

# Alphabet Inc Annual Shareholders Meeting

## Company Participants

- David C. Drummond, Senior VP of Corporate Development, Chief Legal Officer & Secretary
- Eileen Naughton, Unknown
- John L. Hennessy, Chairman & Lead Director
- Kent Walker, Assistant Secretary
- Ruth Porat, Senior VP & CFO
- Sundar Pichai, CEO
- Unidentified Speaker, Unknown

## Other Participants

- Abigail Shaw, Analyst, Unknown
- Farnum Brown, Managing Partner and Chief Strategist, Arjuna Capital, LLC
- Irene Knapp, Analyst, Unknown
- Jeffrey Buchanan, Analyst, Unknown
- John Simpson, Analyst, Unknown
- Justin Danhof, Analyst, Unknown
- Lila Holzman, Analyst, Unknown
- Rafael Jun Hyung Kim, Analyst, Unknown
- Salvador Bustamante, Analyst, Unknown
- Unidentified Participant, Analyst, Unknown

## Presentation

### Unidentified Speaker

Ladies and gentlemen, please welcome the Chairman of the Board of Directors of Alphabet, John L. Hennessy.

### John L. Hennessy {BIO 1433018 <GO>}

Good morning. Good morning, everyone. Welcome to Alphabet's 2018 Annual Shareholder Meeting. I'm John Hennessy, Chairman of the Board of Directors of Alphabet. And I'll be presiding over this meeting.

Each of you should have registered as you arrived. If anyone is not registered for the meeting, please register before leaving today. Each of you also should have received an agenda. On the reverse side of the agenda is a list of the rules of procedures for

the meeting. And we ask that you abide by those rules. At this time, I call the 2018 meeting of the shareholders to order.

I'd like to take this opportunity to introduce a few people. First of all, Eric Schmidt, sitting here in the front. I think as you all know, Eric served as our CEO for the first 10 years of our company. And then as Executive Chair for six years. And under his incredible leadership, Google and then Alphabet have really thrived. So thank you, Eric, for that incredible leadership and inspiration.

I'd also like to introduce Diane Greene, also a member of the Board of Directors, sitting up here in the front. Then some of our management team here today: Ruth Porat, our CFO; David Drummond, who'll be up shortly, our Senior Vice President of Business Development; and Eileen Naughton, where's Eileen? There you are, Vice President of People Operations.

Also with us today is Maura Stanley, a representative of Computershare, our transfer agent, who will act as the Inspector of Elections; and Andrew Cotton and Matthew Sapp, representatives of Ernst & Young, our independent accountants.

I'd now like to ask David Drummond, Alphabet's Senior Vice President, Corporate Development, Chief Legal Officer and Secretary, to come up. David will conduct the formal portion of the meeting. Following that, Sundar Pichai, our Chief Executive Officer of Google. And I will be back to talk about some -- give some comments on the company and have a question-and-answer period. David?

### **David C. Drummond** {BIO 1952796 <GO>}

Thanks, John. Welcome, everyone, to the 2018 Annual Meeting of Stockholders. A quick note before we begin the business about the logistics for today's meeting. We have some rules of procedure. And as stated in the rules, stockholders shouldn't address the meeting until you're recognized. We'll provide a 20-minute Q&A session, as John mentioned, following the business of the meeting. And you'll have an opportunity to ask questions then. Now if you want to ask a question during that period, please move to the microphone stands, which we'll have in the aisles. And then introduce yourself as a stockholder. And after being recognized, you can go ahead and ask your question. So thanks in advance for cooperating with the rules. And we'll hopefully not have to intervene to remove anyone, et cetera, if you're violating the rules.

So I received the affidavits of mailing from Computershare and from Broadridge, which state that the notice of the meeting was duly given. All stockholders of Class A and/or Class B common stock as of the close of business on April 18, 2018, are entitled to vote at today's meeting.

In addition, I've been advised by the Inspector of Election that the holders of our outstanding Class A and Class B stock, representing at least a majority of the voting power of the outstanding Class A and Class B stock entitled to vote, are represented

in person or by proxy at today's meeting. So therefore, a quorum is present. The meeting is duly constituted. And the business of the meeting may proceed.

The first item of business is the election of directors. We have 11 directors to be elected at today's meeting. And those directors that are elected today will hold office until the 2019 Annual Meeting of Stockholders. The Board of Directors has nominated the following individuals: Larry Page, Sergey Brin, Eric Schmidt, John Doerr, Roger Ferguson, Diane Greene, John Hennessy, Ann Mather, Alan Mulally, Sundar Pichai and Ram Shriram. Now our bylaws require that stockholders provide advance notice of their intent to nominate persons as directors. We haven't received any such notice. So accordingly, I declare the nominations for directors closed.

Now the next matter being submitted to our stockholders is the ratification of the appointment of Ernst & Young as our independent registered public accounting firm for the 2018 fiscal year. Our Board of Directors has recommended that our stockholders ratify the appointment of Ernst & Young as our independent registered public accounting firm for 2018.

The next matter being submitted to our stockholders is the approval of amendments to Alphabet's 2012 Stock Plan to increase the share reserve under the plan by 11,500,000 shares of Class C capital stock and to prohibit the repricing of stock options granted under the 2012 stockholder plan without shareholder approval. Now our Board of Directors has recommended that our stockholders approve these amendments to the 2012 Stock Plan. And that's described in detail in our proxy statement.

Now the next 7 items being submitted are stockholder proposals. Our Board of Directors has unanimously recommended that our stockholders vote against all 7 stockholder proposals that will be presented.

Now the first stockholder proposal is brought by James McRitchie, Myra K. Young and The NorthStar Asset Management Funded Pension Plan as the co-lead filers. I believe Abigail Shaw is here. And she'll be presenting the proposal. You have a total of 3 minutes to make a statement. And I'll advise you when your time is about to expire. Please proceed.

## **Abigail Shaw**

Good morning. My name is Abigail Shaw from NorthStar Asset Management in Boston, the beneficial owner of 6,559 shares of Class A stock at Alphabet. Fellow shareholders, I am here to represent Resolution #4, a good governance proposal about equal voting rights. When shareholders of common stock do not have an equal right to weigh in on significant governance matters, we subject ourselves to greater financial risk. When Alphabet went public, shareholders already lacked the opportunity to give substantive input into matters of policy. Alphabet's voting structure is heavily weighed to favor insiders, given that Class B shares are granted 10x the voting rights of Class A shares. Matters were made worse when Class B insiders voted in a brand-new class of stock with 0 voting rights.

