited to awards for whistleblowers to the SEC, for providing information directly to a government agency.

Section 2.6 Return of Corporation Property

All correspondence, drawings, manuals, letters, notes, notebooks, reports, programs, plans, proposals, financial documents, or any other documents concerning the Corporation's or any of its Subsidiary's customers, business plans, marketing strategies, products or processes, whether confidential or not, is the property of the Corporation (the "Corporation Property"). Accordingly, upon the Grantee's termination of employment for any reason, the Grantee shall promptly deliver to the Corporation all such Corporation Property, including any and all copies of any such Corporation Property, and shall not make any notes of or relating to any information contained in any such Corporation Property. The Grantee may respond to a lawful and valid subpoena or other legal process but shall give the Corporation the earliest possible notice thereof, shall, as much in advance of the return date as possible, make available to the Corporation and its counsel the documents and other information sought and shall assist such counsel in resisting or otherwise responding to such process.

Section 2.7 Injunctive Relief; Attorneys' Fees

The Grantee hereby acknowledges that a breach of the covenants contained in this Article II will cause irreparable damage to the Corporation and its goodwill, the exact amount of which will be difficult or impossible to ascertain, and that the remedies at law for any such breach will be inadequate. Accordingly, the Grantee hereby agrees that, in the event of an actual or threatened breach of any of the covenants contained in this Article II, in addition to any other remedy which may be available at law or in equity, the Corporation shall be entitled to specific performance and injunctive relief. In addition, should the Corporation prevail in obtaining legal relief against the Grantee as related to a breach of the covenants contained in this Article II, the Grantee shall indemnify the Corporation for reasonable costs and expenses, including, but not limited, to court costs and reasonable attorneys' fees that the Corporation incurred pursuant to the enforcement of this Agreement.

ARTICLE III

OTHER PROVISIONS

Section 3.1 Not a Contract of Employment

Nothing in this Agreement or in the Plan shall (i) confer upon the Grantee any right to continue in the employ of the Corporation or any of its Subsidiaries, or (ii) interfere with or restrict in any way the rights of the Corporation or its Subsidiaries, which are hereby expressly reserved, to discharge the Grantee at any time for any reason whatsoever, with or without Cause, except pursuant to an employment agreement, if any, executed by and between the Corporation or any of its Subsidiaries, on the one hand, and the Grantee, on the other hand, and approved by the Board.

Section 3.2 Construction; Choice of Law; Other Obligations

This Agreement shall be administered, interpreted and enforced under the laws of the state of Delaware, without regard to conflicts of laws provisions that would give effect to the laws of another jurisdiction. The obligations and restrictions set forth in this Agreement are in addition to and not in lieu of any obligations or restrictions imposed upon the Grantee under any other agreement or any law or statute including, but not limited to, any obligations the Grantee may owe under any law governing trade secrets, any common law duty of loyalty, or any fiduciary duty. No time or geographic restriction provided above shall affect the availability or scope of protection afforded to the Corporation's trade secrets.

Section 3.3 Conformity to Securities Laws

The Grantee acknowledges that the Plan is intended to conform to the extent necessary with all provisions of the Securities Act and the Exchange Act and any and all regulations and rules promulgated thereunder by the Securities and Exchange Commission, including without limitation, Rule 16b-3. Notwithstanding anything herein to the contrary, the Plan shall be administered, and the Restricted Stock Units are granted, only in such a manner as to conform to such laws, rules and regulations. To the extent permitted by applicable law, the Plan and this Agreement shall be deemed amended to the extent necessary to conform to such laws, rules and regulations.

Section 3.4 Entire Agreement

The parties hereto acknowledge that this Agreement and the Plan, together with the Executive CIC Plan, set forth the entire agreement and understanding of the parties and supersede all prior written or oral agreements or understandings with respect to the subject matter hereof[, including any terms applicable to the vesting of equity awards contained in any Elkay Severance Agreement, except that any provisions therein regarding confidentiality, non-competition or non-solicitation remain in full force and effect in favor of the Corporation and its Subsidiaries as if the agreements containing such provisions were not so superseded. The parties agree that the vesting acceleration terms contained in any Elkay Severance Agreement shall not apply to this Award. Because this Award is conditioned upon the Grantee's agreement that the vesting acceleration terms set forth in any Elkay Severance Agreement shall not apply to this Award, any attempt by the Grantee to enforce or apply those vesting acceleration terms to this Award shall cause this Award to be null and void and require the Grantee to return any shares of Common Stock issued to the Grantee under Section 1.3 of this Agreement.] The obligations imposed by this Agreement are severable and should be construed independently of each other. The invalidity of one provision shall not affect the validity of any other provision. If any provision of this Agreement shall be invalid or unenforceable, in whole or in part, or as applied to any circumstances, under the laws of any jurisdiction which may govern for such purpose, then such provision shall be deemed, to the extent allowed by the laws of such jurisdiction, to be modified or restricted to the extent and in the manner necessary to render the same valid and enforceable, either generally or as applied to such circumstance, or shall be deemed excised from this Agreement, as the case may require, and this Agreement shall be construed and enforced to the maximum extent permitted by law, as if such provision had been originally incorporated herein as so modified or restricted, or as if such provision had not been originally incorporated herein, as the case may be.

Section 3.5 Amendment

The Administrator at any time, and from time to time, may amend the terms of this Agreement, *provided, however*, that the rights of the Grantee shall not be adversely impaired

without the Grantee's written consent. The Corporation shall provide the Grantee with notice and a copy of any amendment made to this Agreement

Section 3.6 Disputes (Forum; Personal Jurisdiction; Waiver of Jury Trial)

Any dispute or controversy arising under, out of, or in connection with or in relation to this Agreement or the Plan shall be brought exclusively in the state, federal, or other courts of the state of Delaware, and the parties hereby consent and submit to the personal jurisdiction of those courts. In the event of dispute or litigation, each party shall pay its own attorney's fees and expenses, except that, should the Grantee file suit in a forum other than the state, federal, or other courts of the state of Delaware, Corporation shall be entitled to recover from the Grantee its attorney fees and expenses associated with seeking the dismissal or transfer of the Grantee's suit. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHTS TO ANY TRIAL BY JURY, IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING UNDER, OUT OF, IN CONNECTION WITH, OR IN RELATION TO THE PLAN OR THIS AGREEMENT.

Section 3.7 Notices

All notices, requests, consents and other communications hereunder to any party hereto shall be deemed to be sufficient if contained in a written instrument and shall be deemed to have been duly given when delivered in person, by telecopy, by nationally-recognized overnight courier, or by first class registered or certified mail, postage prepaid, addressed to such party at the address set forth below or such other address as may hereafter be designated in writing by the addressee to the addressor:

- (i) if to the Corporation, to:

Zurn Elkay Water Solutions Corporation

Attention: General Counsel

- (ii) if to the Grantee, to the Grantee's home address on file with the Corporation.

Section 3.8 Government and Other Regulations

The obligation to sell and deliver shares of stock under the Plan shall be subject to all applicable laws, rules and regulations and the obtaining of all such approvals by governmental agencies as may be deemed necessary or desirable by the Corporation, including (without limitation) the satisfaction of all applicable federal, state and local tax withholding requirements. The Corporation shall have the power and the right to deduct or withhold, or require the Grantee to remit to the Corporation, an amount sufficient to satisfy federal, state, and local taxes (including the Grantee's FICA obligation) required by law to be withheld with respect to any taxable event arising or as a result of these Restricted Stock Units.

