Deltek Inc.’s Cloud Service Provider System

Service Auditors’ Report on System and Organization Controls (SOC 3) Relevant to Security and Availability

For the Period of November 1, 2018 through October 31, 2019
INDEPENDENT SERVICE AUDITORS’ REPORT

To the Management of Deltek, Inc.:

Scope

We have examined Deltek, Inc.’s (“Deltek”) accompanying assertion titled “Assertion by Management of Deltek, Inc.” (“Assertion”) that the controls within Deltek’s Cloud Service Provider System (“System”) were effective throughout the period November 1, 2018 to October 31, 2019, to provide reasonable assurance that Deltek’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 100, 2017 Trust Services Criteria for Security, Availability, Processing Integrity, Confidentiality, and Privacy (AICPA, Trust Services Criteria).

Deltek used certain subservice organizations during a portion of or for the full period under audit, to provide hosting services, including all of its physical and environmental security functions. Our examination did not include the services provided by the subservice organizations and we have not evaluated the suitability of the design or operating effectiveness of such complementary subservice organization controls.

The description indicates that complementary user entity controls that are suitably designed and operating effectively are necessary, along with controls at Deltek, to achieve Deltek’s service commitments and system requirements based on the Applicable Trust Services Criteria. Our examination did not include such complementary user entity controls and we have not evaluated the suitability of the design or operating effectiveness of such controls.

Service Organization’s Responsibilities

Deltek 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 Deltek’s service commitments and system requirements were achieved. Deltek has also provided the accompanying Assertion about the effectiveness of controls within the System. When preparing its Assertion, Deltek 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 Auditors’ Responsibilities

Our responsibility is to express an opinion, based on our examination, on whether the 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 the 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 Deltek’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 Deltek’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 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, the Assertion that the controls within Deltek’s System were effective throughout the period November 1, 2018 to October 31, 2019 to provide reasonable assurance that Deltek’s service commitments and system requirements were achieved based on the Applicable Trust Services Criteria is fairly stated, in all material respects.

SC&H Attest Services, P.C.
Sparks, Maryland
December 4, 2019
Assertion by Management of Deltek, Inc.

We, as management of Deltek, are responsible for designing, implementing, operating, and maintaining effective controls within Deltek, Inc.'s Cloud Service Provider System throughout the period November 1, 2018 to October 31, 2019, to provide reasonable assurance that Deltek’s service commitments and system requirements relevant to security and availability were achieved. Our attached description of the boundaries of the System 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 November 1, 2018 to October 31, 2019, to provide reasonable assurance that Deltek’s service commitments and system requirements were achieved based on the Applicable Trust Services Criteria relevant to security and availability set forth in TSP 100, 2017 Trust Services Criteria for Security, Availability, Processing Integrity, Confidentiality, and Privacy (AICPA, Trust Services Criteria). Deltek’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 principle service commitments and system requirements related to the Applicable Trust Services Criteria are presented within the attached description.

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 November 1, 2018 to October 31, 2019, to provide reasonable assurance that Deltek’s service commitments and system requirements were achieved based on the Applicable Trust Services Criteria.

Gaurav Jetly
Vice President, Global Cloud
**Scope of the Report**

This report is intended to provide information about controls relating to the Deltek’s Cloud Service Provider System and to provide information about whether those controls are designed and operating effectively to meet the security and availability criteria set forth in TSP section 100, *2017 Trust Services Criteria for Security, Availability, Processing Integrity, Confidentiality, and Privacy*. Specifically, the following Deltek Cloud Operations (“Deltek Cloud”) products are included in scope for this report:

<table>
<thead>
<tr>
<th>Deltek Cloud Products in Scope</th>
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<tbody>
<tr>
<td>Ajera</td>
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<tr>
<td>Deltek Vantagepoint (f/k/a Deltek for Professional Services)</td>
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<td>Ajera CRM</td>
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<td>GovWin</td>
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<tr>
<td>ConceptShare, <em>as of November 26, 2018</em></td>
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<tr>
<td>Maconomy</td>
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<tr>
<td>Costpoint</td>
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<tr>
<td>Maconomy Enterprise</td>
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<tr>
<td>Costpoint Enterprise – US only</td>
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<tr>
<td>Project Information Management</td>
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<tr>
<td>Costpoint Enterprise – US only</td>
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<tr>
<td>TrafficLIVE</td>
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<tr>
<td>Deltek Collaboration (f/k/a Kona)</td>
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<tr>
<td>Vision</td>
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<tr>
<td>Deltek Talent Management</td>
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<tr>
<td>Vision Enterprise</td>
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<tr>
<td>Deltek Talent Management – US only, <em>as of June 30, 2019</em></td>
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<td>Workbook</td>
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The scope of this report does not include (1) complementary user entity controls or (2) complementary subservice organization controls.

