

THE YORK WATER COMPANY



“That good York water”

SINCE 1816

UNION EMPLOYEE HANDBOOK

2015

FOREWORD

Whether you have just joined our staff or have been at The York Water Company for a while, we are confident that you will find our company a dynamic and rewarding place in which to work, and we look forward to a productive and successful association. We consider the employees of The York Water Company to be one of its most valuable resources. This handbook has been written to serve as the guide for the employer/employee relationship.

There are several things to keep in mind about this handbook. First, it contains only general information and guidelines. It is not intended to be comprehensive or to address all the possible applications of, or exceptions to, the general policies and procedures described. For that reason, if you have any questions concerning eligibility for a particular benefit or the applicability of a policy or practice to you, you should address your specific questions to your supervisor or the Human Resource Department. Neither this handbook nor any other company document confers any contractual right, either express or implied, to remain in the company's employ. Nor does it guarantee any fixed terms and conditions of your employment. Your employment is not for any specific time and may be terminated at will with or without cause and without prior notice by the company, or you may resign for any reason at any time. No supervisor or other representative of the company (except the president) has the authority to enter into any agreement for employment for any specified period of time or to make any agreement contrary to the above. The procedures, practices, policies and benefits described here may be modified or discontinued from time to time. We will try to inform you of any changes as they occur.

The policies and procedures set forth here should not be construed as restricting, enlarging, or in any way superseding any of the Company/Union collective bargaining agreements, various benefit plans or Company instructions which have been issued in the past or may be issued in the future.

This handbook and the information in it should be treated as confidential. No portion of this handbook should be disclosed to others, except York Water Company employees and others affiliated with the company whose knowledge of the information is required in the normal course of business.

Some subjects described in this handbook are covered in detail in official policy documents. Refer to these documents for specific information because the handbook only briefly summarizes those guidelines and benefits. Please note that the terms of the written insurance policies or official plan papers, i.e. retirement plans, etc., are controlling and override any statements made in this or other documents.

TABLE OF CONTENTS*

Forward.....	1
Table of Contents.....	2
President's Letter of Welcome.....	4
Mission Statement	4
Your Company	
The York Water Company Logo	5
Company Reputation.....	5
Public Affairs Policy	5
Communities We Serve	6
Code of Ethics.....	6
Code of Conduct.....	7
Whistleblower Policy.....	8
Treatment of Customers	9
Water Treatment Process.....	9
Annual Drinking Water Quality Report.....	10
Offices and Plants.....	11
Your Job	
Equal Employment Opportunity	12
The Union	12
Anti-harassment Policy and Complaint Procedure.....	12
Tours for New Employees.....	14
Probation Period.....	14
Identification Cards	15
Security.....	15
Cyber Security	16
Payday	16
Direct Deposit	16
Change in Personal Status	16
Employee Parking.....	17
Working Hours	17
Overtime	17
Meals.....	17
Absences.....	17
Punctuality	18
Work Area.....	18
Leaves of Absence	18
Bereavement Pay	19

Your Job (Continued)	
Jury Duty	20
Holidays	20
Vacations	20
Rest Periods	21
Rules for Employees	21
Review Procedure	25
Drugs, Sale and/or Use	25
Firearms and Weapons	25
Outside Employment	26
Appearances	26
Smoking	26
Use of Company Vehicles	27
Personal Car Use	27
Telephone Use	27
Personal Long Distance	27
Personal Telephone and Pager Use	27
Electronic Communication Policy	28
Social Media	28
Solicitations	28
Bulletin Boards	28
Resignations	29
Final Check	29
Job Posting	29
Educational Reimbursement	29
First Aid, AED and CPR Programs	29
Blood Bank Donor Program	29
Employee Assistance Program	30
Suggestions	30
"Tap Splash"	30
Service Awards Dinner	31
Company Picnic	31
Employee Center	31
Employees' Stock Purchase Plan	31
Safety	31
Benefits	32



“That good York water”

SINCE 1816

Dear Fellow Employee:

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 65,000 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 “Tap Splash,” 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,

Jeffrey R. Hines
President and Chief Executive Officer

Mission Statement of The York Water Company

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 a reasonable rates in an environment encouraging dedicated employees to achieve their highest standard of performance while earning a fair return for our shareholders.



“That good York water”

SINCE 1816

The hand-powered water pump, a symbol of our early American heritage, represents the community spirit of the Company's founders, and their dedication to providing all citizens with a reliable source of pure, safe drinking water.

The stylized evergreen tree which accents the water pump represents not only nature, and our dependence on nature for the precious resource we all take so much for granted, but also the Company's commitment to preserve and protect the ecological balance of those lands and water sources in our service area.

COMPANY REPUTATION

The Company's reputation is built every day. The water our customers drink, wastewater being treated, signing up for a new service, having a leak repaired in the neighborhood, or having a bill explained are all part of what gives The York Water Company its fine reputation.

All these acts have one thing in common, people helping people. During the course of a day all of us at the Company will talk with many people who are seeking help from us. Some will seek it nicely, others will behave otherwise. All of us need to never forget that it is our responsibility to offer the most assistance we are able to that person in a sincere and friendly manner. There can be no other way!