Section 3.9 [Code Section 409A]

This Agreement is intended to comply with Section 409A of the Code or an exemption thereunder and shall be construed and interpreted in a manner consistent with the requirements for avoiding additional taxes and penalties under Section 409A of the Code. Notwithstanding the foregoing, the Corporation makes no representations that the payments and benefits provided under this Agreement comply with Section 409A of the Code and in no event shall the Corporation be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Grantee on account of non-compliance with Section 409A of the Code. Notwithstanding any other provision of this Agreement to the contrary, the provision, time and manner of payment or distribution of all compensation and benefits provided by this Agreement that constitute nonqualified deferred compensation subject to and not exempted from the requirements of Code Section 409A ("Section 409A Deferred Compensation") shall be subject to, limited by and construed in accordance with the following: (a) payments and benefits constituting Section 409A Deferred Compensation otherwise payable or provided under Section 1.5 upon the Grantee's termination of employment shall be paid or provided only at the time of a termination of Grantee's employment that constitutes a "separation from service" within the meaning of Treasury Regulation Section 1.409A-1(h); and (b) if, at the time of a separation from service of Grantee the Grantee is a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) (a "Specified Employee"), then any payments and benefits constituting Section 409A Deferred Compensation to be paid or provided pursuant to Section 1.5 shall be paid or provided commencing on the later of (i) the date that is six months after the date of such separation from service or, if earlier, the date of death of Grantee (in either case, the "Delayed Payment Date"), or (ii) the date or dates on which such Section 409A Deferred Compensation would otherwise be paid or provided in accordance with Section 1.2.]

Section 3.10 Counterparts

This Agreement may be executed in several counterparts, including via facsimile transmission, each of which shall be deemed to be an original, but all of which together will constitute one and the same Agreement.

Section 3.11 Restricted Stock Units Subject to Clawback

As an additional condition of receiving the Restricted Stock Units, the Grantee agrees that the Restricted Stock Units and any benefits or proceeds therefrom that the Grantee may receive hereunder shall be subject to forfeiture, recoupment repayment, and/or recovery to the Corporation to the extent required (i) to comply with any requirements imposed under applicable laws and/or the rules and regulations of the securities exchange or inter-dealer quotation system on which the shares of Common Stock are listed or quoted, including, without limitation, pursuant to Section 10D of the Exchange Act, Rule 10D-1 thereunder, and Section 303A.14 of the New York Stock Exchange Listed Company Manual, and (ii) under the terms of the Corporation's Executive Compensation Clawback Policy or any policy adopted by the Corporation, as may be amended from time to time, designed to eliminate or discourage fraud, misconduct, wrongdoing, or violations of law by an employee or other service provider or similar considerations (and the provisions contained in a policy contemplated under sub-clause (i) and (ii) shall be deemed incorporated into this Agreement without the Grantee's additional or separate consent). Further, if the Grantee receives any amount in excess of what the Grantee should have received under the terms of this Agreement for any reason (including without limitation by reason of a financial restatement, mistake in calculations or administrative error), all as determined by the Administrator, then the Grantee shall be required to promptly repay any such excess amount to the Corporation. To satisfy any recoupment obligation arising under any clawback or compensation recovery policy of the Corporation or otherwise under applicable laws, rules, regulations or stock exchange listing standards, among other things, the Grantee expressly and explicitly authorizes the Corporation to issue instructions, on the Grantee's behalf, to any brokerage firm or stock plan service provider engaged by the Corporation to hold any shares of Common Stock or other amounts acquired pursuant to the Restricted Stock Units to re-convey, transfer or otherwise return such shares of Common Stock and/or other amounts to the Corporation upon the Corporation's enforcement of any clawback or compensation recovery policy.

[Signature Page to Follow]

IN WITNESS WHEREOF, this Agreement has been executed and delivered by the parties hereto as of the day, month and year first set forth above.

THE CORPORATION:

Zurn Elkay Water Solutions Corporation

By: _____
Print Name: _____
Title: _____

THE GRANTEE:

Signature: _____
Print Name: _____

Grantee's Address:

Grantee's Taxpayer Identification Number:

AMENDMENT TO PERFORMANCE STOCK UNIT AGREEMENT

This Amendment to Performance Stock Unit Agreement (this “Amendment”) is dated _____, 20__ (the “Effective Date”), by and between Zurn Elkay Water Solutions Corporation, a Delaware corporation (the “Company”) and _____ (the “Grantee”). The Grantee and the Company are at times referred to in this Amendment as the “Parties,” and each a “Party.”

WHEREAS, the Parties previously entered into [those/that] certain Performance Stock Unit Agreement[s] dated [_____, 20__, and _____, 20__] (collectively, the “PSU Agreement”), pursuant to which the Company granted to the Grantee performance stock units;

WHEREAS, the Parties now desire to amend the PSU Agreement to address the accrual of dividend equivalents and to make certain other changes; and

WHEREAS, pursuant to Section 3.2 of the Zurn Elkay Water Solutions Corporation Performance Incentive Plan (the “Plan”), the PSU Agreement may be amended by the Plan Administrator.

NOW, THEREFORE, the PSU Agreement is hereby amended as follows:

1. Definitions. Capitalized terms used and not defined in this Amendment have the respective meanings assigned to them in the PSU Agreement.
2. New Section 1.6. A new Section 1.6 is hereby added immediately following Section 1.5 of the PSU Agreement to read in its entirety as follows:
3. Section 1.6 Dividend Equivalent

During the period beginning on the first day of the Performance Period and ending on the date that shares of Common Stock are issued in settlement of a Performance Stock Unit, the Grantee will accrue dividend equivalents on Performance Stock Units equal to any cash or other dividend or distribution that would have been paid on the Performance Stock Unit had the Performance Stock Unit been an issued and outstanding share of Common Stock on the record date for the dividend or distribution. Such accrued dividend equivalents (i) will vest and become payable (or forfeitable) upon the same terms and at the same time as shares of Common Stock are paid pursuant to Section 1.3 to settle the earned and vested Performance Stock Units to which they relate, and (ii) will be paid in shares of Common Stock, rounded up to the nearest whole share, based on the fair market value of the shares of Common Stock on such date.

4. Amendment to Section 3.8. Section 3.8 of the PSU Agreement is hereby amended and restated to read in its entirety as follows:

Section 3.8 Government and Other Regulations

The obligation to sell and deliver shares of Common Stock under the Plan, and related dividend equivalents, shall be subject to all applicable laws, rules and regulations and the obtaining of all

such approvals by governmental agencies as may be deemed necessary or desirable by the Corporation, including (without limitation) the satisfaction of all applicable federal, state and local tax withholding requirements. The Corporation shall have the power and the right to deduct or withhold, or require the Grantee to remit to the Corporation, an amount sufficient to satisfy federal, state, and local taxes (including the Grantee's FICA obligation) required by law to be withheld with respect to any taxable event arising or as a result of these Performance Stock Units and related dividend equivalents.

5. New Section 3.9. A new Section 3.9 is hereby added immediately following Section 3.8 of the PSU Agreement to read in its entirety as follows; the former Sections 3.9 and 3.10 are hereby renumbered accordingly:

Section 3.9 Section 409A

This Agreement is intended to comply with Section 409A of the Code or an exemption thereunder and shall be construed and interpreted in a manner consistent with the requirements for avoiding additional taxes and penalties under Section 409A of the Code. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement comply with Section 409A of the Code and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Grantee on account of non-compliance with Section 409A of the Code.

6. Date of Effectiveness; Limited Effect. This Amendment will become effective on the Effective Date. Except as expressly provided in this Amendment, all of the terms and provisions of the PSU Agreement are and will remain in full force and effect and are hereby ratified and confirmed by the Parties. Without limiting the generality of the foregoing, the amendments contained herein will not be construed as an amendment to or waiver of any other provision of the PSU Agreement or as a waiver of or consent to any further or future action on the part of either Party that would require the waiver or consent of the other Party. On and after the date hereof, each reference in an PSU Agreement to "this Agreement," "the Agreement," "hereunder," "hereof," "herein" or words of like import will mean and be a reference to each such PSU Agreement as amended by this Amendment.

