Network Computing Request for Information on Outsourced Hosted Email Providers

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Re: Request for Information on Outsourced Email Providers
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I. Introduction

A. Purpose

The hosted email service offered by Electric Mail meets all of the criteria for participation in Network Computing's review of outsourced email providers.

B. Instructions

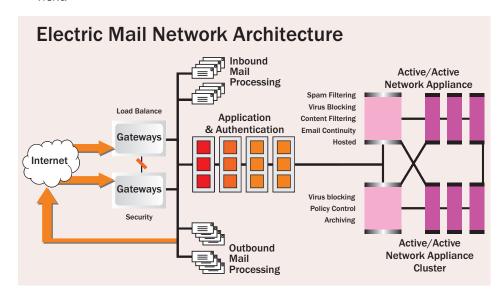
Electric Mail's hosted email service meets the minimum product requirements necessary to participate in this review. Specifically:

- Electric Mail's hosted email service is available to customers on or after March 15, 2006 and is not in beta form.
- Electric Mail's hosted email service supports Windows XP Pro with Internet Explorer.
- Electric Mail's hosted email service includes a Web-based email client that does not require plug-ins beyond the default included with Windows or a Java runtime engine.
- Electric Mail's hosted email service supports POP and IMAP clients as well as Microsoft Outlook.
- Electric Mail's hosted email service supports at least the following languages: English, French, Italian and German.
- Electric Mail's hosted email service will support McDonald and Seifert Engineering's existing domain name and email address format (first initial last name @ mse.com).
- Electric Mail's hosted email service level agreement guarantees a 99.99 percent uptime.
- Electric Mail's hosted email service will ensure that McDonald and Seifert Engineering will meet all regulatory and data retention requirements as described.

VI. Review Criteria

A. General Architecture

 A diagram illustrating Electric Mail's major hardware and software components and how they are interrelated and interconnected is shown next.



Electric Mail's infrastructure is made up of numerous clustered mail servers, replicated and redundant storage arrays (RAID 4 Active/Active Network Appliance arrays), and clustered database and application servers.

Inbound mail processing is separate from outbound processing and authentication and application processing (such as mail filtering) is carried out separately from mail processing.

Within each carrier-class datacenter waterless fire suppression systems, diesel generators and HVAC are deployed to ensure uninterrupted service.

Electric Mail uses multiple bandwidth and connectivity providers, and has redundant high-speed connections to the Internet backbone.

Each and every component is redundant, with no single point of failure. In over 12 years of operations, Electric Mail has exceeded its stated 99.99% SLA, and has never lost a single customer email. The infrastructure is extremely scalable, and currently supports hundreds of thousands of corporate email accounts, and processes tens of millions of email messages each day.

2. Re: Business case

McDonald and Seifert Engineering is a growing global enterprise. As the business has evolved, MSE is considering outsourcing its email applications to reduce email related costs, to meet compliance requirements, to enhance employee productivity by introducing advanced email and collaboration features, and to avoid the cost of upgrading its virtual private network

MSE is aware that the email solution it chooses must meet the diverse needs of field employees and telecommuters as well as those of its office workers.

MSE wishes to enhance productivity by enabling its employees to take advantage of collaborative features such as shared address books and shared calendaring.

As a public company, MSE understands that it must meet basic retention requirements for email to ensure it is compliant with current legislation.

Clearly, the solution MSE selects must deliver price performance while enabling it to manage the ongoing needs of end users, and facilitating efficient service management.

MSE is convinced that an outsourced solution will be cost effective and will deliver the required capabilities. A recent study by Osterman Research¹ validates this decision, indicating the per user monthly cost for a similar organization using Microsoft Exchange 2003 at USD \$27.51 based on a three year amortization. Electric Mail will demonstrate the financial benefit of an outsourced solution compared to this benchmark, without compromising services.

Electric Mail's hosted email solution meets MSE's technology goals and business objectives at a fraction of the cost when compared to an in-house solution. Electric Mail also provides custom-tailored servicing to meet the specific needs of each individual email user.

Electric Mail's recommendation is to implement a cross-platform solution that includes a blend of email protocols and environments (Exchange 2003, POP3, IMAP4, Webmail) with profiles managed through powerful Web-based management applications.

^{1 &}quot;Hosted Messaging Market Trends, 2005-2008- An Osterman Research Multiclient Study", 2005, Osterman Research – http://www.ostermanresearch.com/or_hm05es.pdf

The solution will enable users to send and receive messages using any email client, including Microsoft Outlook, as well as a robust Webmail interface, and to access email via wireless devices. All hosted email solutions (even POP3 only) also incorporate shared calendaring and corporate address books, enabling MSE to continue to develop and promote the importance of collaboration within the enterprise.

Electric Mail's exceptional SpamSMART spam filtering and VirusSMART multiple virus scanning technologies will ensure email communications are completely secure. Electric Mail will also handle all backup and storage management functions and provide powerful email archiving to enable MSE to comply with email retention regulations.