Your responsibility while on the job or off is to remember that you are a representative of The York Water Company. Your friends, family and neighbors will talk to you about their experience with the Company, be it good or bad. You need to always sincerely listen to them and offer help. If you are unable to help them you need to direct them to someone else in the Company who can assist them.

How you treat customers and how you talk about The York Water Company, on and off the job, plays a large part in how our customers view us and the service we provide to them.

PUBLIC AFFAIRS

The York Water Company is first and foremost committed to providing its service area with "that good York water" and excellent wastewater management at the lowest possible cost operating under sound, honest business practices. Accordingly, the Company will meet the standards of the Safe Drinking Water Act for high quality water and the Clean Water Act for wastewater management and will provide adequate service for preservation of the public health and the furnishing of reasonable fire protection to property and will operate its systems for its customers efficiently, effectively and reliably.

In addition, it is the intention of The York Water Company to continue to be a good corporate citizen of the communities in which it has facilities and in which it provides service. The good citizenship shall include, but not be limited to, requiring and expecting its officers,

management and employees: To comply with all federal, state and local laws and regulations; to conduct themselves to the highest ethical standards; to treat the Company's customers with respect always and with compassion when needed; and to act as stewards of our natural resources and of the environment upon which we are dependent for our source of supply.

Further, The York Water Company realizes that its growth and prosperity as a corporation are dependent upon the growth and prosperity of the community it serves, and further recognizes that it has a responsibility for leadership and innovation in the local, state and national political, social, environmental and economic areas that affect its mandate for clean, plentiful and economically feasible water supplies. To this end the Company will encourage and recognize those employees who give of their time and resources to responsible community activities, will contribute financially within its budget to a variety of community needs, will cooperate with communities it serves in the best interests of all and will work with other local, state and national groups to enhance the quality of life and the environment in which it resides.

COMMUNITIES WE SERVE

The York Water Company has a long history of providing our services to communities in need. Our system extends to numerous communities throughout York and Adams Counties. We are proud to provide our water to individual residences, schools, healthcare facilities, commercial and industrial businesses. We believe we play a vital role in the continuing health and prosperity of this region.

A current list of communities served is available at the Company website, click on www.yorkwater.com, then click on "PUC Approved Tariff". The list of the communities we service is at the very beginning of the tariff.

The Company continues to grow its customer base both by new residential housing developments, business/commercial growth, the acquisition of existing water/waste water companies.

CODE OF ETHICS AND STANDARDS OF CONDUCT POLICY FOR EMPLOYEES OF THE YORK WATER COMPANY

Every employee is solely responsible for his or her actions, and the consequences thereof.

Every employee, when engaged in any activity concerning the Company and when dealing with customers, suppliers, other employees and the general public, must observe the highest standards of integrity, honesty and fairness.

It is expected that no employee, at any time, but particularly while on Company property or while engaged in Company business, will undertake any activity that is or gives the appearance of being improper, illegal, immoral or will in any way embarrass or bring harm to the Company and its customers; or impacts the employee's ability to perform his job.

CODE OF CONDUCT

With the passage of the Sarbanes-Oxley legislation that addressed corporate illegalities, the Board of Directors of the Company developed a code of conduct to help prevent corporate malfeasance. While the code is comprehensive, it can not be expected to address every possible situation that may arise in the years to come. Therefore, the code is written in a manner that is flexible and will take into consideration matters that are not specifically mentioned in the code.

The reputation and integrity of The York Water Company (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.

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:

1. incorrect financial reporting;
2. unlawful activity;
3. activities that are a violation of York Water policy, including the Code of Conduct; or activities, which otherwise amount to serious improper conduct.

I. 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:

1. the seriousness of the issue raised;
2. the credibility of the concern; and
3. 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.

II. Procedure

A. 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 every Company 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 such as your supervisor, the Vice President of Human Resources, or to the President and CEO.

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.

B. 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 locked file in the Human Resources department for a period of five years.

TREATMENT OF CUSTOMERS

It has been a long-standing policy of The York Water Company to treat all customers, regardless of their economic status, race, sex, etc., with dignity, courtesy and understanding.

Undoubtedly, no matter what your position with the Company, you will come in contact with our customers. You will be expected to continue our Company's policy 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.

DESCRIPTION OF THE TREATMENT SCHEME AT THE YORK WATER COMPANY

Raw creek water is drawn into the Brillhart Pumping Station where it is treated with potassium permanganate. This chemical oxidizes organics, iron and manganese, so they can be removed in later treatment steps.

This pretreated water is then pumped about 2 miles to the Grantley Filter Plant. The water enters a rapid mixer where aluminum sulfate alum is added to coagulate suspended solids. At this point activated carbon can also be applied to absorb taste and odors.

The coagulated water next flows through a flocculator stage where slow turbulence helps the coagulated solids grow to a readily settled "floc" particle. At the end of the flocculation stage, sodium hypochlorite is added as a disinfecting agent.

The floc laden water flows into settling basins where after several hours gravity settles the floc to the bottom and clarified water exits from the top.

