

THE YORK WATER COMPANY



“That good York water”
SINCE 1816

GENERAL AND ADMINISTRATIVE EMPLOYEE HANDBOOK

Effective Date: March 1, 2022

Table of Contents

I.	INTRODUCTION	1
101	PRESIDENT’S LETTER OF WELCOME	1
102	WELCOME TO THE YORK WATER COMPANY.....	1
103	POLICY AMENDMENT	2
104	MISSION STATEMENT	2
105	TREATMENT OF CUSTOMERS	2
II.	GENERAL EMPLOYMENT	3
201	EMPLOYEE RELATIONS	3
202	EQUAL OPPORTUNITY EMPLOYMENT	3
203	STANDARD WORK WEEK AND WORKING HOURS	3
204	IMMIGRATION LAW COMPLIANCE.....	3
205	CODE OF CONDUCT	4
206	WHISTLEBLOWER POLICY.....	8
207	OUTSIDE EMPLOYMENT.....	10
208	CONFIDENTIAL INFORMATION	11
III.	EMPLOYMENT STATUS AND RECORDS.....	12
301	TERM OF EMPLOYMENT.....	12
302	EMPLOYMENT CATEGORIES.....	12
303	PERSONNEL RECORDS	13
304	IDENTIFICATION CARDS	13
305	EMPLOYMENT APPLICATIONS AND INQUIRIES.....	13
306	PROBATIONARY PERIOD.....	14
307	PERFORMANCE REVIEWS	14
308	COMPENSATION	15
309	TRANSFER	15
310	PROMOTIONS.....	15
311	UNION REPRESENTATION.....	16
312	LAYOFFS.....	16
IV.	TIMEKEEPING/PAYROLL.....	17
401	TIMEKEEPING.....	17
402	PAY DATES.....	17
403	DIRECT DEPOSIT.....	17
404	DEDUCTIONS FROM PAYCHECKS.....	18
405	ADMINISTRATIVE PAY CORRECTIONS.....	18
406	GARNISHMENT/CHILD SUPPORT.....	18
407	REIMBURSEMENT OF EXPENSES	19
V.	EMPLOYEE BENEFITS PROGRAMS.....	20
501	OVERTIME, PAY ON SUNDAYS	20
502	EMERGENCY WORK	20
503	MEALS	20
504	EMPLOYEE BENEFIT PLANS	20
505	EMPLOYEE STOCK PURCHASE PLAN.....	21
506	VACATION.....	21
507	HOLIDAYS	23

508	PERSONAL DAY	24
509	SICK PAY	24
510	JURY DUTY	25
511	CIVIL LEAVE.....	25
512	VICTIMS OF CRIME LEAVE	25
513	BEREAVEMENT.....	26
514	FAMILY AND MEDICAL LEAVE POLICY.....	26
515	MEDICAL LEAVE OF ABSENCE.....	29
516	MILITARY LEAVE.....	30
517	VOLUNTEER FIREFIGHTING.....	33
518	LACTATION/BREASTFEEDING	33
519	PARENTAL LEAVE.....	33
520	REST PERIODS	35
521	EDUCATIONAL ASSISTANCE.....	36
522	EMPLOYEE ASSISTANCE PROGRAMS (EAP).....	38
523	BLOOD BANK DONOR PROGRAM	39
524	WILLIAM T. MORRIS EMPLOYEE CENTER.....	39
VI. EMPLOYEE CONDUCT AND DISCIPLINE		40
601	DISCRIMINATION AND HARASSMENT FREE WORKPLACE.....	40
602	CONSENSUAL ROMANTIC OR SEXUAL RELATIONSHIPS	43
603	EMPLOYMENT OF RELATIVES.....	44
604	DISABILITY ACCOMMODATION.....	45
605	EMPLOYEE RELATIONSHIP WITH CUSTOMERS AND CO- WORKERS.....	46
606	RULES FOR EMPLOYEES.....	46
607	ATTENDANCE.....	50
608	RESOLUTION PROCEDURE.....	51
609	DRESS CODE	51
610	PERSONAL BUSINESS	53
611	EMPLOYEE PARKING	53
612	INCLEMENT WEATHER.....	53
613	SOLICITATION AND DISTRIBUTION	54
614	PERSONAL MAIL.....	54
615	INSPECTION	55
616	RESIGNATION.....	55
617	EXIT INTERVIEWS	55
618	KEYS AND SECURITY CODES.....	55
619	RETURN OF PROPERTY	55
VII. SAFETY & HEALTH		57
701	SAFETY	57
702	SECURITY	57
703	WORKERS COMPENSATION.....	58
704	MODIFIED DUTY POLICY	58
705	TOBACCO POLICY	59
706	ALCOHOL, DRUGS & ILLEGAL SUBSTANCES	59
707	ACCIDENT REPORTING.....	67

708	WORKPLACE VIOLENCE.....	67
709	WEAPONS	69
710	DOMESTIC VIOLENCE	69
711	USE OF VEHICLES.....	69
VIII. TECHNOLOGY POLICY		71
801	TELEPHONE USAGE	71
802	CELL PHONE USAGE.....	71
803	CYBER SECURITY.....	72
804	COMPUTER USAGE	72
805	REMOTE WORK.....	78
806	SOCIAL MEDIA POLICY.....	80
IX. EMPLOYMENT FORMS		83
901	EMPLOYEE ACKNOWLEDGMENT OF RECEIPT	83

I. INTRODUCTION


101 PRESIDENT'S LETTER OF WELCOME

It is always a pleasure to welcome new Employees to our Company family and to thank all our Employees for the tremendous job you do in all kinds of weather, day after day and year after year.

The courteous and efficient service to which our 75,000 and growing customer base have become accustomed is due not only to the ability of our fine group of Water Company people but also to the fact that our Company continues to be a truly great place to work. Our Employee Center, our review procedures, our many fringe benefits and educational programs, and the friendly and helpful attitude of all of you in your work are only a few of the many things at The York Water Company that make our Company a great place to work.

Hopefully this handbook will answer questions you may have about your Company and your job. However, please do not hesitate to ask questions about any work issue you have with your Supervisor or any other member of management, and of course, my door is always open to discuss your career at York Water.

Sincerely,



Joseph T. Hand
President and Chief Executive Officer

102 WELCOME TO THE YORK WATER COMPANY

Now that you have chosen The York Water Company and we have chosen you, you will want to know more about the Company. This Employee Handbook ("handbook") applies to all general and administrative employees. It does not apply to union Employees who are subject to a collective bargaining agreement.

This handbook will enable you to become better acquainted with our organization and our policies and procedures. It has been designed to provide you with information about working conditions, Employee benefits, and some of the policies affecting your employment. This handbook is an explanatory document and is for use by all G & A Employees. Please read it carefully and retain for reference.

Your benefits are more accurately described in our benefit handbooks, which are consistently reviewed and updated to reflect changes made to benefit programs. If there are any differences between this handbook and a current benefit handbook, the benefit handbook prevails. No Employee handbook can anticipate every circumstance or question about policy.

All General and Administrative (G&A) Employees are employed at will, which means the Company or an Employee may terminate the employment relationship at any time with or without cause. This handbook is neither an employment contract nor a guarantee the benefits and policies stated in it will not change. The Company, in its sole discretion, reserves the right at any time to amend, modify, alter, or eliminate any statements or policies in this handbook as well as any Employee benefit.

103 POLICY AMENDMENT

The Company reserves the right to alter, eliminate, modify, or amend benefit plans and any other term and condition of employment at any time without the consent of its Employees. The Company also reserves the right to interpret the provisions of any benefit plan or policy, make determinations as to eligibility for benefits and otherwise use its discretion in interpreting and applying the provisions of this document and all other Employee benefits.

104 MISSION STATEMENT

The York Water Company is committed to providing our customers with safe, dependable, high-quality water, wastewater, and related services that meet or exceed customer expectations at reasonable rates in an environment encouraging dedicated Employees to achieve their highest standard of performance while earning a fair return for our shareholders.

105 TREATMENT OF CUSTOMERS

It has been a long-standing value and standard of care of The York Water Company to treat all customers, regardless of their status or classification with dignity, courtesy, and respect.

Undoubtedly, no matter what position you hold with the Company, you will come in contact with our customers. You are expected to do all you can to assist our customers. If ever there is any confusion as to what to do and a Supervisor is not available, you should decide in favor of the customer at such time and when necessary, the Supervisor will revisit the situation.

II. GENERAL EMPLOYMENT

201 EMPLOYEE RELATIONS

The Company believes that the working conditions, wages, and benefits offered to Employees are market appropriate and competitive. If Employees have complaints about working conditions or compensation, they are strongly encouraged to voice these concerns openly and directly to their Supervisor. If an Employee feels that he or she has been unable to achieve resolution, he or she may voice their concerns to Human Resources. The Company has and promotes an open-door policy for Employees to express concerns to give the Company an opportunity to understand and address the concern. Experience has shown that the work environment is positively affected when Employees deal directly with their Supervisor.

202 EQUAL OPPORTUNITY EMPLOYMENT

The Company's policy is to select, place, train and promote the best qualified individuals. We consider relevant factors such as work quality, attitude, and experience, to provide equal employment opportunity for all Employees in compliance with applicable local, state, and federal laws and without regard to non-work-related factors such as race, color, religion, sex/gender, national origin, age, disability, citizenship, marital status, labor union membership, veteran's status, genetic disposition, or other non-job-related criteria.

This equal opportunity policy applies to all Company activities, including but not limited to, recruiting, hiring, training, transfers, promotions, and benefits.

203 STANDARD WORK WEEK AND WORKING HOURS

The standard work week runs from Monday through Sunday from 12:00 a.m. on Mondays and ends at 11:59 p.m. on Sundays.

Hours of work differ according to your job classification and Employee group. The normal work week for most regular full-time Employees is forty (40) hours, Monday through Friday. Your work schedule was established at time of hire or promotion to your current position.

204 IMMIGRATION LAW COMPLIANCE

The Company is committed to employing only United States citizens, noncitizen nationals, lawful permanent residents and aliens who are authorized to work in the United States in compliance with the Immigration Reform and Control Act of 1986.

Because of federal laws, each new Employee must properly complete the I-9 Form on the first day of employment. Before starting work, newly rehired Employees must also complete the form if they have not previously filled one out, if their previous I-9 is more than three (3) years old, or if their previous I-9 is misplaced or is no longer valid. Failure to provide requested information pursuant to this policy will result in termination. If a new or rehired Employee cannot verify authorization to work within three (3) days of hire, the Company must terminate employment.

205 CODE OF CONDUCT

The reputation and integrity of the Company are valuable assets that are vital to the Company's success. Each Employee and Board member of the Company, including each of the Company's officers, is responsible for conducting the Company's business in a manner that demonstrates a commitment to the highest standards of integrity. No Code of Conduct can replace the thoughtful behavior of an ethical Employee or Board member. The purpose of this Code is to focus Employees and Board members on areas of ethical risk, provide guidance to help Employees and Board members to recognize and deal with ethical issues, provide mechanisms for Employees and Board members to report unethical conduct, and foster among Employees and Board members a culture of honesty and accountability. Dishonest or unethical conduct or conduct that is illegal will constitute a violation of this Code, regardless of whether such conduct is specifically referenced herein.

The Company's Board of Directors is ultimately responsible for the implementation of the Code of Conduct. The Board has designated the Secretary to be the compliance officer (the "Compliance Officer") for the implementation and administration of the Code.

Questions regarding the application or interpretation of the Code of Conduct are inevitable. Employees and Board members should feel free to direct questions to the Compliance Officer. In addition, Employees and Board members who observe, learn of, or, in good faith, suspect a violation of the Code, must immediately report the violation to the Compliance Officer, another member of the Company's senior management, or to the Audit Committee of the Board of Directors. Employees and Board members who report violations or suspected violations in good faith will not be subject to retaliation of any kind. Reported violations will be investigated and addressed promptly and will be treated confidentially to the extent possible. A violation of the Code of Conduct may result in disciplinary action, up to and including termination of employment or Board membership.

Requests for a waiver of a provision of the Code of Conduct must be submitted in writing to the Compliance Officer for appropriate review, and an officer, director or appropriate Board committee will decide the outcome. For conduct involving an

executive officer or Board member, only the Board of Directors or the Audit Committee of the Board has the authority to waive a provision of the Code. The Audit Committee must review and approve any “related party” transaction as defined in Item 404(a) of Regulation S-K before it is consummated. In the event of an approved waiver involving the conduct of an officer or Board member, appropriate and prompt disclosure must be made to the Company’s shareholders as and to the extent required by listing standards or any other regulation.

Statements in the Code of Conduct to the effect that certain actions may be taken only with “Company approval” will be interpreted to mean that appropriate officers or Board directors must give prior written approval before the proposed action may be undertaken.

Employees will receive periodic training/updates on the contents and importance of the Code of Conduct and related policies and the manner in which violations must be reported and waivers must be requested. Each officer of the Company will be asked to certify on an annual basis that he/she is in full compliance with the Code of Conduct and related policy statements.

Violations of Law

A variety of laws apply to the Company and its operations, and some carry criminal penalties. These laws include banking regulations, securities laws, environmental protection laws, and state laws relating to duties owed by corporate directors and officers. Examples of criminal violations of the law include: stealing, embezzling, misapplying corporate or bank funds, using threats, physical force or other unauthorized means to collect money; making a payment for an expressed purpose on the Company’s behalf to an individual who intends to use it for a different purpose; or making payments, whether corporate or personal, of cash or other items of value that are intended to influence the judgment or actions of political candidates, government officials or businesses in connection with any of the Company’s activities. The Company must and will report all suspected criminal violations to the appropriate authorities for possible prosecution, and will investigate, address and report, as appropriate, non-criminal violations.

Conflicts of Interest

A conflict of interest can occur or appear to occur in a wide variety of situations. Generally speaking, a conflict of interest occurs when an Employee’s or an Employee’s immediate family’s personal interest interferes with, has the potential to interfere with, or appears to interfere with the interests or business of the Company. For example, a conflict of interest could arise that makes it difficult for an Employee or Board member to perform corporate duties objectively and effectively where he/she is involved in a competing interest. Another such conflict may occur where an Employee or a family member receives a gift, a unique advantage, or an improper personal benefit as a result of the Employee’s or Board member’s position at the Company.

Acceptance of gifts in the nature of memento, e.g., a conference gift or other inconsequential gift, valued at less than one hundred (\$100) dollars is permitted. Because conflict of interest can occur in a variety of situations, you must keep the foregoing general principle in mind in evaluating both your conduct and that of others. Related party transactions are discouraged but may be necessary or beneficial under certain circumstances. The Audit Committee must review and approve any “related party” transaction as defined in Item 404(a) of Regulation S-K before it is consummated. The Company’s Related Party Transaction Policy is incorporated by reference into this Code.

Employees and Board members are prohibited from trading in securities while in possession of material inside information. Among other things, trading while in possession of material inside information can subject the Employee or Board member to criminal or civil penalties. The Company’s Securities Trades Policy is incorporated by reference into this Code.

Outside Activities/Employment

Any outside activity, including employment, should not significantly encroach on the time and attention Employees devote to their corporate duties, should not adversely affect the quality or quantity of their work, and should not make use of corporate equipment, facilities, or supplies, or imply (without the Company’s approval) the Company’s sponsorship or support. In addition, under no circumstances are Employees permitted to compete with the Company or take for themselves or their family members business opportunities that belong to the Company that are discovered or made available by virtue of their positions at the Company. Employees are prohibited from taking part in any outside employment without the Company’s prior approval, which will not be unreasonably withheld unless the Company determines that said employment violates this Code of Conduct.

Civic/Political Activities

Employees are encouraged to participate in civic, charitable, or political activities so long as such participation does not encroach on the time and attention they are expected to devote to their company-related duties. Such activities are to be conducted in a manner that does not involve the Company or its assets or facilities and does not create an appearance of Company involvement or endorsement.

Loans to Employees

The Company will not make loans or extend credit guarantees to or for the personal benefit of officers, except as permitted by law. Loans or guarantees may be extended to other Employees only with Company approval.

Fair Dealing

Each Employee should deal fairly and in good faith with the Company's customers, suppliers, regulators, business partners, and others. No Employee may take unfair advantage of anyone through manipulation, misrepresentation, inappropriate threats, fraud, abuse of confidential information, or other related conduct.

Proper Use of Company Assets

Company assets, such as information, materials, supplies, time, intellectual property, facilities, software, and other assets owned or leased by the Company, or that are otherwise in the Company's possession, may be used only for legitimate business purposes. The personal use of Company assets, without Company approval, is prohibited.

Delegation of Authority

Each Employee, and particularly each of the Company's officers, must exercise due care to ensure that any delegation of authority is reasonable and appropriate in scope and includes appropriate and continuous monitoring. No authority may be delegated to Employees who the Company has reason to believe, through the exercise of reasonable due diligence, may have a propensity to engage in illegal activities.

Handling Confidential Information

Employees and Board members should observe the confidentiality of information that they acquire by virtue of their positions at the Company, including information concerning customers, suppliers, competitors, and other Employees, except where disclosure is approved by the Company or otherwise legally mandated. Of special sensitivity is financial information, which should under all circumstances be considered confidential except where its disclosure is approved by the Company or when it has been publicly available in a periodic or special report for at least two (2) business days. The Company's Information Security Policy is incorporated by reference into this policy.

Handling of Financial Information

Federal law requires the Company to set forth guidelines pursuant to which the principal executive officer and senior financial Employees perform their duties. Employees subject to this requirement include the principal executive officer, the principal financial officer, controller or principal accounting officer, and any person who performs a similar function. However, the Company expects that all Employees who participate in the preparation of any part of the Company's financial statements follow these guidelines:

- Act with honesty and integrity, avoiding violations of the code, including actual or apparent conflicts of interest with the Company in personal and professional relationships.

