Business continuity management system (BCMS) manual

EXFO

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1   MANAGEMENT COMMITMENT

We, the undersigned, have read this manual and are committed to implement a Business Continuity Management System (BCMS) as described below.

Specifically, we are committed to:

- Developing and promoting high standards in satisfying customer, shareholders, employees, and vendors
- Issuing a BUSINESS CONTINUITY policy, making it available to employees and reviewing it on a regular basis to reflect our intentions
- Developing site specific BCMS documentation to address geographic challenges in each location
- Reviewing recovery time objectives and action plans periodically and tracking progress on results in order to build a culture of continual improvement within the company
- Assessing BCMS site documentation effectiveness on a regular basis and revising it as needed
- Ensuring the availability of the resources required as well as efficient tools for BCMS implementation
- Identifying and communicating roles, responsibilities and authorities of everyone involved in the BCMS
- Assigning qualified human resources and training them properly to ensure they understand and meet their roles and responsibilities in the BCMS implementation

Philippe Morin
Chief Executive Officer

Luc Gagnon
Vice-President, Manufacturing Operations, Customer Service and BCP Executive Officer

2   MISSION

EXFO develops smarter network test, monitoring and analytics solutions for the world's leading communications service providers, network equipment manufacturers and webscale companies. Since 1985, we've worked side by side with our customers in the lab, field, data center, boardroom and beyond to pioneer essential technology and methods for each phase of the network lifecycle. Our portfolio of test orchestration and real-time 3D analytics solutions turns complex into simple and delivers business-critical insights from the network, service and subscriber dimensions. Most importantly, we help our customers flourish in a rapidly transforming industry where "good enough" testing, monitoring and analytics just aren't good enough anymore—they never were for us, anyway. For more information, visit EXFO.com and follow us on the EXFO Blog.

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3   Business Continuity POLICY

EXFO is committed to safeguarding the interests of its shareholders, employees, customers, and vendors in the event of an emergency or business disruption by the implementation of a formal management system that mitigates potential impacts following a disruption or disastrous event.

4   FACILITIES

The following EXFO's premises are part of the scope of Business Continuity Management System:

EXFO Inc. 400 Godin Avenue Quebec City, QC G1M 2K2 CANADA Corporate Headquarters, Product Development Center, Customer Service Center, Repairs Center and Manufacturing Facilities	EXFO Inc. 2500 Alfred-Nobel Montreal, Qc H4S 0A9 CANADA Product Development Center
EXFO Telecom Equipment (Shenzhen) Ltd. F1 to F3, No. 71-3, Xintian Avenue, Xintian Community, Fuhai Subdistrict, Bao'an District, Shenzhen, Guangdong, P.R.China 518103 Manufacturing Facilities and Repairs Center	EXFO Europe Ltd Winchester House School Lane, Chandlers Ford SO53 4DG, UNITED KINGDOM Customer Service Center and Repairs Center
EXFO Electro Optical Engineering India Private Limited Office No 604, Tower S-4, Cybercity, Magarpatta Hadapsar, Pune 411013 INDIA Product Development Center	EXFO America Inc. 3400 Waterview Parkway, Suite 100 Richardson, TX 75080 USA Technical Support center, Sales office

5   APPLICABLE STANDARDS AND REFERENCES

EXFO's BCMS is guided by many international and local standards and is designed to specifically address the requirements of EXFO Inc.

The following standards were referenced in the development of the BCMS:
- ISO 22301:2012 – Societal Security – Business Continuity Management Systems – Requirements
- TL9000 – Quality Management System Requirement Handbook Release 6.0
- ISO 31010:2009 – Risk Management

6   OBJECTIVE

Develop a Business Continuity Management System (BCMS) to determine how to mitigate business risks through procedures and risk reduction options to control and minimize the impact of disasters, thereby ensuring business continuity during a disruptive event. This objective applies only to all customer products & services delivery within EXFO.

