



REPORT ON PROFORMEX'S DESCRIPTION OF ITS POLICY
MONITORING SYSTEM AND ON THE SUITABILITY OF THE DESIGN OF
ITS CONTROLS RELEVANT TO SECURITY, AVAILABILITY,
CONFIDENTIALITY AND PROCESSING INTEGRITY AS OF DECEMBER
29, 2017



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CERTIFIED PUBLIC ACCOUNTANTS

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Section 1: Independent Service Auditors' Report

Independent Service Auditors' Report

To: Proformex, Inc.:

Scope

We have examined the description in section 3 titled "Proformex's Description of Its Policy Monitoring System as of December 29, 2017" (description), based on the criteria set forth in paragraph 1.26 of the AICPA Guide *Reporting on Controls at a Service Organization Relevant to Security, Availability, Processing Integrity, Confidentiality, or Privacy* (description criteria) and the suitability of the design of controls described therein to meet the criteria for the security, availability, confidentiality and processing integrity principles set forth in TSP section 100A, *Trust Services Principles and Criteria for Security, Availability, Processing Integrity, Confidentiality, and Privacy* (AICPA, *Trust Services Principles and Criteria*) (applicable trust services criteria), as of December 29, 2017.

The description indicates that certain applicable trust services criteria specified in the description can be met only if complementary user-entity controls contemplated in the design of Proformex's controls are suitably designed and implemented, along with related controls at the service organization. We have not evaluated the suitability of the design or implementation of such complementary user-entity controls.

As indicated in the description, Proformex utilizes Rackspace, a subservice organization, for datacenter hosting services. The description indicates that certain applicable trust services criteria can be met only if certain types of controls that Management expects to be implemented at the subservice organization are suitably designed and implemented. The description presents Proformex's system; its controls relevant to the applicable trust services criteria; and the types of controls that the service organization expects to be implemented and suitably designed at the subservice organization to meet certain applicable trust services criteria. The description does not include any of the controls expected to be implemented at the subservice organization. Our examination did not extend to the services provided by the subservice organization, and we have not evaluated whether the controls Management expects to be implemented at the subservice organization have been implemented or whether such controls were suitably designed and implemented as of December 29, 2017.

Service organization's responsibilities

In section 2, Proformex has provided its assertion titled "Assertion of the Management of Proformex" (assertion) about the fairness of the presentation of the description based on the description criteria and suitability of the design of the controls described therein to meet the applicable trust services criteria. Proformex is responsible for preparing the description and the assertion, including the completeness, accuracy, and method of presentation of the description and assertion; providing the services covered by the description; identifying the risks that would prevent the applicable trust services criteria from being met; designing, implementing, and documenting the controls to meet the applicable trust services criteria; and specifying the controls that meet the applicable trust services criteria and stating them in the description.

Service auditor's responsibilities

Our responsibility is to express an opinion on the fairness of the presentation of the description based on the description criteria and on the suitability of the design of the controls described therein to meet the applicable trust services criteria, based on our examination. Our examination was conducted in accordance with attestation standards established by the AICPA and, accordingly, included procedures that we considered necessary in the circumstances. Those standards require that we plan and perform our examination to obtain reasonable assurance about whether, in all material respects, the description is fairly presented based on the description criteria, and the controls were suitably designed to meet the applicable trust services criteria as of December 29, 2017.

An examination of a description of a service organization's system and the suitability of the design of the controls involves:

- Evaluating and performing procedures to obtain evidence about whether the description is fairly presented based on the description criteria, and the controls were suitably designed to meet the applicable trust services criteria as of December 29, 2017.
- Assessing the risks that the description is not fairly presented and that the controls were not suitably designed.
- Evaluating the overall presentation of the description.

We did not perform any procedures regarding the operating effectiveness of the controls stated in the description and, accordingly, do not express an opinion thereon. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Inherent limitations

Because of their nature, controls at a service organization may not prevent, or detect and correct, all errors or omissions in providing services. Also, the projection to the future of any evaluation of the fairness of the presentation of the description or conclusions about the suitability of the design of the controls is subject to risks that the system may change or that controls at a service organization may become ineffective or fail.

