



AXWAY INC.

INDEPENDENT SERVICE AUDITOR'S SOC 3 REPORT

FOR THE SOFTWARE AS A SERVICE (SAAS) SERVICES

FOR THE PERIOD OF DECEMBER 1, 2019, TO NOVEMBER 30, 2020

Attestation and Compliance Services



Proprietary & Confidential

Reproduction or distribution in whole or in part without prior written consent is strictly prohibited.

INDEPENDENT SERVICE AUDITOR'S REPORT

To Axway Inc.:

Scope

We have examined Axway Inc.'s ("Axway") accompanying assertion titled "Assertion of Axway Inc. Service Organization Management" ("assertion") that the controls within Axway's SaaS Services system ("system") were effective throughout the period December 1, 2019, to November 30, 2020, to provide reasonable assurance that Axway's service commitments and system requirements were achieved based on the trust services criteria relevant to security, availability, processing integrity, confidentiality, and privacy (applicable trust services criteria) set forth in TSP section 100, *Trust Services Criteria for Security, Availability, Processing Integrity, Confidentiality, and Privacy (AICPA, Trust Services Criteria)*.

Axway uses a subservice organization for cloud hosting services. The description of the boundaries of the system indicates that complementary subservice organization controls that are suitably designed and operating effectively are necessary, along with controls at Axway, to achieve Axway's service commitments and system requirements based on the applicable trust services criteria. The description of the boundaries of the system does not disclose the actual controls at the subservice organization. Our examination did not include the services provided by the subservice organization, and we have not evaluated the suitability of the design or operating effectiveness of such complementary subservice organization controls.

Service Organization's Responsibilities

Axway is responsible for its service commitments and system requirements and for designing, implementing, and operating effective controls within the system to provide reasonable assurance that Axway's service commitments and system requirements were achieved. Axway has also provided the accompanying assertion about the effectiveness of controls within the system. When preparing its assertion, Axway is responsible for selecting, and identifying in its assertion, the applicable trust services criteria and for having a reasonable basis for its assertion by performing an assessment of the effectiveness of the controls within the system.

Service Auditor's Responsibilities

Our responsibility is to express an opinion, based on our examination, on whether management's assertion that controls within the system were effective throughout the period to provide reasonable assurance that the service organization's service commitments and systems requirements were achieved based on the applicable trust services criteria. Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform our examination to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination included:

- Obtaining an understanding of the system and the service organization's service commitments and system requirements;
- Assessing the risks that controls were not effective to achieve Axway's service commitments and system requirements based on the applicable trust services criteria; and
- Performing procedures to obtain evidence about whether controls within the system were effective to achieve Axway's service commitments and system requirements based on the applicable trust services criteria.

Our examination also included performing such other procedures as we considered necessary in the circumstances.

Inherent Limitations

There are inherent limitations in the effectiveness of any system of internal control, including the possibility of human error and the circumvention of controls.

Because of their nature, controls may not always operate effectively to provide reasonable assurance that Axway's service commitments and system requirements were achieved based on the applicable trust services criteria. Also, the projection to the future of any conclusions about the effectiveness of controls is subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, management's assertion that the controls within Axway's SaaS Services system were effective throughout the period December 1, 2019, through November 30, 2020, to provide reasonable assurance that Axway's service commitments and system requirements were achieved based on the applicable trust services criteria is fairly stated, in all material respects.

 SCHEELMAN & COMPANY, LLC

Irving, Texas
February 4, 2021

ASSERTION OF AXWAY SERVICE ORGANIZATION MANAGEMENT

We are responsible for designing, implementing, operating, and maintaining effective controls within Axway Inc.'s ("Axway") SaaS Services system ("system") throughout the period December 1, 2019, to November 30, 2020, to provide reasonable assurance that Axway's service commitments and system requirements relevant to security, availability, confidentiality, and processing integrity were achieved. Our description of the boundaries of the system is presented below and identifies the aspects of the system covered by our assertion.