- Disclose to the Compliance Officer any material transaction or relationship that reasonably could be expected to give rise to any violations of the code, including actual or apparent conflicts of interest with the Company.
- Provide the Company's other Employees, consultants, and advisors with information that is accurate, complete, objective, relevant, timely, and understandable.
- Endeavor to ensure full, fair, timely, accurate, and understandable disclosure in the Company's periodic reports.
- Comply with rules and regulations of federal, state, provincial and local governments, and other appropriate private and public regulatory agencies.
- Act in good faith, responsibly, and with due care, competence, and diligence, without misrepresenting material facts or allowing your independent judgment to be subordinated.
- Respect the confidentiality of information acquired in the course of your work except where you have Company approval or where disclosure is otherwise legally mandated. Confidential information acquired in the course of your work will not be used for personal advantage.
- Share and maintain skills important and relevant to the Company's needs.
- Proactively promote ethical behavior among peers in your work environment.
- Achieve responsible use of and control over all assets and resources employed or entrusted to you.
- Record or participate in the recording of entries in the Company's books and records that are accurate to the best of your knowledge.

The foregoing is set forth as guidelines for the principal executive officer and financial Employees, but are, in fact, statements of mandatory conduct. It is also important to note that Federal law requires that any waiver of, or amendment to the requirements in this Section will be subject to public disclosure.

206 WHISTLEBLOWER POLICY

The York Water Company is committed to high standards of ethical, moral, and legal business conduct. In line with this commitment, and York Water's commitment to open communication, this policy aims to provide an avenue for Employees to raise concerns and reassurance that they will be protected from reprisals or victimization for whistleblowing.

This whistleblowing policy is intended to cover protections for those who raise concerns regarding The York Water Company, such as concerns regarding:

- incorrect financial reporting;
- unlawful activity;
- activities that are a violation of York Water policy, including the Code of Conduct; or

- activities, which otherwise amount to serious improper conduct.

Safeguards

Harassment or Victimization

Harassment or victimization for reporting concerns under this policy will not be tolerated.

Confidentiality

Every effort will be made to treat the complainant's identity with appropriate regard for confidentiality.

Anonymous Allegations

This policy encourages Employees to put their names to allegations because appropriate follow-up questions and investigation may not be possible unless the source of the information is identified. Concerns expressed anonymously will be explored appropriately, but consideration will be given to:

- the seriousness of the issue raised;
- the credibility of the concern; and
- the likelihood of confirming the allegation from attributable sources.

Bad Faith Allegations

Allegations in bad faith may result in disciplinary action up to and including termination of employment.

Process for Raising a Concern

Reporting

The whistleblowing procedure is intended to be used for serious and sensitive issues. Such concerns, including those relating to financial reporting, unethical or illegal conduct, may be reported directly to the Corporate Compliance Officer or the Chairman of the Audit Committee of the Board of Directors. Contact information for both of these individuals may be found on the Company digital bulletin board.

Issues may also be reported through the Company's website at www.yorkwater.com (select Contact Us, then Contact Human Resources). Reports may be made anonymously by omitting your name from the form.

Employment-related concerns should continue to be reported through your normal channels.

Timing

The earlier a concern is expressed, the easier it is to take action.

Evidence

Although the Employee is not expected to prove the truth of an allegation, the Employee should be able to demonstrate to the person contacted that the report is being made in good faith.

How the Report of Concern Will be Handled

The action taken by The York Water Company in response to a report of concern under this policy will depend on the nature of the concern. The Audit Committee of the Board of Directors shall receive information on each report of concern and follow-up on actions taken.

Initial Inquiries

Initial inquiries will be made to determine whether an investigation is appropriate, and the form that it should take. Some concerns may be resolved without the need for investigation.

Further Information

The amount of contact between the complainant and the person or persons investigating the concern will depend on the nature of the issue and the clarity of information provided. Further information may be sought from or provided to the person reporting the concern.

Retention

Complaints will be retained in a secure file in the Human Resources department for a period of five (5) years.

207 OUTSIDE EMPLOYMENT

It is the policy of this Company that Employees disclose outside employment (paying only) opportunities to their direct Supervisor. An Employee may hold a position with another organization as long as he or she satisfactorily performs his or her job responsibilities with the Company and as long as the position does not present a conflict of interest. If the Company determines that an Employee's outside work interferes with performance or the ability to meet the requirements of the Company, as modified from time to time, the Employee may be asked to terminate the outside employment.

Outside employment will present a conflict of interest if it has an actual or potential adverse impact on the Company. Employees may not receive any income or material

gain from individuals outside the organization for materials produced or services rendered while performing Company duties.

208 CONFIDENTIAL INFORMATION

The protection of confidential business information and trade secrets is vital to the interests and success of the Company. All material, information or data generated by the Company, except such information that is a matter of public record, is confidential. Such confidential information includes, but is not limited to, the following:

- Acquisition, Mergers, Sales, and Strategies
- Customer Information
- Customer Lists
- Employee Electronic Communications
- Financial Information
- Marketing Strategies
- Payroll Data
- Pending Production Processes
- Research and Development Strategies

The Company will subject any Employee who discloses trade secrets or confidential business information to any outside company, relative, friend or former Employee to disciplinary action up to and including immediate discharge, even if he or she does not actually benefit from the disclosed information.

III. EMPLOYMENT STATUS AND RECORDS

301 TERM OF EMPLOYMENT

Unless an Employee is given a written contract signed by the President & CEO specifying an employment term, all employment is "at will." This means that both the Company and the Employee have the right to terminate employment at any time with or without cause. Nothing in this handbook or any oral or written representation by any Employee or Supervisor of this Company shall be construed as a contract of employment unless the President signs a written contract of employment.

302 EMPLOYMENT CATEGORIES

It is the Company's intent to clarify the definitions of employment classifications, so Employees understand their employment status and benefit eligibility. Each Employee is designated as either non-exempt (hourly) or exempt (salaried) according to federal and state wage and hour laws. Non-exempt Employees are entitled to overtime pay under the specific provisions of federal and state laws. Exempt Employees are excluded from specific provisions of federal and state wage and hour laws.

In addition to the above categories, each Employee will belong to one other employment category:

REGULAR FULL-TIME EMPLOYEES are those who are not in a temporary or introductory status and who are regularly scheduled to work the Company's full-time schedule of forty (40) hours per week or more. Generally, Employees with this status are eligible for the Company's benefit package, subject to the terms, conditions, and limitations of each benefit program.

PART-TIME EMPLOYEES are those who are not assigned to a temporary or introductory status and who are scheduled to work less than forty (40) hours per week. While Employees with this status receive all legally mandated benefits (such as Workers' Compensation and Social Security benefits) they are ineligible for most of the Company's other benefit programs.

TEMPORARY EMPLOYEES are those engaged to work full-time or part-time for a maximum specified period of time or for a specific assignment. A temporary Employee may be offered and may accept a new temporary assignment with the Company and still retain temporary status. While temporary Employees receive all legally mandated benefits (such as Workers' Compensation and Social Security benefits) they are ineligible for the Company's other benefit programs.

SEASONAL EMPLOYEES are those who work a certain regular season or period of the year performing some work or activity limited to that season or period of the year.

INTRODUCTORY/PROBATIONARY EMPLOYEES are those whose performance is being evaluated to determine whether further employment in a specific position or with the Company is appropriate. Employees who satisfactorily complete the introductory period will be notified of their new employment classification.

303 PERSONNEL RECORDS

Each Employee is responsible to promptly notify the Company of any changes in personnel data. Employees must update personal mailing addresses, telephone numbers, dependent information, emergency contacts, educational accomplishments, and other such status reports. All changes and/or updates should be communicated to Human Resources. Personnel files are the property of the Company, and access to the information they contain is restricted in accordance with state and federal law.

304 IDENTIFICATION CARDS

All Employees of the Company are issued photo identification cards. Employees who have occasion to visit customers in their homes should display their identification card for the benefit of the customer. It is advisable to carry your identification card on your person at all times. If your card is lost or stolen, report the loss immediately to your Supervisor.

From time to time the Company will provide temporary identification cards to subcontractors that are hired to work on specific assignments. These subcontractors are required to wear the identification badges at all times while on Company property and when at a customer's property on the Company's behalf.

Unfortunately, there are individuals who have used the disguise/false pretense of a utility worker to gain access to property and persons. Some customers may be reluctant to allow you to enter the house for this reason. Be patient, offer to have them call the Company office to verify that you are an Employee of The York Water Company. We want every customer to feel confident that the person they are permitting in their house is an authorized Employee of The York Water Company present to undertake Company work.

305 EMPLOYMENT APPLICATIONS AND INQUIRIES

The Company relies upon the accuracy of information contained in the employment application as well as the accuracy of other data presented throughout the hiring process. Any misrepresentation, falsification, or omission in any of this information

may result in exclusion of the individual from further consideration for employment, or if the individual has been hired, termination of employment.

To ensure that individuals who join the Company are well qualified and have a strong potential to be productive and successful, the Company reserves the right to check the employment references and conduct any necessary background checks or pre-employment testing for all applicants.

306 PROBATIONARY PERIOD

All Employees are on a ninety (90) calendar day probationary period when they first begin employment with the Company. This time period is to be utilized for both the Employee and the Company to critically evaluate one another to determine whether the employment needs of each can be mutually satisfied. During this time period, new Employees are being evaluated on the Employee's performance, suitability for the job, reliability, cooperativeness, attitude, dependability, and other relevant factors. Employees are similarly evaluating the Company to decide whether they wish to work here. The Company believes that this is the beginning step in creating a work environment where Employees can not only develop their skills, but also enjoy working together.

The Company reserves the right to extend the introductory period where circumstances warrant. Employees who violate Company rules or who cannot perform at a satisfactory level will be subject to dismissal during this introductory period.

Employees are given every opportunity to learn their new job. The introductory period is the time to demonstrate a willingness and ability to do the job and for evaluating the Company as a place to work. During this introductory period, Employees may terminate their employment without cause given at any time, and the Company reserves the same right.

Continuance of employment after satisfactory completion of a new Employee's introductory period should in no way be interpreted to mean that the Company has contracted to offer the Employee a lifetime or other specified term position. It is intended to suggest only that an Employee who performs satisfactorily during this period has met the minimum performance expectations set by the Company. Following the introductory period, employment continues to be governed by the "employment at will" principle and no specific period of employment is guaranteed.

307 PERFORMANCE REVIEWS

Employees are expected to work efficiently and harmoniously and to meet the requirements and standards of their position. During employment, the Company, will evaluate job performance generally based on the following schedule:

- Within the introductory period
- Annually
- As is warranted by the job situation and the Employee's performance.

The Company will undertake a formal review of job performance giving consideration at each review to changes in job content or responsibility. Employees are encouraged to share in the review process by providing written comments to the evaluation form.

308 COMPENSATION

Compensation for employment and specific positions is based on job performance. Compensation changes are based on performance, growth, productivity, and market rates as well as Company financial performance. All requests for compensation increase and/or promotion should be submitted to your Direct Supervisor and will be fairly considered by the Company.

309 TRANSFER

The Company may transfer an Employee if it is considered necessary or beneficial to the operation of the business. However, interdepartmental, or interdivisional transfer is not guaranteed in any instance. Employees should notify his or her current Supervisor of interest in a current opening to be considered for the position. Employees who transfer will retain their years of company service.

310 PROMOTIONS

It is the practice of the Company, when possible, to promote from within when a job vacancy occurs. However, the Company may post outside the Company for most positions and will hire an outside applicant for a job when it determines that the outside applicant adds to the Company based upon ability and/or qualifications of the applicant. This practice applies to supervisory and nonsupervisory positions.

All nonsupervisory jobs will be posted, internally, and may also be posted externally. Each posting will include a job description which you can read to familiarize yourself with the requirements of the job. If you do not understand what the job entails, you can contact your Supervisor for a detailed explanation of the requirements of the job.

When an opening occurs in a supervisory category, management will review records of all Company personnel to ascertain whether there are qualified people presently employed who can fill the position. Consideration will be given to present personnel.

311 UNION REPRESENTATION

The Company recognizes the United Steelworkers of America, AFL-CIO-CLC, Local 1852, as the official representative of the bargaining unit for the production Employees. Such Employees will be required to become members of the union after successful completion of their introductory periods. Office and administrative Employees are not represented by the bargaining unit and are not required to become members of the union, and thus would not be members of the Union without the formal process as stipulated by the National Labor Relations Act

The Company respects the lawful right of Employees to organize a labor union. However, and even though the Company maintains a positive working relationship with the current union, we believe that we can serve our non-union Employees better by being able to communicate and work directly with them rather than through a third party such as a labor union. We believe in the long run both the Company and Employees are better served by remaining union free. Nothing in this handbook is intended to restrict the rights of the National Labor Relations Act, Section 7.

312 LAYOFFS

The Company's business, like most others, is dependent on the volume of business received from its customers. If there is a temporary reduction of business, it may become inefficient to maintain a full workforce. In some slow situations, a reduced work week may be put into effect to avoid a layoff. If business conditions dictate, a reduction in force may be necessary.

In making its decision on Employees to be affected by a layoff, management may consider a variety of factors, which may include individual Employee productivity, versatility, attendance, work experience, job skills, performance, and length of service. All final decisions concerning layoffs and recall are made in the sole discretion of the Company.

Employees will be recalled according to need, classification, ability to do the job without additional training, past performance, and attendance history. Recalled Employees will receive the rate of pay applicable to the position to which they have been recalled. Laid off Employees will be recalled by phone or mail. A recalled Employee must notify the Company of his or her intention to return to work within three (3) days. Failure to provide such timely notice or refusal to accept the first available position for which the Employee is qualified will represent a voluntary quit on the part of the Employee.

IV. TIMEKEEPING/PAYROLL

401 TIMEKEEPING

Accurately recording time worked is the responsibility of every non-exempt (hourly) Employee. Federal and state laws require the Employer to keep an accurate record of time worked to calculate Employee pay and benefits. Time worked includes all the time actually spent on the job performing assigned duties.

Travel time associated with transporting from home to work before the workday and back home following the workday, is not counted as time worked and is therefore not paid time. Time spent traveling from work site to work site as a necessary business activity during the workday, however, is considered paid work time. Travel time for business during normal work hours is considered time worked and is paid as such.

All non-exempt (hourly) Employees shall record all the time they begin work, end work, and the beginning and ending time of any departure from work for personal reasons or meal periods. Hours worked are to be recorded in quarter hour increments. Quarter hours are determined by using the 7 and 8 minute “rounding” method. If an employee works 7 minutes or less into a 15-minute period, no time should be recorded. If an employee works 8 minutes or more into a 15-minute period, 15 minutes should be recorded. Time and attendance are due to the Payroll Clerk or via the payroll system by 11:59 pm each Sunday for the previous week.

Employees who falsify or alter time records will be subject to discipline, up to and including discharge. Employees may not record time worked for any other Employee.

402 PAY DATES

The pay period runs from Monday to Sunday on a weekly basis. Employees will be paid each subsequent Wednesday following the completion of the pay period. Pay checks will reflect compensation for the prior pay period less required payroll deductions.

403 DIRECT DEPOSIT

Pay is transmitted electronically to banks and credit unions. Funds transmitted electronically are available for use in the designated account when the financial institution opens in the morning of the pay date. To begin direct deposit, complete a direct deposit form and return it to Human Resources.

Employees must provide advance notice if an account used for direct deposit is closed. If compensation is deposited into a closed account, the bank will notify the Company

several days after the pay date if the compensation could not be deposited to the Employee. Only after that notice is received will a replacement check be issued.

404 DEDUCTIONS FROM PAYCHECKS

Deductions will be made from paychecks as required by law (including federal and state withholding taxes, Social Security contributions, garnishments, or any other deductions required by law) or, where applicable, as requested for contributions to Company benefits.

Employees should review paycheck information carefully each payday. If, at any time, an Employee has questions about the amounts reflected on the pay document or how they are calculated, they may contact Human Resources.

Tax withholding is based on the number of dependents an Employee claims on a W-4 form. Each Employee is responsible for the accuracy of this form and for updating the information when necessary.

405 ADMINISTRATIVE PAY CORRECTIONS

The Company takes all reasonable steps to ensure that Employees receive the correct amount of pay in each paycheck and that Employees are paid promptly on the scheduled payday. If there is an error in the amount of pay, promptly bring the discrepancy to the Company's attention so that corrections can be made as quickly as possible.

Once underpayments are identified, the Company will correct them either immediately or in the next regular paycheck. Overpayments will be corrected in the next regular paycheck unless this presents an undue burden to the Employee (where there is a substantial amount owed). In this circumstance, the Company will attempt to arrange a schedule of repayment with the Employee to minimize inconvenience to all involved.

406 GARNISHMENT/CHILD SUPPORT

When an Employee's wages are garnished by a court order, the Company is legally bound to withhold the amount indicated in the garnishment order from the Employee's paycheck. The Company will, however, honor applicable federal and state guidelines that protect a certain amount of an Employee's income from being subject to garnishment.

407 REIMBURSEMENT OF EXPENSES

Expenses to be reimbursed by the Company must be approved in writing prior to reimbursement. To receive reimbursement Employees must furnish to their direct Supervisor and/or Accounts Payable with two (2) items: receipts for all expenses (other than per diem or mileage) and a properly completed expense form. Supervisors will approve such expenses and reimbursement. This statement does not apply to company issued credit cards or educational assistance reimbursement process.

