Rick Frederking (LCA)

From: Brad Chase
Sent: Monday, September 30, 1996 7:47 PM
To: Jay Goldstein
Cc: Ajay Sikka; Yusuf Mehdi
Subject: RE: IE distribution proposal

we did not work out all the details.

From: Jay Goldstein
Sent: Sunday, September 29, 1996 4:49 PM
To: Brad Chase
Cc: Ajay Sikka; Yusuf Mehdi
Subject: RE: IE distribution proposal

I'll get details from Ajay, but is the money your giving them straight cash or for IE advertising on AOL?

From: Brad Chase
Sent: Saturday, September 28, 1996 3:24 PM
To: Jay Goldstein
Cc: Ajay Sikka; Yusuf Mehdi; Brad Chase
Subject: RE: IE distribution proposal

we did talk about this today and closed a deal. i think it is a steal for us. i hope you are ok with it and don't mind me doing.

It works as follows:
- if they convert 4M of their users to a client using IE 3 by 2/1/97. i will give $1.5M
- if they get an additional 2M by 4/2/97, I will give them $500K more.

we get some of the other stuff below too (and they will do a windows 95 upgrade deal for us to convert their win 3.1 customers)

From: Jay Goldstein
Sent: Wednesday, September 25, 1996 2:27 PM
To: 'DKRJJ@aol.com'; 'JBrendsel@acl.com'
Cc: Ajay Sikka; Yusuf Mehdi; Bob Visse; 'mberlow@aol.com'
Subject: IE distribution proposal

Thanks for the recent proposals on getting IE distributed to as many AOL customers as possible. We want to make sure this happens to the satisfaction of both of our companies. Here is how we think this could work. We'd like to be able to talk about this tomorrow (Thurs), so we can move forward with a plan on Friday.

Microsoft would pay AOL $500,000 for the items below.

In addition, should AOL acquire 3 million new IE users from their active user base by 12/31/96, Microsoft would purchase $500,000 of advertising on AOL. This ad buy could potentially be used to promote an AOL/IE Sweepstakes to AOL users.

Key items we would like to accomplish:
1) Windows 95 users on AOL:
AOL would include a CD with AOL 3.0, 32-bit client with IE 3.0 for Win 95. This would be sent to 2 million active AOL users in October. To support this mailing, in Steve Case's monthly e-mail to members, AOL would promote the availability of the new 32 bit client. This should happen by 10/15/96.

2) Windows 3.x users:
AOL implements TOD upgrade program for Win 3.x customers by 11/15/96. The upgrade client would include IE 2.x for Win 3.x. TOD upgrade would be implemented for all AOL users on Win 3.x who access the World Wide Web.

3) Mac Users:
AOL implements TOD upgrade program for Mac customers by 11/15/96. The upgrade client would include IE 2.x for Mac. TOD upgrade would be implemented for every Mac/AOL user who accesses the World Wide

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Web.

In addition, as a key partner, we would like you to:

4) Mention Microsoft Internet Explorer availability in the video being sent to AOL users.

5) www.aol.com should be active logo compliant by 11/15/96 (for details please see http://www.microsoft.com/ie/logo/guidelns.htm). Active logo compliance includes the adoption of at least one Active X control, and some part of this technology should be seen on the home page or a frequently visited page. Also, the new AOL/Internet Explorer client and the IE clients for users on current versions of AOL software, for all operating systems should be hosted and promoted on www.aol.com by 11/15/96.

2 additional points:
6) We would like AOL and Microsoft to announce the shipment of Microsoft Internet Explorer on AOL at the Microsoft Site Builders Web Developers Conference on 10/28/96. The announcement should include a handshake with executives from both AOL and Microsoft to allow for a photo and press opportunity.

7) We would be willing to provide a PC and Microsoft software as a "launch" incentive to AOL users for the introduction of AOL 3.0 32-bit client and IE 3.0. For example, for the first week the client is available, anyone who downloads the integrated client would be entered into a drawing for the prizes. We believe this would provide a strong incentive and be newsworthy. Please let us know if you would like to pursue this.

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