

Keys to Hypertherm's Safety Program & VPP

- Safety structure and organization
- Associate involvement
- Management commitment
- Safety culture

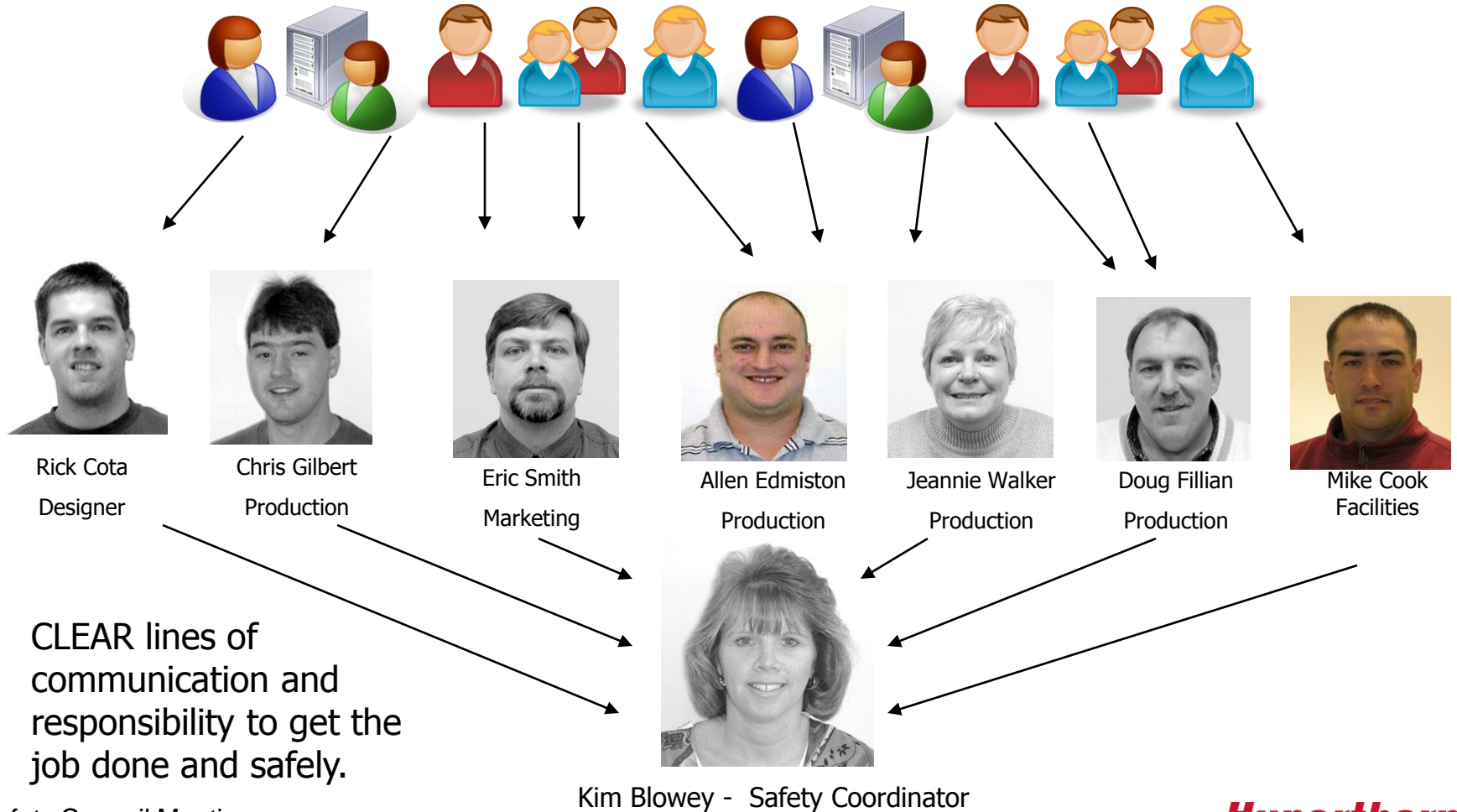
Hypertherm Safety Structure

- Approximately 1,000 associates in NH
 - 10 Separate operational teams
 - Supported by over 60 Safety Champs
- Each team has separate safety committee
 - Lead by a Safety Coordinator
 - Each team has independent meetings
 - Corrective action tracking
 - Incident investigation
 - Inspection results