The fact that this was approved is particularly remarkable, because our calculations show that only 15% of Class A outside shares that voted approved of establishing Class C capital stock. How is this possible? Well this measure passed because Mr. Brin and Mr. Page, who currently own 12% of the outstanding shares of the company, together have 56% of the voting power. While we can ignore this reality when profits are up, this voting structure constitutes a considerable risk to governance and shareholder value.

All we need to do is look north about 7 miles to Facebook headquarters to see what may happen when shareholders are unable to provide meaningful feedback. Facebook's recent data scandals should be a warning to all Alphabet shareholders as well. In late March, CNNMoney reported that Facebook has lost \$80 billion in market value since its data scandal. Worse, Facebook shareholders are in a position where a board member is directly connected to the private company at the heart of the scandal, yet they cannot vote out that board member.

Alphabet shareholders need to heed the warning that poor governance can and likely will result in an eventual downturn in shareholder value. We are very concerned about the governance risk that comes from relying upon merely 2 or 3 people's visions and their ability to reduce threats to the company long term without broad input.

The founders brought this company to fruition and led it into profitability. But the company's decision to offer common shares of the company on public exchanges, making Alphabet a public company, brings with it a responsibility to shareholders to practice good governance. Shareholders, we urge you to vote for Proxy Item #4.

**David C. Drummond** {BIO 1952796 <GO>}

Thank you, Ms. Shaw. Appreciate it.

The second stockholder proposal is being brought by Walden Asset Management as the lead filer, joined by the Benedictine Sisters of Monasterio Pan De Vida; the Benedictine Sisters of Cullman, Alabama; The Benedictine Sisters of Baltimore Mercy Investment Services; The Oblate International Pastoral Investment Trust and a number of other individuals and organizations as co-filers. Lila Holzman, I believe, is here. And she'll be presenting this proposal. Ms. Holzman, you have 3 minutes.

**Lila Holzman**

Mr. Chairman and fellow shareholders, my name is Lila Holzman. And I am presenting on behalf of Walden Asset Management, the primary sponsor of this proposal, whose company owns approximately 257,000 shares of Alphabet. I work as the Energy Program Manager at As You Sow, a shareholder engagement nonprofit in Oakland. On behalf of Walden and approximately 15 co-filers, I am pleased to move this resolution, which has been voted on by Alphabet's stockholders for several years and seeks information on how Alphabet directly and indirectly works to affect legislation and public policy.

On behalf of Walden, let me start by thanking Alphabet for your leadership on climate change, both by reducing your greenhouse gas emissions and by speaking out to support the Paris accord. This public voicing of our views sends a clear message to legislators on where we stand. Thank you.

We also commend management for its fruitful dialogue with investors regarding political candidate contributions. The company agreed to expand its disclosures on political spending. And the resolution was withdrawn. Walden and the cosponsors are more than willing to have a constructive dialogue that could lead to the withdrawal of this resolution as well and will reach out after this AGM.

Lobbying is big business and controversial for Alphabet. In the last three years, Alphabet spent over \$50 million in federal lobbying. As one of the top-5 lobbying companies, our lobbying has been profiled in 60 Minutes as part of a critical exposé on Google.

While Alphabet discloses a summary of its direct federal lobbying online with links to quarterly reports provided to the Senate, these are very difficult to navigate. It would be so easy for Alphabet to summarize the dollars spent and the major issues we lobbied on accompanying the Senate report links.

Importantly, Alphabet does not disclose meaningful details on dues and grants provided to the many advocacy and trade groups it's a part of, or how it evaluates whether the lobbying of these organizations is consistent with Alphabet's priorities, values and position of do no evil. Additional disclosure is needed here.

We congratulate Alphabet for publicly withdrawing from ALEC, a group that combats clean energy. In doing so, Alphabet acted on its stated values, a step we commend. However, Alphabet remains a member of other trade associations, whose actions conflict with its values, like the U.S. Chamber of Commerce, which has spent over 1.3 billion on lobbying since 1998 and aggressively opposes climate change solutions. This is in clear conflict with our stated position on the need to limit the effects of climate change. Apple responded to the Chamber's practices by withdrawing. We urge Alphabet to express its stated policies by speaking out, challenging the Chamber's actions and lobbying with other companies inside the chamber to change its counterproductive climate policies. While Alphabet is a leader in articulating and working to abide by positive social and environmental values, our company's vision and environmental ethics deserve to be reflected in how our lobbying dollars are spent. We look forward to future dialogue on this issue.

**David C. Drummond** {BIO 1952796 <GO>}

Thank you very much, Ms. Holzman.

The third stockholder proposal is being brought by Arjuna Capital on behalf of its clients, Proxy Impact -- sorry, Proxy Impact on behalf of CB Wealth Generation. And Baldwin Brothers on behalf of Dylan Sage as co-filers. I believe we have Farnum

Brown here, who's here to present. Hi, Mr. Brown. You have 3 minutes. Please proceed.

**Farnum Brown** {BIO 4176940 <GO>}

My name is Farnum Brown. And I move proposal #6 on behalf of Arjuna Capital and co-filers Proxy Impact and Baldwin Brothers Inc. asking for a report on gender pay equity. This is the third year this proposal has gone to a vote. And we acknowledge incremental progress, yet critical concerns remain unaddressed.

The median income for women working full time in the United States is 80% of that earned by men, a gap that is not expected to close for 40 years. Of note, the gap for African-American and Latina women is wider at 60% and 55%, respectively. Gender and intersecting racial pay inequity represent a structural barrier to diverse leadership, posing a risk to company performance and investor returns.

Of particular note, the United Kingdom now mandates disclosure of median gender pay gaps. In the U.S., investor engagement has thus far led to disclosures not on median pay. But on statistically adjusted equal pay for equal work numbers, assessing the pay of men and women performing similar jobs. Google says the company pays women fairly on this basis, although the company excludes from its analysis the compensation of highly paid positions of Vice President and above.

More importantly, the equal pay for equal work number considered alone fails to address how discrimination affects differences in opportunity. That is, it does not reflect the structural bias that affects the jobs women hold. The median pay gap does reflect this structural bias in cases where men hold the majority of higher-paying jobs. Google reports the median pay gap for its United Kingdom operations is near 11%. But has not published information on its global operations.

Top proxy adviser, Institutional Shareholders Services, ISS, recommends support for this proposal, noting "the equal pay for equal work statistic does not address the reported systemic bias and segregation into lower-paying jobs. That systemic bias could make it harder for Google to recruit and retain women in its workforce and could increase its exposure to regulatory risk as more jurisdictions seek to pass laws and regulations to close the gender pay gap. Disclosing more information about the risk that it faces in different jurisdictions related to a gender pay gap would provide shareholders with useful information about how effectively management is assessing and mitigating that risk. Therefore, support for this resolution is warranted."