This clarified water then flows onto filters where the water seeps downward through coal and sand layers which remove particles too small to settle. The filtered water then enters a small clearwell where it is dosed with lime to adjust pH. Here it is also dosed with ammonia and sodium hypochlorite chlorine to create chlorine to further the disinfectant process. The water then exits the Filter Plant and flows into the two covered finished water reservoirs. As consumption draws water from these reservoirs, the water is given a final pH adjustment by the addition of caustic soda. From this point the finished water circulates through the distribution system.

While the theory of our purification process has not changed significantly for many years, the efficiency in which the process runs has changed dynamically over the years. We have introduced numerous changes that have increased our capacity, reduced energy costs, strengthened our redundant control processes, greatly improved the ability to monitor the process, reduced the time necessary to identify potential issues and most importantly improved the quality of the water that leaves our filter plant.

You may also view the description of the treatment scheme by going to the Company website, www.yorkwater.com and clicking on the Annual Drinking Water Quality Report.

ANNUAL DRINKING WATER QUALITY REPORT

Each year the Company conducts thousands of water quality tests to ensure our water meets or exceeds the standards set forth by the Environmental Protection Agency. To inform our customers about our quality levels the Company provides a report on the results of those testing efforts. As an employee you should become familiar with its contents as it explains many aspects of water quality issues. Some of the issues addressed are the purification process, contaminants we treat, why we use sodium hypochlorite, our position regarding fluoride, and explanation of "hard water" versus "soft water" and other interesting information. You may view the Annual Drinking Water Quality Report at www.yorkwater.com.

COMPANY OFFICES AND PLANTS AND THEIR FUNCTIONS

Main Office

130 East Market Street
York, PA 17401

Main Offices, Accounting Department, New Business, Billing, Customer Inquiries, Human Resources Department, Stockholder Services, Information Technology Department and Meter Reading Department

Distribution Department

1801 Mount Rose Avenue
York, PA 17402

Distribution System Maintenance, Engineering and Construction Department, Meter Installation and Service Departments, Maps and Records, Shop Dispatcher, Operations Office, Materials and Supplies, Purchasing Department and Technical Services Department.

Filter Plant

Grantley Road
York, PA 17403

Purification Facility and Laboratory

Brillhart Pumping Station

2316 Croll School Road
York, PA 17403

Codorus Creek Pumping Facility, Maintenance and Grounds Department

Susquehanna River Pumping Station

2052 Long Level Road
Wrightsville, PA 17368

Susquehanna River Pumping Facility

William T. Morris Employee Center

296 Hess Farm Road
York, PA 17403

The Company also owns and operates satellite water system, wastewater treatment facilities two reservoirs and dams in our service area. We expect more acquisitions to occur from time to time.

We also have many smaller facilities, such as remote pumping stations, reservoirs, and standpipes (water tanks) throughout York and Adams Counties.

EQUAL EMPLOYMENT OPPORTUNITY STATEMENT

The York Water Company provides equal employment opportunities (EEO) to all employees and applicants for employment without regard to race, color, religion, gender, sexual orientation, gender identity, national origin, age, disability, genetic information, marital status, amnesty or status as a covered veteran in accordance with applicable federal, state and local laws. The Company complies with applicable state and local laws governing nondiscrimination in employment in every location in which the company has facilities. This policy applies to all terms and conditions of employment, including hiring, placement, promotion, termination, layoff, recall, transfers, leave of absence, compensation and training.

The York Water Company expressly prohibits any form of unlawful employee harassment based on race, color, religion, gender, sexual orientation, national origin, age, genetic information, disability or veteran status. Improper interference with the ability of Company employees to perform their expected job duties is absolutely not tolerated.

THE UNION

The Company recognizes the United Steel, Paper and Forestry, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO-CLC, Local 1852-08, 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 probation periods. Office and administrative employees are not represented by the bargaining unit and are not required to become members of the union. Union member employees are encouraged to participate in union activities so that the union will represent them accurately. The Company is committed to an ethical relationship with the union and its members to foster cooperation to help better serve our customers.

As provided in the Company/Union agreement, the Company will, upon signed authorization, deduct dues from employees' pay and forward them to the union once each month. Nothing in this handbook is intended to restrict the rights within the National Labor Relations Act, Section 7.

ANTI-HARASSMENT POLICY AND COMPLAINT PROCEDURE

The York Water Company is committed to a work environment in which all individuals are treated with respect and dignity. Each individual has the right to work in a professional atmosphere that promotes equal employment opportunities and prohibits unlawful discriminatory practices, including harassment. Therefore, the Company expects that all relationships among persons in any of our facilities will be business-like and free of bias, prejudice and harassment.

It is the policy of The York Water Company to ensure equal employment opportunity without discrimination or harassment on the basis of race, color, religion, gender, sexual orientation, gender identity, national origin, age, disability, genetic information, marital status, amnesty or status as a covered veteran. The York Water Company prohibits any such discrimination or harassment.

The York Water Company encourages reporting of all perceived incidents of discrimination or harassment. It is the policy of Company to promptly and thoroughly investigate such reports. The Company prohibits retaliation against any individual who reports discrimination or harassment or who participates in an investigation of such reports.

