



California Transparency in Supply Chains Act Disclosure

As of January 1, 2012, the California Transparency in Supply Chains Act of 2010 (SB 657) is effective in the State of California. As a result, many companies manufacturing or selling products in California are required to disclose their efforts (if any) to address the issues of human trafficking and slavery, thereby allowing consumers to make better, more informed choices regarding the products they buy and the companies they choose to support.

FARO Technologies, Inc. and its subsidiaries (collectively, "FARO") strive to achieve and maintain the highest possible standards of corporate integrity and ethical behavior. FARO expects that its suppliers will conduct their businesses not only in a lawful manner but also in compliance with the same high standards of integrity and ethics. In order to establish guidelines for such standards, FARO has established a Supplier Code of Conduct. The Supplier Code of Conduct sets forth and highlights important legal, ethical, behavioral and other requirements for parties who wish to be FARO suppliers. Specifically, the Supplier Code of Conduct states that suppliers must not traffic persons or use any form of slave, forced, bonded, indentured or prison labor, and it requires suppliers to comply with the laws regarding slavery and human trafficking of the country or countries in which they are doing business. FARO suppliers are further expected to take reasonable and necessary steps to help ensure that their sub-contractors and sub-suppliers conduct business in compliance with the Supplier Code of Conduct. FARO currently requires its suppliers to certify both by acceptance of the "FARO Technologies, Inc. Purchase Order Terms and Conditions" and by a separate written certification that they will abide by the Supplier Code of Conduct. Suppliers are expected to promptly take corrective action to address any deficiencies identified with respect to compliance with FARO's Supplier Code of Conduct. If a supplier is found to be in violation of the Supplier Code of Conduct, FARO will take prompt, remedial measures to address the violation. FARO reserves the right to terminate its relationship with any supplier for failure to comply with the Supplier Code of Conduct. While FARO has no current intention of utilizing an independent third party to verify suppliers' compliance with the Supplier Code of Conduct, FARO audits its suppliers on an as-needed basis using FARO personnel and has incorporated compliance with the Supplier Code of Conduct into its audit program for suppliers.

FARO also has an established Global Ethics Policy, which applies to all FARO personnel, including employees, officers and board members (collectively, "Employees"). FARO expects its business partners and contractors to share the general principles stated in the Global Ethics Policy. The Global Ethics Policy requires FARO Employees to comply with all applicable laws and regulations, including but not limited to those relating to human trafficking and slavery. While FARO does not provide specific training on human trafficking and slavery, it conducts regular training on the Global Ethics Policy generally. All reports of alleged violations will be investigated by FARO. If the results of an investigation indicate that corrective action is required, the Company will decide the appropriate steps to take, including discipline, dismissal, and possible legal proceedings. If appropriate, the investigation may be turned over to the applicable outside authorities, and outside investigators may assist in the inquiry. Disregard or deliberate ignorance of the law is not tolerated and may lead to disciplinary action.

FARO takes the issues of slavery and human trafficking very seriously and will continue doing its part by responsibly managing its supply chains in an effort to eradicate slavery and human trafficking.