Electric Mailis the only email hosting company capable of delivering this unique approach and will provide McDonald and Seifert Engineering's power users with hosted Microsoft Exchange 2003 accounts. Users who do not require the full blown functionality of Exchange will use Electric Mail's hosted email services. Non-Exchange users will be able to synchronize calendars and contacts with their Outlook client, access the corporate address book, and share calendars with each other. This unique hybrid approach allows MSE to optimize the services it requires across its user base, and keep cost to a minimum, while maintaining complete system management, control and visibility.

B. Platform & Protocol Support

1. Re: Operating system support

Electric Mail's hosted email service supports *all* operating systems specified.

- _√_ Windows 2000
- _√_ Windows XP
- _√_ Mac OS X
- _√_ Linux
- _√_ Solaris
- _√_ Windows CE
- _√_ Blackberry
- _√_ Palm OS

2. Re: Browser support

Electric Mail's hosted email service supports all browsers specified..

- $_\sqrt{}$ Internet Explorer 5.5, Windows
- _√_ Internet Explorer 6, Windows
- $_{\sqrt{}}$ Internet Explorer, Mac OS X
- _√_ Safari, Mac OS X
- _√_ Firefox, Windows
- _√_ Firefox, Mac OS X
- $_{\sqrt{}}$ Firefox, Linux
- _√_ Konquerer, Linux
- _√_ Mozilla, Linux
- _√_ Lynx
- _√_ Opera

3. Re: Email client support

Electric Mail's hosted email service supports all email clients specified.

- _√_ Outlook
- _√_ Eudora
- _√_ Notes
- _√_ Apple Mail
- $_{\sqrt{}}$ Thunderbird
- $_{\sqrt{}}$ Any standards based IMAP/POP client

4. Re: Interface languages

Electric Mail's hosted email service supports all languages specified.

- _√_ English
- _√_ French
- _√_ Italian
- _√_ German
- _√_ Spanish
- _√_ Portuguese
- _√_ Russian
- _√_ Chinese
- _√_ Japanese
- _√_ Korean
- _√_ Vietnamese
- _√_ Arabic
- _√_ Hindi
- _√_ Hebrew

5. Re: Online help language support

Electric Mail currently supports the Webmail interface as well as Spell Check and Help files in English (US, British and Canadian), French and Spanish. The Web client supports 30 languages and all character sets. Translation into Italian and German for MSE's requirement is simple and could be achieved in 4-6 weeks.



6. Re: Integrated email translation

Electric Mail currently does not offer an integrated method of translating email message content between languages.

7. Re: Additional OS, browser, email client, language support

Other than those listed in sections B.1-3 above, Electric Mail does not support additional OS, browser, or email client configurations. However, our hosted email services are supported in 30 different languages using complete character sets.

8. Re: Email protocols

Electric Mail's hosted email supports all protocols specified.

√ HTTP

√ HTTPS (Encrypted)

√ POP3

√ POP3S (Encrypted)

√ IMAP

√ IMAPS (Encrypted)

√ MAPI

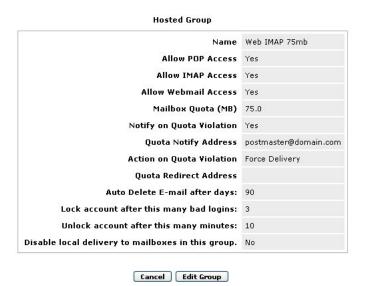
9. Re: Storage quotas

Yes, Electric Mail's hosted email service supports email storage quotas.

10. Re: Storage space management

MSE has expressed its need to better manage mailbox storage, as its users currently use significant storage amounts. Oversized mailboxes make maintenance and back ups complicated and difficult. In many cases, users store outdated, irrelevant and useless email. Solutions to this challenge include email archiving, storage quota management, and email policy enforcement (content filtering).

Electric Mail provides powerful and efficient storage management tools to administrators by enabling them to set mailbox quotas and to save these quotas as storage profiles. These customized storage profiles can then be applied to a profile group (referred to as a *hosted group*) and subsequently to the mailboxes subscribed to the group. This enables administrators to change storage profiles for entire hosted mailbox groups or classes of users quickly and easily—without editing each individual mailbox (as shown next).



If a quota violation is detected for a particular hosted group, the administrator can choose an action to take. This can include force-delivery, bounce back, or forwarding to a different email address. Administrators can also monitor quota violations through notification options (as shown next).



Administrators can view detailed reports on storage use, enabling them to take whatever actions are required to enforce their email storage policies. End users can also view quota information and their current mailbox storage sizes (as shown next) in either Webmail (left) or in Outlook using the Outlook Sync tool (right).



C. Attachments

1. Re: File attachments

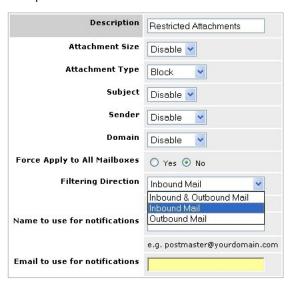
Yes, users can attach any file type to an email message using Electric Mail's hosted email service.

2. Re: File type restrictions

All file types are permitted. Any files infected with a virus will be intercepted.

