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Mentor IT A/S

ISAE 3402 Type 2

Independent auditor's report on general IT controls regarding operating and hosting services from 01.04.2017 to 31.03.2018

Contents

1. Independent auditor's report

To the management of Mentor IT A/S, Mentor IT A/S' customers and their auditors

Scope

We have been engaged to report on Mentor IT A/S' assertion in section 2 and the related descriptions of the system and control environment in section 3 with respect to Mentor IT A/S' operating and hosting services, comprising the design, implementation, and effectiveness of controls as stated in the description. Mentor IT A/S' description refers to the controls established to ensure the hosting and operating services which Mentor IT A/S offers to their customers (general IT controls). For a further description of services offered, please refer to section 3.

Mentor IT A/S' responsibilities

Mentor IT A/S is responsible for preparing the accompanying assertion and the description of the system and control environment in section 3. Mentor IT A/S is also responsible for ensuring the completeness and accuracy of the description, including correct representation and presentation of such an assertion and description. Mentor IT A/S is also responsible for providing the services covered by the description and for designing and implementing effective controls to achieve the control objectives identified.

Auditor's responsibilities

Based on our procedures, our responsibility is to express an opinion on Mentor IT A/S' description as well as on the design, implementation ,and effectiveness of controls related to the control objectives stated in this description. We conducted our engagement in accordance with the International Standard on Assurance Engagements 3402, "Assurance Reports on Controls at a Service Organization", issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform our procedures to obtain reasonable assurance that the description provides a fair presentation in all material respects, that the controls have been appropriately designed ,and that they are operated effectively.

We have complied with the requirements for independence and those in the IESBA's Code of Ethics, which is based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional conduct.

Deloitte uses ISQC 1 and therefore maintains a comprehensive system for quality management, including documented policies and procedures for complying with the code of ethics, professional standards, and applicable requirements according to laws and other regulations.

An assurance engagement relating to the description, design, and effectiveness of controls at Mentor IT A/S involves performing procedures to obtain evidence about Mentor IT A/S' description of its system and about the design and effectiveness of controls. The procedures selected depend on the auditor's judgment, including their judgment of the risk that the description is not presented fairly and that controls have not been suitably designed, or that they are not operated effectively. Our procedures involve testing of the effectiveness of the controls we consider necessary to provide reasonable assurance that the control objectives stated in the description were achieved. Our procedures also involve evaluating the overall presentation of the description, the suitability of the control objectives stated therein, and the suitability of the criteria specified by the service provider and described in section 2.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Limitations of controls at a service organization

Mentor IT A/S' description is prepared with a view to meeting the common needs of a broad range of customers and their auditors and may not, therefore, include every aspect of the control of a system that each individual customer may consider important in their own particular control environment. Also, because of their nature, controls at a service organization may not prevent or detect all errors or omissions in processing or reporting transactions. Moreover, the change in the assessment of effectiveness is subject to the risk that controls in a service organization may become insufficient or fail.

Furthermore, extending our opinion to subsequent periods' transactions will be subject to the risk that changes may have occurred in systems or controls or in the service organization's compliance with the policies and procedures described, which may cause our opinion to no longer apply.

Opinion

Our opinion is based on the matters outlined in this report. The criteria we used in forming our opinion are those described in section 2. We believe that:

a) The description of the general IT controls fairly presents, in all material respects, Mentor IT A/S' controls of relevance to the hosting and operating services to Mentor IT A/S' customers as designed and implemented in the period from 01.04.2017 to 31.03.2018;
b) The controls related to the control objectives stated in the description were ,in all material respects, suitably designed in the entire period from 01.04.2017 to 31.03.2018;
c) The tested controls, which were the controls necessary to provide reasonable assurance that the control objectives in the description were achieved, were, in all material respects, operated effectively in the entire period from 01.04.2017 to 31.03.2018.

Description of controls tested

The specific controls tested and the nature, timing, and results of those tests are evident from section 4.

Intended users and purpose

This report, the description of the system and control environment in section 3, and our tests of controls in section 4 are solely intended for customers who have been using Mentor IT A/S' services and their auditors who have an understanding sufficient to consider it along with other information, including information about the customers' own controls, when identifying the risk of material misstatement of their financial statements.

Copenhagen, July 2, 2018

Deloitte

Statsautoriseret Revisionspartnerselskab

Thomas Kühn

Partner, State-Authorized Public Accountant

Michael Bagger

Director, CISA

2. Assertion by Mentor IT A/S

This report is prepared for Mentor IT A/S' customers using Mentor IT A/S' services as well as their auditors. Our statement includes the description of the system and control environment, including controls that Mentor IT A/S performs for customers under their contracts with Mentor IT A/S. Our description of the processes and the controls performed is provided in Section 3.

Our description covers the period from 01.04.2017 to 31.03.2018 and requires that customers and their auditors have a sufficient understanding of the services provided to assess the description along with other information, including information about controls that customers have established and the assessment of risks of misstatement in the customers' financial statements.

Mentor IT A/S confirms that:

1. The accompanying description in section 3 fairly presents the general controls related to Mentor IT's outsourcing services used by customers in the period from 01.04.2017 to 31.03.2018. The criteria for this assertion were that the included description:
    a. presents the way in which the general IT controls were designed and implemented, including:
        i. the types of services provided, including, as appropriate, classes of transactions processed;
        ii. the processes in both IT and manual systems used for managing general IT controls;
        iii. relevant control objectives and controls designed to achieve these objectives;
        iv. controls which we, in regard to the controls' design, assumed would be implemented by Mentor IT's customers and which, if necessary in order to achieve the control objectives stated in the description, are identified in the description together with the specific control objectives which we cannot achieve ourselves;
        v. other aspects of our control environment, risk assessment process, information system and communication, control activities, and monitoring controls that have been relevant to the general IT controls.
    b. contains relevant information about changes in the general IT controls carried out during the period from 01.04.2017 to 31.03.2018.
    c. does not omit or distort information relevant to the scope of the system described, taking into account that the description is prepared with a view to meeting the common needs of a broad range of customers and their auditors and therefore cannot include any aspect

of controls that each customer may deem important due to the customer's special conditions.

2. The controls related to the control objectives stated in the accompanying description were suitably designed and operated effectively throughout the period from 01.04.2017 to 31.03.2018. The criteria for this assertion were that:
    a) the risks that threatened the achievement of the control objectives stated in the description were identified;
    b) the controls identified would, if applied as described, provide a high degree of assurance that those risks did not prevent the achievement of the stated control objectives;
    c) the controls were applied consistently as designed, and manual controls were carried out by persons with adequate competencies and authority throughout the entire period from 01.04.2017 to 31.03.2018.