V . EMPLOYEE BENEFITS PROGRAMS

501 OVERTIME, DOUBLE TIME ON SUNDAYS

Overtime

Overtime may be required when necessitated by business operation. All overtime must be approved in advance by a Supervisor. If asked to work, Employees will be expected to cooperate.

Non-exempt (hourly) Employees will receive pay at the rate of one and a half (1½) times their regular rate for all hours worked in excess of forty (40) hours, in any work week. This excludes meal periods and any time that is not actual hours worked by an Employee.

Pay for Work performed on Sundays

Time worked on a Sunday beyond an Employee's regular schedule will be paid at a rate of two (2x) times an Employee's regular rate for all hours worked on Sunday. If an Employee's regular schedule is Sunday, the Employee will not be paid at two (2x) times the regular rate.

502 EMERGENCY WORK

Non-exempt Employees called back to work after completing their regular shift or after completing their regular work week shall be paid a minimum of four (4) hours or actual hours worked whichever is greater.

503 MEALS

If Employees are asked to work at least 2 hours beyond their normal quitting time, and if the work keeps an Employee past when an Employee can reasonably be expected to get their meal at home, the Supervisor will arrange to provide food for the Employee with a value not to exceed \$15.00 per employee. In cases of emergencies, the unpaid meal period may be eliminated or reduced at the Supervisor's discretion.

Receipts dated and with place of purchase for meals will be submitted through the Supervisor for approval to the Accounting Department for reimbursement.

504 EMPLOYEE BENEFIT PLANS

The Company provides the following Employee Benefit Plans for eligible Employees

- Employee Stock Purchase Plan
- Group Health Insurance
- Holiday Pay

- Jury Duty
- Personal Days
- Prescription Drug Benefits
- Sick Pay
- Vacation Pay

The requirements for enrollment in each of these plans vary. New Employees are not eligible for benefits and will be contacted at the appropriate time regarding enrollment for these benefits and a Summary Plan Description will be provided as indicated. The Company, in its sole discretion, reserves the right to amend, modify, alter, or terminate any or all of these plans at any time.

505 EMPLOYEE STOCK PURCHASE PLAN

The purpose of the Employee Stock Purchase Plan (ESPP) is to provide an opportunity for eligible Employees to obtain an ownership interest in the Company through purchases of common stock by payroll deductions pursuant to the Plan documents.

506 VACATION

Vacation is time off with pay and is available to provide opportunity for rest, relaxation, and personal pursuits. The number of hours accrued is based on an Employee’s years of service as determined on an Employee’s anniversary date. The vacation period shall extend from January 1 to December 31.

Regular Full-Time Employees

All Regular Full-Time Employees who have successfully completed their introductory period are eligible for paid vacation based upon their anniversary date of hire as follows:

<i>Length of Continuous Employment</i>	<i>Vacation Benefit</i>
Under 1 year of service:	
January 1st-June 30th	80 hours
July 1st-December 31 st	40 hours
After completing 1 year	80 hours
After completing 6 years	120 hours
After completing 12 years	160 hours
After completing 20 years	200 hours

Regular Part-Time Employees and Introductory Employees

Regular Part-Time Employees and Introductory Employees are not eligible for paid vacation.

Scheduling Vacation

Vacation leave may be taken in four (4) hour increments. Supervisors will schedule vacation in cooperation with Employees to assure that each Employee receives a full vacation and that there is adequate coverage of the work to be done. Employee vacation preferences will be granted subject to the staffing needs of the Company. Accordingly, any conflicts will be addressed by taking into consideration the amount of advance notice provided, department needs, and prior time off requests.

Any requests for time off for vacation, should be submitted to and approved by the Supervisor in writing at least two (2) weeks in advance. Emergencies will be considered on a case-by-case basis.

If a holiday or holidays occur during an Employee's vacation, the holiday or holidays will not be considered as part of the vacation period.

Conflicting schedules and vacation requests made within the departments will generally be handled on a first-come, first-serve basis; rotation of previously taken holidays among co-workers, and if necessary at the discretion of the immediate Supervisor.

Carry Over

Employees will be entitled to carry over to the next calendar year no more than forty (40) hours of unused vacation. Any vacation hours greater than forty (40) that are not used by January 1st of the following calendar year in an Employees bank will be forfeited.

If, due to Company workload or Company operational issues, the employee is unable to take their vacation or carry over, the Company will consider paying their vacation pay for unused vacation days or approve additional carryover. Due to the importance of taking vacations, this would only occur in very unusual circumstances.

Employees who are off for more than six (6) months in a calendar year, except when off due to a Worker's compensation claim, will receive a prorated vacation amount during the following year.

If an employee voluntarily or involuntarily separates from employment, in order to receive payment for unused vacation time off, the employee must have worked through December 31st of the calendar year in which they were hired.

Vacation Advance

Under extraordinary circumstances an employee may advance vacation and/or personal holidays from the upcoming year. Requests for advanced vacation must be submitted in writing to your direct Supervisor and Human Resources. Approval to

advance vacation will be made on a case by case basis and must be approved by Human Resources.

507 HOLIDAYS

Regular Full-Time Employees

Regular Full-Time Employees will be entitled to pay on the following scheduled holidays listed below:

- New Year's Day
- Martin Luther King Day
- Presidents Day
- Good Friday
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Day after Thanksgiving
- Christmas Eve
- Christmas Day
- Company holiday (as designated by the Company each year)

Holidays falling on Saturday will typically be observed on the previous Friday and holidays falling on Sunday will typically be observed on the following Monday. An exact schedule will be announced in advance.

Regular Part-Time, Probationary and Temporary/Seasonal Employees

No paid holidays are given to Regular Part-Time Employees. Employees in a probationary period are eligible for paid holidays.

Temporary/Seasonal employees who have completed sixty (60) consecutive calendar days will receive holiday pay providing they work the last scheduled day before and the first scheduled day after the holiday.

Pay for Holidays

Employees eligible for holidays shall be paid for the hours they were regularly scheduled to work on the holiday so long as they work their full schedule on their first regularly scheduled workday immediately prior to the holiday and on the first regularly scheduled workday immediately following the holiday, unless such absence is caused by confirmed illness, jury duty, death in the immediate family, scheduled vacation or scheduled personal day.

Pay for Time Worked on Holidays

Eligible employees will also receive two (2x) times their regular rate for hours worked on a Company designated holiday. In addition, eligible Employees will also receive regular holiday pay when working on a Company designated holiday.

Excused Absence Before or After a Holiday

An Employee who is absent due to illness on the day before or after a holiday will only be eligible for holiday pay by presenting a medical certification documenting illness satisfactory to the Company.

Employees on Leave

Employees who are on layoff, worker's compensation, unpaid FMLA, unpaid medical leave of absence, or any other unpaid leave at the time the holiday occurs are not entitled to receive holiday pay.

508 PERSONAL DAY

Regular Full-Time Employees are granted four and one-half (4.5) personal days off with pay each calendar year. New Employees will be eligible for one (1) personal day after 60 days of employment, one (1) additional personal day after 120 days of employment and two and one-half (2.5) additional personal days after 180 days of employment during the first year of employment.

Any personal day that is not used by December 31 will be forfeited. Personal days may not be carried over to the next calendar year.

509 SICK PAY

Regular Full-Time Non-Exempt Employees are entitled to forty (40) hours of sick pay per calendar year. The sick leave may be carried forward into the next calendar year. The maximum amount of accumulated sick leave, including carry over sick leave, is eighty (80) hours. New Employees will be eligible for sick leave based on their date of hire following completion of the probationary period.

Employees who are unable to report to work because of an illness or emergency must call the Supervisor as far in advance as possible prior to their scheduled start time, but no later than one (1) hour prior to their scheduled start time. Failure to call the Supervisor each day the Employee is out sick may result in disciplinary action. Any Employee absent for three (3) or more days due to illness must present a medical certification from their provider upon their return to work.

If an employee voluntarily or involuntarily separates from employment, in order to receive payment for unused sick time off, the employee must have worked through December 31st of the calendar year in which they were hired.

510 JURY DUTY

Regular Full-Time Employees required to serve as a Juror, will receive regular straight time pay for any scheduled work time that Employee misses work during the first ten (10) days of jury duty. Employees who serve on a jury for longer than ten (10) days will be placed on Civil Leave (See 511).

Employees must provide the Company with a copy of the Jury Duty Notice as soon as it is received. Employees serving on jury duty shall have Saturdays and Sundays as days off during the term of such service, regardless of their normally scheduled work shifts. Employees required to be available for jury duty, but not required to be in court, must report to work. Employees must use the court calling system, if available, in order to receive jury duty pay.

511 CIVIL LEAVE

Regular Full-Time Employees that are called to jury duty (serving beyond 10 days) or subpoenaed to attend court or certain administrative hearings may be granted civil leave without pay. Advance approval must be obtained from Human Resources and evidence must be provided that indicates the absence is required. Available paid time off (PTO) or unpaid leave must be used where an Employee has been subpoenaed to a civil or criminal court proceeding.

Civil leave may also be granted to perform fire-fighting duties; emergency medical technician duties; Civil Air Patrol activities; or emergency management rescue work duties during a fire, flood, hurricane, or other disaster.

Certified Red Cross disaster relief volunteers may also be granted civil leave to perform disaster relief work for the Red Cross during a state of emergency declared by a Governor or President. In advance, Employees must request approval from Human Resources and provide a statement from an authorized representative in position of authority of the organization explaining the possible need for participation. Upon return, Employees must furnish a written statement from the organization served certifying activities during the period of absence from work.

512 VICTIMS OF CRIME LEAVE

The Company will grant reasonable and necessary unpaid leave from work, without pay, to Employees who are victims of, or are witness to, or family member of a victim of a crime to attend or participate in legal proceedings pertaining to the crime. Affected Employees must give the Company reasonable notice that leave under this policy is required.

Exempt Employees may be provided time off with pay when necessary to comply with state and federal wage and hour laws.

513 BEREAVEMENT

After a death in the immediate family of any Employee, the Company provides up to three (3) days of bereavement leave without loss of pay. Immediate family includes current spouse, parent, stepparents, parent-in-law, step-parent-in-law, grandparent, child, stepchild, grandchild, step grandchild, and sibling.

The Company provides one (1) day of bereavement leave without loss of pay for death of an aunt, uncle, brother-in-law, sister-in-law, son-in-law, or daughter-in-law.

For each bereavement leave day the Employee was scheduled to work, an Employee will receive pay in an amount equivalent to the number of hours the Employee was scheduled to work that day. An Employee may be required to submit proof of death and/or funeral date.

If a death in the family occurs, notify your direct Supervisor and/or Human Resources as to the anticipated length of absence.

514 FAMILY AND MEDICAL LEAVE POLICY

Basic Leave Entitlement

FMLA requires covered employers to provide up to twelve (12) weeks of unpaid, job-protected leave to eligible Employees for the following reasons:

- For incapacity due to pregnancy, prenatal medical care, or childbirth.
- To care for Employee's child after birth, or placement for adoption or foster care.
- To care for Employee's spouse, son, daughter, or parent, who has a serious health condition; or
- For a serious health condition that makes Employee unable to perform the Employee's job.

Military Family Leave Entitlement

Eligible Employees with a spouse, son, daughter, or parent on covered active duty or call to covered active-duty status may use their twelve (12) weeks leave entitlement to address certain qualifying exigencies. Qualifying exigencies may include attending certain military events, arranging for alternative childcare, addressing certain financial and legal arrangements, attending certain counseling sessions, and attending post-deployment reintegration briefings.

FMLA also includes a special leave entitlement that permits eligible Employees to take up to twenty-six (26) weeks of leave to care for a covered service member during a single twelve (12) month period. A covered service member is: (1) a current member of the Armed Forces, including a member of the National Guard or Reserves, who is undergoing medical treatment, recuperation or therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retired list, for a serious injury or illness; or (2) a veteran who was discharged or released under conditions other than dishonorable at any time during the five (5) year period prior to the first date the eligible Employee takes FMLA leave to care for the covered veteran, and who is undergoing medical treatment, recuperation, or therapy for a serious injury or illness.

Benefits and Protections

During FMLA leave, the Company must maintain the Employee's health coverage under any "group health plan" on the same terms as if Employee had continued to work. Upon return from FMLA leave, most Employees must be restored to their original or equivalent positions with equivalent pay, benefits, and other employment terms.

Use of FMLA leave cannot result in the loss of any employment benefit that accrued prior to the start of an Employee's leave.

Eligibility Requirements

Employees are eligible if they have worked for the Company for at least twelve (12) months, have one thousand two hundred fifty (1,250) hours of service in the previous twelve (12) months, and if at least fifty (50) Employees are employed by the Company within seventy-five (75) miles.

Definition of Serious Health Condition

A serious health condition is an illness, injury, impairment, or physical or mental condition that involves either an overnight stay in a medical care facility, or continuing treatment by a health care provider for a condition that either prevents the Employee from performing the functions of the Employee's job or prevents the qualified family member from participating in school or other daily activities.

Subject to certain conditions, the continuing treatment requirement may be met by a period of incapacity of more than three (3) consecutive calendar days combined with

at least two (2) visits to a health care provider or one (1) visit and a regimen of continuing treatment, or incapacity due to pregnancy, or incapacity due to a chronic condition. Other conditions may meet the definition of continuing treatment.

Use of Leave

An Employee does not need to use this leave entitlement in one (1) block. Leave can be taken intermittently or on a reduced leave schedule when medically necessary. Employees must make reasonable efforts to schedule leave for planned medical treatment so as not to unduly disrupt the employer's operations. Leave due to qualifying exigencies may also be taken on an intermittent basis.

Substitution of Paid Leave for Unpaid Leave

The Company requires use of all accrued paid leave (vacation, sick, personal) while taking FMLA leave. In order to use paid leave (vacation, sick, personal) for FMLA leave, Employees must comply with Employer's normal paid leave policies.

Employee Responsibilities

Employees must provide thirty (30) day's advance notice of the need to take FMLA leave when the need is foreseeable. When thirty (30) days' notice is not possible, the Employee must provide notice as soon as practicable and generally must comply with the Company's normal call-in procedures.

Employees must provide sufficient information for the Company to determine if the leave may qualify for FMLA protection and the anticipated timing and duration of the leave. Sufficient information may include that the Employee is unable to perform job functions, the family member is unable to perform daily activities, the need for hospitalization or continuing treatment by a health care provider, or circumstances supporting the need for military family leave. Employees also must inform the Company if the requested leave is for a reason for which FMLA leave was previously taken or certified. Employees also may be required to provide a certification and periodic recertification supporting the need for leave.

Employer Responsibilities

The Company will inform Employees requesting leave whether they are eligible under FMLA. If they are, the notice must specify any additional information required as well as the Employees' rights and responsibilities. If they are not eligible, the Company will provide a reason for the ineligibility.

The Company will inform Employees if leave will be designated as FMLA-protected and the amount of leave counted against the Employee's leave entitlement. If the Company determines that the leave is not FMLA-protected, the Company will notify the Employee.

Unlawful Acts by Employer

FMLA makes it unlawful for any Employer to:

- Interfere with, restrain, or deny the exercise of any right provided under FMLA;
- Discharge or discriminate against any person for opposing any practice made unlawful by FMLA or for involvement in any proceeding under or relating to FMLA.

Enforcement

An Employee may file a complaint with the U.S. Department of Labor or may bring a private lawsuit against the Company as the Employer.

FMLA does not affect any Federal or State law prohibiting discrimination or supersede any State or local law or collective bargaining agreement which provides greater family or medical leave rights.

515 MEDICAL LEAVE OF ABSENCE

Medical Leave of Absence for One's Own Condition

Once FMLA has been exhausted, the Company may grant a Medical Leave of Absence to a Regular Full-Time Employee for up to fourteen (14) additional weeks for *one's own* continuing serious health condition as defined by the FMLA. Such leave is at the sole discretion of the Company and will depend upon the reasons given, length of service, work record of the Employee, and the Company's needs. This leave of absence is unpaid.

At the conclusion of the Medical Leave of Absence, the Company will attempt to restore the Employee to the same or similar position but does not guarantee restoration. Such a decision will be based on the current needs of the Company.

Maintenance of Group Health Insurance Coverage

The Company will continue to maintain group health insurance coverage for the Employee and, where applicable, for the Employee's dependents during a Medical Leave of Absence to the extent permissible by the Company's health plan in effect at that time. Employees must, however, arrange to pay the premium contributions they previously had deducted on a weekly basis in order to continue group health or other benefits for themselves and, where applicable, their dependents during the Medical Leave of Absence. Group health coverage may be terminated if a premium payment is more than thirty (30) days late.

If an Employee fails to return from a Medical Leave of Absence, the Company may require repayment of any premium that was paid for maintaining health coverage. If an Employee fails to return to work for any reason after the Medical Leave of Absence has expired, group health coverage will terminate, and the Employee will be considered to have voluntarily terminated with the Company.

Vacation Pay

If an Employee's Medical Leave of Absence extends into a new vacation renewal period, Employees must work four (4) full-time consecutive weeks in a regular full-time position, not an alternative or modified duty position, prior to being credited with any new vacation. Employees on leave other than worker's compensation, who are off more than six (6) months in a calendar year will receive a prorated vacation amount during the calendar year.

Return to Work Certification

Upon returning from Medical Leave of Absence due to an Employee's own serious health condition, the Employee must provide certification from the Employee's health care provider that the Employee is able to resume work and that the Employee is fit for duty with regard to the serious health condition that caused the Employee's need for the Medical Leave of Absence.

Leave Requests

A request for a Medical Leave of Absence should be submitted to Human Resources in advance of the leave and should include a physician's certification which includes verification of the Employee's own serious health condition and the Employee's expected date of return to work.