3. Re: Specific file restrictions

Administrators have the ability to control attachments by both size and type. Different filter profiles can be created and users provisioned according to the administrators policies. Below is an example of blocking by attachment type and the associated options:



The administrator can then choose from a list of standard attachment types or enter any not listed.

Restricted Attachments: New Attachment Type Rules (Block)



Action on policy violation is controlled by the administrator and includes five different actions as well as notification options for Sender, Recipient and/or Administrator.



4. Re: Attachment sizes

When using Electric Mail's hosted email service with any standard MAPI, POP3 or IMAP4 client, attachment size is unlimited. When using Electric Mail's Webmail client, email attachment size is limited to 10 megabytes.

5. Re: Administrator attachment size restrictions

Yes, see section 3 above.

6. Re: Content filtering

Electric Mail's hosted email attachment policy is enforced using content filtering. This enables administrators to set filtering rules by sender, domain, subject line and attachment size or type. Once a filter has been provisioned, users can be added either individually or in groups. Actions on trigger include bounce, delete, delete attachment, deliver anyway, and/or address redirecting. See section 3.

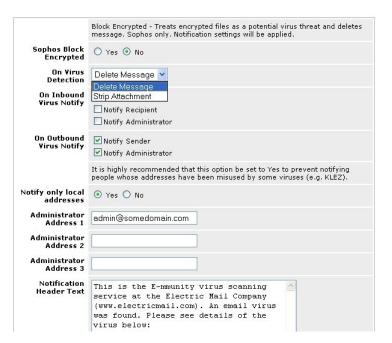
7. Re: Non-permitted file handling

Electric Mail's content filtering policy will only act on the compressed file and not on its contents. Electric Mail will scan compressed files for viruses, by decompressing them and then inspecting their content. Encrypted files cannot be scanned, and administrators can opt to summarily delete them.

8. Re: Virus exploits in email

Electric Mail's VirusSMART service scans both inbound and outbound attachments using multiple in-line technologies from multiple providers.

Administrators can choose between deleting either the infected attachment only or the entire message. Optional virus infection notifications can be sent to the sender, recipient and/or administrator. However, due to the ability of certain viruses to spoof sender addresses, Electric Mail does not recommend notifications for inbound viruses. Notification options on outbound viruses aid the administrator in mitigating any embarrassment and/or litigation arising from inadvertently sending out a virus that has entered the system via a website or from a portable storage device.



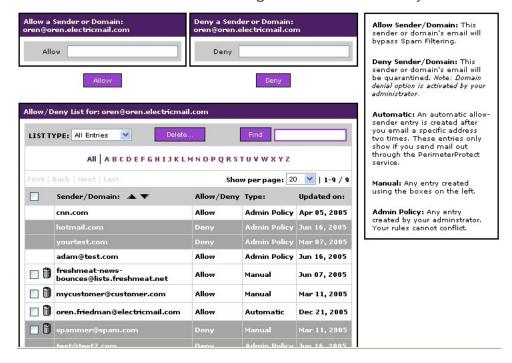
VirusSMART: Domain Service Data

NOTE: Electric Mail remains vendor agnostic by constantly monitoring the effectiveness of its virus scanning technology partners to ensure that its clients receive the best possible protection available.

D. Spam Control

1. Re: Administrator whitelist/blacklist capabilities

Yes, Electric Mail's hosted email service enables administrators to create both whitelists and blacklists. Entries can include individual email addresses or entire domains. Administrator settings cannot be overridden by end users.



2. Re: User whitelist/blacklist capabilities

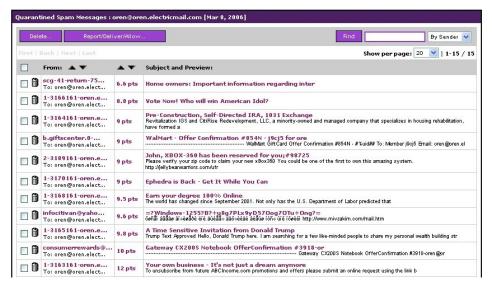
Yes, Electric Mail's hosted email services enable users to create their own whitelists and blacklists. Automatic whitelist entries are also generated when a user emails to a specific email address twice.

3. Re: Automated spam deletion

Yes, Administrators can select various actions to take when spam is detected. These actions can be based on the spam score derived for each message, allowing for multiple rules to be created.

4. Re: Spam quarantining

Yes, however quarantining suspected spam in a folder is inefficient; bandwidth is still incurred, the spam still enters the Inbox and users are still exposed to objectionable and/or offensive material. A more effective solution is to quarantine suspected spam in Electric Mail's QuarantineCENTRAL so it does not enter the domain or the inbox. QuarantineCENTRAL is Electric Mail's website for virus and spam quarantine and is accessible by the Administrator and/or the user. QuarantineCENTRAL maintains 14 days of quarantine storage and allows for the quick and easy release of false-positives.