Esbjerg, July 2, 2018
Mentor IT A/S

Søren Frandsen
Partner

3. Mentor IT A/S' system description

3.1 Overview

The purpose of this description is to inform the customers of Mentor IT A/S and their auditors about the systems in place at Mentor IT and to ensure that the requirements of "International Standard on Assurance Engagements 3402" and "Assurance Reports on Controls at a Service Organization" have been met. The description has also been made to inform about the controls in use to ensure safe and stable operation of the hosting services (HS), rack hosting services (RS), and support services (SS) delivered to Mentor IT A/S' customers.

3.2 Mentor IT A/S and description of services

Mentor IT was founded in 1999 and is headquartered in Esbjerg, Denmark. Mentor IT specializes in offering hosted solutions and managed services to companies. These services include server solutions, back-up solutions, mail solutions, web hotels, content management systems (CMSs), online payment solutions, and service desk solutions.

The facilities include two secure data centers in Esbjerg. Both data centers are owned by Mentor IT and are located more than five kilometers apart and connected through redundant fiber optics. All server systems are placed in Denmark, and redundant fiber connections from TDC, GlobalConnect, and Stofa with very high bandwidth ensure that customers are provided with a quick and reliable solution. As of the end of June 2016, Mentor IT has moved their secondary data center from GlobalConnect's site in Kolding to an internally managed site in Esbjerg.

Mentor IT is a well-established company respected within the hosting business. The services offered are based on world-leading products and "best practices" intending to ensure that customers are offered the best possible solutions and that they are not technologically bound to Mentor IT. The services and solutions are to be found on the company website, including current prices.

Mentor IT focuses on high quality and secure solutions, which their membership of and a quality certificate received from the Danish Hosting Association (BFIH) confirms.

The solutions offered by Mentor IT are developed to support the customers' businesses in certain key areas:

- Controlling business processes
- Increasing business efficiency
- Increasing productivity
- Increasing benefit from IT solutions.

3.2.1 Description of services

Below the controls in use regarding Hosting Services (HS), Rack Hosting Services (RS), and Support Services (SS) delivered by Mentor IT are described. The services offered by Mentor IT are referred to as Mentor IT, which covers HS, RS, and SS. The services delivered by Mentor IT are described focusing on the established controls relevant to the ERP system platforms of Mentor IT A/S' customers.

The intention of the description is to include most of the customers of Mentor IT. Thus, focus is on the processes and controls relating to the common services of Mentor IT. Specific services or settings relating to individual customers are not included in this description, but they are defined in the customer contract. This statement therefore only includes equipment located at the Mentor IT data centers.

Mentor IT delivers a various range of services from web hotels to service agreements. Below is a list of some of these services, which are also described in the section following it.

- Hosting services (HS), including services such as:
  - Web hotel and DNS hotel
  - Email scanning
  - Backup
  - Hosted Exchange
  - Hosted Desktop
  - Hosted Server
  - Hosted Infrastructure
  - Maintenance
  - Surveillance
- Rack hosting (RH), including services such as:
  - Facility
  - Infrastructure

- Support services (SS) such as:
  - Regular maintenance
  - Service agreements
  - Regular consultancy work on services included in the agreement.

3.2.1.1 Hosting Services (HS)

Hosting services are developed as an alternative to the traditional on-site servers and server functions owned and maintained by the customer. These hosting services are operated in the data centers of Mentor IT based on a set of standard services. Customers can choose which services their companies need and only buy those necessary.

- Mentor IT A/S delivers the software for the operating systems. Back-up copies are made of all data and configurations according to the customers' choices specified in their contracts. Service Level Agreements (SLAs) exist.
- For the individual customer systems, the customers are allowed to bring third-party software. Mentor IT must approve the software before installation.
- The systems are operated on a common hardware platform, where customers can choose between different levels of redundancy and functionality.
- Mentor IT is responsible for any administration and control of the hardware platform. The level of support and access to the systems follow the contract and the SLA.

3.2.1.2 Rack Hosting (RH)

Customers with a request or demand for operating their own hardware platform are able to use Mentor IT's Rack Hosting services, with them "renting" server room facilities. Rack Hosting covers services such as cooling, generators, UPS, fire extinguishing system, power, surveillance, infrastructure, alarm system, documentation, and the rack itself.

- The rack is supplied and maintained by Mentor IT;
- Power and cooling is supplied and maintained by Mentor IT;
- Server room environment monitoring is managed by Mentor IT;
- Access control and surveillance is managed by Mentor IT;
- Infrastructure can be supplied by Mentor IT, but customers are allowed to bring their own fiber connections.

3.2.1.3 Support Services (SS)

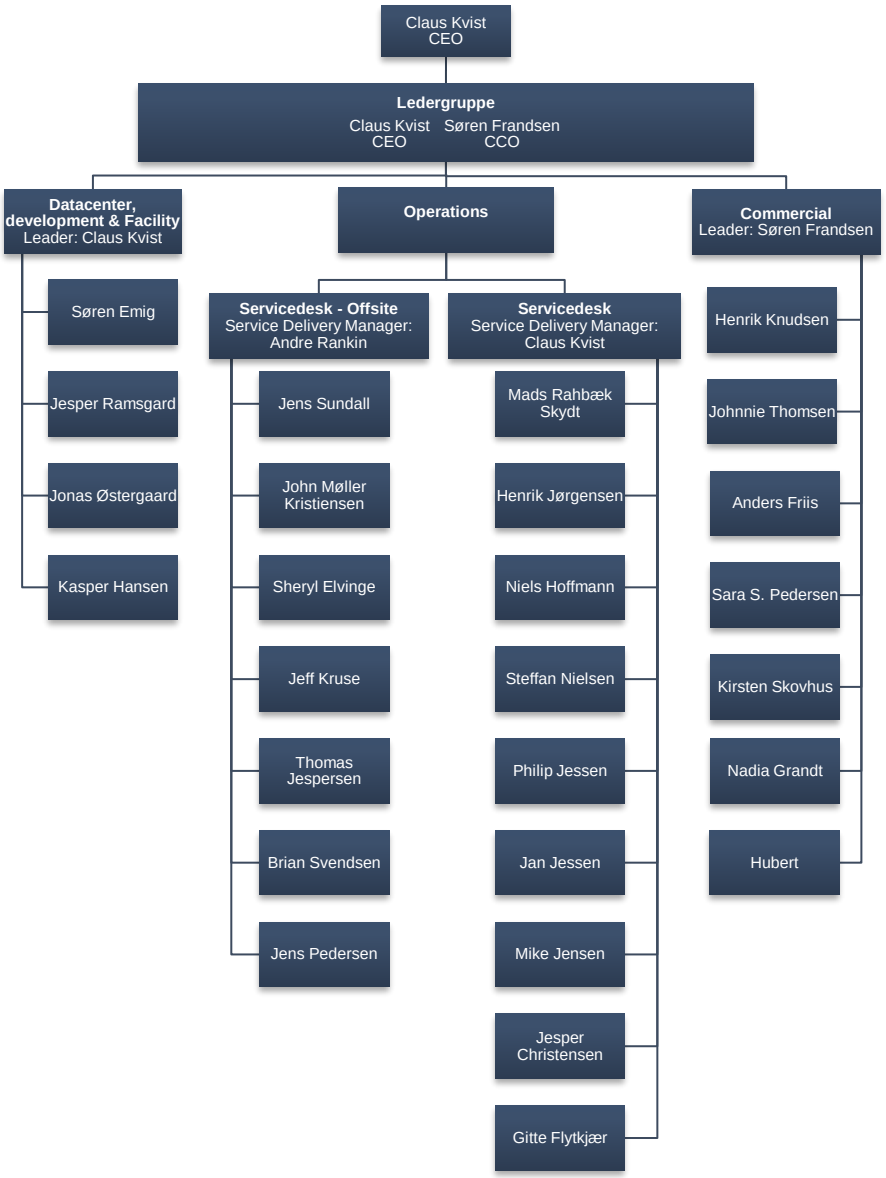
Support Services are offered as an add-on to the customer's solutions and can be used as an alternative to the customer's own IT department if such a department does not exist, or if the customer finds the

