



# Business Continuity Plan



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## EMERGENCY CONTACT LIST

### EMERGENCY RESPONSE COORDINATORS

	PHONE	OTHER
John Dutra	(408) 838-7276	
Renato Siljeg	(925) 413-8018	

### EXAR SECURITY

Mobile 24/7	(510) 364-9825	Internal 7888
Alarm Company (Cintas)	(888) 710-0886	Account Number 88217733

### EMERGENCY NOTIFICATION LIST

Fire	9-911	(510) 494-4280, Fremont Fire Department
EMS/ Paramedics	9-911	(510) 494-4280, Fremont Fire Department
Police	9-911	(510) 790-6800, Fremont Police Department
Security Desk	7888	(510) 668-7888

### HOSPITAL / CLINICS:

Washington Hospital	(510) 797-3430	2000 Mowry Avenue Fremont, CA 94538
Alliance Occupational Medicine	(408) 790-2900	315 S. Abbott Ave
Travelers MPM –TCT MPN	(408) 790-2912 fax	Milpitas, CA 95035

### EMERGENCY CHEMICAL ASSISTANCE:

Chemtrec 24 Hr. Emergency	(800) 424-9300	
Chemtrec Corporate (8:30 am-5 pm ET)	(703) 527-3887	800-262-8200 x1
800-424-9300		
DOT Hazardous Material Information Center	(800) 467-4922 (202) 366-4488 (202)366-3753 (800) 467-4922 x2	Local D.C. phone FAX-ON-DEMAND FAX
Fremont Fire Department Hazmat	(510) 494-4280	9-911
Chemical Spill Clean Harbors	(800) 645-8265	(408) 451-9047 - 1030 Commercial St, #107, San Jose, CA
Gas Supplier	(408) 492-9080	Air Products, 2880 Lakeside Dr, #331 Santa Clara, CA

### UTILITIES – 24 HR:

Alameda County	(510) 668-6500	Operating hours emergencies
Water District Emergency	(510) 668-4200	After hours emergencies
PG&E	(800) 743-5000 x1	Hazard reporting
PG&E On call Rep	(510) 828-4884	
Union City Sanitary District	(510) 477-7500	

## REVISIONS LIST



DATE	SUMMARY OF CHANGES MADE	CHANGES MADE BY (NAME)
07/18/2012	CP747 Rev A: Initiate   ECN 1230-05	Todd Smathers Dan Wark Renato Siljeg
11/11/2013	CP747 Rev B   ECN 1346-01 <ul style="list-style-type: none"> <li>• Update EMERGENCY RESPONSE COORDINATOR section:               <ul style="list-style-type: none"> <li>○ From: Barry Gottheiner   To: John Dutra (408)838-7276</li> </ul> </li> <li>• Update EXAR SECURITY section:               <ul style="list-style-type: none"> <li>○ From: Desk 24/7, (510)668-7888   To: Mobil 24/7, (510)364-9825</li> <li>○ From: Alarm Company, (800)468-4640   To: Alarm Company (Cintas), (888)710-0886</li> </ul> </li> <li>• Update UTILITIES - 24 HR section:               <ul style="list-style-type: none"> <li>○ From: PG&amp;E On call Rep, (925)588-5617   To: PG&amp;E On call Rep, (415)676-8264</li> </ul> </li> <li>• Update Exar Fremont &amp; Worldwide Locations section:               <ul style="list-style-type: none"> <li>○ Add: Loveland, CO &amp; Eatontown, NJ</li> </ul> </li> <li>• Update Figure 2 – Crisis Management Team Model               <ul style="list-style-type: none"> <li>○ Facilities Unit Leader -&gt; From: Facilities Manager   To: Facilities Director</li> <li>○ IT -&gt; From: IT Sr. Director   To: IT VP IT</li> </ul> </li> <li>• Update Key Assignment Log:               <ul style="list-style-type: none"> <li>○ From: Facilities Manager maintains a list of all keys issued to employees</li> <li>○ To: Facilities Director maintains a list of all keys issued to employees</li> </ul> </li> <li>• Update Qualified Exar Supply Chain flow chart:               <ul style="list-style-type: none"> <li>○ Wafer Foundry Sub-cons: added Japan: NJRC, Sony /United Kingdom: Plessey</li> <li>○ Offshore Assembly Sub-cons: added Thailand: UTAC</li> <li>○ Wafer Foundry Chart: added Carsem Malaysia Wafer Probe</li> <li>○ Offshore Assembly Chart: added Loveland, CO Final Test End Probe &amp; Finished Goods</li> </ul> </li> </ul>	Todd Smathers Dan Wark Renato Siljeg John Dutra
03/27/2015	CP747 Rev C   ECN 1522-07 <ul style="list-style-type: none"> <li>• Emergency Contact List:               <ul style="list-style-type: none"> <li>○ Removed Thomas Melendrez and Todd Smathers</li> <li>○ Update PG&amp;E phone numbers</li> </ul> </li> <li>• Update A. KEY DEFINITIONS, Major Suppliers:               <ul style="list-style-type: none"> <li>○ Remove: Cirtek, Plessey</li> <li>○ Add: ANST/Wuxi; ASMC; Asteelflash; Dongbu; Golden Vast; Greatek; Hana; Huayue; Jabil; JCET; LB Semicon; Lingsen; Magnachip; Maxchip; PSTS; Signetics; VIS; Youngtek</li> </ul> </li> <li>• Update 3. FACILITIES, Alternate Work Sites               <ul style="list-style-type: none"> <li>○ Add: Malaysia</li> </ul> </li> <li>• V. Supply Chain Business Continuity Plans               <ul style="list-style-type: none"> <li>○ VP of Supply Chain Management → VP Operations (page 14)</li> <li>○ Qualified supply chain updated to include changes of major suppliers</li> </ul> </li> </ul>	Dan Wark John Dutra Renato Siljeg
10/26/2015	CP747 Rev D   ECN 1544-01 <ul style="list-style-type: none"> <li>• A. KEY DEFINITIONS, Exar Fremont and WW Locations               <ul style="list-style-type: none"> <li>○ Remove: Loveland, CO</li> <li>○ Add: Shanghai, China; Seoul, Korea; Taipei, Taiwan</li> </ul> </li> <li>• A. KEY DEFINITIONS, Major Suppliers               <ul style="list-style-type: none"> <li>○ Remove Wuxi; Golden Vast</li> <li>○ Add: IMS</li> </ul> </li> <li>• 3. CRISIS MANAGEMENT TEAM ROLES AND RESPONSIBILITIES               <ul style="list-style-type: none"> <li>○ Add to Operations VP: Exar facilities</li> </ul> </li> <li>• V. SUPPLY CHAIN BUSINESS CONTINUITY PLANS, Supply Chain flowchart               <ul style="list-style-type: none"> <li>○ Add to Foundry: TSMC</li> <li>○ Add to Wafer Probe: Siyotek, YTEC, Wafertest, VT, LBSemicon, PFJ</li> <li>○ Remove from Assembly: Cirtek</li> </ul> </li> </ul>	Dan Wark Nikhil Kelkar



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## **I. INTRODUCTION**

### **1. POLICY**

EXAR recognizes its continuing obligations to its employees, shareholders, customers and community when adversely affected by an event that causes an interruption to normal business operations. Therefore, it is the policy of EXAR to implement and maintain an up-to-date and functional Business Continuity Plan "BCP".