516 MILITARY LEAVE

The Company is committed to protecting the job rights of Employees absent on military leave. Employees may take an unpaid military leave of absence in order to perform service in the uniformed services.

Eligibility

Employees taking part in the following military duties are entitled to unpaid leave under this policy:

- Active duty
- Active and inactive duty for training
- National Guard duty under Federal statute
- State active duty
- Absence from work for an examination to determine a person's fitness for any of the above types of duty
- Funeral honors duty performed by National Guard or Reserve members

- Duty performed by intermittent employees of the National Disaster Medical System (NDMS), which is part of the Department of Health and Human Services, when activated for a public health emergency, and approved training to prepare for such service.

Procedures for Military Leave

Unless military necessity prevents it, or is otherwise impossible or unreasonable, an Employee must provide the Company with notice of the need for leave as far in advance as is reasonable under the circumstances. Notice should be provided to Human Resources. Written notice is preferred, but not required.

Benefits During Leave

Employees on military leave may, at their option, use any or all accrued vacation during their absence. Employees do not accrue PTO, vacation, personal leave, or sick leave while on military leave of absence status.

If an Employee is absent from work due to military service, health benefits will continue as follows:

- **Short Term Military Leave (30 Days or Less)**
An Employee on a short-term military leave of 30 days or less, will continue to be covered on the Company's benefit plans. The Employee is responsible for paying all premiums normally paid by the Employee.
- **Extended Military Leave (31 Days or More)**
An Employee on extended military leave may elect to continue group health insurance coverage for the Employee and covered dependents under the same terms and conditions for a period not to exceed 31 days from the date the military leave of absence begins. The Employee must pay, per pay period, the premium normally paid by the Employee. After the initial 31-day period, the Employee and covered dependents can continue group health insurance up to 24 months at 102% of the overall (both Company and Employee) premium rate.

Application for Reemployment

An Employee who has engaged in military service must, in order to be entitled to reemployment, submit an application for reemployment to Human Resources according to the following schedule:

- **Service of 30 Days or Less or For the Purpose of Taking an Examination to Determine Fitness for Service**
The Employee must report for reemployment at the beginning of the first full regularly scheduled working period on the first calendar day following

completion of service and the expiration of eight hours after a time for safe transportation back to the Employee's residence.

- **Service of 31 days to 180 days**

The Employee must submit an application for reemployment no later than 14 days following the completion of service.

- **Service of 181 Days or More**

The Employee must submit an application for reemployment no later than 90 days following the completion of service.

- **Employee is Hospitalized/Convalescing from a Service-connected Injury**

The Employee must submit an application for reemployment no later than two years following completion of service.

An Employee seeking reemployment will be required to provide military discharge documentation to establish the timeliness of the application for reemployment, the duration of the military service, and the honorable discharge from the military service, if applicable.

Exceptions to Reemployment

In addition to the Employee's failure to apply for reemployment in a timely manner, an Employee is not entitled to reinstatement as described above if any of the following conditions exist:

- The Company's circumstances have so changed as to make reemployment impossible or unreasonable.
- Reemployment would pose an undue hardship upon the Company.
- The Employee's employment prior to the military service was merely for a brief, non-recurrent period and there was no reasonable expectation that the employment would have continued indefinitely or for a significant period.
- The Employee did not receive an honorable discharge from military service.

General Benefits Upon Reemployment

Employees reemployed following military leave will receive seniority and other benefits determined by seniority that the Employee had at the beginning of the military leave, plus any additional seniority and benefits the Employee would have attained, with reasonable certainty, had the individual remained continuously employed. An Employee's time spent on active military duty will be counted toward their eligibility for FMLA leave once they return to their job at the Company.

With respect to the Company's retirement plan, upon reemployment, Employees who have taken military leave will be credited for purposes of vesting with the time spent

in military service and will be treated as not having incurred a break in service. Immediately upon reemployment, the Employee may, at the Employee's election, make any or all Employee contributions that the Employee would have been eligible to make had the Employee's employment not been interrupted by military service. Such contributions must be made within a period that begins with the Employee's reemployment and that is not greater in duration than three times the length of the Employee's military service. Employees will receive all associated Company match for such contributions.

517 VOLUNTEER FIREFIGHTING

Employees who are members of a volunteer firefighting company who is responding to a call in the line of duty prior to the time the Employee is due to report to work will be paid for time off from work not to exceed one regularly scheduled work shift at the Employee's straight time.

"Line of duty" shall mean going to, coming from or during fire prevention and safety activities which includes fire prevention, first aid, rescue and salvage, ambulance service, fire police work, assistance at accidents, control of crowds both on fire grounds, at occasions or public or general assembly, animal rescue, abatement, or removal of hazards to safety and such other activities as are commonly undertaken by fire companies and their affiliated organizations.

Employees requesting volunteer firefighting pay shall provide the Supervisor with a statement from the Chief of the volunteer fire company stating that the volunteer responded to a call, specifying date and time period.

518 LACTATION/BREASTFEEDING

For up to one (1) year after a child's birth, any Employee who is breastfeeding her child will be provided reasonable break times as needed to express breast milk for her baby. The Company has designated the space for this purpose. Employees who work off-site or in other locations will be accommodated with a private area as necessary. Breaks of more than twenty (20) minutes in length will be unpaid, and the Employee should indicate this break period on time records.

519 PARENTAL LEAVE

The Company will provide up to 2 weeks (10 working days – 80 hours) of paid parental leave to Employees following the birth of an Employee's child or the placement of a child with an Employee in connection with adoption. The purpose of paid parental leave is to enable the Employee to care for and bond with a newborn or a newly adopted or newly placed child. This policy will run concurrently with Family and Medical Leave Act (FMLA) leave, as applicable.

Eligibility

Eligible Employees must meet the following criteria:

- Have been employed with the Company for at least 12 months (the 12 months do not need to be consecutive).
- Have worked at least 1,250 hours during the 12 consecutive months immediately preceding the date the leave would begin.
- Be a full-time, regular employee (temporary employees and interns are not eligible for this benefit).
- Have given birth to a child.
- Be a spouse or committed partner of a woman who has given birth to a child.
- Have adopted a child (the child must be age 17 or younger) or have brought home a new baby born pursuant to a legal surrogacy arrangement. The legal adoption of a new spouse or committed partner's child is excluded from this policy.

Amount, Time Frame and Duration of Paid Parental Leave

Eligible Employees will receive a maximum of two (2) weeks of paid parental leave per birth, adoption, or placement of a child/children. The fact that a multiple birth, adoption, or placement occurs (e.g., the birth of twins or adoption of siblings) does not increase the 2-week total amount of paid parental leave granted for that event (i.e., this benefit is not a 'per-child' benefit). In addition, in no case will an Employee receive more than 2 weeks of paid parental leave in a rolling 12-month period, regardless of whether more than one birth or adoption event occurs within that 12-month time frame.

Each week of paid parental leave is compensated at 100 percent of the Employee's regular, straight-time weekly pay. Paid parental leave will be paid on regularly scheduled pay dates.

Approved paid parental leave may be taken during the first two-month period immediately following the birth, adoption, or placement of a child/children. Paid parental leave may not be used or extended beyond this two-month time frame.

In the case of a female Employee who herself has given birth, the 2 weeks (10 days-80 hours) of paid parental leave will commence and run concurrently with any short-term disability leave/benefit provided to the Employee for the Employee's own medical recovery following childbirth.

Employees must take paid parental leave in one continuous period of leave and must use all paid parental leave during the two-month time frame. Any unused paid parental leave will be forfeited at the end of the two-month time frame. Upon termination of employment at the Company, Employees will not be paid for any unused paid parental leave that was not taken during employment.

Coordination with Other Policies

Paid parental leave taken under this policy will run concurrently with leave under the FMLA and Short-Term disability (if applicable for employees giving birth). Any leave taken under this policy that falls under the definition of FMLA leave will be counted toward the 12 weeks of available FMLA leave per a 12-month period. All other requirements and provisions under the FMLA will apply. In no case will the total amount of leave granted to the Employee, whether paid or unpaid, under the FMLA exceed 12 weeks during the 12-month FMLA period.

After the paid parental leave (and any short-term disability leave for Employees giving birth) is exhausted/used, the balance of FMLA leave (if applicable) will be pursuant to the Company's FMLA policy.

The Company will maintain all benefits for Employees during the paid parental leave period just as if they were taking any other Company paid leave such as paid vacation leave or paid sick leave.

If a Company holiday occurs while the Employee is on paid parental leave, such day will be charged to holiday pay; however, such holiday pay (straight time rate) will not extend the total paid parental leave entitlement.

An Employee who takes paid parental leave that does not qualify for FMLA leave will be afforded the same level of job protection for the period of time that the employee is on paid parental leave as if the Employee was on FMLA-qualifying leave.

Requests for Paid Parental Leave

The Employee will provide his or her supervisor and the Human Resource Department with notice of the request for parental leave with necessary documentation requested to substantiate the request at least 60 days prior to the proposed date of the leave (or if the leave was not foreseeable, as soon as possible).

520 REST PERIODS

Hourly, non-exempt Employees who work full-time are permitted two (2) fifteen (15) minute rest periods daily – one in the morning and one in the afternoon. In order not to disrupt operations, your Supervisor will schedule these rest periods.

When a crew is on a job in the field, one Employee should be selected to obtain beverages for his fellow crew members. Common sense should dictate when and how it is feasible to take a break. For instance, you should not drive an unreasonable distance to take your break. You and other Employees should not congregate in one place. Several Company vehicles parked at one location, such as a diner or luncheonette, create an unfavorable impression with our customers.

In addition, leaving work in the morning and going directly for "breakfast" is contrary to the reasons for granting rest periods and should not be done.

521 EDUCATIONAL ASSISTANCE

The Company will reimburse Regular Full-Time employees for costs for advanced educational courses where approved by the Company. Approval will be dependent upon the course and its relevance to the Employee's current position and relevant professional development within the Company. Approval must be obtained prior to commencement of each course.

Purpose

The purpose of the policy is to encourage and financially support Employees interested in continuing their education to improve their ability to perform in their current job and/or to prepare themselves for future potential opportunities within The York Water Company. A qualified course must meet one of the following criteria:

- Maintain or improve skills used in the employee's current job
- Teach skills for advancement within the Company
- Meet a required or elective course in pursuit of a degree that is job related.

Eligibility

All Regular Full-Time Employees who have successfully completed the Introductory Period are eligible for the benefit. The benefit will only cover courses approved and started after the Employee's first 90 days of continuous employment.

Approval Process

Employees must submit an application requesting approval and future reimbursement at least one (1) month prior to the beginning of the course. An application may be obtained from Human Resources or via the Company's intranet site. A description and cost of the course must be submitted along with the application. The Department Supervisor, Department Vice President and President & CEO signatures are required for approval.

Covered Expenses

Technical School and Undergraduate College, Nonmatriculated

The Company will reimburse the employee 100% of the cost to attend a course, (limited to registration, tuition, books, and laboratory fees), that has a direct, obvious, and immediate benefit to the employee's current position. Reimbursements will only be made when the employee achieves a grade of "C" or better or a "P" if taken Pass/Fail. Reimbursement will be made for a maximum of two courses during a twelve (12) month period. Only one course per semester will be approved. This portion

of the policy is not available to any Employee who is being reimbursed under other portions of the policy.

Technical School and Undergraduate College, Matriculated

The Company will reimburse the employee 75% of the cost to attend the course. (limited to registration, tuition, books, and laboratory fees). Reimbursements will only be made when the employee achieves a grade of "C" or better or a "P" if taken Pass/Fail. Reimbursement will only be made for up to six (6) courses per calendar year, two per semester. Maximum Company reimbursement per course will be \$1,250.

Graduate School — Master's Level

Employees will be reimbursed for 75% of the total cost to attend any master's level graduate course (limited to registration, tuition, books, and laboratory fees). Reimbursements will only be made when the employee achieves a grade of "B" or better. Reimbursement will only be made for up to 6 courses per calendar year, two per semester. Maximum Company reimbursement per course will be \$1,700.

Certifications

The Company will pay for any professional certification tests directly related to the employee's current position. Examples of certifications eligible for payment would be Professional Engineer, CPA, Certified Distribution System Operator, etc. Individuals should submit the application for approval. The Department Supervisor, Department Vice President and President & CEO signatures are required for approval. The Company will pay this cost directly to the educational institution so the employee will not have to be reimbursed.

College Level Certification Classes, Seminars, and Other Continuing Education Courses

The Company will pay for the entire cost of the course/seminar provided it has been approved.

Reimbursement Process

Employees must submit all documentation within thirty (30) days of the completion of the course. Employees must submit an official grade record and itemized receipts documenting all of the expenses to Human Resources.

Repayment of Education Assistance Funds

As part of the approval process, each Employee will be required to agree to repay the Company portions of the reimbursement funds under certain conditions. The conditions are repayment of the full cost of reimbursement for a particular course is expected if the Employee leaves the Company voluntarily or is terminated for cause within one (1) year of the completion of the course. Employees must agree

to have the funds deducted from their final paycheck(s) if repayment is necessary.

Company Requested Education

If the Company requests that an Employee attend a seminar or a particular course, the Company will pay the expense and costs associated with the course or seminar. The employee will be required to file a report about what they learned at the seminar or course and how it may be used in their job.

Coordination of Reimbursement from Multiple Sources

Employees receiving funds, other than from the Company, to attend educational courses must disclose those sources and amount of money being provided to them. Any funds provided to the Employee from another source will be deducted from the amount approved for reimbursement from the Company. (For example, an employee receives 75% of the cost of the course from a non-Company source. Employee receives approval from the Company to be reimbursed at 100% of the cost of the course. The Company will reimburse the employee for 25% of the cost of the course.)

522 EMPLOYEE ASSISTANCE PROGRAMS (EAP)

Everyone experiences personal issues from time to time. While we are generally successful at managing them, there are times when we need assistance. Sometimes family may be too close to the situation to give you the objective advice you need. The Employee Assistance Program (EAP) specializes in providing professional objective help to deal with most issues that you or a family member may experience.

The EAP is a strong resource to use during these times. The major focus of the EAP is prevention, with the intent that the EAP will assess an individual before problems affect your life at home or work.

There is no cost to you or immediate family member for the initial evaluation sessions. However, there may be charges if you are referred for further counseling or treatment. These charges may be fully or partially covered under your medical plan.

Some issues that the EAP provides professional assistance for are:

- Marital/relationship conflicts
- Family/child issues
- Stress
- Alcohol and drug use
- Anxiety
- Abuse
- Conflict with others
- Critical incident
- Grief and loss
- Health issues

- Self-esteem

- Managing change

The EAP provider strictly follows all federal, state, and professional laws and ethics. The fact that you go to seek counseling or information shared with the EAP staff will not be shared with the Company without your written approval.

523 BLOOD BANK DONOR PROGRAM

The Company participates in the Central Pennsylvania Blood Bank Employee Donor Program. Each Company Employee and retiree and his/her family are automatically covered if blood is needed. If you wish to donate toward this program, please inform your Supervisor and contact a local center so a time can be arranged for you.

524 WILLIAM T. MORRIS EMPLOYEE CENTER

For your use and enjoyment, the Company maintains a recreational facility, located off Church Road in Jacobus. This facility is open year-round and offers various facilities for activities, such as softball, tennis, picnicking, swimming, etc. that you, your family, and guests can enjoy.

The facility is administered by the Employee Center Committee, whose membership is comprised of one member representing union Employees, one member representing office Employees and one member representing management.

Use of the facility is governed by facility guidelines. By written request on forms available from Human Resources, you may make use of the facilities after approval by the Center's Committee for church groups or service type organizations in which you are a member.

Please be sure that you and your guests are familiar with the guidelines of the Employee Center so you may have a safe and enjoyable time.

VI. EMPLOYEE CONDUCT AND DISCIPLINE

601 DISCRIMINATION AND HARASSMENT FREE WORKPLACE

The Company strives to create and maintain a work environment in which people are treated with dignity and respect. A good working environment is essential to the well-being of all Employees, and all Employees should feel comfortable and welcome while at work. The Company will not tolerate unlawful discrimination or harassment. Through enforcement of this policy and education of Employees, the Company will seek to prevent, correct, and discipline behavior that violates this policy.

Each Employee is covered by this policy and must ensure that prohibited conduct does not occur. Managers and Supervisors who knowingly allow or tolerate discrimination, harassment, or retaliation, including failing to immediately report such misconduct, are in violation of this policy and subject to discipline.

Discrimination

Unlawful discrimination and harassment are strictly prohibited. Discrimination in the workplace occurs when an Employee is treated differently based on a protected characteristic, rather than individual merit. “Protected characteristics” include:

- Race, color, national origin, ethnicity, or ancestry;
- Religion;
- Sex/gender;
- Age;
- Disability, including physical or mental disability or medical condition;
- Pregnancy;
- Citizenship;
- Marital status;
- Labor union membership;
- Veteran’s status;
- Genetic disposition;
- Political views or activity;
- Status as a victim of domestic violence;
- Any other characteristic that is protected by any applicable federal, state, or local law.

Harassment

For purposes of this policy, “harassment” is any verbal or physical conduct that creates a threatening, intimidating, coercive, humiliating, disrespectful, hostile, degrading or offensive environment on the basis of any protected characteristic. The Company’s harassment policy is not limited to Employees, but also covers vendors, clients, customers, guests, and other individuals that interact with the Company.

The Company does not tolerate harassment of non-Employees by Employees, or harassment of Employees by non-Employees.

