Business Continuity Program Overview
2014
Overview

Altera has an active and comprehensive Business Continuity Program in place. The program consists of several key components including site-level emergency response, site and corporate-level crisis management and company-wide business recovery for all critical business functions. Plans of action have been documented in the Business Continuity Plan and its subunits. With oversight by an executive level steering committee, the plan and program are maintained, constantly improved, and executed by the Crisis Management Team (CMT).

Purpose

The purpose of the program is to provide documented policies and procedures to effectively respond to severe disasters. The Business Continuity Program is aligned with the Altera’s corporate philosophy, “Employee safety receives top priority”. Once employee safety is assured, the plan’s focus shifts to satisfying the needs of Altera customers.

Scope

Our Business Continuity Program is based on developing response and recovery procedures for the credible worst-case scenario that may occur. For Altera’s San Jose campus, that scenario may be a significant earthquake occurring on the Hayward Fault resulting in a shutdown of the San Jose campus for an extended period of time. The Business Continuity Program covers Altera’s critical operations and ensures that customer orders and overall customer satisfaction is maintained through implementation of robust business recovery strategies and plans that include Altera’s remote offices, strategic business partners (manufacturers) and product distributors.

Business Continuity Program

The Business Continuity Program is made up of senior representatives, from key business functions, and contains documented guidelines, in the Business Continuity Plan, for responding to a crisis or disaster that significantly impacts Altera operations. These plans are based on the Incident Command System, with teams headed by the site’s senior managers who have response plans for all site-level incidents and disasters. For emergencies that escalate to a crisis, or in the event of a large-scale regional disaster a Crisis Management Team (CMT), consisting of senior managers from critical business and support functions, will be notified and will convene under crisis or disaster conditions. The CMT is made up of multiple Business Recovery Units that specialize in the recovery of specific business functions.

Crisis Management Team

Altera’s Crisis Management Team has been developed to respond effectively to severe disasters. For recovering specific business functions the CMT is divided into multiple Business Recovery Units. Primary and alternate meeting places have been identified each equipped with the necessary resources to act effectively. Robust phone tree processes have been established and emergency satellite based telephones and radios have been made available to key team members. A remote emergency voicemail system has been established to allow CMT members to communicate in case local telephones are out of service. An employee emergency 1-800 voicemail system has been established to provide updated messages and work instructions to the employee population. The CMT has assigned Public Relations/Human Resources representatives to help coordinate timely messages to employees, the financial community and others that need to know. Other CMT and Business Team members are responsible for messages to vital suppliers, subcontractors and customers. All CMT and business recovery procedures are documented online and in hard copy binders which are stored in each team member’s home and automobile.
**Business Recovery Units**

Altera periodically conducts a business impact analysis to help identify business functions that would have the largest impact on Altera and its continued viability as a public company if disrupted. The results of this analysis are used to develop business recovery strategies and action plans for those business functions deemed most critical.

Both internal and externally focused, key business functions have developed and documented business recovery strategies and action plans designed to rapidly restore the business processes in case of disaster. The Business Recovery Units (BRU) with documented Business Recovery Plans (BRP) cover the following areas of the business:

- Human Resources
- Operations & Customer Service
- Facilities
- Information Technology
- Finance
- Research & Development
- Public Relations
- Supply Chain

**Business Recovery Plans**

Each BRU has designated and trained teams of employees that are responsible for implementing their Business Recovery Plans. The plans have emergency contact information, backup meeting places and specific written scripts. Recovery timelines range from 24 hours to 7 days depending on their business function.

**Incident Command Staff**

The Incident Command Staff (ICS) is a small part of the CMT and is the first responder to minor events. The ICS responds to any event and determines whether or not to activate the entire CMT. This team’s first charter is to ensure that employees are safely evacuated from the building and are accounted for at designated assembly areas. Other responsibilities include setting up adequate security and safe perimeter, and conducting damage assessments of the buildings and infrastructure. A robust process is in place to quickly transmit damage assessment reports to the Crisis Management Team. Representatives from key business functions have also been assigned the responsibility to conduct damage assessments for critical business areas.

**Information Systems Disaster Recovery**

A key component of Altera’s business recovery strategy involves the Information Technology (IT) group, responsible for maintaining mission-critical systems and applications in case of site disaster. As part of the BCP, IT has worked closely with the business functions to identify mission-critical applications, systems and develop the Information Technology Disaster Recovery (IT DR) part of the CMT. IT maintains a listing of mission-critical applications as well as the recovery time objectives established by the business groups. IT has established a process to recover all critical servers, systems and applications within 7 days.
Business Recovery Strategies

Remote Execution
The primary recovery strategy used by the Business Recovery Units calls for remote execution of mission-critical business processes using pre-designated, trained Altera employees located at various world-wide Altera sites. This strategy is employed for all key processes. In addition, much time is spent developing extensive call lists and procedures to allow swift notification of any adverse situation. Where necessary, pre-printed forms, checklists, drawer statements, etc. have been developed and distributed remotely to facilitate recovery.

Inventory
Another key business recovery strategy used by the business functions is to rely on stockpiled inventory. This strategy includes die and substrate inventory held at assembly partner locations and finished goods inventories held at Altera’s final test partners and the Altera San Jose, California based warehouse.

Plan Exercising and Testing
Altera has instituted a regular schedule to exercise and test all elements of its Business Continuity Plan. The following paragraphs contain details of that schedule.

Information Technology Testing
The IT department’s back-up data center equipment is tested annually. Plan elements exercised included backup tape recall, systems configuration, and network connectivity.

Emergency Response Testing
At our two largest sites, our Medical Emergency Response Teams (MERT) meet on a regular monthly basis for training. Team members are re-certified annually in first aid, CPR, AED, chemical spill response and disaster response.

Business Recovery Testing
Altera’s Corporate Crisis Management Team conducts annual disaster recovery drills/exercises. These exercises include complete IT and business recovery objectives, including alternate site support and comprehensive site and system recovery.