

Message

From: Jackson Castleberry [Confidential]@google.com
Sent: 3/7/2024 6:46:05 AM
To: Peter Fitzgerald [Confidential]@google.com
Subject: Re: Samsung / Gemini
Attachments: [Confidential] Samsung + AI Premium - EFT Term Sheet.pdf

Yes - here is a PDF of the term sheet. Likely easier to start here for initial feedback - we can then generate shared comments on the Docs version as discussions progress. Let me know if anything else is needed. Happy to connect with Jay directly if helpful.

On Thu, Mar 7, 2024 at 12:19 AM Peter Fitzgerald <[Confidential]@google.com> wrote:
do you have a PDF or want me just to add Jay to this?

On Wed, Mar 6, 2024 at 5:56 PM Jackson Castleberry <[Confidential]@google.com> wrote:
+Shimrit Ben-Yair +Neal Pancholi for viz

Here is the term sheet that can be shared out to Samsung.

It sounds like there was a desire to go live around I/O -- is that still the case? I raise this as the operationalization of this effort is considerable (EFT testing, GTM activities, training), so the G1 team would need to be closely involved in the negotiation & post-deal implementation.

Relatedly, to avoid additional noise in the market around device sales uplift, we are in a holding pattern with Telcos pending Samsung's decision -- as such we're recommending a soft deadline of 3/30 to determine if we proceed with Samsung directly or pivot back to Telcos.

On Wed, Mar 6, 2024 at 3:56 PM Jackson Castleberry <[Confidential]@google.com> wrote:
I was just pinging with Peter on this. Sounds like he'll walk him through the term sheet this afternoon to gauge interest and see if there are any initial reservations.

PII - let me know if you'd like to discuss the mechanics here to ensure we're maximizing the collective opportunity.

On Wed, Mar 6, 2024 at 3:54 PM Peter Fitzgerald <[Confidential]@google.com> wrote:
+Christopher Li

On Wed, Mar 6, 2024 at 11:36 AM Jackson Castleberry <[Confidential]@google.com> wrote:
This is ready - here is the term sheet. The salient points to land are:

- **Value to consumer:** is material -- [Confidential] of G1AIP at a \$20/month value across eligible Samsung devices is [Confidential] in consumer value depending on trial redemption rates.
- **New devices eligibility & redemption:** targeting new G1 members only due to tech limitations at this time but could be expanded to existing G1 members over the term. The mechanism to redeem will be the pre-installation of the G1 apps for new devices as in-app redemption flows perform better than CRM based promo code redemptions. Note: Samsung might have issues with the pre-installation of these apps, but it is important to remind them that this is the best way to drive adoption & overall performance, and subsequently the bounty upside. We don't think this interferes with MSFT arrangement, but it could come up as a blocker.

Ex. No.

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- **Existing devices eligibility & redemption:** As OTA updates will likely not be feasible, existing S22/S23 devices will be notified via Samsung CRM to download the G1 apps to redeem the G1 AIP upgrade.
- **Co-marketing:** given the consumer value, we'd like Samsung to invest [redacted] in co-marketing this promotion across their channels.
- **Commercial opportunity:** based on post conversion timelines, Samsung is eligible for a bounty of [redacted] per eligible conversion.
- **Gemini pre-loads:** it will be important to the K&I team to ensure this is pre-loaded on the homescreen to increase overall product utilization and thereby the opportunity for conversion.

For this to work well and drive the desired impact, the product integrations will be really important, so ideally it ties in well to the SUW, Photos pre-grant permissions etc. We've included this in the term sheet, but it could give Samsung pause.

Happy to talk through more if helpful,
Jackson

On Wed, Mar 6, 2024 at 11:23 AM Peter Fitzgerald <[redacted]@google.com> wrote:
this afternoon 1:30 pst.

i cand do w him tmrw if better

On Wed, Mar 6, 2024 at 9:08 AM Jackson Castleberry <[redacted]@google.com> wrote:
We're closing out two details around the eligibility criteria & redemption mechanisms. What time is the meeting with Jay? I'm meeting with Product in 1 hr to finalize.

On Wed, Mar 6, 2024 at 10:39 AM Peter Fitzgerald <[redacted]@google.com> wrote:
I have time w Jay today..is this ready?

----- Forwarded message -----

From: Sameer Samat <[redacted]@google.com>
Date: Wed, Mar 6, 2024, 6:59 AM
Subject: Re: Samsung / Gemini
To: Shimrit Ben-Yair <[redacted]@google.com>
Cc: Sissie Hsiao <[redacted]@google.com>, Peter Fitzgerald <[redacted]@google.com>

Hi,

They continue to be excited!

As I mentioned last time, I think what they are waiting for is a written proposal that includes the the oft terms, the bounty / rev share we propose and, at least at a high level, what we expect from them.

You mentioned the draft term sheet (below). I didn't go through this with them line for line because I wasn't sure if the numbers were agreed or not -- but the overall structure felt okay to them.

The next step would be for peter to engage with them on specific details.

