

From: Michael Murphy Redacted @google.com>
To: Ruth Porat Redacted@google.com>, Kent Walker Redacted@google.com>, Daniel Alegre Redacted@google.com>, Philipp Schindler Redacted@google.com>, Sridhar Ramaswamy Redacted @google.com>
Subject: Re: BC Deal Review: Agenda for Monday Oct 31 at 2:00 PST
Cc: Deal_review Redacted @google.com>, Joan Braddi Redacted @google.com>, Julie Haniger Redacted@google.com>, Sanjay Datta Redacted@google.com>, Cristina Bita Redacted @google.com>, Kristin Reinke Redacted@google.com>, David Rolefson Redacted@google.com>, Christian Veer Redacted@google.com>, Anna Kartasheva Redacted@google.com>, Yuki Sugawara Redacted @google.com>, Elizabeth Hewitt Redacted @google.com>, John Giannandrea Redacted@google.com>, Jon Gold Redacted@google.com>, Mike Roszak Redacted @google.com>, Jim Kolotouros Redacted@google.com>, Rajan Anandan Redacted @google.com>, Karim Temsamani Redacted @google.com>, Marco Borla Redacted@google.com>, Redacted@google.com" Redacted@google.com>, Nitin Bawankule Redacted @google.com>, Gitanjali Duggal Redacted@google.com>, Adhi Kesarla Redacted@google.com>, Munesh Mahtani Redacted @google.com>, Matthew Bye Redacted @google.com>, Paul Gennai Redacted@google.com>, Jamie Rosenberg Redacted@google.com>

BC constituents,

Thank you for your time today, and for staying on beyond the allotted time to finish up the OEM & Carrier Rev Share proposal. Notes, outcomes, and actions are shared below; please feel free to let me know if I've omitted or misstated anything.

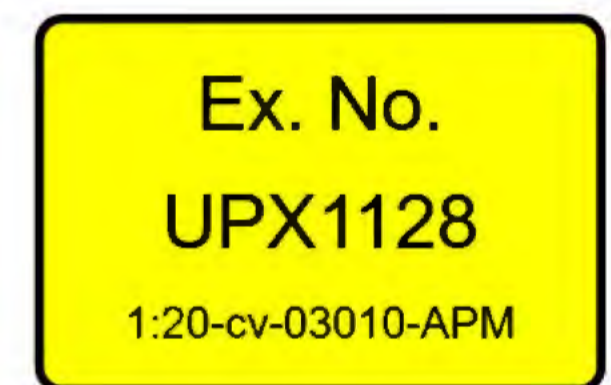
We did not have time to review the Amazon India request, so we are sending that on a separate email for approval (subject "BC Email Approval Requested: Amazon India Ad Credits"). We've noted Kent and Ruth's approvals for that deal in the meeting.

Best regards,

Mike

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**1. OEM & Carrier Revenue Share; [link to materials](#)**

- **Reason for BC review:** Maximum Distribution Commitment Redacted
- **Asks for BC:** Offer strategic Android carrier and OEM partners Redacted revenue share for secure distribution and placement for Search and Assistant
  - Proposal covers Redacted current partner renewals (Redacted OEM and Redacted carrier) and up to Redacted new OEM and Redacted new carrier partners
  - Samsung is excluded from this proposal
- **Deal Representatives:**
  - Jamie Rosenberg (VP, Android & Play Business)
  - Christian Veer (Principal, Android & Play Strategy)
  - Jim Kolotouros (VP, Partnerships)
  - Anna Kartasheva (Manager, Android & Play Strategy)
  - Paul Gennai (Product Management Director)
  - Yuki Sugawara (Finance Manager)
  - Elizabeth Hewitt (Legal)
  - Jon Gold (Finance Director, Platforms, Hardware & Play)
- **Rationale in support of deal:**
  - Google receives search exclusivity on in-scope devices with regional exclusions; expected to increase mobile & tablet search revenue coverage from Redacted
  - Partners to comply with requirements on security, search, assistant and app placement, and default settings
  - Google net margin expected to be Redacted for carrier deals and more than Redacted for OEM deal with overall Redacted increase in TAC over Redacted years; TAC will vary for OEMs and will be lower for torso partners as their markets tend toward lower RPMs
- **Outcome: Approved with AIs**
  - **AI:** Team to strictly negotiate and enforce proposed Assistant commitments due to long-term revenue upside
  - **AI:** Finance and Legal to either (a) define distinct revenue sources contractually between Ads, Shopping, and 3P transactions to account for Google's costs; or (b) to remain sufficiently vague to defensibly assume or renegotiate favorable treatment of this revenue later
  - **AI:** Team to return to BC if negotiating outside of approved revenue share terms or at the discretion of APX quorum if market or deal economic assumptions change
- **Discussion:**
  - Proposal covers new deals, renewals, and extensions with 16 current partners and up to 33 new OEMs and 18 new carriers
  - Current partnerships cover 63% of search revenue but gaps exist in critical and fast growing regions; proposal is expected to boost mobile and tablet revenue coverage from 63% to 85%
  - Goals are to set additional restrictions on 3P search and Assistant, ensure security updates, and cover strategically important regions; TAC increase projected to be \$299M over two years
  - Partner commitments include continuing existing search provisions (device-by-device or Default Home Screen [DHS] as assigned by region) and adding a DHS or -1 placement for our search and assistant. Partners can still utilize 1P assistant, but not



- on DHS or -1; partner is precluded from white-labeling 3P assistants
- o TAC payout to Redacted due to historical precedence and a desire to anchor new Redacted partnerships at lower rev share
- o Financial models assume no accretive revenue from these partnerships, but they will secure existing revenue and projected growth, and will offer long term upside through Shopping Express and 3P transactions

On Fri, Oct 28, 2016 at 9:35 PM, Michael Murphy Redacted@[google.com](mailto:Redacted@google.com)> wrote:

Hi all,

Quick update: the team bringing the OEM & Carrier Rev Share proposal for Monday has finalized their [BC submission document](#). Please refer to this one in lieu of the APX document shared in the prompt below.

Have a great weekend,

Mike

On Fri, Oct 28, 2016 at 4:11 PM, Michael Murphy Redacted@[google.com](mailto:Redacted@google.com)> wrote:

Ruth, Kristin, Daniel, Kent, Sridhar, Philipp,

We have two items slated for BC review on Monday. Please note the following:

1. **DELAYED START:** due to quorum schedule conflicts on Monday, we are beginning at 2 PM PST in [MTV-40-2-Sofia](#). The meeting will be limited to 30 minutes.
2. We are scheduling the OEM & Carrier Revenue Share proposal first, and will review the Amazon India deal if we have sufficient time. If not, we will move the Amazon item to email.

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2. Amazon India; [link to materials](#)

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