### **2. PURPOSE, SCOPE and ASSUMPTIONS**

#### **A. PURPOSE**

The BCP documents EXAR's critical business systems and functions. It also outlines actions for Worldwide Operations or Major Suppliers to be taken after an unexpected occurrence or unplanned event. The decision to implement the BCP will be done within the executive and senior management level. The BCP prioritizes which business systems and functions should be re-established. Each unexpected occurrence or unplanned event must be treated as a unique event; therefore, the BCP procedural framework is to be used as a tool to meet management's objectives for the resumption of business operations. The implementation of the BCP may need to be modified according to the available resources and situational conditions.

#### **B. SCOPE**

This BCP covers all Exar Facilities & Major Suppliers and covers a wide variety of unexpected occurrences or unplanned events that may affect the facility and operations. These emergencies include earthquake and fire at the facility, but it may also include events away from Fremont that force a drastic change in operations in Fremont. The EXAR Emergency Response Plan outlines what some of these events may be. Exar requires that major suppliers maintain and provide their applicable BCP.

#### **C. ASSUMPTIONS**

Assumptions for the effective implementation of the BCP include the following:

- A significant event or occurrence has taken place that affects business operations in Fremont, California
- The EXAR Emergency Response Plan has been activated and the Crisis Management Team has been established
- Our BCP is contingent upon the applicable BCP programs of our major suppliers.

### **3. DISCUSSION**

The objective of this BCP is to provide EXAR leadership and the Crisis Management Team with a guidance tool to assist in developing a business continuity response to an unexpected occurrence or unplanned event that affects EXAR.

The BCP is a continuation of the Emergency Operations Plan and outlines actions that may need to be taken to reestablish and resume operations after an unexpected occurrence or unplanned event. The BCP provides tools and plans that will enable Executive Management and employees to formulate an action plan to continue business operations after an unexpected occurrence or unplanned event, while at the same time minimizing further negative impacts to production, research, and staff.



The VP of Operations or Designee, with guidance from Executive Management, will administer the BCP to ensure that it is in line with stated objectives and that it meets the goals and objectives of the company. The VP of Operations will conduct an annual audit of the BCP and work with the Executive of each department to ensure information in the BCP is current, accurate and accessible. Whenever possible, the BCP will be included in drills and exercises to determine which aspects of the plan function well and which need to be improved.

**A. KEY DEFINITIONS**

<b>Business Continuity</b>	Business Continuity refers to the efforts required to maintain the consistent delivery of products or services to customers. It is also sometimes referred to as business resumption and continuity of operations. It includes Disaster Recovery.
<b>Crisis Management</b>	Strategic and overarching program designed to protect the organization.
<b>Function</b>	Operations performed by multiple persons to accomplish a common goal.
<b>Exar Fremont &amp; Worldwide Locations</b>	Fremont, CA; Eatontown, NJ; Ipoh, Malaysia; Hangzhou, Shanghai, China; Seoul, Korea; Taipei, Taiwan; Disaster Recovery Center, Sacramento, CA
<b>Major Suppliers</b>	ANST; ASE; ASMC; Asteelflash; Carsem; Dongbu; Episil; GlobalFoundries; Greatek; Hana; Huayue; IMS; Jabil; JCET; LB Semicon; Lingsen; Magnachip; Maxchip; PSTS; Signetics, Silan; Sony; Tower Jazz; TSMC; UMC; Unisem; UTAC; VIS; Youngtek

**B. REFERENCE DOCUMENTS**

1. Emergency Response Plan
2. Crisis Management Plan
3. Back-Up Schedule
4. Back-Up and Restoration Policy
5. Humanitarian Assistance Plan

## II. PLANNING AND PREPAREDNESS

### 1. EMERGENCY OPERATIONS PLAN

Figure 1 below is the model of the overall Emergency Operations Plan, which includes Emergency Response, Crisis Management, Disaster Response and Business Continuity. The model shows that the Emergency Operations Plan is a continuum of plans that are activated in response, to an event or occurrence. The overall goal is to be able to manage the event or occurrence and minimize negative impact upon the production, research, and staff.