solution financially attractive. The Support Services can be maintained on the customer's solution, with patches being installed and regular maintenance work being performed. Support Service can also include user support on applications specified in the support contract. Furthermore, these services can be bought on an hour-to-hour basis for new projects, installation of new software, change of user rights, new users, etc. The required amount of Support Services for a customer is based on the customer's individual need for support, which is specified in the contract.

- A maintenance agreement offers installation of security patches to the operating systems;
- A service agreement offers installation of security patches to the operating systems and other Microsoft applications, but also user support according to the specifications in the contract;
- Other services can be bought per project or per hour.

3.3 Mentor IT A/S' organization and security

The organizational chart below shows the organization and responsibilities of Mentor IT A/S.



3.4 Risk assessment

The management of Mentor IT is responsible for identifying the risks and for establishing the required level of control to avoid those risks. This includes controls on the systems, facilities, and infrastructure in Mentor IT's data centers in Esbjerg.

The members of management convene on a regular basis to discuss the business risks, including the financial and technical risks. Regular meetings attended by management and employees are held to discuss current projects, system maintenance, education, and new products in order to provide general information and identify potential risks.

On a yearly basis, the control team carries out a risk assessment of the systems and businesses of Mentor IT. The theory used for assessing the risks in the systems and businesses is based on a matrix of "consequence of the risk multiplied by the probability of the risk happening". The risk assessment takes both internal and external factors into consideration as well as management's ability to focus on the impact of these factors. The risk assessment is published for management and the Board of Directors.

3.5 Control framework, control structure, and criteria for control implementation

The following principles and criteria were used for producing the description of the systems in place at Mentor IT. The same principles were also used for assessing whether the controls had been developed suitably and whether the controls are implemented in the organization.

As a member of BFIH, Mentor IT is also subject to an annual system/IT audit which results in an annual auditor's report prepared in compliance with ISAE3402.

The determination of criteria for control implementation at Mentor IT is based on ISO27001/27002:2013. Based on this control framework and best practice, control areas and control activities have been implemented to minimize the risk of services provided by Mentor IT. Based on the control model selected, the following control areas are included in the overall control environment:

- Information security policies;
- Organization of information security;
- Human resources security;
- Access control;
- Physical and environmental security;
- Operations security;
- Communications security;
- Systems acquisition, development, and maintenance;
- Information security incident management;
- Information security aspects of business continuity management.

3.6 Control environment established

Each area is described in detail in the sections below.

3.6.1 Information security policies

A formal IT security policy is in place. The control team and the management have designed the policy in order to include both technical and company policies. On a yearly basis, the policy is reviewed and presented to all the employees to ensure that everyone understands and complies with it.

3.6.2 Organization of information security

The information security and control environment of Mentor IT reflects the stand taken by the management and the Board of Directors on the importance of controls and the impact on controls in politics, procedures, methods, and the organizational structure.

3.6.2.1 Responsibilities

The Board of Mentor IT is responsible for respecting Mentor IT's business policies. The Board consists of internal and external directors, who convene at least once every quarter to discuss the issues regarding the general operation and the finances of Mentor IT.

The board is responsible for reviewing the following:

- The financial results of Mentor IT;
- Reports from auditors regarding financial and IT security;
- The observations and recommendations made by the control team.

3.6.2.2 Authorities

Mentor IT is registered at DK-CERT in order to help respond to IT threats and IT crime.

3.6.2.3 Control team

A control team has been set up at Mentor IT. The team consists of specialists in finance, operational systems, and the Standard Operation Procedure program. The control team has unlimited access to reviewing the business of Mentor IT in order to ensure compliance with procedures. The control team reports directly to the management of Mentor IT.

The purpose of the control team is to assist management in complying with its responsibilities concerning:

- The internal controls regarding financial and legal obligations;
- The internal controls regarding the data centers' operational systems;
- The internal controls regarding procedures.

The control team will contribute to continuous improvement of the company policies, procedures, and practices at all levels.

3.6.2.4 External parties

Mentor IT is independent of its suppliers and customers, both organizationally and functionally.

Procedures are in place to ensure that only the customers' management is able to order or confirm changes to services and user rights. The same management must also approve third-party suppliers to their services.

3.6.3 Human resources security

The recruitment procedures of Mentor IT have been standardized. When recruitment is required, Human Resources posts the available position, including a description of the tasks and responsibilities related to the position. The candidates are reviewed in terms of qualifications, and interviews are held. Whether a job offer is made depends on the candidate's qualifications, references, personality, and criminal record.

The HR policies and procedures are available from Mentor IT's intranet.

The policies include:

- Equal treatment;
- Codes for business responsibility;
    - Ethical standards;
    - Honesty and fair treatment;
    - Conflicts of interest;
- Publication, use, and copyright of Mentor IT's software or third-party software;
- Harassment;
- Confidentiality;
- IT communication systems.

The values of Mentor IT are available on the corporate intranet. The employees are to create value for the customers, be responsible, react to issues, communicate in an understandable way, and commit themselves to their jobs.

All new employees of Mentor IT are required to participate in an introduction program. This program provides information about the general policies, procedures, and organization of Mentor IT and allows for new employees to familiarize themselves with the business philosophy.