The following examples of harassment are intended to be guidelines, and are not exclusive when determining whether there has been a violation of this policy:

- Verbal Harassment: Epithets, derogatory statements, slurs, negative stereotypes, jokes, taunts, voice accents, name-calling, comments about physical features, ridiculing or demeaning comments, threats, intentionally excluding someone from normal workplace activities and making them feel unwelcome.
- Visual Harassment: Posters, cartoons, drawings, pictures, emails, memes, symbols, writing.
- Physical Harassment: Gestures, assault, unwelcome physical touching, physical intimidation, impeding physical movement of another, vandalism.

Sexual harassment is a type of harassment that is based on a person's sex or gender. "Sexual harassment" is unwelcome conduct of a sexual nature that is persistent or offensive and interferes with an Employee's job performance or creates an intimidating, hostile or offensive work environment. Sexual harassment includes, but is not limited to, the following:

- Making sexually offensive or obscene remarks, jokes, advances, or gestures, including jokes or comments about a person's sexuality or sexual experience.
- Making sexual advances, propositions or requests for sexual favors or activity.
- Engaging in physical contact that is sexual in nature, such as touching, pinching, patting, grabbing, massaging, brushing against another Employee's body or poking another Employee's body.
- Stereotyping based on an individual's gender or sex.
- Displaying or distributing sexually offensive or obscene posters, cartoons, drawings, pictures, emails, memes, symbols, writing.
- Subjecting, or threats of subjecting, an Employee to unwelcome sexual attention or conduct or intentionally making performance of the Employee's job more difficult because of that Employee's sex.
- Perpetrating physical assaults of a sexual nature.

The goal of this policy is to deter conduct that is disrespectful, unwanted, unreasonable, and demeaning. In order to ensure a respectful, welcoming, and safe work environment for all Employees, the Company may consider an Employee's conduct to be a violation of this policy, even if the conduct does not rise to the level of unlawful harassment. When determining whether conduct violates this policy, the Company will consider whether a reasonable person could conclude that the conduct created a hostile, intimidating, degrading, or demeaning environment.

Statements such as “I was just joking,” “I didn’t mean it that way,” and other similar excuses are not defenses to allegations of harassment. Nor is being under the influence of alcohol, drugs, or other substances.

This policy applies to both the workplace and work-related social events, including office parties, off-site events, and client entertainment events.

Complaint Procedure

All Employees are responsible for maintaining a work atmosphere free of discrimination and harassment. If an Employee believes that this policy has been violated, the Employee should contact the Vice President-Human Resources or the Chief Administrative Officer as soon as possible. Complaints should not be limited to an Employee’s own experiences. If an Employee observes discrimination or harassment happening to a co-worker or fellow Employee, the Employee should report it.

If an Employee feels uncomfortable bringing the matter to the Vice President–Human Resources or if the Vice President–Human Resources is thought to be involved in the harassment, Employees should contact the Chief Administrative Officer. Employees will be asked to submit their complaint in writing so that allegations of discrimination or harassment can be fully investigated. When possible, a complaint should include details of the incident or incidents, names of individuals involved, and the names of any witnesses.

Investigation Process and Confidentiality

The Company has a legal obligation to promptly investigate and respond to all complaints made under this policy. Upon receipt of a complaint, the Company will conduct a thorough investigation in a prompt and impartial manner.

All persons to whom a complaint is made, or who learn of a complaint as part of a Company investigation, must do everything reasonably possible to keep the complaint confidential in order to maintain the integrity of the investigation process, ensure fairness, and protect the privacy of those involved. However, the investigation of complaints may require disclosure to the accused individual and to other witnesses for the purpose of gathering pertinent information. Disclosure of information learned through the complaint and investigation process will be limited to those disclosures that are necessary for the Company to fulfill its legal obligations, conduct a thorough investigation and take corrective action. Nothing in this policy should be construed as a guarantee of absolute confidentiality. This policy is not intended to curtail an Employee’s right to discuss work-related matters, including terms and conditions of employment.

If the Company determines that a violation of this policy has occurred, appropriate relief for the Employee bringing the complaint, and appropriate disciplinary action against the person engaging in conduct that violates this policy, up to and including discharge, will follow.

A non-Employee who subjects an Employee to harassment in the workplace will be informed of the Company's policy and appropriate action will be taken. The Company will make follow-up inquiries to ensure that the harassment has not resumed.

Retaliation Prohibited

The Company recognizes that it can be difficult to bring a complaint about discrimination and harassment. To encourage individuals to come forward with their concerns, the Company strictly prohibits retaliation against any individual who exercises his or her rights under this policy.

Retaliation occurs when a person is punished, penalized, or treated unfavorably for any of the following:

- Making a complaint under this policy about conduct which the Employee believes in good faith to be harassment, discrimination, or a violation of this policy.
- Expressing an intention to make a complaint under this policy about conduct which the Employee believes in good faith to be harassment, discrimination, or a violation of this policy.
- Assisting another Employee in making a complaint under this policy.
- Participating in any investigation under this policy or providing any information in connection with a complaint under this policy.

If an Employee believes he or she has been subject to retaliation, the Employee should report it to the Vice-President of Human Resources immediately. Retaliation of any kind will be considered a violation of this policy and will result in disciplinary action, up to and including immediate termination.

602 CONSENSUAL ROMANTIC OR SEXUAL RELATIONSHIPS

The Company strongly discourages romantic or sexual relationships between a Manager or other supervisory Employee and his or her staff (an Employee who reports directly or indirectly to that person) because such relationships tend to create compromising conflicts of interest or the appearance of such conflicts. In addition, such a relationship may give rise to the perception by others that there is favoritism or bias in employment decisions affecting the staff member. Moreover, given the uneven balance of power within such relationships, consent by the staff member is suspect and may be viewed by others or, at a later date, by the staff member as having been given as the result of coercion or intimidation. The atmosphere created by such

appearances of bias, favoritism, intimidation, coercion, or exploitation undermines the spirit of trust and mutual respect that is essential to a healthy work environment. If there is such a relationship, the parties need to be aware that one or both may be moved to a different department, or other actions may be taken.

If any Employee of the Company enters into a consensual relationship that is romantic or sexual in nature with a member of his or her staff (an Employee who reports directly or indirectly to him or her), or if one of the parties is in a supervisory capacity in the same department in which the other party works, the parties must notify the Vice-President of Human Resources or other appropriate member of management. Because of potential issues regarding quid pro quo harassment, the Company has made reporting mandatory. This requirement does not apply to Employees who do not work in the same department or to parties who do not supervise or otherwise manage responsibilities over the other.

Once the relationship is known to the Company, it will review the situation with management considering all the facts (reporting relationship between the parties, effect on co-workers, job titles of the parties, etc.) and will determine whether one or both parties need to be moved to another job or department. If it is determined that one party must be moved, and there are jobs in other departments available for both, the parties may decide who will be the one to apply for a new position. If the parties cannot amicably come to a decision, or the party is not chosen for the position to which he or she applied, the parties will contact management, which will decide which party should be moved. That decision will be based on which move will be least disruptive to the organization. If it is determined that one or both parties must be moved, but no other jobs are available for either party, the parties will be given the option of terminating their relationship or resigning.

603 EMPLOYMENT OF RELATIVES

Immediate family members of current Employees will not be eligible for employment with the Company due to the potential for perceived or actual conflicts. For purposes of this policy, “immediate family member” is defined as one of the following:

- Relationships by blood – parent, child, grandparent, grandchild, brother, sister, uncle, aunt, nephew, niece and first cousin;
- Relationships by marriage – spouse, stepparent, stepchild, brother-in-law, sister-in-law, father-in-law, mother-in-law, son-in-law, daughter-in-law, half-brother, half-sister, uncle, aunt, nephew, niece, and spouse/partner of any of the foregoing

If any Employee of the Company becomes an “immediate family member” to another Company Employee while employed, the parties must notify Human Resources. Once

the relationship is made known to the Company, it will review the situation in light of all the facts (reporting relationship between the parties, effect on co-workers, job titles of the parties, etc.) and will determine whether one or both parties need to be moved to another position or department. If it is determined that one party must be moved, and there are jobs in other departments available for both, the parties may decide who will be the one to apply for a new position. If the parties cannot amicably come to a decision, or the party is not chosen for the position to which he or she applied, the Company will decide which party should be moved. If it is determined that one or both parties must be moved, but no other jobs are available for either party, one or both parties may be subject to termination.

604 DISABILITY ACCOMMODATION

The Company complies with the Americans with Disabilities Act (ADA) and applicable state and local laws providing for nondiscrimination in employment against qualified individuals on the basis of disability. The Company also provides reasonable accommodation for such individuals in accordance with these laws. It is the Company's policy to:

- Ensure that qualified individuals are treated in a nondiscriminatory manner in the pre-employment process and that Employees with disabilities are treated in a nondiscriminatory manner in all terms, conditions, and privileges of employment.
- Keep all medical-related information confidential in accordance with the requirements of federal and state law and retain such information in separate, confidential files.
- Provide applicants and Employees with disabilities with reasonable accommodation, except where such an accommodation would create an undue hardship on the Company.

Procedure for Requesting an Accommodation

An Employee with a disability who believes a reasonable accommodation is needed to perform the essential functions of his/her job should contact the Vice President–Human Resources. Upon receipt of an accommodation request, the Vice President–Human Resources will meet with the Employee to discuss and identify the precise limitations resulting from the disability and the potential accommodation that the Company might allow to assist in overcoming these limitations. The Vice President – Human Resources, in conjunction with other individuals who have a need to know and who assist in the process, will determine the feasibility of the requested accommodation. All involved parties will engage in a good faith interactive process with the Employee to decide on an appropriate and effective accommodation.

605 EMPLOYEE RELATIONSHIP WITH CUSTOMERS AND CO-WORKERS

The Company operates on the basis that every individual deserves to be treated with respect, courtesy, tact, and consideration. Therefore, the Company expects its Employees to treat customers, delivery personnel, vendors, and fellow Employees in a courteous and professional manner. Employees should be aware of and sensitive to any behaviors that are offensive to others. If an Employee observes, or is the object of any unprofessional conduct, he or she is responsible to report it to his or her Supervisor immediately.

606 RULES FOR EMPLOYEES

Every Employee has the duty and the responsibility to be aware of and abide by existing rules and policies. Employees also have the responsibility to perform duties to the best of an Employee's ability and to the standards as set forth in the job description or as otherwise established.

The Company supports the use of progressive discipline to address issues such as poor work performance or misconduct. The progressive discipline policy is designed to provide a corrective action process to improve and prevent a recurrence of undesirable behavior and/or performance issues.

Outlined below are the steps of the progressive discipline policy and procedure. The Company reserves the right to combine or skip steps in this process depending on the facts of each situation and the nature of the offense. The level of disciplinary intervention may also vary. Some of the factors that will be considered are whether the offense is repeated despite coaching, counseling and/or training; the Employee's work record; and the impact the conduct and performance issues have on the organization.

It is the policy of management to be patient, sympathetic, fair, and tolerant in the administration of the Company. It is the sincere desire of management to help the members of the Company in every way possible, but willful or inexcusable breaches of these rules must be dealt with firmly under a uniform policy which applies to all departments and all individuals.

After a review of the circumstances by management, a combination of any three violations of the following rules and regulations listed in Groups I and II may be just cause for termination of services.

The wholehearted cooperation of all members of the organization is necessary in the observance of these rules and regulations which are designed for common protection and benefit.

The following rules are for guidance and are not to be considered all encompassing:

Group I

- 1.1 Stopping work before time specified.
- 1.2 Loitering or loafing during working hours
- 1.3 Using company internet for personal use while on company time.
- 1.4 Leaving own department during working hours without permission of Supervisor, except for use of rest rooms.
- 1.5 Repeated failure to be at workstation ready to begin work at starting time.
- 1.6 Creating or contributing to unsanitary conditions.
- 1.7 Posting or removal of notices, signs or writing in any form on any bulletin boards on Company property without permission of management.
- 1.8 Willful neglect and mishandling of Company equipment.
- 1.9 Unexcused absenteeism.
- 1.10 Abusing the 15-minute rest period.
- 1.11 Abusing the assigned lunch period.

Suggested Possible Penalties for Group I Rules:

- 1st Offense: Initial warning.
- 2nd Offense: Second warning.
- 3rd Offense: Suspension and final warning.
- 4th Offense: Termination of employment.

Group II

- 2.1 Obscene, abusive language and/or malicious gossip and/or the spreading of rumors.
- 2.2 Horseplay or throwing things.
- 2.3 Threatening, intimidating, or coercing fellow Employees on the premises at any time for any purpose.
- 2.4 Reporting for work under the influence of any alcoholic beverages or illegal drugs.

- 2.5 Repeated absences without a reasonable excuse, including a pattern of absences, excessive absenteeism, and excessive lateness as defined in the Attendance Policy (Section 607)
- 2.6 Leaving the job without permission or conducting personal business without authorization during the workday.
- 2.7 Failing to meet production standards.
- 2.8 Being discourteous to customers.
- 2.9 Performing job duties in less than a satisfactory manner.
- 2.10 Violation of the Tobacco Policy (Section 705).

Suggested Possible Penalties for Group II Rules:

1st Offense: Written reprimand and/or immediate suspension for a period of one (1) week without pay.

2nd Offense: Termination of employment.

Group III

- 3.1 Refusing to obey orders of Supervisors pertaining to work or Supervisors' duties.
- 3.2 Deliberately destroying or damaging Company property, tools, machines or equipment, property of fellow Employees, or of customers in any manner.
- 3.3 Altering or falsifying records such as, but not limited to, meter readings, distribution records, purification pumping logs, etc.
- 3.4 Concerted or deliberate restriction of output (slow-down, delaying other workers).
- 3.5 Signing, submitting, or altering worksheets of another Employee.
- 3.6 Theft of property of the Company, customers, or other Employees.
- 3.7 Possession of or drinking any alcoholic beverage or illegal drugs on Company property (except as permitted at the Employee Center).
- 3.8 Willfully falsifying application for employment or other data requested by the Company.
- 3.9 Immoral conduct or indecency on Company property.
- 3.10 Possession of weapons on Company property.
- 3.11 Not returning to work from approved leave.
- 3.12 Engaging in a physical fight/altercation.

- 3.13 Organizational activities for any group or groups on Company time and premises without permission of management.
- 3.14 Soliciting or collecting contributions for any purpose on Company time without permission of management.
- 3.15 Making false, vicious, profane, or malicious statements concerning any Employee, the Company, its product, or its customers.
- 3.16 Conviction of an illegal, immoral, or unethical act, at any time, that would impact the Employee's ability to perform his/her assigned duties or negatively impact the Company's reputation.
- 3.17 Failure to report to work for one (1) day without prior notification and approval by the Supervisors pursuant to the Attendance Policy (Section 607) (i.e., No call, No show)
- 3.18 Driving a Company vehicle or a personal vehicle while on Company business without a valid driver's license.
- 3.19 Intentional tampering, destruction or disabling any electronic/computer-based company system

Suggested Possible Penalties for Group III Rules:

1st Offense: Termination of employment without warning.

In connection with the proceeding rules for Employees, the Company at all times wants to be fair and uniform in the handling of personnel.

Therefore, a uniform policy is established and will be followed by the Company's Supervisors, under normal circumstances, which will encourage consistent action for all in the event of misconduct or infractions of Company rules.

Therefore, the following, and the Suggested Possible Penalties for each group are to be viewed as the guiding policy insofar as taking corrective action is concerned:

- The first offense, if not in itself serious enough to warrant suspension or discharge, will result in a verbal warning.
- Upon the second offense, or if the above procedure does not correct the situation, a written warning will be issued.
- If a third offense occurs, the Employee may be suspended from work without pay for up to five (5) days. The length of the suspension will depend on the seriousness of the offense.
- If a fourth similar offense occurs, the Employee may be suspended

without pay for up to five (5) days, pending investigation and possible discharge.

It should be emphasized that a degree of flexibility must be maintained, and the Supervisor is not required to go through the entire four steps involved. However, any corrective action taken must be commensurate with the offense committed.

As an example, the Supervisor may repeat any of the first three steps of this procedure when he or she feels this is satisfactory, rather than go to the next more severe step. On the other hand, where in the opinion of the Supervisor the severity of the offense requires such action, any or all of the preliminary steps may be omitted.

It must be recognized that the handbook cannot include policies or guidelines that will cover all possible situations that may arise in the future. When new or unique situations arise, the Company will consider all the facts prior to reaching a decision.

607 ATTENDANCE

The Company's operational efficiency is dependent upon all Employees adhering to the work schedule in effect. If, for any reason, an Employee is unable to report to work at his or her scheduled time, he or she is required to notify his or her Supervisor by phone, no later than one (1) hour before his or her scheduled start time. Failure to do so may disqualify an Employee from receiving compensation for that shift/day and may subject an Employee to disciplinary action. If an Employee is absent for more than 1 day without notifying the Company of the reason for the absence, it will be presumed that the Employee intends to quit his or her position and employment will end based on a voluntary quit.

Excessive Absenteeism

Regular and prompt daily attendance is an essential function of every Employee's job. Illness or personal problems justify an occasional absence. The Company has a liberal policy to cover an Employee when an Employee is absent for these reasons, including paid vacation, personal, and sick days. However, frequent or extended absence, even though legitimate, impairs an operation and diminishes the value of the Employee's job. "Excessive absenteeism" is defined as any occurrence of more than three (3) times in a two (2) month period.

If an excessive absenteeism pattern continues, an Employee may be placed on a warning. In most cases, the warning will remain in effect for one (1) year. If the Employee's attendance record does not improve, the Employee may be discharged.

Excessive Lateness

Employees are expected to be at their workstation and prepared to begin work at the start of their work schedule. A continued pattern of late arrival places an unfair burden on other Employees in that respective department. Excessive lateness is defined as any occurrence of more than three (3) times in a two (2) month period. An Employee may be placed on warning for excessive lateness and, if the pattern continues or worsens, the Employee may be discharged.