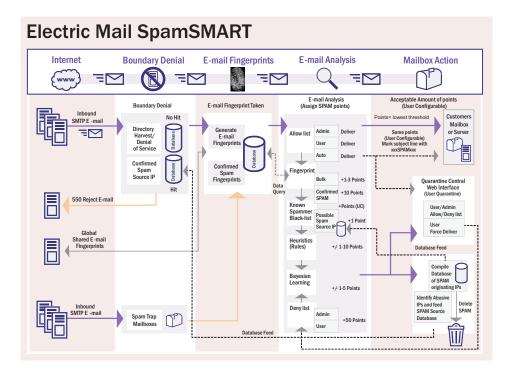
Daily or weekly email notifications can also be enabled that list the headers of the contents of the quarantine since the last notification, so users can quickly check for false-positives. If the user identifies a false-positive they simply click the hyperlink in the notification and they will be transported directly into their QuarantineCENTRAL, where they can release the message to their inbox.



5. Re: Electric Mail's spam solution

Electric Mail's hosted email service includes SpamSMART—a spam-fighting solution that employs multiple technologies to detect spam while minimizing false-positives.

	SpamSMART Checklist						
\checkmark	Invalid recipient (does the mailbox exist?)						
$\overline{\mathbf{v}}$	Sender Policy Framework (the IP is compared to sending domain and						
v	checked against SPF record to ensure validity)						
	Persistent invalid recipients over a short period from a Single source						
\checkmark	(usually dictionary spam) are temp failed or permanently failed(black-						
	listed)						
\checkmark	Message headers are checked for validity						
\checkmark	Sending domain is checked to ensure it exists						
V	From address is checked against PerimeterProtect customer mailboxes						
	list (no check for external domains) to ensure it matches a valid mailbox						



Between 40% and 50% of all email messages are blocked outright using the above methodology, with no false positives. An email that passes these checks is then routed into the Spam Filtering process.

The domain is checked against the user's "allow" domains or senders list (white list). If a match occurs, the message is immediately delivered to the recipient. If no match occurs, the message continues through the SpamSMART spam filtering process and a spam score is applied to the message based on the following:

- Heuristics
- Automatic fingerprinting
- Bayesian classification
- Known spammer lists
- Domain or user's "deny" domains or senders list

If the score incremented by the above checks exceeds your company's preset low threshold, the message is quarantined. Quarantined messages can be forwarded on to another address or subject-line tagged. (Messages that exceed your high threshold will also be quarantine and have different delivery actions applied.) If throughout the spamSMART process, the message score remains below the preset low threshold, the message is immediately delivered to the recipient.

False-positives are unacceptable in business email so only on very rare occasions can a single filter technology trigger the spam threshold as set by the Administrator; it usually takes at least two, but mostly three or more technologies, to determine that a piece of mail is spam.

SpamSMART has proven to be effective to 99%+ with a false-positive rate of less than 0.01%.

Electric Mail also offers QuarantineCENTRAL—a Web-based application that prevents spam and viruses from ever reaching the user's domain or their email inbox.

QuarantineCENTRAL's spam management is list-based and rule-based and uses a spam-score evaluation scheme together with *allow* and *deny* lists. Users automatically add recipient addresses to their *allow* list when then send email to the same address twice.

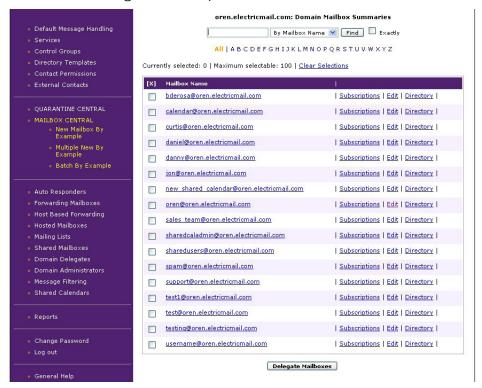
Using QuarantineCENTRAL, administrators can choose options to send daily or weekly summarized lists of quarantined emails to the hosted groups in the domain they administer. These lists contain the email headers of the last day's/week's spam that has been quarantined for them. By reviewing the list, they can validate the quarantined spam and ensure that no false positives have occurred. Releasing a false positive is as easy as clicking a hyperlink in the notification email which directs them to their QuarantineCENTRAL application, where they can release the message.

E. User Accounts

1. User Management

The primary administration interface for all of Electric Mail's services, Messaging Maestro provides administrators with powerful tools to manage all aspects of the messaging service. A similar tool (Abridean) is available for hosted Exchange users.

Electric Mail's web-based provisioning tool enables complete control and centralization through a rich and powerful feature set.



- POP3, Webmail & IMAP4 account provisioning (preference groups allow easy management of groups of users). Multiple mailboxes can be provisioned at a time.
- Multiple access levels
 - o Customer Level: multi-domain management.
 - Domain Level: full root access.
 - Domain Administrator: multiple administrators with different privileges.
 - Domain Delegate: can only manage the mailboxes they create within a domain.
 - User Level: change password, auto-responder and forwarding only.
- Policy driven all the administrator has to do is to build policies and profiles, and then assign users to those profiles. Reassignment is a simple, select-and-click process.
- Hosted mailbox quota management and message size limits.
- Creation and management of directory information and shared contacts.
- Ability to combine company directories from multiple domains and to control the visibility of contacts across user groups and domains.
- Configuration of Shared Calendars and Shared Mailboxes.
- Management of forwarding mailboxes and auto-responders.
- Mailing list management.
- DNS management.
- Mail routing management.
- Ability to append disclaimers and text to outbound email.