Our procedures were performed in accordance with Statements on Standards for Attestation Engagements 18; AT-C Section 205, *Examination Engagements*, issued by the Auditing Standards Board of the American Institute of Certified Public Accountants.

**System Description of Deltek’s Cloud Service Provider System**

**Company Overview**

Deltek, Inc. ("Deltek" or the “Company”) is the leading global provider of enterprise software and information solutions for project-based businesses. More than 23,000 organizations and millions of users in over 80 countries around the world rely on Deltek for superior levels of project intelligence, management and collaboration. Deltek’s industry-focused expertise powers project success by helping firms achieve performance that maximizes productivity and revenue. On December 28, 2016, Deltek was acquired by Roper Technologies, Inc. (“Roper”).
Architect and engineering firms, IT and management consulting firms, marketing and PR firms, law firms, CPA firms, project manufacturing firms, construction firms and government contractors are served through Deltek’s unique project and industry-centric solutions.

Deltek provides its customers with cloud ERP, CRM, Project Management, Resource Management, Risk Management, Financial Accounting, Collaboration, Reporting, Analytics, and Information Solutions. Deltek’s offerings are uniquely focused on project, people and service-centric businesses. Deltek’s business operations are supported by multiple teams, of which Deltek Cloud (a/k/a “Deltek Cloud Operations” or “DCO”) is one. Deltek Cloud functions as the operational and maintenance support team to ensure Deltek’s Cloud Service offerings function properly and securely to meet customers’ business needs.

**Components of the System Providing Services**

**People**

Services are provided by Deltek Cloud team members, who are trusted with the day-to-day operations of Deltek’s multiple Cloud Service offerings and are responsible for keeping the Deltek Cloud Service secure and available.

Deltek Cloud teams are led by seasoned and experienced Cloud professionals who are subject matter experts in the Cloud technologies. Deltek Cloud team members are required to follow Deltek Cloud policies and procedures, as described in the following sections.

**Procedures**

Deltek Cloud policies and procedures describe the controls and define the practices implemented within the Deltek Cloud environment in scope. These policies and procedures also include descriptions of Deltek Cloud’s acceptable use, access management, backups, disaster recovery, incident response, change management and system security standards. All Deltek Cloud team members are expected to adhere to the Deltek Cloud policies and procedures when delivering the Deltek Cloud Service offerings. All Deltek Cloud policies are located on the Deltek Cloud secure sites and can be accessed only by Deltek Cloud team members.

**Control Environment**

The objectives of internal controls, as they relate to Deltek Cloud, are to provide reasonable, but not absolute, assurance that controls are suitably designed, implemented and operating effectively to meet the applicable trust services criteria, assets are protected from unauthorized use or disposition, and processes and procedures are executed in accordance with Deltek Cloud management’s authorization and customer instructions. Deltek Cloud maintains an inventory of critical assets within the scope of Deltek Cloud Service offerings. The ongoing management of the inventory of assets is part of Deltek Cloud’s Change Management planning processes.
Deltek Cloud management developed and maintains controls designed to monitor compliance with established policies and procedures. The remainder of this subsection discusses the tone, as set from the top by management, related to the integrity, ethical values and competence of Deltek Cloud team members, the policies and procedures, the risk management process and ongoing monitoring and the roles of significant control groups. The internal control system is established and refreshed based on Deltek’s assessment of risks facing the organization.

**Integrity and Ethical Values**

Integrity and ethical values are the product of Deltek Cloud’s behavior standards and are essential elements of the control environment, affecting the design, administration, and monitoring of key processes. These standards are communicated, monitored, and enforced throughout Deltek Cloud’s business activities. Deltek’s management communicates these values to Deltek employees through policy statements and codes of conduct. In addition, Deltek management has taken actions to remove or reduce incentives and opportunities that might prompt team members to engage in dishonest, illegal, or unethical behavior.

Deltek’s management team recognizes their responsibility to foster a strong ethical environment to ensure that Deltek Cloud’s business affairs are conducted with integrity and in accordance with high standards of personal and professional conduct. This responsibility is characterized and reflected in the Code of Conduct, which is distributed to all Deltek employees who are required to maintain ongoing compliance with all policies, procedures and standards of the Code of Conduct. Deltek employees must comply with lawful and ethical business practices, regardless of whether they are specifically mentioned in the Code of Conduct. Each employee is required to affirm annually that he or she received, read, understood, and complies with the requirements set forth in the Code of Conduct and related policies.

**Organizational Structure and Assignment of Authority and Responsibility**

Deltek Cloud’s organizational structure provides the framework within which its activities for achieving entity-wide objectives are planned, executed, controlled and monitored. Deltek Cloud has established an organizational structure that considers key areas of authority and responsibility, as well as appropriate lines of reporting. Additionally, Deltek Cloud has established and defined roles and responsibilities, as well as documented job descriptions for all Deltek Cloud team members.