[Signature Page to Follow]

IN WITNESS WHEREOF, the Parties have duly executed this Amendment as of the date of the Effective Date.

ZURN ELKAY WATER SOLUTIONS CORPORATION

By: _____
Name: [●]
Title: [●]

GRANTEE

Name: [●]

ZURN ELKAY WATER SOLUTIONS CORPORATION
DEFERRED COMPENSATION PLAN
Effective as of January 1, 2016
As amended and restated April 30, 2025

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**ZURN ELKAY WATER SOLUTIONS CORPORATION
DEFERRED COMPENSATION PLAN
(as amended and restated)**

Zurn Elkay Water Solutions Corporation (formerly known as Zurn Water Solutions Corporation and prior to that known as Rexnord Corporation) established this Zurn Elkay Water Solutions Corporation Deferred Compensation Plan (formerly known as the Zurn Water Solutions Corporation Deferred Compensation Plan and prior to that known as the Rexnord Corporation Deferred Compensation Plan) (the “Plan”) effective as of January 1, 2016. The purpose of this Plan is to provide certain specified benefits to a select group of management and highly compensated employees who contribute materially to the continued growth, development and future business success of Zurn Elkay Water Solutions Corporation by (i) allowing those employees to receive credit for Company contributions which exceed the limits imposed by the Internal Revenue Code under the tax-qualified Zurn Elkay 401(k) Plan (formerly known as the Zurn 401(k) Plan and prior to that known as the Rexnord LLC 401(k) Plan) and (ii) providing a means whereby certain amounts payable by the Company to selected employees may be deferred to some future period.

This Plan is unfunded for tax purposes and for purposes of Title I of ERISA and is intended to satisfy and be in compliance with the provisions of the Internal Revenue Code of 1986 (the “Code”) as they relate to deferred compensation benefits, with particular emphasis on Code §409A. If any provision or term of this document would be prohibited by or inconsistent with the requirements of Code §409A, then such provision or term shall be deemed to be reformed to comply with Code §409A.

ARTICLE I

DEFINITIONS

1.01 “**Account**” shall mean the total of a Participant’s Deferral Account and Personal Retirement Contribution Account.

1.02 “**Affiliate**” shall mean a member of the Controlled Group.

1.03 “**Annual Addition Limitation**” shall mean the limitation on the annual additions to the account of a participant in the Qualified Plan imposed by Code §415(c).

1.04 “**Annual Installment Method**” shall mean a benefit payment method involving a series of annual installment payments over either five (5) years or ten (10) years as selected by the Participant in accordance with this Plan, which will be calculated in the manner set forth in this Section. The Account Balance of the Participant will be determined as of the close of the business day that is closest to the date of distribution as administratively practicable. The annual installment will be calculated by multiplying this balance by a fraction, the numerator of which is one (1), and the denominator of which is the remaining number of annual payments due the Participant. Each annual installment will be paid within the first sixty (60) days of the calendar year following the applicable year or as soon as administratively practicable.

1.05 “**Base Salary**” shall mean all amounts included in a Participant’s Compensation as defined in the Qualified Plan for Salary Deferral Contributions purposes other than amounts which are also Incentive Compensation (even if such other amounts would be included in Compensation under the Qualified Plan) and which, but for an Incentive Compensation Deferral Election under this Plan, would be paid to a Participant and considered to be “wages” for purposes of United States federal income tax withholding.

1.06 “**Base Salary Deferral**” shall mean a deferral by a Participant of part or all of any Base Salary otherwise payable to him or her in accordance with Section 2.01.

1.07 “**Beneficiary**” shall mean one or more persons, trusts, estates or other entities, designated in accordance with Article VII who or which are entitled to receive benefits under this Plan upon the death of a Participant.

1.08 “**Beneficiary Designation Form**” shall mean the form established from time to time by the Committee or its delegate that a Participant completes, signs and returns to the Committee or its delegate or completes electronically, in order to designate one or more Beneficiaries.

1.09 “**Board**” shall mean the Company’s Board of Directors.

1.10 “**Change in Control**” shall mean any of the following events in which the Company does not survive, provided such event is a change in the ownership or effective control of the Company, or in the ownership of a substantial portion of the assets of the Company, within the meaning of Treasury Regulation Section 1.409A-3(i)(5): any merger, combination, consolidation, or other reorganization; any exchange of common stock or other securities of the Company; a sale of all or substantially all the business, stock or assets of the Company; or any other event in which the Company does not survive.

1.11 “**Committee**” shall mean the Compensation Committee of the Board.

1.12 “**Company**” shall mean Zurn Elkay Water Solutions Corporation, a Delaware corporation.

1.13 “**Company Contributions Account**” shall mean the bookkeeping account used to measure and determine a Participant’s interest in this Plan attributable to Matching Contributions and Personal Retirement Account Contributions, as adjusted for earnings and losses and distributions.

1.14 “**Compensation Limit**” shall mean the limitation imposed by Code § 401(a)(17) on the amount of Compensation which can be considered in determining the amount of an individual’s Participant Contributions to the Qualified Plan.

1.15 “**Controlled Group**” shall mean any corporation which is a member of a controlled group of corporations (as defined by Code §414(b)) of which the Company is a member, any other trade or business (whether or not incorporated) which is under common control (as defined by Code §414(c)) with respect to the Company or any organization which is a member of an

affiliated service group (as defined by s Code §414(m)) of which the Company is a member and any other entity required to be aggregated with the Company pursuant to regulations Code §414(o), but only for the period during which such other corporation, trade or business or organization and the Company are members of such controlled group of corporations, are under such common control or are serving as members of such an affiliated service group.

1.16 “Deferral Account” shall mean the bookkeeping account used to measure and determine a Participant’s interest in this Plan attributable to Base Salary Deferrals and Incentive Compensation Deferrals, as adjusted for earnings and losses and distributions.

1.17 “Deferral Amount” shall mean that portion of a Participant’s Base Salary and Incentive Compensation that a Participant elects to have deferred, in accordance with Article II, for any one Plan Year.

1.18 “Deferral Election” shall mean an election made pursuant to Article II by a Participant to defer receipt of a part of his or her Base Salary or to defer receipt of all or a part of his or her Incentive Compensation.

1.19 “Deferral Election Form” shall mean the form established from time to time by the Committee or its delegate that a Participant completes, signs and returns to the Committee or its delegate or completes electronically to make a Deferral Election pursuant to Article II, in order to defer receipt of a part of his or her Base Salary or to defer receipt of all or a part of his or her Incentive Compensation.

1.20 “Distribution Election” shall mean an election made pursuant to Article IV by a Participant to designate the form of distribution for his or her Retirement Benefit.

1.21 “Distribution Election Form” shall mean the form established from time to time by the Committee or its delegate that a Participant completes, signs, and returns to the Committee or its delegates or completes electronically to designate the Distribution Election.

1.22 “Eligible Employee” shall mean an Employee who is employed in the United States or paid from United States payroll, in pay grade 44 or above and approved by the Committee or its designee as an Eligible Employee.

1.23 “Employee” shall mean any person who is employed by the Company or an Affiliate.

1.24 “ERISA” shall mean the Employee Retirement Income Security Act of 1974, as from time to time amended.

1.25 “Incentive Compensation” shall mean any award payable to a Participant under the Company’s Management Incentive Plan or Sales Incentive Compensation Program or any other similar annual incentive plan maintained by the Company or an Affiliate with respect to a particular fiscal year of the Company and any signing or hiring bonus payable to a Participant with respect to a Plan Year, which, but for a Compensation Deferral Election under this Plan,

would be paid to a Participant and considered to be “wages” for purposes of United States federal income tax withholding.