Automation Safety Champs & Coordinator

...where SAFETY is more than just an idea:

*It is **US**; the Hypertherm associates and the culture of doing business here...*



Automation Safety Track 2011 Open Items

Date	Area	Cell	Recommendations	Responsible	Status (Open/ Closed)	Expected Completion Date	Comments	Priority	Item/ Picture
5/5/2010	Production	N/A	Electrical Room Key	Walker	Open	10/1/2011	Request procedure from CT to see how they handle the key to electrical room in case of an emergency	Med	51
6/2/2010	Eng	Lab	Mgmt of Change	DeCosta	Open	11/1/2011	Ken to complete a Management of Change form for Lab area with new machine equipment.	Med	58
6/2/2010	Eng	Lab	E-Stop Test Procedure	Gilbert, Cota & Fillian	Open	10/1/2011	Develop Test procedure for E-stops. Breakers have been labeled. Emailed Derek.	Med	59
4/6/2011	Facility	N/A	Life Safety Code Audit	Langone	Open	8/1/2011	Audit per life safety code: stairwells, exits, lights, computer rooms	Low	93
5/4/2011	Facility	N/A	Electrical Safety Training	Blowey	Open	8/22/2011	Paul Wallace indicated he had not had the NFPA or PPE training. Email all associates. Next training available 8/22.	High	97
6/1/2011	Production	N/A	Electrical Safety Evaluation Action Item	Gilbert	Open	12/1/2011	Lexan cover designed and installed in Cell 9 for Hi-Pot tester	High	103
6/1/2011	Production	N/A	Electrical Safety Evaluation Action Item	Gilbert	Open	11/1/2011	Lexan cover designed and installed in Cell 8 for Hi-Pot tester	High	104
8/3/2011	Production	N/A	Eyewash Inspection	Blowey	Open	8/25/2011	Add to checklist to inspect eyewash station in shipping area. Create a signoff sheet for inspection with the station.	Med	107
8/3/2011	Production	N/A	E-Stop Testing	Blowey	Open	9/1/2011	Once procedure is complete add testing to checklist.	Med	108
8/3/2011	Production	N/A	Eyewash Refill	Blowey	Open	9/1/2011	Eyewash refill expired - need to replace	Med	109
9/7/2011	Production	N/A	Cabinet Storage	Fillian	Open	10/1/2011	Remove overhead storage from supply cabinets	Med	110
9/7/2011	Production	N/A	Fire Rated Doors	Langone	Open	10/1/2011	Review Fire Rated Doors to lab and manufacturing area	Med	111
9/7/2011	Production	N/A	Shipping Sign	Blowey	Open	11/1/2011	Have shipping area sign relocated. Currently the signs are attached to conduits.	Med	112
9/7/2011	Production	N/A	Gloves	Fillian / Gilbert	Open	11/1/2011	Review the use of gloves when handling pallets (requirement)	Med	113

Management Commitment

- Hypertherm has established a Safety Council
 - Comprised of the Management Team
 - Team Leaders
 - Safety Coordinators
 - Safety Champs
 - Monthly meetings
- Safety Coordinators present team summary
 - Proactive initiatives
 - Incident reviews
 - **Status of corrective action**
- Senior management holds teams accountable

