INDEPENDENT PRACTITIONER'S TRUST SERVICES REPORT

LIQUID WEB, LLC

Co-Location, Web Hosting, and Network Infrastructure Services

Trust Services Report on Management's Assertion

For the Period
July 1, 2017 – June 30, 2018

LIQUID WEB, LLC

Trust Services Report on Management's Assertion

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I. INDEPENDENT SERVICE AUDITOR'S REPORT

To: Management of Liquid Web, LLC:

Scope
We have examined Liquid Web, LLC's accompanying assertion titled "Management Assertion " (assertion) that the controls within Liquid Web, LLC's co-Location, web hosting, and network infrastructure services (system) were effective throughout the period July 1, 2017, to June 30, 2018, to provide reasonable assurance that Liquid Web, LLC's service commitments and system requirements were achieved based on the trust services criteria relevant to security and availability (applicable trust services criteria) set forth in *TSP section 100, 2017 Trust Services Criteria for Security, Availability, Processing Integrity, Confidentiality, and Privacy* (AICPA, Trust Services Criteria).

Service Organization's Responsibilities
Liquid Web, LLC 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 Liquid Web, LLC's service commitments and system requirements were achieved. Liquid Web, LLC has also provided the accompanying assertion about the effectiveness of controls within the system. When preparing its assertion, Liquid Web, LLC is responsible for selecting, and identifying in its assertion, the applicable trust service 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 system 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 Liquid Web, LLC's service commitments and system requirements based on the applicable trust services criteria
- Performing procedures to obtain evidence about whether controls within the system were effective to achieve Liquid Web, LLC's service commitments and system requirements based 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 the service organization'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 Liquid Web, LLC's co-Location, web hosting, and network infrastructure services system were effective throughout the period July 1, 2017, to June 30, 2018, to provide reasonable assurance that Liquid Web, LLC's service commitments and system requirements were achieved based on the applicable trust services criteria is fairly stated, in all material respects.

UHY LLP

Farmington Hills, Michigan
December 7, 2018

II. MANAGEMENT'S ASSERTION

Liquid Web, LLC Assertion:

We are responsible for designing, implementing, operating, and maintaining effective controls within Liquid Web, LLC's co-Location, web hosting, and network infrastructure services system (system) throughout the period July 1, 2017, to June 30, 2018, to provide reasonable assurance that Liquid Web, LLC's service commitments and system requirements relevant to security and availability categories were achieved. Our description of the boundaries of the system is presented in section III 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 July 1, 2017, to June 30, 2018, to provide reasonable assurance that Liquid Web, LLC's service commitments and system requirements were achieved based on the trust services criteria relevant to the security and availability categories (applicable trust services criteria) set forth in *TSP section 100, 2017 Trust Services Criteria for Security, Availability, Processing Integrity, Confidentiality, and Privacy* (AICPA, Trust Services Criteria). Liquid Web, LLC's objectives for the system in applying the applicable trust services criteria are embodied in its service commitments and system requirements relevant to the applicable trust services criteria. The principal service commitments and system requirements related to the applicable trust services criteria are presented in section IV.

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 July 1, 2017, to June 30, 2018, to provide reasonable assurance that Liquid Web, LLC's service commitments and system requirements were achieved based on the applicable trust services criteria.

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Terry Flood
Chief Financial Officer
Liquid Web, LLC

III. LIQUID WEB'S DESCRIPTION OF THE BOUNDARIES OF ITS CO-LOCATION, WEB HOSTING, AND NETWORK INFRASTRUCTURE SERVICES SYSTEM

Organization Background

Liquid Web, LLC ("Liquid Web") was founded in 1997 as a privately held managed co-location, web hosting, and network and infrastructure services company and was acquired in 2015 by the private equity firm Madison Dearborn Partners. Liquid Web has five data center facilities, three located in Lansing, Michigan, one located in Phoenix, Arizona, and one in Amsterdam, Netherlands. Liquid Web is a leader in the professional web hosting market with an unwavering dedication to providing the best hosting products available. Liquid Web has over 30,000 clients served in over 150 countries.

Scope of the Report

The scope of the report is limited to Liquid Web's co-location, web hosting, and network infrastructure services at its three data center locations in Lansing, Michigan, its data center in Phoenix, Arizona, and its data center in Amsterdam, Netherlands. This report covers the Liquid Web services described below and the suitability of the design of controls to meet the criteria for the Security and Availability principles set forth in TSP 100, 2017 Trust Services Criteria for Security, Availability, Processing Integrity, Confidentiality, and Privacy (AICPA, Trust Services Criteria).