1.26 “**Incentive Compensation Deferral**” shall mean a deferral by a Participant of part or all of any Incentive Compensation otherwise payable to him or her in accordance with Section 2.02.

1.27 “**Matching Contributions**” for any Plan Year shall mean the amount determined in accordance with Section 2.03.

1.28 “**Measurement Funds**” shall mean the investment vehicles offered under this Plan which are the same as the investment options offered under the Qualified Plan other than a Company stock fund, each of whose purpose is to mirror, to the greatest extent reasonably possible, the investment performance of a particular benchmark fund. Notwithstanding the foregoing, Measurement Funds shall not include any collective investment trusts, even if offered under the Qualified Plan.

1.29 “**Participant**” shall mean:

- (a) An Eligible Employee who elects to participate in the Plan and whose signed Deferral Election Form is accepted by the Committee or its delegate; or
- (b) An Eligible Employee entitled to a Personal Retirement Account Contribution under the Plan.

A spouse or former spouse of a Participant will not be treated as a Participant in the Plan or have an Account Balance under the Plan, even if the spouse or former spouse has an interest in the Participant’s benefits under the Plan as a result of applicable law or property settlements resulting from legal separation or divorce.

1.30 “**Performance-Based Compensation**” shall have the meaning set forth in Code §409A and the regulations thereunder.

1.31 “**Performance Period**” shall mean the period over which a Participant’s entitlement to and amount of Incentive Compensation is measured.

1.32 “**Personal Retirement Account Contributions**” for any Plan Year shall mean the amount determined in accordance with Section 2.04.

1.33 “**Plan Year**” shall mean the twelve (12) consecutive month period from January 1 through the following December 31.

1.34 “**Qualified Plan**” shall mean the Zurn Elkay 401(k) Plan, as amended from time to time.

1.35 “**Retirement**” shall mean (a) with respect to a Deferral Amount subject to a Deferral Election made prior to April 30, 2025, a Participant’s Separation from Service on or after attainment of age sixty (60), or (b) with respect to a Deferral Amount subject to a Deferral

Election made on or after April 30, 2025, a Participant's Separation from Service on or after completing ten (10) Years of Service.

1.36 "Retirement Benefit" shall mean the benefit due to a Participant upon Retirement.

1.37 "Separation from Service" shall have the meaning assigned to such term under Code §409A and regulations thereunder. In general, a Participant shall have a Separation from Service upon the termination of all employment with the Company and any Affiliate for any reason or a reduction in the level of bona fide services by the Participant to no more than 20 percent of the average level of bona fide services performed over the immediately preceding 36 month period, other than while the individual is on sick leave, military leave, or other bona fide leave of absence (such as temporary employment by the government) if the period of such leaves does not exceed twelve (12) months or, if longer, so long as the individual's right to reemployment with the Company or any Affiliate is provided either by statute or contract. If the period of leaves exceeds twelve (12) months and the individual's right to reemployment is not provided either by statute or by contract, the employment relationship is deemed to terminate on the first day immediately following such twelve-month period.

1.38 "Termination Benefit" shall mean the benefit set forth in Article V.

1.39 "Trustee" shall mean the trustee of any trust established by the Company to fund benefits under this Plan.

1.40 "Unforeseeable Emergency" shall mean a severe financial hardship to a Participant resulting from an illness or accident of the Participant or the Participant's spouse or dependent (as defined in Code §152(a)), loss of the Participant's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by insurance, for example, as a result of a natural disaster), or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. For example, the imminent foreclosure of or eviction from the Participant's primary residence may constitute an Unforeseeable Emergency. In addition, the need to pay for medical expenses, including non-refundable deductibles, as well as for the costs of prescription drug medication, may constitute an Unforeseeable Emergency. Finally, the need to pay for funeral expenses of a spouse or a dependent (as defined in Code §152(a)) may also constitute an Unforeseeable Emergency. Except as otherwise provided above, the purchase of a home and the payment of college tuition are not Unforeseeable Emergencies. Whether a Participant is faced with an Unforeseeable Emergency is to be determined based on the relevant facts and circumstances of each case.

1.41 "Year of Service" shall mean each twelve (12) consecutive month period of a Participant's continuous employment with the Company or an Affiliate.

Terms that are not otherwise defined in this Article I shall have the meanings set forth in the Qualified Plan document.

ARTICLE II

DEFERRAL AND PERSONAL RETIREMENT ACCOUNT CREDITS

2.01 Base Salary Deferral.

- (a) Each Plan Participant will be permitted to make an irrevocable election to defer (such Deferral Election to be made in whole percentages) receipt of an amount equal to one percent (1%) through seventy-five percent (75%) of his or her Base Salary. The Participant must deliver such Deferral Election Form to the Company before December 15th of the Plan Year immediately preceding the Plan Year for which the deferral is intended. Deferral Elections for Base Salary Deferrals shall not carry over from year to year.
- (b) If an individual first becomes an Eligible Employee after the first day of a Plan Year, any Base Salary Deferral Election Form must be submitted within thirty (30) days of the date the individual first became an Eligible Employee. Any such deferral will be implemented with the effect that the Participant's deferred Base Salary would be limited to the amount of Base Salary not yet earned by the Participant as of the date the Participant submits a Deferral Election Form to the Company for acceptance.
- (c) During each Plan Year, the Base Salary Deferral amount elected under this Section 2.01 will be withheld from each regularly scheduled Base Salary payroll in equal amounts, as adjusted from time to time for increases and decreases in Base Salary.

2.02 Incentive Compensation Deferral.

- (a) Each Plan Participant will be permitted to make an irrevocable election to defer (such Deferral Election to be made in whole percentages) receipt of an amount equal to one percent (1%) through seventy-five percent (75%) of his or her Incentive Compensation. To the extent that such Incentive Compensation constitutes Performance-Based Compensation, a Participant must deliver a Deferral Election Form to the Company at least six (6) months before the last business day of the Performance Period. To the extent that such Incentive Compensation does not constitute Performance-Based Compensation, a Participant must deliver a Deferral Election Form to the Company prior to the commencement of the Performance Period over which the Participant earns such Incentive Compensation. Deferral Elections for Incentive Compensation Deferrals shall not carry over from year to year.

- (b) If an Employee first becomes an Eligible Employee after the first day of a Performance Period, the amount of Incentive Compensation that the Participant may defer with respect to such Performance Period will be prorated to the extent necessary to reflect only the period beginning on the date the Participant submits a Deferral Election form to the Company or an Affiliate for acceptance and ending on the last day of the Performance Period. Any election by such an Employee must be submitted within thirty (30) days of the date the individual first became an Eligible Employee, or, if later and to the extent that such Incentive Compensation qualifies is Performance-Based Compensation, at least six (6) months prior to the last business day of the Performance Period to which the Deferral Election relates.
- (c) The Incentive Compensation Deferral will be withheld at the time the Incentive Compensation is or otherwise would be paid to the Participant, whether or not this occurs during the Plan Year itself.

2.03 Matching Contribution. A Participant's Matching Contribution for any Plan Year shall be equal to fifty percent (50%) of amounts that the Participant defers under this Plan as a Base Salary Deferral or Incentive Compensation Deferral, with such Matching Contribution not to exceed 4% of a Participant's Base Salary (50% of 8% of a Participant's Base Salary).

2.04 Personal Retirement Account Contribution. A Participant's Personal Retirement Account Contribution for any Plan Year will be equal to the amount that the Company would have contributed to the Participant's account in the Qualified Plan as a Personal Retirement Account Contribution to that Qualified Plan but for the application of the Annual Additions Limitation or the Annual Compensation Limitation under the Qualified Plan. The Personal Retirement Account Contribution will be calculated quarterly and will be credited to the Participant's Personal Retirement Account by the end of the month following the close of each calendar quarter.

