SEARCH PROCESSING UPDATE – SUMMARY 2017

Processing Overview with Respect to Given, Alias and Developed Names

When we receive screening requests, we are provided current name(s) for a subject, hereafter called “given” names, as well as additional, alternate or previous names, called “alias” name(s). During the course of our various searches, we may also uncover additional names or alternate spellings of the given name(s), hereafter called “developed” names. Developed names are most commonly identified from the Person/Identity Search results but may also come from other search results such as a Motor Vehicle Record (MVR) search or a NatCrim database search.

When alias or developed names are identified, it is important for PlusOne to ascertain if they are indeed legitimate and additional names to be searched. The name is the single most important identifier when ordering criminal records. Oftentimes we are provided with nicknames or short forms i.e. Timmy for Timothy Smith. Using reasonable procedures to ensure maximum possible accuracy, PlusOne will include alias and developed names when conducting county, state or federal criminal and sex offender searches, in accordance with Client requirements. The MVR search is driven primarily off the license number and state of issue so alias and developed names are not applicable in this search.

We constantly strive to provide the most comprehensive and thorough searches possible for our Clients and believe the decision to include these searches, as part of our standard process, improves the depth and accuracy of our screening. We constantly review how we handle records, what the best practice is and what changes we can make to our process to improve the quality of results. We further understand that no search is 100% guaranteed to uncover every possible record but by taking a thoughtful and diligent approach to include all names and applicable information we have access to, we can assist Clients in mitigating their risk.

Criminal Record Reporting Guidelines

Another area we feel deserves clarification are the guidelines around what we report when it comes to criminal record results. Typically, we are requesting a “7 year search for felony and misdemeanor convictions”, although Client scope may vary. The reality, however, is that oftentimes we are provided with information older than 7 years or we may have state or federal reporting restrictions on what information can be released. These reporting restrictions are based on legislation and are not PlusOne’s decision or within our control to amend. Our adherence to these guidelines is what provides Clients assurance that we are delivering their services in a compliant manner. Specifically, we will not report something that, as an employer, you cannot use.

The reporting of criminal record information can become quite complex as each state, county or federal jurisdiction may have different classifications for the same crime, different reporting mechanisms or record keeping systems, or even limitations on what is available and can be reported. For this reason, PlusOne is constantly reviewing our practices with legal counsel to ensure our processes align to the most conservative and comprehensive approach when reporting records. Our desire is always to balance the best interests of the consumer (contractor), our Clients, as well as our business.

This is a constantly evolving area driven by county, state and federal requirements, legal interpretations and outcomes of court cases i.e. case law. For this reason, these guidelines are subject to change at any time.
### Exhibit A