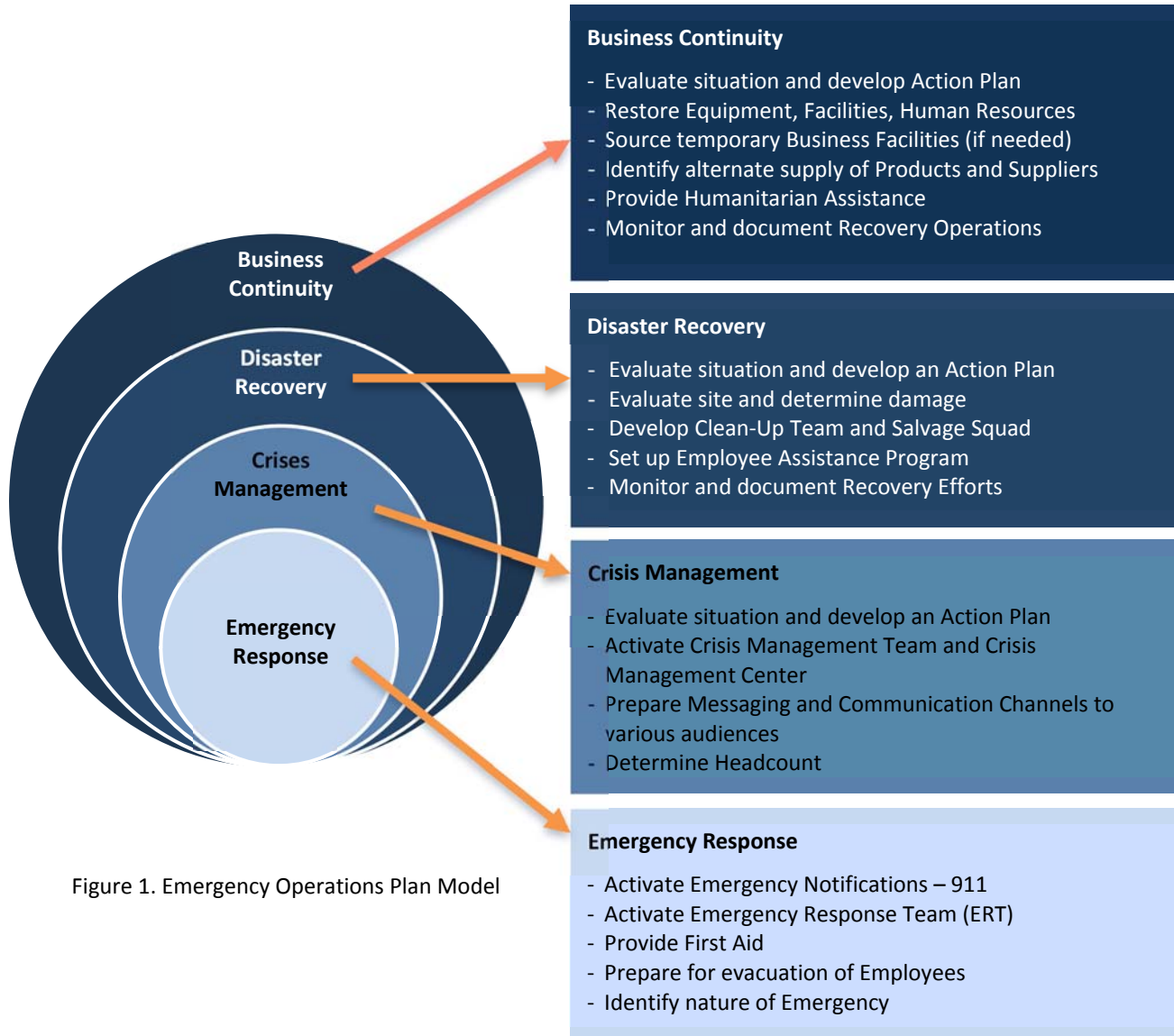


Figure 1. Emergency Operations Plan Model

The Emergency Response Plan is activated at the onset of an emergency and utilizes the Emergency Response Team (ERT) to address critical needs and functions. The goal is intended to provide immediate, first-hour response to emergency situations and focuses on life safety and reducing the severity of impact to operations.

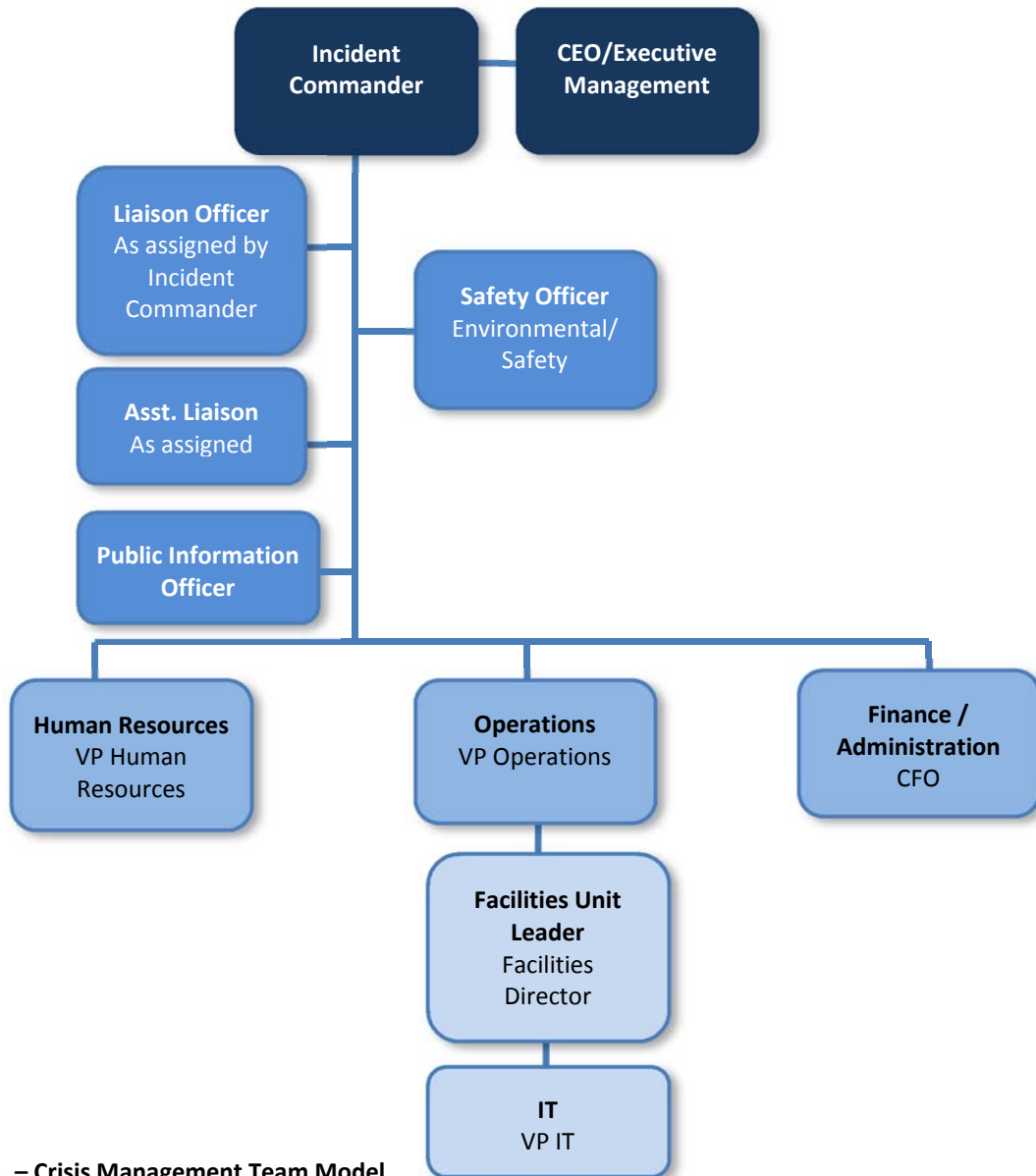
The ERT is comprised of employees from various departments throughout the company and is lead by the Emergency Response Coordinator (ERC).



