

Report of Independent Accountants

Board of Directors
salesforce.com, Inc.

We have examined management's assertion that salesforce.com, during the period May 1, 2011 through October 31, 2011, maintained effective controls to provide reasonable assurance that:

- the salesforce.com On-Demand CRM System and Force.com application development platform was available for operation and use, as committed and agreed; and
- the salesforce.com On-Demand CRM System and Force.com application development platform information designated as confidential was protected as committed or agreed; and
- the salesforce.com On-Demand CRM System and Force.com application development platform was protected against unauthorized access (both physical and logical)

based on the AICPA/CICA Trust Services Availability, Confidentiality, and Security Criteria. This assertion is the responsibility of salesforce.com's management. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included (1) obtaining an understanding of salesforce.com's relevant availability, confidentiality, and security controls, (2) testing and evaluating the operating effectiveness of the controls; and (3) performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

Because of inherent limitations in controls, error or fraud may occur and not be detected. Furthermore, the projection of any conclusions, based on our findings, to future periods is subject to the risk that the validity of such conclusions may be altered because of changes made to the system or controls, the failure to make needed changes to the system or controls or a deterioration in the degree of effectiveness of the controls.

In our opinion, salesforce.com's management's assertion referred to above is fairly stated, in all material respects, based on the AICPA/CICA Trust Services Availability, Confidentiality, and Security Criteria.

Ernst & Young LLP

February 21, 2012

**Management's Assertion Regarding the Effectiveness of Its Controls
Over the salesforce.com On-Demand CRM System and Force.com platform
Based on the Trust Services™ Principles and Criteria for
Availability, Confidentiality, and Security**

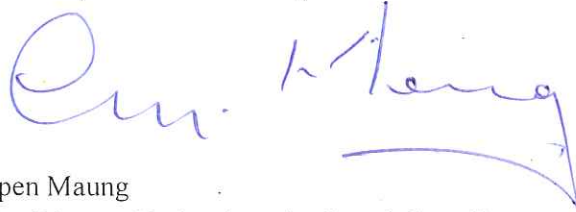
February 21, 2012

Salesforce.com maintained effective controls over the availability, confidentiality, and security of its salesforce.com On-Demand CRM System and Force.com platform to provide reasonable assurance that:

- the salesforce.com On-Demand CRM System and Force.com platform was available for operation and use, as committed and agreed; and
- the salesforce.com On-Demand CRM System and Force.com platform information designated as confidential was protected as committed or agreed
- the salesforce.com On-Demand CRM System and Force.com platform was protected against unauthorized access (both physical and logical)

during the period May 1, 2011 through October 31, 2011, based on the Trust Services™ Availability Confidentiality, and Security Criteria established by the American Institute of Certified Public Accountants (AICPA) and the Canadian Institute of Chartered Accountants (CICA).

Our attached System Description of salesforce.com, Inc.'s On-Demand CRM System and Force.com platform identified the aspects of the salesforce.com On-Demand CRM System and Force.com platform covered by our assertion.



Crispen Maung
Senior Director Technology Audit and Compliance

System Description of salesforce.com, Inc.'s On-Demand CRM System and Platform Services

Background

Salesforce.com, Inc. (“salesforce.com”), headquartered in San Francisco, California, is a provider of On-Demand Customer Relationship Management (CRM) solutions and an application development platform. Salesforce.com provides enterprise-level CRM applications and the development platform for companies of all sizes via a software-as-a-service model (SaaS).

Infrastructure

The salesforce.com On-Demand CRM system and Force.com application development platform uses a two-tier architecture, including proprietary applications supported by web/application servers and database servers. Salesforce.com also utilizes various automated systems to monitor the security, availability and performance of the salesforce.com On-Demand CRM system and Force.com platform.

Salesforce.com On-Demand CRM System and Platform Services

Salesforce is an enterprise cloud computing company who delivers the following solution in the cloud:

- *Sales Cloud* – A solution that allows sales representatives and executives to be more productive through the automation of manual and repetitive tasks and access to better and more organized data about their current customers and prospects. The Sales Cloud encompasses partner relationship management functionality and marketing automation.
- *Service Cloud* – A cloud-computing platform that delivers a comprehensive solution for customer service interactions across every service channel – from call centers to social networks.
- *Force.com* – A cloud platform for building and running social, mobile, and real-time business applications.
- *Chatter* – A collaboration cloud to allow customers to communicate internally within their own company. Users can stay on top of what’s happening in their company with real-time updates on people and groups, important documents, and on their top deals and accounts.
- *Database.com* – A multitenant cloud database for integrating the social enterprise in an open, scalable, and elastic manner. Open APIs allow customers to build applications in any language and on any platform, and deploy their applications on any mobile device.
- *Siteforce.com* – A Web Content Management System (CMS) in the cloud which lets customers build and update websites efficiently by using a drag-and-drop studio. With a built-in content delivery network, Siteforce delivers fast load times in a scalable environment.



The Salesforce products are deployed via a “cloud based” computing environment. The Force.com platform follows a Platform-as-a-Service (PaaS) model and the Sales Cloud CRM Application, Chatter, and Support Cloud follow a Software-as-a-Service (SaaS) model. In these service delivery models, salesforce.com is responsible for all service delivery layers including: infrastructure (i.e., hardware and software that comprise the Salesforce infrastructure); data security, and service management processes (i.e. the operation and management of the infrastructure and the system and software engineering lifecycles).