**David C. Drummond** {BIO 1952796 <GO>}

Thanks very much, Mr. Brown.

The next proposal, which is proposal #7 in the proxy, is being brought by John Chevedden. I believe Ms. Holzman, you are presenting again on this proposal? Excellent. So you have 3 minutes.

## **Lila Holzman**

On behalf of John Chevedden of Redondo Beach, California, I'm presenting proposal 7 regarding a simple majority vote. Shareholders request that the board take the steps necessary so that each voting requirement in the charter and bylaws that calls for a greater than simple majority vote be eliminated and replaced by a requirement for a majority of the votes cast for and against applicable proposals, or a simple majority in compliance with state law. The full text of the proposal is in the annual meeting proxy booklet.

## **David C. Drummond** {BIO 1952796 <GO>}

Thanks very much. So let's move on to the next proposal, which is proposal #8 in the proxy statement. And that's being brought by Zevin Asset Management as the lead filer on behalf of Carol A. Reisen, along with a number of other co-filers. And Irene Knapp, a fellow character Googler, I believe, will be presenting the proposal. So you have 3 minutes.

## **Irene Knapp**

My name is Irene Knapp. And I'm an engineer at Google. On behalf of Zevin Asset Management and concerned employees of Alphabet and its subsidiaries, I hereby move proposal #8.

Integrating executive performance measures with diversity and inclusion metrics will further our company's values, address long-term human capital risks. And make it clear that diversity and inclusion are a business priority throughout the organization. Diversity and inclusion are key components of business sustainability and success. McKinsey & Company research shows that companies in the top quartiles for gender and racial and ethnic diversity were more likely to have above-average financial returns.

Yet at Alphabet, diversity and inclusion activities by individual contributors and managers alike, including mentorship, outreach and community building, have been met with a disorganized array of responses, including formal reprimand. The lack of clear communicated policies and actions to advance diversity and inclusion, with concrete accountability and leadership from senior executives, has left many of us feeling unsafe and unable to do our work. The chilling effect of harassment and doxxing has impaired productivity and company culture. Responses from HR have been inadequate, leaving minority communities unprotected. Now we are forced to weigh the risks to ourselves before giving each other support. This backwards response is tied to immediate retention issues as entire support networks shut down in fear.

The proposed metrics will incentivize long-term progress on diversity and inclusion. However, Alphabet must also immediately address human capital risk by improving its code of conduct, by cracking down on malicious leaks that have intimidated individuals, by publishing to employees a manual formalizing procedures for HR

investigations. And by finding a solution for bad-faith HR complaints. We are hopeful that executives are finding ways to implement these solutions as concerned employees requested two months ago. It is our belief as investors, as engineers and as technical professionals, that a lack of executive leadership around sustainability, diversity and inclusion fundamentally hurts the quality of products Alphabet can deliver to users. As a company that aims to focus on the next billion Internet users and bring the convenience and power of information access to them, Alphabet must credibly integrate diversity and inclusion into its strategy.

Today, it is clear that Alphabet shareholders are listening to employees' experience and standing with us as we all challenge our company to be better. Together, we are sending a strong message to Alphabet leadership that they must prioritize diversity and inclusion in the interest of all employees and of long-term investor value. We urge our fellow shareholders to support proposal #8.

**David C. Drummond** {BIO 1952796 <GO>}

Thank you very much, Irene. Much appreciated.

The next stockholder proposal is being brought by the National Center for Public Policy Research. Justin Danhof, I believe, is here. Welcome back, Justin. And he'll be presenting. You have 3 minutes.

**Justin Danhof**

My name is Justin Danhof from the National Center for Public Policy Research. And I rise to move proposal 9, which seeks to increase ideological diversity on the company's board. In recent weeks, both Amazon and Facebook have agreed to terms with the SEIU to alter their respective board selection procedures. Rather than appointing the best person for the job, they have adopted an affirmative action plan, sometimes known as the Rooney Rule after the NFL. This is designed to increase female and minority board membership. But these policies are often demeaning to the selected candidates because they know that's the only reason they were selected. And they're racist and sexist to boot.

We propose something different. Rather than promoting racism and sexism, we urge Alphabet to consider viewpoint diversity when it makes its board selections. Silicon Valley elites often preen about their commitment to diversity and inclusion. But I don't think many of you know what that means. Diversity isn't what someone looks like. Let me say that again so people understand. Diversity is not what someone looks like. It's the sum of what they think, they feel and they believe. And at this company, it appears that thinking and believing in conservative policies is verboten.

At last year's shareholder meeting, I asked the company's executives if conservative and libertarian opinions were welcome at Alphabet, in light of the company's numerous public policy positions that all seem to be left of center. Mr. Schmidt essentially told me that the company would never reconsider any of its policy positions, because everyone in this company believes the same exact things. And



frankly he said, in Silicon Valley, we have the same belief system. Obviously, that's not true. Many Google employees e-mailed me after the meeting, thanking me for saying publicly what they're petrified to say within the walls of this community.

Soon after the meeting, the company also very publicly ousted engineer, James Damore. He simply suggested concrete ways to increase Alphabet's gender diversity. Apparently, he was ousted because he referred to human biology. I thought Alphabet was committed to science. I guess not.

Even the far-left New York Times ran an article critical of the company's handling of the Damore situation. It noted, "Damore is describing a truth on one level. His critics are describing a different truth, one that exists on another level. He is championing scientific research. They are championing gender equality. It takes a little subtlety to harmonize these strands. But it's doable." The article then chastised Google CEO, Sundar Pichai, for lying about the memo and simply joining with the liberal mob in ousting Damore. That Pichai still has a job shows that the board's liberal groupthink problem is pervasive.

Recently, more than a dozen prominent conservative organizations have combined forces to try and combat Google's censorship of their work. Google's search results have also recently labeled conservative politicians as bigots and Nazis.

All of this points to the necessity of implementing our proposal. We believe that boards that incorporate diverse perspectives can think more critically and oversee corporate managers more effectively. Appointing a few conservatives may help the company avoid groupthink. That's a win for investors and a win for true diversity. Please vote yes on proposal 9.

### **David C. Drummond** {BIO 1952796 <GO>}

Thank you. So the final stockholder proposal, which is proposal #10 in the proxy statement, is being brought also by Arjuna Capital on behalf of its clients as lead filer. And The New York State Common Retirement Fund as well as Bruce Alexander Gaguine as co-filers. Farnum Brown will be presenting this proposal as well. Mr. Brown?