2.05 Termination of Participation and/or Deferrals.

- (a) **Participant No Longer Eligible Employee.** If the Committee or its delegate determines in good faith that a Participant no longer qualifies as an Eligible Employee or a member of a select group of management or highly compensated employees, as membership in such group is determined in accordance with ERISA §§201(2), 301(a)(3) and 401(a)(1), the Participant shall be prevented from making future Deferral Elections.
- (b) **Cancellation Upon Unforeseeable Emergency Distribution.** In the event that a Participant receives a distribution under Article VI due to an Unforeseeable Emergency, a Participant's Deferral Election shall be cancelled as provided in such Article VI.

ARTICLE III

PLAN ACCOUNTS

3.01 Vesting. A Participant will have a one hundred percent (100%) vested interest in his or her Deferral Account. A Participant will be vested in his or her Company Contributions Account after three (3) full years as an Eligible Employee or, if sooner, upon a Change in Control. If a Participant has a Separation from Service prior to the completion of three (3) full years as an Eligible Employee or a Change in Control, he or she will forfeit his or her Company Contributions Account.

3.02 Crediting/Debiting of Account Balances. In accordance with, and subject to, the rules and procedures that are established from time to time by the Committee or its delegate, in its sole discretion, amounts will be credited or debited to a Participant's Account Balance in the manner set forth in the provisions of this Section.

- (a) **Allocation to Measurement Funds.** A Participant, in connection with his or her initial Deferral Election in accordance with Section 2.01 or 2.02 above, will be permitted to also elect to have one or more Measurement Funds used to determine the amounts to be credited to his or her Account Balance and his or her election will continue to be in effect thereafter, unless it should be changed in accordance with subsection (c).
- (b) **Crediting or Debiting Method.** The performance (either positive or negative) of each elected Measurement Fund will be determined by the Committee or its delegate, based on the performance of the Measurement Funds themselves. A Participant's Account Balance will be credited or debited on a daily basis based on the performance of each Measurement Fund selected by the Participant, as determined by the Committee or its delegate in its sole discretion, as though:
 - (1) a Participant's Account Balance were actually invested in the Measurement Fund(s) selected by the Participant as of the close of business on any business day, at the closing price on that day;
 - (2) the portion of the Deferral Amount that was actually deferred during any calendar quarter were invested in the Measurement Fund(s) selected by the Participant, in the percentages applicable on such day, no later than the close of business on the first business day after the day on which such amounts are actually deferred from the Participant's Base Salary or Incentive Compensation through reductions in his or her payroll, at the closing price on such date; and

- (3) any distribution made to a Participant that decreases such Participant's Account Balance ceased being invested in the Measurement Fund(s), in the applicable percentages, no earlier than one business day prior to the distribution, at the closing price on such date.
- (c) **Transfers among Measurement Funds.** The Participant will be permitted to change, on a daily basis, any previous Measurement Fund election or elections he or she has made with regard to his or her Account Balance. The elections and changes to such elections which a Participant makes pursuant to this subsection will be made by means of any method (including any available telephonic or electronic method which is acceptable to the Committee or its delegate at the time the election or change is made by the Participant), and may be made at any time and will be effective as of the New York Stock Exchange closing immediately following the making of that election or change; provided, however, if it is determined by the Committee or its delegate that an investment election made by a Participant is invalid or defective, the Participant's election, until duly corrected by him or her, will be deemed to have been made in favor of whatever short-term, money market vehicle is available under the Plan at that time.
- (d) **No Actual Investment.** Notwithstanding any other provision of this Plan that may be interpreted to the contrary, the Measurement Funds are to be used for measurement purposes only, and a Participant's election of any such Measurement Fund, the allocation to his or her Account Balance thereto, the calculation of additional amounts and the crediting or debiting of such amounts to a Participant's Account Balance will not be considered or construed in any manner as an actual investment of his or her Account Balance in any such Measurement Fund. In the event that the Company or the Trustee, in its own discretion, decides to invest funds in any or all of the Measurement Funds, no Participant will have any rights in or to such investments themselves. Without limiting the foregoing, a Participant's Account Balance will at all times be a bookkeeping entry only and will not represent any investment made on his or her behalf by the Company or any trust established by the Company to fund benefits under this Plan. The Participant will at all times remain an unsecured creditor of the Company.
- (e) **Company Reservation of Rights.** Consistent with the preceding sentence, nothing to the contrary in this Plan or any of its forms or communication material, nor in any document associated with the Trust, should be interpreted or understood to provide Participants or their Beneficiaries with any current, direct rights with respect to any assets held by the Trustee.

3.03 FICA and Other Taxes.

- (a) **Deferral Amounts.** For each Plan Year in which a Deferral Amount is being withheld from a Participant or a Personal Retirement Account Contribution is credited, the Company or any Affiliate employing the Participant will withhold from that portion of the Participant's Base Salary and Incentive Compensation which is not being deferred the Participant's share of FICA and other employment taxes on such Deferral Amount and Personal Retirement Account Contribution.
- (b) **Distributions.** The Company or any Affiliate employing the Participant, or the Trustee, will withhold from any payments made to a Participant under this Plan all federal, state and local income, employment and other taxes required to be withheld in connection with such payments, in amounts and in a manner to be determined in the sole discretion of the Company and the Trustee.

ARTICLE IV

RETIREMENT BENEFIT

4.01 Retirement Benefit. Following a Participant's Retirement, such Participant shall receive his or her vested Account Balance as a Retirement Benefit payable in accordance with Section 4.02.

4.02 Distribution Election. A Participant, in connection with his or her commencement of participation in the Plan, may elect to receive his or her Retirement Benefit in a lump sum or pursuant to an Annual Installment Method by submitting a Distribution Election Form to the Company at the time of his or her initial Deferral Election or, if earlier, within thirty (30) days of the date he or she first becomes a Participant. A Participant who becomes a Participant by commencing a Deferral Election must submit a Distribution Election Form at the time he or she submits his or her Deferral Election Form. A Participant who becomes a Participant due to eligibility for a Personal Retirement Account Contribution must submit a Distribution Election Form within thirty (30) days of the date he or she first becomes a Participant. Any Participant who fails to complete and deliver a valid Distribution Election Form within the timeframes set forth in this Section 4.02 shall receive his or her Retirement Benefit in a lump sum distribution at the time specified in Section 4.03 below.

Notwithstanding the foregoing, a Participant may make a single separate Distribution Election with respect to each Plan Year's Deferral Amount, Matching Contributions and Personal Retirement Account Contributions (collectively, the "Year Deferred Amount"). Such Distribution Election must be made before December 15th of the Plan Year immediately preceding the Plan Year to which the Distribution Election relates, except that a new Participant may submit a Distribution Election Form to apply to the current Plan Year's Year Deferred Amount within thirty (30) days of the date that he or she first becomes a Participant. Should a Participant fail to complete a valid Distribution Election Form for any Year Deferred Amount

within the timeframes set forth in this Section 4.02, the Participant shall receive such Year Deferred Amount in a lump sum distribution at the time specified in Section 4.03 below.

4.03 Commencement of Payments. A lump sum payment will be made, or installment payments will commence, as soon as administratively practicable after the date that is six (6) months after the date of a Participant's Separation from Service. Any subsequent annual installments will be paid in January of each Plan Year.

4.04 Changes to Retirement Benefit Payment Methods.

- (a) A Participant may change any Distribution Election he or she has previously made pursuant to Section 4.01, provided, however, that only one such change may be made and that any such change must:
 - (1) not result in the acceleration of payments;
 - (2) not be effective for 12 months after such change is made;
 - (3) result in the deferral of payments with respect to which the election is changed for a period of at least 5 years (e.g., change from lump sum to installments commencing 5 years from a participant's termination date);
 - (4) not be made less than 12 months prior to the first scheduled payment.
 - (5) Such change will be accomplished by the Participant submitting notice of such change to the Company on a new Distribution Election Form, but such change will not be valid, unless it has been submitted by the Participant and accepted by the Company at least one (1) year prior to the Participant's Retirement. The Distribution Election Form most recently accepted by the Committee or its delegate shall govern the payout of the Retirement Benefit.