**CRIMINAL RECORD REPORTING GUIDELINES – SUMMARY 2017**

<table>
<thead>
<tr>
<th>Nature of Record</th>
<th>Reporting Guideline</th>
<th>Comment/Example</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Convictions</strong></td>
<td>Report all, with exception of jurisdiction (state) limitations*</td>
<td>7 year state limitation counted from date of conviction (adverse event)</td>
</tr>
<tr>
<td><strong>Non Convictions</strong> – includes nolo pros, ordinance violations, sealed / expunged / invalidated / inoperative records, juvenile records and pretrial / deferral / first offender programs</td>
<td>Only report for 7 years from date of charge (adverse event)</td>
<td>These are charges that do not result in a conviction</td>
</tr>
<tr>
<td><strong>Dismissed Charges/Cases</strong></td>
<td>Will not report</td>
<td></td>
</tr>
<tr>
<td><strong>Pending Court Date Noted</strong></td>
<td>Will report for 7 years from date of charge</td>
<td>No conviction or dismissal listed on record; this includes active arrest warrants noted on file</td>
</tr>
<tr>
<td><strong>Open / Active Records</strong></td>
<td>Will report for 7 years from date of charge</td>
<td></td>
</tr>
<tr>
<td><strong>Deferred Adjudication / Adjudication Withheld</strong></td>
<td>If nolo contendre, conviction or guilty plea entered, we report in line with conviction rules If no indication of conviction or disposition, follow 7 year reporting rule for active records</td>
<td>These depend on whether they are considered “convictions” or “non-convictions”</td>
</tr>
<tr>
<td><strong>Probation</strong></td>
<td>If conviction and probation occurred within the last 7 years, we will report; If conviction is older than 7 years but probation extends into 7 years, we will not report</td>
<td>If probation has not yet been satisfied, it is considered open and reportable</td>
</tr>
<tr>
<td><strong>Mixed Verdict</strong></td>
<td>If charge resulted in a conviction, we will report in line with conviction rules If charge did not result in a conviction, we will report in line with non-conviction rules</td>
<td>This is when there are multiple charges, some of which result in convictions and some of which do not. We will not report those that did not result in a conviction</td>
</tr>
<tr>
<td><strong>Salary Exemptions</strong></td>
<td>Assume all subjects make under the exemption</td>
<td>Some states waive reporting restrictions based on salary exemptions.</td>
</tr>
<tr>
<td><strong>Traffic Offences</strong></td>
<td>Reported if related to alcohol or drug, license suspension or reckless driving cases</td>
<td>Some states waive the reporting restrictions based on salary exemptions. For our purposes we do not</td>
</tr>
</tbody>
</table>

*some jurisdictions such as counties or states have reporting restrictions based on consumer reporting and/or ban the box/fair change legislation that limit the scope and type of records which can be reported*

**Reporting Rules:**
All reported records must have at least 2 identifiers – first and last name and date of birth (DOB), address, SSN, DL info, personal identifiers. Any common names (as defined by the US Census and our internal policies) must have at least 3 identifiers.

All records reported must contain offence name, case number, disposition, disposition date - if anything is missing, we will contact our vendor or courts to obtain missing details.
Exhibit B

SCOPE, SOURCE AND SERVICE DEFINITIONS* – SUMMARY 2017

Glossary of Terms Used:

**Central Court / County Seat** - In counties with multiple courts that include smaller, local, lower level, outlying or remote municipal or justice-of-the-peace courts, the Central Court is considered that court in which felonies and most misdemeanors are adjudicated. The Central Court index may not include all cases that can be found in these smaller local courts, as such courts may not report all convictions to the Central Court—or "County Seat" Court - as it is sometimes referred to. Records may be searched through automated, researcher via public access terminals and/or clerk assisted methods.

**Common Search** - is a description of the default search product from a vendor or researchers, which, when disclosed, provides their customer with an expectation of how that provider will perform their search requests.

**Predominantly Used Index (PUI)** - is that portion or portions of a county’s index at the Central Court which is commonly considered adequate to use exclusively in performing a Common Search. For example, in a county with three separate criminal index sections—such as: a section of the felony/misdemeanor index on computer which extends 10 years back; another section of the felony/misdemeanor index on microfiche which extends from 10 to 20 years back; and a felony-only index that extends 60 years back—only that 10 year section of the felony/misdemeanor index on computer would constitute the Predominantly Used Index, if indeed it is the section of public index predominately and exclusively used by the local research community to perform a Common Search in that county.

**Readily Available** - a record that is readily available through primary index (public access, computer database, automation) or clerk-based or clerk assisted records as compared to other records in the same court or public records agency; and is available without undue court access barriers such as court imposed record access barriers—i.e. file-pull limitations (court only allows 5-10 file-pulls per provider per day), viewing time limitations (court only allows 1 hour of file-viewing per provider per day), et cetera. Available records are those which have not been lost, sealed, expunged, destroyed or otherwise rendered unavailable for public viewing.

**Search Scope** - refers to the type of search (felony and misdemeanor) and the period of time covered by a search (i.e. current jurisdiction, 7 years, 10 years, etc.), from **starting date** to **through date**. For most Clients, PlusOne conducts a Seven-Year Search scope, which is the most common in the industry. Extended scopes are available upon request.