If you are all signed off on the terms as a starting point he can begin that with Jay.

Google Term Sheet
As between Samsung and Google
March 6, 2024

NOTE: This term sheet ("Term Sheet") is an expression of interest only and is non-binding; Google and Samsung will work towards completing a long form agreement. This Term Sheet is meant to be used to guide negotiation discussions and the parties do not intend to be bound by these terms until they enter a definitive agreement regarding the subject matter of this Term Sheet. This Term Sheet is subject to the Non-disclosure Agreement in effect between the parties.

Parties	Partner: Samsung Google: Google LLC
Executive Summary Overview	<p>Google will collaborate with Samsung to enable Confidential Google AI Premium Extended Free Trials (EFTs, the "Promotion") at no cost to Samsung for all customers that have purchased premium Samsung devices ("Eligible Devices") sold in the Territory (defined below). Eligibility for the EFTs will be subject to Google determined eligibility criteria (e.g. trial activations require a form of payment, must require a Google account, new users only, etc.), and at the terms described below, Google will pay Samsung one time Incentive Payments per user.</p> <p>Samsung will make significant ATL/BTL investments to market the Promotion (details below), and to facilitate a more seamless user redemption of the Promotion, Partner will commit to the Product Integrations as described below.</p>
Eligible Device(s)	<p>Samsung S24/S23/S22 (both new device activations & existing devices in market).</p> <p>Note: the marketing names and devices mentioned may be adjusted, added to, and updated after mutual agreement between Parties.</p>
Term Length	<p>1 year from Launch Date</p> <p>Redemption end date: X/31/2025</p> <p>Promotion Period end date: X/31/2025</p> <p>Auto-renew: N</p>
Target Launch Date	May X, 2024 (targeting public announcement at Google I/O 2024)
Territory	Global
Marketing	<p>The parties will work together to market the AI Premium service and encourage the activation and post EFT conversion of the AI Premium subscriptions post Eligible Device purchase via on-going marketing activities (in-store, online, etc.) Google will provide copy and messaging guidelines to Samsung, and Google will retain approval rights on all messaging and materials that include Google marks, brand assets, or references to Gemini Advanced, and Google One.</p> <p>Samsung will make significant ATL/BTL/on-device marketing investments with a minimum investment of Confidential USD across priority market media, digital & in-store, social, SMS/MMS campaigns, push notifications, emails, field marketing, PR, launch keynotes, in-store posters, handouts, etc.</p>

Incentive Payments	<p>For any Promotion that is activated by an End User prior to the Redemption End Date, for each End User who continues to be a Google One subscriber for at least Confidential consecutive months from the date such Qualifying Customer activates a Promotion, Google will pay Partner a one-time incentive payment of Confidential per Qualifying Customer ("Incentive Payments").</p> <ul style="list-style-type: none"> Google will prepare and distribute monthly reports ("Monthly Activations Report") in accordance with the agreement that includes the number of Promotion Activations and the number of Qualifying Customers that are eligible for Incentive Payments. All payments under this Agreement are inclusive of Transaction Taxes. Partner is responsible for charging and paying any Transaction Taxes required to be charged by any governmental tax authority in connection with any payment made by Google to Partner under this Agreement. Under this Agreement, the total aggregate invoiced amount of Incentive Payments from Google to Partner will not exceed US Confidential US Dollars).
Product Integrations	<p>Partner will commit to the following:</p> <ul style="list-style-type: none"> For new devices, preloading of the Google One application on all Eligible Devices to enable a more seamless in-app redemption of the Promotion. Preloading of the Google Gemini application on the homescreen of all Eligible Devices to enable more seamless utilization of Gemini Advanced. Implementation of on-device user communications (e.g. post setup user notifications) to encourage Activation of the Promotion.
Promotion Redemption Implementation	<p>Eligible consumers will be able to redeem the trials via the Google One mobile application. Upon opening the Google One mobile application, eligible consumers will be shown the Promotion directly and be given the option to Activate the Promotion.</p> <p><i>Note: For all consumers that do not have the Google One application installed on the device, consumers will need to first download and install the application from the Google Play Store before they can redeem the Promotion.</i></p>
Google Approvals & Publicity	<p>Google retains approval rights on all use of Google's brands, including for example marketing materials, press releases, or public-facing statements by Partner that describe the partnership with Google One. Neither party may make any public statement regarding this Agreement without the other's prior written approval except when required by law after giving reasonable notice to the other party.</p>
Training/Partner and Customer Support	<p>The parties will work together to train Partner Sales Associates or other support personnel on Google AI Premium's product benefits and partner will ensure all relevant frontline Partner Sales Associates review Google's training materials.</p> <p>Google will provide FAQs and documentation to Samsung for sales & customer support teams.</p> <p>Google and Samsung will work together to determine the best customer service procedures to refer customers to each other.</p>
Monthly Reporting	<p><u>Marketing and Training Reporting by Partner</u>. Partner will provide Google with monthly marketing, training, and customer service reports.</p>
Governing Law	<p>California law</p>