



A-LIGN



Opal Labs Inc.
Type 2 SOC 2
2018

opalTM

**REPORT ON OPAL LABS INC.'S DESCRIPTION OF ITS SYSTEM AND ON THE
SUITABILITY OF THE DESIGN AND OPERATING EFFECTIVENESS OF ITS
CONTROLS RELEVANT TO SECURITY AND CONFIDENTIALITY**

**Pursuant to Reporting on Service Organization Controls 2 (SOC 2)
Type 2 examination performed under AT-C 105 and AT-C 205**

July 1, 2017 Through March 30, 2018



INDEPENDENT SERVICE AUDITOR'S REPORT ON CONTROLS AT OPAL LABS INC. RELEVANT TO SECURITY AND CONFIDENTIALITY

To Opal Labs Inc.:

We have examined the attached description titled "Description of Opal Labs Inc.'s Marketing Collaboration Software System Throughout the Period July 1, 2017 Through March 30, 2018" (the description) and the suitability of the design and operating effectiveness of controls to meet the criteria for the Security and Confidentiality principles set forth in TSP section 100A, *Trust Services Principles, Criteria, and Illustrations for Security, Availability, Processing Integrity, Confidentiality, and Privacy (2016)* (AICPA, *Technical Practice Aids*) (applicable trust services criteria), throughout the period July 1, 2017 through March 30, 2018. The description indicates that certain applicable trust services criteria specified in the description can be achieved only if complementary user-entity controls contemplated in the design of Opal Labs Inc.'s ('Opal' or 'the Company') controls are suitably designed and operating effectively, along with related controls at the service organization. We have not evaluated the suitability of the design or operating effectiveness of such complementary user-entity controls.

Opal uses Amazon Web Services (AWS), Inc. ("subservice organization") for cloud hosting services. The description indicates that certain applicable trust services criteria can only be met if controls at the subservice organization are suitably designed and operating effectively. The description presents Opal's system; its controls relevant to the applicable trust services criteria; and the types of controls that the service organization expects to be implemented, suitably designed, and operating effectively at the subservice organization to meet certain applicable trust services criteria. The description does not include any of the controls implemented at the subservice organization. Our examination did not extend to the services provided by the subservice organization.

Opal has provided the attached assertion titled "Management of Opal Labs Inc.'s Assertion Regarding Its Marketing Collaboration Software System Throughout the Period July 1, 2017 Through March 30, 2018," which is based on the criteria identified in management's assertion. Opal is responsible for (1) preparing the description and assertion; (2) the completeness, accuracy, and method of presentation of both the description and assertion; (3) providing the services covered by the description; (4) specifying the controls that meet the applicable trust services criteria and stating them in the description; and (5) designing, implementing, and documenting the controls to meet the applicable trust services criteria.

Our responsibility is to express an opinion on the fairness of the presentation of the description based on the description criteria set forth in Opal's assertion and on the suitability of the design and operating effectiveness of the controls to meet the applicable trust services criteria, based on our examination. We conducted our examination 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, in all material respects, (1) the description is fairly presented based on the description criteria, and (2) the controls were suitably designed and operating effectively to meet the applicable trust services criteria throughout the period July 1, 2017 through March 30, 2018.

Our examination involved performing procedures to obtain evidence about the fairness of the presentation of the description based on the description criteria and the suitability of the design and operating effectiveness of those controls to meet the applicable trust services criteria. 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 that we consider necessary to provide reasonable assurance that the applicable trust services criteria were met. Our examination also included evaluating the overall presentation of the description. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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.

In our opinion, in all material respects, based on the description criteria identified in Opal's assertion and the applicable trust services criteria:

- a. the description fairly presents the system that was designed and implemented throughout the period July 1, 2017 through March 30, 2018.
- 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 July 1, 2017 through March 30, 2018, and user entities applied the complementary user-entity controls contemplated in the design of Opal's controls throughout the period July 1, 2017 through March 30, 2018 and the subservice organization applied, throughout the period July 1, 2017 through March 30, 2018, the types of controls expected to be implemented at the subservice organization and incorporated in the design of the system.
- c. the controls tested, which together with the complementary user-entity controls referred to in the scope paragraph of this report, and together with the types of controls expected to be implemented at the subservice organization and incorporated in the design of the system, if operating effectively, were those necessary to provide reasonable assurance that the applicable trust services criteria were met, operated effectively throughout the period July 1, 2017 through March 30, 2018.

The specific controls we tested and the nature, timing, and results of our tests are presented in the section of our report titled "Information Provided by the Service Auditor".

This report and the description of tests of controls and results thereof are intended solely for the information and use of Opal; user entities of Opal's Marketing Collaboration Software System during some or all throughout the period July 1, 2017 through March 30, 2018; 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.
- Complementary user-entity controls and how they interact with related controls at the service organization to meet the applicable trust services criteria.
- The applicable trust services criteria.
- The risks that may threaten the achievement of the applicable trust services criteria and how controls address those risks.

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

The logo for A-LIGN, featuring a large, stylized letter 'A' followed by the word 'ALIGN' in a smaller, sans-serif font.

April 27, 2018
Tampa, Florida