4.05 Death Prior to Completion of Retirement Benefit. If a Participant dies after Retirement but before the Retirement Benefit is paid in full, the Participant's unpaid Retirement Benefit payments shall be paid to the Participant's Beneficiary in a lump sum distribution as soon as administratively practicable following the Participant's death.

4.06 Death Prior to Retirement. If a Participant dies while still employed with the Company but while eligible for Retirement, the Participant's benefits shall be paid to the Participant's Beneficiary in a lump sum distribution as soon as administratively practicable following the Participant's death.

4.07 Small Accounts. Notwithstanding any other provision herein to the contrary, if the aggregate total of a Participant's Account Balance along with the value of such Participant's account balance or benefits under any other plan of the Company with which this Plan is

required to be aggregated with under Code §409A as of such Participant's Retirement date does not exceed the dollar amount of the deferral limit then in effect under Code §402(g), the Participant's Retirement Benefit shall be paid in a lump sum.

4.08 Change in Control After Retirement. If a Change in Control occurs after a Participant's Retirement or while a Participant is Retirement-eligible but before the Retirement Benefit is paid in full, the Participant's entire Account Balance shall be paid to the Participant in a lump sum distribution as soon as administratively practicable following the Change in Control.

4.09 Deduction Limitation. A payment otherwise required to be made pursuant to the provisions of this Article IV shall be delayed if the Company reasonably anticipates that the Company's deduction with respect to such payment would be limited or eliminated by application of Code Section 162(m); provided, however that such payment shall be made on the earliest date on which the Company anticipates that the deduction of the payment of the amount will not be limited or eliminated by application of Code Section 162(m). In any event, such payment shall be made no later than the last day of the calendar year in which the Participant has a Separation from Service.

ARTICLE V

TERMINATION PRIOR TO RETIREMENT BENEFIT

5.01 Termination Benefit. Following a Participant's Separation from Service prior to Retirement, such Participant shall receive his or her vested Account Balance as a Termination Benefit payable in accordance with Section 5.02.

5.02 Payment of Termination Benefit. The form of payment of a Participant's Account Balance, if such payment is due to the Participant's Separation from Service prior to Retirement, will in all cases be a lump sum, which will be distributed as soon as administratively practicable after the date that is six (6) months after the date of a Participant's Separation from Service.

5.03 Change in Control before Retirement. If a Change in Control occurs prior to a Participant's Separation from Service, the Participant's entire Account Balance will be paid to the Participant in a lump sum distribution as soon as administratively practicable following the Change in Control.

5.04 Deduction Limitation. A payment otherwise required to be made pursuant to the provisions of this Article V shall be delayed if the Company reasonably anticipates that the Company's deduction with respect to such payment would be limited or eliminated by application of Code Section 162(m); provided, however that such payment shall be made on the earliest date on which the Company anticipates that the deduction of the payment of the amount will not be limited or eliminated by application of Code Section 162(m). In any event, such payment shall be made no later than the last day of the calendar year in which occurs the six (6) month anniversary of the Participant's Separation from Service.

ARTICLE VI

FINANCIAL EMERGENCY

6.01 Financial Hardship. A partial or total distribution of the Participant's Account shall be made prior to a Participant's Separation from Service upon the Participant's request and a demonstration by the Participant of severe financial hardship as a result of an Unforeseeable Emergency. Such distribution shall be made in a single sum as soon as administratively practicable following the Committee's or its delegate's determination that the foregoing requirements have been met. In any case, a distribution due to Unforeseeable Emergency may not be made to the extent that such emergency is or may be relieved through reimbursement or compensation from insurance or otherwise, by liquidation of the Participant's assets, to the extent the liquidation of such assets would not cause severe financial hardship, or by cessation of deferrals under Section 6.02 and any other nonqualified deferred compensation plan of the account balance type sponsored by the Company or an Affiliate.

6.02 Amount of Financial Hardship Distribution. Distributions because of an Unforeseeable Emergency must be limited to the amount reasonably necessary to satisfy the emergency need (which may include amounts necessary to pay any Federal, state, or local income taxes or penalties reasonably anticipated to result from the distribution). Determinations of amounts reasonably necessary to satisfy the emergency need must take into account any additional compensation that is available because of cancellation of a deferral election under Section 2.01 or Section 2.02 and any other nonqualified deferred compensation plan of the account balance type sponsored by the Company or an Affiliate upon a payment due to an Unforeseeable Emergency. The payment may be made from any arrangement in which the Participant participates that provides for payment upon an Unforeseeable Emergency, provided that the arrangement under which the payment was made must be designated at the time of payment.

6.03 Cancellation of Deferral Election upon Financial Emergency Distribution. In the event that a Participant makes application for a hardship distribution under Section 6.01 and the Committee or its designee determines that an Unforeseeable Emergency exists, all deferral elections otherwise in effect under Article II and any other nonqualified deferred compensation plan of the account balance type sponsored by the Company or its Affiliates shall immediately terminate upon such determination. To resume deferrals thereafter, a Participant must make an election satisfying the provisions of Section 2.01 or 2.02, as the case may be, as those provisions apply to someone who is already a Participant in the Plan.

ARTICLE VII

BENEFICIARY DESIGNATION

7.01 Beneficiary. Each Participant will have the right, at any time, to designate his or her Beneficiary or Beneficiaries (both primary and contingent) to receive any benefits payable under the Plan to a beneficiary upon the death of a Participant. The Beneficiary designated under this Plan may be the same as or different from the Beneficiary designation under any other plan of the Company or an Affiliate in which the Participant participates.

7.02 Beneficiary Designation or Change of Designation. A Participant will be permitted to designate his or her Beneficiary by properly completing and signing the Beneficiary Designation Form, and returning it to the Company. A Participant will have the right to change a Beneficiary by completing, signing and otherwise complying with the terms of the Beneficiary Designation Form and the Company's rules and procedures, as in effect from time to time. Upon the acceptance by the Company of a new Beneficiary Designation Form, all Beneficiary designations previously filed will be canceled. The Company will be entitled to rely on the last Beneficiary Designation Form filed by the Participant and accepted by the Company prior to the Participant's death.

7.03 Spousal Consent Required. If a Participant names someone other than his or her spouse as a Beneficiary, a spousal consent, in the form designated by the Company, must be signed by that Participant's spouse and returned to the Company.

7.04 Acknowledgment. No designation or change in designation of a Beneficiary will be effective until received by the Company.

7.05 Absence of Valid Beneficiary Designation. If a Participant fails to designate a Beneficiary as provided in the preceding Sections or, if all designated Beneficiaries predecease the Participant or die prior to complete distribution of the Participant's benefits, then the Participant's designated Beneficiary will be deemed to be his or her surviving spouse. If the Participant has no surviving spouse, the benefits remaining under the Plan to be paid to a Beneficiary will be payable to the executor or personal representative of the Participant's estate.

7.06 Doubt as to Beneficiary. If the Committee or its delegate has any doubt as to the proper Beneficiary to receive payments pursuant to this Plan, the Committee or its delegate will have the right, exercisable in its discretion, to withhold such payments until this matter is resolved to the Committee's or the delegate's satisfaction.

7.07 Discharge of Obligations. The payment of benefits under the Plan to a Beneficiary will fully and completely discharge the Company and all of its Affiliates and the Committee from all further obligations under this Plan with respect to the Participant, and that Participant's participation in this Plan will terminate upon such full payment of benefits.

