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Confidential Materials Destruction Division

Protocols of Operations for Business Associates

Employees:

1. All Badger State Recovery, Inc. employees hired to perform in-house work within our production plant(s) are subject to complete third-party and/or internal Background Investigations before the potential employee is offered employment by Badger State Recovery, Inc. Due to the sensitive nature and confidentiality of our business of destroying and handling confidential materials; no individual with the following record(s) or criminal past may be employed by Badger State Recovery, Inc. or BSR Transport, Inc:
 - a. Convicted of Murder
 - b. Sexual Assault/ Registered Sex Offender
 - c. OWI/DUI within the last 7-years
 - d. Felony Conviction
 - e. Vehicular Homicide
 - f. Prison Record
2. All Badger State Recovery, Inc. *and* BSR Transport, Inc. employees hired to perform duties as route technicians *and/or* OTR drivers are subject to complete third-party and/or internal Background Investigations before the potential employee is officially hired by Badger State Recovery, Inc.
3. All Badger State Recovery, Inc. *and* BSR Transport, Inc. employees will be registered and subjected to yearly, random Drug and Alcohol Testing. Badger State Recovery, Inc *and* BSR Transport, Inc have set up this program in cooperation with the Mayo Health System. All forms of testing will be unannounced to all employees. Failure to comply or pass such required test will result in immediate termination of employment – no tolerance.
4. Badger State Recovery, Inc. *and* BSR Transport, Inc. will enforce a “No Tolerance” rule for any *and* all employee(s) that are caught internally *or* by a third party under the possession *and/or* usage of illegal substances while at the production plant, office, route service trucks, customer’s facility, *and/or* caught in a routine traffic stop by law enforcement on *or* off duty. Due to the sensitive nature of our business, any violation of the policy listed in this paragraph will be subject to immediate termination of employment.
5. Badger State Recovery, Inc. *and* BSR Transport, Inc. will enforce a “No Tolerance” rule for any *and* all employee(s) that are caught internally *or* by a third party under the possession *and/or* usage of alcohol while at the production plant, office, route service trucks, customer’s facility,

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and/or caught in a routine traffic stop by law enforcement on *or* off duty. Due to the sensitive nature of our business, any violation of the policy listed in this paragraph will be subject to immediate termination of employment. Any form of law enforcement substance violation: DUI, OWI, WWI, or Open Container will result in immediate termination. All employees with such violations must report to the supervisor or manager via telephone within 24-hours of the incident and before entering a Badger State Recovery, Inc. facility.

6. Badger State Recovery, Inc. *and* BSR Transport, Inc. employees are expected to maintain a high level of appropriate conduct with co-workers and Badger State Recovery, Inc. clients and customers. Any unprofessional conduct will be dealt with on an individual basis in combination with the following terms:
 - a. Verbal harassment of fellow co-workers will not be tolerated. First incident will result in a verbal and written notice warning by Supervisor/Manager.
 - b. Second offense, will result in a 3-day “unpaid” suspension with additional verbal discussions with their supervisor.
 - c. Third offense will result in immediate termination of employment and Supervisor/Manager will escort employee off Badger State Recovery, Inc. property on duty.
7. Badger State Recovery, Inc. *and* BSR Transport, Inc. “Service Technicians” will be expected and enforced to maintain a level of appropriate conduct with co-workers and Badger State Recovery, Inc. clients and customers. Any unprofessional conduct will be dealt with on an individual basis in conjunction with the following terms:
 - a. Any unprofessional conduct by a Badger State Recovery, Inc. “Service Technician” in the field such as but not limited to; sexual harassment of a client, verbal or physical fighting with a client, or customer complaint of such conduct will result in immediate termination of employment.
8. All Badger State Recovery, Inc. *and* BSR Transport, Inc. service representatives will be provided with and required to wear Badger State Recovery, Inc. *or* BSR Transport, Inc. work shirts while on duty or representing our company. Employee must wear blue or black jeans. Khaki pants will be acceptable.

Service/Route Trucks:

1. All Badger State Recovery, Inc. service route trucks used for confidential document destruction purposes will be scheduled on regular 5,000 miles service intervals. During these service intervals trucks will be fully inspected and serviced as per D.O.T requirements by a certified BSR Transport, Inc. In-house Mechanic. A complete record of each service vehicles history will be kept on file in our offices.
2. Route Driver will be responsible for daily pre-trip and post-trip inspections of service route trucks. Drivers will be responsible for documenting and communicating repair issues with the Document Destruction and Shredding Division Manager and our mechanics. Driver is responsible for ensuring that truck is satisfactory for daily operation as per D.O.T. guidelines. All drivers will be required to attend (3) out of (4) company safety and training meetings per year.
3. Service route trucks must be kept locked at all times no exceptions. This includes the cab and enclosed box while operating on a roadway and while at the facility where service is being performed. Badger State Recovery, Inc route employees may be followed by a supervisor/manager

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or by an SOC 2 auditor to ensure compliance. Failure to comply with these terms will result in the following disciplinary actions:

- a. First offense, is a verbal and written warning
 - b. Second offense, is immediate termination of employment
4. Service Technicians are responsible for keeping all collection containers securely “Locked” while removing container from client’s facility and loading into service truck.
 5. Company provided cell phones must be maintained, charged and “on for use” at all-times during normal business hours: 7am to 5pm Central Time. Management members must keep phones on for operation (7) days per week in case of emergency.
 6. Clients will be on a routine schedule agreed upon between Badger State Recovery, Inc. and the client. Service Technicians are required to provide timely service pickups based upon the agreed scheduled routing.