Mentor IT has implemented various communication methods to help its employees understand their individual roles and responsibilities, and controls, and to help them ensure that important incidents are communicated in a timely manner. They include:

- Guidance programs for new employees and existing employees who experience a change in their job description. New employees go through the policies of Mentor IT as part of the information process.
- Newsletters and memos provide information about important incidents and changes to company policies and are published regularly. Urgent information is communicated to the employees by email.
- Staff meetings are held twice a month or when necessary. These meetings offer the employees the opportunity to ask questions about the standard policies or exceptions to them.

All employees are entitled to vacation as specified in their contracts of employment. The vacation must be approved by the supervisor. Upon retirement and employee termination, interviews are held, and the company's property is collected. Standard procedures are in place for the collection of company property, and deactivation of access keys and logins.

Mentor IT has a policy on equal treatment of men and women which all employees must be aware of.

The ethical standards of Mentor IT serve as a guideline for all employees in matters concerning customers, the public, suppliers, and colleagues.

3.6.4 Asset management

The data centers of Mentor IT are operated according to a 'Best-of-Breed' policy by only using hardware, software, and middleware from leading manufacturers in the market, for example, HP, Cisco, Juniper, VMware, Veeam, Brocade, APC, Microsoft, Linux, Cummins Diesel generators, and Autronica. This ensures reliability and compatibility.

Examples of equipment in use:

- Blade servers;
- SAN systems;
- Fiber switches;
- Data center switches;
- Software for virtualization;
- UPS;
- Monitoring system;
- Diesel generator;
- Fire extinguishing equipment.

All equipment is registered to and owned by Mentor IT. The only exceptions are:

- Specific software licenses that can only be delivered to customers as a service:
    - For these licenses, service provider agreements have been made between Mentor IT and the manufacturer;
- Customer hardware in the Rackspace Hosting Service.

Only equipment approved by management can be used for Mentor IT's services.

3.6.5 Access control

3.6.5.1 Business requirements for access control

Procedures for access control are in place. Access to managing Mentor IT's systems requires approval from management, who also defines which systems should be accessible by the employees.

The server and infrastructure team is responsible for developing standards and administering logical safety for the employees of Mentor IT on selected systems and applications. All Mentor IT's customer environments are kept separate.

User IDs and passwords for infrastructure, platform, and most applications have internal settings which allow a predetermined number of invalid access attempts before they are deactivated. Involvement of the server and infrastructure team is necessary if a password has been deactivated.

The management of Mentor IT checks personnel access granted. User access is updated by the server and the infrastructure team.

Access to the systems at Mentor IT is based on rights given to a domain user. This means that termination of employees only requires disabling of the domain user. Then access to Mentor IT's network and systems is prohibited.

3.6.5.2 User access management

User IDs are set up according to a process, with management informing the server and infrastructure team of new employees, the systems to which access is needed, and the level of access. The manager of the new employee defines the level of access based on the employee's job description. Checks of access to HS systems are conducted by the top management.

The employees of Mentor IT may need access to Mentor IT's customer systems for maintenance or support purposes. This is made possible through numerous levels of logical access control. Every level of safety is adapted to the system platform, application, and/or data files.

3.6.5.3 User responsibilities

Employees are required to follow the password policy as stated in the IT policy of Mentor IT.

Mentor IT informs customers and their users about password policies when creating new users. This information is given in the document "User creation".

3.6.5.4 Controls to be performed by the customer

The controls of Mentor IT have been designed based on the assumption that certain controls are performed in-house by the customer. Implementation by the customer of these internal controls is necessary to ensure the level of security specified by Mentor IT in this document.
The controls referred to below are considered the minimum level of controls that a customer is required to have in order to ensure the level of security specified in this document. The list is not exhaustive, as it depends on the customer's transactions:

- **Access control**: The customer is responsible for implementing and administering access control to ensure that it prevents unauthorized access to applications and data.
- **System access**: The customer is responsible for ensuring that access to data and applications includes formal control of user identification, access rights, and logging of additions, deletions, and changes to access controls. The control must also include periodic reviews of user access rights to ensure that access to data is appropriate with regard to user responsibility and job function.
- **Incident management:** The customer is responsible for reporting all incidents that may affect the operating systems.
- **Change Management**: The customer is responsible for specifying and recognizing the need for testing new patches and the authorization of new patches in their environments.

3.6.6 Physical and environmental security

3.6.6.1 Security – physical access

Mentor IT has formal policies and procedures in place for access control of facilities and data centers. These policies and procedures define the levels of access, referring to the classification of employees, and describe the permits required to obtain and survey access.

3.6.6.2 Administration of access control

The entrances to the data centers are secured by key cards, which are connected to a central alarm unit. Access to facilities is granted on the basis of job responsibility and is administrated by the management according to internal procedures.

3.6.6.3 Surveillance

The entrances to the data centers are equipped with alarms and video surveillance. Video activity is transferred to a central server and is kept on SAN. Security personnel examine any activation of door alarms. Furthermore, any access to the data center is monitored so that controlled/authorized access is maintained. Regular controls are performed to ensure that the list of employees who are granted access is up-to-date. Technicians in need of access due to business errands will be escorted.

3.6.6.4 Physical security measures

Physical security measures and control systems are in place to protect the data centers of Mentor IT against the surroundings. These systems include:

- Climate control in the data centers – HVAC (Heating, Ventilating, and Air Conditioning) systems – are monitored by Mentor IT personnel 24/7. Alarms inform employees of conditions which deviate from predetermined temperatures or levels of humidity. The employees respond to alarms and rectify the problem, if necessary.
- Heat and smoke detectors are mounted in the ceiling and under the elevated floor. A Senator 100 device alerts and activates Aragonite fire-extinguishing equipment in case of fire.
- HVAC and fire detectors are tested at least once a year.
- Preventive groundwater protection has been installed, and alarms are in place to notify Mentor IT before reaching critical levels in the event of failure of these systems. These alarms are tested every time the generator and UPS are tested.
- Power Supply and back-up facilities are installed and maintained to ensure a continuous supply of electricity in case of a power cut. These systems include an Uninterruptible Power Supply (UPS), Power Distribution Units, and generators. UPS systems generate approx. 10-20 minutes of continuous electricity to ensure proper closing down of the system, if necessary. The data centers are also equipped with back-up diesel generators which can be used for protecting the data centers and the facility from irregularities in the electricity supply and aid in case of a major power supply issue. UPS systems and generators are tested periodically to ensure they are fully functional.

Cables and cords connected to or coming from IT equipment and peripheral units are placed outside of normal walking areas. In particular, cables for IT equipment are placed under an elevated floor or in a circuit under the ceiling.