**Starting Date** - indicates how far in the past that **subject** was searched.

**Source** – location or provider from which information is furnished.

**Subject** - refers to the applicant, employee or contractor on whom the information is being gathered.

**Through Date** - indicates how near to the present a subject will be searched. The through date is typically taken from the disposition/release date for convictions or the charge date for non-convictions.

*Definition summary from the National Association of Professional Background Screeners (NAPBS)
Criminal Record Provider Guidelines*
**UNITED STATES**

*Primary Source searches include data obtained directly from source, for example, the court, or courts of conviction, or a central repository controlled by the county, state or federal system. This data is considered the most up-to-date and accurate information on the individual and is considered FCRA Compliant for reporting purposes in the United States.*

**County Criminal Search** – This search uses the subject's name, DOB and address information to determine county jurisdiction(s) to be searched for a specific search scope. A typical search is of felony and misdemeanor information, as made available by county courts, and will be based on current address history. Our search will be conducted of readily available information at the predominantly used index held at the central court in the requested jurisdiction. Additional jurisdictions can be ascertained from person/identity search results. The given name, common index names, alias as well as developed names, may be included in the search. This search contains FCRA Compliant information and is identified as “Primary Source Data.”

*NOTE: The actual convictions of a Registered Sex Offender may no longer be reportable by the court due to the age of the conviction. However the sex offender registration may still be reported separately by the state. See Criminal Record Reporting Guidelines for information included in final reports.*

**Federal Criminal Search** – Also considered “Primary Source Data,” this search uses the subject’s name, DOB and address information to determine federal jurisdiction(s) to be searched. Utilizing the federal judiciary's Public Access to Court Electronic Records (PACER), an electronic access service, a search of felony and misdemeanors of 'federal cases' is conducted which may include securities and tax law violations, immigration, weapons, interstate drug crimes, civil rights violations, and civil cases filed at the federal level. This search identifies possible convictions heard in the US District Courts, Bankruptcy Courts and Courts of Appeals, as well as Supreme Court and three National Courts. Each of the eleven (11) federal courts oversee multiple states in their jurisdiction and cover 94 district courts. For the most part, federal court jurisdictions only hear cases in which the United States is a party, cases involving violations of the Constitution or federal law, crimes on federal land, and bankruptcy cases. Federal courts also hear cases based on state law that involve parties from different states.

*NOTE – Federal conviction records are often returned with limited identifiers such as “Name Match Only” so may be more difficult to match to the subject when date of birth, address, or SSN are not reported. If we are unable to make a positive confirmation of the subject to the record through case and docket information, we will not report results. See Reporting Rules for information on identification matching procedures.*

**Motor Vehicle Record (MVR) Search** – This search uses the subject’s name, driver’s license number and state of issue to search the Department of Motor Vehicle (“DMV”) records for driving status and history. It also reports on the accuracy of the given information compared to the information maintained by the DMV including name accuracy, driver’s license number, and possibly reported date of birth, as available. The MVR report includes the class of the license, citation history, accident history, suspension information, license restrictions and current status of the driver’s license. Search scope is limited by the individual state DMV and is at least 3 years, depending on the state. Many moving violations involving vehicular use are convicted and available in the criminal court searches such as DUI/DWI, vehicular homicide, reckless driving, etc. *NOTE: New Hampshire and Washington require specific forms and Pennsylvania and Puerto Rico have an alternative process.*

**Civil Court Search (Individual/Business)** – A search of the Upper and/or Lower Civil Court based on the names given to provide relating to civil judgments, bankruptcies, UCC filings, liens, and other information. This search uses the subject’s name, DOB and address information to determine federal jurisdiction(s) to be searched and is considered Primary Source data.
CANADA

Canadian Provincial/Territorial Criminal Search – This search uses the subject’s name, DOB and current address information to determine the province or territory to be searched. The search is of public record information available from the courts and will cover all pending and completed criminal matters pursuant to the Criminal Code of Canada (CCC) and/or Controlled Drugs & Substances Act (CDSA) and will extend as far as the court system allows. Summary, indictable and hybrid offences are included. Search results will not include criminal cases that cannot be released such as non-convictions, (dismissed or acquitted), Youth Criminal Justice Act (YCJA) records, publication bans, mental health information, absolute or conditional discharges (if the 1 or 3 year reporting period has expired), warrants and/or pardons (record suspensions). This search is identified as “Primary Source Data” and is therefore the most reliable. Searches conducted in Saskatchewan and New Brunswick require a specific disclosure form to be completed. A standard consent form is needed for all searches.