Electric Mail can provide a software solution to that will extract user information from most standard directory stores, including proper forwarding for distribution groups. However, no solution currently exists to extract email passwords with this process.

2. Re: Enabling and disabling accounts

Through Messaging Maestro administrators have complete control over user accounts. Accounts can be restricted, blocked, deleted or changed. Accounts can be setup to only receive email, without the ability to send email. Directory only accounts (with no email capabilities) can also be created.

Administrators control the access method for each account – Exchange, Outlook Web Access, Webmail, POP3, IMAP4.

3. What online address book capabilities exist?

A company-wide online address book is created automatically and can be administered online through Messaging Maestro.

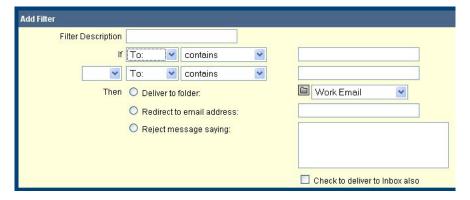
The corporate address book includes individual email addresses, distribution lists, and external email addresses. It includes comprehensive address and contact information.

Users can synchronize the corporate address book to an Outlook client, making it available to them without having to use the Webmail application.

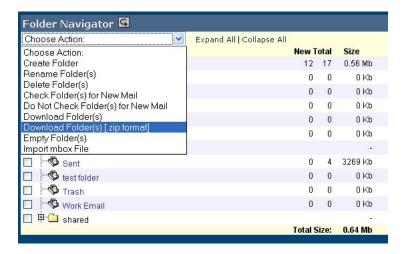
Hosted Exchange 2003 users benefit from the Global Address List of Exchange, and can also manage shared contact lists in public folders.

4. Re: Message filtering, sorting and management capabilities

Users can define automatic email filing rules, using the Webmail interface. IMAP4 users will benefit from automatic filtering in their email client as well, as the client is fully synchronized with the mail server.



A robust folder management system is integrated into the Webmail application, to complement email client capabilities. It supports nested folders, and full folder manipulation:



5. Re: Migration and implementation

Migration and implementation techniques are highly dependent on the platform from which the customer is migrating. Electric Mail supports multiple migration techniques such as the use of MS PST files, synchronizing between two IMAP mail stores, and converting existing Mbox format mailboxes.

6. Re: Multiple domain name support

Yes, Electric Mail supports the use of multiple domain names either as a global domain forwarding or on an address-by-address basis. Electric Mail, and customer administrators, can create elaborate email routing and email forwarding rules, consolidating multiple domains and resolving ambiguities.

7. Do you support email aliases?

Yes, Electric Mail provides users with options for using email aliases and forwarding addresses. Aliases can be setup for individual users or to create distribution lists, by referencing several users under one alias.

F. Collaboration

1. Re: Integrated Calendaring

Electric Mail offers an advanced personal and shared calendaring system, which includes group scheduling capabilities across both Webmail and Outlook. Users can manage their own personal calendars in Webmail and synchronize to and from their Outlook calendar using Electric Mail's Outlook Sync plugin. Electric Mail's calendaring system also enables users to share calendars with each other and resolve scheduled event conflicts. Administrators can also push events out to user's calendars.

Having the ability to share calendars fulfills a variety of specific needs. For example, calendars can be created to manage shared resources such as meeting rooms, presentation equipment, shared computers and laptops, or project-based events such as milestones on a specific project, and/or employee vacations.

Electric Mail's flexible calendaring system also offers many more features, including:

- Integration with Messaging Maestro enables administrators to create any number of shared calendars, and to assign multiple administrators and users to these calendars.
- Calendar sharing is permission-based, enabling users to allow or restrict access by other user to their calendars.
- Administrators can set editing privileges to allow or restrict users from changing calendar events for a specific shared calendar from their own calendars.
- Users can add optional layers to their personal calendar enabling them to include shared and personal calendars from other users on a permission basis.
- Calendar layers include color schemes and a color key enabling users to quickly differentiate between events.
- Users designated as shared calendar administrators can add events to shared calendar from within their own Webmail account.
- Calendar administrators have options to add all US and Canadian holidays to a shared calendar from within their own Webmail account.

- When creating an event, users and administrators have options to automatically send email invitations to calendar event participants from their company or personal address list. Participants such as external contacts can also be manually added to the email invitation list.
- When creating an event, each participant's calendar is automatically checked for time conflicts.
- Pending events are displayed in the Webmail daily planner and calendar views, enabling participants to accept or reject the invitation. Automatic replies are sent to the event organizer once a pending event has been processed. At any time in the process, the event organizer can view the responses of all participants.
- Events canceled by the organizer are automatically removed from all user calendars.
- When creating an event, the event originator can choose to automatically send email reminders to participants.
- Shared calendar events, notifications, and conflict checks are time-zone sensitive, meaning events are scheduled in the relevant time zone for each user. If a user changes their time zone preference, their calendar events are updated automatically.
- Outlook Sync will download group-scheduled events to Outlook for the event originator and the participants. Users can also access other users' calendars via Outlook, provided they have permission.