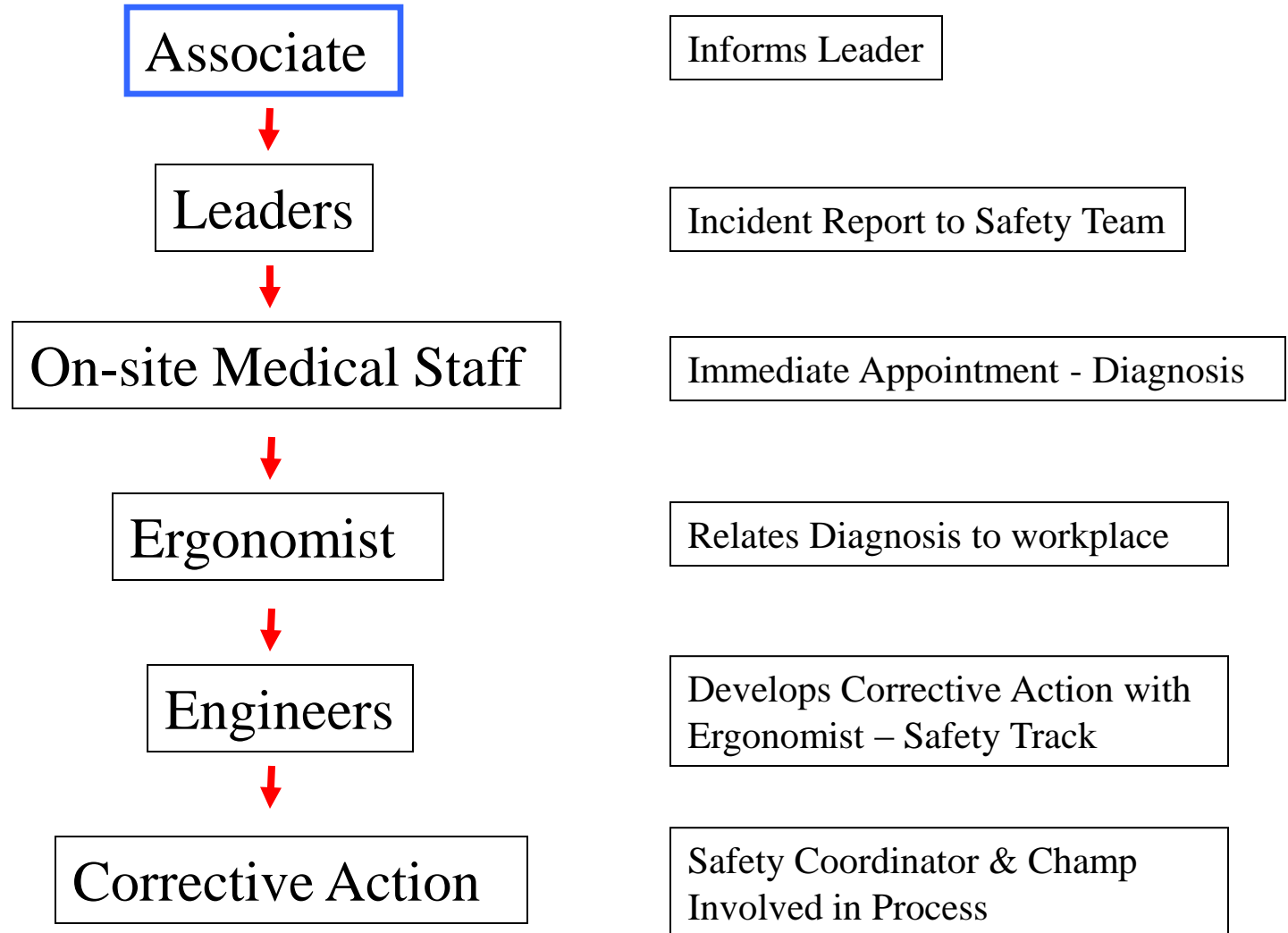
Associate Involvement

- Associates engaged = improved safety culture
- Incident reports have increased
 - 2007 – 50
 - 2011 – 145
 - 2012 on pace for over 200
- Incident rates have decreased

Safety Culture - Early Reporting

- Associates trust the safety process
- Safety issues reviewed at shift meetings
- Every day each associate asked about safety issues
- Immediate intervention (teamwork)
 - On-site medical staff
 - On-site Ergonomist
 - Process engineers
 - Leaders
 - Safety Staff
- Problems nipped in the bud

Reducing Ergonomic Injuries



Recordable Incident Rate Comparison (2008, 09, 10, 11, 4/12)