Opinion

In our opinion, in all material respects, based on the description and the applicable trust services criteria

- a. the description fairly presents the Policy Monitoring System that was designed and implemented as of December 29, 2017.
- b. the controls stated in the description were suitably designed to provide reasonable assurance that the applicable trust services criteria would be met if the controls were implemented as of December 29, 2017, user entities applied the complementary user-entity controls contemplated in the design of Proformex's controls as of December 29, 2017, and the subservice organization applied the types of controls expected to be implemented at the subservice organization as of December 29, 2017.

Restricted use

This report, including the description of controls in section 4 are intended solely for the information and use of Proformex; user entities of the Proformex Policy Monitoring System as of December 29, 2017; and prospective user entities, independent auditors, practitioners providing services to such user entities, and regulators who have sufficient knowledge and understanding of the following:

- The nature of the service provided by the service organization.
- How the service organization's system interacts with user entities or other parties.
- Internal control and its limitations.
- The applicable trust services criteria.
- The risks that may threaten the achievement of the applicable trust services criteria and how controls address those risks.

This report is not intended to be and should not be used by anyone other than these specified parties.

SKODA MINOTTI & CO.

December 29, 2017

Tampa, Florida

Section 2: Assertion of the Management of Proformex

Assertion of the Management of Proformex

We have prepared the attached description titled "Proformex's Description of Its Policy Monitoring System as of December 29, 2017" (the description), based on the criteria for a description of a service organization's system identified in paragraph 1.26 of the AICPA Guide *Reporting on Controls at a Service Organization Relevant to Security, Availability, Processing Integrity, Confidentiality, or Privacy (SOC 2)* (the description criteria). The description is intended to provide users with information about the Proformex Policy Monitoring System, particularly system controls intended to meet the criteria for the security, availability, confidentiality, and processing integrity principles set forth in TSP section 100A, *Trust Services Principles and Criteria for Security, Availability, Processing Integrity, Confidentiality, and Privacy* (AICPA, *Trust Service Principles and Criteria*) (applicable trust services criteria). We confirm, to the best of our knowledge and belief, that

- a. the description fairly presents the Proformex Policy Monitoring System as of December 29, 2017, based on the following description criteria:
 - i. The description contains the following information:
 - (1) The types of services provided
 - (2) The components of the system used to provide the services, which are the following:
 - Infrastructure. The physical structures, IT, and other hardware (for example, facilities, computers, equipment, mobile devices, and telecommunications networks)
 - Software. The applicable programs and IT system software that support applicable programs (operating systems, middleware, and utilities)
 - People. The personnel involved in the governance, operation, and use of a system (developers, operators, entity users, vendor personnel, and managers)
 - Procedures. The automated and manual procedures
 - Data. The transaction streams, files, databases, tables, and output used or processed by a system
 - (3) The boundaries or aspects of the system covered by the description
 - (4) If information is provided to, or received from, subservice organizations or other parties
 - How such information is provided or received and the role of the subservice organization or other parties
 - The procedures the service organization performs to determine that such information and its processing, maintenance, and storage are subject to appropriate controls
 - (5) The applicable trust services criteria and the related controls designed to meet those criteria, including, as applicable, the following
 - Complementary user-entity controls contemplated in the design of the service organization's system
 - When the inclusive method is used to present a subservice organization, controls at the subservice organization
 - (6) If the service organizations present the subservice organization using the carve-out method
 - The nature of the services provided by the subservice organization
 - Each of the applicable trust services criteria that are intended to be met by controls at the subservice organization, alone or in combination with controls at the service organization, and the types of controls expected to be implemented at carved-out subservice organizations to meet those criteria
 - (7) Any applicable trust services criteria that are not addressed by a control at the service organization and the reasons
 - ii. The description does not omit or distort information relevant to the service organization's system while acknowledging that the description is prepared to meet the common needs of a

broad range of users and may not, therefore, include every aspect of the system that each individual user may consider important to his or her own particular needs.

- b. the controls stated in the description were suitably designed as of December 29, 2017 to meet the applicable trust services criteria.

/s/

Mr. Michael Pepe
Chief Executive Officer
Proformex, Inc.
December 31, 2017