Definitions of Harassment

Sexual harassment constitutes discrimination and is illegal under federal, state and local laws. For the purposes of this policy, sexual harassment is defined, as in the Equal Employment Opportunity Commission Guidelines, as unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature when, for example a) submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment; b) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; or c) such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or; or d) creating an intimidating, hostile or offensive working environment.

Sexual harassment may include a range of subtle and not-so-subtle behaviors and may involve individuals of the same or different gender. Depending on the circumstances, these behaviors may include unwanted sexual advances or requests for sexual favors; sexual jokes and innuendo; verbal abuse of a sexual nature; commentary about an individual's body, sexual prowess or sexual deficiencies; leering, whistling or touching; insulting or obscene comments or gestures; display in the workplace of sexually suggestive objects or pictures; and other physical, verbal or visual conduct of a sexual nature.

Harassment on the basis of any other protected characteristic is also strictly prohibited. Under this policy, harassment is verbal, written or physical conduct that denigrates or shows hostility or aversion toward an individual because of his/her race, color, religion, gender, sexual orientation, national origin, age, disability, marital status, citizenship, genetic information or any other characteristic protected by law or that of his/her relatives, friends or associates, and that a) has the purpose or effect of creating an intimidating, hostile or offensive work environment; b) has the purpose or effect of unreasonably interfering with an individual's work performance; or c) otherwise adversely affects an individual's employment opportunities.

Harassing conduct includes epithets, slurs or negative stereotyping; threatening, intimidating or hostile acts; denigrating jokes; and written or graphic material that denigrates or shows hostility or aversion toward an individual or group and that is placed on walls or elsewhere on the employer's premises or circulated in the workplace, on company time or using company equipment via e-mail, phone (including voice messages), text messages, tweets, blogs, social networking sites or other means.

Individuals and Conduct Covered

These policies apply to all applicants and employees, whether related to conduct engaged in by fellow employees or someone not directly connected to The York Water Company (e.g., an outside vendor, consultant or customer).

Conduct prohibited by these policies is unacceptable in the workplace and in any work-related setting outside the workplace, such as during business trips, business meetings and business-related social events.

Complaint Process

Individuals who believe they have been the victims of conduct prohibited by this policy statement or who believe they have witnessed such conduct should discuss their concerns with their immediate supervisor, Human Resources or any member of management.

When possible, the Company encourages individuals who believe they are being subjected to such conduct to promptly advise the offender that his or her behavior is unwelcome and request that it be discontinued. Often this action alone will resolve the problem. The Company recognizes, however, that an individual may prefer to pursue the matter through complaint procedures.

The York Water Company encourages the prompt reporting of complaints or concerns so that rapid and constructive action can be taken before relationships become irreparably strained. Therefore, although no fixed reporting period has been established, early reporting and intervention have proven to be the most effective method of resolving actual or perceived incidents of harassment.

Any reported allegations of harassment, discrimination or retaliation will be investigated promptly. The investigation may include individual interviews with the parties involved and, where necessary, with individuals who may have observed the alleged conduct or may have other relevant knowledge.

Confidentiality will be maintained throughout the investigatory process to the extent consistent with adequate investigation and appropriate corrective action.

Retaliation against an individual for reporting harassment or discrimination or for participating in an investigation of a claim of harassment or discrimination is a serious violation of this policy and, like harassment or discrimination itself, will be subject to disciplinary action. Acts of retaliation should be reported immediately and will be promptly investigated and addressed. Misconduct constituting harassment, discrimination or retaliation will be dealt with appropriately.

If a party to a complaint does not agree with its resolution, that party may appeal to the President & CEO.

False and malicious complaints of harassment, discrimination or retaliation may be the subject of appropriate disciplinary action.

TOURS FOR NEW EMPLOYEES

A new employee can best know and represent the Company if he or she knows about the Company. Therefore, shortly after you join the Company, a tour will be arranged to show you the different operations and facilities of the Company so that you will know that you are an important part of the Company team.

PROBATION PERIOD

You will be on probation for sixty (60) days from your date of hire. This period is useful since it gives you an opportunity to become accustomed to the duties of your new job and to decide

whether you wish to remain with the Company. It also gives your supervisor time to get to know you better and to judge your ability to do the assigned work.

If your supervisor is satisfied with your work performance and if you wish to continue working for the Company at the end of the probation period, you will be considered a regular employee and your continued employment will date back to the day you started to work for the Company. Continued employment is subject to economic conditions, satisfactory job performance. No specific period of employment is guaranteed.

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.

Unfortunately, there are individuals who have used the disguise of a utility employee to gain access to homes. 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 employee of The York Water Company.

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 circumstance 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.

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 waste water services. We all must remain vigilant in maintaining to 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.

PAYDAY

You will be paid weekly on Wednesday for the week ending at midnight Sunday of the previous week.

DIRECT DEPOSIT

Direct deposit of your paycheck to the financial institutions of your choice is available. Please ask the Human Resources Department for details.

CHANGE IN PERSONAL STATUS

If there is a change in your marital status, change of dependents, a change of address or phone number, you should notify the Human Resources Department within two weeks, in writing, so that appropriate changes can be made in your records that are affected by this change. (Late notifications may impact eligibility for certain benefits).

