

Embassy Bancorp, Inc.
Embassy Bank for the Lehigh Valley
Whistleblower Policy

Board: March 2019
Revised: March 2017

General

Our Code of Conduct/Ethics, Insider Trading, Accepting Things of Value and Confidentiality Policies (“the Policies”) require our directors, officers and employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As employees and representatives of Embassy Bancorp, Inc. and/or its subsidiaries (the “Company”), we must practice honesty and integrity in fulfilling our responsibilities and comply with all applicable laws, regulations, accounting standards, internal accounting controls and audit practices.

We have adopted this Whistleblower Policy (this “Policy”) in order to:

- Encourage disclosure and investigation of improprieties before they can disrupt the business or operations of the Company or lead to serious loss;
- Promote a climate of accountability with respect to Company resources; and
- Ensure that no employee should feel at a disadvantage in lawfully raising legitimate concerns.

Reporting Responsibility

It is the responsibility of all directors, officers and employees to comply with the Policies and to report violations or suspected violations in accordance with this Whistleblower Policy.

No Retaliation

No director, officer, or employee who in good faith reports a Policy violation shall suffer harassment, retaliation or adverse employment consequence. An employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment. This Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns within the Company rather than seeking resolution outside the Company.

In addition to providing information that the employee reasonably believes, in good faith, constitutes a questionable accounting matter or violation of this Policy or any other Policies, protected conduct also includes filing, testifying for, participating in, or otherwise assisting in a proceeding involving alleged violations of the law. In addition, no employee may be adversely affected because the employee refused to carry out a directive, which in fact, constitutes fraud or is a violation of state or federal law.

Reporting Violations

The Company has an open-door policy and suggests that employees share their questions, concerns, suggestions or complaints with someone who can address them properly. In most cases, an employee's supervisor is in the best position to address an area of concern. However, if you are not comfortable speaking with your supervisor or you are not satisfied with your supervisor's response, you are encouraged to speak with the COO or CEO, or anyone in management with whom you are comfortable in approaching. Supervisors and managers are required to report suspected violations of the Policy(ies) to the Company's Chairman and the Audit Committee Chair who has specific and exclusive responsibility to investigate all reported violations.

For suspected fraud or securities law violations, or when you are not satisfied or uncomfortable with following the Company's open door policy, individuals should contact the Audit Committee Chair directly. Individuals are encouraged to provide as much specific information as possible, including names, dates, places, and events that took place, the individual's perception of why the incident(s) may be a violation, and any recommended action to be taken.

Audit Committee Chair

The Company's Audit Committee Chair is responsible for investigating and resolving all reported complaints and allegations concerning violations of the Policies and, at his/her discretion, shall advise the President and CEO, the COO/CFO and /or the Audit Committee as he/she deems appropriate. The Company's Audit Committee Chair has direct access to the Board of Directors and is required to report to the Audit Committee at least annually on such compliance activity. The Company's current Audit Committee Chair is John G. Englesson. Mr. Englesson's direct telephone line is 484-244-4678. If you are not comfortable speaking directly with Mr. Englesson or he is unavailable, you may contact any other Audit Committee member who will be required to immediately report any complaints and allegations immediately to the Chairman of the Audit Committee. You may send your concern in writing addressed as follows:

Embassy Bank for the Lehigh Valley
100 Gateway Drive, Suite 100
Bethlehem, PA 18017
Attention: Chairman Audit Committee (Strictly Confidential)

Accounting and Auditing Matters

The Audit Committee of the Board of Directors is authorized to establish additional procedures for the receipt, retention, and treatment of concerns or complaints received by the Company regarding corporate accounting practices, internal controls or auditing matters. The Audit Committee Chair shall work with the Audit Committee until the matter is resolved. Such matters include, but are not limited to:

- Fraud or deliberate error in the preparation, evaluation, review, communication or audit of any financial statement of the Company;

- Fraud or deliberate error in the recording and maintaining of financial records of the Company;
- Deficiencies in, or noncompliance with, the Company's internal accounting controls;
- Misrepresentations or false statements to or by an executive officer or accountant regarding a matter contained in the financial records, financial reports or audit reports of the Company; or
- Deviation from full and fair reporting of the Company's financial condition.

Acting in Good Faith

Anyone filing a complaint concerning a violation or suspected violation of the Policy(ies) must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation of the Policy(ies). Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.

Confidentiality

Violations or suspected violations may be submitted on a confidential basis by the complainant or may be submitted anonymously. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

Handling of Reported Violations

The Audit Committee Chair will notify the sender and acknowledge receipt of the reported violation or suspected violation within fifteen business days. All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation. Promptly upon receipt of a reported violation or suspected violation, the Audit Committee Chair shall either:

1. designate himself or herself to conduct an investigation;
2. request the Audit Committee to make a determination as to who should investigate; or
3. recommend that the Audit Committee retain outside resources to investigate the complaint.

The Audit Committee Chair, or any individual charged with investigating a complaint under this Policy, will each maintain separate records of all complaints received, and who has been assigned the responsibility for investigating the complaint. The individual responsible for conducting an investigation is responsible for maintaining a record of the investigation and the conclusions reached. The Audit Committee Chair shall submit reports to the Audit Committee at each Audit Committee meeting regarding any complaints received since the last Audit Committee meeting. The individual who is responsible for conducting an investigation will individually submit status reports on any investigations they are conducting to the Audit Committee at each Audit Committee meeting until a conclusion has been reached and, if necessary, any corrective action that has been taken.

The Audit Committee will require prompt and appropriate corrective action when and as warranted in the judgment of the Audit Committee.

Document Retention

The Audit Committee Chair and any other individual charged with investigating a complaint pursuant to this Policy will maintain all records pertaining to this Policy for a period of five years following the end of the year in which the latter of the following two events has occurred: a conclusion has been reached and, if necessary, any remedial action has been taken.

Notwithstanding the foregoing, the destruction of any documentation relating to a matter that is the subject of a known contemplated or ongoing federal investigation or other official proceeding, is prohibited.