**2. CRISIS MANAGEMENT PLAN**

The Crisis Management Plan is activated when the emergency has developed into an event or occurrence and additional resources are needed to control the situation, which includes the Crisis Management Team. The Crisis Management Team is pre-designated and tasked to implement the Crisis Management Plan as well as the Emergency Response and Business Continuity Plans. The Crisis Management Team may be expanded and contracted as necessary to meet needs. The Crisis Management Team has clearly delineated responsibilities and levels of authority. Therefore the Crisis Management Team is structured after the Incident Command System that is used by all governmental – and mostly all private – agencies. The Incident Command System provides a standardized functional organization chart that ensures that all necessary functions are addressed.

The following chart, outlines EXAR’s Crisis Management Team members by their functional and organizational titles. Please note that in the absence of a certain individual, substitutions are permitted as the Incident Commander deems necessary.



**Figure 2. – Crisis Management Team Model**



**3. CRISIS MANAGEMENT TEAM ROLES AND RESPONSIBILITIES**

ROLE	PRE-EVENT RESPONSIBILITIES	RESPONSIBILITIES DURING EVENT
<b>CEO</b>		<ul style="list-style-type: none"> <li>- Appoints Crisis Manager / Incident Commander</li> <li>- Supports Business Recovery Operations</li> <li>- Spokesperson for EXAR, as applicable</li> <li>- Communicates with Board of Directors and Shareholders</li> </ul>
<b>*Incident Commander /Crisis Manager</b>	<ul style="list-style-type: none"> <li>- Oversees the preparation of the BCP</li> </ul>	<ul style="list-style-type: none"> <li>- Establishes and staffs the Crisis Management Center</li> <li>- Directs Emergency Response Team and emergency efforts)</li> <li>- Obtains initial information regarding a crisis situation; briefs the rest of the Crisis Management Team regarding the nature and the status of the crisis</li> <li>- Assign “In-house” resources (must work with core Crisis Management Team)</li> <li>- Orders “Shutdowns” – gathers info from Emergency Response Team members prior to making this determination</li> <li>- Leads the Crisis Management Team in Business Continuity efforts</li> <li>- Leads the Post-Crisis Critique reviews</li> </ul>
<b>*Safety Officer</b>	<ul style="list-style-type: none"> <li>- Creates a Safety Plan to address safety hazards</li> <li>- Reviews all planning activities to ensure that safety considerations are included</li> </ul>	<ul style="list-style-type: none"> <li>- Oversees site security and security</li> <li>- Exercises emergency authority to stop and prevent unsafe acts; takes appropriate action to mitigate or eliminate unsafe condition, operation, or hazard.</li> <li>- Documents unsafe acts, corrective actions, accidents or injuries, and ways to improve safety during future incidents</li> </ul>
<b>*Liaison Officer</b>	<ul style="list-style-type: none"> <li>- Spearheads the development of the BCP</li> <li>- Arranges ERT training</li> <li>- Determines which outside response agencies should be notified</li> </ul>	<ul style="list-style-type: none"> <li>- May assume the role of ERC during emergencies (establishes command center, organizes / directs Emergency Response Team and emergency efforts)</li> <li>- Coordinates review with top management on crisis activities</li> <li>- Communicates with outside response agencies (should be notified)</li> <li>- Maintains and handles insurance</li> <li>- Assists the Crisis Manager with post-crisis critiques</li> </ul>
<b>*Assistant Liaison Officer</b>		<ul style="list-style-type: none"> <li>- Responsible for Customer Communications</li> <li>- Responsible for other Sales-related issues</li> </ul>
<b>*Public Information Officer</b>		<ul style="list-style-type: none"> <li>- Handles and leads the Crisis Communications efforts</li> <li>- May assume the role of Spokesperson for EXAR during the event of a small crisis that needs media coverage</li> <li>- Coordinates communications to employees along with Human Resources</li> </ul>
<b>*IT</b>		<ul style="list-style-type: none"> <li>- Responsible for Data, Cyber and IT Infrastructure Related Issues</li> </ul>



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<b>*Finance / Administration Unit Leader</b>	- Responsible for managing finance related conditions
<b>*Facilities Unit Leader</b>	<ul style="list-style-type: none"><li>- Handles any physical/building infrastructure-related issues</li><li>- May assume the role of Crisis Manager during emergencies (establishes the command center)</li><li>- Maintains continuity of utility services including water, electricity, etc.</li><li>- Provides on-site emergency back-up equipment or services, i.e.: emergency lighting, crane, truck, etc.</li><li>- Provides overview on emergency situations such as fires, hazmat spills, etc.</li><li>- Initiate steps to detect, assess and handle special chemical radiological and biological hazards, including necessary steps to decontaminate personnel or equipment</li><li>- Provides necessary facility and services diagrams and blueprints</li></ul>
<b>*Operations VP</b>	- Responsible for Supply Chain, Vendor Issues and Exar Facilities
<b>*Human Services Unit Leader</b>	<ul style="list-style-type: none"><li>- Responsible for Humanitarian Assistance and Employees/Workforce related issues</li><li>- Responsible for management of injured workers (while at work or at home)</li><li>- Responsible for Worker's compensation</li><li>- Coordinates with health insurance providers</li><li>- Coordinates with workers / families relative to employment benefits</li></ul>
<b>*Crisis Support Team</b>	<ul style="list-style-type: none"><li>- The Crisis Support Team assists the Crisis Management Team in responding to the emergency. If an ongoing response is necessary, the Crisis Management Team will assign CST staff to under any section needing assistance. The CST consists of the following groups:<ul style="list-style-type: none"><li>- Senior Facilities Mechanic</li><li>- Engineering Services Support (ESS)</li><li>- Purchasing</li><li>- Customer Service</li><li>- Emergency Response Team</li><li>- Sales</li><li>- Operations</li><li>- Finance</li><li>- IT</li></ul></li></ul>

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\* Each Crisis Management Team Leader shall be responsible for establishing and executing their applicable check list of responsibilities.