If an excessive lateness pattern continues, an Employee may be placed on a warning. In most cases, the warning will remain in effect for one (1) year. If the Employee's lateness record does not improve, the Employee may be discharged.

Notification of Absence

An Employee who is absent from work is expected to call his or her Supervisor every day unless the nature of the absence has been diagnosed by a physician as a prolonged illness or injury, in which case the Employee will be requested to call his or her Supervisor every three (3) days to keep the Company informed of his or her progress.

Physician's Statement

The Company reserves the right to request an Employee to submit a physician's medical certification for any absence regardless of its length, including late arrival to work or leaving work early. The medical certification should indicate the nature of the illness or injury and the anticipated length of the absence. Any restrictions governing the working hours or duties must be stated on the certificate. Employees who have been requested to submit a medical certification will not be permitted to return to work until the requested certification is submitted. In addition, the Company reserves the right to request confirmation of an injury or illness by a physician selected by the Company.

608 RESOLUTION PROCEDURE

It is the Company's intent to provide Employees with a prompt and fair means of resolving personal complaints regarding work or working relationships. There will be no reprisals against an Employee for voicing concerns. Initially, complaints should be directed to the Employee's immediate Supervisor for resolution. If the problem cannot be resolved by discussion with the Employee's immediate Supervisor, it should be brought to the attention of Human Resources. In unusual cases where the Employee believes that the matter cannot initially be resolved with his or her Supervisor, it may first be discussed with Human Resources.

609 DRESS CODE & PERSONAL HYGIENE

Employees contribute to the corporate culture and reputation of the Company in the way they present themselves. It is important for all Employees to project a

professional image to clients, visitors, and guests of the Company. During business hours or when representing the Company, Employees are expected to wear professional attire and present a clean, neat, and tasteful appearance. Employees should dress and groom according to the requirements of the position.

Attire must be neat and clean and clothing may not have holes in them. To achieve desired standards, the following are prohibited:

- Open sandals, , sneakers, athletic shoes, moccasins, slippers, clogs
- Shorts, skorts, rompers, or ¾ length pants that are above knee
- Sweatpants, exercise wear, , (regardless of color), leggings, pajamas, , Lycra, Spandex, stirrup pants, cargo pants
- Printed shirts with large pictures, logos, or text (unless Company logo item) or containing offensive or vulgar messages
- Sweatshirts
- Suggestive or indecent clothing including oversized clothing, muscle shirts, tube or halter tops, cropped tops, spaghetti straps, exposed backs or torso, low cut tops, shorts, short skirts, sleeveless shirts, and skin tight and see-through garments
- Tops or pants which reveal an Employee's torso or behind when bending over or stretching while performing normal job activity
- Visible body piercings except for ear and nose piercings, (includes gauges, surface piercing, piercings in tongue, eyebrow, cheek, other facial areas, hands, and fingernails)
- Visible tattoos which may be considered offensive to customers
- Multi-colored, or Mohawk hair styles
- Mustaches and beards that are not clean, well-trimmed, and neat
- Offensive body odor

Management has sole discretion in determining whether Employees comply with this policy. Items not specifically addressed by this policy will be addressed by management on a case-by-case basis. Employees may be asked to leave the workplace and return properly dressed or groomed. Under such circumstance, Employees will not be compensated for the time away from work.

If an Employee has any requests for accommodation to this dress code policy based on religious reasons, they need to submit their request in writing to Human Resources. The Company may, when necessary if requested, make reasonable accommodation in this policy for a person pursuant to applicable federal and state law.

All Employees are expected to wear clothing appropriate to the job; in some cases, the Company furnishes complete or partial uniforms. Whether an Employee's own or a

company uniform, the clothing must be clean and presentable when reporting for assigned work period. When protective equipment is required, the Company will provide accordingly. Employees must be aware of the areas where protective clothing, such as hard hats or other head covering, is required and adhere to these requirements.

Upon termination of employment, all company assigned clothing must be returned. If uniforms are not returned following termination, the Employee may be responsible for the cost of the uniform(s).

Jewelry, such as watches, rings, necklaces, and bracelets, must not be worn around the production or loading/unloading areas. This policy is for the Employee's protection and safety.

610 PERSONAL BUSINESS

Personal business is not to be conducted on Company time. If, due to unusual circumstances or an emergency, personal business during normal working hours is unavoidable, an Employee may request time off without compensation. The Employee must explain to his or her Supervisor any such time off and be aware that related circumstances may be noted on the Employee's time record.

Personal business includes conduct relative to non-Employees. Any visit during work hours must be for legitimate business and be of minimal interruption in the work schedule. Repeated offenses will result in disciplinary action.

611 EMPLOYEE PARKING

In designated locations, office personnel may be assigned a parking space in the Employee parking lot across the alley at the rear of the main office building. The fenced-in parking lot immediately behind the main office is reserved for Chief officer parking, Company vehicles, customers, and visitors.

If your assigned parking space is occupied by an unauthorized vehicle, park your car in the fenced-in parking lot and give the license number and description of the vehicle occupying your space to the Vice President-Human Resources. Generally, the other Company locations and departments are in areas that are not as congested as the main office. Therefore, parking is provided without assigned spaces.

The Company is not responsible for the loss of articles or damage to your vehicle while on the premises.

612 INCLEMENT WEATHER

The Company is in business to provide services to customers in all weather conditions and will be open for business regardless of weather conditions. If the weather becomes so severe that the Company cannot open or it would be too dangerous for Employee's travel, the Company will attempt to notify Employees. If notification has not been made, the Company will operate on a normal schedule. Employees should report at their normal times or as soon thereafter as possible.

Employees paid on an hourly basis who do not report to work on such days will not be paid and will be treated in accordance with the Attendance Policy. Non-exempt (hourly) Employees who do not report to work will be paid on an "hours worked" basis.

613 SOLICITATION AND DISTRIBUTION

The Company believes Employees should have a work environment free from interruptions of a non-work-related nature, as work time is for work. Employees should focus on duties and not engage in activities that would interfere with an Employee's own work or the work of others. Solicitation is permitted as long as it is limited to the Employee's break and lunch time and kept out of active working areas. For the purpose of this policy, solicitation includes, but is not limited to, for collection of any debt or obligation, for raffles of any kind or chance taking, or for the sale of merchandise or business services, the attempt to sell any product or service (e.g., selling or collecting for products, churches, schools, Girl Scout cookies, etc.). Such interruptions can be both detrimental to the quality of work and efficiency and may not be respectful of others job responsibilities and right not to be interrupted.

Employees may not engage in solicitation for any purpose during work time which includes the working time of the Employee who seeks to solicit and the Employee who is being solicited.

Distribution by Employees of any type (materials, goods, paper) is prohibited in work areas at any time, whether or not Employees are on working time. Electronic distribution is subject to the Company's internal policy and may not occur during the Employee's working time. Non-Employees are prohibited from distributing materials to Employees on Company premises at any time. Literature that violates the Company's policies, includes threats of violence, or is knowingly or recklessly false is never permitted. Nothing in this policy is intended to restrict an Employee's statutory rights, including discussing terms and conditions of employment.

614 PERSONAL MAIL

Employees may not use the business address as a personal mailing address. Employees may not use office stationery, postage, or postal equipment for personal use.

615 INSPECTION

The Company reserves the right at any time and at its discretion to search any person entering on its property or offsite while performing services for the Company and to search property, packages, containers, briefcases, purses, lockers, desks, clothing, personal effects, vehicles, buildings, rooms, facilities, offices, parking lots, cabinets, phones, lunch, equipment boxes, bags, and equipment. Employees who fail or refuse to promptly permit an inspection under this policy will be subject to discipline up to and including termination. Any items that Employees do not want to have inspected should not be brought to work.

616 RESIGNATION

Employees should notify their Supervisor in writing at least two (2) weeks before an Employee's last day of work, stating the reason for resigning and including a signature on the written notice. Initialed notices of resignation are not acceptable. Employees will be paid for all earned, unused benefits pursuant to the terms of this handbook.

617 EXIT INTERVIEWS

All Employees leaving the Company's employ, voluntarily or dismissed with or without cause, may request an exit interview with a member of Company Management. Conversely, provided the Employees is willing, Company Management may request the opportunity to ask questions related to Employee's work experience with the intent of becoming aware of situations that would be beneficial for the Company to know.

618 KEYS AND SECURITY CODES

Employees having possession of Company keys and/or security codes are responsible for the safekeeping of such. Loss, theft, or misuse is to be reported immediately. No duplication of keys or sharing of security/access codes is permitted.

619 RETURN OF PROPERTY

Employees must immediately return all property of the Company that is in their possession or control upon cessation of employment with the Company. Where

permitted by law or by agreement, the Company may withhold the cost of any items that the Employee does not return when required. The Company may also take legal action deemed appropriate to recover or protect Company property.

VII. SAFETY & HEALTH

701 SAFETY

The Company and its Employees are responsible to establish and maintain a safe work environment. The Company will attempt to assure a safe environment and compliance with federal, state, and local safety regulations. Employees must obey safety rules and exercise caution in all work activities. Employees must immediately report any unsafe conditions to their Supervisor. Employees at all levels of the organization should correct unsafe conditions as promptly as possible. Failure to do so will result in immediate discipline up to and including termination.

Employees must adhere to all safety policies. A violation of a safety precaution is in itself an unsafe act. A violation may lead to disciplinary action up to and including termination.

702 SECURITY

Unfortunately, we live in a world where we must be concerned about the security of our Employees, our facilities, and our customers. We are a unique business in that we have Employees scattered through multiple counties during the course of any day, we enter businesses and personal residences, we have facilities that are open to the public, we have facilities that are secure from the public, we permit the County of York to operate a public park on our property and our product, clean potable water, is a community health issue of the greatest importance. If we would be unable to provide the public with our product, lives would be affected. It is because of this reason that we all must be vigilant in securing and protecting ourselves and our facilities.

The Company has invested in security related equipment and systems. As your job responsibilities require, you will be instructed on the particulars of those pieces of equipment or systems. However, regardless of the technology that we use, one of the most important tools of security is an individual constantly observing their surroundings while at work. If you see something that is suspicious or out of the ordinary you should report your findings to your Supervisor. Some examples of suspicious circumstances are if you were to see a person without a proper identification badge in a place that does not seem right, a vehicle parked where it normally is not, a package with no return address, etc. These are the types of situations that you should bring to the attention of your Supervisor.

In this day and age of cellular phones with camera applications it is not uncommon to take candid photographs within the facilities of the Company. While the taking of photographs is not forbidden, you should take care not to include images of equipment

or processes that are critical to the operation of the Company unless it is for a business purpose. It is unlikely that such pictures will compromise our operation. However, it is better to be prudent in safeguarding our assets from any potential harm.

703 WORKERS COMPENSATION

In compliance with state laws, the Company carries Workers' Compensation Insurance that applies to all accidental injuries to an Employee while at work. Workers' Compensation is carried to cover expenses and earnings lost due to injury while on the job. To qualify for this benefit, Employees must immediately report any work-related injury to their Supervisor or other member of Management.

Employees injured at work must visit the chosen health care providers listed on the worker's compensation provider panel. Employees must continue to visit the chosen health care providers for ninety (90) days from the date of the first visit. After completion of this period, Employees must notify the Company within five (5) days of a visit to another health care provider of the Employee's own choice. Non-compliance with the ninety (90) day provision will result in the Company being relieved from liability for payment of services rendered during the ninety (90) day period.

It is the policy of this Company to take appropriate action to bring Employees back to work as soon as it is determined to be a medically sound decision.

704 MODIFIED DUTY POLICY

To help reduce Workers' Compensation and other related costs, and to assist Employees who are incapacitated in their return to work, the Company may, at its sole discretion, offer temporary modified job assignments for Employees with temporary work-related restrictions due to an illness or injury.

Modified duty assignments under this policy are specially created temporary job assignments for Employees injured or otherwise incapacitated. Such modified duty assignments are temporary assignments only, are not vacant or permanent positions within the Company's workforce and may not be available to Employees on a permanent basis under any circumstances. The availability of such modified assignments depends on the Employee's restrictions and the business needs of the Company. The existence of this modified duty policy does not in any way guarantee that modified duty will be available at any given time, or for any particular Employee who requests it.

If a modified duty assignment is available, an Employee will be permitted to work in a modified duty assignment only after the Company receives a written statement

from Employee's health care provider identifying the restrictions for the injured Employee. In general, the Company will review the status of the temporary modified duty assignment with the affected Employee every fifteen (15) to thirty (30) days, considering the Company's business needs and the Employee's condition, to determine if continuation of the assignment is appropriate.

If at any point an Employee is medically determined to have sustained permanent restrictions, the creation or continuation of a temporary modified duty assignment will not be considered. In that event, the Company will review the Employee's situation separately, to determine the appropriate steps to be taken, if any, under the Americans with Disabilities Act, other applicable law, and other relevant Company policies.

705 TOBACCO POLICY

The Company has a responsibility to provide and maintain a safe and healthy work environment for all Employees. Smoking in any form using tobacco products (pipes, cigars, chew, snuff, cigarettes, or "vaping" with e-cigarettes) is prohibited inside all buildings or vehicles owned, leased, or operated by the Company. Smoking in the workplace both on and off site is prohibited except in those locations that have been specifically designated smoking areas at scheduled break times or during lunch periods. In the event there is no designated smoking area, smoking is strictly prohibited. General housekeeping procedures shall be followed at all times.

706 ALCOHOL, DRUGS & ILLEGAL SUBSTANCES

To help ensure a safe, healthy, and productive work environment for Employees and others, to protect Company property, and to ensure efficient operations, the Company has adopted a policy of maintaining a workplace free of alcohol, drugs, and illegal substances.

Employees under the influence of alcohol, non-prescribed drugs, or illegal substances on the job pose serious safety and health risks not only to themselves, but also to all those who surround or come in contact with them. Therefore, possessing, using, consuming, purchasing, distributing, manufacturing, dispensing, or selling alcohol or controlled substances, or having alcohol or controlled substances in an Employee's system without medical authorization during work hours, on Company premises, or while on duty will result in disciplinary action up to and including immediate termination.

Off the job use of alcohol or illegal, non-prescribed drugs which adversely affects an Employee's job performance, or which jeopardizes the safety of other Employees, or

the Company's property may result in disciplinary action up to and including termination.

Definitions

For the purpose of this policy, the following words shall be defined as follows:

- (1) Alcohol means the intoxicating agent in beverage alcohol, ethyl alcohol, or other low molecular weight alcohols including methyl and isopropyl alcohol.
- (2) Non-prescribed drugs or illegal substances are those which cannot be legally obtained, including controlled dangerous substances and controlled substance analogues, as well as those drugs, which, although legal, have been obtained illegally (i.e., prescribed drugs not being used as prescribed).
- (3) Confidentiality and Privacy means that the Company will attempt to ensure that the testing process is as private and confidential as reasonably practical.
- (4) Third Party Administrator (TPA) means a service agent that provides or coordinates one or more drug and/or alcohol testing services. TPAs typically provide or coordinate the provision of a number of such services and perform administrative tasks concerning the operation of the employers' drug and alcohol testing programs.
- (5) Designated Employer Representative (DER) is an individual identified by the Company as able to receive communications and test results from service agents and who is authorized to take immediate action to remove employees from safety-sensitive duties and to make required decisions in the testing and evaluation processes.
- (6) Performing safety-sensitive functions includes but is not limited to fork-lift drivers; motorized hand truck operators; truck drivers; equipment and facility operators; responsibility for the safe operation of a facility and/or company resources; and functions including operating Company-owned vehicles or personal vehicles while conducting Company business. Performing is at any period in which the Employee actually performing, ready or available to perform any safety-sensitive functions.
- (7) Under the Influence means, with respect to drugs, the presence in an employee's system of any detectable amount of a drug, or its metabolites, as well as speech, actions or an appearance which lead a Manager to reasonably suspect the employee's ability to perform his or her job safely

and effectively has been impaired by drugs. With respect to alcohol, under the influence means reporting for duty or remaining on duty with a blood alcohol concentration of .04 or greater.

- (8) Voluntary Treatment and Counseling means that an employee who feels he or she may have a substance abuse problem and is seeking assistance through identification more fully described in this Policy.

Prohibited Conduct

The following conduct is prohibited under this Policy:

- (1) Employees may not manufacture, distribute, dispense, possess, use, purchase, sell, or transfer alcohol, non-prescribed drugs, or illegal substances of any amount on Company premises including parking lots.
- (2) Employees may not report to work under the influence of alcohol, non-prescribed drugs, or illegal substances.
- (3) Employees may not consume alcohol, non-prescribed drugs, or illegal substances on or off Company property during working hours, lunch periods or breaks.
- (4) Employees who are convicted of off-the-job drug or alcohol-related activity may be considered to be in violation of this policy. For purposes of this policy, a conviction shall include a plea of not guilty or no contest (*nolo contendere*). In deciding what action to take, the Company will take into consideration the nature of the charges, the employee's present job assignment, and the employee's record with the Company and other factors relating to the impact and circumstances of the employee's arrest.
- (5) Employees shall not do anything to obstruct the Company's goals with respect to drug and alcohol testing, including, but not limited to: refusing to undergo a required drug or alcohol test; switching or altering any urine sample or other required sample submitted for testing; refusing to complete a medical questionnaire and laboratory consent form prior to testing; failure or refusal to provide a urine specimen for testing; refusal to complete a toxicology chain of custody form after submission of a testing specimen.

Types of Testing Performed

Employees may be subject to the following drug tests:

Pre-employment Testing

Pre-employment drug testing is required for all applicants/certain job classifications specified by the Company. Pre-employment testing will occur after an applicant has been given a conditional offer of employment. Failure to pass a pre-employment test, or refusal to test, will result in disqualification from further consideration for employment.