Equipment outside of the building is protected by a fence and monitored by way of video cameras.
Hardware no longer in service is stored for a certain period of time prior to its destruction.

3.6.7 Operations security

3.6.7.1 Standard Operating Procedures

Procedures are in place for operating systems and services at Mentor IT.

3.6.7.2 Change management

A change management system is used for ensuring that changes to the services offered by Mentor IT are approved by the management and carried out in the best possible way.

3.6.7.3 Backup of operational systems

Backup of all Mentor IT servers is conducted on a daily basis. The image-based backup is performed to SAN in data center 2. Furthermore, documentation of all Mentor IT systems is copied to a USB key attached to a server in Mentor IT. These files are also copied to data center 2.

All back-up reports are sent to the back-up team for monitoring according to the SOP.

3.6.7.4 Backup of customer environments

Based on the customer's back-up agreement, backup is conducted on a daily basis.

Backup protects the customer's data or systems in terms of integrity and security. The backup is conducted every night or at another scheduled point in time through an automated process. To reduce restore time and/or to have an extra copy of the back-up data, customers have the option to store data on an additional external location. The back-up data centers are placed in Esbjerg.

Two types of backup are available:

- File backup;
- Image-based backup (snapshot backup).

Using the product "File backup", back-up copies are made of files, databases, and system files. When using this product alone, it is not possible to restore a server from the backup. A basic installation is required to restore data from the backup. The customer is granted access to the back-up client and is able to restore and select files for backup. Configuration of several back-up jobs with different histories is also an option. The file-based backup is first stored at data center 1 to increase performance and reduce restore time. The back-up data is then replicated to data center 2.

"Image-based backup" offers backup of the complete server, and with this product it is possible to restore the complete server as it was when the backup was made. Normally, a 21-day back-up history is used, but this may vary. The customer is not granted access to the back-up product. Restoring files or systems

is only possible through the support team of Mentor IT. Customer-specific requirements regarding back-up history can be arranged. The image-based backup is stored at data center 2.

It is possible to combine the two products for optimum data security.

3.6.7.5 Logs

Mentor IT has implemented an audit system to ensure visibility and control of our internal management infrastructure in order to quickly identify suspicious behavior and investigate it thoroughly.
The solution is automated and offers reports and alerts based on changes in and activities from Active Directory objects and group policies. This allows Mentor IT to:

- Identify potential threat actors;
- Assess and mitigate IT Security Risks;
- Respond quickly to threats;
- Investigate anomalies in user behavior;

The customers' operational systems are installed with standard logging of system events, application events, and user events. Back-up copies are made of these logs according to the back-up agreement between Mentor IT and the customer.

3.6.7.6 Monitoring

The operational environment of Mentor IT is constantly monitored by several monitoring systems. One of these systems is the primary monitoring system for all Mentor IT systems and services, but some systems are also monitored directly from the manufacturer.

The primary monitoring system

The primary monitoring system is configured to sending notifications if predetermined parameters are deviated from. These parameters are defined at a level where the notification will arrive in time for the incident to be solved within opening hours without escalating the incident. Another predetermined set of parameters will activate a warning in the event of deviation. The warnings are dealt with according to the SOP.

The individual customer systems are monitored on general parameters, including but not limited to the level of free disk space, the level of uptime, and time passed since the latest systems update.

If the customer requests additional monitoring, this can be added and is then dealt with under customer-specific requirements according to the contract.

Other monitoring systems

Some systems are monitored directly from the manufacturer. An example of this is the 3PAR storage systems, which are monitored 24/7/365 by HP according to the service contract. HP will contact Mentor IT in case of incidents.

Logging of errors

The primary monitoring systems log all notifications for one year. Errors related to physical hardware, i.e. disc failure, are logged according to the SOP.

Time servers

Where possible, all services are configured to synchronize with standard time servers on the internet.

3.6.7.7 Responsibilities

The management and delivery of Mentor IT services is carried out by several teams of Mentor IT as defined in the organization of Mentor IT, see section 3.3.

Operation and maintenance team

The maintenance and support team is responsible for the daily activities regarding monitoring, planning, problem solving, and backup of systems and data for customers. The team ensures that the activities are planned and carried out according to the formal procedures and practices, and that any problem is traced, registered, and solved. Problems regarding operations are logged according to the SOP, so that recurring problems are easily identified. The SOP includes necessary precautions for the restart of services and restoration of systems in case of application or server problems.

The maintenance and support team is also responsible for:

- Checking Backup and Restore;
- Maintaining operating systems for customers with this option;
- Maintaining all hardware stored at the data centers of Mentor IT, including for repairs and replacement. The equipment of customers using Rack Hosting services is not included in the maintenance program;
- Securing a reasonable store of spare parts for all hardware used in providing Mentor IT services.

Infrastructure team

The consultant team is responsible for creating, supporting, and implementing a standardized, secure infrastructure for the customers who are using Mentor IT services, ensuring a stable and highly available solution.

Support team

The support team of Mentor IT offers first-level support on all Mentor IT services. The consultant team offers second-level support. Support is offered when incidents are reported by phone or email. The support includes investigation and resolving of technical and system-related incidents. All incidents are logged in the CRM system or ERP system depending on the incident. Support services are invoiced according to the individual customer contract. The support team also maintains the systems of customers with a maintenance or service agreement.

Mentor IT offers the option to receive support outside of opening hours by simply calling Mentor IT and choosing the relevant option on the answering machine. This service is available to everyone; however, the support is not necessarily free of charge, since it depends on the incident and the individual customer's contract.

Facility team

The maintenance and support team of Mentor IT is responsible for checking all the data center facilities. Close cooperation with the management as well as the consultant team ensures that all activities are supported and that service contracts are in place for all relevant equipment.

3.6.7.8 Third-party delivery management

The service level of suppliers is checked on a regular basis. If deviations from contracts occur, the supplier will be contacted and the deviation corrected. If this is not possible, the supplier will be replaced.

3.6.7.9 System planning and acceptance

Formal information and reporting systems have been implemented to ensure that the management is able to monitor key performance indicators. Each business unit has and maintains reporting systems that provide appropriate information about the processes for which they are responsible.

When capacity usage is approaching 80%, management will be informed thereof. All systems in Mentor IT are scalable, making purchasing and installation easy. New technology is implemented by a group of experts who design, implement, and test the technology before it is put into operation.

3.6.8 Communications security

3.6.8.1 Network security management

Mentor IT collaborates closely with several suppliers of fiber broadband in order to deliver cost-effective and scalable connections from the customers' business location to the data centers of Mentor IT. Mentor IT collaborates with Cisco & Juniper, using their latest technology in the design and implementation of switches, routers, and firewalls. Mentor IT delivers detailed network monitoring and control systems to maintain and monitor the services. Customers are able to purchase access to these systems if they want to monitor the systems themselves.