4. PREPAREDNESS FOR EXAR FREMONT & WORLDWIDE OPERATIONS

A. CONTINUOUS SITE ASSESSMENT

The EXAR VP Operations or his Designee monitors a wide variety of possible risks that may affect EXAR. These risks include utility outages, building safety systems, security issues, weather, seismic activity, and market and finance volatilities. EXAR also has a proactive building maintenance program that is intended to prevent utility and equipment failures and malfunctions that could lead to a crisis. In addition, the EXAR staff conducts a wide variety of routine inspections of work areas and conditions to ensure that safety hazards are identified and corrected in a timely manner.

B. CRITICAL ASSETS, INFORMATION, SECURITY, MAINTENANCE AND RECOVERY PLAN

EXAR recognizes that business relationships with customers and vendors are a high-priority. Critical business information and equipment are maintained in order to minimize the disruption of activities pertinent to strategic relationships.

EXAR has established a Critical Information Security, Maintenance and Recovery Plan that identifies critical documents and information, persons responsible for maintaining the documents, where they are kept and a plan to recover or protect the information. This plan should be reviewed regularly and updates as necessary.

CRITICAL ASSETS, INFORMATION, SECURITY, MAINTENANCE AND RECOVERY PLAN

INFORMATION	LOCATION
Business Operations	Iron Mountain/Disaster Recovery Center
Facilities/IT	Iron Mountain/Disaster Recovery Center
Legal/Finance	Iron Mountain/Disaster Recovery Center
Human Resources	Iron Mountain/Disaster Recovery Center

Table A.

C. INFORMATION TECHNOLOGY

IT provides support for all business and engineering applications and management of corporate world-wide information systems infrastructure. Recognizing that there are a variety of interdependencies, and potential consequences associated with the loss of different systems, the Company, specifically the IT Department, supports a risk-based, prioritized approach that identifies mission critical systems. Information Technology (IT) has an extensive policy, security and recovery practice for each system with emphasis's on mission critical systems. Below are key components from that plan.

1. Physical Access: Only IT personnel and Emergency Response Team members have physical access to key systems listed above. Emergency Response Team members are not to go inside rooms which house the key IT systems unless they are performing a facility wide evacuation sweep.
2. Data/Cyber Access: Only IT personnel have the ability to grant employees and contractors access to servers and company cyber data.
3. Storage: All data and business information stored on corporate networks.
  - i. Centralization of Documentation: IT operational and technical reference documentation is stored in digital form on the network storage.
  - ii. Back-up: All data and business information stored on the servers managed by IT is backed-up according backup policy. All IT systems are equipped with Uninterrupted Power Supply (UPS) battery back-up power which will sustain power to the business systems for a very short duration.



- a. Policy and schedule: Weekly and monthly back-ups are maintained off site. Weekly back-ups are stored for twelve (12) weeks, and the monthly back-ups for ten (10) years.
  - b. Personal Computers (PCs). All company-related information should be stored on the corporate network file servers. All Network files are backed up at least daily. The local disk "C" should not be used to store critical business information.
4. UPS Power Source. Should power to the buildings be interrupted, IT is equipped with UPS battery back-up for servers for 30 minutes to 3 hours. There are no emergency generators for this facility. If emergency power is needed. Portable generators need to be brought in. Facility is responsible for sizing generators and obtaining appropriate generators.
  5. Virus Preventatives. The servers are protected by the network firewall/AV appliances and by passwords known only to the IT Administrators. IT has installed a virus diagnostic program that is initiated daily by all PC users as part of the initial login, along with a perimeter network virus detection system.
  6. Support:
    - i. Contracted Services. All business application servers are under a Vendor Maintenance Agreement. IT personnel must request service. Normal response time is during the same business day, with off-site telephone and web site support, and on-site support for hardware.
    - ii. Intradepartmental Cross-training. IT personnel are cross-trained on the most critical applications and servers.
    - iii. Phone Support. IT team is equipped with cell phones for 24-hour availability. A list of cell phone numbers is distributed and published.
  7. Critical Systems Matrix: Each functional area is to provide IT with a list of department's critical systems. This will assist and ensure that the most important elements of the Company receive the highest level of attention, as well as the resources necessary to secure them during a crisis.
  8. Restoration Priority: It will be the responsibility of the IT and Crisis Management Team to evaluate and determine the priority restoration sequence.

## **F. PHYSICAL SECURITY**

The following security measures have been implemented to prevent or minimize loss during a crisis / incident.

1. Fire Alarms. Each building is equipped with a fully functional fire suppression system. It is maintained, monitored, and inspected on-site. Emergency response is serviced by a third-party provider.
2. Access Control System. The Access Control System monitors entry into the facility and certain controlled areas within the buildings. Certain doors have contact alarms that alert Security Officers when these doors have been opened. All information regarding employee access, door contact alarms, unauthorized entries, etc., is backed up daily on an external hard-drive and stored on network file servers. If problems are encountered, as noted in the EXAR Security Manual, further action will be taken.
  - i. Security Coverage. EXAR has security coverage 24-hours a day, 7 days a week. Security Officers are instructed to follow documented shift procedures. The Risk Manager, Security Supervisor and/or the Security Lead, shall review Daily Activity Reports to ensure that all duties on each shift were performed as reported.
  - ii. Card Reader Stations. Card readers are used to provide access to perimeter entrances and certain controlled areas within the facility.



- iii. Employee ID Badges. Each employee has been issued a picture ID Badge with access privileges as authorized by employee's immediate supervisor. Employee ID Badges are to be worn by all employees at all times while on site.
  - iv. Closed Circuit Television (CCTV). Cameras are used for continuous surveillance of the interior / exterior of the facility. Surveillance videos, stored in digital media, shall be retained for a period of no less than three (3) weeks.
  - v. Key Assignment Log. Facilities Director maintains a list of all keys issued to employees.
3. Training. Each Security Officer receives sixteen (16) hours of training from the Security Lead person or Security Supervisor on phone use, alarm system functions, facility surveillance, First Aid, CPR, and general security procedures, prior to working a shift alone.

#### **G. INSURANCE / FINANCE**

Finance shall have sufficient capital available or immediate access to credit lines to cover applicable insurance deductibles and other uninsured or uninsurable uncontrolled expenses.

EXAR maintains the following insurance coverage:

- o Directors and Officers
- o Property
- o General Liability
- o Workers' Compensation
- o Medical, Health and Life

### **III. BUSINESS CONTINUITY PLAN – RESPONSE EXAR FREMONT & WORLDWIDE OPERATIONS**

#### **1. PLAN ACTIVATION / DEACTIVATION**

The BCP will be activated and implemented by the Crisis Manager / Incident Commander when the emergency situation is stabilizing and when focus can be placed upon recovery and the resumption of operations. The Crisis Management Team will be organized similarly as during an Emergency Response Phases. The BCP will be deactivated when the VP Operations and CEO determine that continuation of the Crisis Management Team and BCP are no longer necessary and the organization can return to normal operations.

