

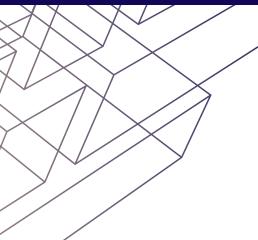


Fact Sheet - Source Code Escrow for Software Vendors

ip protection

escrow services

software verification



As a software vendor, you can put your potential clients at ease and gain their confidence by offering escrow protection up front.

- Increase the attractiveness of your software
- Protect your source code
- Reduce the risk of litigation



Address Your Client's Concerns

When a potential customer considers purchasing a licence for your software, they naturally concern themselves with the issues of maintenance and continued technical support - your ability to continue to provide good service. Most end-users will not sign a license agreement without allaying these concerns - choosing instead to buy software from a larger organisation that represents a lower risk to their business.

If you were to go out of business or no longer provide support, the risks to your potential customer's business is too high – not to mention the risk of litigation to you. Implementing a source code escrow arrangement reduces your customers risk and increases the reasons to buy your software.

Harbinger provides source code escrow services. The service acts like an insurance policy for your clients. They would be granted access to certain materials - under controlled circumstances that you determine - that would enable them to continue to operate.

Advantages

Level the playing field – offering escrow allows you to provide the same level of confidence and trust that a customer would expect from a larger software vendor.

Shorten the sales process – having an existing escrow arrangement in place avoids legal complications.

Build strong relationships – by implementing an escrow arrangement you establish the credibility of your business and help to establish trust.

Safeguard your customer's investment – provides customers with comfort that the tangible value of your software to your customer's business is protected.

Why use an Escrow Agent

A founding principle of escrow agents is to remain neutral. It is important that your escrow agent is experienced and an independent third party that is not under the influence or control of either the enduser or the vendor. It is rarely a good idea to simply name one of the party's lawyers or accountants as the escrow agent. Their duty is to their client - so there is a potential conflict of interest.

Harbinger is an experienced, independent and neutral third party who can administer escrow arrangements on your behalf.

Features of Harbinger's services

- The choice of either standard or tailored escrow agreements
- Fast service establishment
- A secure online escrow management system
- Annual reporting of compliance and lodgement activity
- Active Alerts that prompts you when an escrow lodgement is due
- Online and telephone support
- Software agreement, contract and procurement advice
- Software verification services
- Lodgement auditing services

Save time and effort

Once you've established an escrow arrangement, you don't want to spend time managing it. Harbinger's escrow management system actively monitors your arrangements on your behalf.

It allows you to:

- · View all of your escrow obligations in one place
- View account information: account lists, deposit data, contact information, manage multiple accounts
- Conduct transactions: change company contacts, revise beneficiary lists, request terminations, request verification, notify of release events.
- Access reports: annual account summaries, keep track of escrow verification results, deposit information, compliance information.
- View information: agreements, amendments, lodgement details.
- Make lodgements: lodge your escrow materials into the data vault and confirm that they have been receipted
- Monitor your compliance:
 our unique agreement monitoring system will automatically alert
 you when your next lodgement is due to ensure you remain in
 compliance with your escrow obligations

Protection of your intellectual property

Software vendors also accrue added benefits from escrowing their source code. Since Harbinger, as a neutral third party, dates and time-stamps all materials deposited into escrow, an escrow account creates an audit trail of the development of technology and provides independent validation of the ownership of the related intellectual property.

As Harbinger is an independent third party, it has the trust of the courts to vouch for the existence and ownership of your intellectual property.

Standard and Tailored Agreements

Harbinger's recommended escrow inclusions are published as standard agreements. They are based on best practice and are made available to you as a simple and cost effective means of establishing a robust escrow agreement. However, Harbinger's escrow professionals can also work with you to tailor agreements with the right level of protection that meet the demands of your corporate risk profile.

Harbinger's Advisory Services

Harbinger's escrow services have been developed through decades of experience in software development, technology usage and IT law. They include the features and services our customers have told us they want. However, your needs today are unique. We will advise you on the most appropriate services to achieve the level of protection you desire for your business.