If your name is changed, you should also apply to the Social Security Administration for a new Social Security card. The Human Resources Department will be glad to assist you in making the application.

Keep in mind that changes in your personal status might also mean a change in the number of dependents for federal, state and local tax purposes.

Incorrect statement of age on your employment record may result in serious complications with respect to Social Security, retirement and other benefits. If for any reason you feel that your birth date might be incorrectly registered on Company records, a call to the Human Resources Department for verification and possible change in the records will be held strictly confidential. You have the right to review your personnel file. (Contact the Vice President-Human Resources for arrangements.)

EMPLOYEE PARKING

Each of the office personnel is 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 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.

The other 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.

WORKING HOURS

Hours of work differ according to your job classification and employee group. The normal work week for most regular full-time employees is for 40 hours, Monday through Friday. Your supervisor will provide you with your work schedule.

OVERTIME

Because our business is essential to the health and wellbeing of the public, it is necessary to assign planned, or emergency, overtime. All employees are expected to cooperate when asked to work overtime.

MEALS

If you are asked to work beyond your normal quitting time, and if the work keeps you past when you can reasonably be expected to get your meal at home, your supervisor will purchase or send someone to purchase food for you.

ABSENCES

There will be times when you will be unable to report to work because of illness or other reasons.

If you are absent because of illness, you are expected to call your supervisor prior to the start of the work day each day you are absent, giving all pertinent information regarding the illness, where you will be staying and expected length of illness.

If medical help has been sought, the name of your physician or medical facility consulted should be reported. The rule that you call in each day may be waived if you have been advised by your physician that your illness will be of a prolonged nature.

Absentee records of all employees will continually be reviewed to see whether excessive days of patterns of absence are developing. Abuses shall be considered to exist when records indicate the occurrence of certain patterns of absences or if excessive days off are taken during any period of time.

The employee's record will be discussed with him or her in an effort to correct the abuse. If the employee fails to correct the abuses as set forth above, appropriate corrective action may be taken. The employee has the right, if such action is taken and he or she feels it was unwarranted, to use the Review Procedure.

PUNCTUALITY

If you know that you are going to be late for work, attempt to notify and inform your supervisor why you will not be in on time and what time you expect to arrive. It is realized there are times when this is not possible, such as your involvement in a vehicle accident. In emergencies such as these, you are expected to contact your supervisor as soon as possible. For instance, you might be on your way to work and you may be involved in a vehicle accident or breakdown. In emergencies such as these, you cannot be expected to call immediately. You should contact your supervisor as soon as safely possible.

WORK AREA

Each day some employees are assigned different work areas if they happen to be employees who are not assigned a permanent work place. If you are such an employee, you are expected to stay at that work site and perform your assigned duties and move on to the next work site if previously directed to do so by your supervisor. If you should finish your job at one site and have not been given another assignment, contact your supervisor and ask where you should report.

If you are involved in an accident, become ill or have a pressing reason to leave your work place, contact your supervisor and ask for his or her permission. If you are unable to do this, have someone contact him or her for you or communicate with him or her as soon as you are safely able to do so. Leaving a work area to pursue personal business without supervisor's permission violates to Company rules.

LEAVES OF ABSENCE

There will be occasions when you will find it necessary to have an extended period of time away from work because of personal matters. Examples of these issues would be the birth or adoption of a child, military leave, a serious illness to you or someone in your immediate family, recovery from a car accident. The Company has leaves of absences policies, which should cover any situations that may arise. You should contact your supervisor or Human Resources for additional information.

Types of LOA's available are:

Family Medical Leave of Absence (FMLA) – To be eligible for a FMLA you must have been continuously employed by the Company for 12 complete months and have worked a minimum of 1,250 hours during the previous 12 months. Each eligible employee may have a maximum of 12 weeks of FMLA during a 12 month period. (For purposes of this policy, the 12 month period is a "rolling" 12 month period measured backwards from the first day of the leave.) There are very specific guidelines defining a qualified event and what benefits you may continue during the leave. Additional information about FMLA is listed on the employee bulletin boards, talk to your supervisor or the Human Resources Department. Should the applicable laws conflict with this segment of the handbook the applicable laws will prevail.

Military Leave of Absence – You are eligible for this LOA upon employment. Unless specified by law all benefits such as Group Health Insurance, Group Dental Insurance will cease the day you enter into the Armed Forces. All time spent in the Armed Forces will be without pay from the Company. Upon your return from active duty, within the scope of the federal laws and regulations, your benefits will be restored the first day you return for work and you will be placed in your previous job or like job. Armed Forces duty is not considered a break in service.

In most cases you will need to report to the Company within 90 days of your discharge. Failure to report within 90 days, or the applicable federal law or guideline, will eliminate your re-employment rights.

If you are subject to military training in the National Guard or Reserves you will be granted two weeks per year for the annual training exercise. Additional training or call to active duty will be approved when required by the USERRA. Upon return to work you will be placed in your previous job, or like job, provided you return to work within the specified reporting time limit.

Depending on the length of your leave you may be required to report to work at the beginning of the next scheduled work shift. In all cases check with your commander at the time of discharge or release for the time limit.