#### **2. CRISIS MANAGEMENT TEAM**

The Crisis Management Team will consist of employee representatives from departments impacted by the business interruption incident. Resources will be deployed in a manner that ensures the most rapid resumption of full operations.

The team is responsible for overseeing the response such as safety communications, recovery of loss property and resumption of business.

A. **Team Appointment & Responsibilities.** The responsibilities of the Crisis Management Team shall be as defined in II Section 3.

B. **Post-Crisis Debrief.** A post crisis debrief shall be conducted at the conclusion of applicable incident. During this debriefing, each member of the Crisis Management Team will provide information on what went well and what needs to be improved.

At a later time, a full debriefing should be done using verbal and written reports. The goal of this debriefing is to apply all applicable lessons learned to minimize the impact of future potential incidents.



### 3. FUNCTIONS OF THE BUSINESS CONTINUITY PLAN IMPLEMENTATION

Six critical functions of the BCP have been identified. These functions are to be completed by the Crisis Management Team and the Crisis Management Team Leader.

1. **Evaluate Situation and Develop Action Plan.** Obtain a situation report and identify key goals and objectives.
2. **Restore Equipment, Facilities, Human Resources.** Restore critical infrastructure first in order to support the restoration of engineering and production. (See Figure #3)
3. **Source Temporary Business Facilities (if needed).** Identify the type and size of temporary business facilities needed. Types would include research, business, sales, and administration. In addition relative location would need to be determined to assist in identifying a facility.
4. **Identify Alternate Supply of Products and Suppliers.** From Situation reports determine need for alternate source of supplies and suppliers.
5. **Provide Humanitarian Assistance Program for Employees.** Assess the need for assistance to employees. Determine the most critical needs (housing, cash payroll, transportation, repatriation back home, etc.).
6. **Monitor and Document Recovery Efforts.** Keep documentation of all clean-up and restoration process including list of damaged equipment, resources that were brought in to clean up or repair facilities and receipts of all replacement or new parts and equipment.

### 4. COMMUNICATIONS PLAN – BUSINESS CONTINUITY PLAN

- A. **The intent of the Communications Plan** is to provide routine and emergency communications to staff, key partners and the community. It is the responsibility of the Public Information Officer to develop and submit to the Incident Commander all communications for approval. Emergency notifications need not be pre-approved.
- B. **ERT** - Most functions of the Emergency Response Team may be completed at the time the BCP is activated; Emergency Response Team members utilize the systems listed below to communicate with other employees and other Emergency Response Team members in an unexpected occurrence or unplanned event. Sites evacuation plans will be implemented as applicable:
- C. **Affected Employees** will be kept informed on an ongoing basis after the onset of the emergency and during all phases of the response. The Public Information Officer is responsible for formulating all formal communications to employees and for seeking approval from the Incident Manager before distribution. The messages may include information about who is to return to work and when, safety precautions, restrictions, and any other information that employees need to know. All crisis information should be routed through the PIO to prevent confusion and eliminate rumors.
- D. **Affected Corporate Suppliers** will be kept informed on a regular and ongoing basis by the Assistant Liaison Officer. Communications with Corporate partners will involve input and approval of not only the Incident Manager (IC) but also from the CEO. When possible the Communications should follow normal channels and paths. Information should include aspects of the recovery operations and timelines.
- E. **Affected Customers** will be kept informed on a regular and ongoing basis by the Assistant Liaison Officer (Sales EVP). Communications with Customers will involve input and approval of not only the Incident Manager (IC) but also from the CEO. When possible, the Communications should follow normal channels and paths. Information should include aspects of the recovery operations and timelines.



- F. **External/Media** are the responsibility of the Public Information Officer. Communications by employees should by policy and function be avoided. Communication with the media will involve input and approval of not only the Incident Manager (IC) but also from the CEO.
- G. **Emergency Responders** are the responsibility of the Liaison Officer. Emergency responders include (Fire, Police, Utility Companies, EMS, coroner, or any other governmental agency). The Liaison Officer shall seek assistance from the Incident Manager as necessary.

5. **STAFF / SITE SAFETY**

A. **The Safety Officer** is responsible to the Incident Manager for ensuring the safety of all persons on site regardless of whether they are employees, guest, visitors, or family. The only exceptions are emergency responders such as fire, police, and ambulance. The Safety Office will work with the Operations Chief to ensure that all recovery operations are completed with all of the necessary safety precautions taken into perspective. Below is a list of key safety precautions that the Safety Officer should observe:

- 1. Electrical safety
- 2. Falling items / structural safety
- 3. Fire safety
- 4. Food and water safety
- 5. Traffic safety
- 6. Chemical safety

6. **DAMAGE ASSESSMENT**

Before the onset of recovery operations, a complete damage assessment should be completed by a qualified authority. Damage assessments are divided into two categories: structural and non-structural. The following departments are responsible for the immediate assessment of the areas listed below following an unexpected occurrence or unplanned event:

DEPARTMENT	INFORMATION
Facilities	Physical building, equipment, utilities and infrastructure
Environmental/Safety	Hazardous materials, indoor air quality, personal safety hazards
Security	Physical security of the structure and the items in the structure
IT	Connectivity, telecommunications

Table 3 Damage Assessment Responsibilities

A. **Safety Inspections** of the affected areas will be performed by local authorities, depending on the event. These inspections may involve only a cursory inspection, but may also include a full structural examination to determine the relative safety of the structure. This full inspection will most likely result in labeling the building in one of three categories:

- Red ■ Unsafe
- Yellow ■ Restricted use
- Green ■ Inspected – no restrictions





1. **A red-tagged building** is unsafe and cannot be entered even for a short time to recover documents and other vital items. A structural engineer should be contacted to provide advice on how to stabilize, or demolish the structure.
2. **A yellow-tagged building** will have stated restrictions for use. Items of value may be recovered or parts of the building may be used. The official tagging the building will determine the extent of the limited use.
3. **A green-tagged building** is clear and can be used with no restrictions.