Reasonable Suspicion Testing

Employees may be required to submit to drug/alcohol screening whenever the Company has a reasonable suspicion that they are under the influence of drugs or alcohol while working or using drugs or alcohol in violation of this policy. Reasonable suspicion may be based upon but is not limited to supervisory observation; coworker reports or complaints; performance decline; attendance; behavioral changes; results of drug searches or other detection methods; the employee's appearance or an odor of drugs or alcohol. Observations of reasonable suspicion include, but are not limited to:

- Odors (smell of alcohol, body odor or urine).
- Movements (unsteady, fidgety, dizzy).
- Eyes (dilated, constricted, or watery eyes, or involuntary eye movements).
- Face (flushed, sweating, confused or blank look).
- Speech (slurred, slow, distracted mid-thought, inability to verbalize thoughts).
- Emotions (argumentative, agitated, irritable, drowsy).
- Actions (yawning, twitching).
- Inactions (sleeping, unconscious, no reaction to questions).

Employees asked to take a reasonable suspicion drug and/or alcohol test will be transported to the collection site for testing and then transported home pending receipt of the test results. Under no circumstances will the Employee be allowed to drive himself or herself to the testing facility. Employees will be placed on administrative leave without pay pending the results of the test. If the test results are negative, the Employee will be compensated for any wages lost due to the leave, unless a suspension without pay is justified under another policy.

Random Testing

During employment, periodic drug testing may be required at the discretion of the Company to ensure the safety of Employees, customers, and the general public. The Company conducts random drug and alcohol testing for all Employees. Random testing means Employees will be selected for testing using a computer-based random number generator. This will result in an equal probability that any Employee will be tested. Random selection, by its very nature, may result in Employees being tested in successive random selections or more than once in a calendar year. Alternatively, some Employees may not be selected in a calendar year.

The Company contracts with a third-party vendor who manages and conducts random selection and drug and alcohol testing. Random selection shall be conducted

throughout the year. Individuals selected for random testing will be notified by the Company. Once notified, every action the individual takes must lead to a collection.

Testing must be completed on the same workday that an Employee is selected for, absent extenuating circumstances such as out-of-town travel. In all circumstances, testing must be completed within 24 hours. If a randomly selected individual engages in conduct which does not lead to urine collection and/or breath sample, the Company may consider this a refusal to test. If an Employee selected for testing is unavailable for a legitimate reason such as an extended medical absence, Human Resources will document the circumstances for failure to test.

Post-Accident Testing

Employees whose acts appear to have caused or contributed to a serious accident in which drugs could have been a contributing factor may be required to submit to post-accident testing. Serious accidents include those that result in lost time, personal injury, property damage, the need for medical examination, or other facts indicating that drug or alcohol use could have contributed to the accident. Only workers whose actions may have caused or contributed to the accident will be tested.

As with reasonable suspicion testing, employees asked to take a post-accident test will be transported to the collection site for testing and then transported home pending receipt of the test results. Employees will be placed on administrative leave without pay pending the results of the test. If the test results are negative, the Employee will be compensated for any wages lost due to the leave, unless the suspension without pay is justified under another policy.

Follow-Up Testing

An Employee in the course of employment that enters an Employee Assistance Program for drug or alcohol-related problems, or a rehabilitation program, must submit to testing as a follow-up to such program. Follow-up testing will be conducted on a quarterly basis for a 1-year period after completion of the program. Advance notice of a follow-up testing date will not be given to the Employee to be tested.

Results of Testing

If an Employee receives notice that test results were confirmed positive, the Employee will be given an opportunity to explain the positive results following the Employee's receipt of the test results. In addition, the Employee may request to have the same sample retested within seventy-two (72) hours at Employee's own cost. A positive drug test may result in immediate termination.

Refusal to Test

An Employee's refusal to test for alcohol or controlled substances will be considered a positive test result. When an Employee refuses a test, it will be treated as

insubordination and failure to obey a direct order and will constitute an admission that the Employee is impaired and will be grounds for termination.

Prescription Medications and Over-the-Counter Medications

Employees are responsible to report to-duty free from the effects of any controlled substance, including prescription medications. Employees undergoing prescribed medical treatment with a controlled substance should report this treatment to Human Resources. In this circumstance, a medical certification from the Employee's physician must be provided stating that job performance will not be impaired by this treatment.

Employees that work in positions which are designated by the Company as safety-sensitive must disclose to Human Resources the use of any prescription or over-the-counter medication which may impair their ability to safely perform their job duties. Safety-sensitive Employees may be required to provide a written medical authorization to work from a physician, upon reporting the use of prescription or over-the-counter drugs. If an Employee is not capable of working safely, the Company will attempt to find an alternate job for the Employee if one exists. If one does not exist, the employee will be required to take PTO, to the extent available, and thereafter, unpaid time at the sole discretion of the Company. An Employee may be permitted to return to work subject to the terms, conditions and restrictions set forth by the Company.

Medical Marijuana

Employees that work in positions which are designated by the Company as safety-sensitive must disclose to Human Resources the use of medical marijuana. The Company is not required to permit employees who are under the influence of medical marijuana to perform safety-sensitive job duties.

The Company will not discriminate against an Employee solely on the basis of the Employee's status as an individual who is certified to use medical marijuana, and who possesses a valid identification card issued by the state in which the Employee resides. Use of medical marijuana on Company premises, and in Company property, is prohibited. The Company also prohibits any use of medical marijuana which would place the Company in violation of federal law.

The Company may impose discipline on an Employee for being under the influence of medical marijuana in the workplace, or for working while under the influence of medical marijuana, when the Employee's conduct falls below the standard of care normally accepted for the Employee's position. If an Employee is under the influence of medical marijuana, the Company reserves the right to prohibit the Employee from performing any task or taking any action, in accordance with federal and state law.

Drug Testing Procedure

Drug testing shall be performed through urinalysis and shall test for the presence of drugs and/or metabolites of controlled substances. Urine specimens shall be collected at a designated collection site under the direction of testing site.

The Applicant/Employee shall participate in the custody and control procedures in order to insure accurate collection by:

- Providing photo or other identification.
- Following the urine specimen guidelines for all urine collection procedures in cooperation with the site.

If the Applicant/Employee refuses to provide the specimen for the drug testing, the situation will be considered equal to a positive test and the same consequences will apply.

A Medical Review Officer (MRO) will review all drug tests performed by the laboratory. The MRO is to determine whether positive test results indicate illegal drug use or whether other medical explanations could account for the result. The MRO will inform the Employee of its findings.

On all “positive” drug screen results, the MRO/MRO Assistant will attempt to contact the Applicant/Employee and review his or her findings. If the Applicant/Employee cannot be reached, the Company will be contacted and informed to contact the Applicant/Employee and have such a person make themselves available to be contacted by the MRO to review its findings. If the Applicant/Employee does not make themselves available to be contacted by the MRO, the consequences to the Applicant/Employee will be equal to that of a positive test result.

A dilute specimen is when abnormally large quantities of fluids are consumed (in vivo) the urine becomes dilute and the creatinine levels are substantially reduced, as well as other urine constituents including drugs and their metabolites.

Positive Dilute: When the Company receives a result from the MRO that states Positive Dilute, the Company shall treat the result as a verified positive result. The employee shall not be able to take another drug test based on the fact that the specimen was dilute.

Negative Dilute: When the Company receives a result from the MRO that states a Negative Dilute drug test the Company shall do the following:

- The Company shall direct the Employee to take another unannounced test immediately. Recollection of the specimen shall not be collected under direct observation unless there is another basis to support a directly observed collection.

- When the Company receives the second result after the initial Negative Dilute result and the result is again Negative Dilute the Company shall accept this result unless the MRO asks for another collection under direct observation. If the MRO requires another recollection the Employee must do so immediately.

Individual test results will be released to the Company. An individual who has submitted to drug testing under this policy is entitled to receive the test results upon written request. If an Employee receives notice that test results were confirmed positive, the Employee will be given an opportunity to explain the positive results following the Company's receipt of the test results. In addition, the Employee may request to have the same sample retested within seventy-two (72) hours at Employee's own cost.

Alcohol Testing Procedure

All alcohol tests conducted under this Policy require that the Employee provide a breath specimen. The Employee shall participate in the control procedures in order to insure accurate collection by:

- Providing photo or other identification.
- Following the breath specimen guidelines in cooperation with the site.

In the event that an Employee provides an adequate breath specimen, and the initial test registers an alcohol concentration level of .04 or greater, a confirmatory test will be performed. If an Employee receives notice that test results were confirmed positive, the Employee will be given an opportunity to explain the positive results following the Company's receipt of the test results.

Rehabilitation Program

Employees who believe they may have a drug and/or alcohol problem are encouraged to seek help ("self-identify") from Company management. An Employee who seeks help voluntarily and is not currently in the process of being evaluated for testing as defined in this policy, will not be disciplined for any involvement with drugs and/or alcohol, which he or she admits to in connection with his or her initial request for help.

An Employee who self-identifies and those entering into an agreement with the Company will be reassigned to a job without safety-sensitive duties or be required to take vacation or personal leave, to the extent available, and thereafter, unpaid time at the sole discretion of the Company. An Employee may be permitted to return to work subject to the terms, conditions and restrictions set forth by the Company.

The Employee must be evaluated by a certified Substance Abuse Professional designated by the Company within seven (7) days of self-identification or signing a

last chance agreement. Treatment may be covered by the Company's Employee group health benefit plan and certain costs and fees associated may be covered by the Company's Employee Assistance Program. In the event any costs are not covered, the Employee shall bear the ultimate responsibility for recommended treatment.

Before the Employee can return to work to normal job duties, the Employee must be cleared by the Substance Abuse Professional who must certify to the Company in writing that the Employee has complied with his or her treatment plan, completed any required follow-up testing and is physically and mentally fit to work. Refusal to comply with Substance Abuse Professional constitutes a voluntary resignation from employment with the Company.

Inspection of Lockers, Possessions and Vehicles

If the Company has reason to believe that an Employee is in violation of its drug and alcohol policy, he or she may be asked to submit immediately to a search of his or her person and/or to make his or her locker, lunch box, purse, packages, personal belongings, desk, vehicles, or any other receptacle he or she uses or has access to, available for inspection. Such search or inspection shall always be conducted in the presence of at least one witness other than the Company representative performing the search or inspection, and the contents resulting from such a search or inspection shall be inventoried. Entry onto the Company premises (including parking lots) constitutes consent to search and inspection. Refusal to consent to search or inspection constitutes a voluntary resignation from employment with the Company.

Confidentiality

The Company will make every effort to keep the results of drug and alcohol tests confidential. Only persons with a need to know will have access to the results. The Employee will be asked for his or her consent before the test results are released to other parties. Be advised, however, that test results may be used in arbitration, administrative hearings and court cases arising as a result of the Employee's employment.

707 ACCIDENT REPORTING

Employees should seek treatment for any medical emergency at work by dialing 911 or the number for the local police or ambulance unit. Worker's compensation coverage protects Employees if injured on the job. So as not to jeopardize eligibility for this benefit, Employees must report any work-related injury to their Supervisor immediately if any on-the-job injury is incurred. The Employee is required to complete the injury report form. See the Worker's Compensation Policy for more information.

708 WORKPLACE VIOLENCE

The Company has a “zero tolerance” policy for any incidents of workplace violence, including threats of violence, by or against Employees or other individuals on Company-owned or leased property, while engaged in the conduct of or as a result of Company business. Violence or threats of violence against any property also will not be tolerated.

Any violent acts or threats made by any Employee, volunteer, contractor, vendor or elected or appointed official against another person’s life, health, well-being, and family or property or for the purpose of intimidation, are entirely unacceptable and cause for immediate action, including, where appropriate, termination of the relationship with the Company. This policy applies to any threats made on Company property, at Company events or under other circumstances that may negatively affect the Company’s ability to conduct business. Such acts or threats of violence whether made directly or indirectly, by words, gestures, or symbols, infringe upon the Company’s right or obligation to provide a safe workplace.

This list of behaviors, while not inclusive, provides examples of conduct that is prohibited.

- Causing physical injury to another person,
- Making threatening remarks,
- Aggressive, hostile, or intimidating behavior that creates a reasonable fear of injury or loss to another person or to personal property or subjects another individual to emotional distress,
- Intentionally damaging employer property or property of another,
- Possession of a weapon in the Company building or while on Company business,
- Committing acts motivated by, or related to, harassment or domestic violence.

It is the responsibility of all Employees to ensure that the Company is a workplace that is free of violence. Employees are responsible for the following:

- Read and be familiar with the workplace violence policy and be proactive in the prevention of workplace violence incidents.
- Immediately report all incidents of workplace violence to the Department Supervisor, Human Resources, or another member of management.
- Employees who have protection from abuse orders from other individuals should notify management. Employees should work with the Department Supervisor and/or Human Resources to take appropriate steps to minimize the opportunity for the legally identified perpetrator to contact or visit the Employee.

Any individual who believes that he or she has been the target of violence or threats of violence or intimidation or has witnessed or otherwise learned of violent conduct by another in the capacity described above, should contact his or her Department Supervisor or Human Resources immediately. All reported incidents will be investigated and dealt with promptly.

Threats, threatening or intimidating conduct, or any other acts of aggression or violence in the workplace will not be tolerated. Any individual determined to have committed such acts will be subject to immediate discipline or other action, including, where appropriate, termination of the relationship with the Company. Individuals engaged in violent or threatening acts on Company premises will also be reported to the proper authorities.

709 WEAPONS

To maintain a workplace safe and free of violence for all Employees, the Company prohibits the possession or use of dangerous weapons which includes firearms, explosives, knives with a 3-inch blade or longer and other weapons that might be considered dangerous or could cause harm on company property. "Company property" is defined as all company-owned or leased buildings and surrounding areas such as sidewalks, walkways, driveways and parking lots under the Company's ownership or control, or job sites. This policy applies to all Company-owned or leased vehicles, all vehicles that come onto company property, or are used for Company business purposes.

Immediately report any weapon possession to the Supervisor or any management personnel. Any Employee on duty or on the Company's premises in possession of a weapon will be subject to appropriate disciplinary action, up to and including termination.

710 DOMESTIC VIOLENCE

The Company recognizes that domestic violence can have an adverse impact on Employee's job performance and may also impact a co-worker's performance. Employees who have a Protection from Abuse Order (PFA) are encouraged to bring it to the attention of Human Resources. The Company will assist Employees affected by domestic violence, within reasonable guidelines. Information will remain confidential to the degree possible as long as the safety of others is not at risk.

711 USE OF VEHICLES

If requested or required to use vehicles in the performance of work, Employees must possess a valid driver's license and operate vehicles in a proper, safe, and courteous manner observing all laws and regulations. Employees are prohibited from texting and shall observe all laws as to the use of cell phones or electronic devices while driving. Seat belt use is mandatory. Accidents, fines, citations, and related penalties for moving violations or other improper use during work hours must be immediately reported to the Human Resources and are the Employee's responsibility.

Employees whose work requires operation of a motor vehicle must present and maintain a valid driver's license and a driving record confirming the existence of a valid operator's license for the class necessary to operate the required vehicle. Employees also may be asked to submit copies of a current driving record from time-to-time. Employees must immediately report to Human Resources any suspension or limitation on an Employee's operator's license. Failure to do so will result in disciplinary action up to and including termination.

Employees driving commercial vehicles which are subject to Pennsylvania Department of Transportation or federal requirements are required to submit to a physical exam pursuant to those guidelines.

Faced with the rising cost of new vehicles and the cost of gasoline, all Employees are urged to treat Company vehicles with care and consideration. Due to the legal consequences and for the safety of the general public, particularly pedestrians, it is important that no Company vehicle be left idling on the street, at a job site, etc. without someone in attendance in the immediate vicinity and close enough to act in the event an attempted theft is made.

In any event, even if you are nearby, never leave your vehicle idling unless you are parked on a main road and need to use your 4-way flashers, beacon light, or other such emergency device. This will reduce the unnecessary waste of gasoline and unnecessary wear on the vehicles.

Any problem with your vehicle should be reported to your Supervisor immediately. Small problems left unattended often turn into major repairs, not to mention the possibility of bodily injury to the occupants of the vehicle, because a small problem was not reported, and it caused an accident.

VIII. TECHNOLOGY POLICY

801 TELEPHONE USAGE

Contact with the public is vital to the Company's operations. Therefore, telephone courtesy is a high priority. Employees should be aware of the impact that is made on behalf of the Company's image by each conversation and to approach calls with an accommodating attitude and observe the following:

- Answer promptly and identify yourself.
- Speak clearly.
- Take careful and complete messages.
- Do not leave a caller on hold for an extended period of time.

The Company recognizes that there may be an occasion when it is necessary to make or receive a personal call at work. Outgoing calls should be placed during lunch break if possible. Incoming calls should be kept to a minimum and for necessary conversations that cannot wait until after business hours. Abuse of this privilege is subject to disciplinary action.

802 CELL PHONE USAGE

The Company may provide Company cell phones to selected personnel to assist them in carrying out jobs more efficiently. Cell phones and phone numbers are and will remain the property of the Company. Company cell phones are for work purposes only. Occasional calls home is acceptable provided they are kept to a minimum and they do not affect the overall Company bill.

The Company strictly prohibits using a cell phone while driving. Employees must pull off to the side of the road or other appropriate area to use the phone. Abuse of a Company cell phone will result in the privilege being removed and possible further disciplinary steps depending on the seriousness of the incident.

