

NORCAL Group

Corporate Compliance Program--EthicsPoint System

Questions & Answers for Employees

Q: What is EthicsPoint?

EthicsPoint is a comprehensive and confidential reporting tool to address fraud, abuse, and misconduct in the workplace.

Q. May I report using either the Internet or the telephone?

Yes. By giving you choices, EthicsPoint helps ensure that employees can file a report anonymously and in the manner most comfortable or convenient to them.

Q. Why do we need a system like EthicsPoint?

- We believe that our employees are our most important asset. By creating channels of communication, we can promote a positive work environment and maximize productivity.
- An effective reporting system can be our most useful tool in reducing losses due to fraud and abuse.

Q. Does management really want me to report?

We certainly do. In fact, we *need* you to report. You know what is going on in your company - both good and bad. You may have initial knowledge of an activity that may be cause for concern. Your reporting can minimize the potential negative impact on the company and its people. Also, offering positive input may help identify issues that can improve corporate culture and performance.

Q. Why should I report what I know? What's in it for me?

We all have the right to work in a positive environment and with that right comes the responsibility of acting in an ethical manner and letting the appropriate people know if someone is not acting appropriately. By working together, we can maintain a healthy and productive environment. Corporate misconduct can threaten the livelihood of an entire company.

Q. What type of situations should I report?

EthicsPoint is a communications tool providing an avenue for sharing information of any kind.

Q. If I observe or become aware of an incident, shouldn't I just report it to my manager or Human Resources and let them deal with it?

You certainly can, and we continue to believe that direct, open and candid dialogue is the best way to resolve workplace situations. In some cases, anonymity can hinder an investigation and prevent full and complete resolution. However, we also recognize that there are times when anonymity is important for an individual person or situation. In those instances, EthicsPoint is a viable alternative to aid making reports to the appropriate people.

Q. Does this Reporting Tool change how the NORCAL Group investigates reports?

No, EthicsPoint is a tool to aid in the "reporting" of workplace issues. It does not change our responsibly, commitment or approach to investigation of such reports, whether made directly to management or through the EthicsPoint system. Situations brought to the attention of Senior Management will be investigated and resolved in a timely and fair manner.

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- Q. It is my understanding that any report I send from a company computer generates a server log that shows every web-site that my PC connects with, and won't this log identify me as a report originator?**

Other than being linked to our intranet website, EthicsPoint does not generate or maintain any internal connection logs with IP addresses, so no information linking your PC to EthicsPoint is available.

Most people prefer to report from the comfort of their own homes after hours and on the weekend. (Fewer than 12% of reports are generated during business hours.)

- Q. Can I file a report from home and still remain anonymous?**

A report from home, a neighbor's computer, or any Internet portal will remain secure and anonymous. An Internet portal never identifies a visitor by screen name and the EthicsPoint system strips away Internet addresses so that anonymity is totally maintained. Plus, EthicsPoint is contractually committed not to pursue a reporter's identity.

- Q. I am concerned that the information I provide EthicsPoint will ultimately reveal my identity. How can you assure me that will not happen?**

The EthicsPoint system is designed to protect your anonymity. However, you as a reporting party need to ensure that the body of the report does not reveal your identity by accident, for example, "From my cube next to Jan Smith..." or "In my 33 years..."

- Q: Isn't this just an example of someone watching over me?**

The EthicsPoint system concentrates on being a positive aspect of our overall philosophy, and allows us to assure a safe, secure, and ethical workplace. You are encouraged to seek guidance on ethical dilemmas, provide positive suggestions, or communicate a concern. Effective communication is critical in today's workplace and this is a tool to enhance that communication. We have carefully chosen this reporting tool to aid us in maintaining a positive reporting environment.

- Q. I am aware of some individuals involved with unethical conduct, but it doesn't affect me. Why should I bother reporting it?**

We encourage ethical behavior. Unethical conduct, at any level, ultimately hurts the company and all employees, including you. You only have to consider what happened in recent corporate scandals to see disastrous effects that a seemingly harmless lapse in ethics can have on an otherwise healthy company. So if you know of any incidents of misconduct or ethical violations, consider it your duty to your coworkers and yourself to report it.

- Q. I am not sure what I have observed or heard is a violation of company policy, or involves unethical conduct, but it just does not look right to me. What should I do?**

File a report. EthicsPoint can help you prepare and file your report so it can be properly understood. We'd rather you report a situation that turns out to be harmless than let possible unethical behavior go unchecked because you weren't sure.

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Q. Where do these reports go? Who can access them?

Reports are entered directly on the EthicsPoint secure server to prevent any possible breach in security. EthicsPoint makes these reports available only to specific individuals within the company (e.g. CEO, CLO, CFO, VP, and HR) who are charged with evaluating and resolving reported incidents. Each of these report recipients has had training in keeping these reports in the utmost confidence.

Q. What if my boss or other managers are involved in a violation? Won't they get the report and start a cover-up?

The EthicsPoint system and report distribution are designed so that implicated parties are not notified or granted access to reports they have been named in.

Q. What if I remember something important about the incident after I filed the report? Or what if the company has further questions for me concerning my report?

When you file a report at the EthicsPoint Web site or through the EthicsPoint Call Center, you receive a unique user name and are asked to choose a password. You can return to the EthicsPoint system again either by Internet or telephone and access the original report to answer questions posed by a Company representative and add further information that will help resolve open issues. We strongly suggest that you return to the site in the time specified to answer follow-up questions. You and the Company have now entered into an "anonymous dialogue" where situations are not only identified but can be resolved, no matter how complex.

Q. Are these follow-ups on reports as secure as the first one?

All EthicsPoint correspondences are held in the same strict confidence as the initial report, continuing under the umbrella of anonymity.

Q. What if I want to be identified with my report?

There is a section in the report for identifying yourself, if you wish.

Q. Can I still file a report if I don't have access to the Internet?

You can file an EthicsPoint report from any computer that can access the Internet. You can file from home. Many public locations, including the public library, have Internet computers. If you don't have access or are uncomfortable using a computer, you can call your EthicsPoint toll-free hotline 888-644-9042 which is available 24 hours a day, 365 days a year.

Q. Is the telephone toll-free hot line confidential and anonymous too?

Yes. You will be asked to provide the same information that you would provide in an Internet-based report and an interviewer will type your responses into the EthicsPoint Web site. These reports have the same security and confidentiality measures applied to them during delivery.