### **Farnum Brown** {BIO 4176940 <GO>}

My name is Farnum Brown. And I'm here to move Proposal #10 on behalf of Arjuna Capital and co-filers, including The New York State Common Retirement Fund.

We are asking our company to publish a report on content governance. From political subterfuge, fake news, hate speech and sexual harassment, it is clear that content that violates Google's own terms of service poses a risk to the company's market value and brand. Last year, at this very meeting, we highlighted the risks posed by fake news propagated over the platform. And while our board opposed reporting, we learned six months later. And only through congressional testimony, that abuse of the YouTube platform was far greater than previously acknowledged.

And that Russian agents uploaded more than 1,000 propaganda videos prior to the 2016 U.S. presidential election.

In December, YouTube's CEO, Susan Wojcicki, acknowledged that "some bad actors are exploiting YouTube's openness to mislead, manipulate, harass or even harm." She promised to "stay one step ahead of bad actors, making it harder for policy-violating content to surface or remain on YouTube."

It is clear however, that the company's response to mounting controversies and enforcement of its terms of service continues to be problematic. An April 2018 CNN investigation found that YouTube channels carried ads from over 300 companies and organizations promoting, among other things, white nationalists, Nazis, pedophilia and North Korean propaganda. And an April 2018 CBS poll found a majority of Americans say tougher government regulations are needed to rein in the power of Google and other social media companies. Fines and regulation by governments, lost advertising revenue and a soured brand pose a risk to investment returns. We believe Google's ability to proactively assess its content governance, reporting mechanisms and enforcement capabilities will inform how successfully the platform will navigate a complex landscape.

Leading proxy adviser, Institutional Shareholder Services, ISS, agrees, noting, "The company does seem to be responding to each content management-related controversy in a reactive way. Shareholders would benefit from additional disclosure reviewing and compiling in one report the efficacy of its enforcement of its terms of service related to content policies and assessing the risks posed by content management controversies with statistics on the percentage of content that is flagged as offensive and how that may change over time, how quickly content is removed if it is offensive, or other appropriate quantitative metrics. Therefore, this proposal merits shareholder support."

### **David C. Drummond** {BIO 1952796 <GO>}

Thanks very much, Mr. Brown. So because no further business is scheduled to come before the stockholders, the polls are now open. Now if you've already voted by proxy, you don't need to vote today, unless you'd like to change your vote. And I should also let you know that we've received sufficient proxies before the meeting to know that the proposals we discussed today will either pass or fail in accordance with the recommendations made by our board that are outlined in the proxy statement. However, we want to make sure that everybody gets a chance to vote. So if you want to vote. And you requested a ballot when you registered for the meeting, please complete it now. And we'll give you a few moments to do that. And I think we have some folks who would -- will collect some ballots, if you've got them.

(Voting)

Okay. Looks like we've collected all the ballots in the room. So I hereby declare the polls for each matter voted upon at the meeting closed and direct the Inspector of Elections to collect the ballots. Well I guess, we've collected them all.

And so we can move on to the next segment. So officially, I've been advised by the Inspector of Elections that the nominees for the election to the Board of Directors have been duly elected. I've also been advised by the Inspector of Elections that a majority of the shares of our Class A and B common stock entitled to vote and present at the meeting in person or by proxy voted in favor of proposals 2 and 3. So therefore, each of these proposals has been approved by our stockholders.

I've also been advised by the Inspector of Elections that the majority of our shares of our Class A and Class B common stock entitled to vote and present at the meeting in person or by proxy have voted against proposals 4 through 10. So therefore, each of these stockholder proposals have not been approved by our stockholders. So as soon as possible after the meeting, we'll complete the final vote tabulations. And we'll provide final vote results on our Investor Relations website and also in a filing with the SEC.

So that ends the official business of the meeting. And I declare the formal portion of the meeting adjourned. John and Sundar will now make some remarks. And after those remarks, we'll have a 20-minute question-and-answer session.

Since I'm a lawyer, I'm obliged to provide this final note that our statements, remarks, presentations, answers to your questions may contain forward-looking statements about our business look -- outlook and other matters. So actual results and outcomes for these matters may differ from any forward-looking statements we might make due to a number of risks and uncertainties. Those risks are described in detail in our public findings with the SEC.

So I'll now turn the meeting back to John.

### **John L. Hennessy** {BIO 1433018 <GO>}

Thank you, David. As David said, Sundar will be up in a few minutes to give you an update on Google. But I wanted to take this opportunity as the Chair of the Alphabet board to share a little about me and something about my perspective about the incredible journey that Google and Alphabet have been on.

I came to Stanford from the East Coast in 1977 with a newly minted PhD. This location where we're standing was then a family farm. Larry and Sergey were four years old. And the major nexus of the computing industry was somewhere between Boston and New York. Certainly, things have changed a lot in that time. I'm a computer scientist by background. And during the time I've been here, I cofounded 2 companies, MIPS Computer Systems and Atheros Communications, before returning to Stanford, serving as Chair of Computer Science, Dean. And then for 16 years as Stanford's 10th President.

I still remember the first meeting I had with Larry and Sergey in 1997 when I was Dean of Engineering. And they gave me a demo of what would become the Google search engine then running at Stanford. I was absolutely astonished. I knew when I saw it that they had redefined what search meant and accomplished something

which many people probably thought was not possible, a dramatic improvement in the quality of search results.

I remember a few years later, I brought a freshman seminar down to visit then a small company called Google that had a few thousand employees at the time. And Larry and Sergey came to this group of freshmen and talked about their vision of organizing all the world's knowledge and making it useful. And I knew they had a very big picture of what Google could be as a company.

I joined the board in 2004 and have seen some incredible transitions and big milestones in Google's history. Of course, YouTube, Android and Chrome all growing to have billions of users. I've seen the opportunities in mobile explode and advertisers, publishers and partners take advantage of that change.

I was a big believer in the leadership's commitment early on to invest in machine learning and pivoting the company around AI. I still remember a debate we had early on whether AI would be bigger than the Internet or not, I think a debate which is still open. But certainly, given the dramatic improvements in machine learning, one that's very active and may someday come true.

Our board has a great collaborative atmosphere. It works well with the management team and has a diverse set of strengths and experiences. We appointed Alan Mulally, the former President and CEO of Ford Motor Company and the Executive Vice President at Boeing before that, to our board in July 2014. He's brought global business leadership as well as expertise in financial and management.

Roger Ferguson, President and the CEO of TIAA and former member of the Board of Governors of the U.S. Federal Reserve System, joined our board in June of 2016. He has a long record of distinguished service in both the public and private sectors.