We have performed an evaluation of the effectiveness of the controls within the system throughout the period December 1, 2019, to November 30, 2020, to provide reasonable assurance that Axway's service commitments and system requirements were achieved based on the trust services criteria relevant to security, availability, confidentiality, and processing integrity (applicable trust services criteria) set forth in TSP section 100, *Trust Services Criteria for Security, Availability, Processing Integrity, Confidentiality, and Privacy (AICPA, Trust Services Criteria)*. Axway's objectives for the system in applying the applicable trust services criteria are embodied in its service commitments and systems requirements relevant to the applicable trust services criteria. The principal service commitments and system requirements related to the applicable trust services criteria are presented below.

There are inherent limitations in any system of internal control, including the possibility of human error and the circumvention of controls. Because of these inherent limitations, a service organization may achieve reasonable, but not absolute, assurance that its service commitments and system requirements are achieved.

We assert that the controls within the system were effective throughout the period December 1, 2019, to November 30, 2020, to provide reasonable assurance that Axway's service commitments and systems requirements were achieved based on the applicable trust services criteria.

DESCRIPTION OF THE BOUNDARIES OF THE SAAS SERVICES SYSTEM

Company Background

Axway Inc, (Axway) (Euronext: AXW.PA) unlocks digital experiences by connecting individuals, systems, businesses, and customer ecosystems with digital infrastructure solutions. Axway provides digital infrastructure solutions through software and services to govern the flow of data that drives business-critical interactions.

Description of Services Provided

Syncplicity

Syncplicity by Axway, a content services platform (CSP), is a cloud-native with cloud-scale Software-as-a-Service (SaaS) solution. Content services provide customers the control and agility to address their enterprise business needs. With Syncplicity, customers can centralize, manage, and protect their files, data, and content. Customers can add intelligence and engage in file sharing with people, places or things using application program interface (API)s, application integration, or Axway pre-built integrations.

Syncplicity by Axway provides a secure, enterprise-grade file synchronization, sharing and collaboration platform that enables enterprises to build a digital workplace that integrates with their digital business. Syncplicity allows enterprises to use a hybrid approach to content services – with on-premises, private and public cloud storage options. Syncplicity also offers an advanced layer of global content protection with maximum visibility and security controls. Enterprises who leverage Axway solutions can now add Syncplicity to their portfolio, Syncplicity is pre-integrated with Axway Managed File Transfer (MFT), Business 2 Business integration (B2Bi), API and the AMPLIFY Platform.

Amplify

Amplify is an API platform which allows customers to centralize control, enforce IT policy, and scale at will. Amplify allows a flexible model with services hosted in the cloud connecting to private cloud and on-premise installations, meeting the varied data storage needs of each customer.

Axway's API platform includes the following areas to allow customers to experience faster integration within the platforms to fit all their business needs.

- API Management: Build and manage API's
- Application Integration: Rapidly connect and integrate applications with integration Platform-as-a-Service (iPaaS)
- Runtime Services: Ready-to-Run Container Environment. Elastic Scalability, Performance, and Ease-of-use

System Boundaries

A system is designed, implemented, and operated to achieve specific business objectives in accordance with management-specified requirements. The purpose of the system description is to delineate the boundaries of the system, which includes the services outlined above and the five components described below: infrastructure, software, people, procedures, and data.

Principal Service Commitments and System Requirements

Axway has procedures in place to help ensure that customer security, availability, confidentiality, and processing integrity commitments are met. Axway's commitments to user entities are documented and communicated to customers in the SaaS services and service level agreement (SLA) description made available on the Axway support site.

Standard security, availability, confidentiality, and processing integrity commitments include, but are not limited to, the following:

- Monitor systems and control processes for availability of services, including maintaining availability of the platform at a 99.9% SLA
- Manage technical incidents and problems, including informing the customer of technical issues related to the services delivered (e.g., functional or business errors, errors on the services or components developed, configured, modified, or deployed by the customer, etc.)
- Manage backups and restorations
- Manage network and system access
- Capacity and release management
- Dispose of customer data upon request and per agreed upon specifications
- Customer web portal for customer production and processing inquiries

Axway establishes operational requirements that support the achievement of the aforementioned principal service commitments, relevant laws and regulations, and other system requirements. These include the services of dedicated development and operations, SaaS services, account management, and systems support personnel and other technologies to manage system security, availability, confidentiality, and processing integrity service requirements, and the necessary system change management procedures to support the requisite authorization, documentation, testing, and approval of system changes. Service level agreement reporting is utilized to outline and report on agreed upon service level performance internally and product management teams report on an ongoing basis and externally with customer personnel on a per request basis. Data backup schedules are preconfigured and executed according to documented policies and procedures.