ARTICLE VIII

LEAVE OF ABSENCE

8.01 Paid Leave of Absence. If a Participant is authorized by the Company or the Affiliate employing the Participant for any reason to take a paid leave of absence, the Participant will continue to be considered to be an Employee and the Deferral Amount will continue to be withheld during such paid leave of absence.

8.02 Unpaid Leave of Absence. If a Participant is authorized by the Company or the Affiliate employing the Participant to take an unpaid leave of absence, the Participant will continue to be considered to be an Employee and the Participant will be excused from making deferrals until the earlier of the date the leave of absence expires or the Participant returns to a paid employment status. Upon such expiration or return, deferrals will resume for the remaining portion of the Plan Year in which the expiration or return occurs, based on the Deferral Election, if any, made for that Plan Year. If no Deferral Election was made for that Plan Year, no deferral will be withheld.

ARTICLE IX

TERMINATION, AMENDMENT OR MODIFICATION

9.01 Termination. Although the Company and each Affiliate anticipates that it will continue the Plan for an indefinite period of time, there is no guarantee that the Company or any such Affiliate will continue the Plan or will not terminate the Plan at any time in the future. Accordingly, the Company reserves the right to discontinue sponsorship of the Plan and/or to terminate the Plan at any time with respect to any or all of its participating Employees, by action of the Committee.

If this Plan is terminated, no additional deferrals or contributions shall be credited to any Participant Account hereunder. Following Plan termination, Participants' Accounts shall be paid at such time and in such form as provided under the Plan. Notwithstanding the preceding sentence, either at the time of termination or on a subsequent date the Company may, in its discretion, determine to distribute the then existing Account balances of Participants and Beneficiaries and, following such distribution, there shall be no further obligation to any Participant or Beneficiary under this Plan; provided, however, that the authority granted to the Company under this sentence shall be implemented only to the extent permissible under Code §409A and regulations and other guidance issued by the Internal Revenue Service interpreting the provisions of that Section.

9.02 Amendment. The Company may, at any time, amend or modify the Plan in whole or in part by action of the Committee; provided, however, that:

- (a) no amendment or modification shall be effective to decrease or restrict the value of a Participant's Account Balance in existence at the time the amendment or modification is made, calculated as if the Participant had experienced a Separation

from Service as of the effective date of the amendment or modification or, if the amendment or modification occurs after the date upon which the Participant was eligible to Retire, the Participant had Retired as of the effective date of the amendment or modification; and

- (b) the amendment or modification of the Plan shall not affect any Participant or Beneficiary who has become entitled to the payment of benefits under the Plan as of the date of the amendment or modification.

Notwithstanding the foregoing, the Committee may make any amendment it deems necessary or desirable for purposes of compliance with the requirements of Code §409A and regulations thereunder.

9.03 Effect of Payment. The full payment of all applicable benefits hereunder shall completely discharge all obligations to a Participant and his or her Beneficiaries under this Plan.

ARTICLE X

ADMINISTRATION

10.01 Committee Duties. Except as otherwise provided in this Article, this Plan will be administered by the Committee and its delegates. The Committee and its delegates will also have the discretion and authority to:

- (a) make, amend, interpret, and enforce all appropriate rules and regulations for the administration of this Plan, and
- (b) decide or resolve any and all questions including interpretations of this Plan, as may arise in connection with the Plan.

When making a determination or calculation, the Committee and its delegates will be entitled to rely on information furnished by a Participant or the Company.

10.02 Agents and Delegation. In the administration of this Plan, the Committee may, from time to time, employ agents and may delegate to such agents, such duties related to administration, management and oversight of the Plan as it sees fit (including acting through a duly appointed representative) and may from time to time hire and consult with counsel who may be counsel to the Company or any Affiliate. The Company's Chief Human Resources Officer, or any individual performing the duties of such officer, regardless of formal title, will at all times, unless otherwise determined by the Committee, be deemed to be and shall be specifically referred to herein as one of the Committee's delegates for all purposes herein.

The Committee may delegate any of its administrative and operational responsibilities to the Company's benefits committee, senior management or other appropriate personnel of the

Company, including but not limited to responsibilities related to selecting investment alternatives, processing distributions, maintaining Participant records, managing Plan communications, coordinating with third-party service providers, overseeing enrollment logistics, and other similar responsibilities. Any such delegate may, in turn, assign routine operational tasks (e.g., recordkeeping, distribution processing, and Participant communications) to staff within their area of oversight.

10.03 Binding Effect of Decisions. The decision or action of the Committee or its delegate with respect to any question arising out of or in connection with the administration, interpretation and application of the Plan and the rules and regulations promulgated hereunder will be final and conclusive and binding upon all persons having any interest in the Plan.

10.04 Indemnity of Committee. The Company and its Affiliates shall indemnify and hold harmless the members of the Committee, any Employee to whom the duties of the Committee may be delegated, and the Committee or its delegate against any and all claims, losses, damages, expenses or liabilities arising from any action or failure to act with respect to this Plan, except in the case of willful misconduct by the Committee, any of its members, or such Employee.

10.05 Employer Information. To enable the Committee and its delegates to perform their functions, the Company will supply full and timely information to the Committee and delegates on all matters relating to the compensation of its Participants, the date and circumstances of the Retirement, Disability, death or circumstances of the Retirement, Disability, death or Separation from Service of its Participants, and such other pertinent information as the Committee or its delegate may reasonably require.

ARTICLE XI

CLAIMS PROCEDURE

11.01 Presentation of Claim. Any Participant or Beneficiary of a deceased Participant (such Participant or Beneficiary being referred to below as a “Claimant”) may deliver to the Committee or its delegate a written claim for a determination with respect to the amounts distributable to such Claimant from the Plan. If such a claim relates to the contents of a notice received by the Claimant, the claim must be made within sixty (60) days after such notice was received by the Claimant. All other claims must be made within one hundred and eighty (180) days of the date on which the event that caused the claim to arise occurred. The claim must state with particularity the determination desired by the Claimant.

11.02 Notification of Decision. The Committee or its delegate will consider a Claimant’s claim within a reasonable time, and will notify the Claimant in writing:

- (a) that the Claimant’s requested determination has been made, and that the claim has been allowed in full; or

- (b) that the Committee or its delegate has reached a conclusion contrary, in whole or in part, to the Claimant's requested determination, and such notice must set forth in a manner calculated to be understood by the Claimant;
- (c) the specific reason(s) for the denial of the claim, or any part of it;
 - (1) specific reference(s) to pertinent provisions of the Plan upon which such denial was based;
 - (2) a description of any additional material or information necessary for the Claimant to perfect the claim, and an explanation of why such material or information is necessary; and
 - (3) an explanation of the claim review procedure set forth in Section 11.03 below.

11.03 Review of a Denied Claim. Within sixty (60) days after receiving a notice from the Committee or its delegate that a claim has been denied, in whole or in part, a Claimant (or the Claimant's duly authorized representative) may file with the Committee or its delegate a written request for a review of the denial of the claim. Thereafter, but not later than thirty (30) days after the review procedure began, the Claimant (or the Claimant's duly authorized representative):

- (a) may review pertinent documents;
- (b) may submit written comments or other documents; and/or
- (c) may request a hearing, which the Committee or its delegate, in its sole discretion, may grant.

11.04 Decision on Review. The Committee or its delegate will render any decision on review promptly, and not later than 60 days after the filing of a written request for review of the denial, unless a hearing is held or other special circumstances require additional time, in which case the Committee's or its delegate's decision must be rendered within one hundred and twenty (120) days after such date. Such decision must be written in a manner calculated to be understood by the Claimant, and it must contain:

- (a) specific reasons for the decision;
- (b) specific reference(s) to the pertinent Plan provisions upon which the decision was based; and
- (c) such other matters as the Committee or its delegate deems relevant.