Ann Mather joined our board in 2005 and has been chair of our Audit Committee since that time. She brought tremendous financial and accounting expertise to the board, leveraging her experience as CFO at Pixar.

We also this -- in this past year lost 2 board members: Shirley Tilghman on her retirement from the board. And Paul Otellini due to his early tragic death. So we are actively looking for additional independent board members, who can complement the existing expertise and help take Alphabet to that next level.

In searching for new board members, we take the issue of diversity seriously. A diversity of perspectives, ideas and cultures, both within Alphabet and in the tech industry more broadly, leads to the creation of better products and services. And that's reflected in the makeup of our board. Over the last 4 -- few years for open positions on the Alphabet Board of Directors, we have consistently interviewed a diverse set of qualified candidates and found many outstanding new board members that way. We are committed to continuing that. And I can confirm that for

every new Alphabet board opening, we will consider a set of candidates that includes both underrepresented people of color and different genders.

As the company enters its 20th year, there's never been a more exciting time for Google and Alphabet. It's also a time when the company must be deeply thoughtful about its role in society and its impact on our users. Within Google, we now have 7 products that have 1 billion monthly active users: Search, Maps, Chrome, Play, YouTube, Android and Gmail. The core ads business continues to show strong growth. And newer businesses like Cloud, hardware and Play show great promise. We also have great confidence in Sundar's leadership and where he's taking the company.

In our Other Bets, we believe we've developed a strategy and organization that will allow us to innovate in different sectors. And we see tremendous potential in the work happening across Alphabet. As an example, Waymo recently launched a self-driving program for early adopters in Phoenix. This milestone puts us on track to have a commercial ridesharing service with self-driving cars in the next year. But the Waymo team has over 6 million test miles driving in real-world situations across 25 cities and 7 states. In addition, there are billions of miles of simulation and robust testing at our private facility. Our commitment to safety in self-driving vehicles is absolutely paramount.

In May, Verily announced that it is joining a groundbreaking initiative sponsored by the Michael J. Fox Foundation for Parkinson's research, providing the Verily Study Watch to help capture better biosensor data.

I'm incredibly excited by what's ahead for this company and honored to continue working with Larry, Sergey, Sundar and the rest of the board for many years to come.

Now let me ask Sundar to come up and share some of what's happening inside Google. Sundar?

**Sundar Pichai** {BIO 15004624 <GO>}

Good morning, everyone. I appreciate having all of you here. It's great to be here. It's my pleasure.

I also want to thank John. It turns out, one of our criteria for being an Executive Chairman is being an eminent computer scientist. Eric had obviously done pioneering work. And I'm glad to have John at the helm of our board. John recently won the prestigious Turing award. It is the highest award you can get in computer science. If you're looking for a summer beach read, I would recommend Computer Architecture: A Quantitative Approach. I remember struggling through it in college. And we're very, very lucky to have you here, John.

I've always felt we are fortunate as a company to have a timeless mission that feels as relevant today as when Google started when Larry and Sergey started the company

and wrote this mission statement. And if anything, it is something we feel we can do better today, thanks to the progress we are seeing with machine learning and AI. And that's what the company is focused on and we've been hard at work.

Let me give you a couple of examples.

Google Assistant is one of the best ways by which we're using machine learning to make progress against our core mission. We want Google to be there when users need it. We want it to be naturally conversational. We want you to be able to ask questions to Google. Hi. Google. And ask Google to help you with something. And we want to make it very, very easy for you to do so. Google Assistant has made a lot of progress. It's currently available in 10 languages. And by the end of this year, it's going to be available in over 30 languages, serving over 95% of where Android phones are used today. We have enabled it to work with over 5,000 devices. And it supports 1 million actions. So if you want it to remember -- remind you to buy milk when you reach the grocery store or call a Lyft or Uber, we can make those things happen seamlessly.

Another area which is really important to us as a company is Google News. News is foundational to how democracies work. And we want to make sure we really support high-quality journalism. It's more important than ever before. So we recently launched a brand-new Google News product, which uses AI to really personalize and bring the best of what high-quality journalism has to offer. It's really intuitive to use. And we've used machine learning to really offer deep perspective on news and personalize it to users everywhere.

Another area, which is making tremendous progress, which is very, very popular with our users is YouTube. YouTube is now used by over 1.8 billion users. We are really expanding the experience that YouTube offers. And it's become a great product for content creators to build communities, earn a living and reach users everywhere. Recently, we made big strides with the product. We launched YouTube Live. And today, we are really investing in new experiences that bring live content to our users. Coachella was a big example. Beyoncé wowed Coachella and used YouTube to reach over 41 million users through the live stream product.

Just this month, we launched YouTube Music. It not just offers you official versions of songs, like you find everywhere else. But it offers YouTube's unique catalog of remixes, covers, live versions and music videos. And more importantly, it uses machine learning again to deliver the right music for the right moment in a very personalized manner.

One of the things I'm really proud about YouTube is that every single day, we get over 1 billion views of educational content on YouTube. Recently, there was a #YouTubeTaughtMe, which appeared organically by our users. And there were inspiring examples of how YouTube helped someone launch their music career, learned cooking, learned calculus and the examples are endless.

Another area where we are investing as a company is in our hardware products. We are using AI in combination with software and hardware to deliver unique experiences for our users. The best example of it last year was a very popular product, Google Home and Google Home Mini. And towards the end of last year, we sold greater than 1 Google Home every second. And our Net Promoter Scores for these products are best of class in the industry.

We also welcomed Nest to our portfolio of products at Google to supercharge our efforts here. And so far, we have sold more than 11 million Nest products. And in 2017, we sold more Nest products than the previous two years combined. So we're really excited on the progress we are making across the suite of our hardware products. And we plan to invest more here.

An area which we are seeing tremendous momentum is Google Cloud. This is the collection of our offerings for our enterprise customers. Towards the end of last year, last quarter of 2017, we passed \$1 billion per quarter in revenue. And we are expanding Google Cloud in many, many regions around the world. We recently announced regions in Japan, Finland, Hong Kong and Latin America. We are also signing significantly larger, more strategic deals with Google Cloud. Recently signed deals include Airbus, StubHub, Shopify, Verizon, Kohl's, Kroger and PayPal. This reflects that we are working with customers to solve their deep business problems and help them achieve their strategic goals. Our security capabilities, easy-to-use advanced data analytics and machine learning solutions and the secure and leading collaboration platform, G Suite, are winning customers over.

Talking about G Suite, G Suite has reached an inflection point and is serving both enterprise and consumers well at scale. We recently launched an entirely redesigned version of Gmail. Hopefully, you're all using it. It's gotten great reception.