Such requirements are communicated in Axway's system policies and procedures, system design documentation, and contracts with customers and related third parties. Information security policies define an organization-wide approach to how systems and data are protected. These include policies around how the service is designed and developed, how the system is operated, how the internal business systems and networks are managed and how employees are hired, trained, and managed. In addition to these policies, standard operating procedures have been documented on how to carry out specific manual and automated processes required in the operation of the SaaS services.

In accordance with Axway's assertion, and the description criteria, the aforementioned service commitments and requirements are those principal service commitments and requirements common to the broad base of users of the system and may therefore not fully address the specific service commitments and requirements made to all system users, in each individual case.

Infrastructure

Production Environment

The Axway SaaS services are hosted within Amazon Web Services (AWS) Elastic Compute Cloud (EC2), referred to as the Hosting Service hereafter in this document, consists of a multi-tier virtualized architecture comprised of web and database servers, and network monitoring and logging tools. Axway does not own or maintain any of the hardware located in the cloud hosting data centers, and operates under a shared security responsibility model, where the hosting service is responsible for the security of the underlying cloud infrastructure (i.e. physical infrastructure, geographical regions, availability zones, edge locations) and Axway is responsible for securing the platform deployment in the cloud hosting services (i.e. customer data, applications, identity access management, operating system and security group configurations, network traffic, encryption).

Axway's environment is based on a single-tenant or multi-tenant architecture that applies common, consistent management practices for customers. Availability zones allow for redundancy and provides a reliable, scalable, high availability platform. Axway's infrastructure is spread across multiple availability zones. The Axway network operations team monitors the performance of infrastructure resources and will request additional resource if capacity is insufficient. Production systems operate utilizing a combination of the Microsoft Windows and Linux

operating systems. Networking components, load balancers, web servers, and database servers are deployed utilizing redundant configurations.

The in-scope infrastructure consists of multiple applications, operating system platforms and databases, as shown in the table below:

Primary Infrastructure			
Production Application	Business Function Description	Operating System Platform	Physical Location
AD	AD domains are utilized to control access to the production network.	Windows	AWS
VPN appliance	Access to the production environment requiring external users to authenticate using multiple factors to the production network.	CheckPoint and Fortinet VPN	
Firewalls	Protects the network perimeter and segregates network security zones	CheckPoint and Fortinet	
Hosting service security groups	Cloud hosting security groups within the Identity and Access Management (IAM) console can configure, control, and restrict inbound and outbound network traffic into the production infrastructure.	AWS EC2 VPC	
Database	Relational Database Service (RDS) supporting the enterprise SaaS services	Microsoft SQL Server, MongoDB, and MySQL	
Servers and Virtual Machines	Production servers and virtual machines supporting the enterprise SaaS services	Windows and Linux	
Bastion Host	A jump server allowing access to other production instances	Linux	

Software

The following software is utilized in support of the delivery of the SaaS system:

- Zabbix – enterprise monitoring software utilized to monitor the availability and capacity levels (e.g. central processing unit (CPU) usage, network latency, disk space, etc.) of the production servers and databases.
- Elasticsearch, Logstash, and Kibana (ELK) stack – log analysis solution configured to log and consolidate security and access related events on the network domain and production servers.
- GitHub – source code management software utilized to control code versioning and security throughout the code development process.
- Rapid7 InsightVM – security scanning software utilized to conduct vulnerability scans of the production environment.
- Jira – automated ticketing system utilized for centrally managing and tracking production issues and change management activities.
- ServiceNow – Software-as-a-Service (SaaS) help desk solution used for incident/problem management.
- Symantec – antivirus software running on production servers.