**Governance and Oversight**

Deltek Cloud’s control environment is influenced by applicable Deltek teams and the Roper Board of Directors, who are jointly charged with security governance. The Roper Board of Directors meets on an annual basis to review operating performance, strategy, corporate governance and risk and to oversee appropriate shareholder reporting. Roper’s Audit Committee assists the Roper Board of Directors in providing independent oversight of the quality and integrity of its financial statements, structure for compliance with legal and regulatory requirements and the performance of internal control.
Management Process and Reporting

Deltek Cloud manages governance and policies are created by Deltek Cloud management processes, including weekly meetings, annual budget planning and periodic forecasting. Individual departmental meetings are held by each department’s manager on a periodic basis.

Deltek maintains a formal risk management program, which involves senior management from different operational areas and provides transparency to applicable executives. A formal risk-driven control assessment is performed at least annually. Deltek management assesses: the risk related to the business (which can include short- and long-term risks and fraud risk considerations); technology (including risks associated with identified threats and strategies for mitigation); legal environments (including new regulatory changes and potential implications); and compliance (including reassessment of the suitability and implementation of control activities). Management identifies elements of risk from threats, vulnerabilities, safeguards and the likelihood of the threat, to determine actions to be taken. Risks that exceed acceptable thresholds are reported to applicable executives.

Human Resource Policies and Practices

Human Resources ("HR") policies and practices include hiring, orienting, training, evaluating, counseling, promoting and compensating Deltek employees. The competence and integrity of Deltek Cloud team members are essential elements of its control environment. Deltek Cloud’s ability to recruit and retain a sufficient number of competent and responsible team members is dependent to a great extent on its HR policies and practices.

The HR policies and practices of Deltek Cloud are designed to: (1) identify and hire competent personnel, (2) provide team members with the training and information they need to perform their jobs and (3) evaluate the performance of team members to verify their ability to perform job assignments.

Deltek Cloud recruits and retains qualified team members based on business needs and job-related requirements. Deltek Cloud recognizes this and, as part of the on-boarding process, new hires are given an understanding of Deltek’s culture, values, processes and overall organization. Deltek Cloud follows standard onboarding process for the review and affirmation of Deltek security policies for new hires and annual confirmation thereafter.

Where permitted by law, Deltek conducts background investigations on successful applicants in conjunction with an offer of employment. Background investigations are conducted to verify the accuracy of information provided by the candidate, as well as to determine suitability for employment. Offers of employment are contingent upon the results of the background investigation.

Formally documented job descriptions are developed and maintained for each Deltek Cloud position. Each job description is reviewed annually by a manager responsible for overseeing employees with that description.
Information and Communication

Information and communication are integral components of Deltek Cloud’s internal control system. It is the process of identifying, capturing and exchanging information in the form and timeframe necessary to conduct, manage and control the Company’s operations. In Deltek Cloud, information is identified, captured, processed and reported through various information systems, as well as through interactions with customers, vendors, regulators and employees. Deltek Cloud Management teams lead monthly calls to discuss operational efficiencies within the applicable Deltek Cloud functional areas and disseminate new policies, procedures, controls and other strategic initiatives within the Company. In addition, Deltek Cloud Management meetings are held monthly to provide updates on the Company, including key issues affecting the organization and its employees. Deltek Cloud senior managers also have bi-annual meetings to discuss information gathered from automated information systems and databases, as well as conversations with various internal and external colleagues. General updates to Company-wide security policies and procedures are usually communicated to the appropriate Deltek Cloud team members via email messages.

Subservice Organizations

Deltek Cloud uses subservice organizations to perform various functions that support the delivery of Cloud Service offerings. The scope of this report does not include the controls at the subservice organizations. The subservice organizations provide hosting environments for the various products in scope, including environmental controls, and physical security.

Complementary User Entity Control Considerations

Deltek has contemplated that certain complementary user entity controls should be implemented by its Cloud customers.

The list of complementary user entity control considerations presented below should not be regarded as a comprehensive list of all controls that should be employed by each Cloud customer. There may be additional controls that would be deemed appropriate that are not identified in this report.

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<thead>
<tr>
<th>User Entity Control</th>
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<tbody>
<tr>
<td>User organizations are responsible for managing access changes on a timely basis and monitoring user access to ensure that only authorized users maintain active access privileges.</td>
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<tr>
<td>User organizations are responsible for establishing physical security protection over all workstations, servers, and communication hardware that interface with their environment and that are housed in their facilities or other locations under their control or supervision.</td>
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<td>User organizations are responsible for reporting any application problems encountered with Deltek Cloud services to Deltek and to provide such assistance, as necessary, to permit problem resolution.</td>
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<td>User organizations are responsible for reviewing communications from Deltek specific to changes to the environment and providing feedback, as necessary.</td>
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<td>User Entity Control</td>
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<tr>
<td>User organizations are responsible for ensuring that their end-users abide by the same terms of service as those by which the Cloud service customer is bound.</td>
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