Customers are responsible for managing their organization instances of the Force.com platform and installed applications and establishing any customized security control solutions through the use of Setup features, application development, and API integration.

Force.com

The Force.com platform is the foundation of the salesforce.com application suite and provides security controls for the organization’s instance of Salesforce. The Force.com platform allows developers to create and deliver business applications entirely on-demand. The platform includes easy-to-use, point-and-click customization tools to help customers create solutions for their business requirements, with little or no programming experience.

CRM Applications and Chatter

Salesforce.com has developed custom applications such as the CRM Applications and Chatter that are built on top of the Force.com platform and rely on the platform for security controls. The CRM Applications extend the platform capabilities to offer salesforce.com developed and delivered enterprise customer relationship management applications for sales, marketing, partner relationship management, and customer support. Chatter also extends the platform capabilities by offering customers real-time enterprise collaboration and communication capabilities. In these service delivery models, salesforce.com is responsible for all service delivery layers including: infrastructure (i.e., hardware and software that comprise the Salesforce infrastructure); data security, and service management processes (i.e. the operation and management of the infrastructure and the system and software engineering lifecycles).

Salesforce.com currently offers the following editions of the salesforce.com On-Demand CRM application:

- **Contact Manager** – Contact Manager Edition which is limited to five subscribers, is targeted primarily at individuals and small businesses (up to 5 users) that seek a basic contact and customer management tool. Users can track customer contacts and manage tasks and activities.
- **Group Edition** – Group Edition, which is also limited to five subscribers, is targeted at small businesses and workgroups that seek a basic sales force automation solution. Users can share important customer data and manage their customer relations—from the start of the sales cycle to closing the deal to providing basic customer service. In addition to everything available in Contact Manager Edition, Group Edition offers access to opportunities, accounts, contacts, tasks and basic reports. Using the Force.com platform, customers can further extend and customize Group Edition by adding additional custom tabs and/or a custom application.

- **Professional Edition** – Professional Edition is targeted primarily at medium-sized and large businesses that need a robust and complete CRM solution but do not need the more advanced administrative features and integration capabilities. Professional Edition offers companies a comprehensive CRM suite that business users can use to manage every aspect of the customer lifecycle. In addition to everything available in the Group Edition, it provides users more advanced CRM functionality such as forecasts, lead management, contract management, solutions, and online case capture. Professional Edition comes with standard, easy-to-use customization, security and sharing, integration, and administration tools to facilitate any small to mid-sized deployment. Using the Force.com platform, Professional Edition customers have more flexibility than Group Edition customers to further extend and customize their service by adding more custom applications, custom tabs, and/or custom objects.
- **Enterprise Edition** – Enterprise Edition is designed to meet the complex business needs of large organizations with many divisions or departments. In addition to all of the functionality available in Professional Edition, Enterprise Edition offers customers:
 - Advanced CRM functionality, such as territory management that uses a rule-based territory assignment engine to categorize accounts and users into territories, products, and schedules that track revenue and quantity by opportunities
 - Multi-divisional sharing and permissions such as profile-based departmental security and sharing;
 - Workflow and business process control such as workflow automation tasks
 - Enterprise customization and integration tools that can support large-scale deployments, such as APIs for back-office integration that enable companies to readily integrate Salesforce CRM with ERP applications and other data sources.
 - Customers also have greater flexibility and control to fully extend and customize our service by adding more custom applications, custom tabs, and/or custom objects.
- **Unlimited Edition** – Unlimited Edition is salesforce.com’s fully featured edition with exclusive features available only in Unlimited Edition and bundled add-on features included at a significant cost saving over the total price of the individual features. In addition to all of the functionality available in the Enterprise Edition, Unlimited Edition includes unlimited installations from the AppExchange, increased customization and extension possibilities that customers can implement on their own, Premier Support with Administration, and additional storage. In addition to Chatter, Unlimited Edition includes all the features of Chatter Plus.

Data

Salesforce.com defines customer data as all electronic data or information submitted by the Customer to the salesforce.com systems and is deemed confidential. Access to confidential information is restricted to authorized personnel on an as-needed basis through the use of physical and logical access controls.

People

The technology management function is an essential component of the on-demand CRM services. This function is structured to ensure the appropriate segregation of duties for personnel who develop and manage the salesforce.com On-demand CRM and Force.com system. The key responsibilities of the technology management function for supporting, maintaining and provisioning the infrastructure are as follows:

- **Development** – Develops and maintains the salesforce.com on-demand CRM and platform system code and writes the technical specifications.
- **Program Management** – Provides development project management, risk management, release/deployment management and status reporting for the salesforce.com on-demand CRM and platform system. Additionally, the group helps identify customer requests and prioritize functionality to be released.
- **Product Management** – Provides product direction and functional specifications for On-demand CRM and platform system development activities.
- **Quality Engineering**– Provides software build services on the test, stage, and production environments based on their defined roles and responsibilities and assures quality of product.
- **Release Engineering** – Responsible for deploying the release to production instances.
- **Technical Operations** – Responsible for the infrastructure architecture, scalability, disaster recovery planning, and handling of operations issues. The group provides 24 X 7 support for data center and network operations, first response for systems and network issues, performance monitoring, and system backups.