People

Personnel involved in the operation and use of the system include the following:

- Executive management - responsible for overseeing company-wide activities, establishing goals, and overseeing objectives.
- Human resources (HR) - responsible for policies, practices, and processes with a focus on key HR department delivery areas (e.g., talent acquisitions, employee retention, compensation, employee benefits, performance management, employee relations and training, and development).
- Customer support - responsible for client implementation and support to clients.
- Information technology (IT) - responsible for managing corporate information systems and administering all user account access and permission levels for production and corporate systems.
- Information security and risk department – manages, monitors, and supports user entities' information and systems from unauthorized access and use while maintaining integrity.
- Production operations – manages, monitors, and supports user entities' systems from unauthorized changes while maintaining availability.

Procedures

Access, Authentication and Authorization

Axway uses Windows AD as their directory service controlling authentication and access to the production network. Minimum password controls and account lockout thresholds are in place and configured. Predefined security groups are in place to assign role-based access privileges and segregate access to data within the domain. Administrative access privileges within AD are restricted to user accounts accessible by authorized personnel.

To access the hosting service console a user is configured with a unique username, password, and two-factor authentication configurations. Once authenticated, access is restricted based upon predefined role-based access groups, configure cloud hosting security groups, provision and maintain production servers and databases, and access individuals' hosts is restrained to predefined role-based access groups. Identity and access manager (IAM) groups are also utilized within the hosting service console which is provisioned using predefined user groups.

Back-end access into the production servers requires users to be on the network and log onto a Linux based bastion host via secure shell (SSH) public and private key credentials. Only authorized individuals within the bastion host have appropriate credentials and can access the Linux based production servers.

Access to and within the hosting service environment are logged via CloudTrail, logs are sent to the central logging aggregation systems for IT personnel to review on an ad hoc basis.

Access Requests and Access Revocation

The automated ticketing system is utilized to aid in tracking for user access requests. For new employee access, a ticket will be created to provision access by the employee's manager in which IT personnel will be responsible for assigning and maintaining access rights to the in-scope systems based off management requests. Prior to granting any individual access to the production environment, management personnel must formally approve access rights to the production environment. Upon notification of an employee termination, HR personnel provide the required departments a notification of termination to ensure that employees do not retain system access subsequent to their termination date. IT personnel will remove any production access in a timely manner for the terminated employee. Termination requests are documented using the ticketing system. In addition, to help ensure access privileges are appropriate, members of the security team complete an audit of AD accounts at least quarterly to verify that users with access to the production systems are current employees or approved personnel. If any individual is identified to have inappropriate access, the issue is remediated immediately.

Change Management

Axway maintains documented policies and procedures to help guide personnel in the change management process for both application releases and infrastructure changes. On a weekly basis, IT and development personnel meet

to discuss and prioritize application releases and infrastructure changes. Both application releases and infrastructure changes are documented within an automated ticketing system and changes are tested by quality assurance (QA) personnel and approved by IT management prior to implementation. The environments used for changes, such as development and test, are logically and physically segregated from the production environment. In the event changes need to be rolled back, the change management software retains a history of source code that can be rolled back to prior versions of the software if necessary. Application source code resides within version control software and access to the version control software is restricted to authorized personnel.

Development personnel perform independent code reviews for application releases and infrastructure changes to verify that newly developed code satisfies the requested objective and is developed according to secure coding guidelines. Independent code reviews are systemically enforced by the version control software to prevent the same individual who initiated the pull request from merging the same code to the master branch without an independent review. The QA team performs testing for application releases and infrastructure changes, and senior management gives approval prior to implementation. The ability to implement those application releases and infrastructure changes is limited to authorized personnel.

Data Backup and Disaster Recovery

Axway maintains documented policies and procedures to help guide personnel in the backup and restoration process. The documented policies and procedures are made available to employees through the intranet and updated annually by the database administrators. Operations personnel utilize an automated backup system to perform database backups. After backups are completed, the automated backup system is configured to send e-mail notifications to IT personnel regarding backup results on a daily basis. Failed backup jobs are documented and tracked in an automated ticketing system from initiation through resolution by IT personnel.

