

Business Continuity Plan & Pandemic Preparedness Plan

Realizing that the two plans are similar yet very different, Allow me to address the Business Continuity Plan first.

Our BCP focuses on less catastrophic events such as a route truck becoming disabled, a long-term power outage at the Chetek shredding facility or a similar event. Addressing those kinds of problems are just another simple challenge in our business day.

Within our owner's business entities, we have 3 separate trucking companies, Badger State Recovery, Teri Durand Trucking and BSR Transport. Within each entity we own a multitude of trucks and vehicles. The shred division alone has at least 8 vehicles that are capable of transporting confidential materials. BSR Transport owns 14 semi tractors and over 60 trailers. Terri Durand Trucking has 17 dump trucks, and growing constantly, hauling Frac sand on a continuous basis.

The company also has a HUGE truck repair facility fully staffed from the parts department to the mechanic staff servicing others and our trucks from 5 am to 11 pm daily.

In the rare event that one of our shred trucks is down for any length of time we simply grab a spare truck or engage one of the BSR Transport trucks and drivers to help us out. As you note in the Operations Protocols both groups of drivers undergo the same background checks and must meet the same qualifications.

We have 3 secure confidential document shredding facilities, one in Chetek, WI one in Arlington, WI and the newest facility in Rapid City, SD. They are far enough apart that it is very unlikely that some type of production problem would affect all of them at the same time. If any one of the plants has a production problem that cannot be addressed immediately we have an internal policy to do one of two things. First, continue the routes and store the material in the secure warehouse if the repair is something simple. Secondly, if there is a major plant related problem that will cause a backlog of confidential materials, we again call upon BSR Transport to move the material to the closest operating plant for processing.

With respect to employee injuries or sickness, I have 37 to 40 qualified CDL drivers available already on staff if I need someone to fill in on a temporary basis.

The Pandemic Preparedness Plan focuses on a catastrophic event here at Corporate Headquarters; for example the loss of the building or the death of the owner.

Allow me to briefly outline our preparation for such an event. First of all we are fully insured including a policy covering lost income. Bruce has four very talented adult children, are all employed within the business and in charge of a separate division. As the business matures they are all accepting more leadership roles and proving themselves quite capable of accepting greater responsibility.

A copy of our important data is always stored off-site allowing for retrieval if necessary. Admittedly the loss of our paper records would require that we rebuild those records based on our data stored off-site in combination with our client's records.

Remember that we have 3 confidential materials processing facilities and one non-confidential processing facility, all a distance away from the corporate offices, and unlikely to be affected by the same pandemic disastrous event.

With the facility in Chetek and the one in Bloomer, it would be quite easy to immediately split up the office staff to continue their work out of the two facilities and Angela, for example, could work out of Bruce's home in Bloomer where she has the professional surroundings and privacy that her job requires.

With the diversity that we have in respect to the additional facilities for processing material, and the space available for temporary offices, in addition to Bruce's business continuity plan with respect to his children all being groomed for greater leadership roles, I feel very confident in our ability to withstand any major catastrophic event.

Remember what role we will be assuming as your business partner, we are not asking to become a major shareholder or a large borrower, rather a vendor for confidential materials management. We can be replaced, there

are several other vendors offering services similar to ours. We feel that we offer many advantages over our competition, but we also realize we are expendable.

I am reminded that there are many other much more likely business scenarios that could occur that would affect our business planning on a regular basis. What might happen if your business spontaneously combusts, does your PPP or BCP consider the losses to your vendors? How do we handle the loss of a business due to retirement of the owners? What happens when a good employee moves away and needs to seek employment elsewhere? I guess what I am saying is that a business can never cover themselves for any and all disaster scenarios, likely or unlikely. That is why we hire good people, purchase insurance from reliable companies, why we borrow money from sound banking institutions, and most importantly, engage in sound business practices that have gotten the company to the success level that we now enjoy.