Mentor IT is a member of RIPE NCC (LIR agreement) and "owns" its own segment of IP addresses. This makes Mentor IT independent of internet service providers, allowing them to switch between suppliers should fiber connections from one company fail. Only the management and the team leader of Mentor IT have access to the RIPE NCC services.

Mentor IT connects the customer's business locations and the data centers of Mentor IT through secure connections. MPLS, VPN, and EPL are among the most commonly used connection types for the data centers. Back-up traffic is encrypted.

Internet and MPLS access is provided through redundant fiber solutions offered by multiple internet service providers. These connections are kept physically separate until connected to the network. Combined with their own BGP routing, this makes Mentor IT truly independent of a single internet service provider.

By ensuring that servers and relevant resources are configured in a separate Virtual Local Area Network (VLAN), the network of each customer is physically and logically secured. The only transaction-related traffic allowed on the customers' servers is specific to the customers' employees and the support team of Mentor IT.

Customers are able to buy service and maintenance for their routers, but this is not a requirement. Should one customer suffer from a network failure due to old firmware of the router, this will not affect other customers of Mentor IT.

The infrastructure of the data centers is reviewed on a regular basis to ensure that the customers' needs and requirements are fulfilled.

3.6.9 Systems aquisition, development, and maintenance

New hardware or systems to Mentor IT is discussed and tested by a relevant technical team before approval by the management.

Existing hardware or systems are maintained according to the manufacturer's recommendations.

Major changes to hardware or systems of Mentor IT require approval by the management in accordance with the SOP. A change request process is applied to all major changes to software and hardware.

3.6.9.1 Patch management

For service agreements under which the customer has signed an agreement with Mentor IT on "preventive maintenance" (forebyggende vedligehold), Mentor IT will perform patch management on behalf of the customer. This service is defined as a service from Mentor IT, with relevant patches, evaluated by employees of Mentor IT, being installed on operating systems and MS Office products on the customer's servers. Furthermore, logs from the operation system are evaluated.

Mentor IT monitors the update status of the servers according to the period defined in the agreement. Customers will – based on recommendations from Mentor IT – decide when the updates are to be implemented. Mentor IT is responsible for implementing updates in accordance with the customer's instructions. The time of the update process is agreed with the customer.

Patching of network equipment is done based on an evaluation of the relevant firmware/software. The infrastructure team at Mentor IT monitors releases of firmware for the network equipment and applies relevant updates.

3.6.9.2 Protection against cybercrime

To ensure maximum security, all customers are offered several protection mechanisms against cybercrime. All new contracts (unless otherwise agreed) include image-based backup to ensure protection of data and a reduced "return to operation time" in case of an incident.

To reduce the risk of an incident, customers are offered advanced spam filter configuration to reduce the threat of cryptoware/ransomware and prevent CEO Phishing. Customers are also offered an additional layer of security (Secure DNS or similar) to prevent incidents from occurring in the event of a user activating a cryptoware link.

All internet connections are monitored to prevent customers from being affected by DDOS. In case of DDOS, the internet traffic of the specific IP address(es) is routed to a "black hole" in cooperation with the internet service provider(s).

3.6.10 Information security incident management

3.6.10.1 Reporting information security events and weaknesses

All incidents involving the platform and services of Mentor IT are reported to the management and logged according to the SOP. There are no formal requirements as to the form of the report to be presented to the management except in the event of major incidents. They all require a detailed written report from the relevant team.

Mentor IT has implemented several communication methods to ensure that the customers understand the roles and responsibilities of Mentor IT and to inform about incidents as soon as possible. These methods include immediate reports to customers, regular notices in the newsletters from Mentor IT, and project managers who keep in contact with the customers' representatives and update them on new subjects and developments.

3.6.10.2 Management of information security incidents and improvements

Major incidents are assessed, and root causes must be identified. Based on the incident and root cause, management and the technical team decide on changes to avoid the recurrence of such an incident in the future.

3.6.11 Information security aspects of business continuty management

To ensure the continuity of Mentor IT, a contingency plan is in place. This plan describes and sets forth guidelines on how to manage an emergency.

Among other things, the contingency plan describes how to determine whether to continue operation in the data centers in Esbjerg or to establish operations elsewhere. It also includes checklists, contact lists, and procedures to ensure the contingency of Mentor IT.

The contingency plan is tested every two years with participation of all employees and the management. The control team is responsible for setting up a "scenario" that challenges the participants.

Findings and improvements are discussed with the management, and the contingency plan is brought up to date.

3.7 Additional information about the control environment

3.7.1 Matters to be considered by the customers' auditors

3.7.1.1 Services provided

The above systems description of controls is based on Mentor IT's standard terms. Consequently, the customers' deviations from Mentor IT's standard terms are not comprised by this report. The customers' own auditors should therefore assess whether this report can be extended to the specific customer by assessing whether the services described in this report are included in the services delivered to their customers, and they should identify any other risks that are found material to the presentation of the customers' financial statements.

3.7.1.2 User access

Mentor IT grants access and rights in accordance with customer instructions. Mentor IT is not responsible for such information being correct, and it is thus the customers' responsibility to ensure that the access and rights to the systems and applications are provided adequately and in compliance with best practice in terms of segregation of duties.

Mentor IT also provides access to third-party consultants, primarily developers who are to maintain applications which are subject to the hosting agreement. This is done according to instructions from Mentor IT's customers.

Definition of password requirements on customer systems is also the responsibility of the customer.

The customer's own auditors should therefore independently assess whether access and rights to applications, servers, and databases granted to the customer's own employees as well as to third-party consultants are adequate based on an assessment of the risk of misstatements in the financial reporting.

3.7.1.3 Compliance with relevant legislation

Mentor IT has planned procedures and controls in such a way that the legislation governing the areas for which Mentor IT is responsible is duly complied with. Mentor IT is not responsible for applications run on hosted equipment, and therefore this report does not extend to assuring that adequate controls have been established in the user applications and that the applications observe the Danish Bookkeeping Act, the Danish Act on Processing of Personal Data, or other relevant legislation.

3.7.1.4 Business Continuity Management

Mentor has implemented procedures to support the recovery and restoration of the infrastructure and servers in the data centers. The customers should establish their own business continuity plans around

their internal organization and align them with the procedures performed by Mentor in case of an emergency to ensure that the operation of the customer's environment can be reestablished according to the customer's expectations.