#### **IV. BUSINESS CONTINUITY PLAN - RECOVERY & RESUMPTION OF BUSINESS OPERATIONS EXAR FREMONT & WORLDWIDE OPERATIONS**

In the recovery and resumption of business operations phase, EXAR will determine if it can return to operations at the Incident facility. The damage assessment will assist in making this determination. In addition, the determination will help identify where operations can continue, what resources are necessary, and the logistics necessary to obtain those resources. While the recovery phase is a separate phase from BCP Response phase, all of the crisis management functions should continue in order to help organize and manage the recovery. It is important to remember that the Crisis Management Team does not manage the operations of the company, but only the operations relative to response and recovery. Normal business operations should be managed by those responsible for those operations.

<b>Conduct a Business Systems Assessment</b>	Systems, tasks and processes critical to the operation of each functional area, and define alternate procedures for business recovery
<b>Determine the need for Alternate Facilities</b>	Alternate locations/facilities for operations. A large majority of the Company's personnel have laptop or VPN access and can operate efficiently from their residences
<b>Manage Communications</b>	Employee and Agency communications regarding damages incurred (assessment / inspection), and plans and estimates to resume normal operations

EXAR has developed a Function Restoration Priority model to assist in determining which departments are to be brought back on line first. Figure 3 below illustrates this concept.

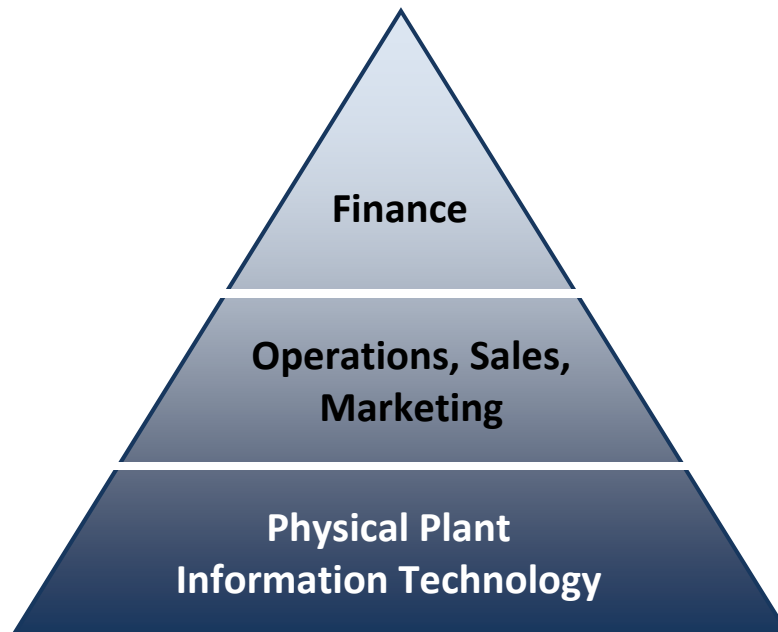


Figure 3. Function Restoration Priority Model

##### **1. PHYSICAL SITE AND DATA ASSESSMENT**



- A. **Review of Site Assessment.** Upon completion of all Site Assessment reports, the Crisis Management Support Team should be able to make the following determinations: Building is safe and functional for employees to return to work.
- i. Level of functional capability
  - ii. Estimate of the time required for full recovery
  - iii. Decide if relocation is necessary
  - iv. Decide which non-critical departments can or should continue to work, and when to bring them back or arrange for alternative work arrangements/ location
  - v. Document business functions and workloads suspended

Reference Document: Site / Damage Assessment Matrix (See Appendix 1)

- B. **Equipment Damage Assessment Tool Matrix.** The form is attached hereto as (Appendix 6). Recommendations for the continued use of damaged equipment will be made by Department Managers to Divisional Vice Presidents. The Crisis Management will evaluate and designate priority allocation of funds.

## 2. INFORMATION SECURITY

**Re-establishing operations and the retrieval of critical data:** The Crisis Management Team will evaluate and designate a priority sequence for recovery of the information requested. Many of the functions required for recovery can be temporarily performed at interim locations (i.e., homes, hotels, trailers, etc.) and do not necessarily require formalized or permanent recovery locations.

## 3. FACILITIES

The above models apply to the physical plant as well. However in a case where the damage to the facilities and the surrounding community is so large the only logical solution is relocation to another area. Severe damage to utilities, geology, transportation, and community infrastructure and repair or replacement resources may force EXAR leadership to decide to move operations away from Fremont.

It would be the function of the Operations Chief to begin the process of identifying possible locations to move operations.

There are four options for Alternate Work Sites:

- o Area – Bay Area and the surrounding counties
  - o Region – California (Northern California)
  - o Continental US
  - o Overseas (Taiwan, Korea, China, Malaysia)
- A. **Assessment.** Third party civil and structural engineering services should be contacted by Facilities as deemed appropriate by the site assessment and authorized Recovery Team representative.
- B. **Staff / Human Resources.** Will be responsible for the restoration of human capital. Key functions include the following:
- i. **Employee Headcount.** Human Resources shall conduct a complete employee head count to include injuries, deaths and damage to homes of employees. HR is also responsible to implement all recommendations from the Crisis Management Team related to any addition or reduction in employee headcount.



- ii. **Contractors.** Human Resource and Purchasing shall assist in retaining contract or temporary employee services needed to expedite recovery efforts.
- iii. **Humanitarian Assistance.** Psychological, financial, and other support the Crisis Management Team deems necessary for the welfare of employees and their families should be provided.

C. **Documentation of Response and Recovery.** The Finance and Administration Officer is responsible for managing all financial documents and documents relating to damage assessment, repair, and replacement of EXAR assets and facilities. In addition, all payroll and human resource costs should be collected and safeguarded.

#### 4. INSURANCE

The Legal Department is responsible for the following:

- o Notifying broker of the nature and extent of the loss
- o Ongoing communications regarding claims
- o Evaluating and ensuring appropriate documentation
- o Ensuring the timely and accurate receipt of the insurance coverage payments

## V. SUPPLY CHAIN BUSINESS CONTINUITY PLANS

### 1. Supply Chain Risk Management

- a. Exar requires that all of our major suppliers publish and send us their respective Business Continuity Plans.
- b. It is the responsibility of the Vice President of Operations, or his designate, to ensure receipt and electronic filing of the applicable document.
- c. For major Wafer Foundry processes, Assembly package types and ATE Electrical Testing, Exar will strive to have multiple sources.