7   STRUCTURE, ROLE & RESPONSABILITY

Within the scope of the BCMS, managers and employees may be assigned various responsibilities such as:
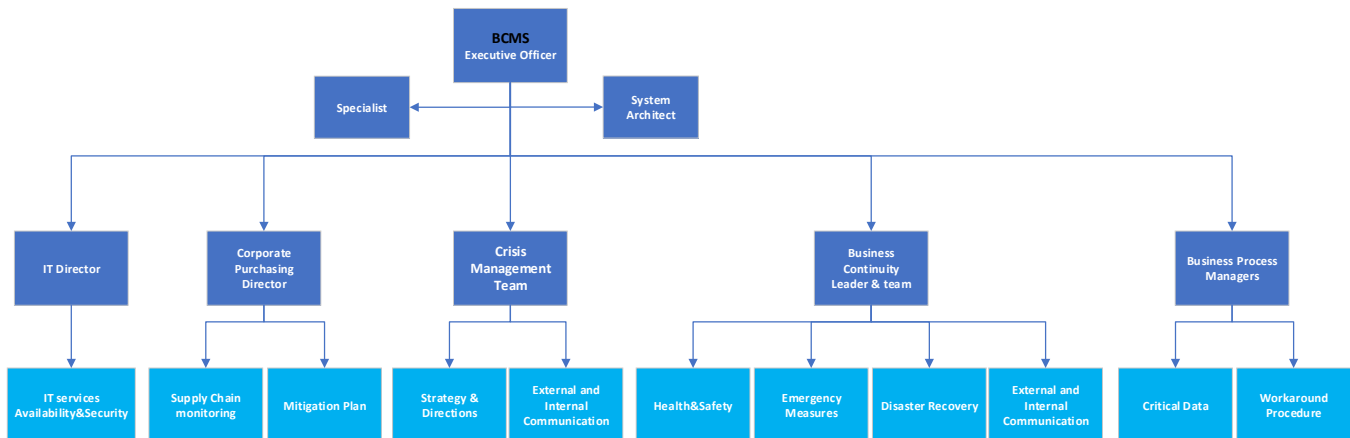
BCMS Executive Officer

Notwithstanding other assigned responsibilities, the management committee assigned Mr. Luc Gagnon, Vice-President, Manufacturing Operations and Customer Service, as the BCMS Executive Officer. As such, he is responsible for:

- Ensuring each site BCP addresses the needs of EXFO Inc
- Conducting internal audits to assess the BCP and to assign revisions as needed
- Monitoring external audit requests
- Structuring and deploying efficient and accessible BCP documentation
- Updating BCP documentation
- Informing employees of the existence and requirements of the BCP
- Promoting and developing a culture of business continuity
- Inform CMT as needed

Crisis Management Team

Perform Situation Assessment

Resolve any security, financial, reputational, legal or operational issues or conflicts that may arise

Coordinate overall strategic response, deciding on short, medium, and long-term strategies

Prepare and approve all external communications or statements before they are issued

Inform board of directors and key stakeholders as needed

Specialist

In collaboration with the BCMS Chief Officer, the Specialist will establish and periodically update EXFO's BCP, help in documenting replies to customers' enquiries about the BCMS and accompany and assist external auditors.

System Architect

The system architect is the System Standards & Compliance Manager. He/she ensures process cohesion and modelling. He/she oversees the publication of approved IMS documentation on EXFO's intranet site.

IT Director

The IT Director ensures the availability and access of IT services during the disaster recovery (DR) period. His responsibilities during DR period include:

- Initiate and supervise the disaster recovery procedure
- Maintain communication with EXFO management and end users
- IT internal customer support to maintain access to critical systems
- Monitoring of systems availability and integrity
- Assure systems security
- Initiate and supervise the resume to operations

Corporate Purchasing Director

The Corporate Purchasing director monitors global supply chain disruption. He evaluates and monitors all risks related to vendors and subcontractor's regarding their supplies. He establishes mitigation plan on critical situations. He coordinates with supplier the supply chain recovery. He communicates progress status to management.

Business Process Manager (BPM)

The process manager defines tasks to be carried out, according to resources provided by the process owner, to reach set objectives. He/she also ensures the process implementation, maintenance, development and improvement, and oversees process employee training.

Responsibilities include:

- Define workaround procedures to be deployed after a major disruption of regular business process
- Perform tests and audit of workaround procedures
- Prepare post-mortem and update workaround procedures as necessary

Business Continuity (BC) Leader & Business Continuity (BC) team

The site BC Leader has overall responsibility for the development and maintenance of the plan for site and leads the BC team. Responsibilities include:

- Identify risk options and complete the risk assessment
- Identify critical information and data related to site infrastructures (with BPM)
- Adapt and deploy emergency measures compliant to country regulations and practices
- Lead and coordinate the recovery of all business operations
- Report progress status to BCMS Executive Officer
- Establish business recovery headquarters at an alternate site, if needed
- Control the activation of the disaster recovery plan
- Inform employees
- Assure collaboration with local government authority
- Ensure maintenance of all documents in state of readiness

- Document formal post-mortem and recommend BC improvements when necessary

The BC team is made up of department managers or senior staff. Their responsibilities include:
- Manage the recovery of all business operations
- Supervise and direct the support team
- Assess damage
- Coordinate the restoration
- Maintain all documents in state of readiness

8   BUSINESS CONTINUITY PROGRAM

8.1   Leader and team

Everyone should always know who is in charge. Leaders and operating teams are assigned to each operational site and for executive roles such as communications, IT systems and the supply chain. These teams and leaders are trained to be ready to react to events and emergencies in collaboration with local governmental authorities. Implicated during the creation of plans, leaders and operating teams also participate in the testing of first response procedures so they are sure of being ready to perform under pressure when a real situation arises.