4. Information provided by Deloitte

4.1 Introduction

This outline has been prepared in order to inform customers of controls performed by Mentor IT A/S that may affect the treatment of accounting transactions and to state the effectiveness of the controls checked by us. This section, combined with an understanding and assessment of the controls involved in the customers' business processes, aims to assist the customers' auditors in the planning of the audit of the financial statements and to assess the risk of misstatements in the customers' financial statements that may be affected by controls performed by Mentor IT A/S.

Our testing of Mentor IT A/S' controls is limited to the control objectives and related controls referred to in the test table below and is not extended to include all of the controls described in the management's description of the system. In addition, controls performed at the premises of Mentor IT A/S' customers are not covered by our report. It is assumed that the latter controls are examined and assessed by the customers' own auditors.

Finally, the customers may have established compensating controls that help to minimize the control weaknesses referred to in this report to a level acceptable for audit purposes. Such an assessment can only be made by the customers and their auditors.

4.2 Control environment elements

Our testing of the control environment involved interviewing relevant members of management, supervisors, and employees as well as examining Mentor IT A/S' documents and recordings. The control environment was assessed in order to determine the nature, timing, and scope of controls and the effectiveness of those controls.

4.3 Test of effectiveness

Our test of the effectiveness of controls includes the tests we consider necessary to assess whether the controls performed and the observance of those controls are sufficient to provide reasonable but not absolute assurance that the control objectives specified were achieved in the period from 01.04.2017 to 31.03.2018. Our testing of the effectiveness of controls is designed to cover a representative number of transactions during the period from 01.04.2017 to 31.03.2018 for any control designed to achieve the specific control objective. See below for details. When selecting specific tests, we considered (a) the nature of the areas tested, (b) the types of available documentation, (c) the nature of audit objectives to be achieved, (d) the control risk level assessed, and (e) the estimated effectiveness of the test.

4.4 Control objectives and control activities

The table below states the control objectives and controls tested. It also states the audit procedures performed and the results thereof along with any material control weaknesses we might have identified.

4.4.1 Information security policies

Control Activity	Client Control Activity	Audit Procedures Performed	Test Results
Control objective: To provide management direction and support for information security in accordance with business requirements and relevant laws and regulations.			
4.4.1.1 *Security policy*	Mentor IT has prepared an IT security policy, which sums up security-related guidelines. The policy has been approved by the management.	Deloitte has reviewed the security policy and verified that the policy had been approved by the management.	No deviations noted
4.4.1.2 *Risk analysis*	Mentor IT has prepared an IT risk analysis that sums up the probability and consequences regarding the risks identified. The analysis has been approved by the management.	Deloitte has reviewed the risk analysis and verified that the analysis had been approved by the management.	No deviations noted

4.4.2 Organization of information security

Control Activity	Client Control Activity	Audit Procedures Performed	Test Results
Control objective: To establish a management framework that will initiate and control the implementation and operation of information security within the organization.			
4.4.2.1 *Organization*	The management of Mentor IT has defined roles and responsibilities in both Standard Operational Procedures and organizational diagrams.	Based on interviews and documentation, Deloitte has assessed whether the roles are properly defined within the organization.	No deviations noted.

4.4.3 Access control

Control Activity	Client Control Activity	Audit Procedures Performed	Test Results
Control objective: To ensure authorized user access and to prevent unauthorized access to systems and services.			
4.4.3.1 *Passwords*	Security parameters regarding passwords on the management net have been set up using the standard Windows password setting.	Deloitte has assessed the procedures used and the controls performed. Deloitte has performed a review of systems and has assessed whether systems comply with the baselines and security standards defined by Mentor IT. Based on the system security assessment, we have checked that parameters are enabled and set up properly.	No deviations noted.
4.4.3.2 *Profiles*	All employees of Mentor IT are assigned individual and personal user profiles. All administrators have two individual profiles: One for regular use and one for administrative use.	Based on our technical review of the Mentor IT domain, Deloitte has reviewed whether users have designated personal user accounts. Further, we have verified that individual administrator profiles are used.	No deviations noted.
4.4.3.3 *Open network*	No open networks are being used at Mentor IT. All traffic to clients is directed through secure connections, using DMVPN.	Deloitte has assessed whether the data transmitted between Mentor IT and their customers is protected properly by reviewing the security settings used.	No deviations noted.
4.4.3.4 *User creation*	User administration procedures have been prepared, and all internal user creations have been formally approved by the management and documented, either online or in manual folders.	Deloitte has assessed the procedures used and the controls performed. Based on a sample, we have assessed whether users were created according to the established procedure.	No deviations noted.
4.4.3.5 *Administrative rights*	Only a few selected users have administrative rights to the Mentor IT domain. Administrator access rights are approved by the management according to the user administration procedure. All administrators are using individual user profiles.	Deloitte has assessed the procedures used and the controls performed. We have reviewed all users with administrative rights on the Mentor IT domain and verified them with the management.	No deviations noted.
4.4.3.6 *User termination*	Users are terminated when they leave the company. The management prepares and approves the termination form, and, based on this, system access is revoked by the support team.	Deloitte has assessed the procedures used and the controls performed. We have reviewed a sample of users belonging to terminated employees and verified that the corresponding user profiles were disabled on the management network at Mentor IT.	No deviations noted.
4.4.3.7 *Periodic review*	Users and their access rights for internal systems and client data are reviewed on a regular basis by the management. The review is performed according to an in-	Deloitte has inspected documentation for user access rights reviews performed during the audit period and verified the results thereof.	No deviations noted.

Control Activity	Client Control Activity	Audit Procedures Performed	Test Results
	ternal procedure and documented afterwards. The support team follows up on user access actions from the review.		

4.4.4 Physical and environmental security

Control Activity	Client Control Activity	Audit Procedures Performed	Test Results
Control objective: To prevent unauthorized physical access and damage to and interference in the organization's information and information processing facilities.			
4.4.4.1 *Access to critical locations*	An access control mechanism consisting of key card and a security code is installed for both Mentor IT's employees and their customers with access to the data centers.	Deloitte has assessed the access control mechanism and reviewed the list of people with access to the primary data center, as well as users granted access to Mentor IT's secondary site.	No deviations noted.
4.4.4.2 *Environmental mechanisms*	The following environmental mechanisms are installed: • Alternative power; • Fire detection/suppression; • Environmental monitors; • Cooling system. All environmental security mechanisms are subject to regular maintenance service and testing.	Deloitte has inspected both the primary data center and the secondary data center to verify usage of adequate environmental mechanisms, and has reviewed the physical considerations. Furthermore, we have assessed the documentation regarding internal testing of the environmental mechanisms and reviewed the latest service reports.	No deviations noted.

