



TIERPOINT, LLC

SOC 2 REPORT

FOR

DATA CENTER SERVICES

**A TYPE 2 INDEPENDENT SERVICE AUDITOR'S REPORT ON CONTROLS
RELEVANT TO SECURITY AND AVAILABILITY**

NOVEMBER 1, 2015, TO OCTOBER 31, 2016

Attestation and Compliance Services



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TABLE OF CONTENTS

SECTION 1	INDEPENDENT SERVICE AUDITOR'S REPORT	1
SECTION 2	MANAGEMENT'S ASSERTION.....	5
SECTION 3	DESCRIPTION OF THE SYSTEM	8
SECTION 4	TESTING MATRICES.....	38
SECTION 5	OTHER INFORMATION PROVIDED BY MANAGEMENT	95

SECTION I

INDEPENDENT SERVICE AUDITOR'S REPORT

INDEPENDENT SERVICE AUDITOR'S REPORT

To TierPoint, LLC:

Scope

We have examined the attached description of TierPoint, LLC's ("TierPoint" or the "service organization") Data Center Services system for the period November 1, 2015, to October 31, 2016, (the "description") performed at the TierPoint data center facilities, listed in Section 3 of this report, 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 (SOC 2®)* ("description criteria") and the suitability of the design and operating effectiveness of controls described therein to meet the criteria for the security and availability principles set forth in TSP section 100, *Trust Services Principles and Criteria for Security, Availability, Processing Integrity, Confidentiality, and Privacy (AICPA, Trust Services Principles and Criteria)* ("applicable trust services criteria"), throughout the period November 1, 2015, to October 31, 2016.

In Section 5, TierPoint has provided additional information that is not a part of TierPoint's description. Information about TierPoint's product availability per data center facility has not been subjected to the procedures applied in the examination of the description and the suitability of the design and operating effectiveness of controls to meet the applicable trust services criteria.

Service organization's responsibilities

TierPoint has provided the attached assertion, in Section 2, about the fairness of the presentation of the description based on the description criteria and suitability of the design and operating effectiveness of the controls described therein to meet the applicable trust services criteria. TierPoint is responsible for preparing the description of the service organization's system and the assertion, including the completeness, accuracy, and method of presentation of the description and assertion; providing the services covered by the description of the service organization's system; selecting the trust services principle(s) addressed by the engagement and stating the applicable trust services criteria and related controls in the description of the service organization's system; identifying the risks that would prevent the applicable trust services criteria from being met; identifying any applicable trust services criteria related to the principle(s) being reported on that have been omitted from the description and explaining the reason for the omission; and designing, implementing, and documenting controls to meet the applicable trust services criteria.

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 and operating effectiveness 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 American Institute of Certified Public Accountants 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 and operating effectively to meet the applicable trust services criteria throughout the period November 1, 2015, to October 31, 2016.

Our examination involved performing procedures to obtain evidence about the fairness of the presentation of the description based on the description criteria and that the controls were suitably designed and operating effectively to meet the applicable trust services criteria throughout the period November 1, 2015, to October 31, 2016. Our procedures included assessing the risks that the description is not fairly presented and that the controls were not suitably designed or operating effectively to meet the applicable trust services criteria. Our procedures also included testing the operating effectiveness of those controls to provide reasonable assurance that the applicable trust services criteria were met. 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 and inherent limitations, controls at a service organization may not always operate effectively to meet the applicable trust services criteria. 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 or operating effectiveness of the controls to meet the applicable trust services criteria is subject to the risks that the system may change or that controls at a service organization may become inadequate or fail.

Opinion

As indicated in TierPoint's description of its system, the Chicago, Illinois ("POL"); Jacksonville, Florida ("JAX"); and Oklahoma City, Oklahoma ("OK2") data center facilities were operational as of May 1, 2016. Therefore, any reference to controls at these facilities are specific to the facilities' dates of operation during the specified review period, May 1, 2016, to October 31, 2016.

TierPoint states in its description that a disaster recovery plan is in place. However, the procedures did not include a process for testing the disaster recovery plan for the Data Center Services system on a periodic basis. As a result, controls were not suitably designed to meet the criterion A1.3, which states, "Recovery plan procedures supporting system recovery are tested to help meet the entity's availability commitments and system requirements." during the period November 1, 2015, to October 31, 2016.

In our opinion, except for the matter described in the preceding paragraph, based on the description criteria identified in TierPoint's assertion and the applicable trust services criteria, in all material respects

- a. the description fairly presents the system that was designed and implemented throughout the period May 1, 2016, to October 31, 2016, for the POL, JAX, and OK2 data center facilities, and throughout the period November 1, 2015, to October 31, 2016, for all other in-scope data center facilities;
- 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 operated effectively throughout the period May 1, 2016, to October 31, 2016, for the POL, JAX, and OK2 data center facilities, and throughout the period November 1, 2015, to October 31, 2016, for all other in-scope data center facilities; and
- c. the controls that were tested, which were those necessary to provide reasonable assurance that the applicable trust services criteria were met, operated effectively throughout the period May 1, 2016, to October 31, 2016, for the POL, JAX, and OK2 data center facilities, and throughout the period November 1, 2015, to October 31, 2016 for all other in-scope data center facilities.

Description of test of controls

The specific controls we tested and the nature, timing, and results of our tests are presented in section 4 of our report titled "Testing Matrices."

Restricted use

This report, including the description of tests of controls and results thereof in section 4 are intended solely for the information and use of TierPoint; user entities of TierPoint's Data Center Services system during some or all of the period November 1, 2015, to October 31, 2016; and prospective user entities, independent auditors and 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, subservice organizations, or other parties;
- Internal control and its limitations;
- The nature of user entity controls responsibilities and their role in the user entities internal control as it relates to, and how they interact with, related controls at the service organization;

- The applicable trust services criteria; and
- 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.

Scheuerman & Company, LLC

Tampa, Florida
December 12, 2016