8.2   Employee security

Nothing is more important than the security of our employees. Different possible emergency scenarios are documented with specific response measures. First responders and operating teams are trained to apply those measures. All employees are regularly informed of response measures to follow. Drills are planned throughout the year in order to be sure that everyone reacts adequately when a real situation arises.

8.3   Scenarios and detailed plans

Many different disasters are possible, but their impacts are summarized into five (5) breakdowns: staff, material, power, infrastructure/equipment and IT systems. Prioritizing our commitments and customer service, we have envisioned the worst-case scenario and identified business processes affecting primary operations. For each process, we have documented workaround procedures, critical data lists and IT systems. Preventive plans are implemented to reduce worst case scenarios and mitigate potential impacts.

8.4   Testing and maintenance

Whenever possible, we simulate impacts and evaluate our plan for its level of readiness. Following a real event, we perform a post-mortem to evaluate the program performance and apply corrective actions if necessary.

8.5   Communication

We have defined communication channels with our employees, customers, suppliers, local governmental authorities and local community organizations mandated with emergency response actions in case of an emergency or disaster. We are ready to send consistent messages on a situation, as it evolves, to the community, conventional media and social media.

8.6   IT system continuity

We have implemented robust systems, data backup workflows on different sites, critical systems and IT systems redundancy. Because of the constantly evolving risks and threats in this sector, we have permanently assigned personnel to watch and prevent those risks. We also watch and evaluate emerging IT security systems.

8.7   Uninterrupted access

To assure adequate customer support, we have deployed VPN technologies so our employees can access necessary IT applications and data from any work location.

9 INTEGRATED MANAGEMENT SYSTEM

EXFO has integrated many documentation management systems. We call this framework an integrated management system (IMS) because it combines the following management systems:

- Quality management system (**QMS**) where controlled management of quality is targeted
- Environmental management System (**EMS**) where controlled management of significant environmental aspects is targeted
- Business continuity management system (**BCMS**) where controlled management aims to protect against, reduce the likelihood of occurrence of, prepare for, respond to, and recover from disruptive incidents when they arise
- Internal compliance program (**ICP**) where export control is targeted

Relevant requirements from each standard and from ICP are assigned to each related process.

