

EthicsPoint - Frequently Asked Questions

Q: What is EthicsPoint?

EthicsPoint is KLA's reporting system, a comprehensive and confidential reporting tool hosted by NAVEX Global to assist management and employees to work together to address fraud, abuse, and other misconduct in the workplace, all while cultivating a positive work environment. It can be used to report concerns at KLA Corporation and any of its subsidiaries worldwide.

Q. Why do we need a system like the KLA reporting system?

- Publicly traded companies are required by law to have an anonymous reporting vehicle to address accounting and auditing fraud directly to the Audit Committee.
- An effective reporting system can be our most useful tool to foster a culture of integrity and ethical decision-making and in reducing losses due to fraud and abuse.
- We believe that our employees are our most important asset. By creating open channels of communication, we can promote a positive work environment and maximize productivity.

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

Yes. By giving you choices to report via either the telephone or the Internet, the KLA reporting system helps ensure that employees can file a report anonymously and in the manner most comfortable or convenient to them.

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 the 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?

Corporate misconduct can threaten the livelihood of an entire company.

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.



Q. What type of situations should I report?

We encourage you to report any issue that you believe in good faith violates applicable law, regulation, KLA policy or any other unethical or improper conduct. You may also submit a suggestion on how KLA can enhance its ethics and compliance programs or make any other suggestion related to KLA's business.

Q. If I see a violation, shouldn't I just report it to my manager, Security, or Human Resources and let them deal with it?

You certainly can, but there are several good reasons why you should use the KLA reporting system as well. The reporting system ensures that your report gets to the appropriate people. That may or may not happen if you simply report something to your manager, especially when dealing with issues not under his/her control. More importantly, reports can be filed anonymously, and all report information is secure and held in the strictest confidence.

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?

EthicsPoint, the KLA reporting system, does not generate or maintain any internal connection logs with IP addresses, so no information linking your PC to the KLA reporting system is available.

If you feel uncomfortable making a report on your work PC, you have the option of using a PC outside our work environment (such as one located at an Internet café, at a friend's house, etc.) through the KLA reporting system secure website.

With fewer than 12% of reports generated during business hours, most people prefer to report from the comfort of their home after hours and on the weekend.

Q. Can I file a report from home and 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 KLA reporting system strips away Internet addresses so that anonymity is totally maintained. Plus, the host, EthicsPoint, is contractually committed not to pursue a reporter's identity.

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

The 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 system just an example of someone watching over me?

The system represents 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 great tool to enhance that communication.

We have carefully chosen the best reporting tool to meet our compliance obligations while 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?

Our company chooses to promote ethical behavior. All 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 yourself and your coworkers 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. The KLA system 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.

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

Reports are entered directly on EthicsPoint's server to prevent any possible breach in security. EthicsPoint makes these reports available only to specific individuals within the company who are charged with evaluating the type of violation and location of the incident. 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 KLA reporting 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 reporting site or through the EthicsPoint Call Center, you receive a unique username and are asked to choose a password. You can return to the 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 company questions. You and the company now have entered an “anonymous dialogue” where situations are not only identified but can be resolved, no matter how complex.

Q. How does KLA reporting system review reported concerns?

EthicsPoint notifies KLA Ethics and Legal Compliance team when a concern is received, then commences an appropriate investigation, using internal or external resources with expertise in conducting investigations. The information in your report is shared with appropriate investigation team members, and the concern is investigated promptly and discreetly. You can monitor status of the investigation by clicking the Follow Up link on the KLA reporting system website, as well as information about the resolution of the case.

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

All 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 a 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 (using the local number for the country in which you reside) 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 reporting site. These reports have the same security and confidentiality measures applied to them during delivery.