2. Re: Integrating third-party calendaring

Electric Mail's calendaring system uses two-way synchronization between Webmail and Outlook calendars that includes options for users to resolve synchronization conflicts using priority settings. Electric Mail's calendar supports the iCal format. Scheduled events can be forwarded as iCal attachments and included in third party calendars.

3. Re: Instant messaging

Deploying and supporting an instant messaging infrastructure is uniquely different from delivering hosted email services and at present Electric Mail does not offer instant messaging as a service to customers. Instead, our main business focus is to specialize in delivering superior hosted email solutions.

4. Do you integrate with third-party IM?

No, Electric Mail does not integrate with any IM application.

5. Re: Other collaboration and messaging features

Electric Mail's hosted email service supports shared mailboxes. These are shared email folders to which users can subscribe. Shared mailboxes enable our users to share email messages as well as files and documents, and provides easier control over file versions or email read and reply status than distribution lists. Shared mailboxes are commonly used by support organizations to manage support queues or by project teams to manage project documents. Electric Mail's hosted Exchange 2003 service also includes shared contacts, shared calendars, and public folders for messages and file sharing.

G. Archiving

1. Re: Backup policy and scheduling

Electric Mail's mission is to provide secure, reliable email. To this end, Electric Mail does go to great lengths to ensure customer email is properly backed up around the clock. All email data is stored on replicated, redundant disk arrays, using Network Appliance devices. Every six hours email data is replicated to another separate, redundant disk array. Email data is backed up on tape nightly and the tapes are removed from the datacenters. Back up tapes are also kept for several weeks for disaster recovery purposes. At the end of the retention period, they are recycled or destroyed.

2. Re: Regulatory compliance

Electric Mail recognizes the need for public companies to comply with everchanging email retention regulations. We can offer comprehensive archiving and compliance services. Focused on power users using hosted Exchange 2003, Electric Mail provides a fully customizable, encrypted, distributed email archiving service. The primary features of this service include the following:

- Email archiving and monitoring policy creation.
- The ability to set retention periods for specific users or groups.
- The ability to track email conversations based on keywords and phrases, and flag possible policy violations.

- The ability to randomly sample email for review, and for compliance officers to comment on and flag suspect policy violations,
- Archiving of email and attachments. The ability to search and retrieve email information based on conversation thread, users, subject, email content or attachment content,
- Archive encryption assures that only the customer has access to the archive. Data is stored on multiple spinning disks as well as WORM disks.

Non-hosted Exchange users could use a simplified archiving tool which collects all inbound and outbound traffic in special archiving mailboxes. From there the mailboxes can then be burned onto read-only media, such as DVD.

Electric Mail's archiving approach enables customers to focus on users who require archiving the most, based on compliance regulations, such as the company's CFO, COO, CxO, VPs, and so on. We provide specific deployments based on customer needs, and offer assistance and guidance in establishing the email retention and monitoring policies.

Archiving pricing will depend upon the precise number of users, email and retention period required by MSE and will be determined after we are able to clearly identify the regulatory requirements MSE must meet. Our pricing will be based upon the premise that each user will generate approximately 1GB of email archive/user/year, and this amount will accumulate year over year.

3. Re: Inbox and folder backups

Yes, Electric Mail's backups include mailbox contents and *all* mail folders, as well as the users' contacts and calendar events they have synchronized with the servers.

4. Are messages marked as spam archived?

Yes, messages marked as spam are archived in a separate quarantine system (discussed in a previous response).

5. Are messages flagged as viral archived?

Yes, Electric Mail archives messages marked as viral in a separate quarantine system (discussed in a previous response). Users can view plain text versions of the message, but cannot access the message itself or the infected file. Administrators can release infected files if they believe the file was wrongly classified. For example, if a Microsoft Office macro has triggered an alert, the message can be released to the intended recipient.

6. Re: Instant messages and calendaring archiving

Electric Mail does not currently offer instant messaging services. Calendars that have been synchronized to the server are backed up, but Electric Mail does not archive the calendars themselves. Since a calendar can always be changed retroactively, calendar archiving is not a well defined concept.

H. Security and Reliability

1. Electric Mail's email security measures

Electric Mail is keenly aware of the importance of maintaining customer information in a secure environment and that all customer data must be treated in strictest confidence regardless of its sensitivity. Our track record for security over the past 12 years and our continued vigilance will ensure the safety and secrecy of McDonald and Seifert Engineering's corporate email.

At Electric Mail, we recognize the potential impact of any breach of security to our customers and indeed to the very existence of our company. Our management team has developed an aggressive information security plan that we are continuously enhancing.

A critical element in this effort has been the creation of our corporate security policy. The policy addresses access control to facilities and systems, hiring practices, privacy, third party disclosures, system development, and auditing and reporting processes. Our acceptable use policy provides clear rules for all clients that use our services to ensure our broad customer base is protected from the inappropriate activity of any other client.

