

1. Introduction

Over 10 years of experience in escrow has shown that about 15% of escrow deposits fail to meet even the most basic requirements an escrow deposit should conform to:

- Are the media readable?
- Do the media contain fully accessible source code?
- Does the deposit visually match what was agreed upon in the escrow agreement and detailed on the Escrow Deposit Specification Form?
- Is it virus free?
- Is it documented?

An escrow deposit that fails to meet above requirements will most likely not be useful should it be released.

Escrow Europe believes that at least a basic technical verification of the material on deposit is vital and consequently decided to make verification level I a **mandatory** requirement for our escrow arrangements. This basic verification is executed for **each and every** escrow deposit lodged at Escrow Europe.

2. Objective of a level I verification

Main objective of the level I verification is to establish presence and readability of material as detailed on the Escrow Deposit Specification Form/escrow contract.

3. Procedure

Standard procedure for a level I verification:

- 1) Software supplier provides escrow material (=deposit)
- 2) Escrow Europe executes technical verification
- 3) Escrow Europe creates verification report
- 4) Escrow Europe initiates update procedure.

2.1 Software supplier provides escrow material

Escrow Europe makes certain that material required to execute the Level I verification is provided.

2.2 Escrow Europe executes technical verification

Following checks are included in a level I verification:

- Deposit inspection
- Check of the readability of material
- Check for the presence of source code
- Check for the presence of technical documentation
- Check for the presence of user documentation
- Check for the presence of development environment/third party software or description thereof
- Check for the presence of additional material as agreed upon in the escrow contract.

2.2.1 Deposit inspection

On arrival of the deposit Escrow Europe conducts a deposit inspection by visually matching the (labeled) media, containing the deposit material, to the descriptions on the Escrow Deposit Specification Form.

2.2.2 Check of the readability of material

Readability of material addresses:

- Virus check of the media and its contents
- Restore of material on the media to hard disk
- Decompression of archives
- Decryption of archives.

2.2.3 Check for the presence of source code

Along the lines of the Escrow Deposit Specification Form and the escrow agreement, Escrow Europe checks for the presence of listed software/material on the media.

2.2.4 Check for the presence of technical documentation

Most modern software engineering tools can generate high quality technical references, diagrams etc. Still it might be difficult to determine the exact purpose and structure of functions (libraries). Additional technical documentation, if available, will add to the quality of the escrow deposit.

In this respect one should think of:

- Requirement specifications
- Design specifications
- Module specifications
- Test specifications/plans
- Database specifications
- Release notes
- Compilation/installation documentation
- Hard-/software environment requirements.

2.2.5 Check for the presence of user documentation

Although printed user documentation is usually made available to beneficiary, it is advised to have the digitalized version of this documentation made part of the deposit.

2.2.6 Check for the presence of development environment/third party software or description thereof

Considering that at some point in the future it might not be possible to obtain the software (version) used in development of the product, Escrow Europe advises depositor to deposit its development environment (Compilers and Third Party Software).

This to accommodate that beneficiary can continue to maintain/modify the software upon release.

As the deposit of this particular software can be seen as a “backup” copy of the software, making a deposit of this software should generally be allowed under the terms of most license-agreements.

2.2.7 Check for the presence of additional material as agreed upon in the escrow contract

Additional requirements are requirements that are agreed upon in the escrow contract, for example:

- Deposit of specific blueprints/diagrams
- Deposit of EPROMS.

2.3 Verification report

Verification report is created and made available to all parties.

2.4 Update procedure

One of the prerequisites of a quality escrow arrangement is that source code is frequently updated. Escrow Europe actively initiates and monitors this process.

4. Facts

- Level I verifications are generally executed in-house by the technical department of Escrow Europe.
- Cost for this level of verification is included in the yearly fee.
- Verification level I is a low cost means of establishing that the materials as agreed upon in the escrow contract are present and in a readable form. This verification, however, does not guarantee that the material on deposit represents an accurate and complete reflection of the software currently operational at clients' site. Extended verification is required for a high(er) level of security.
- A level I is a limited verification. Example:
 - 1 software package (product)
 - 6 modules in this software package
 - Each module consists of 1 - 1.000 components (files)
 - Each component consists of 1 – 1.000 source code files
 - Each source code file consists of 1 – 1000+ lines of code.

The first 2 categories are verified in a level I verification. Category 3, 4 and 5 NOT as this is beyond the scope of this level of verification.

- Please contact your local Escrow Europe office or email our technical staff at technical@escroweurope.com should you have any questions.