DATABASE SEARCHES

NOTE – Database Searches, including the NatCrim searches, should not be considered a replacement for direct county/state level criminal record searches as records are often incomplete, out of date or lacking complete identifiers. Searches are not considered to be “FCRA Compliant” unless information is verified against the source courts in accordance with Section 613 of the FCRA. The NatCrim and other nationwide database searches are a cost effective way to search a broad set of databases to identify potential convictions in court systems where the subject has not resided but is not a demonstration of due diligence on its own. The downside is that data for many criminal convictions, felony and misdemeanor, are not made available by the courts for purchase so there are also large and inconsistent gaps in the available data.

Person/Identity Search – This search goes beyond the traditional SSN Verification and uses the subject’s name, DOB and SSN, as provided, to verify their identity through the use of many sources. This information is compiled from hundreds of sources and may include credit bureau header information, USPS address forwarding, utility bill records, voter registration data, licensing and registration data and various aggregate databases. Search results may return additional names associated with the individual, residential address history, and other associated and reported dates of births other than the one supplied by the subject as well as the verification of the SSN (when/where issued). This will also confirm that the SSN does not belong to a deceased person or was not issued prior to the date of birth of the subject. Developed names, alternate DOBs, and addresses may be identified and can then be used to identify other court systems to search, as well as names the subject may be known under.

NOTE: Since data is obtained from a wide variety of information sources that are subject to human error and we are unable to assist a consumer in finding the original source any information that proves to be incorrect, Person Identity Search information is not considered a reportable search in the consumer report and is primarily used as a locator tool to establish likely jurisdictions to search for public records.

State Criminal Search – This search uses the subject’s name, DOB and address information to determine the state jurisdiction(s) to be searched. This search accesses state managed databases where the state repository of the records is considered to be a reliable, updated, and a comprehensive compilation of county court records. We will only pull data from the agency designated to maintain those records and this search is not available in all jurisdictions due to incomplete or information that is not considered current. NOTE – this search will only be offered when the state database is deemed a comprehensive and reliable resource for county information but we always encourage county
searches to be ordered in addition to the statewide. A complete list of state availability can be provided upon request. NOTE: This search may be considered primary source in some jurisdictions.

**NatCrim/Verified** – A broad search for criminal records using the subject’s provided name and DOB performed against a large database of available county and state criminal information, and state reported sex offender records. Records are normally updated weekly, biweekly or monthly when made available by the individual data source. This search also includes fugitive, Department of Corrections, US and international government databases covering numerous watches and sanctions listings.

In the US, Section 613 of the FCRA requires that all records identified as having the potential of being “Pre-Adverse” to the individual’s hiring, contracting, promotion, or volunteering, will automatically include the ordering of the identified criminal court criminal record(s) to obtain the most updated and current details directly from the source. We will only report information in the NatCrim which has been verified against the source data to ensure the accuracy of the information before any possible records are reported and complies with the Section 613 of the FCRA now making the NatCrim that we offer an FCRA compliant search.

NOTE – While the NatCrim Search includes many government databases, not all sources are considered primary sources so this search overall is not considered primary source data. The NatCrim search is suitable for international subjects as it does include various databases, watches and sanctions listings, not just US sources. A full jurisdiction listing is available upon request.

**NatCrim + Alias/Verified** – The most complete NatCrim search which includes an alias search to locate additional names the subject may be known by and then also includes these names, with the given name(s), in the NatCrim search. NOTE – these alias names identified are not included in other county, state or federal criminal or sex offender searches.