Upon receiving notice of training or active duty you should notify your supervisor immediately.

Should the applicable laws conflict with this segment of the handbook the applicable laws will prevail.

Other Leaves of Absence – If neither of the above LOA covers your situation the Company will consider granting a general leave of absence. You should discuss your situation with your supervisor and the Vice President – Human Resources to see if your request can be granted.

BEREAVEMENT PAY

Employees receive three (3) days off with pay in the event of death in their immediate family. Immediate family shall be defined as father, step-father, mother, step-mother, wife, husband, child, step-child, sister, step-sister, brother, step-brother, mother-in-law, father-in-law,

grandfather or grandmother, grandchild and step-grandchild. Employees receive one (1) day off with pay in the event of death of a brother-in-law, sister-in-law, son-in-law or daughter-in-law.

JURY DUTY

In the event employees are called for jury duty, the Company encourages them to be responsible citizens and exercise this privilege.

During the hours of the normal day (shift) that an employee is not scheduled to appear for jury duty, he or she is expected to devote that time to Company work. The Company will continue to provide regular wages for up to ten (10) days each year for jury duty assignments.

HOLIDAYS

Holidays when the office will be closed are as follows:

New Year's Day, Martin Luther King Day, President's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Election Day (Election Day is typically rescheduled for Columbus Day or extended July 4th holiday and is decided on a year to year basis), Thanksgiving Day, Day after Thanksgiving, Day before Christmas, Christmas Day.

In addition to the holidays mentioned above, each employee is granted four personal days off with pay. New employees will be eligible for one personal day after 90 days of employment, one additional personal day after 180 days of employment and two additional personal days after 270 days of employment during the first year of employment. Personal holidays may not be carried over to the next calendar year.

In the event a holiday falls on a Sunday, then the following Monday shall be considered and observed as a holiday. In the event a holiday falls on a Saturday, then the previous Friday shall be considered and observed as the holiday.

When December 24 and 25 fall on Friday and Saturday, they shall be observed on Thursday and Friday. When December 24 and 25 fall on Sunday and Monday, they shall be observed on Friday and Monday.

Because of your faith, you may find it necessary to observe religious days that are not listed above. The Company acknowledges your religious obligations and will make every effort to grant time off without pay.

Employees on approved leave of absence, other than YWC short-term disability leave, will not be paid for the holiday if it falls within the period of leave.

VACATIONS

Everyone works better and enjoys his job more if he can look forward to a break in the routine – a chance to get some rest and relaxation. The Company makes it easy for you to put aside

the demands of your job through a liberal vacation policy based on your length of service with the Company.

As a full-time employee, you will be entitled to a paid vacation in accordance with the following schedule:

- Two (2) weeks of vacation time off with one (1) or more years of service.
- Three (3) weeks of vacation time off with six (6) or more years of service.
- Four (4) weeks of vacation time off with twelve (12) or more years of service.
- Five (5) weeks of vacation time off with twenty (20) or more years of service.

Vacation scheduling is covered in the collective bargaining agreement between the Company and the Union. You should discuss any vacation scheduling with your supervisor.

REST PERIODS

Office personnel 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.

If you work in the field, you are also permitted two (2) fifteen (15) minute rest periods – one in the morning and one in the afternoon.

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.

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 his/her duties to the best of his/her ability and to the standards as set forth in his/her job description or as otherwise established.

The York Water Company supports the use of progressive discipline to address issues such as poor work performance or misconduct. Our progressive discipline policy is designed to provide a corrective action process to improve and prevent a recurrence of undesirable behavior and/or performance issues. Our progressive discipline policy has been designed consistent with our organizational values, HR best practices and employment laws.

Outlined below are the steps of our 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 our 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 our 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.

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

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. On the other hand, in most cases, a violation-free record for one year from the date of the last infraction of any rule will result in references pertaining to such infractions being removed from the personnel records.

We ask the wholehearted cooperation of all members of our organization in the observance of these rules and regulations which are designed for our 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 work station 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 (over 4) without a reasonable excuse, inexcusable tardiness, and/or two (2) inexcusable absences per month will be considered an offense.
- 2.6 Leaving your job without permission or conducting personal business without authorization during the workday.
- 2.7 Failure to meet production standards.
- 2.8 Being discourteous to customers.
- 2.9 Performing job duties in less than a satisfactory manner.
- 2.10 Smoking, except in designated areas.

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 Deliberate destruction or damage of 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 daily worksheet 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 without the written permission of the Company.
- 3.11 Overstaying a leave of absence.
- 3.12 Fighting.
- 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 three consecutive days without any notification or approval by the supervisors.
- 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: Cause for immediate 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:

- 1. The first offense, if not in itself serious enough to warrant suspension or discharge, will result in a verbal warning.

2. Upon the second offense, or if the above procedure does not correct the situation, a written warning will be issued.
3. If a third offense occurs within one (1) year from the date of the first written notice, 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.
4. If a fourth similar offense occurs within a period of one (1) year from the date of the third offense, 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. Therefore, when new or unique situations arise, the Company will consider all the facts prior to reaching a decision.

