

Message

From: Jim Kolotouros [PII]@google.com]
Sent: 11/2/2019 7:18:25 PM
To: Christopher Li [PII]@google.com]
CC: Kate Lee [PII]@google.com]
Subject: Re: Feedback from Buniac on RSA 3.0

** attorney client privileged **

I included this in one of my list of things to discuss with whoever is willing to listen. thanks.

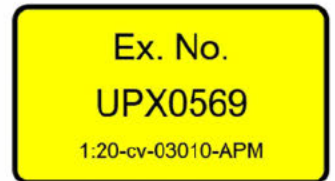
On Sat, Nov 2, 2019 at 12:14 PM Christopher Li [PII]@google.com> wrote:
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Okay, will hold the line and create an exec summary for early next week, with the three options front and center, as you suggest.

Do you think you might chat with them live at exec circle? If so, I'll get it out Monday EOD.

On Sat, Nov 2, 2019, 11:54 AM Jim Kolotouros [PII]@google.com> wrote:
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thanks for the update.



hold the line for now. I'd prepare and publish an exec summary for Don and Jamie on this early (i.e., early next week) with the revenue share summary front and center because I know they want to close quickly and no reason to wait 2 weeks for the meeting if they say "just get it done".

critical to the Moto/Lenovo deal is knowing that we are buttoned up so that high-value devices/countries cannot be carved-off and we don't lose tablet volume as well.

the recommendation to Jamie/Don should be "we want to hold the line. we know AMZN is floating around (but they can't offer a global deal). who knows on MSFT and Europe. We know Confidential over 2 years takes us to contract. Would you prefer that we i) hold the line indefinitely (until we lose it), ii) get it done now so long as we are within headroom of payment capacity, or iii) allow Don/Jamie to be the savior to say 'okay, we'll pay you more if it gets it done' at the meeting?"

We will always get the last bite of the apple on this one. But I think from the 3 options above, they each have an equal probability of being the preferred choice. I'd offer around Confidential Confidential and if that doesn't get it done, they are free to escalate but no promise it will make any difference.

does that make sense? thanks.

On Fri, Nov 1, 2019 at 11:34 AM Christopher Li [PII]@google.com> wrote:
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--- Buniac's feedback ---

* Buniac saw the RSA proposal. I think there is alignment on many things, like the payload and even updates ask, but he is willing to go to bat on the money piece. He wants more. Willing to discuss in person himself, with Don / you / Jamie if needed on November 14th when he's here in MTV.

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* His feedback was that the button on Confidential devices costs Confidential in additional BOM. They are on-track for Confidential in RSA payments for 2019 (and growing each month), without this additional BOM cost. Our offer that we sent them the term sheet for was around Confidential USD guaranteed and if they do all the updates, up to Confidential on average a year.

* Said that they were also growing aggressively in countries they think we monetize well in search, like Japan and Western Europe. Have recent ranging decisions to back this up. Believe 5G and Foldable is the perfect storm for them to make some traction.

* Also said Amazon is reaching out to them a lot for "bigger deals" and never know what Microsoft is going to do in Europe

* (Backchannel) Around Confidential more over the course of the two years would make these concerns go away

----- **My response to Eric to make sure Buniac is aware** ----

* Button is foundational to the deal; would not have offered anywhere close to the package that we did without it

* Should think about whether other companies could offer the holistic, global deal that we can, and we are looking for partners to have broad, global alignment across the entire portfolio.

* May want to think about if other companies can also take care of the Confidential install base that has been built up

* Eric understands these messages.

-- **For us to discuss** --

We do have an extra Confidential built-into the RSA ask for stuff like this, to go from Confidential (over two years) and still be below BC guidance and within approval, and the model supports the ROI case. Confidential may also be willing to bet on themselves, and set the "baseline" value of their performance to be up XX% globally. For example, their last Confidential activations were Confidential devices. They may be willing to say they'll get to Confidential devices as the 'baseline' number that we would base our mitigation plan against.

What do you think? My recommendation is to consider making them whole on this and provide the extra economics, but make sure we land really well on everything else.

Just wanted to make you aware of the latest and happy to chat live.

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Go g e

BC: Google Distribution on Android Framework (GDAF) (BC19-038)

Submitted (PDT): 1 Oct 2019

Meeting date (PDT): 3 Oct 2019

Basic Information

Representatives	jadsont, sugawara, lichristopher, jongold, akartash, emilychen, ethanyoung, jinyoungbaik
Primary Presenter	lichristopher
Reason for Escalation	Pricing or RevShare
Product(s)	Android - RSA
Organization(s)	Platforms & Ecosystems
Region(s)	GLOBAL

Detailed Information

Term Length (months)	<h1>Confidential</h1>
Ask	

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Rationale

Partner overview

Financial summary

Guarantees to the partner

Confidential

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Redacted

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Guarantees from the partner	Confidential from partner will be "Google-forward" devices, with some potential carve-outs for the full term of the contract (not to exceed [redacted] of the total volume of non-carrier controlled devices).
Confidential	

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Exclusivity	Team is targeting to secure all exclusivity provisions from the "Google Forward" tier.
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Finance

Confidential

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