And as part of that, I want to highlight a simple example where we use machine learning to make a day-to-day user experience much, much better. It's called Smart Compose. So as you start typing an email, we automatically, understanding the context, offer suggestions and make it much easier for you to complete your actions.

As part of us approaching all our products, we take our responsibility very, very seriously. Technology can be a tremendously positive force. But it also raises important questions about how we should apply it in the world. We are asking ourselves all those questions, listening to our users and thinking deeply about how to get this right. We take this responsibility very seriously.

As an example, I spoke about Google Cloud and our data centers. Google is deeply committed to sustainability and ensuring we have a positive impact on the environment. In 2010, we began buying renewable energy at scale. Today, we are the largest corporate renewable energy purchaser in the world. Google purchased 100% renewable energy in 2017 to match consumption for global operations, including both our data centers and offices. To date, Google's renewable energy projects have

led to over \$2 billion in new capital investment in the U.S. and over \$3 billion globally.

We are also committed to helping create economic opportunities for everyone. Our commitment is rooted in our belief that technology can play a significant role in improving lives and closing gaps. So I'm really proud of 3 big announcements we made recently. We announced Grow With Google, a new initiative to help people get the skills they need to get a job or grow their business. We announced over \$1 billion in google.org grants and programs over five years to nonprofits around the world. And we committed 1 million employee hours that Googlers can volunteer to nonprofits over the next five years.

Last week, we also released our economic impact report that shows in the U.S., our search and advertising tools generated over \$283 billion in economic activity. And that more than 1.5 million businesses, website publishers and nonprofits nationwide benefited from using Google search and advertising tools. Behind these reports are millions of individual stories about how people are using Google to grow their business and transform their communities.

Before I hand it back to John, I want to end by sharing one of the stories that really touched me. I met Scott Baker last fall in Pittsburgh. And I've remembered his story since. Let's take a look.

(presentation)

## Questions And Answers

### A - John L. Hennessy {BIO 1433018 <GO>}

I'd now like to ask several of our management team to come up: Ruth Porat, our CFO; David Drummond, Senior Vice President; Kent Walker, Chief Counsel; Sundar, of course; and Eileen Naughton, our SVP of People Operations. And we'll now open the floor for questions. We have about 20 minutes. We have microphones there. Could I please ask everybody one question. So we can get through as many people who have questions. And let's try to focus on questions rather than speeches. Shall we start on the left?

### Q - Unidentified Participant

My name is (Eric Sprague). I'm a stockholder from the Sacramento area. And Sundar, you showed the Smart Compose in Gmail from machine learning. But I was wondering in search, I think it's fair to say that since machine learning keeps spam out of Gmail, you use it in search to keep spam out. But how do you use it to separate the good results from the great results?

### A - Sundar Pichai {BIO 15004624 <GO>}



One of the areas where we use machine learning the most is actually search. The way we rank our search results, it's like finding a needle in a haystack. Every single day, over 15% of our queries is something we have never seen before. So to try and find the right web results for that, obviously, we put a lot of work into it. And over the past few years, we've added something called RankBrain, which is based on machine learning. And we actually use it as part of our approach to find the best web results. So it's deeply ingrained in how search works now. And it's a big reason why our search quality remains ahead of everyone else.

**Q - Unidentified Participant**

So that's more for new search phrases. But how about for existing search phrases?

**A - Sundar Pichai** {BIO 15004624 <GO>}

No. It works across the board, particularly I used the fact that we get so many new queries. It's a fact that we can't rely on the work we have done before. And every single day, we have to make sure we get our results right. And that's why machine learning really plays a part.

**Q - John Simpson** {BIO 19018676 <GO>}

Good morning, Mr. Chairman, fellow shareholders. I'm John Simpson. I am an Alphabet shareholder and now after the recent split have 4 shares. And I appreciate the growth in my investment. I'm also Consumer Watchdog's Technology and Privacy Project Director. And my question is about Google's largest unit -- Alphabet's largest unit, Google. And the California Privacy Act, which are going to be on a ballot in November. They would establish the right to know what information is being gathered about you by various businesses, gives you the ability to tell companies to stop selling your personal information data and empowers you to hold companies accountable for data breaches and breaking the law. Google was one of 5 companies to contribute \$200,000 to oppose the measure even before the ballot initiative has formally qualified. Two companies, Facebook and Verizon, have dropped their opposition. Now since Google says it does not even sell data about you, why is the company opposing this privacy protecting ballot initiative? Would you consider dropping your opposition?

**A - John L. Hennessy** {BIO 1433018 <GO>}

Kent, would you like to respond?

**A - Kent Walker** {BIO 15242895 <GO>}

Sure. Thank you, John. Good to see you again. As you know, we have long been one of the leading companies when it comes to privacy and security of user data. We've just gone through a very extensive 2-year long effort with regard to compliance with the General Data Protection Regulation in Europe. And we're bringing many of those protections to users worldwide. As you say, we don't sell user data. And we are in great pains to make sure that people have great control and notice over their data. We're not opposed to regulation. We are in favor of smart regulation. We have noticed there are a number of companies in California, not just in the Internet sector but across the board, have raised concerns that this particular ballot measure may be

unwieldy and counterproductive in trying to protect the interest of consumers. So we have raised some concerns. But we do continue to engage with regulators, legislators in not just California. But across the country and around the world on these issues.

**Q - John Simpson** {BIO 19018676 <GO>}

I believe that this could perhaps be addressed legislatively before it goes on the initiative. Would you be willing to meet with the sponsors of the initiative and perhaps come up with acceptable language?

**A - Kent Walker** {BIO 15242895 <GO>}

Of course, I don't want to go into private conversations. But we're always happy to talk to people both on the legislative side and the regulatory side of all these issues.

**A - John L. Hennessy** {BIO 1433018 <GO>}

Thank you.

**Q - Unidentified Participant**

I was here many years ago. And the surprising benefit to me was having the employees demonstrate products and be able to ask them questions and give feedback. So I'm really disappointed that, that's not here anymore. And I was going to ask you, I'm a frequent user of your products every day. I, unfortunately, find errors and things that could be improved frequently. So I can search for an email somewhere, send it in, maybe I'll get a response, maybe they'll fix something. But there's really something about actually face to face with another human being or even a telephone, which you don't offer. And for example, how about having a half a day, once a year in Mountain View and having these product demos, having talks about how to use the products, getting feedback from users as a group, for example. And having other methods besides just email, which is very impersonal many times and very faceless and lacking, in my opinion.