In addition to these policies, we are contractually bound in our agreements to ensure confidentiality of customer data and we clearly address ownership of that data and the disposition of all customer data upon termination of our agreement.

Access to systems includes entry to our secure data center. The data centers are monitored around the clock. Our operations personnel can only gain access to our data centers after passing a visual identity authentication and using restricted card access. All equipment within the data centers are further secured in locked cabinets. The facility includes fully redundant fire suppression, air conditioning, UPS, and backup generators.

All systems and customer data are managed behind redundant firewalls and access to any and all systems is audited for administrator access. Remote access is restricted and passwords are closely managed.

2. Is email stored in an encrypted format on your servers?

Email for power users using our hosted Exchange 2003 service is encrypted. Email for users using our POP3/IMAP4/Webmail service is unencrypted. With the multiple access control systems we have in place and our security policies, email data cannot be accessed by unauthorized persons.

At the transport level, we offer TLS (Transport Layer Security) for those who wish to receive encrypted email transmission. We also support secure POP and IMAP over SSL to enable encrypted communication between the users desktop and our servers. Our Webmail, Outlook Web Access, quarantine system, and our primary administration tools are all available over HTTPS.

3. Regarding uptime reliability

Electric Mail's service level agreement guarantees a 99.99 percent uptime.

4. Re: How Electric Mail measures uptime

Each of Electric Mail's hosted email services is monitored individually against the guarantee of 99.99 percent uptime across all systems. We have monitoring systems in place that immediately alert us of any degradation in system performance.

If a particular component should fail, its failure is recorded and it is automatically removed from the active cluster, ensuring the uninterrupted performance of that particular service. This built-in redundancy compensates for the failure of any single component. While all of these issues are recorded and addressed we are confident that the architecture will continue to deliver 99.99 percent.

In addition to these provisions, Electric Mail is currently constructing another fully redundant, geographically diverse data center slated for completion by mid-second quarter 2006.

5. Re: Honoring the uptime guarantee

Although this has not been a significant issue at all for our clients, penalties for failure to meet performance guarantees are negotiated with customers on a case-by-case basis at the time of the negotiation of the service level agreement. Otherwise, the standard limitations of liability we include in all our agreements would apply.

I. Business Summary

Electric Mail has been providing hosted, business email solutions since 1994. We have a deep technical understanding of email and work with organizations of all sizes providing hosted email and email protection.

Our experience is that every business has unique messaging needs and that we must work with them to address those needs as they develop over time. "Cookie cutter" solutions do not work for companies in an increasingly complex and competitive business environment. Electric Mail is successful and has developed longstanding relationships with our customers because we recognize the unique requirements of each business and are able to customize the services required to address their needs.

As a wholly owned subsidiary of j2 Global Communications Inc., Electric Mail has the financial stability and global presence to ensure that our business will grow and thrive so that any customer who chooses to work with us may do so knowing we are in business for the long term.

Electric Mail has set itself apart from our competitors with more than longevity. We have developed, over time, a powerful email administration and provisioning platform which enables our customers to retain the control and visibility of their email, critical to their operations, without having to manage the "backend" systems and infrastructure. This is the perfect outsourcing scenario.

Customers choose us because of the comprehensive and growing suite of service we offer. Customers can purchase the services, features and storage they need without paying for complex capability they may never use. Our customers are confident their email is protected from spam, viruses and other

malicious attacks because we have developed and deployed outstanding email security services. They know they will receive email and that their email will be delivered because of the proven, longstanding reliability of our services.

Electric Mail has a track record for developing email capabilities to meet the ever-changing messaging environment. Our unique ability to provision both hosted Exchange 2003 and hosted POP3/IMAP4 users on a single domain is one such example. Our capability to synchronize personal and shared contacts and calendars between Webmail and Outlook is another.

As we strive to provide a single source for managed email solutions, we constantly evaluate the merits of building versus buying additions to our portfolio. We will use our own development expertise to bring products to market and where it makes sense to buy we will (and have) carefully evaluate the best options and partner with the best to integrate and deliver solutions for our customers.

The RFI for McDonald and Seifert Engineering while challenging and complex, is typical of the kind of customer requirement Electric Mail is faced with every day. We have proposed a creative blend of email services which can be dynamically fine tuned.

Electric Mail is in the unique position amongst those in the managed email services space to be able to deliver on the most important needs of MSE today and continue to expand our portfolio to address the needs of their global enterprise in the future.

J. Pricing Summary and Totals

1. Describe the business model used to market and sell the email service

Electric Mail offers managed hosted email solutions on an *a la carte* basis, with discounts available based upon the number of email accounts required. Monthly charges are calculated per user email account. A variable one-time set-up fee may be charged at implementation depending on the complexity of the project.

2. Re: Contract duration

Electric Mail's standard contract term is one year. We include a provision for termination for convenience with 90 days of written notice.

3. Re: Price Score

Electric Mail has provided a pricing approach which reflects the unique recommendation we are making. The price per user is a bundle including all the functionality discussed.

