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...

CLEAR lines of communication and responsibility to get the job done and safely.

Rick Cota
Designer

Chris Gilbert
Production

Eric Smith
Marketing

Allen Edmiston
Production

Jeannie Walker
Production

Doug Fillian
Production

Mike Cook
Facilities

Kim Blowey - Safety Coordinator
<table>
<thead>
<tr>
<th>Date</th>
<th>Area</th>
<th>Cell</th>
<th>Recommendations</th>
<th>Responsible</th>
<th>Status (Open/Closed)</th>
<th>Expected Completion Date</th>
<th>Comments</th>
<th>Priority</th>
<th>Item/Picture</th>
</tr>
</thead>
<tbody>
<tr>
<td>6/2/2010</td>
<td>Eng</td>
<td>Lab</td>
<td>E-Stop Test Procedure</td>
<td>Gilbert, Cota &amp; Fillian</td>
<td>Open</td>
<td>10/1/2011</td>
<td>Develop Test procedure for E-stops. Breakers have been labeled. Email Derek.</td>
<td>Med</td>
<td>50</td>
</tr>
<tr>
<td>5/4/2011</td>
<td>Facility</td>
<td>N/A</td>
<td>Electrical Safety Training</td>
<td>Blowey</td>
<td>Open</td>
<td>8/22/2011</td>
<td>Paul Wallace indicated he had not had the NFPA or PPE training. Email all associates. Next training available 8/22.</td>
<td>High</td>
<td>97</td>
</tr>
<tr>
<td>6/1/2011</td>
<td>Production</td>
<td>N/A</td>
<td>Electrical Safety Evaluation Action Item</td>
<td>Gilbert</td>
<td>Open</td>
<td>12/1/2011</td>
<td>Lexan cover designed and installed in Cell 9 for Hi-Pot tester</td>
<td>High</td>
<td>103</td>
</tr>
<tr>
<td>6/1/2011</td>
<td>Production</td>
<td>N/A</td>
<td>Electrical Safety Evaluation Action Item</td>
<td>Gilbert</td>
<td>Open</td>
<td>11/1/2011</td>
<td>Lexan cover designed and installed in Cell 8 for Hi-Pot tester</td>
<td>High</td>
<td>104</td>
</tr>
<tr>
<td>8/3/2011</td>
<td>Production</td>
<td>N/A</td>
<td>Eyewash Inspection</td>
<td>Blowey</td>
<td>Open</td>
<td>8/25/2011</td>
<td>Add to checklist to inspect eyewash station in shipping area. Create a signoff sheet for inspection with the station.</td>
<td>Med</td>
<td>107</td>
</tr>
<tr>
<td>9/7/2011</td>
<td>Production</td>
<td>N/A</td>
<td>Cabinet Storage</td>
<td>Fillian</td>
<td>Open</td>
<td>10/1/2011</td>
<td>Remove overhead storage from supply cabinets</td>
<td>Med</td>
<td>110</td>
</tr>
<tr>
<td>9/7/2011</td>
<td>Production</td>
<td>N/A</td>
<td>Fire Rated Doors</td>
<td>Langone</td>
<td>Open</td>
<td>10/1/2011</td>
<td>Review Fire Rated Doors to lab and manufacturing area</td>
<td>Med</td>
<td>111</td>
</tr>
<tr>
<td>9/7/2011</td>
<td>Production</td>
<td>N/A</td>
<td>Shipping Sign</td>
<td>Blowey</td>
<td>Open</td>
<td>11/1/2011</td>
<td>Have shipping area sign relocated. Currently the signs are attached to conduits.</td>
<td>Med</td>
<td>112</td>
</tr>
<tr>
<td>9/7/2011</td>
<td>Production</td>
<td>N/A</td>
<td>Gloves</td>
<td>Fillian / Gilbert</td>
<td>Open</td>
<td>11/1/2011</td>
<td>Review the use of gloves when handling pallets (requirement)</td>
<td>Med</td>
<td>113</td>
</tr>
</tbody>
</table>
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 initiates
  - 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

- **Associate**
  - Informs Leader
  - Incident Report to Safety Team
  - Immediate Appointment - Diagnosis

- **Leaders**
  - Relates Diagnosis to workplace

- **On-site Medical Staff**
  - Develops Corrective Action with Ergonomist – Safety Track

- **Ergonomist**
  - Safety Coordinator & Champ Involved in Process

- **Engineers**

- **Corrective Action**
Recordable Incident Rate Comparison (2008, 09, 10, 11, 4/12)

- Ind. Av.: 4.9
- 2008: 2.6
- 2009: 1.5
- 2010: 1.1
- 2011: 1.2
- 2012: 0.8

Goal: 0.0