Liquid Web utilizes third-party data centers for physical security, internet connection, and environmental controls for the Phoenix, Arizona, and Amsterdam, Netherlands data centers. This report does not cover the physical security and environmental controls at those locations. Both the Phoenix and Netherlands data centers provide AICPA SOC Type 2 reports to Liquid Web which cover the physical and environmental controls for their sites.

Service Offerings Provided

Hosting Services

- Dedicated web hosting - Private servers wholly allocated to the customer and fully managed by Liquid Web.
- Shared web hosting - Dedicated or virtual servers shared between multiple customers.
- Virtual private servers - Dedicated virtual servers
- Colo - Ability to collocate equipment in Liquid web owned data centers.

Network Services

- Load Balancing (Dedicated Load Balancers with Active/Active Redundancy)
- Managed File Replication Services
- Redundant Firewalls I Automatic Failover
- Virtual Private Network (VPN)
- Unmetered Bandwidth Solutions
- Content Delivery Network (CDN)

Backup/Storage Solutions

- Guardian Continuous Data Protection
- Storage Area Network (SAN)
- Terabyte Backup
- Dedicated Server Service Level Agreement (SLA)

Components of the Liquid Web System

Infrastructure

Liquid Web data centers are designed with redundancy installed at every level, ensuring that a failure at any level will not affect customer servers. Liquid Web data center power is conditioned and reliable through the use of centralized Uninterruptible Power Supplies (UPS) solutions backed by generators. Data centers exclusively utilize premium Tier-1 bandwidth providers, ensuring minimal latency and fast connections to all points of the global internet.

The physical machines that provide hosting services for clients may be either dedicated (private servers wholly allocated to the customer) or virtual (share services between several customers). In addition, redundant network firewalls, routers and servers are installed to ensure network equipment failures do not impact customers' availability to their servers.

The Liquid Web network has been designed to accommodate clients demanding the highest quality network performance. There is a central focus on redundancy allowing our network to rapidly self-heal failures without interruptions to connectivity. Our redundancy is multi-tiered with N+1 internal device elements as well as entirely redundant chassis allowing any routing device to fail without interrupting client data connectivity. All core routing and switching equipment is state of the art Cisco.

Software

The following systems comprise of the co-location, web hosting, and network infrastructure services system:

- Identity Management System for Network and VPN access
- Wordpress for content management
- Security monitoring software including a portfolio of network and system security tools and applications
- Availability monitoring software including a robust set of proprietary system level health and service monitoring tools

People

Liquid Web has organized the company into following distinct operating units which are listed below and further defined in the Organizational Structure section below:

- Executive Management
- Heroic Support® Team
- Platform Team
- Security Team
- Advance Services Team
- Sonar Monitoring™ Team
- Systems Restore Team

Processes and Procedures

Liquid Web's policies and controls cover all critical aspects of employment, including hiring, training and development, performance appraisals, and terminations. In addition, all employees have access to an employee handbook, policies, and procedures which define appropriate ethical behavior. Changes to these documents are communicated to existing personnel in writing.

A sanction policy exists within the Acceptable Use Policy, which includes workforce conduct standards regarding acceptable use of Liquid Web's resources. A performance review is performed and documented by each department head on an annual basis.

Data

Liquid Web does not manage, access, transfer, or move client data or content.

Liquid Web system and network user activity, system activity, and systems diagnostics are captured in audit logs and system logs that are retained within the system and/or forwarded to monitoring and reporting tools for analysis.

IV. PRINCIPLE SERVICE COMMITMENTS AND SYSTEM REQUIREMENTS

Liquid Web provides a wide array of services to customers including co-location, web hosting, and network and infrastructure services, included below are the primary responsibilities of Liquid Web and customers.

Co-location Services

Co-location services provide space for customer equipment. Liquid Web provides power, cooling, physical security, and a public networking connection to the equipment. The customer is responsible for configuration and troubleshooting any equipment software or hardware issues.

Web Hosting Services

Web Hosting services consist of servers, switches, and firewalls based on managed services purchased. Liquid Web is responsible for all hardware and operating system support and provides physical security to the equipment. The customer is responsible for the software support, configuration and data. Liquid web will configure the systems as requested and make changes as requested by the customer.

Network and Infrastructure Services

Liquid Web provides initial configuration of software, hardware and network at customer request. Liquid Web additionally provides ongoing changes and support at customer request. Customer is responsible for ensuring the configurations and changes requested are fit for purpose and meet customer's specific compliance and performance requirements.