4.4.5 Operations security

Control Activity	Client Control Activity	Audit Procedures Performed	Test Results
Control objective: To protect against loss of data.			
4.4.5.1 *Back-up strategy*	The back-up strategy and selections are discussed individually with each client and aligned with customer expectations.	Deloitte has obtained documentation for the image back-up configuration and tested, for a sample of customers, that image backup was configured according to the agreements.	No deviations noted.
4.4.5.2 *Back-up identification*	All back-up data is stored on hard drives and is identifiable per customer.	Deloitte has tested a sample of image backups and verified that customer-specific backups are readable and identifiable.	No deviations noted.
4.4.5.3 *Internal back-up storage*	Back-up data is stored on hard drives in the primary data center and is automatically transferred to the secondary data center.	Deloitte has examined the primary and the secondary data center to ensure that the back-up storage location is appropriate.	No deviations noted.
4.4.5.4 *External back-up storage*	Back-up data is stored on hard drives in the primary data center and is automatically transferred to the secondary data center.	Deloitte has examined whether image back-up data in general was transferred to the off-site location.	No deviations noted.
4.4.5.5 *Restoration test of backup*	Restore test of backups is performed on a regular basis according to an internal procedure. The restore test is performed by the support team, and the test is documented.	Deloitte has assessed the procedures used and the controls performed. Further, we have reviewed the documentation for a sample of restoration tests from the image back-up and verified the approval.	No deviations noted.
4.4.5.6 *Written guidelines & procedures*	Mentor IT has written Standard Operating Procedures regarding the controls and procedures performed in connection with the provision of the agreed-upon services.	Deloitte has reviewed the written Standard Operating Procedures to verify that proper documentation is stored correctly and is available to relevant personnel.	No deviations noted.
4.4.5.7 *Job control*	On a daily basis, the back-up administrator reviews the relevant back-up reports generated by the back-up clients. If any irregularities occur, they will be handled in cooperation with the individual clients.	Deloitte has reviewed the back-up monitoring control and tested for a sample during the audit period whether irregularities are handled and documented.	No deviations noted.
Control objective: To record events and generate evidence.			
4.4.5.8 *Logs*	Access to the internal management net at Mentor IT and access to Remote Desktop (client data) is logged and stored. In case of security violations, unauthorized attempts to access information resources, e.g. reports, can be generated from the logs.	Deloitte has assessed the log mechanisms and procedures regarding security logging in general.	We have noted that a tool for auditing, monitoring, and alerting based on Active Directory and Group Policies is in place. The tool was mplemented at the beginning of the audit period.

4.4.6 Communications security

Control Activity	Client Control Activity	Audit Procedures Performed	Test Results
Control objective: To ensure protection of information in networks and its supporting information processing facilities.			
4.4.6.1 *Patch management*	Patching of network equipment is performed based on an assessment of the relevant firmware/software to ensure that the patch level is current.	Deloitte has reviewed the patch management standards and checked, on a sample basis whether, that core network equipment has been patched.	No deviations noted.
4.4.6.2 *Timing*	Changes to the network are performed without impacting on the general operations. All network configuration files are copied before being changed and stored in a secure folder at the Mentor IT management domain.	Deloitte has reviewed the implementation process and checked whether the procedures for putting changes into production are performed appropriately.	No deviations noted.
4.4.6.3 *Fallback*	No specific fallback controls are performed. The core network is redundant, and a failover mechanism is in place. Network firmware is only installed if any critical security issues are discovered and if there is a high risk of exploitation. Back-up copies are regularly made of all network configurations.	Deloitte has reviewed the procedures regarding fallback when changes to network and communication software are performed.	No deviations noted.
4.4.6.4 *Documentation*	All changes to the network are documented. Network documentation is recorded in multiple documents for both internal use and the customers' network configurations.	Deloitte has assessed whether network documentation was up-to-date to reflect the present environment.	No deviations noted.

4.4.7 Systems acquisition, development and maintenance

Control Activity	Client Control Activity	Audit Procedures Performed	Test Results
Control objective: To ensure that productive information systems are updated and secure according to management's expectations.			
4.4.7.1 *Patch management*	Systems software is regularly updated according to the customer agreements. The update frequency is based on the content of the updates delivered by Microsoft and the approval from customers.	Deloitte has reviewed the patch management standards and assessed whether the procedure for patch management is being followed as described. Deloitte has tested for a sample of patches that they were implemented on customers and internal servers.	No deviations noted.
4.4.7.2 *Timing*	If it is decided to update the systems software, a service window is agreed upon with the customer. This is documented in emails.	Deloitte has tested, for a sample of updates, that the implementation process was performed according to the agreements with the customers.	No deviations noted.
4.4.7.3 *Fallback*	Only standard patches from Microsoft are installed as part of the service delivered. Patches are not implemented into client environments until they have been tested on internal servers. If errors should occur, patches will be removed.	Deloitte has verified, for a sample of standard patches to customer environments, that those patches had been implemented without errors. Further, we have reviewed the procedure for removing patches in case of an error.	No deviations noted.
4.4.7.4 *Documentation*	The customers' systems are documented in a host contract and in a technical description of the customers' setup.	Deloitte has assessed whether systems software documentation was up-to-date to reflect the present environment. Deloitte has tested for a sample of customers that up-to-date systems documentation was available.	No deviations noted.

4.4.8 Information security incident management

Control Activity	Client Control Activity	Audit Procedures Performed	Test Results
Control objective: To ensure a consistent and effective approach to the management of information security incidents, including communication on security events and weaknesses.			
4.4.8.1 *Problem and incident management*	All customer requests are handled through the incident management system in which customers can report incidents to the support team, which documents actions performed to complete the client request. Automated monitoring is established on all servers and services, and automatic alerts to operations staff is established. The alarms include the standard infrastructure components as hard-disc space running low, extended response time on networks, etc. In addition, all alerts are recorded as incidents.	Deloitte has assessed the procedures and checks performed. Deloitte has examined samples of incidents from customers and alarms from the operating environment and checked that follow-up procedures had been performed and documented.	No deviations noted.

4.4.9 Information security aspects of business continuity management

Control Activity	Client Control Activity	Audit Procedures Performed	Test Results
Control objective: Information security continuity shall be embedded in the organization's business continuity management systems.			
4.4.9.1 *Planning*	Mentor IT has prepared a disaster recovery plan, which has been approved by the management. The plan supports the restoration and recovery of the infrastructure supporting the customer's environments.	Deloitte has reviewed the disaster recovery plan and assessed its content in terms of Mentor's internal organization and procedures used.	No deviations noted.
4.4.9.2 *Test*	The disaster recovery plan has been tested (desktop test) by the responsible team and the management, and the results have been formally documented.	Deloitte has reviewed the documentation describing the internal desktop test of the disaster recovery plan.	No deviations noted.