11.05 Legal Action. A Claimant's compliance with the foregoing provisions of this Article 11 is a mandatory prerequisite to a Claimant's right to commence any legal action with respect to any claim for benefits under this Plan. Any attempt to commence legal action before exhausting the foregoing provisions of this Article 11 shall be null and void.

ARTICLE XII

MISCELLANEOUS

12.01 Plan Not Funded. Awards payable under this Plan shall be payable from the general assets of the Company, and no special or separate reserve, fund or deposit shall be made to assure payment of such awards. No participant, beneficiary or other person shall have any right, title or interest in any fund or in any specific asset of the Company or any of its Subsidiaries by reason of any award hereunder. Neither the provisions of this Plan (or of any related documents), nor the creation or adoption of this Plan, nor any action taken pursuant to the provisions of this Plan shall create, or be construed to create, a trust of any kind or a fiduciary relationship between the Company or any of its Subsidiaries and any participant, beneficiary or other person. To the extent that a participant, beneficiary or other person acquires a right to receive payment pursuant to any award hereunder, such right shall be no greater than the right of any unsecured general creditor of the Company. Notwithstanding the foregoing, the Company may finance its obligation hereunder on an ongoing or periodic basis via a grantor trust that the Company implements.

12.02 Coordination with Other Benefits. The benefits provided for a Participant and Participant's Beneficiary under the Plan are in addition to any other benefits available to such Participant under any other plan or program for employees of the Company and its Affiliates. The Plan will supplement and will not supersede, modify or amend any other such plan or program except as may otherwise be expressly provided.

12.03 Company Liability. The Company's or an Affiliate's liability for the payment of benefits will be defined only by the Plan. The Company and its Affiliates will have no obligation to a Participant under the Plan, except as expressly provided in the Plan.

12.04 Nonassignability. Neither a Participant nor any other person will have any right to commute, sell, assign, transfer, pledge, anticipate, mortgage or otherwise encumber, transfer, hypothecate, alienate or convey in advance of actual receipt, the amounts, if any, payable hereunder, or any part thereof, which are, and all rights to which are expressly declared to be, unassignable and non-transferable. No part of the amounts payable will, prior to actual payment, be subject to seizure, attachment, garnishment or sequestration for the payment of any debts, judgments, alimony or separate maintenance owed by a Participant or any other person, be transferable by operation of law in the event of a Participant's or any other person's bankruptcy or insolvency or be transferable to a spouse as a result of a property settlement or otherwise.

12.05 No Right to Continued Employment. Nothing contained in this Plan (or in any other documents under this Plan or in any award) shall confer upon any Eligible Person or other participant any right to continue in the employ or other service of the Company or any of its

Subsidiaries, constitute any contract or agreement of employment or other service or affect an employee's status as an employee at will, nor shall interfere in any way with the right of the Company or any of its Subsidiaries to change a person's compensation or other benefits, or to terminate his or her employment or other service, with or without cause. Nothing in this Section 12.05, however, is intended to adversely affect any express independent right of such person under a separate employment or service contract other than an award agreement.

12.06 Choice of Law. Subject to ERISA, this Plan and all other related documents shall be governed by and construed in accordance with the laws of the State of Delaware.

12.07 Severability. If a court of competent jurisdiction holds any provision invalid and unenforceable, the remaining provisions of this Plan shall continue in effect.

12.08 Clawback. The awards granted under this Plan are subject to the terms of the Company's recoupment, clawback or similar policy as it may be in effect from time to time, as well as any similar provisions of applicable law, any of which could in certain circumstances require repayment or forfeiture of cash received under this Plan.

12.09 Captions. Captions and headings are given to the sections and subsections of this Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Plan or any provision thereof.

12.10 Non-Exclusivity of Plan. Nothing in this Plan shall limit or be deemed to limit the authority of the Committee to authorize any other compensation under any other plan or authority.

12.11 Notice. Any notice or filing required or permitted to be given to the Committee under this Plan shall be sufficient if in writing and hand-delivered, or sent by overnight delivery or registered or certified mail (return receipt requested), to the address below:

Zurn Elkay Water Solutions Corporation
511 W. Freshwater Way
Milwaukee, WI 53204
Attention: Chief Human Resources Officer

With a copy to:

Zurn Elkay Water Solutions Corporation
511 W. Freshwater Way
Milwaukee, WI 53204
Attention: Chief Legal Officer

Such notice will be deemed given as of the date of hand-delivery or, if delivery is made by overnight delivery or mail, as of the date shown on the postmark on the receipt for registration or certification.

Any notice or filing required or permitted to be given to a Participant under this Plan shall be sufficient if in writing and hand-delivered, or sent by overnight delivery or mail, to the last known address of the Participant.

12.12 Successors. The provisions of this Plan shall bind and inure to the benefit of the Company and its successors and assigns and the Participant and the Participant's designated Beneficiaries.

12.13 Spouse's Interest. The interest in the benefits hereunder of a spouse of a Participant who has predeceased the Participant will automatically pass to the Participant and will not be transferable by such spouse in any manner, including but not limited to such spouse's will, nor will such interest pass under the laws of intestate succession.

12.14 Minors, Incompetent Persons, etc. If the Committee or its delegate determines that a benefit under this Plan is to be paid to a minor, a person declared incompetent or to a person incapable of handling the disposition of that person's property, the Committee or its delegate may direct payment of such benefit to the guardian, legal representative or person having the care and custody of such minor, incompetent or incapable person. The Committee or its delegate may require proof of minority, incompetence, incapacity or guardianship, as it may deem appropriate prior to distribution of the benefit. Any payment of a benefit shall be a payment for the account of the Participant and the Participant's Beneficiary, as the case may be, and will be a complete discharge of any liability under the Plan for such payment amount.

12.15 Court Order. The Committee or its delegate is authorized to make any payments directed by court order in any action in which the Plan or the Committee has been named as a party. In addition, if a court determines that a spouse or former spouse of a Participant has an interest in the Participant's benefits under the Plan in connection with a property settlement or otherwise, the Committee or its delegate, in its sole discretion, will have the right, notwithstanding any election made by a Participant, to immediately distribute the spouse's or former spouse's interest in the Participant's benefits under the Plan to that spouse or former spouse in accordance with the court's order or other directive.

12.16 Requirement for Release. Any payment to any Participant or a Participant's present, future or former spouse or Beneficiary in accordance with the provisions of this Plan will, to the extent thereof, be in full satisfaction of all claims against the Plan and the Company, and the Company may require such Participant or Beneficiary, as a condition precedent to such payment to execute a receipt and release to such effect.

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Todd A. Adams, Chairman of the Board and Chief Executive Officer of **Zurn Elkay Water Solutions Corporation**, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Zurn Elkay Water Solutions Corporation;
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 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 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.

Date: July 29, 2025

By: /s/ TODD A. ADAMS
Name: Todd A. Adams
Title: Chairman of the Board and Chief Executive Officer

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, David J. Pauli, Chief Financial Officer of **Zurn Elkay Water Solutions Corporation**, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Zurn Elkay Water Solutions Corporation;
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 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 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.

Date: July 29, 2025

By: /s/ DAVID J. PAULI
Name: David J. Pauli
Title: Chief Financial Officer

CERTIFICATION

Pursuant to 18 United States Code § 1350

Each of the undersigned hereby certifies that the Quarterly Report on Form 10-Q for the quarter ended June 30, 2025 of Zurn Elkay Water Solutions Corporation (the "Company") filed with the Securities and Exchange Commission on or about the date hereof fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in such report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 29, 2025

By: /s/ TODD A. ADAMS
Name: Todd A. Adams
Title: Chairman of the Board and Chief Executive Officer

Date: July 29, 2025

By: /s/ DAVID J. PAULI
Name: David J. Pauli
Title: Chief Financial Officer

This certification accompanies the Quarterly Report on Form 10-Q pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended. A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.