**A - Sundar Pichai** {BIO 15004624 <GO>}

Well thank you for the suggestion. I mean, when we build consumer products, nothing matters more to us than getting feedback from our consumers. So today, we actually have -- every year, through the course of the year in all our locations around the world, we invite consumers in to do product testing and feedback sessions. And so it's a standard part of the process we do today. And hopefully, you can participate in one of those sessions. And so -- but we do it consistently. Any time we build a product, we do focus groups, we test the product, we observe how users are using it and then ask them to rate and give feedback. And it's a standard part of how we build up our products. But I appreciate your suggestion. And we'll look to address it here, too.

**Q - Unidentified Participant**

So there's no plans, let's say, to have phone support or a feedback solicitation, for example?

**A - Sundar Pichai** {BIO 15004624 <GO>}

We do surveys as part of building our products. And we definitely do offer phone support for many of our products. So for example, if you're a customer of G Suite, for sure, we offer you phone support. Or if you buy a Google Pixel phone, you can call Google. And so we do support. Our advertising products have the same features as well. So we do it for a number of our products today.

**Q - Unidentified Participant**

Good morning. My name is (Tobias) and I'm actually here representing one of your German shareholders today, the Long-Term Investment Corporation, or (inaudible). Thanks for taking my question. My question is about -- also about machine learning and AI. We've heard a lot about that today. The company's talked about this for a long time. And Sergey has also written about its importance in the shareholder letter. And I also have seen some of the very interesting demos you did, Sundar, at the recent I/O conference. And so it's clear to me that the company is a leader in this field. And I just wonder what the source of this leadership is, how we got here. Sundar, do you think you have a -- there's a structural advantage that Alphabet has maybe because of its Search business? Or did you just see the opportunity sooner and started earlier than other companies? Or do you just put more resources onto this project? Maybe you can elaborate a little bit about that.

**A - Sundar Pichai** {BIO 15004624 <GO>}

Look, I mean, it goes back to the foundation of how the company started. And John covered it a bit. And Larry and Sergey always took the view that if you apply deep computer science to solve user problems, you can do it really well. And if you take a long-term view and you approach moon shots, you can make significant progress. And till today, we make sure as a company whenever we look at a problem to solve, we look for the technical insight behind solving the problem and how we can apply computer science. So that culture over time has meant that we've been able to attract the best computer scientists from around the world. And as that field has progressed because of the people we have, we had early insights into the power and potential of machine learning. And we realized it is going to be a point of inflection. And it's something we have -- make sure we are going to invest significantly for the long term but apply it thoughtfully towards solving problems for users. And so I think that foundation is what helps us do these things. But we have to earn it every year and we'll continue doing so.

**Q - Salvador Bustamante**

Good morning. My name is Salvador Bustamante. I'm here on behalf of the Southwestern Carpenters. But I'm also a member of Latinos United for a New America in San Jose. And as we heard during the proposal presentation, Google has struggled to address the issue of diversity. Today, only 4% of its highly paid technical workers of the company are Latino or black. By contrast, large number of its food service workers, janitors, shuttle drivers and security officers are people of color facing wages so low that they struggle to live in Silicon Valley. As Google plans to build a 20,000 workers campus in San Jose, many fear this project will exacerbate the city's housing crisis, pushing out working-class people of color and women-

headed households into the Central Valley to live in RVs or in their cars or the streets. Today, San Jose is one of the most diverse cities in the nation. But that diversity is threatened by extreme rent increases and displacement likely to follow Google expansion. My question is as Google works to increase diversity in its workforce, will the company also make a commitment to ensure its plans for a Google campus do not damage the diversity of San Jose by displacing people of color and women-headed households through working with Silicon Valley Rising on a community benefits agreement?

**A - Eileen Naughton** {BIO 3041372 <GO>}

Do you want to take San Jose?

**A - Kent Walker** {BIO 15242895 <GO>}

Why don't you talk about diversity?

**A - Eileen Naughton** {BIO 3041372 <GO>}

Yes. I can talk about our efforts around diversity. We have a stated objective in the company to have representation of blacks and Hispanics in the U.S.. And an improvement in representation of women reach market supply by 2020. And Sundar has put that objective out to the entire company. And we are working hard against both hiring. But also progression and development of talent and retention of talent. So that is a firm leadership commitment inside. As far as San Jose, I think -- Kent?

**A - Kent Walker** {BIO 15242895 <GO>}

Sure. Yes. We're committed to make this a great thing not just for Google. But for San Jose and all its citizens. So we're working very closely with the city government there. The location is at the Diridon transit hub to make it easy for workers to come in from all parts of the Bay Area, not just San Jose. But we're also exploring possibilities of working on housing initiatives and other kinds of things that could address various impacts. Again, we want this to be a strong positive for everybody involved.

**Q - Salvador Bustamante**

Do we hear a commitment from you guys to enter into community benefits agreement to make sure that people do not get displaced?

**A - Kent Walker** {BIO 15242895 <GO>}

There are a lot of components to that. So I don't want to enter into a commitment sitting here today without sitting around the table with the right people, from the San Jose city government and from the various constituent groups that are there. But we're already pretty actively involved in a number of different conversations here. So I think you will see us doing a lot. I just can't today sit down and give you an itemized list of what that would be.

**A - John L. Hennessy** {BIO 1433018 <GO>}

Thank you.

## **Q - Unidentified Participant**

Good morning. Could you give us an update on Google Pay? Has the -- have the adoption rates since the beginning of the year met your expectations? In what countries are you seeing the highest adoption rate? And anything you can tell us about the opportunities you see for Google in the future? Thank you.

## **A - Sundar Pichai** {BIO 15004624 <GO>}

Payments are -- as part of helping our users, we want them to help get things done. And a lot of getting things done involves making payments, right. And both online and in the real world. And that's where Google Pay comes in. We are partnering with many banks, many financial institutions to provide a seamless payment option for our users around the world. We're making great progress. And one particular thing I would call out, the Google Pay team particularly launched a product in India called Google Tez, which really helps you just to use your phone. And even if you can -- have the phone nearby, can make payment to anyone easily.

## **Q - Unidentified Participant**

Google Tez, is that what you said?

## **A - Sundar Pichai** {BIO 15004624 <GO>}

That's right. And it's off to a great start. So globally, we are seeing a lot of progress with our payment products. But our goal here again is to enable users to make seamless payments. And that's what we are focused on. And happy to share offline more details on the progress we are making.