Chain of Custody:

1. Badger State Recovery, Inc. service technicians will leave a signed materials receipt at time of confidential document/media removal. This document must be signed and verified by both the receiving and releasing parties. The material receipt will note the form and quantity of material released for destruction.
2. Once our clients secure documents have been destroyed, Badger State Recovery, Inc will issue a “Certificate of Destruction” along with the Invoice and within 3-days of destruction. This certificate will provide the date of destruction and a signature verifying that the product was securely destroyed and recycled.
3. All of our client’s paper information will be recycled, never landfilled or incinerated. Badger State Recovery, Inc. holds agreements with multiple Fiber Mills such as; SCA Tissues, Cascades Tissues, City Forest Products, Georgia Pacific, and Modern Insulation. All paper products will be recycled for the sole purpose of re-pulping into new fiber.
4. All destroyed paper documents will be delivered mill-direct by our in-house trucking fleet, BSR Transport, Inc. Badger State Recovery, Inc. does not use third party trucking firms for delivery of your shredded and baled paper to the paper mills.
5. Badger State Recovery, Inc. office staff will maintain individual record files in-house for each client.

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Production Plant Security Precautions:

1. All off-site material destruction will take place at one of our secure production plants in Chetek, WI Arlington, WI or Rapid City SD.
2. All facility entrances are protected with a steel locking entrance door and further protected by reinforced locked steel gate systems on the interior walls.
3. Only select members of management and service technicians are provided entrance keys and/or entrance codes to access these production facilities.
4. All shredding facility employees must use an automated time card each day before and after their work shifts.
5. All confidential materials received for destruction are processed within (24) hours of receiving. NAID guidelines allow for up to (72) hours before documents must be destroyed.
6. Production plants are protected by security systems deemed appropriate for each facility.
7. Any visitor(s) must register in the “sign-in log sheet” upon entering and will be escorted and remain under the supervision of an approved employee until exiting the secure facility.
8. Any drivers of non-company owned trucks at the facilities for loading or off-loading material must remain in the visitor’s room or in the cab of their truck and are not allowed access to the facility unless they are signed in as a guest and escorted by an approved employee.

Badger State Recovery, Inc. has never lost a single piece of confidential material since its inception in 1999. However we have created the following policies and procedures to deal appropriately with the potential event.

Security Breach of Secure Service Truck Scenario:

1. In the unlikely event of a security breach involving a route service truck, the following procedures will immediately implemented:
 - a. Service Technician will immediately call local law enforcement officials where the breach or break in occurred
 - b. Service Technician will call our office staff and manager immediately after calling law enforcement officials to inform and document the occurrence
 - c. Service Technician will secure the area or enclosed van body for further potential breaches
 - d. Client or clients will be notified within 1-hour of the breach of their sensitive documents
 - e. Client will be responsible for keeping open and full communications with Badger State Recovery, Inc. Our office staff will provide any and all copies of law enforcement reports from the incident to all clients involved in the breach.

Security Breach of Secure Production Plant Scenario:

1. All collection containers transporting confidential documents to our secure facilities are required to remain locked and secured in our locked trucks. All containers are required to be dumped and

shredded within 24-hours of arriving at any of our shredding facilities. This helps to eliminate the potential for a security breach at any of our facilities.

2. In the unlikely event of a security breach or unauthorized access of a client's confidential material at any one of our secure confidential document shredding facilities, the following procedures will be immediately implemented:
 - a. The Plant Manager will immediately call local law enforcement to report the incident
 - b. Plant Manager will call our office staff to inform Management and document the incident
 - c. Plant employees will immediately secure the area to protect any valuable evidence and the site from further security leaks.
 - d. Client or clients will be notified within 1-hour of the breach of their sensitive documents
 - e. Client will be responsible for keeping open and full communications with Badger State Recovery, Inc. Our office staff will provide any and all copies of law enforcement reports related to the incident to all clients involved with the breach.

Internal Breach of Security (Employee) Scenario:

1. Badger State Recovery, Inc. takes every precaution to prevent an in-house breach of security by hiring only reputable and reliable individuals that have voluntarily participated in the personal background checks and, in the case of route or transport drivers, are regularly screened for drug and alcohol use and/or abuse. In the event of an internal breach of security, Badger State Recovery, Inc. has the following procedures in place:
 - a. Badger State Recovery, Inc. Management will contact and work with local, state, and federal law agencies as necessary to determine who, where and how a security breach of our clients material occurred.
 - b. Badger State Recovery, Inc. Management will work with local, state and federal agencies and the client(s) to determine if and how any confidential information/documents were used for any form of illegal activity.
 - c. Badger State Recovery, Inc. Management will fully cooperate and work with the required law enforcement agencies to determine when and who breached our client(s) confidential material. We will research the incident internally to determine what employee was responsible for the breach of confidentiality.
 - i. Badger State Recovery, Inc. has a "No Tolerance" policy for employees that compromise our client's confidential materials. Any employee investigated and found guilty of a breach of a client's confidentiality will be immediately terminated and turned over to law enforcement for further legal actions.
 - ii. Badger State Recovery, Inc. will prosecute employees and/or former employees to the fullest extent of the law that compromise our client's information in any form or for any intent.

Badger State Recovery, Inc. is fully bonded and insured with a multi-million dollar policy that covers any potential breach of custody of a client's confidential materials.