

EMPLOYEE COMPLAINT PROCEDURE
FOR ACCOUNTING AND AUDITING MATTERS

American States Water Company, including all divisions, subsidiaries and plants (the “Company”) is committed to achieving full and fair financial reporting by complying with all applicable public utility and securities laws and regulations, accounting standards, accounting controls and audit practices. As a part of the Company’s commitment, the Audit Committee of the Board of Directors has established procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls and auditing matters (collectively “Accounting Complaints”), and the confidential, anonymous submission by employees of concerns regarding any questionable accounting or auditing matters.

Scope.

These procedures relate only to the treatment to be given to employees’ concerns that are Accounting Complaints. Such complaints would include the following:

- fraud, deliberate error or violations of Company policy in the preparation, evaluation, review or audit of any financial statement of the Company, including its subsidiaries;
- fraud or deliberate error in the recording or maintenance of financial or accounting records of the Company or any subsidiary;
- deficiencies in or failures to comply with the Company’s internal accounting controls;
- misrepresentations or false statements to or by an officer, accountant, or employee regarding a matter reflected in the Company’s financial reports, financial data and discussion in SEC reports or audit reports; and
- misrepresentations or false statements contained in any historical financial statement of the Company or any subsidiary submitted to a public authority responsible for regulating public utilities.

The Audit Committee will oversee the treatment of any such Accounting Complaints.

Procedure.

Any Employee who wishes to raise an Accounting Complaint should contact the Company’s independently administered “Accounting Hotline” at:

EthicsPoint, Anonymous Hotline Services
Toll free hotline number is 888-373-8817
To file a report on-line, from any computer having Internet access, please go to
www.ethicspoint.com.

Upon receipt of any complaint under this procedure, the independent third party administering our Accounting Hotline will determine whether the matter is an Accounting Complaint and, if so, will promptly inform (except to the extent that any such person is the subject of the complaint) the Chair of the Audit Committee, the Human Capital Management Manager and the Internal Auditor of the Accounting Complaint so received, (together with any Counsel designated by the

Audit Committee to receive such information). Accounting Complaints will be investigated and reviewed under the direction of the Audit Committee in the manner it deems appropriate. Corrective action will be taken as warranted in the judgment of the Audit Committee.

Records.

The Audit Committee will, or will cause the Company's Internal Auditor to, maintain a log of all Accounting Complaints that the Audit Committee receives, tracking their receipt and resolution and shall review periodically a summary of such log. The Company will endeavor to inform an Employee who has chosen to identify himself/herself and come forward with a complaint, of the actions taken in respect of such complaint.

No Retaliation.

The Company will not retaliate in any way against an Employee for Accounting Complaints submitted by the employee in good faith under this procedure. The Company strongly prohibits any officer or employee from taking any such retaliatory actions.