Backup data is used to restore production files on an ad hoc basis by systems administrators. Management also documents availability plans to guide personnel in procedures to protect against disruptions caused by an unexpected event. Vendor evaluations are conducted as part of the vendor selection process, and management also reviews audit reports from current vendors to help ensure that they maintain compliance with Axway's system requirements and security, availability, confidentiality, and processing integrity commitments.

Incident Response

Documented incident response policies and procedures for reporting security and availability incidents are communicated to internal users via the company intranet site to provide guidance in identifying and reporting failures, incidents, concerns, and other complaints. Customers can call during business hours and/or submit a ticket or e-mail customer support and/or IT security group 24 hours a day in order to report system issues and/or incidents. The customer-facing website provides guidance should they need to contact Axway for troubleshooting issues.

Dedicated network operations center (NOC) personnel are available to respond to security incidents 24 hours a day. IT security personnel utilize the automated ticketing system to document security violations, responses, and resolution. Incidents requiring a change to the system follow the standard change control process. The tickets are posted and communicated internally, and the ticket is tracked and monitored until resolution. Once IT security personnel are informed about a potential security incident, a security staff member will attempt to verify the claims in the ticket and validate whether the events meet the definition of a security incident.

System Monitoring

System monitoring policies are in place to communicate system availability expectations. Documented standard build procedures are utilized for the installation and maintenance of production server instances and network infrastructure. The system is configured to utilize multiple availability zones to allow for automatic rerouting of data and services if one availability zone fails.

Data

Axway utilizes various monitoring tools to capture significant events and conditions related to the services provided, including the monitoring of network and server performance, server and device availability, network utilization, server capacity, backup job execution, and job processing. The tools are configured to send automated alerts to

operations personnel in the event that predefined thresholds are exceeded. Significant events or conditions are documented within an incident ticket, investigated, and tracked to resolution.

Axway personnel maintain, monitor, store, and make available data for customers. Customers are responsible for the data that is entered and stored within the application; it is assumed that their information is confidential unless otherwise stated by the customer. Customers remain the sole and exclusive owner of their sync files. Customers are responsible for accessing their own data, and Axway personnel do not generate reports for distribution to their customers.

Subservice Organizations

The cloud hosting services provided by the hosting service were not included within the scope of this examination.

The following table presents the applicable Trust Services criteria that are intended to be met by controls at the hosting service, alone or in combination with controls at Axway, and the types of controls expected to be implemented at the hosting service to achieve Axway’s service commitments and system requirements based on the applicable trust services criteria.

Control Activity Expected to be Implemented by the Hosting Service	Applicable Trust Services Criteria
The hosting service is responsible for managing logical access to the underlying network, virtualization management, and storage devices for its IaaS cloud hosting services where Axway’s systems reside.	CC6.1 – CC6.3 CC6.5 - CC6.6, CC7.2
The hosting service is responsible for implementing controls for restricting physical access to data centers, backup media storage, and other system components including firewalls, routers, and servers.	CC6.4 – CC6.5, CC7.2
The hosting service is responsible for implementing controls for the transmission, movement, and removal of the underlying storage devices for its IaaS cloud hosting services where Axway’s systems reside.	CC6.7
The hosting service is responsible for monitoring any configuration changes of the logical access controls system for the underlying network, virtualization management, and storage devices for its IaaS cloud hosting services where Axway’s systems reside.	CC7.1
The hosting service is responsible for ensuring capacity demand controls are in place to meet Axway’s availability commitments and requirements.	A1.1
The hosting service is responsible for ensuring environmental protection controls are in place to meet Axway’s availability commitments and requirements.	A1.2
The hosting service is responsible for managing logical access to the underlying network, virtualization management, and storage devices for its IaaS cloud hosting services where Axway’s systems reside.	PI1.2, PI1.4

Trust Services Criteria Not Applicable to the In-Scope System

The Trust Services criteria presented below, are not applicable to the SaaS Services system within the scope of this examination. As a result, an associated control is not required to be in place at the service organization for the omitted applicable trust services criterion. The following table presents the trust services criterion that are not applicable for the SaaS Services system at Axway.

Criteria #	Reason for Omitted Criteria
C1.1	Not applicable. Axway does not make commitments with respect to retention of customer data.