The Company understands that occasionally personal cell calls, texts, or emails, may occur from time to time. Employees may carry and use personal cell phones while at work on a sporadic basis. If Employee use of a personal cell phone causes disruptions or loss in productivity, the Employee may become subject to disciplinary action. Cell phones shall be turned off or set to silent and/or vibrate mode during meetings, conferences and in other locations where incoming calls may disrupt normal workflow.

803 CYBER SECURITY

The physical security is paramount to the safe and uninterrupted delivery of our products to our customers. However, in this day and age, and looking into the future, our ability to protect our electronic operations is just as critical. We, as an organization, are trusted with significant amounts of sensitive and confidential information. Within our systems is your personal information, personal information about our customers and the ability to control some of the processes necessary to provide our water and wastewater services. We all must remain vigilant in maintaining the integrity of the information and control of our processes. Be alert for any sign of infiltration of our computer systems. Report any suspicious activity to your Supervisor or the Information Technology Department immediately. In order to stay current on protecting Company information, Employees will be required to complete all trainings requested by the Company.

804 COMPUTER USAGE

The Company recognizes that use of the Internet and email has many benefits and can make workplace communication more efficient and effective. Therefore, Employees are encouraged to use the Internet and email systems appropriately. Unacceptable use of the Internet and email can place the Company and others at risk. This policy outlines the Company's guidelines for acceptable use of Company technology and electronic communication systems, including, computers, software, electronic mail (email), copiers, fax machines, telephones, voice mail, instant messengers, and the Internet. This policy must be followed in conjunction with other Company policies governing appropriate workplace conduct and behavior.

Use Requirements

The Company has established the following guidelines for Employee use of the Company's technology and communications networks in an appropriate, ethical, and professional manner.

- All technology provided by the Company including computer systems, communications networks, email, Company-related work records and other information stored electronically, is the property of the Company and not the Employee. In general, use of the Company's technology systems and electronic communications should be job-related and not for personal convenience. Excessive use of Company systems for personal use is prohibited. Employees violating this policy are subject to discipline up to and including discharge.
- Employees are responsible for maintaining the confidentiality of all passwords, passcodes, and PIN numbers. If an Employee obtains the password/passcode of another employee, they are to maintain the confidentiality of the

information, and immediately notify both the IT Department and the Employee to whom the information belongs. The Employee whose password/passcode has been compromised shall immediately change the password upon notification.

- Electronic media and services shall not be used in a manner that is likely to cause network congestion or significantly hamper the ability of other people to access and use the system. Employees may be prohibited from video streaming and use of internet radio, to the extent that these services impair network functionality.
- Employees may not use the Company's Internet, email, or other electronic communications to transmit, retrieve or store any communications or other content of a defamatory, discriminatory, harassing, or pornographic nature. No messages with derogatory or inflammatory remarks about an individual's race, age, disability, religion, national origin, physical attributes, or sexual preference may be transmitted. This includes, but is not limited to, ethnic slurs, racial comments, off-colored jokes, or anything that can be construed as harassment or showing disrespect for others. Harassment of any kind is prohibited, and all communications or files used through the Company's technology and electronic communication systems are subject to the Company's anti-harassment, anti-discrimination, and non-solicitation policies.
- Disparaging, abusive, profane, or offensive language; materials that might adversely or negatively reflect on the Company or be contrary to its legitimate business interests; and any illegal activities—including piracy, cracking, extortion, blackmail, copyright infringement and unauthorized access to any computers on the Internet or email – are forbidden.
- Use of Company technology and electronic communication systems for any illegal purpose is prohibited. The Company reserves the right to report any illegal violations to appropriate law enforcement authorities.
- Employees may not upload, download, or otherwise transmit commercial software or any copyrighted materials belonging to the Company, or parties outside the Company.
- Employees shall not permit any proprietary or confidential information of the Company to enter the public domain through electronic transmissions. Also, these systems shall not be used to receive copyrighted materials, trade secrets, proprietary information, or similar materials from outside the Company without prior authorization.

- Employees may not use the system in a way that disrupts its use by others. Intentional interference with the normal operations of the Company network is prohibited.
- To prevent contamination of Company technology systems by harmful computer viruses, Employees may not download any software or electronic files or attachments without implementing the virus protection measures that have been approved by the Company. Employees should not open email attachments from unknown, suspicious, or untrustworthy sources.
- Every Employee of the Company is responsible for the content of all text, audio, or image files that he or she places or sends over the Company's Internet and email systems. The Company's corporate identity is attached to all outgoing email communications, which should reflect corporate values and appropriate workplace language and conduct. Employees may not represent their personal opinions as those of the Company.
- No email or other electronic communications may be sent that hide the identity of the sender or represent the sender as someone else. No anonymous emails can be sent from the Company's systems. All Employees are required to identify themselves by name and email address. Employees may not examine, change, or use another person's files or username, for which they do not have explicit authorization.
- Employees are prohibited from: intercepting files or electronic communications of other Employees; hacking or obtaining access to systems or accounts that they are not authorized to use; using other individuals' logins, usernames, and passwords; breaching, testing, or monitoring computer or network security measures.
- Solicitation of others for commercial ventures, religious or political causes, outside organizations or other non-business matters is prohibited.
- All other inappropriate uses identified by the Company are prohibited.
- Internal and external email, voice mail, and text messages are considered business records and may be subject to discovery in the event of litigation. Employees must be aware of this possibility when communicating electronically within and outside the Company.

Personally Identifiable Information (PII)

Employees utilizing electronic communications and internet resources must be aware of the risk associated with transmitting Personally Identifiable Information (PII), whether their own or that of a customer or employee of the Company. PII includes unique personal identification numbers or data associated with a person, including:

- Social Security Numbers (or their equivalent issued by governmental revenue entities outside the United States).
- Taxpayer Identification Numbers (or their equivalent issued by governmental revenue entities outside the United States).
- Employer Identification Numbers (or their equivalent issued by governmental revenue entities outside the United States).
- State or foreign driver's license numbers.
- Dates of birth.
- Credit and debit card numbers (including PIN or access numbers)
- Bank account numbers.

PII may exist in hard copy or electronic records; both forms of PII are covered by this policy.

Employees should not include PII in email communications unless necessary for the Employee's job and with prior approval by management. Customer service duties, which require verification of customer identity, must be performed via telephone. Employees shall not confirm a customer's identity through the electronic transmission of PII by email.

The use of online, third-party storage such as iCloud, Dropbox, Box, and similar resources is permitted for Company use under limited circumstances. Microsoft is preferred as the storage resource platform. Employees shall obtain approval by Management to use these types of resources. These resources should not be considered part of typical business practices, and employees shall avoid storing proprietary information, PII, or any other type of sensitive information using these resources.

Software and Licensing Usage

The Company purchases and licenses the use of various computer software for business purposes and does not own the copyright to this software or its related documentation. The Company adheres to vendor software license agreements and copyright holders' notices and expects Employees to do the same.

Unless permitted by a license agreement, duplication of copyrighted software, except for backup and archival purposes, is a violation of copyright law. Employees are prohibited from duplicating Company-owned software, from copying such software onto personal computers or other electronic devices, and from installing privately

owned software onto the Company's computers and networks. Unauthorized reproduction of software will result in disciplinary action, which may include termination of employment.

Due to the threat of viruses that could impact the Company's ability to conduct business, Internet "shareware" cannot be downloaded or installed onto the Company's computers and networks.

Subscriptions

If an Employee wishes to subscribe to online forms or purchase any work-related internet subscriptions, the Employee shall first obtain prior approval from the Employee's Supervisor. Employees making use of any subscription are required to provide the IT Department with the username and password for the service, and to keep the IT Department apprised of any updates to the password. The Employee is responsible for terminating and/or transferring any subscription prior to separating Employment with the Company.

When interacting on work-related forums, Employees shall include the following disclaimer in all of their postings:

The views, opinions, assertions, and judgments expressed in this message are solely those of the author. The message contents have not been reviewed or approved by The York Water Company.

Company's Right to Monitor and Consequences for Misuse

All Company-supplied technology, including computer systems, equipment, and Company-related work records, belongs to the Company and not to the Employee user. Email and other electronic communications transmitted by Company equipment, systems and networks are not private or confidential, and they are the property of the Company. The Company reserves the right to examine, monitor and regulate email and other electronic communications, directories, files, and all other content, including Internet use, transmitted by, or stored in its technology systems, whether onsite or offsite. Employees understand the Company routinely monitors use patterns and Employees should observe appropriate workplace discretion in their use and maintenance of such Company property.

Because all the computer systems and software, as well as email and Internet connections, are the property of the Company, all Company policies apply to their use and are in effect at all times. Any Employee who abuses the Company-provided access to email, the Internet, or other electronic communications or networks, including social media, may be denied future access, and, if appropriate, be subject to disciplinary action up to and including termination, within the limitations of any applicable federal, state, or local laws.

805 REMOTE WORK

The Company recognizes the challenges of modern life in a fast-paced world and the need for some flexibility for Employees who have demonstrated reliability, productivity, and discipline in their work. The Company also encourages Employees to work collaboratively and as a team to accomplish all of the Company's goals. It is part of our necessary functions and the culture of the Company to work primarily in-person and not remotely, but this policy sets forth parameters that may allow an Employee to work remotely. These arrangements provide an opportunity to maintain Employee productivity and a cohesive Company culture through creative work scheduling when necessary and appropriate.

Applicability

This Policy applies to Regular Full-Time Employees. Some positions within the Company are not eligible for remote work. If you are unsure about the eligibility of your position, contact Human Resources.

“Remote Work” refers to an employment schedule that may incorporate certain remote working hours during the traditional work week (M-F 8am-5pm) outside of a Company facility or office utilizing Company-supplied technology and equipment for some designated portion of the work week. In all circumstances, the majority of the work week should be worked in a Company facility or office.

The senior supervisor in your reporting chain (i.e., VP, Superintendent, Controller, or Operations Manager) in consultation with the Vice President of Human Resources, is responsible for identifying if the Employee is eligible for remote work and whether Remote Work is feasible for the particular position and within the functions and existing circumstances of the Department and the Company.

Requesting Remote Work

Employees must make a request for Remote Work with their direct Supervisor. The direct Supervisor will review and must approve the written request before the Employee forwards the request for approval from the VP-Human Resources (VP-HR). If the direct Supervisor does not approve the request, the Employee may still submit the request, but the request must indicate the direct Supervisor's failure to approve the request.

Following submission to the direct Supervisor, the written request will be forwarded by the Supervisor to the appropriate Chief Executive (COO, CFO, CAO), and receive initials at each supervisory step, and then provided to the VP-HR. If the

request is approved, an agreement will be presented to the requesting Employee. No Remote Work can begin until the request is approved, and the details are memorialized in writing in a format approved by the Vice President of Human Resources and the Chief Administrative Officer, as described in the final section of this policy. All requests will be considered on a case-by-case basis.

Remote Work will not be approved for more than two (2) calendar days in a calendar week. No request will be approved for full-time remote work. At a minimum, all of the following conditions must be met for Remote Work and, where applicable, must continue at all times following approval:

- A minimum of 1 year (12 consecutive months) of full-time service with the Company, excluding internship time;
- Satisfactory attendance and performance record;
- Must consistently demonstrate the ability to complete tasks and assignments on a timely basis and with high-quality work product and results;
- Must have and maintain a professional, designated workspace in the remote location, which will be reviewed prior to execution of an Agreement;
- The nature of the Employee's work and responsibilities must be conducive to Remote Work without causing significant disruption to employees, departmental performance, and/or service delivery to customers;
- Must be performed only on Company equipment;
- Must be established on a fixed and regular schedule memorialized in a written agreement

Any promotion or position change for an Employee terminates an existing Remote Work agreement. The employee must submit a new request for Remote Work for the new position, if desired.

Written Agreement Required

If a Remote Work arrangement is approved, the Company will offer the employee a Remote Work Agreement detailing specific terms and conditions of the arrangement. Employee must execute the Remote Work Agreement prior to beginning the remote schedule.

The direct Supervisor will implement and actively manage the Remote Work Agreement, including conducting a regular assessment of the continued functionality and benefit of the Remote Work Agreement. Remote performance shall be specifically included in the annual review process.

Management may alter or terminate the Remote Work Agreement at any time for any reason or without reason. An employee wishing to change or cancel an Agreement must contact the direct Supervisor and VP-HR to initiate that process. A minimum 14-day notice shall be given when discontinuing an arrangement regardless of whether it is discontinued by management or requested by the Employee, unless both parties agree to a shorter notice.

Management reserves the right, in its sole discretion, to approve or deny any Remote Work arrangement or agreement, and to modify or revoke such Agreement once executed.

806 SOCIAL MEDIA POLICY

The Company understands that social media can be a fun and rewarding way to share life and opinions with family, friends, and co-workers around the world. However, use of social media also presents certain risks and carries with it certain responsibilities. To assist Employees in making responsible decisions about the use of social media, the Company has established these guidelines for appropriate use.

Guidelines

In the rapidly expanding world of electronic communication, *social media* can mean many things. *Social media* includes all means of communicating or posting information or content of any sort on the Internet, including to an Employee's own or someone else's web log or blog, journal or diary, personal web site, social networking or affinity web site, web bulletin board or a chat room, whether or not associated or affiliated with the Company, as well as any other form of electronic communication.

The same principles and guidelines found in Company policies also apply to an Employee's activities online. Ultimately, an Employee is solely responsible for what the Employee posts online. Before creating online content, consider some of the risks and rewards that are involved. Keep in mind that an Employee's conduct that adversely affects his or her job performance, the performance of fellow Employees or otherwise adversely affects members, customers, suppliers, people who work on behalf of the Company or the Company's legitimate business interests may result in disciplinary action up to and including termination.

Know and follow the rules

Carefully read these guidelines, the manual, and ensure that postings are consistent with these policies. Inappropriate postings that may include discriminatory remarks, harassment, and threats of violence or similar inappropriate or unlawful conduct will not be tolerated and may subject an Employee to disciplinary action up to and including termination.

Be respectful

Always be fair and courteous to fellow Employees, customers, members, suppliers, or people who work on behalf of the Company. Also, keep in mind that work-related complaints are more likely to be resolved by speaking directly with your co-workers or by utilizing the Company's open-door policy than by posting complaints to a social media outlet. Nevertheless, if complaints or criticism are posted, avoid using statements, photographs, video, or audio that reasonably could be viewed as malicious, obscene, threatening or intimidating, that disparage customers, members, Employees, or suppliers, or that might constitute harassment or bullying. Examples of such conduct might include offensive posts meant to intentionally harm another's reputation or posts that could contribute to a hostile work environment on the basis of race, sex, disability, religion, or any other status protected by law or Company policy.

Be honest and accurate

Employees must ensure honesty and accuracy when posting information or news, and if a mistake is made, correct it quickly. Be open about any previous posts that may have been altered. Remember that the Internet archives almost everything; therefore, even deleted postings can be searched. Never post any information or rumors that are known to be false about the Company, fellow Employees, members, customers, suppliers, people working on behalf of the Company or competitors.

Post only appropriate and respectful content

- Maintain the confidentiality of Company trade secrets and private or confidential information. Trade secrets may include information regarding the development of systems, processes, products, know-how and technology. Do not post internal reports, policies, procedures, or other internal business-related confidential communications.
- Do not create a link from a personal blog, website, or other social networking site to a Company website without identifying yourself as a Company Employee.
- Express only personal opinions. Employees may not represent themselves as a spokesperson for the Company. If the Company is a subject of the content, be clear and open about the fact that you are an Employee and make it clear that your views do not represent those of the Company, fellow Employees, members, customers, suppliers, or people working on behalf of the Company. If an Employee publishes a blog or post online related to the work performed for the Company or subjects associated with the Company, Employees must make it clear that they are not speaking on behalf of the Company. It is best

to include a disclaimer such as “The postings on this site are my own and do not necessarily reflect the view of the Company.”

Using social media at work

Refrain from using social media while on work time or on Company equipment unless it is work-related as authorized by a Supervisor or consistent with the Company equipment policy. Do not use Company email addresses to register on social networks, blogs or other online tools utilized for personal use.

Retaliation is prohibited

The Company prohibits taking negative action against an Employee for reporting a possible deviation from this policy or for cooperating in an investigation. Any Employee who retaliates against another Employee for reporting a possible deviation from this policy or for cooperating in an investigation will be subject to disciplinary action, up to and including termination.

Media contacts

Employees should not speak to the media on the Company’s behalf. All media inquiries should be directed to the President/CEO.

IX. EMPLOYMENT FORMS

901 EMPLOYEE ACKNOWLEDGMENT OF RECEIPT

This handbook describes important information about the Company, and I understand that I should consult Human Resources regarding any questions not answered in the handbook. This handbook does not represent the entire policies of the Company but is designed to give guidance to many essential Company personnel policies.

The Company continually reviews its personnel policies and Employee benefits and reserves the right, in its sole discretion, to modify, supplement, amend or delete any of the provisions contained in this handbook or any Employee benefits at any time. Furthermore, I understand that the Company reserves the right to interpret all provisions of the handbook or of any benefit policies contained therein.

I have entered into my employment relationship with the Company voluntarily and acknowledge that there is no specified length of employment. Accordingly, either the Company or I can terminate the relationship at will, for any reason or for no reason, at any time.

I acknowledge that this handbook is not a contract of employment. I hereby acknowledge that I received my handbook describing Company policies and my benefits as an Employee of the Company. I have read and understand the Company policies contained herein and am fully aware of my obligations at all times to fully comply with the responsibilities that are imposed on me as a condition of employment.

I agree to comply with the Company's policies regarding the protection of confidential business information, whether herein stated or part of the Company's overall practices and procedures.

EMPLOYEE SIGNATURE

DATE: _____

EMPLOYEE NAME (Please Print)