REVIEW PROCEDURE

It is our purpose to provide an effective and acceptable means for employees to obtain a management review of problems and complaints. Situations where an employee feels that he or she has not been treated properly should be brought to the attention of management. The review procedure that is available to you is in the collective bargaining agreement between the Company and the Union.

DRUGS, SALE AND/OR USE

The sale, purchase, use or possession of illegal drugs by employees on Company premises or while on Company business is prohibited and shall be cause for discharge. This prohibition applies to all forms of narcotics, depressants (including alcohol), stimulants or hallucinogens whose sale, use or possession is prohibited by law. The only exception is the taking of prescribed drugs under the direction of a physician. Employees may be required to submit to a drug test in the event he/she is behaving in a manner that suggests they are under the influence of drugs or alcohol. Failure to submit to a drug test may lead to disciplinary action up to and including termination of employment. The Company reserves the right to conduct random drug testing.

FIREARMS AND WEAPONS

No employee will be allowed to carry any type of firearm or other deadly weapon, including switch-blade knives, on his or her person or store them in his or her desk, locker, vehicle, on

any properties of the Company or at any job site, without the expressed written permission of the President and CEO. A violation of this policy will be grounds for immediate dismissal. A permit to own a firearm will not override this policy.

OUTSIDE EMPLOYMENT

Every employee is expected to give full interest and energy towards the completion of daily work assignments.

At the same time, the Company recognizes that you may have other work or engage in business activities which in no way conflicts with the job. This work must in no way render services or sell merchandise to our customers which could be in competition with the interest of the Company. Obviously, any work should not be of a nature which might reflect unfavorable public opinion on the Company.

APPEARANCES

Production Group

A clean, neat appearance that is becoming to you and the Company is appropriate for anyone meeting the public.

Equipment

No piece of equipment, whether in the office, labs, locker rooms, garage or stations, should be allowed to remain in a damaged or unclean condition. Not only is good housekeeping an important aspect of The York Water Company's image but it's also an integral part of our safety program. Remember to always "put your best foot forward" when it comes to any contact with the public. It's your individual responsibility.

Also, any and all equipment failures should be reported to your supervisor immediately to avoid the possibility of nonfunctional equipment during emergency call-out situations.

Vehicles

The Company maintains a large fleet of vehicles which is constantly on the road. We should be mindful that the condition of the vehicles is a reflection upon us and upon the Company as well.

Remember, the effect of a good appearance and good housekeeping is more than a good impression.

SMOKING

The Company is committed to maintaining and improving the health and well-being of all employees. The Company adheres to the Pennsylvania Clean Indoor Air Act. Smoking is only permitted outside of any Company facility, structure or vehicle. Do not smoke where the smoke is likely to enter any facility or vehicle.

The Human Resources Department has information available for employees desiring to stop smoking.

USE OF COMPANY VEHICLES

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 take action 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.

PERSONAL CAR USE

For meetings and trips for Company business, participants should use a Company vehicle. In the event a Company vehicle is not available or cannot be scheduled, participants may then use their personal vehicle. The Company will pay the IRS allowance for mileage.

TELEPHONE USE

The York Water Company is a service company. Therefore, telephone calls should be answered promptly. It is courteous to identify yourself when you place or receive a call. If you are not at your usual work area and answer a call, identify yourself and the location where you are answering the telephone. Note the information requested and leave a message for the individual being called.

The occasional incoming or outgoing telephone (land line or cellular) call is understood – but it is expected that calls will not exceed a reasonable number – nor that you neglect your work to handle personal business over the telephone.

Personal Calls

You will be billed for any personal calls that are billed to the Company.

Use of Personal Cellular Telephones or Other Communication Devices

Personal cellular telephones and other electronic communication devices are permitted on the job. These devices should be used in a manner that does not take away from your job responsibilities. Personal calls should be limited to breaks and lunch period unless an emergency exists.

In no case should Company provided or personal electronic communication devices be used while driving on Company business.

ELECTRONIC COMMUNICATION POLICY

Employees that use any kind of electronic communication device, including, but not limited to, cellular telephone, desktop computer, laptop computer, notebook etc., is required annually to acknowledge by signature compliance with the Company Electronic Communication Policy. Among other items addressed in the policy, each employee acknowledges they have no expectation of privacy with regards to any communication they originate or receive through Company equipment. The Company may and will monitor any or all electronic communications.

SOCIAL MEDIA

Just as the internet has changed our world, social media is changing the way many of us communicate both at work and at home. There are many forms of social media from E-Mail, Facebook, MySpace, Twitter, blogs, instant messaging, online profile and the list goes on and on. With the ever increasing technology changes the list will continue to grow and change.

Social media is and will increase as an effective tool to conduct business for the Company. While using this tool you need to always remember that you are a representative of the Company and need to conduct yourself accordingly. Be mindful of releasing confidential information, always be respectful of employees, customers, contractors, government personnel, and the general public. What you say or do in a social media environment should be considered public information therefore misuse of it may be problematic for you and the Company.

When using social media on a personal basis you are encouraged to use the same level of discretion and respectfulness as you would at work. This advice is for your protection at work and in your personal life.

The Company is mindful that as technology changes and society's response to new social media issues, i.e. laws and regulations, you need to be aware of Company policy changes. The Company will provide you with that information as it is developed.

