

ESCROW



Most organisations are dependent on third party supplied software applications or business processes to run their day to day operations. However, depending on third parties to always be around to support and maintain your business critical software applications brings about a high element of risk.

The source code for your software and the expertise to implement and maintain it sits with your software supplier or developer. This creates a potentially disastrous situation if you find that your software fails or requires maintenance and your supplier is no longer able to carry on supporting the product.

An escrow solution is a simple and effective arrangement which is specifically designed to minimise this risk and protect the interests of all parties involved. By placing software behind business-critical functions into escrow, organisations can be sure that they can access these in the event that a supplier is no longer able to support them.

This means that they will be able to maintain that software, working from the original source code, on an ongoing basis, whether that be in-house or by engaging with another supplier.

Escrow is therefore a vital part of any organisation's risk management strategy

Working under the umbrella of NCC Group, Escrow Europe is the world's largest software escrow provider, with over 20 years experience in protecting clients worldwide with the most comprehensive Escrow solutions available. Our strong team provides our customers with an Escrow agreement suited to their exact needs combined with expert technical and legal advice.

Our Escrow solutions are designed specifically to assist organisations which are dependent on crucial assets which they do not own or control.

We hold these crucial assets securely with the supplier's agreement on the end user's behalf, ensuring that if the supplier's business fails or they do not maintain their contractual obligations the material can be accessed and released to the user quickly and legally, leaving them free to carry on without disruption.

Our clients include both end-users and suppliers, who use our Escrow solutions to reassure their customers of their stability and commitment to best practice.

The main risk management strategies available to protect against third party risk, fall into the two distinct areas of Escrow & Verification.

Escrow

The types of Escrow solutions include:

Software Escrow protects software application source code, including web sites and web applications. Available where a software application has been specifically written or amended for use by one licensee and also for standard 'off-the-shelf' applications where the same software is used by a number of licensees, allowing multiple licensees to register on one agreement set up by the supplier.

Software-as-a-Service Escrow enables an organisation to balance risk and protect its investment in SaaS, ensuring that if its SaaS supplier's business fails or the supplier does not maintain its contractual obligations, the required application and data can be accessed and released.

Why Escrow Europe?

- We are the world's largest software escrow provider, protecting clients worldwide with the most comprehensive Escrow solutions available
- Escrow Solutions designed to assist organisations which are dependent on crucial assets which they do not own or control
- We have an expert in-house legal and technical team



More information:

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Information Escrow protects product designs, manufacturing processes, and industrial formulae. Designed specifically to protect the growing number of organisations who outsource the development of specific elements of their operations to a specialist third-party, any type of business-critical information can be covered. Often just as critical as software applications, business critical information currently protected by our clients includes product designs, processes and industrial formulae.

Verification

We carry out an Integrity Test on each deposit received to ensure it is accessible, virus free and consists of the correct type of material e.g. source code. This process ensures that any obvious mistakes in the deposit are detected and resolved – however it cannot guarantee that all the source code and associated files required to build the application have been included in the deposit.

An additional level of risk mitigation is recommended for highly business critical software and applications to ensure that should a release of software source code or other material be required, it will be immediately useable.

We offer the following levels of Verification through our experienced, in-house testing team.

Source Code to Binary Compare Verification service provides reassurance that the material deposited in escrow is virus free, accessible and of the expected type and matches with the executables. An Escrow Europe consultant carry out the Integrity Plus either on location (at the Licensor or Licensee office) or in house. We execute a Binary Compare between the executables and the source code, in order to give assurance that there is a consistent match. The Binary Compare can be performed as a stand-alone verification, or as an add-on to other verifications.

Integrity Plus Verification contains an Integrity Test to give you the reassurance that the material deposited in escrow is virus free, accessible and of the expected type. One of our technical experts visits the supplier on location and performs an Integrity Plus Verification. This test contains a complete inventory of the source code and documentation. Escrow Europe literally picks up the source code on the Suppliers site.

Full Verification provides assurance that the source code deposited under an Escrow agreement is correct and complete by ensuring that the deposit can be built into the working system. We observe the complete build of the application at the supplier's site and document every detail of the environment and build process in a comprehensive report which acts as a detailed handbook, describing every step involved in building the source code into the working application.

Build Assured Verification provides all the benefits of a Full Verification with additional assurance. The build takes place in-house with Escrow Europe, based on information and documentation provided by the supplier. During the build, Escrow Europe is in direct contact with the supplier, so if any challenges will occur, they can be handled immediately. The end-result of this verification is a Build Assured Verification Report.

User Assured Verification provides all the benefits of Full Verification with additional assurance. After performing a Full Verification in-house with the the supplier, the build will also be repeated in the licensee's environment. We collect the source code and build it at the supplier's site and then build and install it at the user's site.

About NCC Group

Escrow Europe has been part of NCC Group since 2008. NCC Group is a leading global provider of independent escrow, information security assurance and advisory services. As a trusted advisor, we provide business critical IT assurance and protection to over 15,000 public, private and not for profit sector organisations, including 94 of the FTSE 100.

The Escrow-agreement

An Escrow-agreement is a legal agreement between supplier, licensee & escrow provider.

- The supplier is obliged to deposit the source code
- Escrow Europe will perform a verification on the source code
- Escrow Europe will store the source code in secure vaults

Examples of 'Trigger Events' for the release of the source code are:

- Liquidation
- Ceasing to trade
- Failure to meet maintenance obligations
- IPR assignment (if new owner provides no escrow protection)

Why is testing important?

Every deposited media that carries a source code is checked by our skilled Verification Consultants. They always perform an Integrity Test, however it is also possible to choose for more extensive verifications. This procedure is very important, because:

- Only the depositor knows what is stored on the deposited media
- Mistakes are often made when preparing the deposit
- Vital information such as build scripts can be left out of the deposit
- The scope of the material to be deposited can be misunderstood
- It's too late to ask questions if the supplier has gone out of business