## **Q - Jeffrey Buchanan** {BIO 1507139 <GO>}

Good afternoon. Thank you, Mr. Chair, members of the board, members of the executive team. My name is Jeffrey Buchanan. I'm here representing Silicon Valley Rising, a community labor coalition in the city of San Jose. Across the Bay Area, as Google and tech giants have grown, we've seen an influx of high wage jobs leading to skyrocketing rents and home prices. As the housing crisis continues, the public is beginning to blame companies like Google for their role in gentrification and displacement. It seems that inaction by the company could create new risks for Google's brand, for its efforts to recruit and sustain its workforce by being identified with the Bay Area's biggest sustainability problem instead of the necessary solutions. I think that it's such a visible problem. We, as shareholders, as we drove to the meeting today were greeted by an RV sitting parked out right in front of the parking lot we were directed to go to. If you look across Mountain View, certainly, there continues to be this very visible sign of the increase in homelessness and the number of RVs that crowd the streets. In San Jose, as mentioned earlier, Google is planning a 20,000 worker campus. And we hope that there's a chance to do things differently for Google as a company here with this. Certainly, Facebook and its expansion in Menlo Park was able to enter into a community benefits agreement, working with community stakeholders, working with communities of color and also avoiding unnecessary legal confrontations with that group as that development proceeded. Do you believe that displacement in the housing crisis presents a brand

risk for the company moving forward? And if so, would you be willing to engage with community leaders to find solutions and to reach a community benefits agreement as your colleagues at Google (sic) (Facebook) were able to do at Menlo Park.

**A - Kent Walker** {BIO 15242895 <GO>}

We appreciate the spirit of this question. And it's very similar to the prior question. Honestly, we don't think of it so much as a brand risk because we're making sure we're doing the right thing on this. And we are, as I said, actively engaged with a lot of different groups and with the city government to make sure we get to a good outcome. A lot of the work we're already doing with regard to our buses and shuttle services are designed to reduce congestion for workers getting to campuses. We want it to be a collaborative process. And we very much don't want to be an adversarial structure. We're moving forward -- it's still early in the process. But I think we are making good progress on that.

**Q - Unidentified Participant**

Good morning. I would like to say thank you. I came two years ago, I was upset. I thought that you're being criticized for not sticking to search. Now I see that you have built search, expanded search and are moving right along. And I'm so glad you didn't listen to critics who said stick to your (muttons). No. That was good. Also, I said to Sergey, I think, I have essential familial tremor. And I use Lyft, which is your very interesting spoon and fork. But that compensates for shaking hands. I see you've now introduced a spork. I haven't bought that yet. I'm still waiting for a knife. I need something. I can't cut meat anymore. I'm reduced to hamburger or having friends cut my meat for me. This is something you need to address. Let's put all this AI aside or maybe you can...

**A - John L. Hennessy** {BIO 1433018 <GO>}

Google hardware.

**Q - Unidentified Participant**

Build me a robot to cut my meat. But honestly, you're doing a fabulous job. Thank you.

**A - John L. Hennessy** {BIO 1433018 <GO>}

Thank you. Over here on the left, my left.

**Q - Rafael Jun Hyung Kim**

Hello. My name is Rafael Jun Kim. I'm like investment and strategy manager at POSCO America. I want to actually ask about the vision and the progress of like Waymo. Tesla is targeting specifically for like a change of logistics in the future for the automated system. And Ford and like other car manufacturing companies are targeting for like car-sharing system, which is like the same like business with like a Waymo in the future. But you guys only just talked about like -- just a bit about Waymo, like a progress or like a vision in the future.

**A - Ruth Porat** {BIO 2536317 <GO>}

Certainly. We're very excited about the opportunity with Waymo. And as John said in his opening comments, it really starts with the efforts that we put in over many years to address safety, safety first, second, third. And that creates this extraordinary opportunity. There are over 1 million people who die on the road every year. And the opportunity to actually make a difference there and save lives is what motivates our engineers. In addition, we have the opportunity to transform cities. You don't have to put valuable resources into parking garages. It can go into education or playgrounds or other places. So we look at this and say it's an extraordinary place for us to put our attention. And very much to your question, the first place we're looking, as John said, is that ridesharing service. And we have our pilot in Phoenix. And we're very excited about how that's going and the next step of that. We do have people in Phoenix who are riding in our self-driving cars now. And then it goes to a commercial opportunity.

**A - David C. Drummond** {BIO 1952796 <GO>}

No one in the front.

**A - Ruth Porat** {BIO 2536317 <GO>}

With no one in the front seat, yes. And we've talked about a number of other opportunities, whether it's logistics or last mile, helping cities deal with what happens after people get off public transit. That last mile problem is a big one as well as licensing the technology. So in our view, when you have this gem at the core, namely a solution to safety, it opens up a host of different opportunities. And that's what we're looking to continue to develop. We are working with a number of partners. As you've seen in the press, our cars, we struck a deal with FCA to have an option to buy a whole number of cars as well as Jaguar. And we're continuing to work across the ecosystem.

**Q - Rafael Jun Hyung Kim**

So compared to like other competitor, like safety is like a primary issue for the Alphabet right now?

**A - Ruth Porat** {BIO 2536317 <GO>}

Safety should be a primary issue for everyone. It's about keeping the roads safe and saving lives. And so we're really proud of what our team has done and have published quite a bit on that. You can see the safety reports that really distinguish how we've done relative to the opportunity out there.

**A - John L. Hennessy** {BIO 1433018 <GO>}

And ma'am, you have the last question.

**Q - Unidentified Participant**

Yes. I'm (Pat Lynn Manharriot) Hello, John.

**A - John L. Hennessy {BIO 1433018 <GO>}**

Hi.

**Q - Unidentified Participant**

I have a couple of thoughts. One is talking about can you partner with the Parkinson's Institute while you're at it in dealing with tremor? And the other thing is, if -- I noticed that the Salesforce tower, part of it has housing. Now this is kind of silly maybe. But I'm not sure, how about some housing above the buildings that you're going to build in San Jose. So that workers in those buildings have first choice to live where they work, thus decreasing the traffic on the roads and then again doing some more things about maybe paying people who are the janitors and the bus drivers and the other support staff, pay them at a higher wage so that they can live. You can be a good example in that. And I'm just asking you to consider doing those things.

**A - John L. Hennessy {BIO 1433018 <GO>}**

Yes. Thank you. Well I think those are all good suggestions. I think we all agree that if the Bay Area is going to continue to be the center of technical excellence and creativity, we're going to have to solve our problems of housing and transportation. And it's going to require governments working with institutions and companies to solve that. And that's the only way we'll solve it. But if we're not committed to it, somebody will eventually replace the Bay Area as the next major center of innovation. And it will be a shame on all of us.

Thank you, all, for joining us at the 2018 Annual Meeting of Shareholders. The meeting is now adjourned.

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