

# **NAID<sup>®</sup> MULTI-LOCATION CERTIFICATION**

## ***(FOR COMPANIES WITH 25 OR MORE BRANCHES)***

### **PROGRAM OVERVIEW**

#### **Qualifications for Program**

In order to qualify for the program, an applicant (the “Company” or the “Applicant”) must have at least twenty-five (25) branches or franchisees with uniform and corporately managed operating procedures and the Applicant must be committed to achieving 100% compliance with the NAID Certification specifications at all information destruction-related locations and agreeing that all such facilities will be subject to the scrutiny of audits on a country-specific basis.

#### **Fees**

Branches will be audited at the standard Certification fee as listed in the Multi-location Headquarters Application for companies with 25 or more branches.

Where an Applicant’s records are maintained in a centralized manner, there will be an additional annual Headquarters Audit for an additional fee.

Fees are to be paid at the time of the application submission.

#### **Initial Application and Audit Process** (first 12 months or less)

If a Company wishes to become NAID Certified under the Multi-location program, it must prepare and submit an application that lists all the locations of the Company in that country, and also includes a tentative schedule for the initial audit of one-third of the Applicant’s Branches (and associated Transfer Processing Stations) over the next year or less. This schedule submitted by the applicant must be approved by NAID.

A Headquarters Audit (if necessary) and audits of one-third of the Applicant’s Branches are required. Each Transfer Processing Station will be audited separately.

In the event that these audits reveal violations of NAID Certification standards that the Certification Review Board (CRB) believes potentially expose client information to unauthorized access, the CRB could increase the number of sites subject to the initial year audit to a number that would afford a statistically significant sampling to determine if the identified violations were sufficiently widespread to render the Applicant not qualified for certification.

NAID will notify the Company in writing when it has achieved NAID Certified Company status. The Applicant may not make any reference regarding an enterprise-wide NAID Certification until they are in receipt of the official notice from NAID.

#### **Re-Audit Process and Unannounced Audits**

After successful completion of the initial application and audit process, and notification that the Company is NAID Certified, the Multi-location Company will be audited as follows:

- a) One-third of the Company’s Branches shall be audited each year on a scheduled, announced basis at the standard multi-location rates. The selection of the locations shall be in a manner that all Branches are audited over a 3 year period.

b) All of the Company's Branches are subject to unannounced audits and will be chosen for such unannounced audits by the same process and with the same probability as all NAID Certified locations, which is currently approximately 25% per year. Branches belonging to Multi-Location Companies will be in a distinct multi-location audit pool, separate from the audit pool for single-location NAID-Certified Companies.

This Multi-location Certification Program will not change without being agreed upon by the Multi-location Certification Council. This limitation does not include any modification to an audit schedule that is made on a company-specific basis as a result of a series of a Company's transgressions over time. Such company-specific modifications to the Multi-location audit schedule would, however, be considered a change that is subject to established due process and NAID Board of Directors' approval. In addition, any modification of program fees is not subject to Multi-location Certification Council approval, provided that the fee modification is proportionally equal for all companies participating in the NAID Certification Program.

The logic for conducting audits of less than all of a Multi-location Company's locations each year is that the number of locations audited (one-third on a scheduled basis, plus random unannounced audits of other Branches) constitutes a representative sample of the Applicant's sites. Therefore, the enterprise-wide NAID Certification status is dependent upon and measured by the cumulative results of each year's audits.

An audit failure of a single Branch (or a Transfer Processing Station or Collection Facility) of a Multi-location Company may result automatically in such Company losing its NAID Certified status. However, evidence of serious breaches of NAID standards (particularly breaches that might allow unauthorized access to confidential customer media) may lead to heightened scrutiny of the Company at the discretion of the Certification Review Board (CRB).

## **Non-compliance/Transgressions and Due Process**

If the Certification Review Board (CRB) becomes sufficiently concerned over a pattern of transgressions at a Company because of results of audits, it may result in the filing of a complaint with the Complaint Resolution Council (CRC). The CRC would use the same due process established for all ethical transgressions in formulating its recommendations to the NAID Board of Directors. The NAID Board of Directors would ultimately decide to approve, modify or decline the CRC recommendations. As the final element of due process, a member appeal of a NAID Board decision would be afforded to the Respondent in the complaint.

The CRB has the authority to require remedial actions to restore compliance to NAID Certification specifications. The primary purpose of the authority to require restored compliance with NAID Certification specifications is the protection of the clients and the reputation of the NAID Certification program. Therefore, the timeframe required by the CRB to make such adjustments is totally dependent upon the risk to the client and the reputation of the NAID Certification program as determined by the CRB. The CRB is also charged with establishing the precedents regarding when transgressions, or a pattern of transgressions, are referred to the CRC for disciplinary action.

The CRC is ultimately responsible to see that due process is applied to all relevant situations, as well as establishing the precedents under which disciplinary action is warranted.