SOLICITATIONS

The Company generally limits solicitations for charitable funds to the United Way and similar agencies. Collections for any other purpose must have the approval of your department head if made within your department and Vice President – Human Resources if other departments are included. The approval is necessary to protect ourselves from what could develop into a steady drain for birthdays, anniversaries and bon voyages.

BULLETIN BOARDS

Bulletin boards are located throughout the Company's offices and plants. These bulletin boards are maintained by the Company and are for the benefit and information of all employees.

If you have information that you wish to have posted, you should contact the Vice President – Human Resources for permission to do so. Material that could be of a controversial or sensitive nature is not permitted. Examples of this could be, but not limited to, political or

religious literature. The Company does not endorse any particular political party or religious denomination and the posting of literature of this nature is not permitted. Make it a habit to read the bulletin board daily.

RESIGNATIONS

The Company will automatically determine that you have resigned your employment for the following reasons:

1. If you submit a letter of resignation to the Company.
2. If you verbally tell your supervisor or manager a date you are going to retire or resign.
3. If you fail to report to work within one day after the expiration of an approved absence or leave of absence without notice or authorization.
4. If you are absent for three days without authorization and notification.

FINAL CHECK

If your employment with the Company is terminated for any reason, your final check will be mailed to your last known address with the next regular payroll, unless direct deposit has been previously authorized.

JOB POSTING

The job posting procedure can be found in the collective bargaining agreement between the Company and the Union.

EDUCATIONAL REIMBURSEMENT

In order that we keep abreast of changing technology and procedures and have well trained employees, the Company encourages its employees to participate in its educational program. Please contact the Human Resources Department for additional information.

FIRST AID TRAINING AED AND CPR PROGRAMS

The Company, in trying to keep employee up-to-date on emergency first aid techniques, sponsors training sessions from time to time. The first aid multi-media course covers many areas of first aid principles, AED provides instruction to the use of the AED devices situated throughout the Company, whereas CPR is a life saving technique in which a rescuer sustains breathing and circulation for a victim. Contact Human Resources if you want to receive this training.

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 contact your supervisor so a time can be arranged for you.

EMPLOYEE ASSISTANCE PROGRAM

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
- Self-esteem
- Abuse
- Conflict with others
- Critical incident
- Grief and loss
- Health issues
- 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.

Our EAP has offices located throughout Adams, York and Lancaster counties for convenience. Please check the bulletin board or Human Resources for more information.

SUGGESTIONS

To encourage suggestions from employees the Company has a Suggestions Award Program.

Suggestions must be submitted in writing, must not be considered to be part of the employee's regular duties, and will be judged by a management committee which will determine the amount of the award.

The amount of the award varies and will be determined based upon the suggestion's application to the Company's operations or procedures, whether the suggestion saves resources (time, money, energy, etc.), the ease of implementation, etc.

"TAP SPLASH"

In an effort to keep everyone informed as to what is happening within the Company and to let you know what is going on with your fellow employees, the Company publishes the "Tap Splash," a Company newsletter which is published approximately every month by the Human Resources Department.

SERVICE AWARDS DINNER

The Company, in expressing its sincere appreciation for its employees' invaluable service, holds a yearly service awards dinner. The purpose of this dinner is to honor those employees by presenting awards and making presentations for other accomplishments.

COMPANY PICNIC

Our annual Company picnic is held during the month of August. The event may be held at The Employee Center or some other venue from time to time.

The date for the picnic is listed in the "Tap Splash" and notices are posted on the bulletin boards.

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.

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.

A map and other pertinent information are located at the back of this section for your convenience. 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. If you need an additional copy, please contact the Human Resources Department.

EMPLOYEES' STOCK PURCHASE PLAN

The purpose of the Employees' 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. Any employee who has been a full-time employee continuously for six calendar months shall be eligible to participate in the Plan. If you have additional questions, contact the Human Resources Department for complete details and forms to enroll in this plan.

SAFETY AT THE YORK WATER COMPANY

Safety at the York Water Company is one of the primary drivers of our business. In fact, safety in many respects is our business. Safety is a combination of education, precaution and competency. As a Company we all must exercise these three components of safety in order to provide our customers with safe potable water. To put it plainly, errors made by us could possibly endanger the general public who expect us to guard their health through our water.

In order to accomplish our mission of providing safe potable water we all must work in a safe manner. For that reason, the Company has an extensive safety program that looks at all aspects of what is necessary to have all of us safe while at work. The safety program includes educational sessions, training sessions, promotional materials, recognition programs that are focused on both group and individual efforts and employee involvement in Safety Committees.

You can expect during your stay here that the safety program will continue to change. Change is expected because regulations concerning safety will change, we will introduce new equipment or other technology, and through innovation existing safety measures will be improved. To that end, all of us need to constantly be aware of the safety aspects of our jobs as it may save a life or a serious injury.

BENEFITS

The Company provides an array of benefits to all regular employees. During your initial orientation and from time to time you will receive periodic updates regarding the benefits available to you. Knowing your benefits is an important part of getting the most out of them. Please contact the Human Resources Department if you have any questions regarding your benefits at any time.