The following pricing sheet provides a "bottom-line" price which is based on assumptions we have made through our experience and the information provided, about the mix of email protocols required to meet the diverse needs of MSE's users. We have attached a spreadsheet which will enable MSE to see the impact of changing the service mix and storage requirements.

McDonald and Seifert Engineering Email - Pricing Worksheet										
Total users	800									
Service ¹	% of Users	# of Users	Price per User	Net Price	Service	Pricing				
P0P3 ³	5%	40	\$1.95	\$78.00	Blackberry⁵					
Web/POP3 50mb ³	35%	280	\$2.65	\$742.00	Setup per user	\$ 59.95				
Web/IMAP4 100mb ³	40%	320	\$4.65	\$1,488.00	Monthly per user	\$ 4.95				
MS Exchange 2003 ²	20%	160	\$12.50	\$2,000.00	Archiving					
Total Storage GB ⁴	240	62	\$0.01	\$1,780.00	Setup	N/A				
Totals	100%	800		\$6,088.00	Monthly per user	\$5 - \$10				
Average price per user	\$7.61									

¹Included in all services

- 99.99% SLA
- VirusSMART (multiple technologies)
- SpamSMART
- Content Filtering
- Multiple daily backups

²Included with Hosted MS Exchange 2003

- Full MS Exchange 2003 functionality
- Outlook client included (as required)
- Outlook Web Access (OWA)
- Blackberry Enterprise Service (additional charges apply)
- 100MB/user aggregated storage (add'l storage available)
- Abridean management interface
- ActiveSync

³Included with Hosted Mail

- Company Contacts
- Personal Contacts
- Group Scheduling
- Shared Calendars
- · Calendar & Contact synchronization between Webmail and Outlook
- Messaging Maestro management interface

⁴Total Storage MB

- Total storage is calculated by subtracting the default storage per protocol from the total requirement. MSE has indicated that it currently requires approximately 300mb per user for a total of 240GB. The total storage can be adjusted should less or more be required.
- Additional storage fees are applied to the difference between the default storage by protocol
 and the actual storage requirement.
- Additional storage is charged at \$0.01 per mb per month.

⁵Blackberry Enterprise Service

MS Exchange 2003 only

The average per user cost will be \$7.61/user per month using this methodology.

Should MSE decide to utilize Exchange 2003 more, the price will increase. Should they opt for more Webmail in the mix, the price per user will drop.

We are estimating an approximate set-up fee of \$5000.00.

Our fee here is an estimate only. Since MSE has such a large amount of email to migrate we would want to do a more detailed assessment of the amount of email which actually had to be migrated and the resources required to do so before providing a firm quote.

In our proposal the only a'la carte item we have quoted is Blackberry Exchange Server since the actual number of potential users is uncertain. Each Blackberry enabled Exchange 2003 account will be charged at a rate of \$4.95/month per user.

4. First year support cost and maintenance

Electric Mail's support is provided as part of the monthly fee and is included in the price quote.

5. Do you provide on site training?

Yes, Electric Mail provides on-site customer training.

6. Re: Cost to train 30 IT and help desk staff

Electric Mail's standard training delivery is done using remote desktop-sharing/conference call sessions. In these sessions we fully train multiple administrators on all aspects of the system. We have rarely been requested to provide training at customer sites. However, in instances where on site training is requested, we would charge roughly \$500 to \$1000 per day depending upon the scope of training required and not including reasonable travel and accommodation expenses.

VII. Vendor Information

1. How long have you been in business?

Electric Mail has been in business since 1994 and was acquired by our parent company, j2 Global Communications Inc., in March 2004.

2. What is the size of your organization by number of employees?

Our parent company, j2 Global, employs more than 400 employees. Of these, 20 are dedicated specifically to the delivery of email services.

3. How long has the product been shipping?

Electric Mail has been providing an expanding suite of managed hosted email solutions since 1994. We currently host more than 700,000 corporate email accounts, provide email security services to over one million corporate users, and provide eFax archiving services to millions of users worldwide.

4. Are you a public or private company? What is your stock symbol?

Our parent company, j2 Global, is publicly traded on NASDAQ under the symbol JCOM.

5. Re: Financial health and longevity

Electric Mail's parent company, j2 Global, most recently reported 35 consecutive quarters of revenue growth and 16 consecutive quarters of positive and growing operating earnings. The company has nominal debt and recently reported USD \$144.5 Million of cash and investments to fund growth. For information on j2 Global's 2005 annual results refer to the following Web document:

http://investor.j2global.com/phoenix.zhtml?c=85255&p=irol-newsArticle&t=Regular&id=813260&

6. Re: Similar existing customers

The following three companies are existing Electric Mail customers. They are each of comparable size to McDonald and Seifert Engineering.

Mountain Equipment Co-op (www.mec.ca)

Lululemon Athletica (www.lululemon.com)

Sirius Satellite Radio (www.sirius.com)

Electric Mail also provides its services to much larger customers. For example, Windermere Real Estate (www.windermere.com) is the largest real estate brand in the Western United States. They recently selected Electric Mail's hosted email services for their 10,000 users across 200 offices. For more information, see the following Web document:

http://www.electricmail.com/News/Press_Releases/press12120501.php