Business processes

The following processes are mapped and deployed. For quick reference, business processes and specific documentation applicable to BCMS are visually tagged with the symbol ∞ next to the activity title in a process or the title of any document.
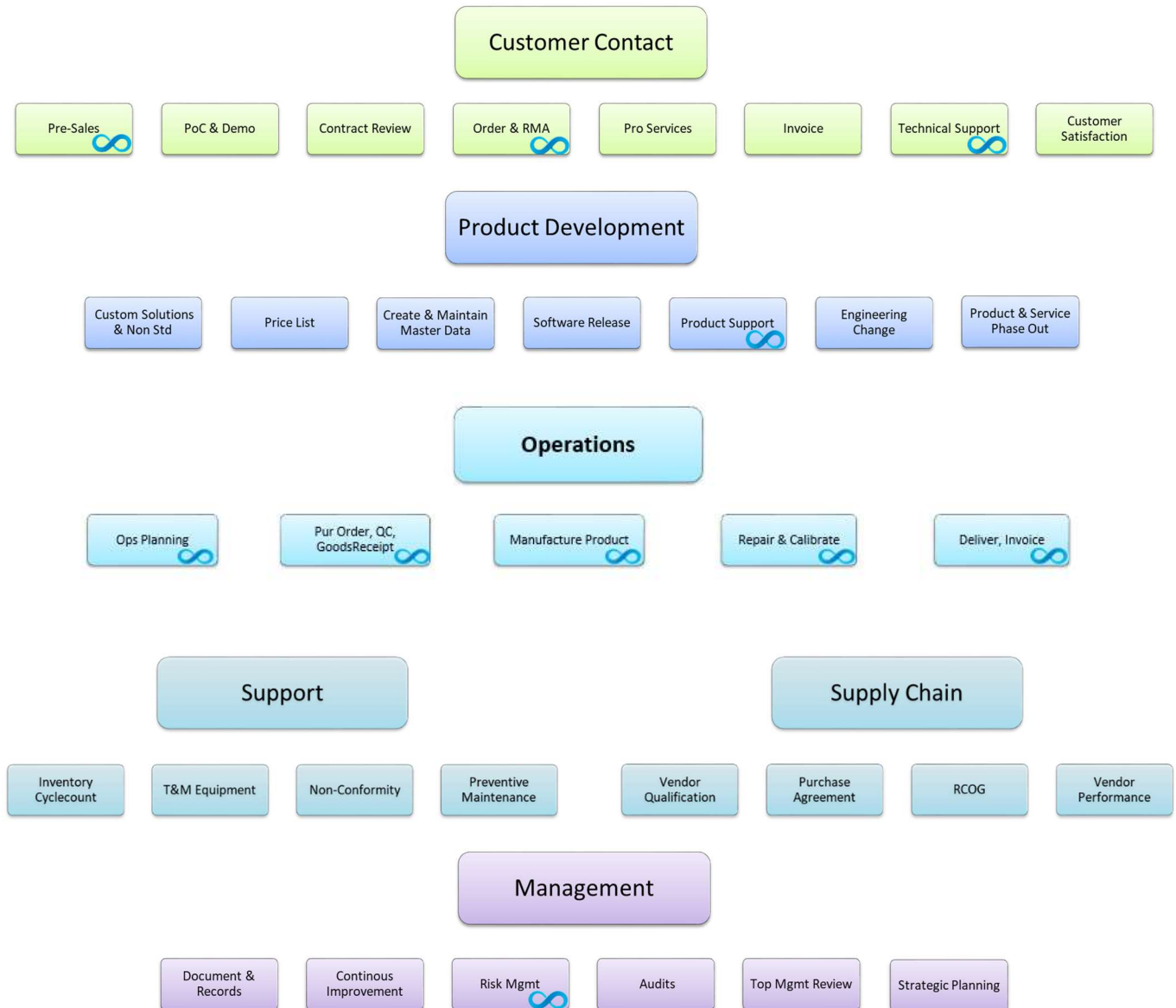
Documented information

Corporate guidelines or policies are at the top of the pyramid, which translates into business processes mappings at the second level. Those mappings orchestrate the sequence, link tasks, assign people in charge, provide working instructions and tools to optimize work organization. At the bottom of the pyramid are work instructions, workflow, specifications, standards, forms as well as various data, measurements, results and other records attesting to requirements' compliance. All this material is documented, filed and numbered. BCP documentation is available to all EXFO's employees through the intranet.
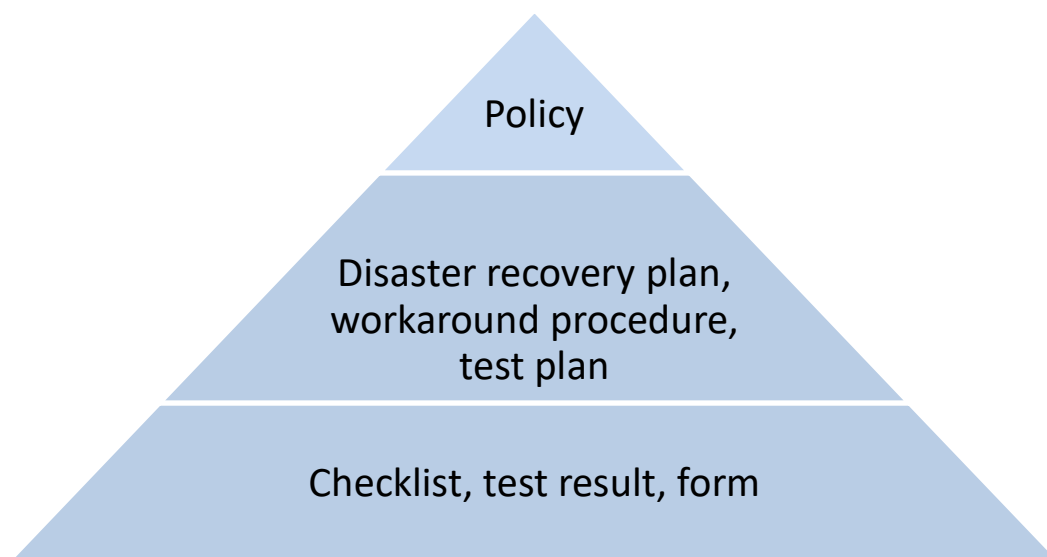
10 CORPORATE CULTURE OF BUSINESS CONTINUITY

Throughout the years, planned activities like annual management reviews, internal and external audits, and also unplanned events such as disruptions or natural disasters have given us the opportunity to assess and improve our level of readiness and the health of our BCMS.