

1. Introduction

This level of verification was developed since the results of our level III verification service showed that one of the major problems associated with an escrow deposit is the inability of most software suppliers to provide source code for each and every component (file) that is part of their their software package(s).

With most software packages (products/modules) comprising one to many hundreds of unique components it is easy to imagine why this could become a problem.

Examples of problems often encountered:

- component was developed years ago. It is not part of the regular software control system
- component was developed by another department
- component is not part of the standard product and source code will not be provided.

2. Objective of a level II verification

Main objective of a level II verification is to examine to fullest extent possible that source code for each supplier specific component (file) is present in the deposit.

3. Procedure

Standard procedure for a level II verification:

- 1) Software supplier provides escrow material (=deposit)
- 2) Escrow beneficiary provides copy of software operational at beneficiary's site
- 3) Escrow Europe analyses the software components found in the copy and checks for presence of vital source code
- 4) Escrow Europe creates verification report
- 5) Escrow Europe initiates update procedure.

3.1 Software supplier provides escrow material

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

3.2 Escrow beneficiary provides copy of software operational at beneficiary's site

Escrow beneficiary is requested to provide a copy of the operational software (= the compiled version of the software supplied by supplier to beneficiary) to be used in the verification process.

3.3 Escrow Europe analyses the software components found in the copy and checks for presence of source code

Copy of operational material supplied by escrow beneficiary is analyzed. Result is an overview of software components (files).

Files detected by Escrow Europe while making this inventory will in general be part of one of four categories:

1. Compiled supplier software (executables, libraries, components etc.)
2. Supplier source code that is not compiled (SQL statements, Java scripts)
3. Third party software (operating system files, third party libraries)
4. Various material (pictures, log files etc.).

Category	Importance	Clarification
1.	Vital	Source code of these files must have been provided.
2.	None	The latest source code is already present on beneficiary's own system and fully accessible.
3.	None	Supplier does not own this software and as such cannot provide escrow for this software. Information on the origin of this software, however, should be available.
4.	None	These files are not relevant for escrow.

For each file on the detailed specification determined to be category 1, Escrow Europe will aim to establish if source code is present.

3.4 Verification report

Verification report is created and made available to all parties.

3.5 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

- All features of level I are included in this verification.
- Level II verifications are generally executed in-house by the technical department of Escrow Europe.
- Cost for this level of verification is based on time/material and additional to the yearly fee. Number of components (1 or 10.000) determines number of hours required to execute a full level II verification. Of course one can limit the verification to a predetermined number of hours and spot check a limited number of components.
- Reason that the escrow beneficiary is requested to supply a copy of the operational material is to establish the most realistic comparison between the escrow deposit and the operational version.
- A level II 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 3 categories are verified in a level II verification. Category 4 and 5 NOT, as they could be verified much more effectively (and in a shorter timeframe) within a level III verification.

- Execution of a level II verification significantly improves the certainty that the escrow material is complete at limited additional costs to the parties involved. This verification, however, does not fully guarantee that the material on deposit is complete. Extended verification is required for a high(er) level of security.
- Please contact your local Escrow Europe office or email our technical staff at techsupport@escroweurope.co.za should you have any questions.