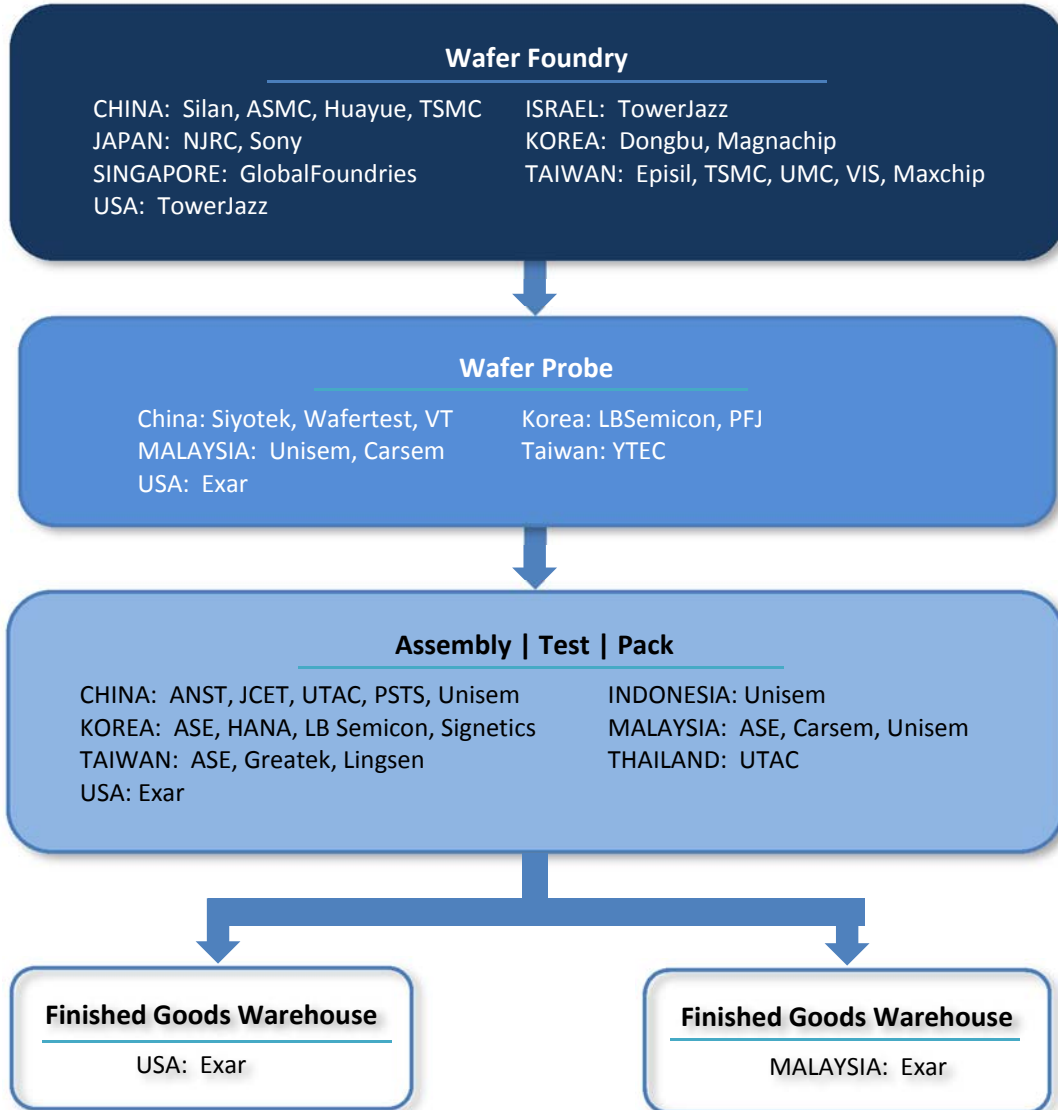
2. Should an incident occur at one of our suppliers, the Supply Chain Management team will be responsible for obtaining the information, assessing the applicable manufacturing impact and communicating to the Exar Executive Management.

3. In the event that manufacturability and delivery will be significantly impacted as a result of the incident, Exar Supply Chain Management will do the following:

- a. Look into Exar's Distribution Channels for any available material inclusive of product derivatives, and ask for material to be returned to Exar for controlled distribution.
  - i. Customer Support will communicate the current status and action plans to known affected customers.
  - ii. Pending on the estimated time impact, plans will be initiated for qualification of the product/process at an alternative supplier/location.
- b. For Assembly and Test suppliers, the priority would be to move production to Exar qualified suppliers of the applicable package/test platform.
- c. If the package/test platform is not currently qualified by Exar, evaluations would begin to use existing qualified supplier for qualification.
- d. If existing Exar qualified suppliers are not able to support, a search would begin for other non qualified suppliers.
- e. For Wafer Foundry incidents, the priority would also be to "port" the impacted products to existing qualified Exar suppliers.
  - i. Priority would be given to sole source devices.



- ii. Should the process not be capable of porting to existing Wafer Foundry qualified suppliers, and assessment would be made to qualify new foundry supplier/locations.
- 4. Communication to affected customers would be published via email by Customer Support, as well as posted on [www.exar.com](http://www.exar.com)
- 5. Below is the qualified Exar Supply Chain:





## **VI. APPENDICIES**

- Appendix 1: Site / Damage Assessment Tool
- Appendix 2: Equipment Damage Assessment Tool



## APPENDIX 1 SITE / DAMAGE ASSESSMENT TOOL

DATE: \_\_\_\_\_ TIME: \_\_\_\_\_ PERSON RESPONSIBLE: \_\_\_\_\_

DEPARTMENT	EQUIPMENT	OK	NON- OPERATIONAL	ESTIMATED TIME/DATE OPERATIONAL	COST	DESCRIPTION OF PROBLEM
Facilities	Structural Damage					
	Utilities (gas, water, electricity)					
	DI Water					
	HVAC					
	CDA					
	Scrubber					
	Solvent Exhaust & Containment					
	Neutralization System					
	Vacuum					
	Phones					
Manufacturing	Test Equipment					
IT	Servers					
	Personal Computers					
	Printers/Fax Machines					
Engineering	Lab Servers					
	Lab Workstations					
	Personal Computers					
	Printers					
Environmental / Safety	Safety Hazards/ Environmental Hazards					



## APPENDIX 2 EQUIPMENT DAMAGE ASSESSMENT TOOL

DATE: \_\_\_\_\_ TIME: \_\_\_\_\_ PERSON RESPONSIBLE: \_\_\_\_\_

Use this tool to document damaged equipment and send to facilities.

DEPARTMENT	EQUIPMENT	REPAIR (RR) REPLACE (RP) LEASE (L)	FACILITIES COST ESTIMATE	FACILITIES DELIVERY ESTIMATE



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