**DOJ Sex Offender Search** – A Sex Offender Search is available using the subject’s name to search against the US Department of Justice, National Sex Offender Public Website (NSOPW). The initial search is a match/no match to the name. Additional identifiers are then used such as the DOB, address, demographics, and other identifying information to ascertain if a record belongs to a subject. If a record is located, cross references are made against criminal record and other database searches we have completed. All Sex Offender Registry records are manually reviewed in detail then reviewed again by a senior executive before being reported to further reduce possible errors of inaccurate reporting.

Sex Offender Register searches only report the subject’s possible registry as a Registered Sex Offender and may not contain the actual criminal conviction(s). Actual conviction data may not be available from the source court due to the age of the conviction or restrictions on reporting certain convictions. The existence of a registration on the sex offender registries is a defensible pre-adverse condition if job relevant.

http://www.nsopw.gov/en/Registry/allregistries

**Business Entity Search** – A corporate search providing information such as names, address(es), phone number(s), business/corporation information (names, EIN etc.) as well as property information (foreclosures, evictions, deeds). The report may provide financial information relating to judgments, bankruptcies, UCC filings, liens, and other information. Information is reviewed in the context of evaluating a business and this is not a background screening report for employment/contracting purposes. This report is on a business and therefore is not an FCRA compliant report.
Administrative Agent (FCRA Management) Services

In the US, the use of criminal records in the hiring or contracting process is heavily regulated by the Federal Trade Commission (“FTC”), Consumer Financial Protection Bureau (“CFPB”) and guidance issued by the Equal Employment Opportunity Commission (“EEOC”).

We understand companies may have geographically dispersed hiring processes staffed by hiring managers, HR personnel or Service Managers inexperienced in the use of criminal background screens, motor vehicle driving records, and drug test results in hiring or contracting decisions. As a consequence, handling background screening data properly may be a challenge. This inexperience and improper handling is the result of numerous litigated cases by private law firms due to the technical violations, as well as violations of the EEOC Guidelines, resulting in significant EEOC investigations, hefty settlements and fines.

To address these needs we offer administrative agent services to better manage the risks associated with the use of background screens and drug tests in the hiring process. In so doing, PlusOne is acting ONLY as the administrative agent of our Clients. We are not making any decision and are not considered the end-user of the consumer report, as defined by the Fair Credit Reporting Act (FCRA). When engaged as an administrative agent, PlusOne is carrying out the directions and requirements as provided by our Clients only and Clients still maintain all end user responsibilities as outlined by the FCRA.

Initial Scoring and Pre-Adjudication – This service includes a review of all search results against a risk relevancy matrix, established by the Client, to create an initial filter. This process is based on the position an individual is being considered for, and must ensure the EEOC guidelines and “Green Factors” are respected. Since a decision is not being made at this stage as to the eligibility of the individual, this is a preventative step in the adjudication process. It is designed for better FCRA compliance and is meant to flag records for more in-depth review. At the suggestion of the FTC and EEOC, this step can also remove records which are not deemed applicable to the Client's risk matrix.

FCRA Management and Administration – This program is designed to support Clients to administer adjudication, individual assessments, pre-adverse, and adverse action procedures as required under the FCRA, and the EEOC Guidelines. We will perform such administrative duties by acting as a limited administrative agent of the Client based on procedures adopted after consultation and approved solely by the Client. Additionally, this service also includes compliance with municipal, county and state Ban The Box and Fair Chance laws, as appropriate, from the perspective of pre-adverse / adverse, individualized assessment and appeal requirements.

Once a consumer report is completed for the Client, PlusOne will conduct the “Green Factor Review”, individualized assessment, if applicable, and apply the risk relevancy matrix reference document provided by Client, to ensure the administrative handling of the consumer report. We will also assume responsibility for the FCRA process for pre-adverse determination and notification, and for sending the final adverse notifications, if applicable.

Such services shall be deemed to be purely clerical in nature and shall be done on behalf of the Client, when the criminal background screens, motor vehicle records, and/or drug test results are used in hiring or contracting situations. All final employment / contractor decisions are ultimately made by the Client, not by PlusOne.